



B K BIRLA GROUP OF COMPANIES



40th ANNUAL REPORT 2015-16

MANGALAM CEMENT LIMITED

Forward-looking statement



This annual 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. This is to enable investors to comprehend our prospects and take investment decisions. 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.



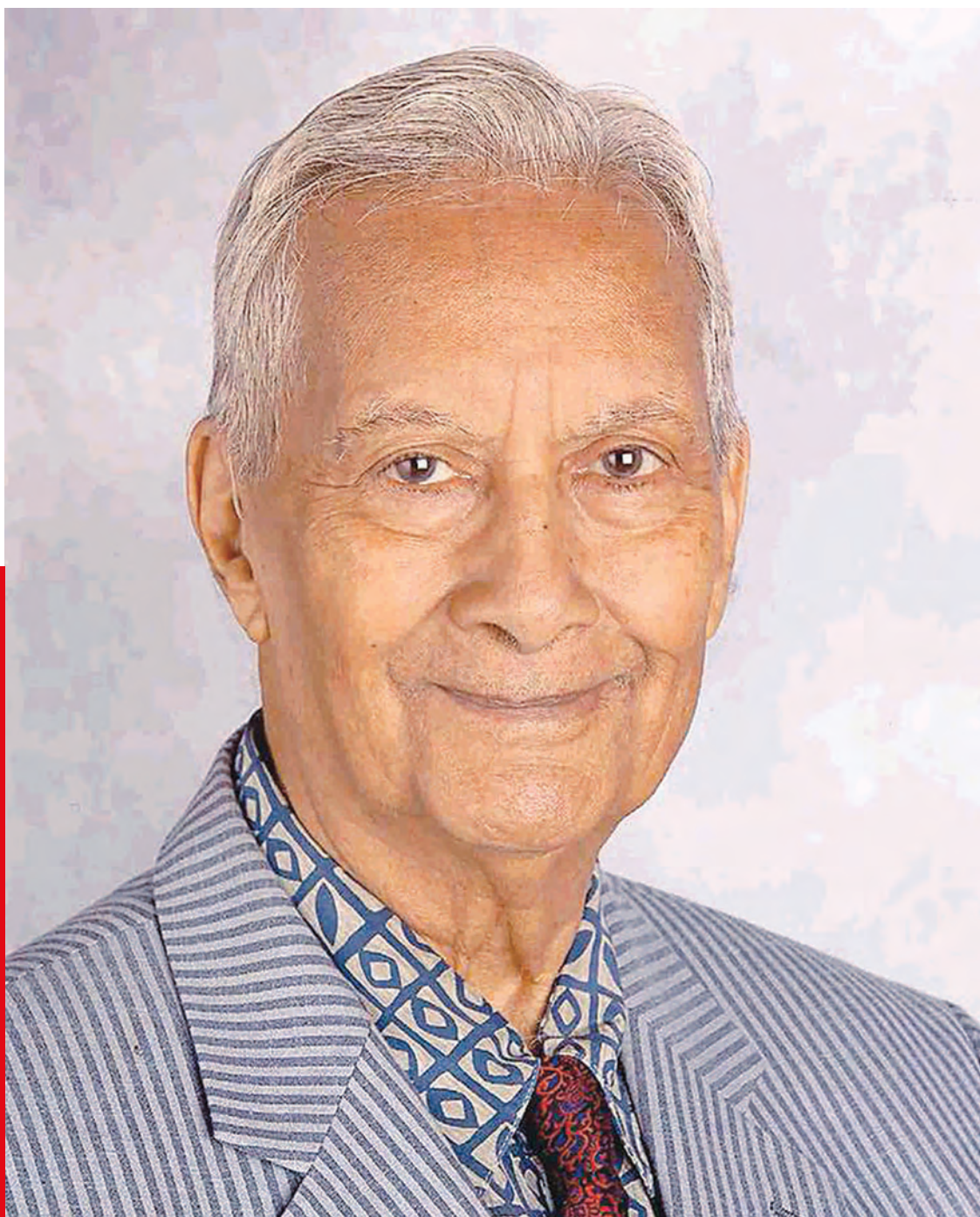
Contents

| | |
|---|----|
| Corporate Overview | |
| Our Journey so far | 3 |
| Board of Directors | 4 |
| About Mangalam Cement | 6 |
| Performance Highlights | 7 |
| Awards & Recognitions | 8 |
| Our Marketing Initiatives | 10 |
| Our Operations | 12 |
| Our Human Resources | 14 |
| Our Green Initiatives | 15 |
| Corporate Social Responsibility : Driving Changes | 16 |
| Statutory Reports | |
| Report of the Directors | 18 |
| Management Discussion and Analysis | 24 |
| Corporate Governance Report | 39 |
| Financial Statements | |
| Independent Auditors' Report | 51 |
| Balance Sheet | 56 |
| Statement of Profit & Loss | 57 |
| Cash Flow Statement | 58 |
| Notes | 60 |
| Corporate Information | 80 |



◀ Actual Day view of plant at Morak

Shri B. K. BIRLA



Our Journey so Far...

2016

New Grinding Unit at Aligarh with a capacity of 0.75 MTPA.

2014

A new cement grinding mill with a capacity of 1.25 MTPA was commissioned.

2013

Clinker production further increased by 0.50 MTPA.

2011

Second captive thermal power plant with a capacity of 17.50 MW was commissioned.

2009

Clinker production increased by 750 MT per day. Cement grinding capacity enhanced to 2 MTPA.

Seven wind turbines with a cumulative capacity of 6.15 MW were installed in Jaisalmer

2008

Captive thermal power plant with a capacity of 17.50 MW commenced commercial production.

2007

2005

Clinker production increased by 700 MT per day. Cement grinding capacity enhanced from 1 MTPA to 1.50 MTPA.

1994

Neer Shree commenced production with an enhanced capacity of 1 MTPA.

Neer Shree (Unit II), a new plant with a capacity of 6 lacs ton was set up.

1993

Cement production of 0.40 million ton per annum (MTPA) commenced on 1 March 1981.

1981

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 Waterhouse Coopers, UK/India. He served as the Chairman and Senior Partner of Price Waterhouse Coopers (PwC), India, for seven years before retiring in 2003. Subsequent to his retirement, Shri Ganguli's membership in boards of various companies as an Independent Director has helped him gain board-level experience.



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 looks after 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, was 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.

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.

Smt. Vidula Jalan**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.

About 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 four decades of industry experience.

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

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

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

We operate across Delhi NCR, Rajasthan, Madhya Pradesh, Haryana and Western Uttar Pradesh through 1,150 dealers and 2,057 retailers.

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

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

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

Operating Locations

- Corporate Office in Kolkata (West Bengal)
- Cement and coal-based power plant at Aditya Nagar, Kota district (Rajasthan)
- Wind Turbine at Jaisalmer district (Rajasthan)
- Regional offices at Kota, Jaipur and Delhi

Capacities

| | |
|---------------|-----------|
| Cement | 3.25 MTPA |
| Power | 35 MW |
| Wind Turbines | 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

Our Products

Portland Pozzolana Cement (PPC)

Special blended cement which has hydraulic binding properties

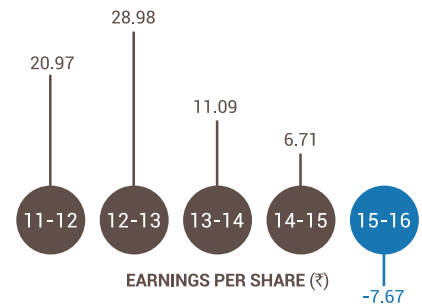
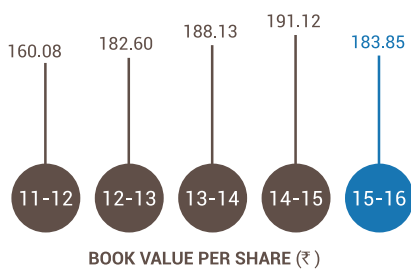
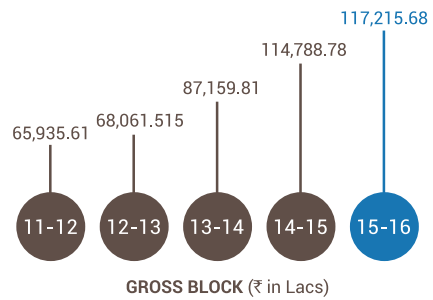
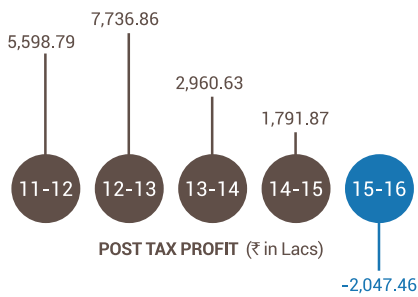
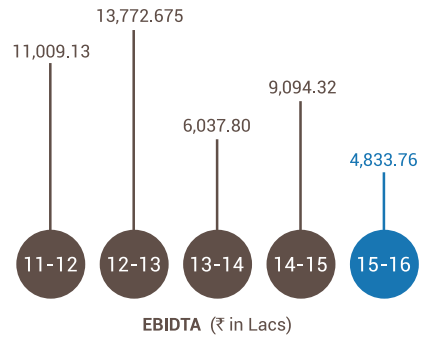
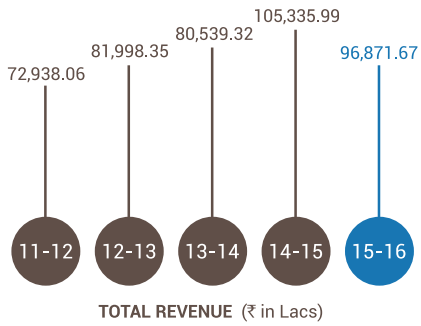
Ordinary Portland Cement 43 Grade

Most commonly used cement in all constructions

Ordinary Portland Cement 53 Grade

Produced from high - quality clinker, provides high strength and durability to structures

Performance Highlights



152.48 lac Kwh

Captive green energy production

1575.78 lac Kwh

Captive thermal energy production

22.13 lac tonnes

Highest cement production

22.02 lac tonnes

Highest dispatch of cement

Awards & Recognitions

During the year, Mangalam Cement got various awards and recognitions:

National award received from CII for excellence in Energy Management in the cement sector



Award received from Shri Gajendra Singh, Honourable Minister for Industries, Government of Rajasthan for improvement in productivity performance

National energy conservation award 2015 by the Ministry of Power, Government of India, for energy conservation in the cement sector



Award received from Shri Sanjay Malhotra, Energy Secretary for Government of Rajasthan, for energy conservation in the cement sector

Award received from Shri Kalicharan Saraf, Honourable Minister for Higher Education, Government of Rajasthan for outstanding performance in Rural Development.



Received **first prize** in the field of **Top Soil Management** in 26th Mines Environment & Mineral Conservation Week 2015-2016 in the Mechanized Open Cast Mines: Group – I under the aegis of Indian Bureau of Mines, Ajmer Region.

Received second prize in the field of Afforestation in 26th Mines Environment & Mineral Conservation Week 2015-2016 in Fully Mechanized Open Cast Mines : Group – I under the aegis of Indian Bureau of Mines, Ajmer Region.



Our Marketing Initiatives



OUR NEW LOGO

The brand logo was re-designed to create a new identity wherein the central white symbolises the corporate legacy of ethical purity and transparency, combined with the aggressive red border to denote new found vitality and speed. UTTAM in bold black stands as a powerful new identity.



The President of Marketing unveiled the new logo.



Diwali celebrations with the Network

MARKETING CAMPAIGN

We launched an aggressive marketing campaign with customer centricity as the main focus. The "Jal kam...Jalan Kam" slogan became a buzzword across all segments and won the award for integrated /social development campaign of the year 2016 from the rural marketing association of India Flame Award 2016.



Branded Mobile Van



Nukkad Nataks

NEW SPIRITS... NEW HORIZONS

An eventful year with several new initiatives to improve Brand Positioning and enhancing Brand recall to reach new horizons

- Created a refreshing new identity with re-designing of the logo, heralding an aggressive approach to marketing with renewed energy and vigour.
- Pioneered the USP based marketing in the industry with our "Jal Kam...Jalan Kam" campaign focusing on water saving and health benefits for the masons with the use of Birla Uttam cement.
- Extended the marketing focus beyond dealer network to the second most important segment of masons and contractors with more than 400 meetings covering 22,000 influencers and Lucky Draws for attractive awards in key markets.

Inter-Regional Cricket Tournament – President (Marketing) with the winners.

NUKKAD NATAKS

The Technical Marketing team takes forward a CSR initiative with Nukkad Nataks in villages around the plant to create awareness in support of the **Swachh Bharat** Campaign.

- Added various Technical Mobile Vans to service the institutional segment and increase the customer confidence in the quality of our cement besides increasing our visibility in key markets.
- Supported the Swachh Bharat campaign by building 100 toilets in villages around the plant to create awareness against open defecation.
- Organized dealers and sub dealer meetings across all markets to strengthen the network.
- Improved marketing efficiencies across all parameters to reduce cost of sales

CRICKET TOURNAMENTS



Our Operations

OUR NEW GRINDING UNIT IN ALIGARH (UP)

Location : K/1, CDF Complex, UPSIDC Industrial Area, Anoop Shahar Road, Cherat, District Aligarh (UP).

The 0.75 million ton per annum cement grinding unit is equipped with a more modern cement mill with latest control systems, weighing and packing equipments that will ensure enhanced product consistency, quality and overall efficiency in operations. Fly ash will be sourced primarily from a nearby Thermal Power Station which is 10 Kms. from the location.

The new grinding unit is 135 Kms away from New Delhi.



New Grinding Unit under construction in Aligarh (UP).

MODERNIZATION

During the year, various sections of Unit 2 were modernized:

- The diameter of the Tertiary Air Duct and its Riser Duct was increased.
- The Calciner's height was increased.
- The Kiln Inlet Riser Duct's diameter was increased.
- The Pre heater Down Comer Duct's diameter was increased.

This resulted in an increase in productivity and a consequent decrease in power and fuel consumption.

IMPROVING EFFICIENCY

- The usage of Coal was switched to Petcoke in CPPs, which resulted in saving specific fuel consumption and generation of Gypsum by using waste product from industries near by.
- The Unit-1 Cross Bar / Clinker Cooler efficiency was improved by replacing a larger MFR.
- An inter transfer belt conveyor was provided for utilizing Limestone from Unit 2 to Unit 1 to avoid road transportation.
- A belt conveyor of 2 KM was provided to transfer Clinker from Unit 2 to MGU to avoid road transportation.
- An automatic fire detection system and rear vision system with camera in the driver's cabin of Heavy Earth Moving Machines (HEMM) was provided to improve efficiency and safety. Auto seat belt reminder, auto dipping system and proximity warning devices were also provided.
- The improved maintenance practices have reduced fuel and lubricant consumption and cost of spare parts.
- Tonnage of blasted material with less explosives was increased by improving blast hole parameters, deck charging and precise delay in firing by indirect initiation with non electric devices.
- The cost per ton of tyre was improved by maintaining haulage roads of mining pits and proficient training of dumper operators.
- A systematic layout of mine design has been adopted which has reduced the lead of dumping place and better utilization of HEMM which in turn has resulted in reduction in handling cost.
- The new HEMM Operators were provided multi skill training to increase their efficiency.
- Changing hammer valve and arresting any leakage in compressors and drilling machines increased their efficiency which in turn resulted in reducing drilling costs.
- Conducted risk assessment, management and monitoring programs among all categories of executives and workers in collaboration with Director of Mine Safety DGMS Gwalior Region to create awareness and install safety measures.
- Systematic back filling and green vegetation is being done as part of the reclamation and rehabilitation program of degraded mined out land. Rain water harvesting in mined out pits has increased the water table of the surrounding area.



Kiln-II Preheater Rehabilitation by increasing height of Calciner, increasing Dia of Tertiary Air Duct & Downcomer Duct

Our Human Resources

TEAM MANGALAM

The Company's human resource management attracts, nurtures and retains talent. We focus on the growth and development of each employee, which reflects in growing productivity and low attrition levels. Our work culture aims to recognize employees' contributions as well as help them to attain job satisfaction.

EMPLOYEE MOTIVATION

The Company recognize top performers of the month for their overall performance, motivating others to follow their example. Over 206 employees have been awarded during this financial year.

Star Performers of the year were awarded during the Republic Day Celebration for productivity improvement, highest attendance and valuable suggestions under the Employee Suggestion Scheme.



Team Mangalam



Energy Conservation Week Competitions

SAFETY DAY CELEBRATION

The Company celebrated National Safety Day by organising various competitions to create awareness about safety at work place, home, road etc.

PRODUCTIVITY WEEK CELEBRATION

National Productivity Week was celebrated in February whereby a variety of competitions were organised to encourage higher productivity and sustainable growth.

ENERGY CONSERVATION WEEK CELEBRATION

Energy Conservation Week was celebrated in December to create awareness of energy conservation.

A variety of programs were organised, such as essay writing, speech competition, slogan writing, quiz for Staff whereby 402 people participated. LED lamps were distributed as a winning prize.

TRAINING ENDEAVOURS

During the year, the Company organized 240 internal training programs and around 3,800 employees attended the same.

70 employees also attended external training programs organized by various organisations such as the NCBM, Regional Training Centre (North), CII, FICCI, FLS India, Director of Factories & Boilers etc.

120 employees participated in training programs held in collaboration with Petroleum Conservation Research Organization (PCRA) on energy conservation techniques within the cement Industry.



Internal Training Program

Our Green Initiatives

GREEN BELT

During the year, approximately 8,850 trees were planted in the Plant, Colony and Mining Areas.

Each employee on their birthday is provided one sapling which to be planted in their premise in the Colony.

CLEAN AIR

During 2015-2016, emission of green house gas was reduced by approximately 44,000 MT through process optimization. To control fugitive emission by vehicular movement, regular water spray is carried out at plant roads and raw material storage areas. Ambient air quality monitoring stations have been provided at various locations in the plant.

Dust collectors have been installed at various transfer points and raw material sheds are installed to control emissions.

Mondays are designated 'Fuel Free Day' and the employees try and avoid using vehicles on this day in the Plant and the Colony.

RAIN WATER HARVESTING

Due to rain water harvesting in mined out pits, water table of the surrounding area has increased.

The Company is also encouraging drip irrigation to conserve water.



Planted trees in Mangalam Cement Factory



Rain Water Harvesting



Greenery around the manufacturing plant at Morak

Corporate Social Responsibility : Driving Changes

The Company values the local community and is deeply involved in education, health, skill development, women empowerment, development programs in addition to providing financial assistance.

EDUCATION

Mangalam DAV School affiliated to CBSE Board has 1,300 students.

The Company has adopted the Government's Industrial Training Institute (ITI), Khairabad under a public private partnership to deliver technical education to the rural youth. ITI students are provided an opportunity to gain work experience in the Company.

HEALTH CARE

Periodical health camps, pulse polio drive, ENT camps, village health camps etc. are organised by the Company whereby more than 4,500 people have benefitted from these camps. The Company has adopted the Community Health Centre, Morak under a Government adoption scheme and takes responsibility for its maintenance and refurbishment. Various equipment, such as water coolers, shifting trolley, mattresses, refrigerators, office and air conditioner etc. have been donated.



Community Health Centre, Ramganj Mandi.

FINANCIAL ASSISTANCE

The Company provides financial assistance to Gram Panchayats for development and maintenance of infrastructure and environment to enable inclusive growth.

COMMUNITY DEVELOPMENT

Financial assistance was provided for the construction of toilets, in line with the Swachh Bharat Abhiyan. Over 300 beneficiaries were motivated and constructed toilets in their houses. Awareness programs on significance of construction and utilizations of toilets was conducted.

The Company's Mahila Mandal Welfare Society actively participates in social activities. They distribute School bags, uniforms, sweaters, books etc.

SKILL DEVELOPMENT

In collaboration with ITI, Khairabad, a three month computer training program was organised whereby 105 students benefitted.

Driving classes were conducted for the rural youth. Approximately 110 people received permanent driving licenses from the nearby villages.



Valedictory Program of Computer Training Classes



Inauguration of Driving Classes

WOMEN EMPOWERMENT

The Company pays special attention to empowering women by spreading awareness, building capacity and providing means of livelihood through various interventions. Tailoring training classes were conducted for 310 women in the current year.



Tailoring Class



Distribution of School Bags

Report of the Directors for the year ended 31st March, 2016

Dear Members,

The Directors have pleasure in presenting the 40th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2016. The summarized Financial Results are given below:

1. FINANCIAL RESULTS

(₹ in Lacs)

| | Current Year ended 31st March, 2016 | Previous Year ended 31st March, 2015 |
|--|--|---|
| Net Sales/ Income from operations | 84176.15 | 92184.74 |
| Operating Profit / (Loss) before interest, Depreciation and Tax and other amortisations ("EBIDTA") | 4833.76 | 9437.53 |
| Less: | | |
| Depreciation and Amortisation Expenses (Net of transfer from Revaluation Reserve) | 3656.88 | 3362.25 |
| Finance Costs | 4138.21 | 3833.41 |
| Exceptional Item | - | (343.21) |
| Tax Expenses (net) | 913.87 | 106.79 |
| | 6881.22 | 7645.66 |
| Net Profit / (Loss) for the year | (2047.46) | 1791.87 |
| Profit brought forward from previous year | 41906.32 | 41041.78 |
| Add: Net Profit / (Loss) for the year | (2047.46) | 1791.87 |
| Profit available for appropriation | 39858.86 | 42833.65 |

2. DIVIDEND

We recommend a dividend of ₹0.50/- (Paisa Fifty Only) per equity share of ₹10/- each for the year ended 31st March, 2016. The total outgo in this respect will be ₹160.64 Lacs including corporate dividend tax.

3. OVERALL PERFORMANCE

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

4. MANAGEMENT DISCUSSION & ANALYSIS

In term of the provision of Regulation 34 (2) (e) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Management Discussion and Analysis forms the part of this 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 152.48 lacs Kwh.

6. CAPTIVE THERMAL POWER PLANT

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 1575.78 lacs Kwh.

7. NEW PROJECTS

The construction and erection work at the Grinding Unit of 0.75 Million Ton Per Annum at Aligarh is in full swing and is

expected to commission commercial production by second quarter of financial year 2016-17.

8. FINANCE

To meet the fund requirement for the ongoing Aligarh Grinding Unit project, the Company has been sanctioned financial assistance to the tune of ₹70.00 crores. Till 31st March, 2016, ₹57.50 crores have been disbursed and utilized.

9. RISK MANAGEMENT

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, 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 2015-16. The details of the board meetings and the attendance of the Directors are provided in the Corporate Governance Report.

14. DIRECTORS

In accordance with the provision of Section 152 (6) and pursuant to the Article of Association of the Company, Smt. Vidula Jalan, Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. The Board recommends her re-appointment. Details of the proposal for her 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.

15. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134 (5) 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 loss 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 the Key Managerial Personnel of the Company during the year under review:

- (i) Smt. Vidula Jalan, Executive Director
- (ii) Shri Anshuman Vikram Jalan, Executive Director
- (iii) Shri Yaswant Mishra, President (Corporate) & CFO (with effect from 07th August, 2015)
- (iv) Shri Anil Kumar Mandot, Chief Financial Officer (upto 07th August, 2015)
- (v) 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, 2016 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 2015-16 |
|--------|---|---|---|--|
| 1 | Smt. Aruna Makhan | Independent and Non-Executive Director | 0.95 | -53% |
| 2 | Shri Amal Ganguli | Independent and Non-Executive Director | 0.72 | -51% |
| 3 | Shri N. G. Khaitan | Independent and Non-Executive Director | 0.44 | -65% |
| 4 | Shri Gaurav Goel | Independent and Non-Executive Director | 0.46 | -59% |
| 5 | Shri K. C. Jain | Non-Executive Director | 0.49 | -62% |
| 6 | Smt. Vidula Jalan | Executive Director | 20.25 | -19% |
| 7 | Shri Anshuman Vikram Jalan | Executive Director | 19.69 | -22% |
| 8 | Shri Yaswant Mishra | President (Corporate) & CFO [CFO w.e.f. 7th August, 2015] | N.A. | 0%* |
| 9 | Shri Swadesh Agrawal | Company Secretary | N.A. | 0% |

* Percentage increase has been calculated based on his full year remuneration as he was employed with the Company for full year

Median remuneration of the Employees of the Company during the financial year: ₹ 3.89 lacs.

- (ii) Percentage increase in the median remuneration of employees in the financial year 2015-16 is 16.74%.
- (iii) There are 1072 Permanent Employees on the rolls as on 31st March, 2016 of the Company.
- (iv) Explanation w.r.t average increase in remuneration and Company's performance:
- Net Loss for the financial year ended March 31, 2016 was ₹2047.46 lacs as compared to Net Profit of ₹1791.87 lacs in the previous year. The increase in median remuneration was 16.74%. The average increase in median remuneration is primarily due to increase in headcounts at managerial & higher paid levels whereas overall there was decrease in headcounts compare to previous year.
- (v) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company: The total remuneration of Key Managerial Personnel (KMP) increased by 9.59%. Net loss was ₹2047.46 lacs as compared to Net Profit of ₹1791.87 lacs in the previous year. Increase in remuneration of KMP (net) is collective result of talent bought to table, Company's business interest, industry standards and applicable regulatory framework.
- (vi) Variations in the market Capitalization of the Company and PE Ratio
- a. The market capitalization as on 31st March, 2016 was ₹586 crores as on 31st March, 2016. (₹705 crores as on 31st March, 2015.)
- b. Price Earnings ratio of the Company as at 31st March, 2016: Not computed in view of Loss (as at 31st March, 2015: 39.34)
- c. 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 BSE Ltd. and National Stock Exchanges of India Ltd.
- (vii) Average Percentile increase in the Salaries of the Employees other than Managerial Personnel in financial year 2015-16 is 15.40% as compared to 9.59% increase in the Managerial Remuneration for the same period. As mentioned in sn (iv) above increase in salary in FY 2015-16 is mainly due to increase in headcounts at managerial & higher paid levels whereas overall there is decrease in headcounts compare to previous year.
- (viii) Key Parameters for any 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 64.21%.
- (x) It is hereby affirmed that the remuneration paid is 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 |

The Corporate Social Responsibility (CSR) Policy as approved by the Board is uploaded on the Company's website at the web link: http://www.mangalamcement.com/pdf/policy/corporate_social_responsibility_policy.pdf

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 2015-16.

The Secretarial Audit Report for the financial year 2015-16 forms part of this report as Annexure – 3. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Board has re-appointed Mr. Pradeep Pincha of M/s P Pincha & Associates, Practicing Company Secretary as secretarial auditor of the Company for the financial year 2016-17.

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 SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. 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

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 SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, 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 SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 relating to Corporate Governance 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 N. G. Khaitan – Chairman | Independent & Non-Executive Director |
| Smt. Aruna Makhan | Independent & Non-Executive Director |
| Shri Gaurav Goel | Independent & Non-Executive Director |
| Shri K. C. Jain | Non-Executive Director |

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 behavior, 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 organization. The Whistle Blower Policy is available on the website of the Company.

30. PERFORMANCE EVALUATION

Pursuant to SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 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. NOMINATION AND REMUNERATION POLICY

The Company has in place a formal Nomination and Remuneration Policy formulated as per the provisions of Section 178(3) of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The extract of the policy is attached at Annexure - 6 to this Report.

33. LISTING AGREEMENT

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligation and Disclosure Requirements), Regulation, 2015, with the aim to consolidate and streamline the provision of the Listing Agreement for different segment of capital markets to ensure better enforceability. The said regulations were effective December 1, 2015. Accordingly, all listed entities were required to enter into Listing Agreement within six months from the effective date. The Company entered into Listing Agreement with BSE Limited and the National Stock Exchange of India Limited within stipulated time frame.

34. INTERNAL FINANCE CONTROL

The Company has in place internal financial control systems, commensurate with the size and complexity of its operations, to ensure proper recording of financial and monitoring of operational effectiveness and compliance of various regulatory and statutory requirements.

35. INDIAN ACCOUNTING STANDARDS (IND AS) IFRS CONVERGED STANDARDS:

The Ministry of Corporate Affairs vide its notification dated 16.02.2015 has notified the Companies (Indian Accounting Standard) Rules, 2015. In pursuance of this notification, the Company has adopted IND AS with effect from 1st April, 2016 with the comparatives for the year ended 31st March, 2016.

36. INFORMATION TECHNOLOGY

Effective 1st April, 2016 your Company has successfully upgraded its Legacy ERP to SAP having highly scalable in-memory platform and the new S/4 HANA platform. Your Company is the first organisation in the country to implement S/4 HANA and second in Asia Pacific Japan. This has set the foundation for future innovations and scalability of technology platform that will also allow us to rapidly integrate the core transactional platform as newer business models emerge for the company. This has also provided your Company with capability to analyse vast amounts of data across multiple dimensions and derive insights

In addition to the above, your Company continuously strives to explore key emerging technologies that are relevant for the business.

37. ENVIRONMENT, HEALTH AND SAFTY

Environment, Health and Safety (EHS) is one of the primary focus areas for your Company. Your Company's EHS policy is to consider compliance to statutory EHS requirements as the minimum performance standard and is committed to go beyond and adopt stricter standards wherever appropriate.

Your Company has made substantial investments in the past year to generate more Renewable Energy. The Company operate wind turbines of an aggregate capacity of 13.65 MW at Jaisalmer, Rajasthan. This has assisted the Company to mitigate 22,700 MT of equivalent CO₂ emissions annually. The project has been registered under the Clean Development Mechanism (CDM) with the United Nations Framework Conventions on Climate Change (UNFCCC).

Your Company 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. Company encourage its employees and their families to actively participate in our plantation drives.

Your Company conducted regular health camps to monitor the health of farmers and educate them about disease prevention and care. Company also provided financial assistance to several hospitals and also adopted CHC Morak under a scheme of the Government of Rajasthan and assisted its maintenance and refurbishment. Your Company organised healthcare camps for specially-abled people. A team of specialised doctors, in collaboration with the Government of Rajasthan made the event successful.

| Activities | No. of Patient(s) |
|--------------------------|-------------------|
| No of Patient Attended | 24,352 |
| Periodic Health Check Up | 1,066 |
| Pulse Polio Drive | 1,447 |
| ENT | 160 |

In your Company safety is of utmost importance and a culture of safety is brought in, not just for the Company's staff but also for contract workers, raw material suppliers and transporters etc. through training programs/ communications.

38. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

The Company has transferred a sum of Rs. 11,46,750/- during the financial year 2015-16 to the Investor Education and Protection Fund established by the Central Government in compliance with section 125 of the Companies Act, 2013. The said amount represents unclaimed dividends which were lying with the Company for a period of 7 years from their respective due dates of payment. Prior to transferring the aforesaid sum, the Company has sent reminders to the shareholders for submitting their claims for unclaimed dividend.

39. PUBLIC DEPOSITS

Your Company has neither invited nor 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.

40. CASH FLOW ANALYSIS

In conformity with the provision of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, a cash flow statement for the financial year ended 31st March 2016 forms part of the audited accounts.

41. AWARDS

Your Directors are pleased to inform that the Company has received the following awards during the year 2015-16;

- National Award for "Excellence in Energy Management -2015" from CII
- Productivity Award 2013 - 2014 from Rajasthan State Productivity Council
- Energy Conservation Merit Award – 2015 from Rajasthan State Government
- For Excellent Rural Development Work from Rajasthan State Government for the Year 2014-15

42. 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.

Management Discussion & Analysis

INDUSTRY OVERVIEW

The GDP growth of India, during FY 2015-16 has inched upto about 7.5% from 7.2% in the previous fiscal and it is expected to sustain this momentum in FY 2016-17. Following the government's emphasis on Infrastructure and allied sectors cement consumption is expected to rise. Monsoon failures in two preceding years had adversely impacted the growth and with expected normal monsoon this year, the Indian economy should witness a good demand and overall GDP growth that has a positive correlation with cement demand.

In FY16 cement demand in India was very low particularly from the Housing sector but witnessed a sign of recovery in the last quarter and with expected revival in the economy, the cement industry is expected to grow better. Demand as well prices of Cement should improve with increased investment in infrastructure development, construction of smart cities and housing projects.

Further, availability of fly-ash and the focus on reducing the carbon foot print has increased production of blended cement in the industry.

PERFORMANCE REVIEW

During the FY 2015-16 cement prices remained under pressure and had an adverse impact on the profitability of the Company. Cost of production has also been pushed up on account of increase in input prices and Levy of Central Cess @ 2% of the Royalty for Natural Mineral Exploration Trust and District Cess at 30% of the Royalty for Mineral Foundation Trust. The Company has started using Pet Coke in the cement plant as well as in the captive power plant which has helped in reduction of power and fuel costs.

The Company has produced 2.21 MMT of cement as compared to 2.14 MMT in the previous year, witnessing a growth of 3%.

Financial Highlights

(₹ in Lacs)

| Particulars | FY16 | FY15 |
|--|-----------|----------|
| Revenue from Operation | 84176.15 | 92184.74 |
| Profit/(Loss) before Interest, Depreciation & Taxation | 4833.76 | 9437.53 |
| Less: Interest and Finance Charges | 4138.21 | 3833.41 |
| Profit/(Loss) after Interest | 695.55 | 5604.12 |
| Less: Depreciation and Amortisation | 3656.88 | 3362.25 |
| Profit/(Loss) before Tax | (2961.33) | 1898.66 |
| Net Profit/(Loss) after Tax | (2047.46) | 1791.87 |

Revenue from Operations decreased by 9% from ₹92184.74 lakhs in the previous year to ₹84176.15 lakhs in the current year.

Profit before depreciation and tax was lower at ₹695.55 lakhs as against ₹5604.12 lakhs in the previous year.

Net Loss After Tax was at ₹2047.46 lakhs as against Net Profit After Tax of ₹1791.87 lakhs in the previous year.

EPS is ₹(-) 7.67 per share as against ₹6.71 per share in the previous year.

Production and Capacity Utilisation

| Particulars | FY16 | FY15 |
|------------------------|------|------|
| Production (MMT) : | | |
| Clinker | 1.73 | 1.97 |
| Cement | 2.21 | 2.14 |
| Capacity Utilisation : | 68% | 71% |

Clinker production decreased compared to previous year, while cement production increased marginally by 3% from 2.14 MMT to 2.21 MMT. Capacity utilisation was at 68%.

● Sales and Despatch Volume

| Particulars | FY16 | FY15 |
|-----------------------|------|------|
| Sales Volume (MMT) : | | |
| Cement | 2.36 | 2.30 |
| Clinker | 0.12 | 0.16 |
| Despatch Volume (MMT) | | |
| Cement | 2.20 | 2.14 |
| Clinker | 0.12 | 0.16 |

Cement sales volume remained flat at previous year levels. The industry overall, witnessed growth of approximately 5.6%, one of the lowest in the decade.

Prices remained volatile. Although the first half witnessed an improving trend, in the latter part of the year prices started declining. Overall domestic cement realisation was up by 9%, linked mainly to improved demand in the first half of the year.

● Power and Coal Consumption

| Particulars | FY16 | FY15 |
|---|----------|----------|
| Power Consumption (Per MT of Cement) | 75 kwh | 78 kwh |
| Coal Consumption (Per MT of Clinker) | 95.56 Kg | 94.87 Kg |

● Power generation

| Particulars | FY16 | FY15 |
|--|---------|---------|
| Captive Thermal Power Plant (In Lacs kwh) | 1575.78 | 1696.98 |
| Wind Turbines (In Lacs kwh) | 152.48 | 178.25 |

The Company's performance has been adversely affected due to subdued demand and the pressure on realisations. However the Company has maintained the volume increase of 27% taken in previous year on enhanced capacity.

With nearly 410 million tonnes of cement production capacity in 2016, India is the second largest cement producer in the world. By 2025, cement production is expected to reach to 550 million tonnes.

Cement business is a long term play and the industry has witnessed the cycles of low and high growths before. With the latest indications given by the RBI about the possibility of revival in the economy, in the current fiscal the industry can be expected to bounce back with the growth in consumption.

The infrastructure and investment cycle is expected to pick up which in turn would support the demand for cement. Infrastructure projects such as Dedicated Freight Corridors as well as new and upgraded airports and ports are expected to further drive construction activity. Further, improved sentiments are likely to result in new projects being announced by the private sector. This leads to the demand to pick-up and gradually improve in the medium term in line with recovery in infrastructure, investment cycle and overall economy.

The capacity addition is expected to slow down considerably in FY17 with the industry likely to add only 3 MTPA of capacity. With steady growth in demand (assuming 6% p.a. in FY17) the capacity utilization likely to improve to 73% in FY17. With the auctions of limestone reserves under the Mines and Minerals (Development

and Regulation) Amendment bill, acquisition price for new limestone reserves is also likely to increase.

Increasing duties and input costs push up the cost of production and without a corresponding improvement in the market and demand lead to pressure on the reactors. This will continue to be a challenge in improving the overall scenario in respect of cement.

RISK MANAGEMENT

Mangalam Cement with its proactive awareness, appraisal and mitigation measures, ensures a secured business environment. The Company has well defined Enterprise Risk Management (ERM) policies in place to identify, manage and mitigate risks.

The Company has identified the following key risks :

Key input risk: The Company possess sufficient limestone reserves for existing operations but to meet the future expansion program, getting additional reserve seems difficult, because now all mining leases are granted through auction/bidding which increases cost. Cost of other raw materials such as Coal, Gypsum and Fly Ash has also been increasing for which the Company has taken several steps to meet these challenges through utilization of alternate raw material & fuel sources, increased energy efficiency and executing long term contract with suppliers for supply of key raw materials.

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. 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.

Competition risk: The Cement Industry is becoming intensely competitive with the foray of new entrants and some of the existing players adopting inorganic growth strategies. To mitigate this risk, the Company is leveraging its newly created capacities to increase market share, enhance brand equity and visibility, enlarge product portfolio and service offerings.

Human asset risk: With the industry growing at a fast pace and demand for experienced and trained manpower outstripping supply, the ability to retain existing talent and attract new professional talent assumes crucial importance. The Company provides specialised training to its employees and is consistently building a leadership pipeline.

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.

Interest Rate and Currency Risk: To protect itself from the volatility prevailing in the current global financial system, company maintains its long term borrowing on fixed interest rate. Company hedges all its foreign currency borrowings through appropriate forward covers and swap instruments.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company's internal control procedures are adequate to ensure compliance with various policies, practices and statutes in keeping with the organization's pace of growth and increasing complexity of operations.

Your Company maintains a system of internal controls designed to provide reasonable assurance regarding the following:

- Effectiveness and efficiency of operations

- Adequacy of safeguards for assets
- Prevention and detection of frauds and errors
- Accuracy and completeness of the accounting records
- Timely preparation of reliable financial information

The internal controls and governance process are duly reviewed for their adequacy and effectiveness through periodic audits by independent internal and external auditors. The Audit Committee is periodically briefed on the corrective and preventive action taken to mitigate the risks.

HUMAN RESOURCES

As always, people development continues to be an extremely important area in your Company. 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. Your Company had 1072 employees, as on 31st March, 2016.

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.

Annexure - 1

FORM NO. MGT – 9**Extract of Annual Return**

as on financial year ended on 31st March, 2016

[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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A. Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year 1st April, 2015 | | No. of Shares held at the end of the year 31st March, 2016 | | % Change during the year | |
|---|---|------------|--|------------|--------------------------|------------------|
| | Demat | Physical | Demat | Physical | No. of Shares | % of Changes |
| A. Promoters & Promoter group | | | | | | |
| (1) Indian | | | | | | |
| a. Individual/HUF | 46540 | NIL | 80540 | NIL | 80540 | 0.30 |
| b. Central Govt | NIL | NIL | NIL | NIL | NIL | NIL |
| c. State Govt (s) | NIL | NIL | NIL | NIL | NIL | NIL |
| d. Bodies Corp. | 7270063 | NIL | 3464350 | NIL | 3464350 | 12.98 |
| e. Banks / FI | NIL | NIL | NIL | NIL | NIL | NIL |
| f. Any Other. | NIL | NIL | NIL | NIL | NIL | NIL |
| Sub-total (A) (1):- | 7316603 | NIL | 3544890 | NIL | 3544890 | 13.28 |
| 2) Foreign | | | | | | |
| a) NRIs - Individuals | NIL | NIL | NIL | NIL | NIL | NIL |
| b) Other - Individuals | NIL | NIL | NIL | NIL | NIL | NIL |
| c) Bodies Corp. | NIL | NIL | NIL | NIL | NIL | NIL |
| d) Banks / FI | NIL | NIL | NIL | NIL | NIL | NIL |
| e) Any Other | NIL | NIL | NIL | NIL | NIL | NIL |
| Sub-total (A) (2):- | NIL | NIL | NIL | NIL | NIL | NIL |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2) | 7316603 | NIL | 3544890 | NIL | 3544890 | 13.28 |
| B. Public Shareholding | | | | | | |
| 1. Institutions | | | | | | |
| a) Mutual Funds | 1191378 | NIL | 1138298 | NIL | 1138298 | 4.26 |
| b) Banks / FI | 64469 | NIL | 9912 | NIL | 9912 | 0.04 |
| c) Central Govt | NIL | NIL | NIL | NIL | NIL | 0.00 |
| d) State Govt(s) | NIL | NIL | NIL | NIL | NIL | 0.00 |
| e) Venture Capital Funds | NIL | NIL | NIL | NIL | NIL | 0.00 |
| f) Insurance Companies | 250 | NIL | 250 | NIL | 250 | 0.00 |
| g) FIs | 1783241 | NIL | 2654876 | NIL | 2654876 | 9.95 |
| h) Foreign Venture Capital Funds | NIL | NIL | NIL | NIL | NIL | NIL |
| i) Others (specify Qualified Foreign Investor) | NIL | NIL | NIL | NIL | NIL | NIL |
| Sub-total (B)(1):- | 3039338 | NIL | 3803336 | NIL | 3803336 | 14.25 |
| Sub-total (B)(2):- | | | | | | |
| Total shareholding of Promoter (A) + Sub-total (B)(1) + Sub-total (B)(2) | 10355941 | NIL | 7348226 | NIL | 7348226 | (-)14.13 |

| Category of Shareholders | No. of Shares held at the beginning of the year 1st April, 2015 | | No. of Shares held at the end of the year 31st March, 2016 | | % Change during the year | | | | | |
|--|---|---------------|--|-------------------|--------------------------|---------------|-----------------|-------------------|----------------|--------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | No. of Shares | % of Changes |
| 2. Non-Institutions | | | | | | | | | | |
| a) Bodies Corp. | 5381484 | 5235 | 5386719 | 20.18 | 8524276 | 5085 | 8529361 | 31.95 | 3142642 | 11.77 |
| i) Indian | | | | | | | | | | |
| ii) Overseas | | | | | | | | | | |
| b) Individuals | | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lac | 5352381 | 497945 | 5850326 | 21.92 | 4965536 | 479333 | 5444869 | 20.40 | (-)405457 | (-)1.52 |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac | 3481887 | NIL | 3481887 | 13.04 | 3497071 | NIL | 3497071 | 13.10 | 15184 | 0.06 |
| c) Others | | | | | | | | | | |
| i) Directors and Their Relatives | 8880 | NIL | 8880 | 0.03 | 7280 | NIL | 7280 | 0.03 | (-)1600 | (-)0.01 |
| ii) Non Resident Indians/Overseas Corporate Bodies | 658279 | NIL | 658279 | 2.47 | 869495 | NIL | 869495 | 3.25 | 211216 | 0.79 |
| iii) Clearing Members | 74132 | NIL | 74132 | 0.28 | 119928 | NIL | 119928 | 0.45 | 45796 | 0.17 |
| iv) Foreign Companies | | | | | | | | | | |
| v) Trusts | 877616 | NIL | 877616 | 3.29 | 877550 | NIL | 877550 | 3.30 | (-)66 | 0.00 |
| Sub-total (B)(2):- | 15834659 | 503180 | 16337839 | 61.20 | 18861136 | 484418 | 19345554 | 72.47 | 3007715 | 11.27 |
| Total Public Shareholding | | | | | | | | | | |
| (B)=(B)(1)+(B)(2) | 18873997 | 503180 | 19377177 | 72.59 | 22664472 | 484418 | 23148890 | 86.72 | 3771713 | 14.13 |
| C. Shares held by Custodian for GDRs & ADRs | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Grand Total (A+B+C) | 26190600 | 503180 | 26693780 | 100.00 | 26209362 | 484418 | 26693780 | 100.00 | NIL | NIL |

B. Shareholding of Promoter

| S. No. | Shareholder's Name | Shareholding at the beginning of the year 1st April, 2015 | | | Share holding at the end of the year 31st March, 2016 | | | |
|--------|---|---|----------------------------------|--|---|----------------------------------|--|---|
| | | 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. | 38,19,563 | 14.30 | 14.30 | - | - | - | -14.30 |
| 2. | Century Textiles and Industries Ltd. | 22,20,500 | 8.32 | - | 22,20,500 | 8.32 | - | - |
| 3. | Pilani Investment and Industries Corporation Ltd. | 11,20,000 | 4.20 | - | 11,20,000 | 4.20 | - | - |
| 4. | B. K. Birla Foundation | 1,10,000 | 0.41 | - | 1,10,000 | 0.41 | - | - |
| 5. | Smt. Vidula Jalan | 26,000 | 0.10 | - | 60,000 | 0.22 | - | +0.12 |
| 6. | Shri. Anshuman Vikram Jalan | 10,000 | 0.04 | - | 10,000 | 0.04 | - | - |
| 7. | Shri. Basant Kumar Birla | 7,040 | 0.03 | - | 10,540 | 0.04 | - | +0.01 |
| 8. | Smt. Sarala Devi Birla | 3,500 | 0.01 | - | - | - | - | -0.01 |
| 9. | Vidula Consultancy Services Ltd. | - | - | - | 13,850 | 0.05 | - | +0.05 |
| | Total | 73,16,603 | 27.41 | 14.31 | 35,44,890 | 13.28 | - | -14.13 |

C. Change in Promoters' Shareholding: As Above.**D. Shareholding Pattern of top ten Shareholders**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

| S. No. | Top Ten Shareholders | Shareholding at the beginning of the year 1st April, 2015 | | Share holding at the end of the year 31st March, 2016 | |
|--------|--|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the company | No. of Shares | % of total Shares of the company |
| 1. | India Capital Fund Ltd. | 13,97,596 | 5.24 | 19,70,418 | 7.38 |
| 2. | Aditya Marketing & Manufacturing Ltd. | 9,69,200 | 3.63 | 9,69,200 | 3.63 |
| 3. | Kesoram Welfare Society | 8,77,500 | 3.29 | 8,77,500 | 3.29 |
| 4. | Umang Commercial Company Ltd. | 7,78,000 | 2.92 | 7,78,000 | 2.92 |
| 5. | Camden Industries Ltd. | - | - | 38,19,563 | 14.31 |
| 6. | Finquest Securities Pvt. Ltd. | - | - | 4,35,400 | 1.63 |
| 7. | SBI Magnum Mid Cap Fund | - | - | 7,57,620 | 2.83 |
| 8. | Fidelity Asian Values PLC | - | - | 4,04,306 | 1.51 |
| 9. | Manav Investment & Trading Co. Ltd. | 6,03,797 | 2.26 | 6,03,797 | 2.26 |
| 10. | Tata Trustee Co. Ltd. A/c Tata Mutual Fund | 3,43,000 | 1.29 | 3,43,000 | 1.29 |
| 11. | Fidelity Funds- Asian Smaller Companies P.O. | 3,08,889 | 1.16 | - | - |
| 12. | Optimum Stock Trading Co. | 2,50,000 | 0.94 | - | - |
| 13. | SBI Magnum Comma Fund | 7,64,548 | 2.87 | - | - |
| 14. | Tata Investment Corp Ltd. | 4,14,317 | 1.55 | - | - |

E. Shareholding of Directors and Key Managerial Personnel:

| S. No. | For Each of the Directors and KMP | Shareholding at the beginning of the year 1st April, 2015 | | Share holding at the end of the year 31st March, 2016 | |
|--------|---|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the company | No. of Shares | % of total Shares of the company |
| 1 | Smt. Aruna Makhan, Non Executive Independent Director | Nil | - | Nil | - |
| 2 | Shri Amal Ganguli, Non Executive Independent Director | Nil | - | Nil | - |
| 3 | Shri N. G. Khaitan in HUF, Non-Executive Independent Director | 440 | 0.00 | 440 | 0.00 |
| 4 | Shri Gaurav Goel, Non Executive Independent Director | Nil | - | Nil | - |
| 5 | Shri K. C. Jain, Non Executive Director | 6840 | 0.03 | 6840 | 0.03 |
| 6 | Smt. Vidula Jalan, Wholetime Director | 26,000 | 0.10 | 60,000 | 0.22 |
| 7 | Shri A. V. Jalan, Wholetime Director | 10,000 | 0.04 | 10,000 | 0.04 |
| 8 | Shri Yaswant Mishra, President (Corporate) & CFO | Nil | - | Nil | - |
| 9 | 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 | Total Indebtedness |
|---|----------------------------------|-----------------|----------|--------------------|
| (₹ In Lacs) | | | | |
| Indebtedness at the beginning of the financial year (01.04.2015) | | | | |
| i) Principal Amount | 40321.60 | - | - | 40321.60 |
| ii) Interest due but not paid | 52.56 | - | - | 52.56 |
| iii) Interest accrued but not due | 95.97 | - | - | 95.97 |
| Total (i+ii+iii) | 40470.13 | - | - | 40470.13 |
| Change in Indebtedness during the financial year | | | | |
| Addition | 10003.38 | - | - | 10003.38 |
| Reduction | 5850.75 | - | - | 5850.75 |
| Net Change | 4152.63 | - | - | 4152.63 |
| Indebtedness at the end of the financial year (31.03.2016) | | | | |
| i) Principal Amount | 44474.23 | - | - | 44474.23 |
| ii) Interest due but not paid | 85.00 | - | - | 85.00 |
| iii) Interest accrued but not due | 50.24 | - | - | 50.24 |
| Total (i+ii+iii) | 38128.12 | - | - | 38128.12 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(In ₹)

| S. No. | Particulars of Remuneration | Smt. Vidula Jalan Executive Director | Shri A. V. Jalan Executive Director | Total |
|--------|---|---|--|-----------------|
| 1 | Gross salary | | | |
| | (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 | 1050448 | 830275 | 1880723 |
| | (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 | - | - | - |
| 5 | Others, please specify | | | |
| | Provident Fund | 720000 | 720000 | 1440000 |
| | Superannuation Fund (To the extend no taxable under section 17(2)) | 100000 | 100000 | 200000 |
| | Others (To the extend no taxable under section 17(2)) | 15000 | 15000 | 30000 |
| | Total (A) | 7885448 | 7665275 | 15550723 |

B. Remuneration to other directors:

(In ₹)

| Particulars | Shri Amal Ganguli | Smt. Aruna Makhan | Shri N. G. Khaitan | Shri Gaurav Goel | Shri K. C. Jain | Total |
|--|----------------------|----------------------|-----------------------|---------------------|--------------------|----------------|
| 1. Independent Directors | | | | | | |
| Fee for attending board / committee meetings | 280000 | 370000 | 170000 | 180000 | - | 1000000 |
| Commission | - | - | - | - | - | - |
| Others, please specify | - | - | - | - | - | - |
| Total (1) | 280000 | 370000 | 170000 | 180000 | - | 1000000 |
| 2. Other Non-Executive Director | | | | | | |
| Fee for attending board / committee meetings | - | - | - | - | 190000 | 190000 |
| Commission | - | - | - | - | - | - |
| Others, please specify | - | - | - | - | - | - |
| Total (2) | - | - | - | - | 190000 | 190000 |
| Total (B)=(1+2) | 280000 | 370000 | 170000 | 180000 | 190000 | 1190000 |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(In ₹)

| S. No. | Particulars of Remuneration | Key Managerial Personnel | |
|--------|---|--------------------------|-------------------|
| | | CFO | Company Secretary |
| 1 | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 1,13,67,526 | 19,29,696 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 5,40,595 | 2,55,232 |
| | (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 | - | - |
| 5 | Others, please specify | | |
| | Provident Fund | 4,22,772 | 1,01,472 |
| | Superannuation Fund (To the extend no taxable under section 17(2)) | 1,00,000 | 1,00,000 |
| | Others (To the extend no taxable under section 17(2)) | - | 15,000 |
| | Total | 1,24,30,893 | 24,01,400 |

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

Annexure - 2

CSR REPORT

| | | |
|----|--|---|
| 1. | A brief outline of the Company's CSR policy, including overview of project or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. | The Company has formulated a CSR Policy stated in the link mentioned in the Board Report pursuant to the Section 135 of the Companies Act, 2013 and rules framed thereunder. The policy is framed for undertaking activities as may be found beneficial for upliftment of social, environment and economic development for the weaker section preferring local, near to the factory site. |
| 2. | The Composition of CSR Committee | Mentioned in Board Report and Corporate Governance Report |
| 3. | Average net profit of the Company for last three financial year. | ₹5284.43 Lacs |
| 4. | Prescribed CSR Expenditure (two percent of the amount as in item 3 above). | ₹204.78 Lacs including ₹72.00 Lacs being shortfall from the eligible amount for the last financial year 2014-15 was approved by CSR Committee and Board. |
| 5. | Details of CSR spent during the financial year (a) The amount to be spent for the FY (b) Amount up-spent, if any (c) Manner in which the amount spent during the financial year | Details mentioned below |
| 6. | Reason for not spending the prescribed amount | N.A. |

Details of CSR spent during the financial year

| Details of CSR spent during the financial year (Point No. 5 above) | | | | | | | |
|---|---|--|---|--|--|--|---|
| S. 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 i.e. from 01st April, 2015 to March, 2016 | Amount spent: Direct or through implementing agency |
| 1. | Overall development of the local area surrounding the plant | <ul style="list-style-type: none"> • Education • Women Empowerment • Health & Medical Facilities • Environment Sustainability • Rural Sports • Rural development project • National Art & Culture | Local Area i.e. Area surrounding the Plant. | ₹205.88 Lacs | ₹204.78 Lacs including ₹72.00 Lacs being shortfall from the eligible amount for the last financial year 2014-15. | ₹204.78 Lacs | 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.

Anshuman Vikram Jalan
Executive Director

Vidula Jalan
Executive Director &
Chairperson – CSR Committee

Form: MR-3

SECRETARIAL AUDIT REPORT**For the Financial Year ended on 31st March, 2016**

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. 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 our 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 authorized 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, 2016, 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:

We 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, 2016 according to the provisions of:

- | | |
|---|--|
| <ul style="list-style-type: none"> (i) The Companies Act, 2013 (the Act) and the rules made thereunder; (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment (Not applicable to the Company during the Audit Period) | <ul style="list-style-type: none"> (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings; (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- <ul style="list-style-type: none"> a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 1992 (Upto 14th May, 2015) and Regulations 2015 (effective 15th May, 2015) c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit Period) e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the Audit Period) f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit period) g) 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; h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period) & i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period) |
|---|--|

(vii) We 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:

- (a) The Mines and Mineral (Development and Regulation) Act, 1957

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective 1st December, 2015);

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

We 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.

We 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.

We further report that during the audit period, there were no other specific events / actions in pursuance of the above referred law, rules, regulations, guidelines etc, having a major bearing on the Company affairs.

For **P. Pincha & Associates**
Company Secretaries

Pradeep Pincha
Proprietor
M. No.: FCS 5369
C. P. No.:4426

Dated: May 04, 2016
Place: Jaipur

(This report is to be read with our letter of even date which is annexed as Appendix -A which forms an integral part of this report.)

Appendix -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. No.: FCS 5369
C. P. No.:4426

Dated: May 04, 2016
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, 2016**A. CONSERVATION OF ENERGY****1. Energy conservation measures taken:**

In house modification of Unit-II Kiln by carrying out following jobs.

- a) Cross section area in Tertiary Air Duct, Pre-heater Down, Comer Duct, Cooler Take Off Duct and Kiln Riser Duct increased resulting reduction in pressure drop.
- b) Modification in Calciner undertaken which increases residence time.
- c) Modification done in MFR of FLS Cross Bar Clinker Cooler of Unit-I for increasing Cooler efficiency.
- d) Optimization of Cement Mill-I, II & III for improved output rate and reduction in Electrical Energy Consumption.
- e) Replacement of Clinker Belt by Deep Bucket Conveyor in Kiln Unit-I.
- f) Replacement of old rewinded LT motors by high efficiency motors (IE3).
- g) Utilisation of renewable electrical energy for captive use.
- h) Various small modifications were also carried out in plant for improvement in Energy Consumption.

2. Additional investment and proposals, if any, being implemented for reduction of consumption of energy

- a) We are considering the installation of Waste Heat Recovery (WHR) based power plant in our Kiln-I & Kiln-II and expected gross power generation will be around 8.5 MW.
- b) Replacement of old chain type bucket elevators by energy efficient belt bucket elevators in Unit-I Kiln feed section.
- c) Replacement of existing major Process fans by high efficiency fans.
- d) Water spray arrangement in top cyclones of Kiln-I & II.
- e) Replacement of Raw Mill-I (Ball Mill) old generation separator by latest technology separator.

3. Impact of the measures as above for the reduction of energy consumption and consequent impact of the cost of production of goods

By Measures taken in S.No.1 our specific power consumption of plant and specific heat consumption of Kiln-I & II combined has reduced.

The measure stated in S.No.2 above 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

Research & Development (R&D)**I. Specific areas in which R & D carried out-**

Research and Development is an integral part of the organisation. This is undertaken through establishment on regular basis.

The focused areas for R & D are-

1. Augment of product quality.
2. Optimization of raw material consumption on the basis of economy, availability and quality of the product.
3. Energy conservation is in the form of power and fuel.
4. Improving clinker factor for cement production towards environment protection and conservation of natural resources.
5. Improvement in the product quality to the international standards.
6. Debottle necking of the system so as to utilize the technology with maximum efficiency.
7. Development of pollution free environment through on line stacks monitoring systems.

In the financial year 2015-16, the Company has undertaken various projects like:

1. Debottlenecking of pyro process system of kiln-2 for improved efficiency.
2. Utilization of Pet Coke in captive power plants in place of coal.
3. Improvement in raw material feeding systems for power saving and to make system flexible for smooth running of the plant.
4. Improvement in cooler efficiency by internal modifications.
5. Utilization of CPP unburnt fuel.
6. Utilization of crusher –II mines limestone for Unit-I through internal modification in material conveying system.
7. In-house development of auto diverting gate without damper for hot material like clinker.

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

1. Improvement in throughputs.
2. Consistency in plant operations.
3. Consistency in quality.
4. Improvement in refractory life.
5. Reduced power consumption and fuel saving.
6. Saving in Energy, dust & pollution free environment.
7. Reduction in cost of production.

III. Future plans of action-

1. Production of Synthetics Gypsum by usage of industrial waste from nearby industries to help environment.
2. Utilization of performance improver in Ordinary Portland Cement.
3. Wobbler to be installed for effective screening in both the crushers.

4. A proposal to use low grade limestone with aluminous/ ferruginous material to prepare artificial slag.
5. Implementation of Waste Heat Recovery Power Plant to utilize the waste heat from pre-heaters and clinker coolers.
6. Usage of industrial waste to CPP to absorb sulphur and convert into Gypsum.
7. Water sprays system in preheater top cyclone to decrease preheater outlet temperature to reduce power consumption and increase throughput.
8. Utilization of cooler hot gases to captive power plant.
9. Modification of clinker feeding system to cement mill no. -2 by installation of bucket elevator to avoid one belt conveyor.
10. Increase cooler no-2 efficiency by replacement of MFR.

IV. Expenditure on R&D

(₹ in Lacs)

| | 2015-16 | 2014-15 |
|--|---------|---------|
| i Capital | 10.42 | - |
| ii Recurring Expenses | 99.30 | 105.60 |
| iii Total (i+ii) | 109.42 | 105.60 |
| iv Total R&D Expenditure as a percentage of Total Turnover | 0.13% | 0.12% |

V. Technology absorption, adoption and innovation:

Efforts made in brief

- a) Towards technology absorption
 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 optimization, efficient use of energy etc.
 2. Plant personnel were trained by experts, in-house and outside through Seminars and visits.
- b) Benefits derived as a result of above efforts e.g. products improvement, cost reduction, product development, import substitution etc. Improved quality and productivity throughput and cost reduction, due to thermal and electrical Energy savings.
- c) Incase of imported technology (imported during the last 5 years reckoned from the beginning of the Financial year) following information may be furnished
 - (i) Technology imported : NIL
 - (ii) Year of import : N.A
 - (iii) Has Technology been fully absorbed : N.A
 - (iv) If not fully absorbed, areas where this has not taken place, reason thereof and future plan of action : N.A

C. FOREIGN EXCHANGE EARNING AND OUTGO:

- (a) Total foreign exchange earned Nil
- (b) Total foreign exchange used ₹ 813.47 Lacs

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 Governance Report

Annexure – 5

A report on Corporate Governance is set out in compliance with the Corporate Governance requirements as stipulated in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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 SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

II. BOARD OF DIRECTORS:

a) Composition of the Board:

As on 31st March, 2016, 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 SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The composition of Board of Directors is as follows:-

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

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 SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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, 2016 the Board of Directors had four (4) meetings – 04th May 2015, 07th August, 2015, 06th November, 2015 and 03rd February, 2016.

(ii) The attendance record of the Directors at the Board Meetings during the year ended 31st March, 2016 and the last Annual General Meeting (AGM) is as under:

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

c) Shares and Convertible Instruments held by Directors

Details of Shareholding of Directors as on 31st March, 2016 in the Company are as under:

| S.No. | Name of the Director | No. of Equity Shares |
|-------|---------------------------|----------------------|
| 1. | Shri Amal Ganguli | Nil |
| 2. | Smt. Aruna Makhan | Nil |
| 3. | Shri N. G. Khaitan in HUF | 440 |
| 4. | Shri Gaurav Goel | Nil |
| 5. | Shri K. C. Jain | 6,840 |
| 6. | Smt Vidula Jalan | 60,000 |
| 7. | Shri A.V. Jalan | 10,000 |

The Company has no convertible instrument pending as on 31st March, 2016.

d) Familiarisation programme imparted to Independent Directors

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.

e) 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 2015-16 have been received from all Board Members and senior management personnel. There were no materially significant transaction as defined in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 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:

- ✓ 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 SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 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.

- ✓ During the year ended 31st March, 2016, the Audit Committee held 4 meetings -04th May, 2015, 07th August, 2015, 06th November, 2015 and 03rd February, 2016.

- ✓ Details of the composition of the Audit Committee and the attendance at the Meetings held are as follows.

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

- ✓ 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.

✓ 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 utilization of proceeds raised from public/rights issues, if any.

B. Nomination and Remuneration Committee:

- ✓ During the year ended 31st March, 2016, the Nomination and Remuneration Committee held 2 meetings -04th May, 2015 and 07th August, 2015.

- ✓ Details of the composition of the Nomination and Remuneration Committee and the attendance at the Meetings held are as follows.

| S.No. | Name of the Director | Position | Meetings attended |
|-------|----------------------|----------|-------------------|
| 1. | Shri N. G. Khaitan | Chairman | 2 out of 2 |
| 2. | Smt. Aruna Makhan | Member | 2 out of 2 |
| 3. | Shri Gaurav Goel | Member | 2 out of 2 |

- ✓ Terms & Reference of the Committee:
- Formulation of the criteria for determining qualification, positive attributes and independence of Directors.
 - 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, 2013.

- Formulation of criteria for evaluation of the Independent Directors and the Board and carrying out an evaluation of every Director's performance;
 - Devising a policy on Board's diversity;
 - 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.
- ✓ Details of the sitting fee, commission and remuneration paid to the Directors during the year ended 31st March, 2016 are as under:

(In ₹)

| Sr. No | Name of the Director | Salary | Commission Payable for the year | Perquisites | Sitting Fee paid during the year | Total |
|--------|----------------------|-----------|---------------------------------|-------------|----------------------------------|-----------|
| 1. | Shri Amal Ganguli | - | - | - | 2,80,000 | 2,80,000 |
| 2. | Smt. Aruna Makhan | - | - | - | 3,70,000 | 3,70,000 |
| 3. | Shri N. G. Khaitan | - | - | - | 1,70,000 | 1,70,000 |
| 4. | Shri Gaurav Goel | - | - | - | 1,80,000 | 1,80,000 |
| 5. | Shri K. C. Jain | - | - | - | 1,90,000 | 1,90,000 |
| 6. | Smt Vidula Jalan | 60,00,000 | - | 18,85,448 | - | 78,85,448 |
| 7. | Shri A. V. Jalan | 60,00,000 | - | 16,65,275 | - | 76,65,275 |

C. Stakeholder Relationship Committee:

The Stakeholder Relationship Committee of the Directors consists of two Independent Directors and one Non-Executive Director. Stakeholder Relationship Committee meetings were held on 07th August, 2015 and 03rd February, 2016. Details of the attendance at the meetings held are as follows:

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

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

The committee supervises the redressal of shareholders'

and investors' grievances, transfer of shares, non - receipt of annual report, non - receipt of declared dividends and related matters. The committee also oversees the performance of the registrar and transfer agent, recommends measures for overall improvement in the quality of investors' services, approves issue of duplicate / split / consolidation of share certificates and reviews all matters connected with the securities' transfers.

In order to provide efficient and timely services to the investors, the board has delegated the power of approval of issue of duplicate / split / consolidation of share certificates, transfer of shares, transmission of shares, dematerialisation / rematerialisation of shares to the Company Secretary.

The position as on 31st March, 2016 of the shareholders' complaints received and redressed during the financial year:

| Nature of Complaint | Complaints received from | | | Total complaints Received During 2015-16 | Total redressed | No. of grievances outstanding as on 31.3.2016 |
|---|--------------------------|------------------------|-----|--|-----------------|---|
| | Investors Directly | Stock Exchanges & SEBI | ROC | | | |
| Non-receipt of Dividend warrant(s) | 2 | 1 | Nil | 3 | 3 | 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) | 5 | Nil | Nil | 5 | 5 | Nil |
| TOTAL | 7 | 1 | Nil | 8 | 8 | Nil |

D. Share Transfer Committee:

The Committee comprising Shri Amal Ganguli, Smt. Aruna Makhan and Shri K. C. Jain, Directors of the Company. Shri Amal Ganguli is the Chairman of the Committee. The Committee has been given the powers to deal with all the matters related to transfer, transmission, issuance of duplicate certificates, split and/or consolidation requests. In addition, the Company Secretary and certain officials of the company have been given the powers to endorse registration of share transfers and transmission of share certificates. The Committee meets at frequent intervals as and when required.

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. During the period under review, the Committee met twice i.e. on 04th May, 2015 and 06th November, 2015.

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

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

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

The Risk Management Committee was constituted on 13th May, 2014 by the Board. The key responsibilities of the Risk Management Committee are:

- Preparation of a charter/policy on the assessment and minimization 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 members: -

| S.No. | Name of the Director | Position | Meetings attended |
|-------|----------------------|----------|-------------------|
| 1. | Shri A. V. Jalan | Chairman | Nil |
| 2. | Smt. Vidula Jalan | Member | Nil |
| 3. | Shri N. G. Khaitan | Member | 1 out of 1 |
| 4. | Shri K. C. Jain | Member | 1 out of 1 |
| 5. | Shri Yaswant Mishra* | Member | 1 out of 1 |

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

As the Risk Management Committee is mandatory to be constituted by the Top 100 listed entities, determined on the basis of market capitalization and the Company doesn't fall under the said range, hence the Board of Directors of the Company has decided to dissolve the Committee w.e.f 03rd February, 2016.

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:

| S.No. | Name of the Director | Position | Meetings attended |
|-------|----------------------|----------|-------------------|
| 1. | Shri N. G. Khaitan | Chairman | 1 out of 1 |
| 2. | Shri A. V. Jalan | Member | 1 out of 1 |
| 3. | Smt. Vidula Jalan | Member | 1 out of 1 |

IV. 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 |
|------|----------------|----------------------------------|---|
| 37th | 2012-13 | Monday, 29.07.2013 at 11.30 AM | Club Hall, Mangalam Cement Ltd. Adityanagar 326520, Morak, Dist. Kota, Rajasthan. |
| 38th | 2013-14 | Saturday, 13.09.2014 at 11.30 AM | -do- |
| 39th | 2014-15 | Monday, 17.08.2015 at 11.30 AM | -do- |

- a) All the resolutions, including Special Resolutions set out in the respective Notices were passed by shareholders in their General Meetings.
- b) Postal Ballot Resolutions: No resolution was passed through Postal Ballot during the year.
- c) 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.
- d) Presently there is no proposal for passing any Resolution through Postal Ballot in the ensuing AGM.

V. 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 and Dainik Bhaskar / Rajasthan Pratrika. 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.

VI. Subsidiary Company:

The Company does not have any subsidiary company.

VII. 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 the Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and a certificate forms part of Annual Report.

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 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 this report.
 - (iii) The number of shares held by each director is mentioned in 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 SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
 - (ii) There were no material financial and commercial transactions by senior management as defined in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 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.
- h) Disclosures in Relation to the Appointments and Re-appointments of Directors pursuant to SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

Smt. Vidula Jalan, (DIN: 01474162), 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. She also holds Directorship in Vidula Consultancy Services Limited and Mangalam Timber Products Limited. She is also the member of Share Transfer Committee and Internal Complaint Committee at Mangalam Timber Products Limited. She holds 60,000 Equity Shares in the Company.

Smt Vidula Jalan is the wife of Shri Anshuman Vikram Jalan, Executive Director of the Company.

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, 2015. 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.

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

XI. Management Discussion and Analysis Report

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

XII. General Shareholders' Information:

(a) 40th Annual General Meeting:

| | |
|----------------------|---|
| Date, Time and Venue | |
| Day and Date | : Monday, the 19th September, 2016 |
| Time | : 11.30 AM |
| Venue | : Club Hall, Basant Vihar, Mangalam Cement Ltd, Adityanagar 326520, Morak, Dist. Kota (Rajasthan) |

(b) Book Closure:

From 12th September, 2016 to 19th September, 2016, 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 2016-2017:

| | |
|---|--|
| (i) Financial Year | 1st April, 2016 to 31st March, 2017 |
| (ii) First Quarterly Results Quarter ending 30th June, 2016 | On or before 14th for August 2016 |
| (iii) Second Quarterly Results for the quarter ending 30th Sept, 2016 | On or before 14th November, 2016 |

(iv) Third Quarterly Results for the Quarter ending 31st December, 2016 On or before 14th February, 2017

(v) Annual Results for the Year ending 31st March, 2017 On or before 30th May, 2017

(e) Listing of Securities:

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

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

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

(f) Listing Fee:

Company has paid the listing fee for the year 2016-17 to all the Stock Exchanges where the securities are listed. There are no arrears in payment of Listing Fees.

(g) Custodial Fees to Depositories:

Custodial fee for the year 2016-17 has been paid to

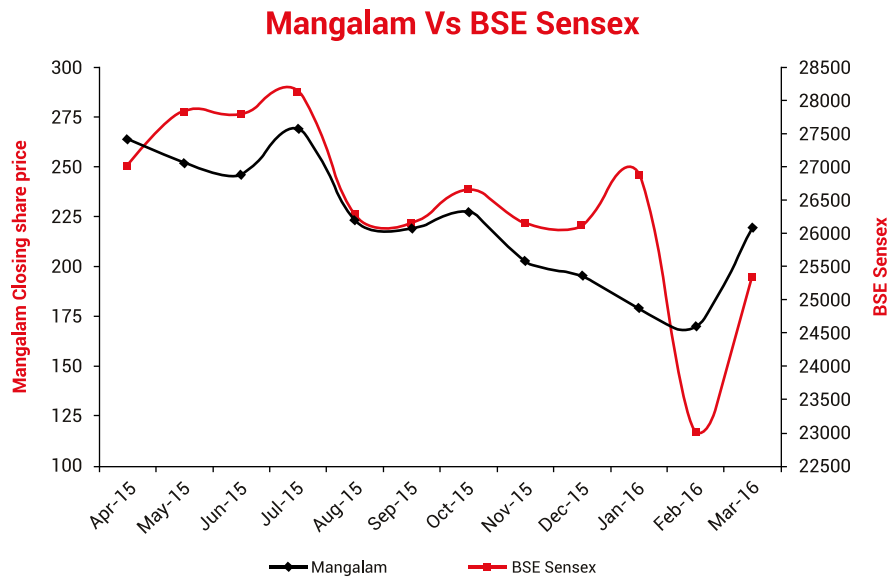
National Securities Depository Ltd and to Central Depository Services (India) Ltd.

(h) Market Price Data:

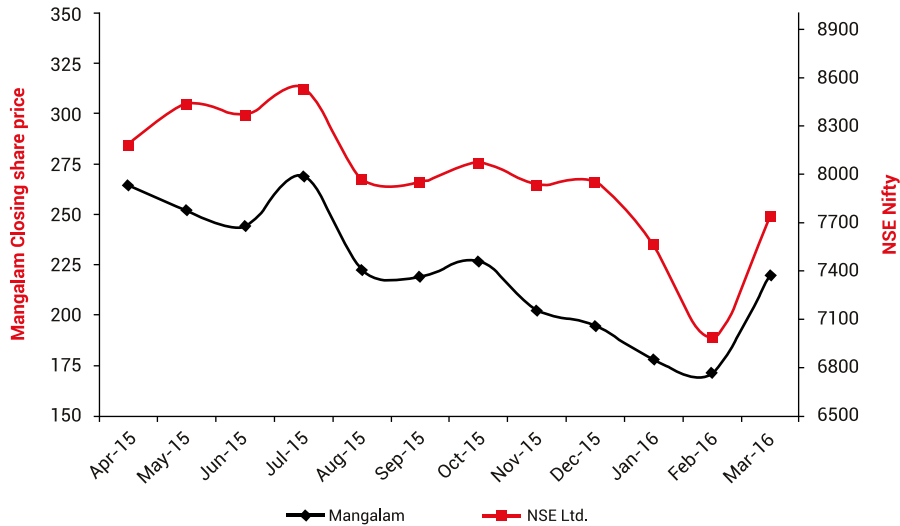
a. The high/low market price of the Equity Shares during the year 2015-16 at the BSE Ltd, Mumbai and at National Stock Exchange of India Ltd, were as under:

| Month | (In ₹ per Share) | | | |
|-----------------|------------------|--------|---------------------------------------|--------|
| | BSE Ltd. | | National Stock Exchange of India Ltd. | |
| | High | Low | High | Low |
| April, 2015 | 299.00 | 252.30 | 295.70 | 254.00 |
| May, 2015 | 272.00 | 234.10 | 272.75 | 235.00 |
| June, 2015 | 252.70 | 220.10 | 252.80 | 220.50 |
| July, 2015 | 285.00 | 244.30 | 284.80 | 245.10 |
| August, 2015 | 271.70 | 208.00 | 270.80 | 208.20 |
| September, 2015 | 255.80 | 200.10 | 255.65 | 199.00 |
| October, 2015 | 242.60 | 220.00 | 242.85 | 220.05 |
| November, 2015 | 227.00 | 189.20 | 229.05 | 188.95 |
| December, 2015 | 217.80 | 193.10 | 217.70 | 191.50 |
| January, 2016 | 204.00 | 165.00 | 205.30 | 165.50 |
| February, 2016 | 188.00 | 151.10 | 187.40 | 147.50 |
| March, 2016 | 243.60 | 168.20 | 242.80 | 165.65 |

b. The Company's closing share price movement during the Financial Year 2015-16 on BSE and NSE vis-à-vis respective indices:



Mangalam Vs NSE Nifty



(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: Website: www.masserve.com

within the prescribed period under the law and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. 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.

(j) **Share Transfer System:**

Share transfer work of physical segment is attended to by the Company's Registrar & Share Transfer Agents

(k) **Distribution of shareholding:**

The shareholding distribution of equity shares as on 31st March, 2016 is given below.

| S.No. | No. of Equity Shares | No. of shareholders | No. of shares | Percentage of Shareholding |
|-------|----------------------|---------------------|-----------------|----------------------------|
| 1. | 1 to 500 | 24486 | 2742591 | 10.27 |
| 2. | 501 to 1000 | 1188 | 948809 | 3.56 |
| 3. | 1001 to 2000 | 537 | 820585 | 3.07 |
| 4. | 2001 to 3000 | 152 | 399372 | 1.50 |
| 5. | 3001 to 4000 | 103 | 367625 | 1.38 |
| 6. | 4001 to 5000 | 62 | 295244 | 1.10 |
| 7. | 5001 to 10,000 | 110 | 814024 | 3.05 |
| 8. | 10001 and above | 144 | 20305530 | 76.07 |
| | Total | 26782 | 26693780 | 100.00 |

(l) **Shareholding Pattern as at 31st March, 2016:**

| S.No | Category | No. of Equity shares | Percentage |
|------|--|----------------------|---------------|
| 1. | Promoters | 3544890 | 13.28 |
| 2. | Resident Individuals/HUF's | 9069148 | 33.97 |
| 3. | Body Corporate/Trusts/Partnerships | 9406911 | 35.24 |
| 4. | Mutual Funds, Banks, Financial and Govt Institutions/ Insurance Companies | 1341124 | 5.03 |
| 5. | FII's, NRIs, OCBs | 3331707 | 12.48 |
| | Total | 26693780 | 100.00 |

(m) Dematerialisation of Shares

As on 31st March, 2016, 98.11% of the Company's total equity shares representing 2,61,90,600 shares were held in dematerialized 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,
Kolkata 700001
Tel. No. 033 2243 8706/07
Fax: 033 22438709
Email: kolkata@mangalamcement.com

XIII. 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 SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

XIV. 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 two Wholetime Directors on the Board.

e. Reporting of Internal Auditors

The Internal auditor periodically reports to the Audit Committee

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

Date : May 04, 2016
Place : New Delhi

CEO AND CFO CERTIFICATION

To,
The Board of Directors,
Mangalam Cement Limited

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, 2016 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, pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, 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 that there are no;
 - (i) significant changes in internal controls for financial reporting, during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the Financial Statements, and;
 - (iii) instances of significant fraud of which we have become aware and the involvement there in, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: New Delhi
Date: May 04, 2016

YASWANT MISHRA
President (Corporate)
& Chief Financial Officer

A. V. JALAN
Executive Director

DECLARATION BY THE CEO REGARDING 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, 2016.

Place: New Delhi
Date: May 04, 2016

A. V. JALAN
Executive Director

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

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 Chapter IV of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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 Chapter IV of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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, 2016

(P. K. JAIN)
Partner
M. No. 010479

EXTRACT OF NOMINATION AND REMUNERATION POLICY

A. Introduction

This policy on Nomination and Remuneration of Directors, Managerial Personnel and Senior Management has been formulated subject to the provisions of Section 178 of the Companies Act, 2013 (the Act) and the Listing agreement with the Stock Exchanges by the Nomination and Remuneration Committee of Directors of the Company in pursuance of the Company's policy to pay equitable remuneration to them in terms of the provisions of Section 178 of the Act and the Listing agreement with the Stock Exchanges, as amended from time to time

B. Terms of Reference

The Board of Directors of the Company at its meeting held on 13th May, 2014 reconstituted the existing "Remuneration Committee" of Directors as "Nomination & Remuneration Committee" of Directors (the Committee) with the following terms of reference.

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
2. Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees in accordance with provisions of Section 178(4) of the Act;
3. Formulation of criteria for evaluation of Independent Directors and the Board and to carry out evaluation of every Director's performance;
4. Devising a policy on Board diversity;
5. To identify 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. Criteria for recommending a person to become Director:

The Committee shall take into consideration the following criteria of qualification, positive attributes and independence for recommending to the Board for appointment of a Director;

1. Qualification & Experience:

The incumbent shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales & marketing, operations, research, corporate governance, education, community service or other disciplines.

2. Attributes/Qualities:

The incumbent Director may possess one or more of the following attributes/qualities:

- Respect for the strong willingness to imbibe the Company's Core Values.
- Honesty and professional integrity.
- Strategic capability with business vision.
- Entrepreneurial spirit and track record of achievement.
- Ability to be independent and capable of lateral thinking.
- Reasonable financial expertise.
- Have contacts in fields of the business/corporate world/Finance/Chambers of commerce and industry.
- Can effectively review and challenge the performance of management.

3. In case the proposed appointee is an Independent Director, he should fulfil the criteria for appointment as Independent Director as per the provisions of the Act, Listing Agreement with Stock Exchange and other applicable laws & regulations.

4. The incumbent should not be disqualified for appointment as Director pursuant to the provisions of the Act or other applicable laws & regulations.

D. Director's Compensation

The Committee will recommend to the Board appropriate compensation to Executive Directors subject to the provisions of the Act, Listing Agreement with Stock Exchanges and other applicable laws & regulations. The Committee shall periodically review the compensation of such Directors in relation to other comparable companies and other factors, the Committee deems appropriate. Proposed changes, if any, in the compensation of such Directors shall be reviewed by the Committee subject to approval of the Board.

E. Evaluation

The Board will review the performance of a Director as per the structure of performance evaluation. (As per Annexure-I).

F. Board Diversity

The Committee will review from time to time Board diversity to bring in professional performance in different areas of operations, transparency, corporate governance, financial management, risk assessment & mitigation strategy and human resource management in the Company. The Company will keep succession planning and board diversity in mind in recommending any new name of Director for appointment to the Board. It will be Committee's endeavor to have at least one Director from the following fields:

- a) Accounting Corporate Finance
- b) Legal and Corporate Laws
- c) Business, Management and Corporate Strategy

G. Eligibility Criteria & Remuneration of Key Managerial Personnel and other Senior Management Personnel

The eligibility criteria for appointment of key managerial personnel and other senior management personnel shall vary for different positions depending upon the job description of the relevant position. In particular, the position of key managerial personnel shall be filled by senior personnel having relevant qualifications and experience.

The Compensation structure for Key Managerial Personnel and other senior management personnel shall be as per Company's remuneration structure taking into account factors such as level of experience, qualification and suitability which shall be reasonable and sufficient to attract, retain and motivate them. The remuneration would be linked to appropriate performance benchmarks.

The remuneration may consist of fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

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, 2016, 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, 2016, its loss 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, 2016 ("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, 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the adequacy of the internal financial control over financial reporting of the company and the operating effectiveness of such control, refer to our separate report in annexure B and
- (g) 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. No provision is required on derivative contract.
- 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
(FRN 016746 N)
- (P.K.JAIN)**
Partner
M. No. 010479
- Place: New Delhi
Date: May 04, 2016

Annexure 'A' to Independent Auditors' Report of Mangalam Cement Ltd.

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

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) Fixed assets have been physically verified by the management according to the regular programme of periodical verification in phased manner which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets. No material discrepancies were noticed on such verification;
- (c) The title deeds of immovable properties are held in the name of the company.
- ii. 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 and the discrepancies which were noticed on physical verification of inventory as compared to book records were not material;
- iii. (a) Terms and conditions in respect of unsecured loan granted to a Company covered in the Register maintained under section 189 of the Companies Act, 2013 are not prejudicial to the Company's interest.
- (b) In respect of such loan, the schedule of repayment of principal and payment of interest has been stipulated and repayments are regular.
- (c) There is no overdue amount in respect of such loan.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with provisions of section 185 and 186 of the Companies Act, 2013 with respect of loans, investments, guarantees and securities. .
- v. The Company has not accepted 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, 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, 2016;

(b) According to the records and information and explanations given to us, there are no dues in respect of custom duty 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 or sales tax or service tax or excise duty or value added tax that have not been deposited with the appropriate authority on account of dispute and the forum where the dispute is pending are given below:

| 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 | 1995 | Rajasthan High Court |
| | | 1648.01 | Various matters, from 1997 to 2013 | CESTAT. New Delhi |
| | | 28.18 | Various matters, from 2006 to 2010 | Commissioner (Appeals) |
| | | 55.95 | 2014-15 | Commissioner |
| | | 84.93 | 2013 to 2015 | Joint Commissioner |
| | | 9.52 | 2013-14 | Deputy Commissioner |
| | Excise Duty | 0.52 | 2013-14 | Superintendent, Kota |
| | | 7.20 | Various matters, from 1997 to 2001 | Rajasthan High Court |
| | | 216.16 | Various matters, from 1999 to 2009 | CESTAT. New Delhi |
| | | 68.16 | Various matters, from 2010 to 2013 | Chief Commissioner |
| | | 2562.55 | Various matters, from 2008 to 2015 | Commissioner |
| | | 17.72 | 2013-2014 | Joint Commissioner |
| | | 54.00 | 2011-15 | Addl. Commissioner |
| Income Tax Act | Income Tax | 6.42 | Various matters, from 2008 to 2010 | Asst. Commissioner |
| Sales Tax (M.P.) | Disallowance of credit notes | 26.26 | AY 2013-14 | CIT (Appeals) |
| | Disallowance of credit notes | 0.24 | 2002-03 | Tax Board, M.P. |
| Sales Tax (Rajasthan) | Disallowance of credit notes | 4.80 | 2012-13 | Tax Board, M.P. |
| | Incentive | 4161.84 | 2003-08 | Rajasthan High Court |
| CST | RVAT | 2.00 | 2006-08 | RTB, Ajmer |
| | RVAT | 11.28 | 2012-13 | RTB, Ajmer |
| Service Tax | CST | 38.24 | 2006-07 | Appellate Authority, Jaipur |
| | Service Tax | 48.79 | 1997-98 | Rajasthan High Court |
| | 960.12 | Various matters, from 2005 to 2013 | CESTAT. New Delhi | |
| | 481.09 | 2012-13 | Commissioner, Udaipur | |
| | 14.90 | Various matters, from 2007 to 2012 | Commissioner (Appeals) | |
| | 14.61 | 2013 | Addl. Commissioner | |
| | 15.12 | 2012-2015 | Joint Commissioner | |
| 0.39 | 2012-13 | Superintendent, Kota | | |

- viii. The Company has not defaulted in repayment of loans or borrowings to a financial institution, banks or government.
- ix. In our opinion the term loans have been applied for the purpose for which the loans were raised,
- x. Based upon the audit procedure performed and information and explanation given to us, we report that no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit.
- xi. Managerial Remuneration has been paid or provided in accordance with the requisite approvals mandated by the provision of Section 197 read with schedule V of the Companies Act, 2013.
- xii. Provision of Nidhi Company is not applicable to the Company.
- xiii. According to the information and explanation given to us and based on our examination of the records of the company, all transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standard.
- xiv. The company has not made any preferential allotment or private placements of shares or fully or partly convertible debentures during the year under review.
- xv. The company has not entered into any non-cash transaction with Directors or persons connected with him.
- xvi. The company is not required to be registered under section 45-1A of the Reserve Bank of India Act 1934.

For JAIN PRAMOD JAIN & CO.
Chartered Accountants
(FRN 016746 N)

(P.K.JAIN)
Partner
M. No. 010479

Place: New Delhi
Date: May 04, 2016

Annexure B to the Independent Auditors' report of even date on the Standalone Financial Statement of **Mangalam Cement Limited**.

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of Mangalam Cement Limited as at March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The company's Management is responsible for establishing and maintaining internal financial controls based on the Internal Control over financial reporting criteria established by the Company considering the essential components of Internal control stated in the Guidance Note on Audit of "the Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India." These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with Guidance note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standard on Auditing, issued by ICAI and Deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal financial controls system over financial reporting and their operating effectiveness, our audit of internal financial controls over financial reporting included obtaining and understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error.

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

Company's Internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and disposition of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India"

For JAIN PRAMOD JAIN & CO.
Chartered Accountants
(FRN016746 N)

(P.K.JAIN)
Partner

Place: New Delhi
Date: May 04, 2016

M. No. 010479

Balance Sheet

as at 31st March, 2016

(₹ in Lacs)

| Particulars | Note No. | As at March 31st, 2016 | As at March 31st, 2015 |
|--|-----------|---------------------------|---------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' funds | | | |
| (a) Share capital | 1 | 2669.38 | 2669.38 |
| (b) Reserves and surplus | 2 | 46869.59 | 49086.60 |
| (2) Non-current liabilities | | | |
| (a) Long-term borrowings | 3 | 27580.25 | 29031.80 |
| (b) Deferred tax liabilities (Net) | 4 | 5225.69 | 6141.76 |
| (c) Other Long term liabilities | 5 | 7677.74 | 8029.24 |
| (d) Long-term provisions | 6 | 814.96 | 733.02 |
| (3) Current liabilities | | | |
| (a) Short-term borrowings | 7 | 6940.73 | 3321.60 |
| (b) Trade payables | 8 | 12531.10 | 10403.94 |
| (c) Other current liabilities | 9 | 12221.56 | 10884.29 |
| (d) Short-term provisions | 10 | 284.25 | 850.84 |
| TOTAL | | 122815.25 | 121152.47 |
| II. ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Fixed assets | 11 | | |
| (i) Tangible assets | | 73507.62 | 74750.40 |
| (ii) Intangible assets | | 953.94 | 914.34 |
| (iii) Capital work-in-progress | | 7093.47 | 3077.43 |
| (b) Non-current investments | 12 | 3557.02 | 3557.02 |
| (c) Long-term loans and advances | 13 | 6891.26 | 4207.79 |
| (d) Other non-current assets | 14 | 638.73 | 1063.99 |
| (2) Current assets | | | |
| (a) Current investments | 15 | - | 22.94 |
| (b) Inventories | 16 | 11593.37 | 15851.64 |
| (c) Trade receivables | 17 | 3469.80 | 2882.91 |
| (d) Cash and Bank balances | 18 | 2948.98 | 2868.46 |
| (e) Short-term loans and advances | 19 | 11252.45 | 11127.72 |
| (f) Other current assets | 20 | 908.61 | 827.83 |
| TOTAL | | 122815.25 | 121152.47 |
| Accounting Policies and Notes to Accounts | 29 | | |

The accompanying notes are an integral part of the financial statements.
This is the Balance Sheet referred to in our report of even date

FOR JAIN PRAMOD JAIN & CO.

Chartered Accountants

FRN 016746 N

(P.K.JAIN)

Partner

M.No.010479

New Delhi

May 04, 2016

Swadesh Agrawal
Company Secretary

Yaswant Mishra
President (Corporate) & CFO

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, 2016

(₹ in Lacs)

| Particulars | Notes | 2015-2016 | 2014-2015 |
|---|-----------|------------------|-----------------|
| INCOME | | | |
| Revenue from operations (Gross) | 21 | 96871.67 | 105335.99 |
| Less: Excise Duty | | 12695.52 | 13151.25 |
| Revenue from operations (Net) | | 84176.15 | 92184.74 |
| Other income | 22 | 461.74 | 392.98 |
| Total Revenue (I) | | 84637.89 | 92577.72 |
| EXPENSES | | | |
| Cost of materials consumed | 23 | 15323.21 | 15681.86 |
| Purchases of Stock-in-Trade | 24 | 5153.86 | 6431.39 |
| Changes in inventories of finished goods and material in process | 25 | 2245.80 | (3155.14) |
| Employee benefits expense | 26 | 6462.72 | 5772.97 |
| Other expenses | 28 | 50618.54 | 58409.11 |
| Total Expenses (II) | | 79804.13 | 83140.19 |
| Profit / (Loss) before interest, tax and depreciation and amortisation (EBITDA) [(I)-(II)] | | 4833.76 | 9437.53 |
| Depreciation and amortization expense | 11 | 3665.79 | 3371.16 |
| Less: Transfer from Revaluation of Fixed Assets | | (8.91) | (8.91) |
| | | 3656.88 | 3362.25 |
| Finance costs | 27 | 4138.21 | 3833.41 |
| Profit / (Loss) before exceptional items and tax | | (2961.33) | 2241.87 |
| Exceptional item (net) | | - | (343.21) |
| Profit / (Loss) before tax | | (2961.33) | 1898.66 |
| Tax expense: | | | |
| Current tax/MAT | | - | 400.00 |
| MAT Credit | | - | (400.00) |
| Income Tax Expenditure For Earlier Year (Net) | | 2.20 | 24.45 |
| Deferred tax charge / (credit) | | (916.07) | 82.34 |
| Profit / (Loss) for the Period | | (2047.46) | 1791.87 |
| Earnings per equity share | | | |
| [Nominal Value per share: ₹10 (2014-15: ₹10)] | | | |
| (a) Basic - ₹ | | (7.67) | 6.71 |
| (b) Diluted - ₹ | | (7.67) | 6.71 |
| Accounting Policies and Notes to Accounts | 29 | | |

The accompanying notes are an integral part of the financial statements.
This is the Statement of Profit and Loss referred to in our report of even date

FOR JAIN PRAMOD JAIN & CO.
Chartered Accountants
FRN 016746 N
(P.K.JAIN)
Partner
M.No.010479
New Delhi
May 04, 2016

Swadesh Agrawal
Company Secretary

Yaswant Mishra
President (Corporate) & CFO

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, 2016

(₹ in Lacs)

| Particulars | For the year ended 31st March, 2016 | For the year ended 31st March, 2015 |
|---|--|--|
| A. CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net profit / (Loss) before taxation and extraordinary items | (2961.33) | 2241.87 |
| Adjustments for: | | |
| 1. Depreciation / Amortisation | 3656.88 | 3362.25 |
| 2. Interest expense | 4138.21 | 3833.41 |
| 3. Interest income | (364.66) | (282.88) |
| 4. Loss on sale of fixed assets (Net) | 15.26 | 2.53 |
| 5. Wealth tax | - | 44.80 |
| 6. Gain on Foreign exchange fluctuation (Net) | (0.67) | (0.94) |
| 7. Profit on sale of Investment | (96.41) | (109.16) |
| Operating profit before working capital Changes | 4387.28 | 9091.88 |
| Adjustments for: | | |
| 1. Trade & other receivables | (2991.99) | (5211.93) |
| 2. Inventories | 4258.26 | (4258.52) |
| 3. Trade payables | 1818.20 | 5175.64 |
| Cash generated from operations | 7471.75 | 4797.07 |
| Direct taxes paid | (18.65) | 379.78 |
| Exceptional Items | - | (343.21) |
| Net Cash from operating activities | 7453.10 | 4833.64 |
| B. CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of fixed assets | (6600.92) | (5268.54) |
| Sale of fixed assets | 107.00 | 28.68 |
| Purchase of investments | (2000.00) | (4000.00) |
| Sale of investments | 2119.34 | 4086.22 |
| Interest received | 192.87 | 131.37 |
| Net cash used in investing activities | (6181.71) | (5022.26) |
| C. CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Interest and financial charges | (4151.50) | (3770.48) |
| Dividend paid (including corporate dividend tax) | (645.98) | (936.19) |
| Proceeds from long /short term borrowings | 6750.00 | 2000.00 |
| Repayment of long /short term borrowings | (6850.75) | (1125.00) |
| Increase in Cash Credit | 3619.13 | 1994.47 |
| Net cash used in financing activities | (1279.10) | (1837.21) |
| Net increase/(decrease) in cash and cash equivalents | (7.71) | (2025.83) |
| Cash and cash equivalents at the beginning of the year | 2250.12 | 4275.95 |
| Cash and cash equivalents at the end of the year | 2242.41 | 2250.12 |

Cash Flow Statement

for the Year ended 31st March, 2016

(₹ in Lacs)

| Particulars | For the year ended 31st March, 2016 | For the year ended 31st March, 2015 |
|---|--|--|
| Notes | | |
| 1. The above cash flow statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 on Cash Flow Statements. | | |
| 2. Previous year's figures have been regrouped wherever necessary to conform to this year's classification. | | |
| 3. Figure in brackets indicates cash outgo | | |
| 4. Cash and Cash equivalents comprise: | | |
| Cash on hand | 5.25 | 5.40 |
| Cheques / Drafts on hand | 720.15 | 1388.93 |
| Bank balances | | |
| - Current account | 517.01 | 355.79 |
| - Short term deposit | 1000.00 | 500.00 |
| | 2242.41 | 2250.12 |

This is the Cash Flow Statement referred to in our report of even date.

FOR JAIN PRAMOD JAIN & CO.
Chartered Accountants
FRN 016746 N
(P.K.JAIN)
Partner
M.No.010479
New Delhi
May 04, 2016

Swadesh Agrawal
Company Secretary

Yaswant Mishra
President (Corporate) & CFO

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

Note No. 1**SHARE CAPITAL**

(₹ in Lacs)

| | 31st March, 2016 | 31st March, 2015 |
|--|-------------------------|-------------------------|
| Authorised | | |
| 200000 Redeemable Cumulative Preference Shares of Rs.100 each | 200.00 | 200.00 |
| 40000000 Equity Shares of ₹10 each | 4000.00 | 4000.00 |
| 18000000 Optionally Convertible Cumulative Redeemable Preference Share (OCCPS) of ₹10/- each | 1800.00 | 1800.00 |
| | 6000.00 | 6000.00 |
| Issued, Subscribed and Paid up | | |
| 26693780 Equity Shares of ₹ 10/- each (Previous Year 26693780 shares), fully paid up | 2669.38 | 2669.38 |
| | 2669.38 | 2669.38 |
| Note :- | 31st March, 2016 | 31st March, 2015 |

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

| | | |
|--|--------|--------|
| Number of Equity Shares Outstanding at the beginning of the year | 266.94 | 266.94 |
| Number of Equity Shares Outstanding at the end of the year | 266.94 | 266.94 |

2 Shares held by each shareholder holding more than 5 percent shares **In Lacs**

| Name of shareholders | No. of Shares | % | No. of Shares | % |
|---------------------------------------|---------------|-------|---------------|-------|
| Camden Industries Limited | 38.20 | 14.31 | - | - |
| Kesoram Industries Limited | - | - | 38.20 | 14.31 |
| Century Textiles & Industries Limited | 22.21 | 8.32 | 22.21 | 8.32 |
| India Capital Fund Limited | 19.70 | 7.38 | 13.98 | 5.24 |

3 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

Note No. 2**Reserves & Surplus**

(₹ in Lacs)

| | 31st March, 2015 | Additions | Transfer/ Allocation/ Appropriation | 31st March, 2016 |
|---|------------------|------------------|--|------------------|
| Capital Reserves | 20.22 | - | - | 20.22 |
| Capital Redemption Reserve | 155.30 | - | - | 155.30 |
| Preference Share Capital Redemption Reserve | 20.00 | - | - | 20.00 |
| Revaluation Reserve | 471.61 | - | 8.91a | 462.70 |
| | (480.52) | - | (8.91) | (471.61) |
| General Reserve | 6513.15 | - | - | 6513.15 |
| | (6313.15) | (200.00) | - | (6513.15) |
| Surplus | 41906.32 | (2047.46) | 160.64b | 39698.22 |
| | (41041.78) | (1791.87) | (927.33) | (41906.32) |
| | 49086.60 | (2047.46) | 169.55 | 46869.59 |
| Previous year | 48030.97 | 1991.87 | 936.24 | 49086.60 |

Note:

- a. Depreciation on revalued fixed assets recouped from Revaluation Reserve transferred to Statement of Profit & Loss ₹ 8.91 lacs (Previous year ₹8.91 lacs)
- b. Transfer / Allocation / Appropriation

| | (₹ in Lacs) | |
|------------------------------------|---------------|---------------|
| | 2015 - 2016 | 2014 - 2015 |
| General Reserve | - | 200.00 |
| Proposed Dividend on Equity Shares | 133.47 | 533.88 |
| Corporate Dividend Tax | 27.17 | 108.68 |
| | 160.64 | 842.56 |

- c. Figures in bracket represent figures of previous year.

Note No. 3**Long-term borrowings**

(₹ in Lacs)

| | Non Current | | Current | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 31st March, 2016 | 31st March, 2015 | 31st March, 2016 | 31st March, 2015 |
| Secured:- | | | | |
| From banks | | | | |
| Indian rupee loan From HDFC Bank Ltd. | 12625.00 | 9375.00 | 2500.00 | 2500.00 |
| Indian rupee loan From State Bank of India. | 5500.00 | 7500.00 | 2000.00 | 2000.00 |
| Foreign currency loan from DBS Bank Ltd.* | 9455.25 | 12156.80 | 2701.50 | 1350.70 |
| | 27580.25 | 29031.80 | 7201.50 | 5850.70 |
| Less: Amount disclosed under the head "Other Current Liabilities" (Note No. 9) | - | - | 7201.50 | 5850.70 |
| | 27580.25 | 29031.80 | - | - |

Notes

forming part of the Financial Statements

Note :-

(1) Rupee loan from HDFC Bank

| | |
|-------------------|---|
| Secured by: | A first pari passu charge on entire fixed assets (both movable and immovable, present and future). A second pari passu charge on entire current assets of the company (present and future). |
| Repayment Terms: | 20 equal quarterly 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. |

(2) Rupee loan from State Bank of India

| | |
|-------------------|---|
| 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. |

(3) Foreign Currency Loan from DBS Bank Ltd.

| | |
|-------------------|---|
| 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 started from 27th November, 2015 |
| Rate of interest: | For USD 15 Million Libor+2.60% For USD 10 Million 1.8850%+2.60% |

* Fully hedged by foreign exchange contract by DBS Bank Ltd against loan taken in foreign currency

Note No. 4

Deferred tax liabilities (Net)

| | (₹ in Lacs) | |
|---|------------------|------------------|
| | 31st March, 2016 | 31st March, 2015 |
| (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 | 12839.01 | 11944.79 |
| (ii) Others | 1648.12 | 1712.26 |
| Total (a) | 14487.13 | 13657.05 |
| (b) Deferred tax assets being tax impact on - | | |
| (i) Expenses charged in the books but allowance thereof deferred under income tax laws | 1353.93 | 1219.81 |
| (ii) Unabsorbed depreciation and unabsorbed business losses. | 7907.51 | 6295.48 |
| Total (b) | 9261.44 | 7515.29 |
| (c) Net Deferred Tax Liabilities (a) - (b) | 5225.69 | 6141.76 |

Note No. 5

Other Long- term liabilities

| | (₹ in Lacs) | |
|-----------------------------------|------------------|------------------|
| | 31st March, 2016 | 31st March, 2015 |
| Unsecured:- | | |
| Deposits from stockist and others | 3947.34 | 4037.04 |
| Liability for option premium | 673.29 | 1112.04 |
| Statutory liabilities | 2994.11 | 2825.07 |
| Retention money | 63.00 | 55.09 |
| | 7677.74 | 8029.24 |

Notes

forming part of the Financial Statements

Note No. 6

| Long-term provisions | (₹ in Lacs) | |
|---------------------------------|------------------|------------------|
| | 31st March, 2016 | 31st March, 2015 |
| Provision for Employee Benefits | 814.96 | 733.02 |
| | 814.96 | 733.02 |

Note No. 7

| Short-term borrowings | (₹ in Lacs) | |
|---|------------------|------------------|
| | 31st March, 2016 | 31st March, 2015 |
| Working Capital Loan from banks Secured against a first pari passu charge over entire Current Assets, both present and future and second pari passu charge over the entire Fixed Assets, both present and future. | | |
| | 6940.73 | 3321.60 |
| | 6940.73 | 3321.60 |

Note No. 8

| Trade payables | (₹ in Lacs) | |
|-----------------------------|------------------|------------------|
| | 31st March, 2016 | 31st March, 2015 |
| Micro and Small Enterprises | 2.18 | 51.82 |
| Others | 12528.92 | 10352.12 |
| | 12531.10 | 10403.94 |

Note No. 9

| Other current liabilities | (₹ in Lacs) | |
|--|------------------|------------------|
| | 31st March, 2016 | 31st March, 2015 |
| Current maturities of long term borrowings | 7201.50 | 5850.70 |
| Interest accrued but not due on loans | 50.24 | 95.97 |
| Interest accrued and due on loans | 85.00 | 52.56 |
| Advances from customers | 1430.59 | 1495.53 |
| Unpaid dividends | 83.26 | 86.68 |
| Security deposit and retention money | 1540.22 | 1375.47 |
| Liability for option premium | 438.75 | 529.60 |
| Liabilities for capital goods | 592.49 | 344.74 |
| Other statutory liabilities | 799.51 | 1053.04 |
| | 12221.56 | 10884.29 |

Note No. 10

| Short-term provisions | (₹ in Lacs) | |
|--------------------------|------------------|------------------|
| | 31st March, 2016 | 31st March, 2015 |
| Employee benefits | 123.61 | 166.20 |
| Others: | | |
| Wealth tax | - | 42.08 |
| Proposed equity dividend | 133.47 | 533.88 |
| Corporate dividend tax | 27.17 | 108.68 |
| | 284.25 | 850.84 |

Notes

forming part of the Financial Statements

| | COST/BOOK VALUE | | | | DEPRECIATION | | | NET BLOCK | | |
|------------------------------------|-----------------------|----------------|-----------------------|-----------------------|-----------------------|-----------------|----------------------|----------------------|-----------------------|-----------------------|
| | As at 31st March 2015 | Additions | Deduction/ Adjustment | As at 31st March 2016 | As at 31st March 2015 | For the year | On sales/ Adjustment | Upto 31st March 2016 | As at 31st March 2016 | As at 31st March 2015 |
| A. TANGIBLE ASSETS | | | | | | | | | | |
| Land | 1384.83 | - | - | 1384.83 | - | - | - | - | 1384.83 | 1384.83 |
| Leasehold land | 1940.17 | - | 25.17 | 1915.00 | 1.28 | - | - | 1.28 | 1913.72 | 1938.89 |
| Buildings | 4002.35 | 1368.33 | - | 5370.68 | 1331.24 | 191.48 | - | 1522.72 | 3847.96 | 2671.11 |
| Plant & machinery | 100005.06 | 794.53 | 115.39 | 100684.20 | 34947.97 | 2898.96 | 32.75 | 37814.18 | 62870.02 | 65057.09 |
| Furniture & fittings | 250.14 | 11.03 | 2.82 | 258.35 | 139.35 | 18.52 | 2.08 | 155.79 | 102.56 | 110.79 |
| Vehicles | 562.74 | 6.30 | 18.67 | 550.37 | 168.93 | 66.75 | 4.96 | 230.72 | 319.65 | 393.81 |
| Office equipments | 49.72 | 3.57 | - | 53.29 | 39.77 | 2.85 | - | 42.62 | 10.67 | 9.95 |
| Railway siding | 3651.59 | 81.32 | - | 3732.91 | 467.66 | 207.04 | - | 674.70 | 3058.21 | 3183.93 |
| Total A | 111846.60 | 2265.08 | 162.05 | 113949.63 | 37096.20 | 3385.60 | 39.79 | 40442.01 | 73507.62 | 74750.40 |
| B. INTANGIBLE ASSETS | | | | | | | | | | |
| Computer software | 249.67 | 310.48 | - | 560.15 | 169.50 | 45.59 | - | 215.09 | 345.06 | 80.17 |
| Mining right | 2692.51 | 13.39 | - | 2705.90 | 1858.34 | 238.68 | - | 2097.02 | 608.88 | 834.17 |
| Total B | 2942.18 | 323.87 | - | 3266.05 | 2027.84 | 284.27 | - | 2312.11 | 953.94 | 914.34 |
| G.Total(A+B) | 114788.78 | 2588.95 | 162.05 | 117215.68 | 39124.04 | 3669.87* | 39.79 | 42754.12 | 74461.56 | 75664.74 |
| Previous Year | 87159.81 | 27695.08 | 66.11 | 114788.78 | 35659.21 | 3499.72 | 34.89 | 39124.04 | 7093.47 | 3077.43 |
| C. CAPITAL WORK IN PROGRESS | | | | | | | | | | |
| | | | | | | | | | 81555.03 | 78742.17 |

* ₹4.08 Lacs included in preoperative expenses during the year.

Notes

forming part of the Financial Statements

Note No. 12**Non-current investments**

(₹ in Lacs)

| | 31st March, 2016 | 31st March, 2015 |
|--|------------------|------------------|
| Non Trade: | | |
| Quoted | | |
| Investments in Equity instruments | | |
| 6,50,000 Fully paid up Equity shares of ₹10/- each of Mangalam Timber Products Ltd. (Related party) | 110.02 | 110.02 |
| Unquoted | | |
| Investments in Preference shares | | |
| 34,47,000- 7.5% Non-Cumulative Redeemable Preference shares of ₹100/-each of Mangalam Timber Products Ltd. * | 3447.00 | 3447.00 |
| | 3557.02 | 3557.02 |
| Aggregate amount of Quoted Investments | 110.02 | 110.02 |
| Aggregate Market Value of Quoted Investments | 108.88 | 58.50 |
| 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.

Note No. 13**Long term loans & advances**

(₹ in Lacs)

| | 31st March, 2016 | 31st March, 2015 |
|--|------------------|------------------|
| Unsecured, considered good: | | |
| Capital advances | 4721.68 | 1931.23 |
| Prepaid expenses | 40.62 | 24.21 |
| Advance against supply of goods or services | - | 0.65 |
| Advance Income tax {net of provision for taxation/MAT ₹400 Lacs (Previous Year ₹905 Lacs)} | 432.67 | 646.56 |
| MAT Credit Entitlement | 905.00 | 905.00 |
| Deposits with government department and others | 791.29 | 700.14 |
| | 6891.26 | 4207.79 |

Note No. 14**Other Non Current Assets**

(₹ in Lacs)

| | 31st March, 2016 | 31st March, 2015 |
|--|------------------|------------------|
| Unamortised premium on forward contracts | 631.19 | 1063.80 |
| Interest accrued on fixed deposits with bank | 0.36 | 0.19 |
| Balances with bank on margin money accounts | 7.18 | - |
| | 638.73 | 1063.99 |

Note No. 15**Current Investments**

(₹ in Lacs)

| | 31st March, 2016 | 31st March, 2015 |
|-------------------------------|------------------|------------------|
| Unquoted-Mutual -Funds | | |
| SBI Premier Liquid Fund | - | 22.94 |
| | - | 22.94 |

Notes

forming part of the Financial Statements

Note No. 16**Inventories**

(₹ in Lacs)

| | 31st March, 2016 | 31st March, 2015 |
|--|------------------|------------------|
| At Cost or Net Realisable Value, whichever is lower | | |
| Raw materials | 1020.57 | 1672.23 |
| Material in process | 2916.94 | 5107.91 |
| Finished goods {Including goods in transit ₹277.21 lacs (Previous Year ₹592.60 lacs)} | 1322.83 | 1365.68 |
| Stores and spare {Including goods in transit ₹2008.55 lacs (Previous Year ₹2212.81 lacs)} | 6236.92 | 7597.73 |
| Scrap & waste (at net realisable value) | 96.11 | 108.09 |
| | 11593.37 | 15851.64 |

Note No. 17**Trade receivables**

(₹ in Lacs)

| | 31st March, 2016 | 31st March, 2015 |
|--|------------------|------------------|
| More than six months from the date they are due for payment | | |
| Secured, considered good | 4.28 | - |
| Unsecured, considered good | 85.34 | 70.72 |
| Other debts | | |
| Secured, considered good | 1148.45 | 871.55 |
| Unsecured, considered good | 2231.73 | 1940.64 |
| | 3469.80 | 2882.91 |

Note No. 18**Cash and bank Balances**

(₹ in Lacs)

| | 31st March, 2016 | 31st March, 2015 |
|---------------------------------|------------------|------------------|
| Cash and Cash equivalent | | |
| Balances with banks - | | |
| On Short term deposit | 1000.00 | 500.00 |
| On Current accounts | 517.01 | 355.79 |
| Cheques / Drafts on hand | 720.15 | 1388.93 |
| Cash on hand | 5.25 | 5.40 |
| Other Bank Balances: | | |
| Balances with banks - | | |
| On Margin money accounts | 623.31 | 531.66 |
| On Unpaid dividend accounts | 83.26 | 86.68 |
| | 2948.98 | 2868.46 |

Notes

forming part of the Financial Statements

Note No. 19

Short-term loans and advances

| | (₹ In Lacs) | |
|---|------------------|------------------|
| | 31st March, 2016 | 31st March, 2015 |
| Unsecured, Considered Good | | |
| Advances recoverable in cash or in kind or for value to be received | 9293.60 | 9392.65 |
| Inter corporate deposits | | |
| I) Related Party | 500.00 | 460.00 |
| II) Others | 770.00 | 770.00 |
| Advance Income tax {net of provision for taxation/MAT ₹546.57 Lacs (Previous Year ₹3220 Lacs)} | 684.90 | (182.72) |
| MAT Credit Entitlement | - | 679.34 |
| Deposits with government department and others | 3.95 | 8.45 |
| | 11252.45 | 11127.72 |

Note No. 20

Other current assets

| | (₹ In Lacs) | |
|---|------------------|------------------|
| | 31st March, 2016 | 31st March, 2015 |
| Unamortised premium on forward contracts | 438.75 | 529.60 |
| Interest accrued on fixed deposits & others | 370.18 | 244.44 |
| Interest accrued on ICD to related party | 99.68 | 53.79 |
| | 908.61 | 827.83 |

Note No. 21

Revenue from operations

| | (₹ In Lacs) | |
|--------------------------|-----------------|-----------------|
| | 2015 - 16 | 2014 - 15 |
| Sale of products | | |
| Cement | 93110.37 | 100114.61 |
| Clinker | 2889.85 | 3879.82 |
| Other operating revenues | 871.45 | 1341.56 |
| | 96871.67 | 105335.99 |
| Less:- Excise duty | 12695.52 | 13151.25 |
| | 84176.15 | 92184.74 |

Note No. 22

Other income

| | (₹ In Lacs) | |
|--|---------------|---------------|
| | 2015 - 16 | 2014 - 15 |
| Interest Income on fixed deposits and others | 364.66 | 282.88 |
| Profit on sale of current Investment | 96.41 | 109.16 |
| Gain on Foreign exchange fluctuation (Net) | 0.67 | 0.94 |
| | 461.74 | 392.98 |

Notes

forming part of the Financial Statements

Note No. 23**Cost of materials consumed**

(₹ In Lacs)

| | 2015 - 16 | 2014 - 15 |
|-----------|-----------------|-----------------|
| Limestone | 7779.20 | 8727.05 |
| Gypsum | 2683.51 | 2074.35 |
| Fly Ash | 2386.27 | 2197.56 |
| Red Ochre | 44.73 | 814.67 |
| Others | 2429.50 | 1868.23 |
| | 15323.21 | 15681.86 |

Note No. 24**Purchase of Stock -in- trade**

(₹ In Lacs)

| | 2015 - 16 | 2014 - 15 |
|--------|----------------|----------------|
| Cement | 5153.86 | 6431.39 |
| | 5153.86 | 6431.39 |

Note No. 25**Changes in inventories of finished goods work-in-progress**

(₹ In Lacs)

| | 2015 - 16 | 2014 - 15 |
|--|----------------|------------------|
| Opening Stock | | |
| Material-in-Process | | |
| 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 |
| Less: Transfer of stock in process for trial run | - | 723.52 |
| Add: Finished goods /Stock in process transferred at end of trial run | - | 506.00 |
| Less: Closing Stock | | |
| Material-in-Process | | |
| Raw meal | 82.59 | 124.57 |
| Clinker | 2378.01 | 4386.12 |
| Crushed lime stone | 456.34 | 597.22 |
| Finished Goods-Cement | 1322.83 | 1365.68 |
| Scrap & waste | 96.11 | 108.09 |
| | 4335.88 | 6581.68 |
| | 2245.80 | (3155.14) |

Note No. 26**Employee benefits expense**

(₹ In Lacs)

| | 2015 - 16 | 2014 - 15 |
|---|----------------|----------------|
| Salaries, Wages, Bonus and Allowances | 5503.10 | 4780.63 |
| Contribution to Provident, gratuity and other funds | 755.74 | 774.77 |
| Workmen and staff welfare | 203.88 | 217.57 |
| | 6462.72 | 5772.97 |

Notes

forming part of the Financial Statements

Note No. 27

| Finance costs | (₹ In Lacs) | |
|-----------------------|----------------|----------------|
| | 2015 - 16 | 2014 - 15 |
| Interest expenses | 3533.20 | 3260.95 |
| Other borrowing costs | 605.01 | 572.46 |
| | 4138.21 | 3833.41 |

Note No. 28

| Other expenses | (₹ In Lacs) | |
|---|-----------------|-----------------|
| | 2015 - 16 | 2014 - 15 |
| Stores and spares consumed | 2489.00 | 2600.26 |
| Power and fuel | 18511.75 | 25839.97 |
| Rent | 734.12 | 887.95 |
| Repairs and Maintenance | | |
| Plant and Machinery | 1029.60 | 975.76 |
| Buildings | 214.17 | 188.61 |
| Others | 47.56 | 67.32 |
| | 1291.33 | 1231.69 |
| Insurance | 74.95 | 77.91 |
| Rates and taxes | 366.52 | 370.74 |
| Research & development expenses | 99.30 | 105.60 |
| Packing, forwarding and distribution Expenses | 24273.22 | 24924.03 |
| Commission & brokerage to selling agents | 747.54 | 708.51 |
| Wealth tax | - | 44.80 |
| Prior period adjustments (net) | - | 19.39 |
| Corporate Social Responsibility Expenditure | 204.78 | 73.34 |
| Directors commission | - | 63.66 |
| Directors fees | 13.55 | 16.99 |
| Payments to Auditors: | | |
| (a) Statutory Auditors | | |
| Audit fees | 10.01 | 9.00 |
| Tax audit fees | 1.99 | 1.80 |
| Other services | 3.01 | 3.14 |
| Reimbursement of expenses | 0.38 | 0.43 |
| (b) Cost Auditors | | |
| Audit fees | 0.92 | 0.85 |
| Loss on sale of fixed assets (net) | 15.26 | 2.53 |
| Miscellaneous expenses | 1780.91 | 1426.52 |
| | 50618.54 | 58409.11 |

Notes

forming part of the Financial Statements

NOTE 29

Accounting Policies and Notes on Accounts for the year ended 31st March 2016.

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 principal of accounting for a going concern basis. 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.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Sales are recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of trade discounts, allowable sales return and sales tax/value added tax.

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 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. Where cost of a part /component of the asset is significant to total cost of the asset and useful life of that part /component is different from the useful life of the remaining asset, useful life of that significant part/component has been determined on technical evaluation. 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 years.

Notes

forming part of the Financial Statements

8. Employee Benefits

- (i) Defined Contribution Plan : Employee benefits in the form of superannuation fund and the state governed provident fund are defined contribution plan. The contribution under the scheme is recognised during the period in which the employee renders the related services.
- (ii) Defined Benefit Plan: The employees' gratuity fund and leave encashment schemes are the Company's defined benefit plans. The present value of the obligations under such defined benefit plans is determined based on actuarial valuations using the Projected Unit Credit Method. Actuarial gain /loss, if any, are recognised in the statement of Profit and Loss.

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 is recognised in the statement of Profit and Loss. Foreign exchange contracts used to hedge foreign currency transactions are initially recognised at exchange rates prevailing on the date of the contracts 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. Grants related to specific fixed assets are deducted from the gross value of the concerned assets in arriving at their book values. Investment subsidy/employment generation subsidy and other 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.

15. Earning Per Share

Basic Earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity share outstanding during the year.

For calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of share outstanding during the period are adjusted for the effect of all diluted potential equity shares.

B. NOTES ON ACCOUNTS

- The Company has componentized its fixed assets and has separately assessed the life of the major components forming part of the main assets. Consequently, the depreciation charge for the year ended 31.03.2016 is higher by ₹ 89.57 Lacs. 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..
- Exceptional items of ₹ Nil (Previous Year ₹ 343.21 Lacs) represent interest on disputed U.P. entry tax for earlier year charged and collected by the commercial taxes department, U.P.

Notes

forming part of the Financial Statements

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, 2016 | 31st March, 2015 |
| Taxation Matters | | |
| - Direct tax | 2560.22 | 1949.26 |
| - Indirect tax | 7890.35 | 6360.44 |
| Others | 1314.40 | 1013.39 |

- (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, 2016 | 31st March, 2015 |
| Rajasthan Tax Board has given order in favour of the Company against demand 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 relying upon direction of BIFR dated 31.05.2007. However, Commercial taxes department has filed revision before Hon'ble Rajasthan High Court against the order. | | |
| 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 materialize. | 8136.65 | 8136.65 |

ii. Commitments:

| | (₹ In Lacs) | |
|---|---------------------|---------------------|
| | 31st March, 2016 | 31st March, 2015 |
| (a) Estimated Capital Commitments (Net of advances) | 1952.09 | 1583.00 |
| (b) Other Commitments - Commitment for Social Welfare (outstanding contribution for "Over Bridge" Construction) | - | 125.00 |

4. The Board of Directors has proposed a dividend of ₹ 0.50 per equity shares of Rs. 10 each for the year ended 31st March 2016 and the total proposed dividend amounts to ₹ 133.47 lacs and corporate dividend tax to be ₹ 27.17 lacs.

5. Revenue expenditure on Research and Development amounting to ₹ 99.30 lacs (Previous year ₹ 105.60 lacs) is shown in the

Statement of Profit & Loss. Capital expenditure relating to Research and Development amounting to ₹ 10.42 lacs (Previous year ₹ Nil) has been included in fixed assets.

6. Other operating revenue includes investment subsidy and employment generation subsidy aggregating to ₹ 318.14 lacs (Previous Year Nil).

Notes

forming part of the Financial Statements

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

| Particulars | ₹ In Lacs) | |
|--|------------------|------------------|
| | 31st March, 2016 | 31st March, 2015 |
| Raw materials consumed | - | 70.59 |
| Inter unit transfer of Stock-in Process | - | 723.52 |
| Salaries, wages, bonus & other allowance | 83.54 | 55.67 |
| Contribution to provident & other funds | 11.22 | 8.59 |
| Staff welfare | 5.73 | - |
| Interest & financial charges | 471.73 | 297.97 |
| Rent | 27.09 | - |
| Insurance premium | 3.49 | 1.62 |
| Electricity charges | 35.59 | - |
| Power & fuel | - | 114.46 |
| Repair to Machinery | 13.59 | 18.56 |
| Site development & other expenses | 2.28 | 18.18 |
| Rates & taxes | 20.56 | 2.69 |
| Packing/forwarding/distribution | - | 253.40 |
| Stores and spares consumed | 4.68 | 0.99 |
| Consultancy fees | 23.03 | 27.64 |
| Depreciation | 4.08 | 0.14 |
| Other expenses | 33.51 | 14.37 |
| Total expenditure during construction period | 740.12 | 1608.39 |
| Add: Brought forward from the previous year | - | 3732.93 |
| Add: Opening Stock of Finished Goods of Trial Run Production | - | 63.54 |
| Add: Opening Stock of stock in process of Trial Run Production | - | 46.43 |
| Less: Other Income | 4.91 | 1066.63 |
| Less: Interest received on bank deposits | - | 11.09 |
| Less: Closing stock of finished goods of trial run production | - | 506.00 |
| Total | 735.21 | 3867.57 |
| Less: Allocated to fixed assets | - | 3867.57 |
| Total | 735.21 | - |

Notes

forming part of the Financial Statements

8. 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, 2016 | 31st March, 2015 |
|--------|---|------------------|------------------|
| (a) | (i) Principal amount remaining unpaid at the end of the accounting year | 2.18 | 51.82 |
| | (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 |

9. (a) Hedging Commitments outstanding:

(In Lacs)

| Particulars | 31st March, 2016 | | 31st March, 2015 | |
|-----------------------|------------------|---------------|------------------|---------------|
| | Currency | Amount hedged | Currency | Amount hedged |
| Foreign Currency Loan | USD | 225 | USD | 250 |

(b) The yearend Foreign currency exposure that have not been hedged are given below

| Particulars | Currency | 31st March, 2016 | | 31st March, 2015 | |
|-------------------|----------|----------------------------|-------------------------|----------------------------|-------------------------|
| | | Foreign Currency (In Lacs) | Amount (In ₹) (In Lacs) | Foreign Currency (In Lacs) | Amount (In ₹) (In Lacs) |
| Interest | USD | 0.65 | 42.88 | 0.66 | 40.98 |
| Professional Fees | Euro | 0.10 | 7.30 | - | - |

10. Employee Defined Benefits:

(a) Defined Contribution Plans

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

(₹ In Lacs)

| Particulars | 2015-16 | 2014-15 |
|---|---------|---------|
| Contribution to Superannuation fund | 266.53 | 275.44 |
| Contribution to Provident fund (Government) | 434.64 | 395.97 |
| Others | 38.75 | 55.10 |
| | 739.92 | 726.51 |

Notes

forming part of the Financial Statements

- (b) Defined Benefit Plans as per actuarial valuation on 31st March, 2016 and recognised in the financial statements in respect of Employee Benefit Schemes:

(₹ In Lacs)

| Particulars | Gratuity (Funded) | | Leave Encashment (Non-funded) | |
|---|-------------------|------------------|-------------------------------|------------------|
| | 31st March, 2016 | 31st March, 2015 | 31st March, 2016 | 31st March, 2015 |
| I Reconciliation of Defined Benefit Obligations (DBO) during the year ended 31st March, 2016 | | | | |
| 1 Present value of DBO at the beginning of period | 1748.36 | 1568.85 | 792.99 | 646.15 |
| 2 Current service cost | 122.73 | 113.59 | 106.79 | 92.02 |
| 3 Interest cost | 152.98 | 137.28 | 69.39 | 56.54 |
| 4 Actuarial (Gains)/Losses | (5.61) | 35.63 | 26.57 | 100.48 |
| 5 Benefits paid | (133.07) | (106.99) | (68.92) | (102.20) |
| 6 Present value of DBO at the end of period | 1885.39 | 1748.36 | 926.82 | 792.99 |
| II Reconciliation of Fair Value of plan assets during the year ended 31st March, 2016 | | | | |
| 1 Plan assets at the beginning of period | 1582.16 | 1402.63 | | |
| 2 Expected return on plan assets | 142.39 | 124.13 | | |
| 3 Actuarial Gains/(Losses) | 4.06 | (3.93) | | |
| 4 Company contribution | 166.22 | 166.32 | | |
| 5 Benefits paid | (133.07) | (106.99) | | |
| 6 Plan assets at the end of period | 1761.77 | 1582.16 | | |
| III Reconciliation of fair value of assets and obligation as at 31st March, 2016 | | | | |
| 1 Present value of Defined Benefit Obligation | 1885.39 | 1748.36 | 926.82 | 792.99 |
| 2 Fair value on plan assets | 1761.77 | 1582.16 | - | - |
| 3 Status [Surplus/(Deficit)] | (123.62) | (166.20) | (926.82) | (792.99) |
| 4 Net asset/(liability) recognised in the Balance Sheet | (123.62) | (166.20) | (926.82) | (792.99) |
| IV Expenses recognised during the year | | | | |
| 1 Current service cost | 122.73 | 113.59 | 106.79 | 92.02 |
| 2 Interest cost | 152.98 | 137.28 | 69.39 | 56.54 |
| 3 Expected return on plan assets | (142.39) | (124.13) | - | - |
| 4 Actuarial Losses/(Gains) | (9.67) | 39.56 | 26.57 | 100.48 |
| 5 Total expenses recognised in the Statement of Profit & Loss [includes ₹ 1.91 Lacs (Previous year ₹ 0.31 Lacs) for Gratuity and ₹ 0.07 Lacs (Previous year ₹ 0.24 Lacs) for leave encashment charged as preoperative expenses] | 123.65 | 166.30 | 202.75 | 249.04 |
| V Major category of plan assets as a % of the total plan assets as at 31st March 2016 | | | | |
| 1. Interest based scheme with Insurance companies | 100% | 100% | | |
| VI Actuarial assumptions | | | | |
| 1 Discount rate (%) | 8.00 | 8.75 | 8.00 | 8.75 |
| 2 Expected return on plan assets (%) | 9.00 | 8.85 | - | - |
| 3 Rate of escalation in salary (per annum) (%) | 5.50 | 6.25 | 5.50 | 6.25 |
| 4 Mortality table (IALM) | 2006-08 | 2006-08 | 2006-08 | 2006-08 |

Notes

forming part of the Financial Statements

| | (₹ In Lacs) | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| | As at 31.03.2016 | As at 31.03.2015 | As at 31.03.2014 | As at 31.03.2013 | As at 31.03.2012 |
| VII Amount for the current and Previous four years are as follow: | | | | | |
| (i) Funded | | | | | |
| Defined benefit obligation | 1885.39 | 1748.36 | 1568.85 | 1392.99 | 1213.93 |
| Plan Assets | 1761.77 | 1582.16 | 1402.63 | 1224.10 | 1136.29 |
| Net Assets/(Liability) | (123.62) | (166.20) | (166.22) | (168.89) | (77.64) |
| Experience adjustment on Plan Assets | 6.44 | (11.65) | 0.66 | 2.94 | (9.39) |
| Experience adjustment on Plan Liabilities | 3.32 | (35.63) | (131.91) | (96.38) | (7.19) |
| (ii) Non Funded | | | | | |
| Defined benefit obligation | 926.82 | 792.99 | 646.15 | 538.00 | 448.53 |
| Net Assets/(Liability) | (926.82) | (792.99) | (646.15) | (538.00) | (448.53) |
| Experience adjustment on Plan Liabilities | (27.95) | (100.47) | (121.00) | (92.84) | (27.40) |

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

12. Related party information as per Accounting Standard -18:

| Particulars | 31st March, 2016 | 31st March, 2015 |
|---|---|---|
| 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) Associates Companies & Enterprise in which Key Management Personnel is able to exercise significant influence | (1) Pilani Investment & Industrial Corporation Ltd. (2) Vidula Consultancy Service Ltd. (3) Mangalam Timber Products Ltd. (4) Kesoram Industries Ltd. (5) Century Textile & Industries Ltd. | (1) Pilani Investment & Industrial Corporation Ltd. (2) Vidula Consultancy Service Ltd. (3) Mangalam Timber Products Ltd. (4) Kesoram Industries Ltd. (5) Century Textile & Industries 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 |
| Expenses: | | |
| Remuneration | | |
| Shri A.V. Jalan | 76.65 (98.09) | - |
| Smt. Vidula Jalan | 78.85 (97.58) | - |
| Rent & Electricity Charges Paid | | |
| Mangalam Timber Products Limited | | 12.59 (9.00) |
| Income: | | |
| Interest income | | |
| Mangalam Timber Products Limited | - | 50.99 (36.20) |
| Dividend paid | | |
| Pilani Investment & Industrial Corporation Ltd. | - | 22.40 (33.60) |
| Kesoram Industries Ltd. | - | 76.39 (114.59) |
| Century Textiles & Industries Ltd. | - | 44.41 (66.62) |
| Vidula Consultancy Services Ltd. | - | 0.23 (Nil) |
| Shri A.V. Jalan | 0.20 (0.30) | - |
| Smt. Vidula Jalan | 0.86 (0.78) | - |
| I.C.D. Given | | |
| Mangalam Timber Products Limited | - | 40 (100) |
| Outstanding: | | |
| (a) Director commission | | |
| Shri A.V. Jalan | Nil (20.00) | - |
| Smt. Vidula Jalan | Nil (20.00) | - |
| (b) Interest accrued | | |
| Mangalam Timber Products Limited | - | 99.68 (53.79) |
| (c) I.C.D. given: | | |
| Mangalam Timber Products Limited | - | 500 (460) |
| (d) Investment in Shares | | |
| Mangalam Timber Products Limited | | |
| I. Equity Shares | - | 110.02 (110.02) |
| II. 7.5% Non-Cumulative Redeemable Preference Shares | - | 3447.00 (3447.00) |

*Previous year figures are given in bracket

Notes

forming part of the Financial Statements

13. Earning Per Share (EPS):

| Particulars | 2015 - 16 | 2014 - 15 |
|--|-----------|-----------|
| Net profit / (Loss) attributable to equity share holders (₹ In Lacs) | (2047.46) | 1791.87 |
| Weighted average of equity shares (Nos.) | 26693780 | 26693780 |
| Nominal value of equity shares (In ₹) | 10 | 10 |
| Basic/Diluted EPS (In ₹) | (7.67) | 6.71 |

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

| Particulars | 2015 - 16 | 2014 - 15 |
|--|-----------|-----------|
| Salaries, wages, bonus and allowances | 372.95 | 324.24 |
| Contribution to provident and other fund | 88.75 | 89.81 |
| Workmen and staff welfare | 7.54 | 4.56 |
| Power and fuel | 445.42 | 489.05 |
| Stores and spare consumed | 401.63 | 413.37 |
| Insurance | 4.37 | 6.10 |
| Transportation of Raw materials | 1472.60 | 1746.16 |
| Repairs to Machinery | 76.84 | 105.01 |
| Repairs to Building | 5.37 | 6.73 |
| Royalty | 1799.57 | 1832.15 |
| Rates and taxes | 1022.81 | 274.06 |
| Other expenses | 33.80 | 57.71 |

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

| Particulars | 2015 - 16 | 2014 - 15 |
|---------------------------------------|-----------|-----------|
| Salaries, wages, bonus and allowances | 371.29 | 337.45 |
| Contribution to Provident fund | 44.36 | 46.41 |
| Electricity / Diesel | 1.34 | 25.99 |
| Stores & spares consumed | 157.64 | 135.51 |
| D G Running | 0.79 | 0.57 |
| Insurance | 15.22 | 17.30 |
| Repairs to Plant & machinery | 206.10 | 228.38 |
| Rates & taxes | 747.97 | 38.31 |
| Misc. expenses | 33.87 | 36.87 |

Notes

forming part of the Financial Statements

15. (a) Remuneration to Executive Directors:

| Particulars | (₹ In Lacs) | |
|---------------------------|-------------|-----------|
| | 2015 - 16 | 2014 - 15 |
| Salary | 120.00 | 120.00 |
| Contribution to: | | |
| Provident fund | 14.40 | 14.40 |
| Superannuation fund | 18.00 | 18.00 |
| Medical expenses | 3.10 | 3.16 |
| Commission | - | 40.00 |
| Other benefit/perquisites | - | 0.11 |

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.

| | | |
|--|---|-------|
| (b) Commission to Non-Executive Directors* | - | 23.66 |
|--|---|-------|

*Inclusive of service tax amounting to Current year ₹ Nil, (Previous year ₹ 3.26 lacs)

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

(b) Stores and spare parts consumed:

| Particulars | 31st March, 2016 (₹ in Lacs)* | Percentage | 31st March, 2015 (₹ in Lacs)* | Percentage |
|-------------|----------------------------------|------------|----------------------------------|------------|
| Indigenous | 2706.12 | 89 | 2224.65 | 70 |
| Imported | 347.61 | 11 | 932.25 | 30 |
| | 3053.73 | 100 | 3156.90 | 100 |

*includes ₹4.68Lacs under Expenses during construction period

(c) C.I.F. value of imports in respect of:

| | | |
|----------------------|--------|--------|
| i. Stores and spares | 182.04 | 939.92 |
| ii. Capital goods | 76.19 | - |

(d) Expenditure in foreign currency:

| | | |
|--|--------|--------|
| i. Interest and financial charges | 490.12 | 463.50 |
| ii. Professional fees/Consultancy fees | 19.13 | 21.57 |
| iii. Travelling expenses | 45.49 | 6.38 |
| iv. Sales promotion expenses | 0.50 | - |

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

FOR JAIN PRAMOD JAIN & CO.
Chartered Accountants
FRN 016746 N
(P.K.JAIN)
Partner
M.No.010479
New Delhi
May 04, 2016

Swadesh Agrawal
Company Secretary

Yaswant Mishra
President (Corporate) & CFO

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

REGISTERED OFFICE

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

PRESIDENT [CORPORATE] AND CHIEF FINANCIAL OFFICER

Shri Yaswant Mishra

CORPORATE OFFICE

Birla Building, 10th Floor
9/1, R.N. Mukherjee Road
Kolkata - 700 001
Phone No: 0332243 8706/07
Fax: 033224338709
CIN: L26943RJ1976PLC001705
E-mail : kolkata@mangalamcement.com

COMPANY SECRETARY

Shri Swadesh Agrawal

AUDITORS

Jain Pramod Jain & Co.
Chartered Accountants
New Delhi

TEAM OF EXECUTIVES

Shri Yaswant Mishra *President (Corporate)*
Shri S.S. Jain *President*
Shri Kaushlesh Maheshwari *President (Sales & Marketing)*

BANKERS

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

PLANT LOCATIONS

- Rajasthan**
P.O. - Aditya Nagar - 326520
Morak, Dist - Kota
- Uttar Pradesh**
K/1, CDF Complex
UPSIDC Industrial Area
Anoopsahar Road, Cherat
Dist - Aligarh

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
Website- www.masserv.com



B K BIRLA GROUP OF COMPANIES

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

Atlas, the Titan - Collective Strength

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

The Sun - Enlightenment and Growth

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

The Earth Segments - Diversified Activities

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

The Globe - Global Vision

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

The Base - Solid Foundations

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

The Symmetry - The Resilience, Versatility and Stability

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

Strong Foundation • Sustained Growth • Proven Leadership



www.mangalamcement.com



MANGALAM CEMENT LIMITED

CIN: L26943RJ1976PLC001705

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

Phone: 07459-233127; Fax: 07459-232036

E.mail: shares@mangalamcement.com

Website: www.mangalamcement.com

Notice

To The Members

NOTICE is hereby given that the 40th Annual General Meeting of Mangalam Cement Limited (CIN: L26943RJ1976PLC001705) will be held on Monday, the 19th September, 2016, 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, 2016 and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the year ended 31st March, 2016.
3. To appoint a Director in place of Smt. Vidula Jalan (DIN:01474162) who retires by rotation at this Annual General Meeting and being eligible has offered herself 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 Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V of the Act and such other permissions, sanction(s) as may be required and in partial modification of the resolution passed at the 38th Annual General Meeting of the Company held on 13th September, 2014, the consent of the members of the Company be and is hereby accorded for the revision in remuneration of Shri Anshuman Vikram Jalan, Executive Directors (DIN:01455782) of the Company from April 2016 to March 2017 as under:

I. Remuneration:

(a) **Salary** - Rs. 7,00,000/- (Rupees Seven Lacs Only) per month He will not be paid any sitting fee for the meetings of the Board of Directors and committees thereof.

(b) Commission:

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

(c) Perquisites:

(i) Provident Fund and Superannuation Funds

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

(ii) Gratuity

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

(iii) Leave

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

(iv) Leave Travel Concession

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

(v) Medical reimbursement

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

(vi) Personal Accidental Policy

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

(vii) Club Facilities

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

(viii) Car Facility

Company car with chauffeur shall be provided.

(ix) Other Perquisites

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

Explanation

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

(d) Amenities:

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

II. Overall remuneration:

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

III. Minimum remuneration:

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

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

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

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

6. 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 Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V of the Act and such other permissions, sanction(s) as may be required and in partial modification of the resolution passed at the 38th Annual General Meeting of the Company held on 13th September, 2014, the consent of the members of the Company be and is hereby accorded for the revision in remuneration of Smt. Vidula Jalan, Executive Directors (DIN:01474162) of the Company from April 2016 to March 2017 on the following terms and conditions:

I. Remuneration:**(a) Salary** - Rs. 7,00,000/- (Rupees Seven Lacs Only) per month.

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

(b) Commission:

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

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

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

(ii) Gratuity

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

(iii) Leave

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

(iv) Leave Travel Concession

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

(v) Medical reimbursement

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

(vi) Personal Accidental Policy

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

(vii) Club Facilities

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

(viii) Car Facility

Company car with chauffeur shall be provided.

(ix) Other Perquisites

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

Explanation

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

(d) Amenities:

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

II. Overall remuneration:

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

III. Minimum remuneration:

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

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

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

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

7. 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, 2017, 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."

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. The Explanatory Statement pursuant to Section 102 (1) 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 12th September, 2016 to 19th September, 2016 both the days inclusive on account of Annual General Meeting and dividend payment.

8. To consider and determine the fees for delivery of any document through a particular mode of delivery to a member and in this regard, to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant Rules prescribed thereunder, upon receipt of a request from a member for delivery of any document through a particular mode an amount of Rs. 50/- (Rupees Fifty Only) per each such document, over and above reimbursement of actual expenses incurred by the Company, be levied as and by way of fees for sending the document to him in the desired particular mode.

RESOLVED FURTHER THAT the estimated fees for delivery of the document shall be paid by the member in advance to the Company, before dispatch of such document.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Chief Financial Officer and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the document to be paid in advance."

Registered Office:
P.O.Adityanagar 326520,
Morak, Dist.Kota (Rajasthan)
May 04, 2016

By Order of the Board,

Swadesh Agrawal
Company Secretary

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 12th September, 2016 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 stipulated time frame as specified in the Companies Act, 2013.
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 hereinbelow in Note 7.

6. Pursuant to the provisions of Section 205A read with Section 205C of the Companies Act, 1956 and Sections 124 and 125 of the Companies Act, 2013, dividends for the financial year ended 31st March, 2009 and thereafter, which remain unpaid or unclaimed for a period of 7 years will be transferred to the 'Investor Education and Protection Fund' ("IEPF") constituted by the Central Government. Members, who have not uncashed their dividend, warrant(s) for the Financial Year ended 31st March, 2009 or any subsequent Financial Year(s) are urged to claim such amount from the Share Department of the Company/Registrar and Share Transfer Agent.

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.
 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 and Regulation 44 of the SEBI Listing Regulations, 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 12th September, 2016, 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, 16th September, 2016 and will end at 5.00 p.m. on Sunday, 18th September, 2016. The Notice of the Meeting will also be available on the Company's website: www.mangalamcement.com and the website of NSDL: www.evoting.nsdl.com.
 11. The procedure and instructions for e-voting as given in the Notice of the 40th Annual General Meeting are again reproduced hereunder for easy reference:
 - 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 with a copy marked to evoting@nsdl.co.in.
 - II. In case of Members receiving Physical copy of Notice of 40th 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 in the box overleaf.
 - 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 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 12th September, 2016.
- 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. 12th September, 2016, 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 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 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 Smt. Vidula Jalan, Director Retiring by Rotation

Information about the Appointees pursuant to SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

Smt. Vidula Jalan, (DIN: 01474162), 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. She also holds Directorship in Vidula Consultancy Services Limited and Mangalam Timber Products Limited. She is also the member of Share Transfer Committee and Internal Complaint Committee at Mangalam Timber Products Limited. She holds 60,000 Equity Shares in the Company.

Smt Vidula Jalan is the wife of Shri Anshuman Vikram Jalan, Executive Director of the Company.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 ("the Act")

Item No. 05 & 06

At the 38th Annual General Meeting, Mr. Anshuman Vikram Jalan and Smt. Vidula Jalan, were re-appointed as Wholetime Directors designated as Executive Directors with effect from 1st April, 2014 for further period of three years.

Since there has been a considerable increase in the duties and responsibilities performed by the Executive Directors and after considering the prevailing managerial remuneration in industry, the Board of Directors at their meeting held on 04th May, 2016, on the recommendations made by the nomination and remuneration committee, has approved the proposal to increase the basic salary of both the executive directors from the present Rs. 6,00,000 per

month to Rs. 7,00,000 per month for the remaining period of his tenure i.e., upto 31.03.2017. Except for the aforesaid revision in basic salary, all other terms and conditions of their appointment as the Wholetime Directors nominated as Executive Directors of the Company as approved earlier, shall remain unchanged.

As the terms for revision in remuneration proposed above are well in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act, Central Government approval is not necessary for the above revision in remuneration.

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

The information as required under Schedule V to the Companies Act, 2013 is as under: -

I. GENERAL INFORMATION:

| | | | | |
|-------------------------|---|---|--------------------------|--------------------------|
| 1 | Nature of industry | The Company is engaged in the manufacturing of Cement and Cement Products. | | |
| 2 | Date or expected date of commencement of commercial production | Commercial Production of 0.40 Million Ton Per Annum (MTPA) Cement commenced on 1st March, 1981. | | |
| 3 | In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not Applicable | | |
| 4 | Financial performance based on given indicators | Particulars | 2015-16 (Rs. In Lacs) | 2014-15 (Rs. In Lacs) |
| | | Net Income | 84176.15 | 92184.74 |
| | | Profit before Tax, Finance Cost & Depreciation | 4833.76 | 9437.53 |
| | | Less: Finance Costs | 4138.21 | 3833.41 |
| | | Profit before Depreciation and Tax | 695.55 | 5604.12 |
| | | Less: Depreciation | 3656.88 | 3362.25 |
| | | Profit before Tax | (2961.33) | 1898.66 |
| | | Less: Provision for Tax | (913.87) | 106.79 |
| | | Net Profit After Tax | (2047.46) | 1791.87 |
| | | Equity Capital (face value Rs. 10) | 2669.38 | 2669.38 |
| Earning Per Share (Rs.) | (7.67) | 6.71 | | |
| 5 | Foreign investments or collaborations, if any. | The Company did not have any foreign investments or collaborations. | | |

II. INFORMATION ABOUT THE APPOINTEE:

| Sr. No. | Particulars | Shri Anshuman Vikram Jalan (Executive Director) | Smt. Vidula Jalan (Executive Director) |
|---------|---|---|--|
| 1 | Background details | Aged about 38 years, 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 | Aged 35 years, she is MBA in Strategic Marketing, Leadership and Change Management from the Indian School of Business, Hyderabad. Moreover, she also has an Accounting and Finance degree from The University of Manchester, U.K. She is also managing the affairs of reputed schools and charitable trusts of the B. K. Birla Group (the "Group") |
| 2 | Past remuneration | During the year ended 31st March, 2016, he has been paid a remuneration of Rs. 6,00,000/-per month as basic salary (+) perquisites as approved by the members of the Company in the 38th Annual General Meeting. | During the year ended 31st March, 2016, she has been paid a remuneration of Rs. 6,00,000/-per month as basic salary (+) perquisites as approved by the members of the Company in the 38th Annual General Meeting. |
| 3 | Recognition or awards | The Company has received various awards and recognitions during his tenure as the Executive Director of the Company. | The Company has received various awards and recognitions during her tenure as the Executive Director of the Company. |
| 4 | Job profile and his suitability | In the capacity of Executive Director of the Company, He shall be responsible for defining and executing business strategy, strengthening governance practices and providing overall leadership to the Company's operations or such other roles and responsibilities as may be assigned to him by the Board from time to time. | In the capacity of Executive Director of the Company, She shall be responsible for defining and executing business strategy, strengthening governance practices and providing overall leadership to the Company's operations or such other roles and responsibilities as may be assigned to him by the Board from time to time. |
| 5 | Remuneration proposed | As set out in Resolution No. 5 of the Notice of the Annual General Meeting. | As set out in Resolution No. 6 of the Notice of the Annual General Meeting. |
| 6 | Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) | Taking into consideration the size of the Company, the proposed profile of Sh. Anshuman Vikram Jalan, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial personnel in other Companies. | Taking into consideration the size of the Company, the proposed profile of Smt. Vidula Jalan, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial personnel in other Companies. |

| Sr. No. | Particulars | Shri Anshuman Vikram Jalan (Executive Director) | Smt. Vidula Jalan (Executive Director) |
|---------|--|---|---|
| 7 | Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any. | Besides, the remuneration proposed, Shri Anshuman Vikram Jalan does not have any other pecuniary relationship with the Company. Shri Anshuman Vikram Jalan is the husband of Smt. Vidula Jalan, Executive Directors of the Company. He holds 10,000 shares of the company. | Besides, the remuneration proposed, Smt. Vidula Jalan does not have any other pecuniary relationship with the Company. Smt. Vidula Jalan is the wife of Shri Anshuman Vikram Jalan, Executive Director of the Company. She holds 60,000 shares of the Company. |

III. OTHER INFORMATION:

| | | |
|---|--|---|
| 1 | Reasons of loss or inadequate profits: | The impact on the profitability of the Company was primarily due to depressed market condition and economic slowdown in the industry. The Company have expanded its capacity from 2.0 Million Ton Per Annum (MTPA) to 3.25 MTPA in the year 2014 whereby increasing its clinkerisation and grinding capacity at the existing plant location. Further the Company is also setting up a new grinding unit of 0.75 MTPA at Aligarh, Uttar Pradesh. Due to the increase in the interest burden on the loan taken on the above expansion and slowdown in the industry, the Company incurred a net loss for the financial year 2015-16. |
| 2 | Steps taken or proposed to be taken for improvement | The Company is taking all efforts to improve its performance which, inter alia include: <ul style="list-style-type: none"> • Cost Control • Measures to ensure efficient power consumption. • Efforts to reduce the logistic cost. • Deeper penetration into high realisation market and expansion of new markets. |
| 3 | Expected increase in productivity and profits in measurable terms. | All efforts are being undertaken to ensure an improved performance and increasing the profitability of the Company. However, it is difficult to predict profits in measurable terms. |

IV. DISCLOSURES:

| | |
|---|---|
| 1 | The remuneration package proposed to be given to Smt. Vidula Jalan and Shri Anshuman Vikram Jalan is as per the details given in the resolution. The Report on Corporate Governance in the Annual Report indicates the remuneration paid to the managerial personnel as well as to all other Directors. |
| 2 | There is no severance fee or stock option in the case of the aforesaid managerial personnel. The respective tenure of the aforesaid managerial personnel shall be governed by the resolutions passed by the Shareholders in General Meetings. |

Item No. 07

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, 2017 pursuant to Section 148 of the Companies Act, 2013 on a remuneration of Rs.1,05,000/- (Rupees One Lacs Five Thousand only) plus service taxes 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.

Item No. 8

As per the provisions of section 20 of the Companies Act, 2013 a document may be served on any member by sending it to him by

Post or by Registered post or by Speed post or by Courier or by delivering at his office or address or by such electronic or other mode as may be prescribed. It further provides that a member can request for delivery of any document to him through a particular mode for which he shall pay such fees as may be determined by the company in its Annual General Meeting. Therefore to enable the members to avail this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document. The Directors accordingly recommend the resolution at Item No. 8 for the approval of the members of the Company.

None of the Directors and/or Key Management Personnel of the Company and their relatives are interested in the above resolution.

Registered Office:
P.O. Adityanagar 326520,
Morak, Dist. Kota (Rajasthan)
May 04, 2016

By Order of the Board,

Swadesh Agrawal
Company Secretary

Route Map for AGM Hall - Club Hall, Mangalam Cement Limited

