

PRODUCT



PROCESS



PERFORMANCE



PEOPLE



Sustainable Matrix

MANGALAM CEMENT LIMITED

36th Annual Report 2011-12

Forward-looking statements

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

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AT MANGALAM CEMENT, SUSTAINABILITY IS A JOURNEY ACROSS EVOLVING BUSINESS REALITIES. IT INVOLVES THE CONVERGENCE OF SOUND STRATEGIES AND SKILLFUL EXECUTION, RESULTING IN IMPROVED PRODUCT QUALITY AND ENCOURAGING BUSINESS PERFORMANCE.

In 2011-12, we faced significant challenges at Mangalam Cement: rising input cost, moderate demand and adverse external environment.

The consequence: plummeting realisations.

The adversity presented an opportunity to strengthen our business model.

We moved ahead with alacrity...

Regulated escalating costs through optimum use of raw materials, process modernisation and proactive resource management.

Enhanced people skills through meaningful intervention and periodic training.

Increased product dispatches under higher levels of supervision.

These efforts contributed to the growth in revenues and improved profitability.

We believe we are creating a sustainable matrix for long-term value creation.





PERFORMANCE
IS NOT WORD-PLAY.

NUMBERS COUNT...

16.32
lac tons



Cement production
in 2011-12 (15.14 lac
tons in 2010-11)

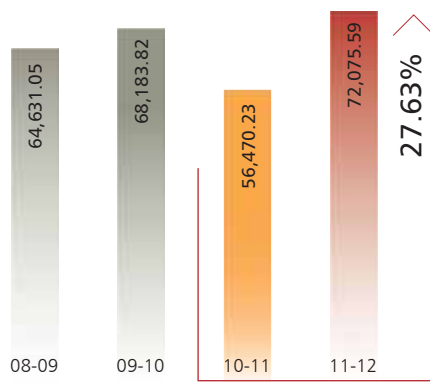
14.13
lac tons



Clinker production in
2011-12 (13.79 lac
tons in 2010-11)

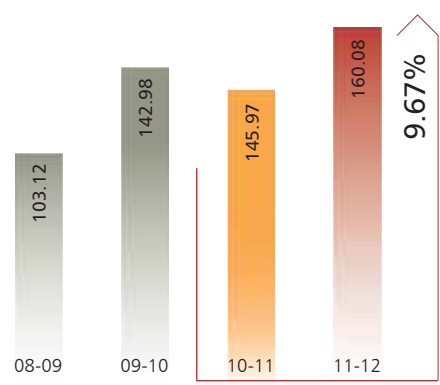
Total revenue

(Rs. in lacs)



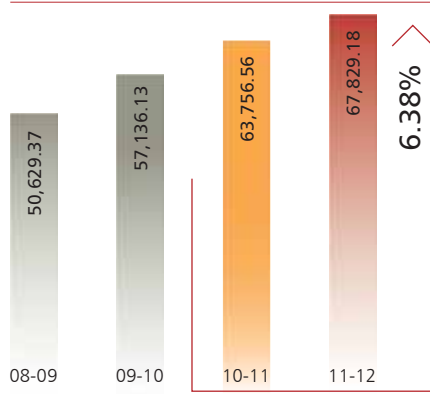
Book value per share

(Rs.)



Gross block

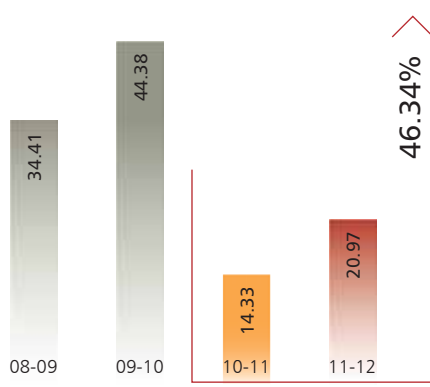
(Rs. in lacs)


16.36
 lac tons

 Cement dispatch in
 2011-12 (15.12 lac
 tons in 2010-11)

Earnings per share (basic)

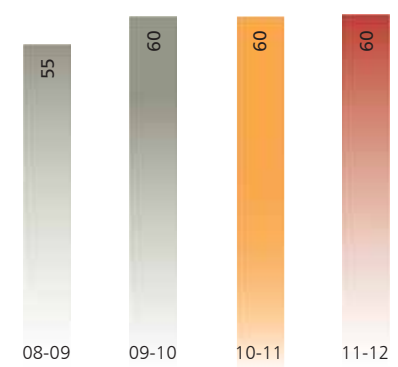
(Rs.)


1,432.56
 lac Kwh

 Captive thermal energy
 generation in 2011-12
 (1,217.22 lac Kwh in 2010-11)

Dividend payment

(%)


178.84
 lac Kwh

 Captive green energy
 generation in 2011-12
 (120.11 lac Kwh in
 2010-11)



OUR INTEGRATED EXPERTISE PROVIDES A STRONG ADVANTAGE IN TODAY'S RAPIDLY CHANGING AND HIGHLY COMPETITIVE BUSINESS SCENARIO.

Incorporated in 1976, and having commenced cement production in 1981, Mangalam Cement Limited, a part of the B.K. Birla Group of Companies, has emerged as a leading integrated manufacturer of world-class cement in North India.

Core offerings

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

Operating locations

- Headquartered in Kolkata, (West Bengal)
- Cement plants (2 million tons) and coal-based power plant (35 MW) - Aditya Nagar, Morak district, Kota (Rajasthan)
- Wind energy – 13.65 MW capacity at Jaisalmer (Rajasthan)
- Regional offices at Kota, Jaipur and Delhi
- Caters to the markets of Rajasthan, Madhya Pradesh, Delhi, Haryana and western Uttar Pradesh, among others

Certifications

- ISO 9001:2008 for stringent process quality control
- ISO 14001:2004, reflecting advanced environmental management system
- IS 18001:2007, indicating sophisticated occupational health and safety management system

Credit ratings

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

NSE Ticker: MANGLMCEM

BSE Ticker: 502157

Dividend: Rs. 6 per share (Face value: Rs.10)



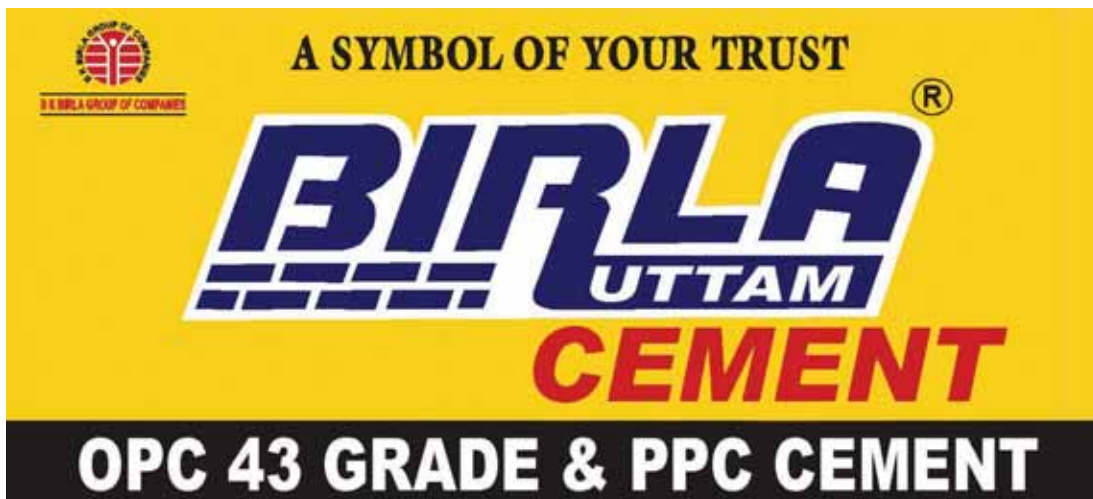
Expansion agenda

Mangalam Cement is in the process of enhancing its manufacturing capacities of both clinker and cement. Clinker capacity will increase by 5 lacs TPA by April, 2013 and cement manufacturing capacity will increase by 1.25 MTPA by the end 2013. A second thermal Captive Power Plant of 17.5 MW has already been commissioned which will cater to the expanded capacities. These expansion projects are estimated to cost Rs. 500 crore and will be financed through internal cash accrual and loan from banks.

Pillars of strength

- One of the **most cost-efficient** cement manufacturers in India on account of modern technology, excellent raw material management and captive power source
- Extensive network of **1,020+ dealers** across cities and towns
- Motivated workforce of **900+ employees** with rich industry experience, driven by group ethos
- Environment **stewardship**: green belt in the vicinity of our manufacturing plant; controlled pollution index, facilitating ecological balance
- **Debt-free** status as on 31st March 2012

Trusted brand - Birla Uttam





RECOGNITION OF OUR ENDEAVOUR

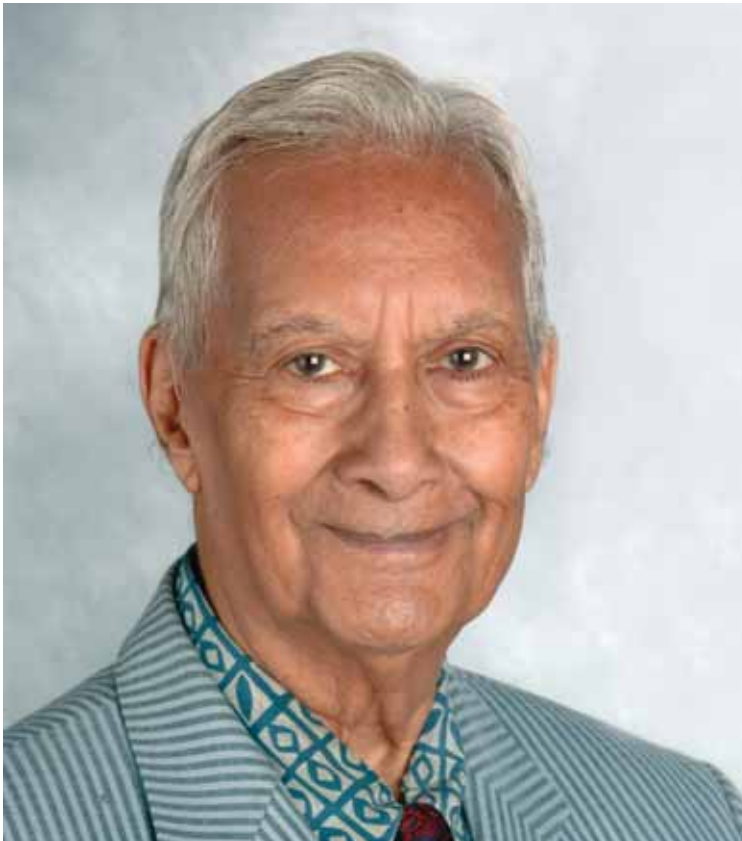


Won multiple awards at the 2nd Mines Safety Week (2011-12) of Hadoti Division, Gwalior Region, celebrated under the aegis of the Directorate General of Mines Safety, Government of India (Dhanbad)

Won multiple awards at the 22nd Mines Environment and Mineral Conservation Week 2011-12, celebrated under the aegis of the Indian Bureau of Mines, Government of India (Ajmer)



MESSAGE FROM SYT. B.K. BIRLA



●●
**Notwithstanding
global volatilities,
the Indian
economy has
demonstrated
resilience and
reported more
than 6% economic
growth in 2011-12**
●●

Mangalam Cement is a story of inspiring corporate evolution despite challenges. Driven by our Group ethos, Mangalam Cement, has been able to weather multiple challenges with a firm focus on ground realities and appropriate foresight in risk management and mitigation.

Notwithstanding global volatilities, the Indian economy has demonstrated resilience and reported more than 6% economic growth in 2011-12. The economic performance will steadily improve, driving demand growth in infrastructure creation and construction. Mangalam Cement will make every effort to leverage evolving opportunities. Moreover, we will continue our social endeavours and embrace industry-best practices.

With best wishes,

Basant Kumar Birla



**EFFICIENCY IS A RESULT OF
NUMEROUS SMALL, BUT
IMMENSELY IMPORTANT, PROCESS
IMPROVEMENTS.**

**AT MANGALAM CEMENT, WE ARE
METHODICALLY IMPROVING EVERY
STEP OF OUR PROCESSES AND
MOVING FORWARD IN OUR JOURNEY
TOWARDS OPTIMAL EFFICIENCY.**