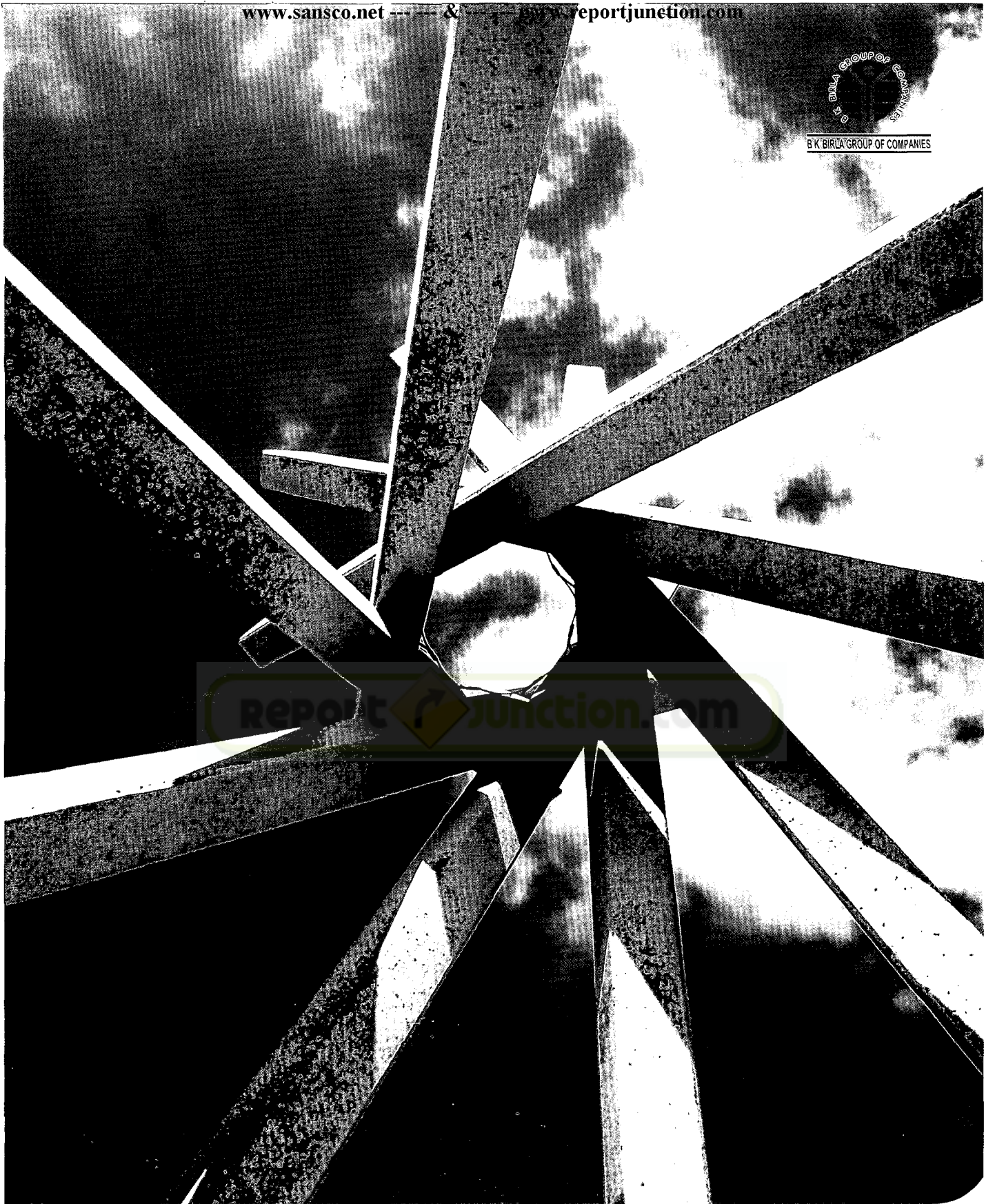




B K BIRLA GROUP OF COMPANIES

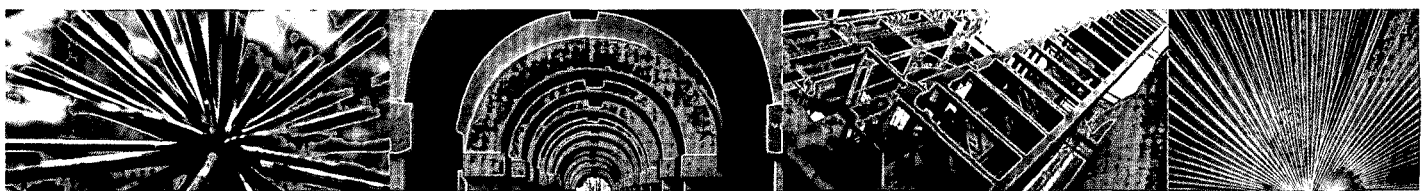


STRONGER
Cementing our growth story

MANGALAM CEMENT LIMITED
33rd ANNUAL REPORT 2008-2009

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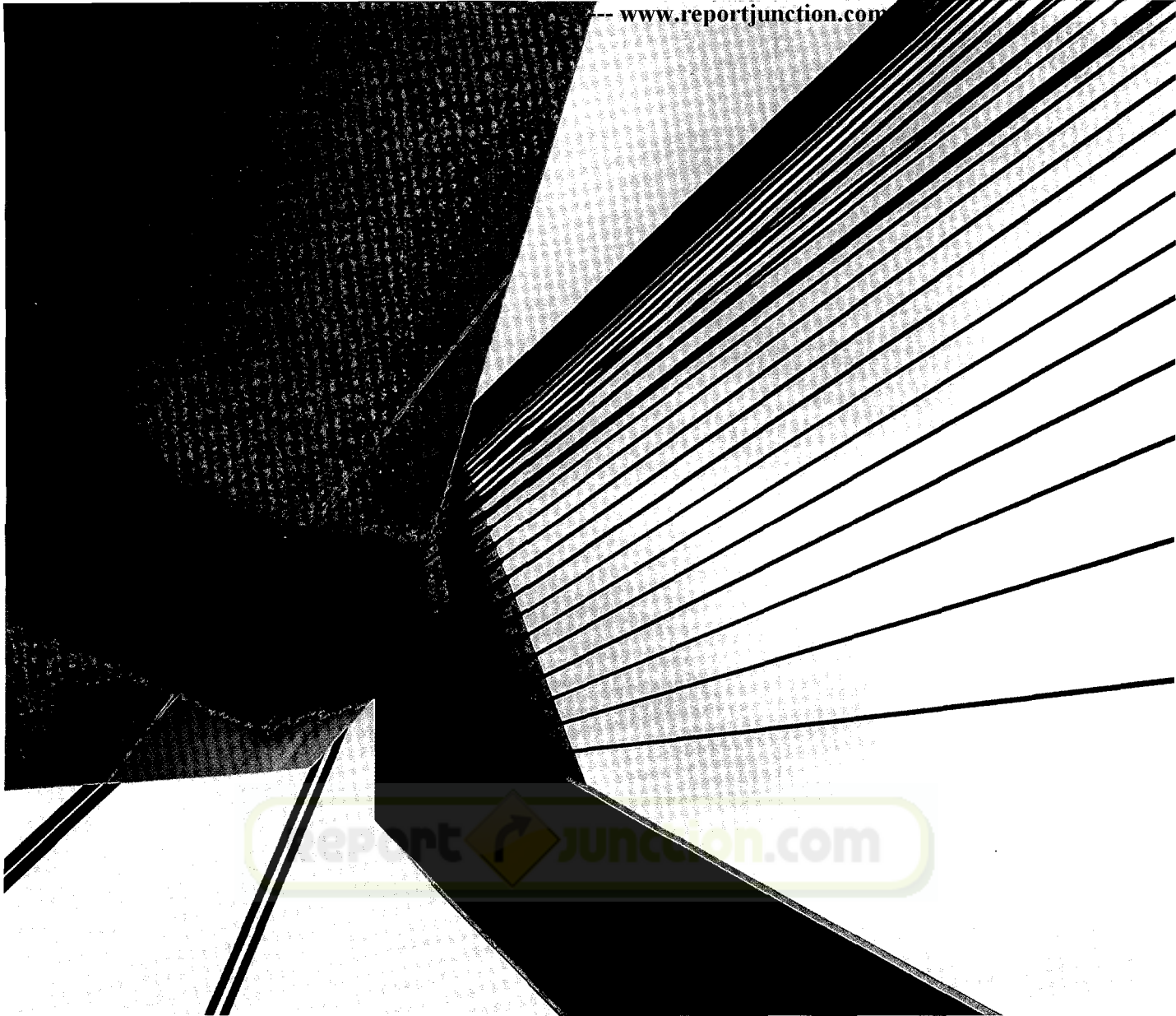
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Forward looking statements

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised.

The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.



Those who understand construction and architecture, vouch for the fact that the strongest cement is the one that takes considerable amount of time to set. The process of getting stronger requires patience, dedication and perfection for discovering and honing one's inherent strengths.

At Mangalam Cement, we have strived to be the best in every aspect since our inception almost three decades ago. In every facet of our organisation, from production to quality and from brand to the people who drive it, we have proactively invested time and resources to eliminate bottlenecks, unleash potential, and as a result, created a passion-driven enterprise. In doing so, we draw heavily from

our distinguished parentage of the B.K.Birla Group, one of the foremost industrial conglomerates of India.

Nowhere is this more convincingly demonstrated than in our remarkable turnaround from being a company denominated as 'sick' under the BIFR provisions to being a profitable, dividend paying company that has today repaid and prepaid all its borrowings. Not only this, today, Mangalam is on the path of rapid capacity enhancement and expansion which is being financed largely through internal cash generation.

On the following pages, we discuss, how challenges notwithstanding, we are cementing our growth story leaving an indelible impression of value creation on our stakeholders.

Introduction

Mangalam Cement Limited, is an integrated manufacturer of world-class cement, based in North India. Its corporate existence is from 1978, though the production of cement began only in 1981. It is a part of the B.K. Birla Group of Companies and employs more than 850 people.

Products

CEMENT

Pozzolana Portland Cement (PPC)

Ordinary Portland Cement (OPC) (Grades 43 & 53)

Brands

Birla Uttam Cement

Capacity

Cement – 2 million tonnes (w.e.f 1st October, 2008)

Coal based power - 17.5 MW


Wind power - 6.15 MW





Awards and Accolades

MINES ENVIRONMENT AND MINERAL CONSERVATION WEEK CELEBRATION COMMITTEE
(UNDER THE AUSPICES OF INDIAN BUREAU OF MINES, AJMER REGION)




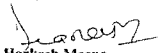
Certificate of Honour is awarded to
M/s. Manglam Cement Ltd. - Morak Lime Stone Mine


For Participating in
XIXth Mines Environment and Mineral Conservation Week Celebration 2008-2009
From 20th February 2009 to 26th February, 2009 in the group of
Mechanised / Semi Mechanised-I / Semi Mechanised-II / Manual Open Cast Mines

They have been awarded
First / Second / Third Prize
in the field of
Reclamation & Rehabilitation of Land

Date : 7th March, 2009
Place : Lakheri Cement Works


K. B. Verma
Secretary


Harkesh Meena
Convener


M. K. Mishra
Chairman

Awarded in the field of Reclamation and Rehabilitation of Land

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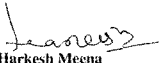
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They have been awarded
First / Second / Third Prize
in the field of
Waste Dump Management

Date : 7th March, 2009
Place : Lakheri Cement Works


K. B. Verma
Secretary


Harkesh Meena
Convener


M. K. Mishra
Chairman

Awarded in the field of Waste Dump Management

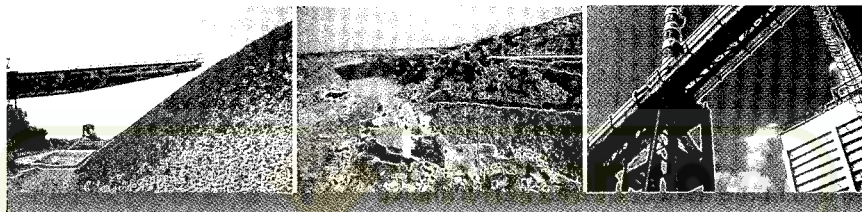
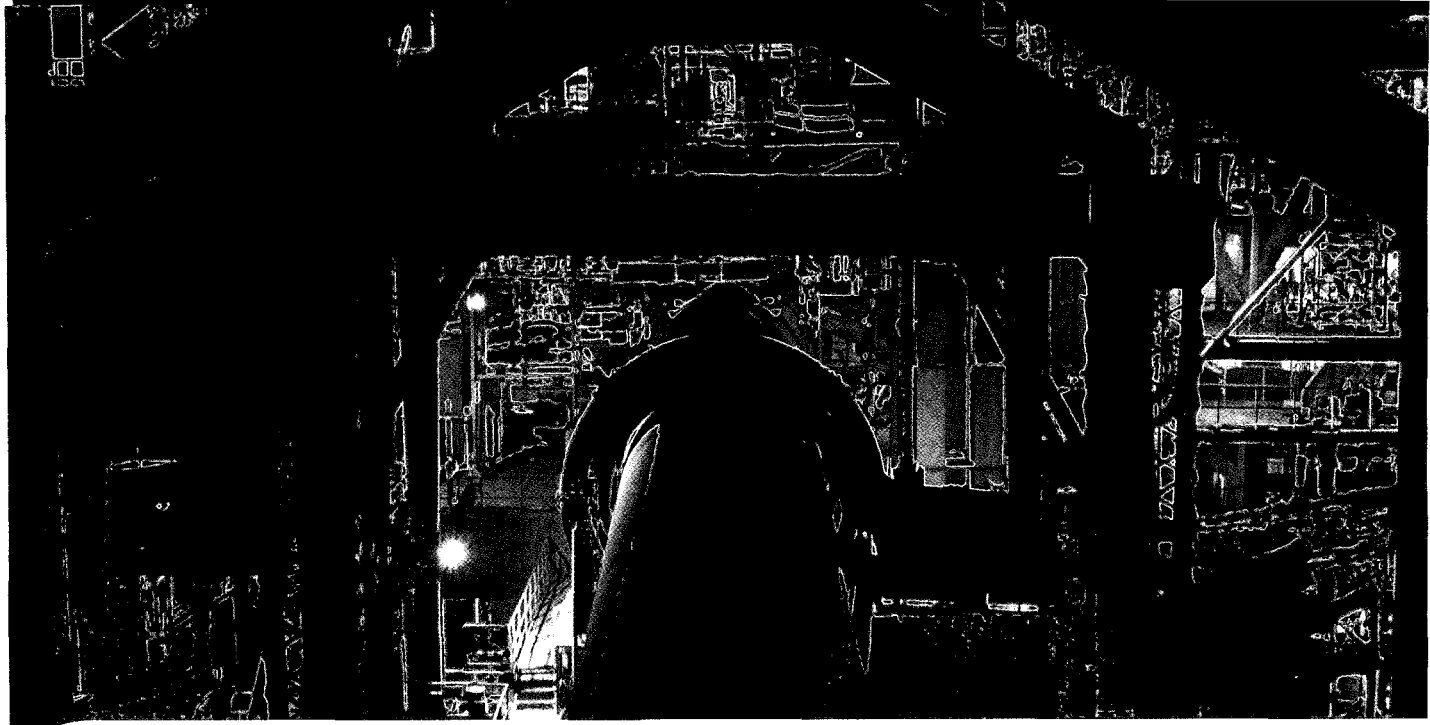


Awarded in the field of Overall Performance

Other Awards Include

- For Transport Roads and Dust suppression - First prize
- For Elec installation and mines lighting - First prize
- For Elec installation and mines lighting - First prize
- For Noise and Vibration Control - Second prize
- For Opencast working, plans and sections - Second prize
- For Welfare amenities and Publicity propaganda - Second prize
- For HEMM and Maintenance - Second prize

The Company has also been awarded a prize by the District Forest Officer, Government of Rajasthan, Kota, for the excellent work done by it in the field of forest safety, development and wild life conservation.



How did we perform during 2008-09?

Operational highlights

Completed the modernisation programme for both clinker and cement plants

Achieved highest ever cement production of 16.95 lacs tonnes

Highest ever dispatch of cement of 17.04 lacs tonnes

Captive wind energy production increased to 108.76 KW units

Capacity expanded by 33% to 20 lacs tonnes

Prepaid Interest Free Deferred Sales Tax Loan of Rs.3175 lacs calculating in NPV of Rs.1844 lacs and Secured Loan repaid Rs.2625 lacs

Financial performance

TOTAL REVENUES (Rs. in Cr.)

2008-09	646.31
2007-08	596.89
*2006-07	522.54

EBIDTA (Rs. in Cr.)

2008-09	162.00
2007-08	160.63
*2006-07	139.18

PAT (Rs. in Cr.)

2008-09	97.16
2007-08	113.55
*2006-07	83.86

EPS (Rs.)

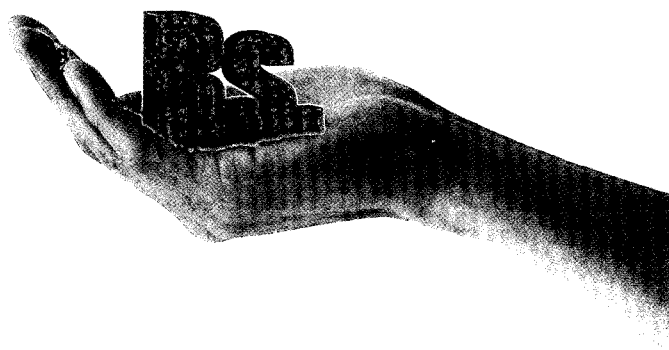
2008-09	34.41
2007-08	40.20
*2006-07	29.68

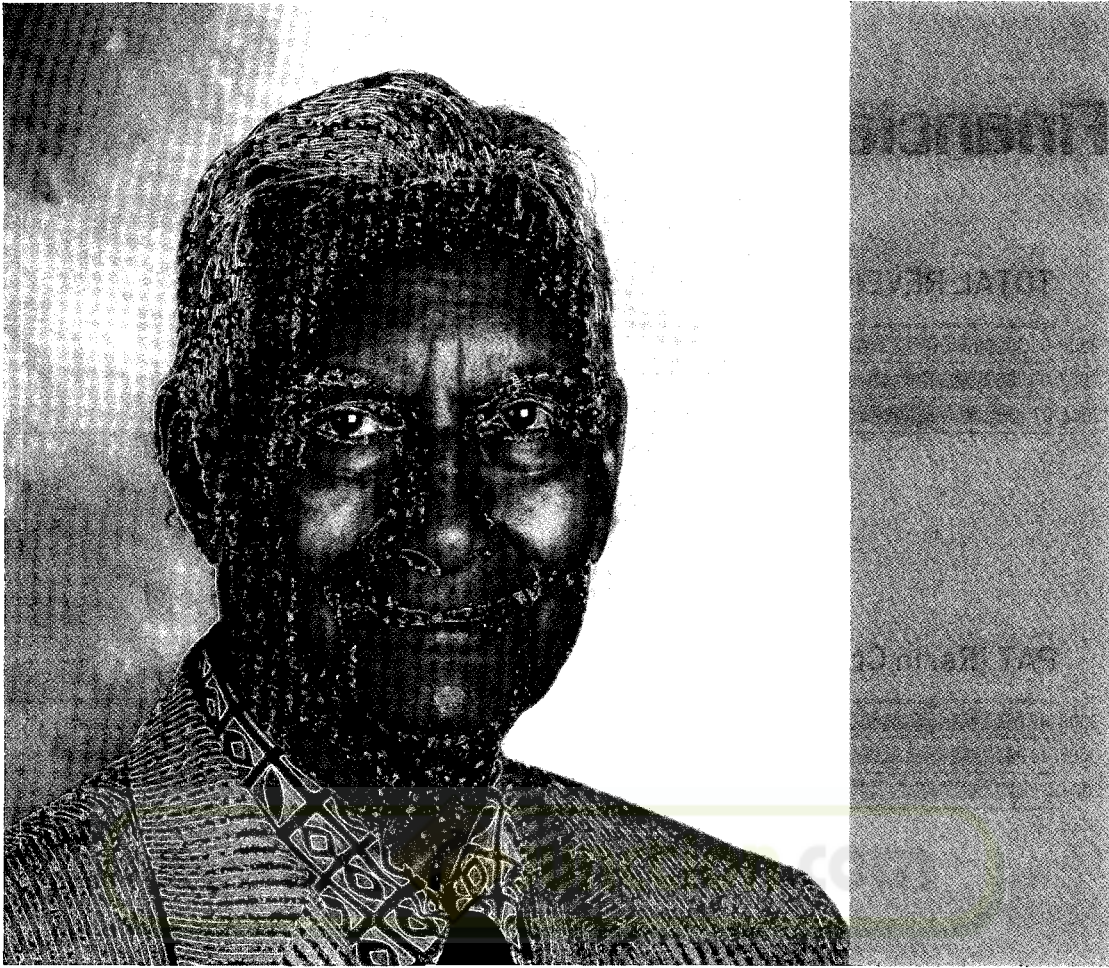
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DIVIDEND RATE (%)

2008-09	55
2007-08	50
*2006-07	40

*annualised





Message from Syt. B.K.Birla

Founder, B.K. Birla Group

I join you in complimenting the entire team and Board of Directors of the Company on its excellent operational performance. In keeping with the values and principles of our Group, Mangalam Cement has demonstrated a strong spirit of resilience and its ability to meet challenges. I assure you of all possible contribution on the Group's behalf and at my personal level in ensuring that the Company continues to march forward, emerges stronger and creates exceptional shareholder value.

With best wishes

Basant Kumar Birla