



B K BIRLA GROUP OF COMPANIES



38th Annual Report 2013-14

MANGALAM CEMENT LIMITED

Way forward



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Forward-looking statements

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





Equipped for enhanced value creation

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

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

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



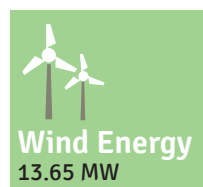
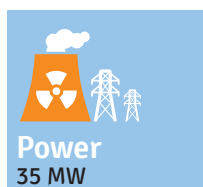
▲ Overview of the plant at Aditya Nagar, Morak, Kota, Rajasthan



A Culture of Excellence

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

KEY CAPACITIES



Products

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

Certifications

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

Ratings

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



Operational Presence

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

For Shareholders

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

Awards

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



▲ View of the plant lit up at night

Our Brand – Birla Uttam

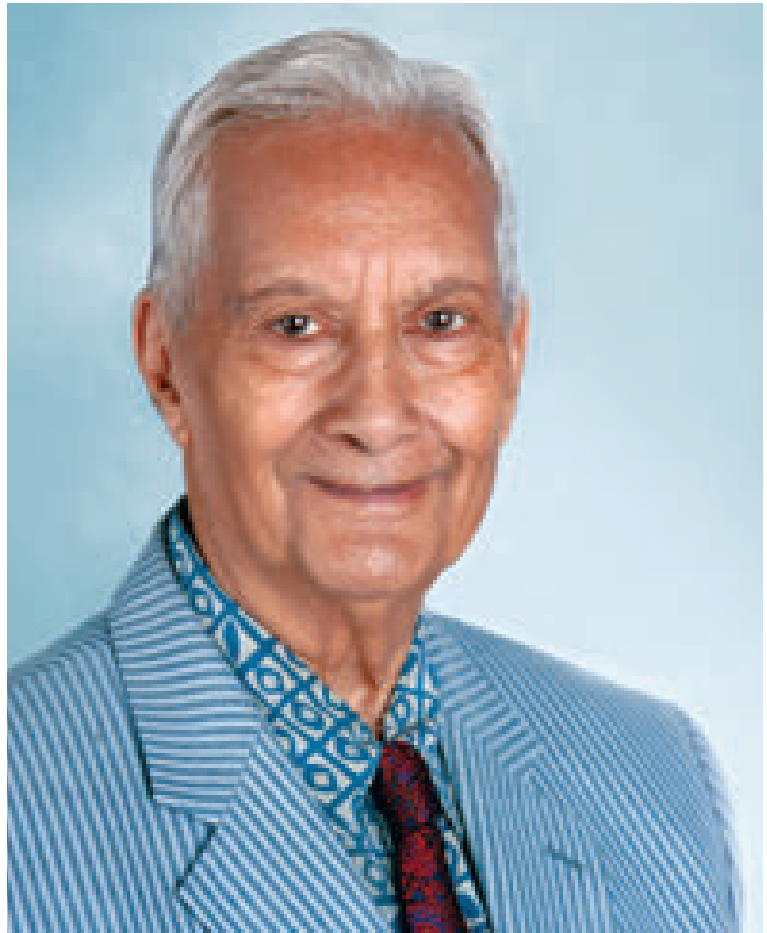




Message from Syt. B.K. Birla



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

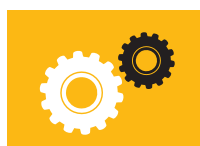


As India's industrial and economic scenario becomes more favourable, Mangalam Cement is implementing relevant strategies to strengthen its business model and emerge as a key industry player. Throughout its journey, the Group has always guided the Company with its value, expertise and experience. I believe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

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

With best wishes

Basant Kumar Birla

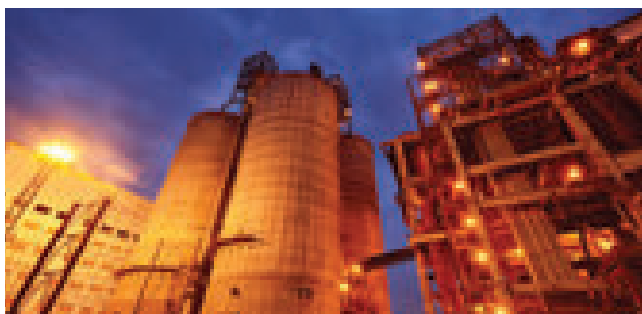


Our Value Drivers

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

Illustrious Group

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



30+ years

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



Cost-Efficiency

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



Birla Uttam

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

Quality Focus

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

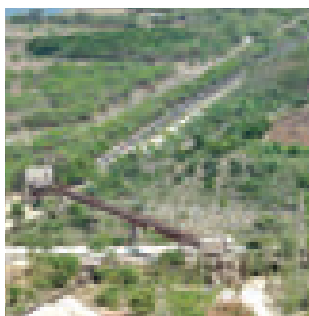


4000+

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

963+

Team of motivated family of Mangalam employees.



Go-Green

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



Community Care

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



Board of Directors



Shri K.K. Mudgil

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



Shir Amal Ganguli

Shri Amal Ganguli is a fellow member of The Institute of Chartered Accountants of India and the Institute of Chartered Accountant in England and Wales. He is also a member of the New Delhi Chapter of The Institute of Internal Auditors, Florida, USA. Shri Ganguli spent 40 years of his professional career in Price Waterhouse/Price 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 Attorney-ship Examination from the Calcutta High Court in the year 1974 and stood first in the Preliminary, Intermediate and Final Examinations and was awarded Bell Chamber's Gold Medal by the Incorporated Law Society, High Court, Calcutta. He is a Notary Public appointed by the Govt. of India. He has rich experience in all aspects of law and more particularly, Real Estate, Corporate laws and has handled important litigations covering different branches of law including Mergers & Acquisition, Restructuring and De-mergers. He has advised several large industrial houses and multinational corporations on multifarious legal matters. He is a Director in the Company since 23rd October, 2000.



Shri Gaurav Goel

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

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



Shri K.C. Jain

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

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



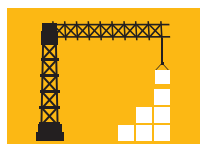
Smt. Vidula Jalan

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



Shri Anshuman Vikram Jalan

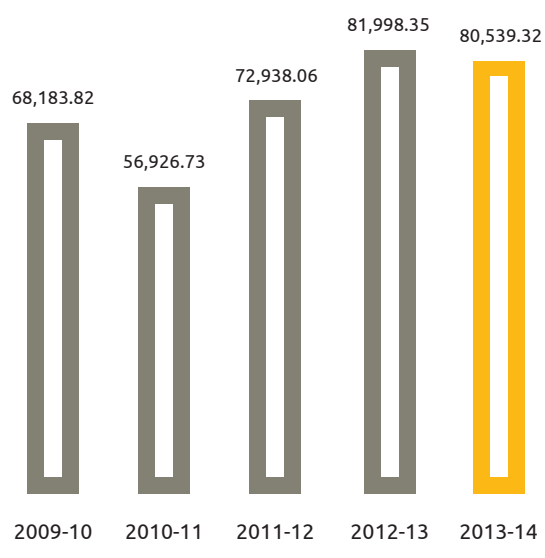
Shri A.V. Jalan is an Executive Director of the Company. He is a B.Com (Hons.) from St. Xavier's College, Kolkata. Besides, he has completed a management course in marketing and corporate finance from the London School of Economics, UK. Being involved in the management of manufacturing companies since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



Our Performance

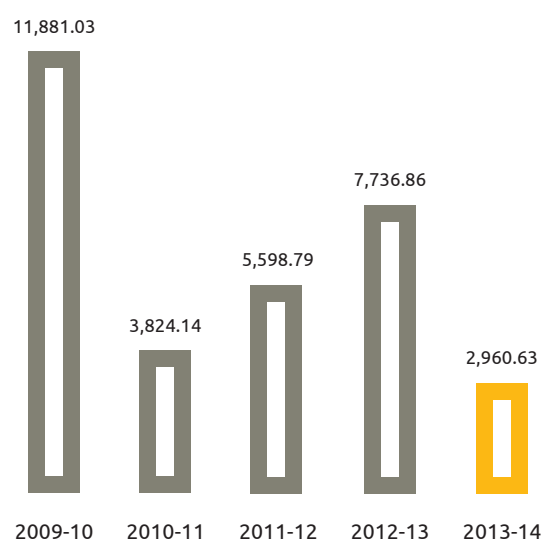
TOTAL REVENUE

(₹ in lacs)



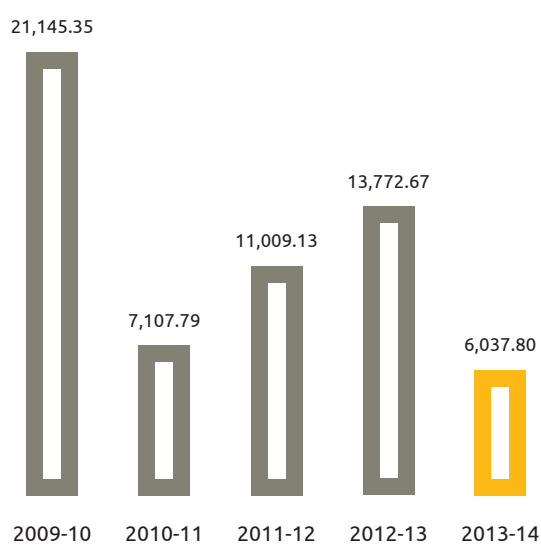
POST-TAX PROFIT

(₹ in lacs)



EBIDTA

(₹ in lacs)



EARNINGS PER SHARE (BASIC)

(₹)

