



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

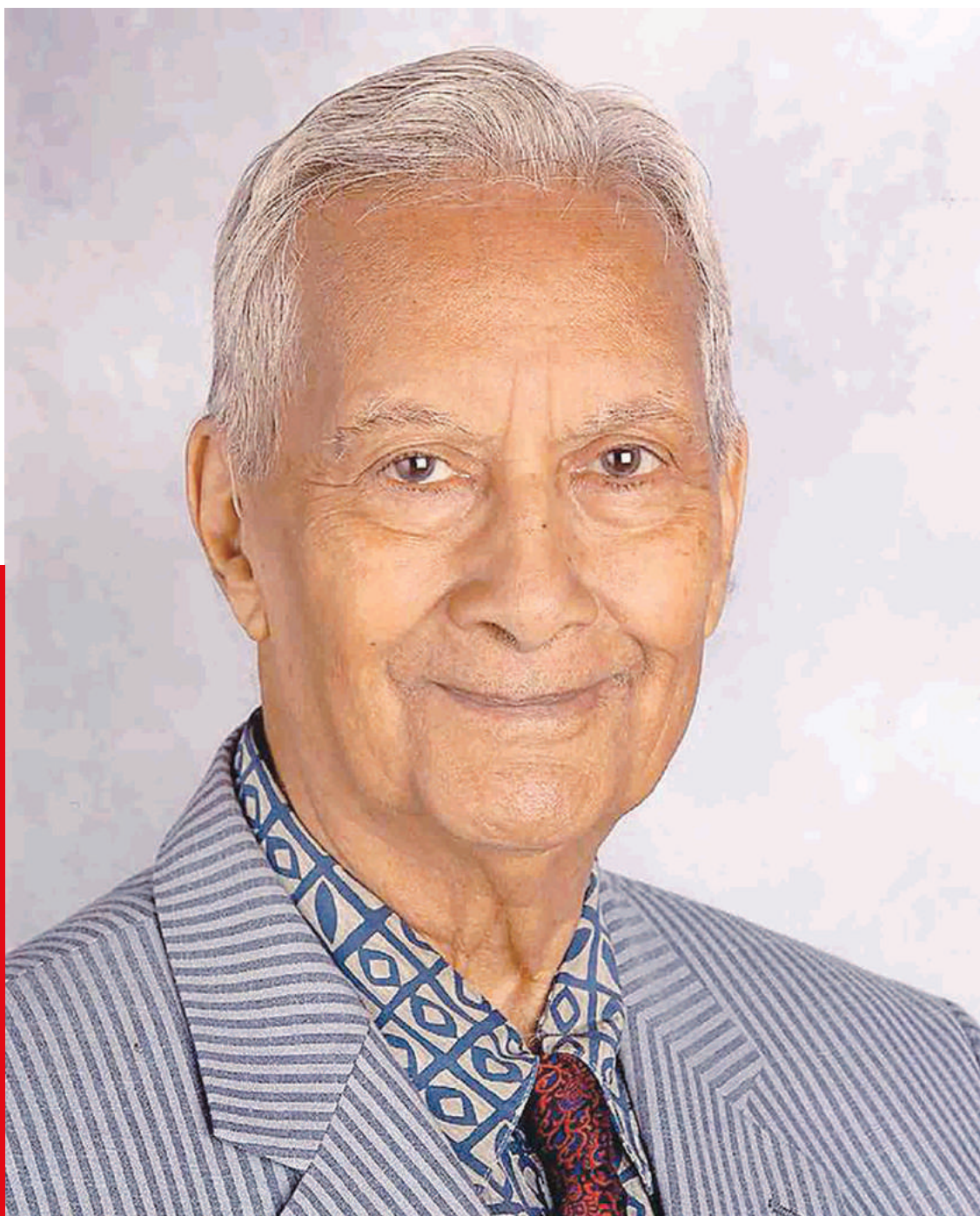
Financial Statements

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. BRLA



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.

◀ 2008

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

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.

◀ 1993

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

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 Cooper (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

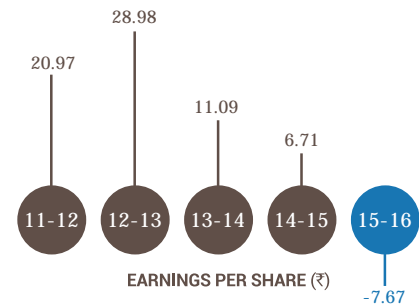
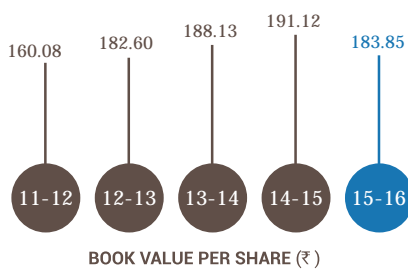
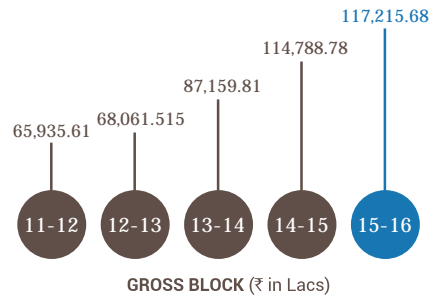
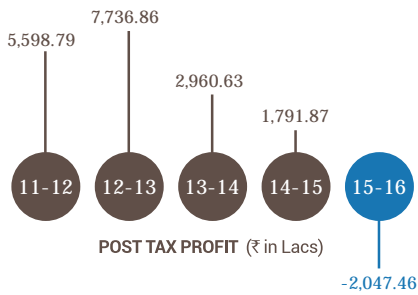
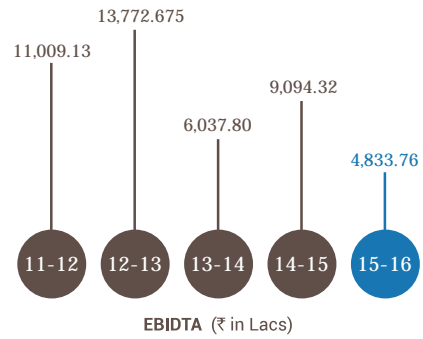
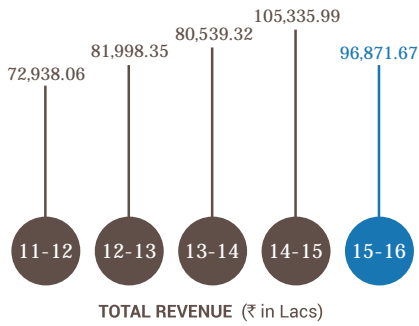
Ordinary Portland Cement 43 Grade

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