CIN : L26943RJ1976PLC001705
Telefax : 07459-232156
Website : www.mangalamcement.com
E-mail : email@mangalamcement.com

MANGALAM CEMENT LTD.

B.K. BIRLA GROUP OF COMPANIES

REGD. OFFICE & WORKS : P.O. ADITYA NAGAR-326520, MORAK, DISTT. KOTA (RAJ.)

OUR REF: MC/SEC/2017
15.09.2017

BSE Ltd.
Phiroze Jeejebhoy Towers
Dalal Street,
Mumbai – 400 001

Security Code: **502157**

National Stock Exchange of India Ltd.
"Exchange Plaza", 5th Floor,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051

Security Code: **MANGLMCEM**

Copy of Annual Report 2016-17

Dear Sir,

This is to inform you that the 41st Annual General Meeting of the Company was held on Saturday, the 02nd September, 2017 at 11.30 A.M. at the Club Hall of Mangalam Cement Ltd, Basant Vihar, Adityanagar 326520, Morak, Dist. Kota (Rajasthan).

Further pursuant to regulation 34 of SEBI (Listing Obligations and Disclosures Requirement), Regulation, 2015, Please find enclosed herewith copy of Annual Report for the year ended 31.03.2017.

This is for your information and record.

Yours faithfully,
For Mangalam Cement Limited

Swadesh Agrawal
Company Secretary

Encl.: as above

Kota Office : "Mangalam" 93, Dashera Scheme, P.O. Dadabari, KOTA - 324 009 (Rajasthan)
Tel. No. : 0744 - 2500266, 3098600, Fax : 0744 - 2500178, E-mail : mclkta@kappa.net.in
Delhi Office : UCO Bank Building (4th Floor), 5, Parliament Street, New Delhi - 110 001
Tel. No. : 011- 43539132, 43539133, 43539137 Fax : 011- 23421768
E-mail : delhi.purchase@mangalamcement.com, delhi.marketing@mangalamcement.com
Jaipur Office : 2nd Floor, Geejgarh Tower, Hawa-Sarak, Jaipur - 302 006 (Rajasthan)
Tel. : 0141 - 2218933, 2218931, E-mail : jaipur.marketing@mangalamcement.com

Birla Uttam Cement

41st Annual Report 2016-17

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 achivements 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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Shri B.K.BIRLA



About Mangalam Cement Ltd.

LEGACY

Part of the illustrious B.K. Birla Group, we are one of India's trusted cement manufacturers with four decades of industry experience. We are committed to our quality standards and customers' & stakeholders' satisfaction.

EFFICIENCY

The competitiveness of Mangalam Cement rest on the strong foundations derived from its optimization of raw material utilization, better product quality and higher input-output ratio through the intervention of modern technologies. Our Operations are cost-efficient and integrated (captive limestone mines and power).

ENDURING VALUE FOR THE NATION

Minimizing carbon footprint by investing in wind energy and developing & maintaining green belts are a few endeavors to deliver environmental value addition.

We also consciously contribute towards healthcare, rural infrastructure, education and women empowerment in the areas of our operation.

OUR LIFELINE - OUR PEOPLE

Our talented workforce ensures the efficiency of our operations and drives our brand performance. We operate across Delhi NCR, Rajasthan, Madhya Pradesh, Haryana and Western Uttar Pradesh with 1150 dealers and 2057 retailers.

OUR BRAND

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

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.

Operating Locations

Corporate Office in Kolkata (West Bengal)
Cement and coal based power plant at Aditya Nagar, Kota District (Rajasthan)
Grinding Unit at Aligarh UPSIDC Industrial Area
Wind turbines at Jaisalmer district (Rajasthan)
Regional Offices in Kota, Jaipur & New Delhi

Capacities

Cement	–	4.00 MTPA
Power	–	35 MW
Wind Turbines	–	13.65 MW

Major Certifications

ISO 9001:2008 certification, enduring 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 system ensuring improvement in energy performance.

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).

Board of Directors

Smt. Aruna Makhan

Smt. Aruna Makhan (DIN: 00025727) 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 (DIN: 00020588) 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 (DIN: 00076111) 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 (DIN: 00029985), a qualified Chartered Accountant, was the Whole-time Director of Kesoram Industries Ltd. He has a rich 50 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

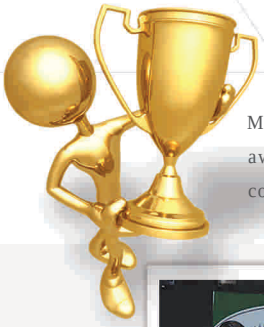
Smt. Vidula Jalan (DIN: 01474162) is an Executive Director of the Company. She is an MBA in Strategic Marketing and Leadership and Change Management from the Indian School of Business, Hyderabad. Moreover, she also has an Accounting and Finance degree from The University of Manchester, U.K. She is also managing the affairs of reputed schools and charitable trusts of the Group.

Shri Anshuman Vikram Jalan

Shri A V Jalan (DIN: 01455782) 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.



Awards & **Recognitions**



Mangalam Cement is proud to have won many awards that recognize its hard work & commitment.

Rajasthan Energy Conservation Award - 2016: First Prize in large cement sector of Rajasthan presented by government of Rajasthan. Award given by energy secretary of government of Rajasthan Shri Sanjay Malholtra.



Outstanding Performance in Rural Development for 2016-17 presented by Employers Association of Rajasthan: Award given by Hon'ble Union Minister of State in Finance and Corporate Affairs Shri Arjun Ram Meghwal.



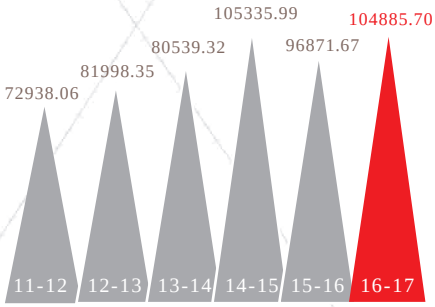
Four Star Award for Sustainable Development: Presented by Ministry of Mines, government of India at National Mineral Conclave -2016 at Raipur.



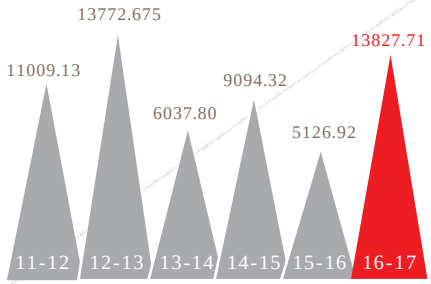
Certificates of Honour: First Prize in reclamation & rehabilitation and third prize in publicity and propaganda under fully mechanised group presented in 27th mines environment and mineral conservation week under the aegis of Indian Bureau of Mines, Ajmer region.



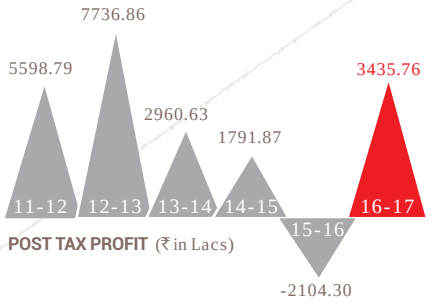
Performance Highlights



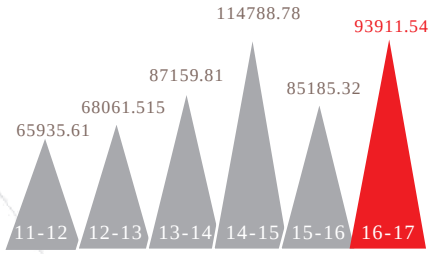
TOTAL REVENUE (₹ in Lacs)



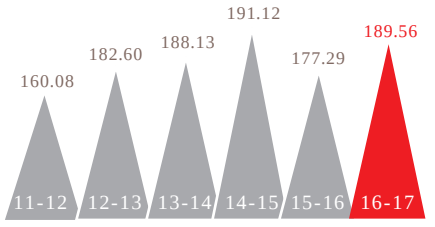
EBIDTA (₹ in Lacs)



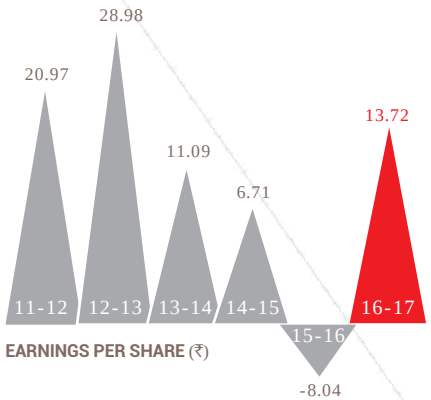
POST TAX PROFIT (₹ in Lacs)



GROSS BLOCK (₹ in Lacs)



BOOK VALUE PER SHARE (₹)



EARNINGS PER SHARE (₹)

FY 15-16 & 16-17 as per Ind AS; previous GAAP for earlier years.

170.79 lac Kwh	1687.00 lac Kwh	23.85 lac tonnes	24.04 lac tonnes
Captive green energy production	Captive thermal energy production	Highest cement production	Highest dispatch of cement

Our **Operations**

During the year, various modernization and improvement jobs were carried out:



Modified Limestone Feeding Arrangement

- Limestone feeding arrangement modified to shift feeding chute ahead and for taking the advantage of height, one belt conveyor was removed.
- Replaced Screw Conveyor by Air Slide in Unit-I Bag House Dust Handling System. This resulted in better availability and saving in power.
- Replaced Manual Thrust Device (MTD) by Hydraulic Thrust Device (HTD) for smooth and controlled axial movement of the Kiln.
- Replaced Unit-I Kiln Feed Chain type Bucket Elevator by Belt Bucket Elevator, resulted power saving.
- Re-arrangement of Fly Ash Feeding System in Cement Mill-III, resulted in power saving and conversion of one Cement Silo for Fly Ash storage, increasing buffer storage capacity by 5000 MT.



Converted Cement Silo to Fly Ash Silo

- Extension of Line-I Clinker Transport DPC-1 and shortening of DPC-2 & 2A to avoid deep pit operation. This has resulted in safe and smooth operation.

- By an innovative idea, with a conveyor belt & weighing facility, an arrangement has been made to load the clinker in railway wagons. Thus, reduced loading time with minimum resource utilization.



Innovative idea - Clinker Rake Loading

- Various measures have been taken in Mines for maximizing production, reducing drilling & blasting costs and increasing the life of HEMM tyres by using Nitrogen Gas.

- Installed three nos. of Un-manned Weigh Bridges at main plant gate in morak, Grinding Unit in Aligarh and Harduaganj thermal power station, Kasimpur (Aligarh) for fly ash system, for reducing time cycle without engaging manpower to operate.



Unmanned Weigh Bridge

All the above improvement jobs resulted in safe and smooth operation with increased efficiency.

Human Resources

PEOPLE EXPERTISE MANAGEMENT

Keeping with the tradition of pioneering Human Resource practices, Human Resources are managed and developed, striking a balance between business needs and individual aspirations.



Mangalam Team

CAPABILITY DEVELOPMENT

An academy approach was initiated for capability development, to systematically drive the design and delivery of functional and managerial programmes for all functions. During the year, The Company organized 154 internal and 88 external training programmes, which were participated by around 1822 employees. External training programmes mainly organized in collaboration with various recognized organizations such as NCBM, RTC (North), CII, FICCI, FLS India, CMA, ASSOCHAM etc.



EMPLOYEE MOTIVATION AND RECOGNITION

Best Performing Employees in respect of value addition are being assessed and recognized every month in Safety Gate Meeting and also Star Performers of the year on Republic Day.



EMPLOYEE ENGAGEMENT

Company is arranging Sports activities, Festival Celebrations, Cultural Extravaganza, events such as Kavi Sammelan, National Independence Day, National Republic Day, Annual Functions, Social Get together, Bharat Darshan Yarta for workers, Dandia on Navratra etc.



PRODUCTIVITY WEEK CELEBRATION

Company celebrates National Productivity Week every year from 12th February to 18th February by organizing variety of competitions and training programmes to encourage sustainable growth and higher Productivity.



ENERGY CONSERVATION WEEK CELEBRATION

Mangalam Cement Limited celebrates Energy Conservation Week in December on the occasion of National Energy Conservation Day 14th December to create awareness of energy conservation. Variety of competitions and programmes such as Elocution, Quiz, Essay Writing, Slogan writing, Poster Competition for staff, workers and their family members are being arranged to create awareness for energy conservation.



INTERNATIONAL YOGA DAY CELEBRATION

Mangalam Cement Limited celebrates International Yoga Day on 21st June with all staff employees and their family members.



NATIONAL SAFETY DAY CELEBRATION

46th National Safety day was celebrated at Mangalam Cement Ltd in a grand manner on 4th March 2017. This programme was celebrated as Safety Week and arranged various competitions ofSafety Slogan, Safety Posters / Cartoons, Safety Speech, Safety Essay Writing, Safety Quiz, Safety Exhibition etc. for Staff, Ladies and Children.



Green Initiatives

GREEN BELT

Mangalam Cement believes in actively assisting in the improvement in the quality of life of the people. More than 2.5 lacs trees which have been planted by the company till date stand testimony to this. In 2016-17, around 10000 trees were planted in the Plant, Colony &Mining areas.





Under Chief Minister's Jal Swavlamban Abhiyan, water harvesting activity has been carried out by building three anicuts in Basant Vihar Colony.



Deepening of Water Collecting Pond in nearby Village



Anicut for rain water harvesting



Skit on environment awareness



Rain Water Harvesting



ENVIRONMENT AWARENESS

Environment day was celebrated on a grand scale on 5th June 2016 to spread awareness about environmental issues amongst the employees and their family members including children and to encourage their attention and action towards it. World Environment Day was observed by the company by organizing various activities like mass plantation drive, marathon race competition, skit on environment protection etc.

CONSERVING WATER IS CONSERVING LIFE

Mangalam Cement ensures that its actions consistently deliver environmental value addition. Rain water harvesting in mining pits which has increased ground water level in surroundings and helped in meeting plant & colony water requirements is one such endeavour.

Our Marketing **Initiatives**







UTTAM ARCHITECT AWARD

With a view to recognise, reward and encourage the budding talents of today's youth – the future of India's tomorrow, an Inter College Architecture Competition was organised in association with Rajasthan chapter of the Indian Institute of Architects (IIA) for the very first time where students from various architectural and engineering colleges across North India competed for "Uttam Architect Award 2016".

Sequence of Uttam Architect Award

1. Shortlisting Round – Jury from Indian Institute of Architects engaged in shortlisting of entries.
2. Second Round – ED's and Jury from IIA Interacting with participants
3. Felicitation of the Executive Directors followed by presentation by selected colleges
4. Winners take it all.....







Rural Van Campaign

An aggressive rural van campaign was launched to re-inforce our presence in the high realization markets of Rajasthan and MP with 2 fully branded vans covering 25 districts over a period of 60 days. The innovative Nukkad Nataks on more than 700 locations carried forward the slogan of "Jal Kam..Jalan Kam" along with the national message of Swachch Bharat campaign.



Reinforcing "Jal Kam...Jalan Kam"

A year of consolidation of the brand Birla Uttam with several new initiatives to take the brand to new segments :

- Initiated an interaction with Architects and Engineers
- Celebrated Vishwakarma Jayanti at various depots in Rajasthan & UP with masons and contractors
- Launched an aggressive Canopy campaign to support the Dealer Network and to reach out to IHB Customers
- Looking at the success in Rajasthan and UP, extended the Mobile Concrete Testing Vans presence in MP
- Started a regular process of Technical Training Programmes for dealer network and company officers
- Continued the programme to reach out to masons and contractors with regular meetings and lucky draws for attractive awards in key markets
- Conducted various dealer and influencer engagement programmes to celebrate festivals and special occasions across markets
- Continued with the effective radio campaign with our very popular jingle reinforcing the "Jal Kam... Jalan Kam" campaign covering the twin social objective of water conservation and health of the construction labour

Corporate Social **Responsibility**

Mangalam Cements Ltd is committed to socio-economic development of communities& follows sustainable development principles. It aims to achieve inclusive growth and believes in participative approach to promoting livelihood and employable skills through capacity building.

EDUCATION

Mangalam Cements works towards empowering people with education, thereby increasing the literacy rate within the vicinity



Mangalam DAV Public School with State-of-Art facilities provides quality education with enrolment of approximately 1300 students.



It is affiliated to CBSE Board, New Delhi. Hon'ble Minister of HRD, Government of India has recognized the exceptionally performing students in CBSE Board Examinations and the respective teachers & principal of the school. They were further felicitated by the executive directors of the company.



MCL provides uniforms & school bags to the needy students within the vicinity.

Company provides part-time teachers to the local government higher secondary school.

Mangalam Cement Limited has adopted the Government ITI, Khairabad under Public Private Participation. It facilitates quality technical education by providing practical industrial training at the factory.

This initiative has attracted M/s SUZUKI, JCB, HERO MOTOCORP and L&T to come for Campus Interviews. This has resulted in the selection of 25 students

HEALTH

Mangalam Cement Limited has a keen focus on healthcare issues.Driven by a mission to guide and support communities, MCL imparts knowledge and awareness to help prevent diseases and also provides state of art equipment to the hospitals under PPP model. Health camps, routine check-ups, blood donation camps, pulse polio camp,free treatment through company's occupational health centre and mobile van with doctor visits are also implemented periodically.



SKILL DEVELOPMENT

To enhance the employable skills of the youth in nearby areas, Mangalam Cement Limited has been contributing to bridge the gap between skill inventories of the youth and demands of employment opportunities in present day context.

Computer Training Programme :

To actualize the dream of digital empowerment in India, MCL organizes short-term computer literacy courses (3 months) in convergence with Government ITI Kherabad. This helps in employment generation and enhances utilization of E- governance. 452 beneficiaries have been benefited till date.





Driving Training Classes :

Free driving training classes are organized for the unemployed youth within the vicinity of factory . 344 beneficiaries have received driving licenses from RTO.

WOMEN EMPOWERMENT

Mangalam Cement Limited organizes tailoring classes (2 months) for the women from nearby villages to achieve empowerment through skill development. Around 1106 beneficiaries have benefited till date.



COMMUNITY DEVELOPMENT PROGRAMME

SWACHH BHARAT ABHIYAN

Under Swachha Bharat Abhiyan, MCL provides financial aid for construction of toilets to the nearby villagers. MCL, in convergence with Gram Panchayats; has organized events like street plays, announcements of awareness slogans, water conservation message, quiz, pamphlets distribution etc.







FINANCIAL ASSISTANCE TO GRAM PANCHAYATS

MCL provides financial assistance to gram panchayats for construction and maintenance of street roads, street lights, House-keeping and CC road development for infrastructure enhancement of nearby areas.

Report of the Directors

for the year ended 31st March, 2017

Dear Members,

The Directors have pleasure in presenting the 41st Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2017. The summarized Financial Results are given below:

1. FINANCIAL RESULTS

(₹ in Lacs)

	Current Year ended 31st March, 2017	Previous Year ended 31st March, 2016
Net Sales/ Income from operations	104885.70	96871.67
Operating Profit / (Loss) before interest, Depreciation and Tax and other amortisations ("EBIDTA")	13827.71	5126.92
Less:		
Depreciation and Amortisation Expenses (Net of transfer from Revaluation Reserve)	4031.46	3665.89
Finance Costs	4748.94	4594.47
Tax Expenses (net)	1383.84	(987.23)
	10164.24	7273.13
Net Profit / (Loss) for the year	**3663.47**	**(2146.21)**
Other Comprehensive Income (net of tax)	(227.71)	41.91
Total Comprehensive Income (after tax)	**3435.76**	**(2104.30)**

2. DIVIDEND

We recommend a dividend of ₹ 0.75/- (Paisa Seventy-Five Only) per equity share of ₹ 10/- each for the year ended 31st March, 2017. The total outgo in this respect will be ₹ 240.96/- 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 a part 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 170.79 lacs Kwh.

6. CAPTIVE THERMAL POWER PLANT

Your Company has a present requirement of 33MW of power and is 100% self-sufficient through its own generation. Total generation during the year was 1687 lacs Kwh.

7. NEW PROJECTS

The Company declared the commencement of commercial production of the new Grinding Unit of 0.75 Million Ton Per Annum (MTPA) at Aligarh on 19th September, 2016. The overall capacity of the Company is now enhanced from 3.25 MTPA to 4.00 MTPA of cement.

8. FINANCE

In March 2017, the Company has issued Commercial Paper (CP) to the tune of ₹ 50.00 Crores, i.e., 1000 units of ₹ 5 lacs each. The instruments are rated "CARE A1+" by Credit Analysis & Research Ltd., the Credit Rating Agency.

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 in Form MGT-9 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 2016-17. 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 Articles of Association of the Company, Shri Kamal Chand Jain, Non-Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment. Details of the proposal for his appointment are given in the Notice of the Annual General Meeting.

The Board of Directors at their meeting held on 11th February, 2017, subject to the approval of the shareholders at the ensuing Annual General Meeting, considered and approved the re-appointment of Shri A. V. Jalan and Smt. Vidula Jalan as Whole Time Directors (designated as Executive Directors) of your Company for a further term of three (3) years commencing from 1st April, 2017.

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 profit 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 and

(iv) Shri Swadesh Agrawal, Asst. Vice President & 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, 2017 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 2016-17
1	Smt. Aruna Makhan	Independent and Non-Executive Director	2.77	227%
2	Shri Amal Ganguli	Independent and Non-Executive Director	2.31	261%
3	Shri N. G. Khaitan	Independent and Non-Executive Director	2.24	476%
4	Shri Gaurav Goel	Independent and Non-Executive Director	2.20	433%
5	Shri K. C. Jain	Non-Executive Director	2.38	447%
6	Smt. Vidula Jalan	Executive Director	34.72	92%
7	Shri Anshuman Vikram Jalan	Executive Director	33.46	91%
8	Shri Yaswant Mishra	President (Corporate) & CFO	NA	18%
9	Shri Swadesh Agrawal	Asst. Vice President & Company Secretary	NA	20%

Median remuneration of the Employees of the Company during the financial year: ₹ 4.37 lacs.

(ii) Percentage increase in the median remuneration of employees in the financial year 2016-17 is 12.17 %.

(iii) As on 31st March, 2017 there are 1067 Permanent Employees on the rolls of the Company.

(iv) Explanation w.r.t average increase in remuneration and Company's performance:

Net Profit for the financial year ended March 31, 2017 was ₹ 3435.77 lacs as compared to Net Loss of ₹ 2104.29 lacs in the previous year. The increase in median remuneration was 12.15%.

(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 56%. Net Profit was ₹ 3435.77 lacs as compared to Net Loss of ₹ 2104.29 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, 2017 was 85780 lacs. (₹ 58620 lacs as on 31st March, 2016.)

b. Price Earnings ratio of the Company as at 31st March, 2017: 23.42 (as at 31st March, 2016: Nil)

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 2016-17 is 13.79% as compared to 15.40% increase in the Managerial Remuneration for the same period. Increase in salary in FY 2016-17 is mainly due to increase in headcounts at managerial & higher paid levels and annual increment.

(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 108.89%.

(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 Responsibility 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), are the Statutory Auditors of the Company for more than 10 years. As M/s Jain Pramod Jain & Co., have completed their tenor of two terms of five years consecutive and also an additional period of 3 years as stipulated under Section 139 of the Companies Act, 2013 and shall be in the office of the Statutory Auditors only upto the conclusion of the forthcoming Annual General Meeting.

Your Company is proposing to appoint M/s Singhi & Co. (Firm Registration Number: 302049E), Chartered Accountants, as the Statutory Auditors of the Company for a period of 5 years commencing from the conclusion of the 41st Annual General Meeting of the Company. They have confirmed their eligibility under section 141 of the Act, and the rules framed thereunder, for their appointment as the Auditors of the Company. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

21. COST AUDITOR AND COST AUDIT REPORT

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. The Company has recommended their remuneration to shareholders for their ratification at the ensuing Annual General Meeting.

Your Company has maintained cost audit records pursuant to section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Rules, 2014, in respect of the manufacturing activities are required. The cost audit report for the financial year 2015-16 was filed with the Ministry of Corporate Affairs on 28.09.2016.

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 2016-17.

The Secretarial Audit Report for the financial year 2016-17 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 2017-18.

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 Obligations 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 Obligations 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 Obligations 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 Obligations 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 as well as of its Committees. 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.

The Independent Directors met on 11th February, 2017 to review the performance evaluation of the Non - Independent Directors and the entire Board of Directors. The Independent Directors are well satisfied with the functioning of the Board, its various committees and of the performance of the other Non-Executive and Executive Directors.

31. KEY PARAMETERS FOR APPOINTMENT OF DIRECTORS & KEY MANAGERIAL PERSONNEL

The Nomination and Remuneration Committee has formulated a detailed policy for appointment of directors, key managerial personnel and senior management 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 including the senior management personnel 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 Obligations and Disclosure Requirements) Regulations, 2015. The extract of the policy is attached at **Annexure - 6** to this Report.

33. INTERNAL FINANCIAL 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.

34. ENVIRONMENT, HEALTH AND SAFETY

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 have planted over 9,930 saplings to ensure a dense green belt around the plant and mine areas. 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)
OPD	22420
Periodic Health Check Up	885
Pulse Polio Drive	766
Audiometry	218

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. 11,50,881/- during the financial year 2016-17 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 Obligations and Disclosure Requirements) Regulations, 2015, a cash flow statement for the financial year ended 31st March 2017 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 2016-17;

- Star Rating of Mines (4 Star) awarded by the Hon'ble Finance Minister, Union of India and Hon'ble Chief Minister of Chhattisgarh at the National Conclave on Mines and Minerals.
- SAP Ace Award for Running Real Time and Live Enterprise under the Innovation Driven Technology Adoption.
- The CFO innovation award 2016, awarded to Shri Yaswant Mishra, for excellence in ERP Transformation on Asia's Platform.
- Awarded First Prize in large cement sector, Rajasthan at Rajasthan Energy Conservation Award 2016.
- Awarded First Prize in Reclamation and Rehabilitation and Third Prize in Publicity and Propaganda at the 27th Mines Environment & Mineral Conservation Week 2016-17.
- Recognition for Skill Development Initiatives awarded by the Union Minister of State in Finance & Corporate Affairs.

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.

Aruna Makhan, Director
N G Khaitan, Director
Gaurav Goel, Director
K C Jain, Director
Vidula Jalan, Executive Director
A V Jalan, Executive Director

New Delhi
13th May, 2017

Management Discussion & Analysis

INDUSTRY OVERVIEW

The improvement in India's economic fundamentals has accelerated with the combined impact of strong government reforms, Reserve Bank of India's (RBI) inflation focus supported by benign global commodity prices. Indian economy has been estimated to have grown at 7.1% during FY 2016-17 followed by further acceleration to 7.6% in 2017-18 and 7.8% in 2018-19.

The industry growth was muted on account of weak demand from the major demand driving sectors of housing and infrastructure. Cement demand for Housing was hit by contraction in rural demand due to sub-par monsoon. The loss of buoyancy in real estate development in urban areas along with continued high interest rates led to poor demand from urban housing sector. Infrastructure sector was also unable to take off as it was also constrained by weak government spending in infra projects, legacy and sector specific issues. On the other end of the spectrum, Cement industry continued to be in a supply surplus state which adversely affected price realisations.

Sector has 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, making of smart cities and housing projects.

PERFORMANCE REVIEW

Your Company has registered growth of 8% in sales, including 3% growth in volume, which was mainly due to additional volume garnered in the Rajasthan and Madhya Pradesh. Cement realisation also improved from previous year backed by strong demand in North India during first half of the year. Demonetisation has impacted the liquidity and demand in later part of the year.

On the cost front, power and fuel cost saw a significant increase due to increase in pet coke prices backed by surge in international crude prices. Logistic costs also rose with huge increase in diesel prices. Consequently, EBITDA remained flat compared to previous year.

However, during the FY 2016-17 the Company managed to improve its cement realisation compared to previous year.

The Company has produced 2.39 MMT of cement as compared to 2.21 MMT in the previous year, witnessing a growth of 8%.

• Financial Highlights

(₹ in Lacs)

Particulars	FY17	FY16
Revenue from Operation	104885.70	96871.67
Profit/(Loss) before Interest, Depreciation & Taxation	13827.71	5126.92
Less: Interest and Finance Charges	4748.94	4594.47
Profit/(Loss) after Interest	9078.77	532.45
Less: Depreciation and Amortisation	4031.46	3665.89
Profit/(Loss) before Tax	5047.31	-3133.44
Net Profit/(Loss) after Tax	3663.47	-2146.21
Other Comprehensive Income (net of Tax)	-227.71	41.91
Total Comprehensive Income (after Tax)	3435.76	-2104.30

Revenue from Operations increased by 8% from ₹96871.67 lakhs in the previous year to ₹104885.70 lakhs in the current year.

Profit before depreciation and tax increased by ₹8546.32 from 532.45 lakhs to ₹9078.77 lakhs in the previous year.

Net Profit After Tax was at ₹3663.47 lakhs as against Net Loss after tax of ₹2146.21 lakhs in the previous year.

EPS is ₹12.87 per share as against ₹(-) 8.04 per share in the previous year.

• Production

Particulars	FY17	FY16
Production (MMT) :		
Clinker	1.82	1.73
Cement	2.39*	2.21

** excluding trail run production of 9905 MT*

Clinker and cement production increased compare to previous year by 5% and 8% respectively.

- **Sales and Despatch Volume**

Particulars	FY17	FY16
Sales Volume (MMT) :		
Cement	2.41	2.36
Clinker	0.04	0.12
Despatch Volume (MMT)		
Cement	2.40*	2.20
Clinker	0.04	0.12

* excluding despatch of 9259 MT from production undertaken during trial run

Prices remained volatile through on the year, however the Company could achieve better cement realisations during the year. Although the first half witnessed an improving trend, in the latter part of the year prices started declining.

- **Power and Coal Consumption**

Particulars	FY17	FY16
Power Consumption *(Per MT of Cement)*	75 kwh	75 kwh
Coal Consumption *(Per MT of Clinker)*	93.26 Kg	95.56 Kg

- **Power generation**

Particulars	FY17	FY16
Captive Thermal Power Plant (In Lacs kwh)	1687.00	1575.78
Wind Turbines (In Lacs kwh)	170.79	146.03

With nearly 410 million tonnes of cement production capacity, India is the second largest cement producer in the world. By 2025, cement production is expected to reach to 550 million tonnes. India's cement industry is a vital part of its economy, providing employment to more than a million people, directly or indirectly. Ever since it was deregulated in 1982, the Indian cement industry has attracted huge investments, both from Indian as well as foreign investors.

The cement industry bears strong correlation with the domestic economy and hence the optimistic outlook on the Indian economy should reflect well on the cement industry. The industry is expected to be a beneficiary of the renewed thrust on infrastructure development, creation of 100 smart cities, roads concretisation program and "Housing for all by 2022" initiatives. On the supply side also, the pace of new capacity has slowed down. The prospects, therefore are expected to get better in future and hence the industry outlook remains optimistic going forward. However, depend on the ability of Government to push through its reform agenda and a step-up in the infrastructure spending.

The capacity addition is expected to slow down considerably in following years with steady growth in demand and the capacity utilization likely to improve in FY18.

RISKS & MITIGATING STEPS

Risk is an expression of uncertainty about events and their possible outcomes that could have a material impact on the Company's performance and prospects. Mangalam Cement is committed to ensure a secured business environment with proactive awareness, appraisal and mitigation measures. The Company has proper enterprise risk management (ERM) policies in place to identify, manage and mitigate risks and emerge as a risk-focused organisation.

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.

Key input risk : Procurement of key raw materials at the right time and right price is an essential requirement for maintaining the overall cost of production. Any unforeseen increase may impact the Company's profitability. The Company has strategically averted this risk by maintaining sufficient limestone reserves to meet their captive requirements. It has also formed and maintained long-term relationships with the suppliers to ensure consistent supply. Besides, the Company has undertaken various technological initiatives to optimise raw materials usage and enhance productivity.

Competition risk : Increasing cement players within the industry may impact realisation on account of stiff completion. To mitigate this risk, the Company has marked its product quality as its primary strength. Very efficiently, the Company has witnessed higher realisations per ton of cement on account of this uniqueness. It maintains a judicious mix of retail and institutional sales as well, which further strengthens its dealer base and retailer network. The Company also reinforced its marketing and sales team, enabling increased market penetration, retaining existing clients and acquiring potential customers, simultaneously.

Human asset risk : Human resource is one of the most important assets of any company. The lack of a judicious employee mix (experienced and new) may hinder the Company's overall growth. Therefore, to maintain a steady balance, utmost emphasis has been laid down on retaining experienced personnel and recruiting management trainees to create a robust team. The Company provides specialised training to its employees and is consistently building a leadership pipeline. It maintains an attrition level that is much below industry standards.

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. The Company's marketing department closely works with dealers and institutional clients to cater to their demand requirements.

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 1067 employees, as on 31st March, 2017.

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.

FORM NO. MGT – 9

Extract of Annual Return

as on financial year ended on 31st March, 2017

[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 Phone No. : +91-11-26387281/82/83 Fax No. : +91-11-26387384 Email : info@masserv.com

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, 2016				No. of Shares held at the end of the year 31st March, 2017				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	No. of Shares	% of Changes
A. Promoters & Promoter group										
(1) Indian										
a. Individual/HUF	80540	NIL	80540	0.30	80540	NIL	80540	0.30	NIL	NIL
b. Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c. State Govt (s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d. Bodies Corp.	3464350	NIL	3464350	12.98	3464350	NIL	3464350	12.98	NIL	NIL
e. Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f. Any Other.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (1):-	**3544890**	**NIL**	**3544890**	**13.28**	**3544890**	**NIL**	**3544890**	**13.28**	**NIL**	**NIL**
2) Foreign										
a) NRIs - Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other - Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (2):-	**NIL**	**NIL**	**NiL**	**NiL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**3544890**	**NIL**	**3544890**	**13.28**	**3544890**	**NIL**	**3544890**	**13.28**	**NIL**	**NIL**
B. Public Shareholding										
1. Institutions										
a) Mutual Funds	1138298	NIL	1138298	4.26	767397	NIL	767397	2.87	(-)370901	(-)1.39
b) Banks / FI	9912	NIL	9912	0.03	11461	NIL	11461	0.04	1549	0.01
c) Central Govt.	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	NIL	0.00
d) State Govt(s)	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	NIL	0.00
e) Venture Capital Funds	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	NIL	0.00
f) Insurance Companies	250	NIL	250	0.00	250	NIL	250	0.00	NIL	NIL
g) FIIs	2654876	NIL	2654876	9.95	3450341	NIL	3450341	12.92	795465	2.98
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify Qualified Foreign Investor	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(1):-	**3803336**	**NIL**	**3803336**	**14.25**	**4229449**	**NIL**	**4229449**	**15.84**	**426113**	**1.59**

Category of Shareholders	No. of Shares held at the beginning of the year 1st April, 2016				No. of Shares held at the end of the year 31st March, 2017				% 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.	8524276	5085	8529361	31.95	7746952	4435	7751387	29.04	(-)777974	(-)2.91
i) Indian										
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹ 2 lac	5525520	479333	6004853	22.50	4889568	455131	5344699	20.02	(-)660154	(-)2.47
ii) Individual shareholders holding nominal share in excess of ₹ 2 lac	2933587	NIL	2933587	10.99	4184385	NIL	4184385	15.68	1250798	4.69
c) Others										
i) Directors and Their Relatives	7280	NIL	7280	0.03	7280	NIL	7280	0.03	NIL	NIL
ii) Non Resident Indians/Overseas Corporate Bodies	869495	NIL	869495	3.25	613592	NIL	613592	2.30	(-)255903	(-)0.95
iii) Clearing Members	119928	NIL	119928	0.45	132770	NIL	132770	0.50	12842	0.04
iv) Foreign Companies										
v) Trusts	877550	NIL	877550	3.29	877550	NIL	877550	3.29	NIL	NIL
vi) NBFC	3500	NIL	3500	0.01	7778	NIL	7778	0.02	4278	0.01
Sub-total (B)(2):-	**18861136**	**484418**	**19345554**	**72.47**	**18459875**	**459566**	**18919441**	**70.88**	**(-)426113**	**(-)1.59**
Total Public Shareholding										
(B)=(B)(1)+(B)(2)	**22664472**	**484418**	**23148890**	**86.72**	**22689324**	**459566**	**23148890**	**86.72**	**NIL**	**NIL**
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	**26673780**	**484418**	**26693780**	**100.00**	**26234214**	**459566**	**26693780**	**100.00**	**NIL**	**NIL**

B. Shareholding of Promoter

S. No.	Shareholder's Name	Shareholding at the beginning of the year 1st April, 2016			Share holding at the end of the year 31st March, 2017			
		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 Shares	%of Shares Pledged / encumbered to total shares	% change in share holding during the year
1.	Century Textiles and Industries Ltd.	2220500	8.32	-	2220500	8.32	-	-
2.	Pilani Investment and Industries Corporation Ltd.	1120000	4.20	-	1120000	4.20	-	-
3.	B. K. Birla Foundation	110000	0.41	-	110000	0.41	-	-
4.	Smt. Vidula Jalan	60000	0.22	-	60000	0.22	-	-
5.	Shri. Anshuman Vikram Jalan	10000	0.04	-	10000	0.04	-	-
6.	Shri. Basant Kumar Birla	10540	0.04	-	10540	0.04	-	-
7.	Vidula Consultancy Services Ltd.	13850	0.05	-	13850	0.05	-	-
	Total	**3544890**	**13.28**	**-**	**3544890**	**13.28**	**-**	**-**

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, 2016		Share holding at the end of the year – 31st March, 2017	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	India Capital Fund Ltd.	1970418	7.38	1972418	7.39
2.	Aditya Marketing & Manufacturing Ltd.	969200	3.63	969200	3.63
3.	Kesoram Welfare Society	877500	3.29	877500	3.29
4.	Umang Commercial Company Ltd.	778000	2.92	722731	2.71
5.	Camden Industries Ltd.	3819563	14.31	3819563	14.31
6.	Finquest Securities Pvt. Ltd.	435400	1.63	175900	0.66
7.	SBI Magnum Mid Cap Fund	757620	2.83	766567	2.87
8.	Fidelity Asian Values PLC	404306	1.51	404306	1.51
9.	Manav Investment & Trading Co. Ltd.	603797	2.26	603797	2.26
10.	Tata Trustee Co. Ltd. A/c Tata Mutual Fund	343000	1.29	-	-
11.	Fidelity Funds- Asian Smaller Companies P.O.	273387	1.02	817776	3.06
12.	Sachin Bansal	91615	0.34	985000	3.69

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, 2016		Share holding at the end of the year 31st March, 2017	
		No. of Shares	% of total Shares of the company	No. of Shares	% of totalShares 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, Executive Director	60000	0.22	60000	0.22
7	Shri A. V. Jalan, Executive Director	10000	0.04	10000	0.04
8	Shri Yaswant Mishra, President (Corporate) & CFO	Nil	-	Nil	-
9	Shri Swadesh Agrawal, Company Secretary	Nil	-	Nil	-

* below rounding off norms adopted by the Company.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(₹ In Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2016)				
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)	**44609.47**	**-**	**-**	**44609.47**
Change in Indebtedness during the financial year				
Addition	4103.23	5000.00	-	9103.23
Reduction	8155.53	-	-	8155.53
Net Change	**(-) 4052.30**	**5000.00**	**-**	**947.70**
Indebtedness at the end of the financial year (31.03.2017)				
i) Principal Amount	40515.72	5000.00	-	45515.72
ii) Interest due but not paid	41.45	-		41.45
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**40557.17**	**5000.00**	**-**	**45557.17**

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	8400000	8400000	16800000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1691029	1140929	2831958
	(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	3900000	3900000	7800000
5	**Others, please specify**			
	Provident Fund	1008000	1008000	2016000
	Superannuation Fund (To the extend no taxable under section 17(2))	150000	150000	300000
	Others (To the extend no taxable under section 17(2))	15000	15000	30000
	Total (A)	**15164029**	**14613929**	**29777958**

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	310000	510000	280000	260000	-	**1360000**
Commission	700000	700000	700000	700000	-	**2800000**
Others, please specify	-	-	-	-	-	**-**
Total (1)	**1010000**	**1210000**	**980000**	**960000**	**-**	**4160000**
2. Other Non-Executive Director						
Fee for attending board / committee meetings	-	-	-	-	340000	340000
Commission	-	-	-	-	700000	700000
Others, please specify	-	-	-	-	-	-
Total (2)	**-**	**-**	**-**	**-**	**1040000**	**1040000**
Total (B)=(1+2)	**1010000**	**1210000**	**980000**	**960000**	**1040000**	**5200000**

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	14011402	2344283
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	28800	248281
	(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	481152	117265
	Superannuation Fund (To the extend no taxable under section 17(2))	150000	146585
	Others (To the extend no taxable under section 17(2))	-	15000
	Total	**14671354**	**2871414**

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.	₹ 611.06 Lacs
4.	Prescribed CSR Expenditure	₹ 52.15 Lacs as approved by the CSR Committee and Board.
5.	Details of CSR Expenditure 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 Expenditure spent during the financial year

Details of CSR Expenditure 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, 2016 to March, 2017	Amount spent: Direct or through impletment-ing agency
1.	Overall development of the local area surrounding the plant	• Education • Women Empowerment • Health & Medical Facilities " Skill Development • Environment Sustainability • Rural development project • National Art & Culture	Local Area i.e. Area surrounding the Plant.	₹ 52.15 Lacs	₹ 52.12 Lacs	₹ 52.12 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, 2017

{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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 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 my 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, 2017, 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 :

I 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, 2017 according to the provisions of :

(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 and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the reporting period under Audit)**

(d) 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 reporting period under Audit)**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the reporting period under Audit)**

(f) 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;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the reporting period under Audit) &**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the reporting period under Audit)**

(vi) **I 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 Act 1952, and Rules made thereunder, and other related Acts and their respective rules, as amended from time to time I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards on the Board and General Meetings (SS-1 & SS-2) 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.

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

I 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.

I 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.

I further report that during the audit period the company has no specific events /actions that having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

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

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

Dated: May 12, 2017
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 reprot.)

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 12, 2017
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, 2017

A. CONSERVATION OF ENERGY

1. Energy conservation measures taken:

Following energy saving jobs were carried out in plant (in house) -

a) Water spray arrangement in top cyclones of Kiln's to bring down PH fan inlet temperature for energy saving in PH fan.

b) Replacement of Raw Mill- I (Ball Mill) old generation separator by latest LNVT separator. Installation job is completed and commissioning is in progress.

c) Pneumatic transfer of unburnt pet coke form CPP to Coal mill in place of transportation by vehicle.

d) Replacement of conventional type HPSV lights with energy efficient LED lights.

e) Modification in Kiln Hybrid ESP dust handling system.

f) Installation of solenoid valve in standby compressors to stop circulating cooling water for energy saving.

g) Utilisation of renewable electrical energy for plant captive use.

h) Optimisation of process for Raw meal grinding, Kiln operation and Cement grinding.

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

a) We are considering installation of Waste Heat Recovery (WHR) based power plant in our Kiln-I and Kiln-II and expected gross power generation will be around 8.5 MW.

b) Replacement of fans by higher capacity fans in Unit-I Kiln Clinker cooler for increase in Clinker production & energy saving.

c) Replacement of existing major Process fans by high efficiency fans.

d) Modification of V separator feeding system of Unit-II Cement mill for better material distribution, improved mill output and energy saving.

e) Modification in Unit-II Cement mill Clinker & Gypsum feeding system from CSP to hopper for reduction in power consumption and maintenance cost.

f) Installation of air slide for shifting of cement from Unit-II Cement mill to Unit-I& Unit-III Cement mill Silos, for flexibility and improvement in specific power consumption in cement grinding.

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.

The measures 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. RESEARCH & DEVELOPMENT (R&D)

1. **Significant achievements of In-House R & D facility-**

Mangalam Cement Limited has organized a product development programme of consistent quality of semi-finished & finished product of international level, maximum utilization of available resources, utilization of low grade and blended materials to enhance the life of mines, significantly reduction in specific consumption of resources, resulted in productivity of equipment's by modification in the system and installation of new equipment's for pollution free environment.

Special emphasis is placed on Research & Development facilities to augment product quality. The company has state of the art manufacturing facilities including X-Ray analyser, a modern Stacker & Reclaimer, computerized mine planning, environment friendly electrostatic precipitators, Bag dust filters, automatic kiln control software, latest VRM technology for cement grinding, on line stack monitoring system and data's are directly transferring at CPCB & RPCB, on line cameras in plant at different places and a host of other technological features.

A brief note on progress of each of the projects of In-house R & D, i) successfully completed, ii) under progress and iii) proposed taken up during the year-

- **Projects successfully completed during the year 2016-17 :-**

1. Kiln-I Cooler modified by changing mechanical flow regulator (MFR) to improve cooler efficiency.
2. Raw Ball Mill conventional separator replaced by high efficiency separator for reduction in specific power consumption.
3. Rerouting of GCT return dust to the system for power reduction.
4. Development of damper less diverting gate for trouble free operation.
5. In-house development of auto diverting gate without damper for hot clinker in unit-I.
6. Removal of Silencers from Cooler Fans for power saving in Unit-I.
7. Making a Dam in Tertiary Air Duct of both Kilns to reduce Excess Air from 20% to 10 %.
8. Enlargement of Cooler Exhaust transition part in Unit-I to reduce dust loading in ESP.
9. Increase of cross section area of Bottom Cyclone Inlet Duct in Unit-II.
10. Replacement of Kiln Inlet Seal from Pneumatic to Graphite Seal in Unit-II
11. Replacement of old chain type bucket elevator by energy efficient belt bucket elevator in Unit-I Kiln feed section and made one chain elevator standby.
12. Rearrangement of Fly Ash feeding system in Cement Mill - III for power saving.
13. Replacement of conventional lights with energy efficient LED lights.
14. In MGU silo-1 fly ash Solid flow feeder arrangement, made in-house by using old & scrap items.
15. Weighbridge operation for incoming transport vehicles made man's less.
16. Plant air compressors operation made centrally controlled from local operation to reduce idle running thereby power saving.
17. Chutes jamming sensors provided to all materials transfer point for avoiding belt damage and spillage of materials.

- **Benefit derived from the above projects :-**
  1. Saving in specific power consumption of **cement grinding and in totality** (i.e. Raw Mill, Raw Ball Mill and Kiln) up to cement packing for both the units has been achieved.
  2. Saving in specific fuel consumption by installation of MFRs.
  3. Emission levels in the stack gases had been primarily mitigated to give reduced emission levels to match with the notified norms from CPCB.
  4. Material resources conserved by using Performance Improver in Ordinary Portland Cement.
  5. Consistency in plant operation has been achieved.
- **Projects under progress and proposed for the year 2017-18 :-**

UNDER PROGRESS :

1. Modification of clinker feeding system to cement mill no-II by installation of bucket elevator for power saving.
2. Modification of cyclone inlet entry duct in preheater -I cyclones to reduce pressure drop.
3. Cement mill no.-2 V-Separator modification for efficiency improvement.
4. Primary mitigation for NOx reduction in exhaust gases.
5. Cooler ESP modification of both kilns to reduce dust emission from the stack.

- **PROPOSED :**
  1. Implementation of Waste Heat Recovery Project to utilize the waste heat from the pre-heater unit to convert it into steam for generation of power.
  2. A proposal to use low grade limestone with aluminous/ ferruginous material to prepare artificial slag.
  3. Cross section area of riser ducts to be increased in Kiln
  4. A proposal for additive feeding from unit-I to unit-II as an alternative.
  5. Utilization of cooler hot gases to Captive Power Plant.
  6. In VRM a new gravel gate to be fixed at mill feed chute for power saving.
  7. Replacement of first four cooler fans by higher capacity fans in Kiln.
  8. Replacement of cooler exhaust duct by bigger size to reduce pressure drop in Kiln.
  9. Replacement of classifier by bigger capacity in ATOX-35 VRM for improving productivity.
  10. Utilization of Industrial waste of manufacture of synthetic gypsum.
  11. Installation of high efficiency cone (DD Cone) in Raw Ball Mill cyclones to reduce pressure drop.
  12. To modify cement mill outlet diaphragm for proper venting and power savings.
  13. To reconnect venting line system at hammer mill circuit in raw ball mill section.
  14. Proposal for installation of "Flue Gas Desulphurization" unit in captive power plant to use exhaust gases for gypsum formation while using Pet Coke.
  15. DCS upgradation.
  16. Packer Upgradationin packing plant

2. Expenditure on R&D

(₹ in Lacs)

		2016-17	2015-16
i	Capital	Nil	10.42
ii	Recurring Expenses	65.87	99.30
iii	Total (i+ii)	65.87	109.42
iv	Total R&D Expenditure as a percentage of Total Turnover	0.06%	0.13%

3. 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	₹ 730.03 Lacs

Date : May 13, 2017
Place : New Delhi

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 Obligations and Disclosure Requirements) Regulations, 2015.

I. COMPANY'S PHILOSOPHY ON THE CORPORATE GOVERANCE:

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 Obligations and Disclosure Requirements) Regulations, 2015.

II. BOARD OF DIRECTORS:

a) Composition of the Board:

As on 31st March, 2017, 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 Obligations 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	6	-	1
5.	Shri K. C. Jain	Non-Executive	0	-	0
6	Smt. Vidula Jalan	Executive	2	-	0
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.
$Deceased on 8th May, 2017

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 per permissible limits of the SEBI (Listing Obligations 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, 2017, the Board of Directors had four (4) meetings – 04th May 2016, 06th August, 2016, 05th November, 2016 and 11th February, 2017.

(ii) The attendance record of the Directors at the Board Meetings during the year ended 31st March, 2017 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	3 out of 4	No
2.	Smt. Aruna Makhan	4 out of 4	Yes
3.	Shri N G Khaitan	4 out of 4	No
4.	Shri Gaurav Goel	3 out of 4	No
5.	Shri K C Jain	4 out of 4	No
6.	Smt Vidula Jalan	2 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, 2017 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	6840
6.	Smt Vidula Jalan	60000
7.	Shri A.V. Jalan	10000

The Company has no convertible instrument pending as on 31st March, 2017.

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, Key Managerial Personnel and Senior Management Personnel for avoidance of conflicts of interest between each of the above individuals and the Company. All the Board Members, Key Managerial Personnel 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 2016-17 have been received from them. There were no materially significant transaction as defined in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year with Board Members, Key Managerial Personnel and Senior Management Personnel, 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 Obligations 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, 2017, the Audit Committee held 4 meetings -04th May, 2016, 06th August, 2016, 05th November, 2016 and 11th February, 2017.

- 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	4 out of 4

- At the invitation of the Committee, Internal Auditors, Cost Auditors, Statutory Auditors, the Chief Financial Officer and the Company Secretary (who acts 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, 2017, the Nomination and Remuneration Committee held 2 meetings –04th May, 2016 and 06th August, 2016.

- 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:

i. Formulation of the criteria for determining qualification, positive attributes and independence of Directors.

ii. 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.

iii. Formulation of criteria for evaluation of the Independent Directors and the Board and carrying out an evaluation of every Director's performance;

iv. Devising a policy on Board's diversity;

v. 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, 2017 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	-	700000	-	310000	1010000
2.	Smt. Aruna Makhan	-	700000	-	510000	1210000
3.	Shri N. G. Khaitan	-	700000	-	280000	980000
4.	Shri Gaurav Goel	-	700000	-	260000	960000
5.	Shri K. C. Jain	-	700000	-	340000	1040000
6.	Smt Vidula Jalan	9573000	3900000	1691029	-	15164029
7.	Shri A. V. Jalan	9573000	3900000	1140929	-	14613929

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 06th August, 2016 and 11th February, 2017. 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, 2017 of the shareholders' complaints received and redressed during the financial year:

Nature of Complaint	Complaints received from			Total complaints Received During 2016-17	Total redressed	No. of grievances outstanding as on 31.3.2017
	Investors Directly	Stock Exchanges & SEBI	ROC			
Non-receipt of Dividend warrant(s)	3	2	Nil	5	5	Nil
Non-receipt of Share Certificate(s)/ after transfer/demat	Nil	1	Nil	1	1	Nil
Non-receipt of Duplicate Share certificate(s)	1	Nil	Nil	1	1	Nil
Non-receipt of Annual Report(s)	2	Nil	Nil	2	2	Nil
TOTAL	**6**	**3**	**Nil**	**9**	**9**	**Nil**

D. Share Transfer Committee:

The Committee comprising Shri Amal Ganguli, Smt. Aruna Makhan, Shri Gaurav Goel and, Shri K. C. Jain, Directors of the Company. Smt. Aruna Makhan is the Chairperson 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 Committee comprises of 3 Members. During the period under review, the Committee met twice i.e. on 04th May, 2016 and 05th November, 2016.

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	1 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. 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
38th	2013-14	Saturday, 13.09.2014 at 11.30 AM	Club Hall, Mangalam Cement Ltd. Adityanagar 326520, Morak, Dist. Kota, Rajasthan.
39th	2014-15	Monday, 17.08.2015 at 11.30 AM	-do-
40th	2015-16	Monday, 19.09.2016 at 11.30 AM	-do-

b) All the resolutions, including Special Resolutions set out in the respective Notices were passed by shareholders in their General Meetings.

c) Postal Ballot Resolutions: No resolution was passed through Postal Ballot during the year.

d) 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.

e) Presently there is no proposal for passing any Resolution through Postal Ballot in the ensuring 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 Obligations 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) During the year under review, the Company sought legal and professional advices on need basis from M/s Khaitan & Co., a firm in which Non Executive - Independent Director of the Company i.e. Mr. N G Khaitan is a partner and paid a sum of Rs.1.77 Lacs as fees. The amount paid does not form a significant portion of the revenue of M/s Khaitan & Co. and thus is not considered material to impinge upon the independence of Mr. N G Khaitan. Accordingly, there is no pecuniary relationship or transactions of Non Executive Independent Director vis-à-vis the Company which has potential conflict with the interests of the Company at large.

c) All mandatory accounting standards have been followed in the preparation of financial statements and no deviation has taken place.

d) A well defined Risk Management Policy covering assessment, mitigation, monitoring and review of enterprise-wide risk, has been approved by the Board.

e) No money was raised by the Company through any public issue, rights issue, preferential issue etc in the last financial year.

f) (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.

g) (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 Obligations and Disclosure Requirements) Regulations, 2015.

(ii) There were no material financial and commercial transactions by senior management as defined in SEBI (Listing Obligations 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.

h) 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.

i) The Company has complied and disclosed all mandatory corporate governance requirements under regulation 17 to 27 and sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

j) Disclosures in Relation to the Appointments and Re-appointments of Directors pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Shri Kamal Chand Jain (DIN: 00029985), a qualified Chartered Accountant, has a rich 50 years' experience in the cement industry. He has been a member of the managing committee of Cement Manufacturer's Association (CMA) for the past 36 years. He was the Managing Director of the Company from 1996 to 2012. He is a director in the company since 5th May, 2012 and holds 6840 shares 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) **41st Annual General Meeting:**

Date, Time and Venue

Day and Date	:	Saturday, 02nd September, 2017
Time	:	11.30 AM
Venue	:	Club Hall, Basant Vihar, Mangalam Cement Ltd, Adityanagar 326520, Morak, Dist. Kota (Rajasthan)

(b) **Book Closure:**

From 26th August, 2017 to 02nd September, 2017, 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 2017-2018:**

(i)	Financial Year	1st April, 2017 to 31st March, 2018
(ii)	First Quarterly Results for Quarter ending 30th June, 2017	On or before 14th August, 2017
(iii)	Second Quarterly Results for the quarter ending 30th Sept, 2017	On or before 14th November, 2017
(iv)	Third Quarterly Results for the Quarter ending 31st December, 2017	On or before 14th February, 2018
(v)	Annual Results for the Year ending 31st March, 2018	On or before 30th May, 2018

(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 2017-18 to all the Stock Exchanges where the securities are listed. There are no arrears in payment of Listing Fees.

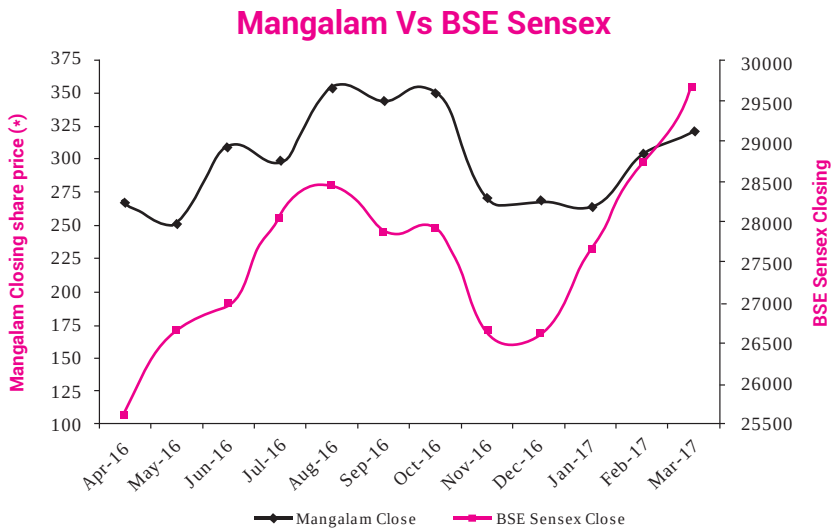
(g) **Custodial Fees to Depositories:**
Custodial fee for the year 2017-18 has been paid to National Securities Depository Ltd and to Central Depository Services (India) Ltd.

(h) **Market Price Data:**
a. The high/low market price of the Equity Shares during the year 2016-17 at the BSE Ltd, Mumbai and National Stock Exchange of India Ltd, were as under:

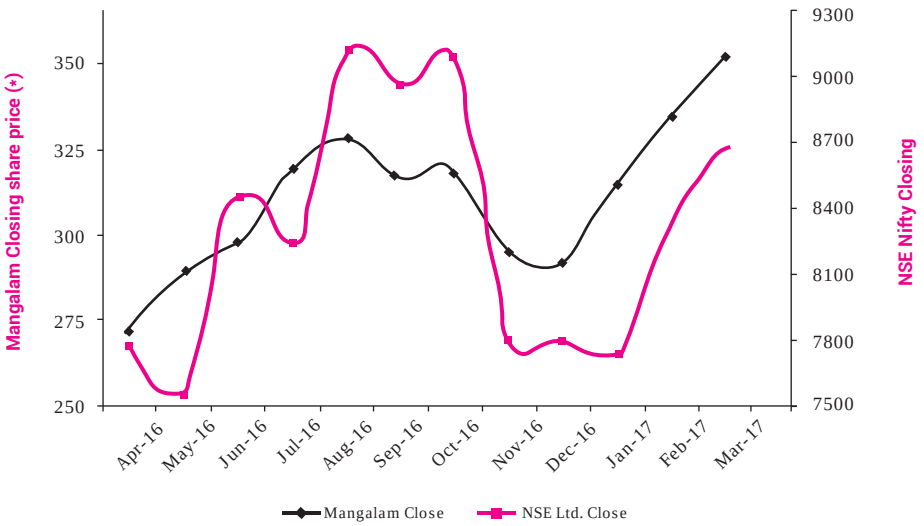
(In ₹ per Share)

Month	BSE Ltd.		National Stock Exchange of India Ltd.	
	High	Low	High	Low
April, 2016	286.00	220.00	287.90	218.60
May, 2016	283.90	216.00	284.00	229.95
June, 2016	310.50	251.95	310.25	252.00
July, 2016	315.95	294.10	316.35	295.00
August, 2016	375.15	274.30	376.00	275.10
September, 2016	375.00	316.85	374.90	316.00
October, 2016	369.45	341.00	370.00	340.25
November, 2016	355.85	226.60	355.85	230.00
December, 2016	279.25	241.10	280.00	242.00
January, 2017	294.00	263.20	295.00	263.20
February, 2017	307.50	265.00	308.05	264.25
March, 2017	326.15	298.25	328.55	294.00

b. The Company's closing share price movement during the Financial Year 2016-17 on BSEL and NSEL 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: mas_serv@yahoo.com
Website: www.masserv.com

(j) **Share Transfer System:**
Share transfer work of physical segment is attended by the Company's Registrar & Share Transfer Agent within the prescribed period under the law and the SEBI (Listing Obligations 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.

(k) **Distribution of shareholding:**
The shareholding distribution of equity shares as on 31st March, 2017 is given below.

S.No.	No. of Equity Shares	No. of shareholders	No. of shares	Percentage of Shareholding
1.	1 to 500	20334	2294869	8.60
2.	501 to 1000	1025	821296	3.08
3.	1001 to 2000	442	677929	2.54
4.	2001 to 3000	139	370563	1.39
5.	3001 to 4000	71	257069	0.96
6.	4001 to 5000	72	340706	1.27
7.	5001 to 10,000	89	677290	2.54
8.	10001 and above	137	21254058	79.62
	Total	**22309**	**26693780**	**100.00**

(l) **Shareholding Pattern as at 31st March, 2017:**

S.No	Category	No. of Equity shares	Percentage
1.	Promoters	3544890	13.28
2.	Resident Individuals/HUF's	9536364	35.72
3.	Body Corporate/Trusts/Partnerships	8628937	32.33
4.	Mutual Funds, Banks, Financial and Govt Institutions/ Insurance Companies	919656	3.45
5.	FIIs, NRIs, OCBs	4063933	15.22
	Total	**26693780**	**100.00**

(m) Dematerialisation of Shares

As on 31st March, 2017, 98.28% of the Company's total equity shares representing 26234214 shares were held in dematerialized form and balance 1.72% representing 459566 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 8707/8857
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 Obligations 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:-

The Quarterly and Half yearly financial results including summary of the significant events are published in the newspapers and are also posted on the website, as such, the same are not being sent to shareholders of the Company.

c. Modified Opinion in Auditors Report: -

During the year under report, the Company financial statement does not contain any modified audit opinion.

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 Articles 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

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 13, 2017
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, 2017 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 13, 2017

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, 2017.

Place: New Delhi
Date: May 13, 2017

A. V. JALAN
Executive Director

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATIONS 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, 2017, as stipulated in Chapter IV of SEBI (Listing Obligations 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 Obligations 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,

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

Place: New Delhi
Date: May 13, 2017

Annexure - 6

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.
- Enterpreneurial 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 atleast 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 Ind AS Financial Statements

We have audited the accompanying Ind AS financial Statement of **Mangalam Cement Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017 and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the 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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 judgments 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 Ind AS 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 Ind AS 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 there under.

We conducted our audit of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS of the state of affairs (financial position) of the Company as at 31st March, 2017, its Profit (financial performance including other comprehensive Income) and its cash flows and the changes in equity 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 Act, 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, the Cash Flow Statement and Statement of changes in equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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".

(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 Ind AS 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 including derivative contracts.

iii. There has been no delay in transferring amount, required to be transferred to the investor education and protection fund by the company.

iv. The company had provided requisite disclosures in its financial statements as to holdings as well as dealing in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained 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 13, 2017

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, 2017;

(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	13.01	2006-2007	Rajasthan High Court
		98.93	Various matters, from 2006 to 2013	CESTAT. New Delhi
		29.78	Various matters, from 2005 to 2010	Commissioner (Appeals)
		55.95	2014-15	Commissioner
		106.06	2013 to 2016	Joint Commissioner
		0.52	2013-14	Superintendent, Kota
	Excise Duty	58.75	Various matters, from 2007 to 2009	CESTAT. New Delhi
		3272.04	Various matters, from 2008 to 2016	Commissioner
		167.83	Various matters, from 2008 to 2016	Asst. Commissioner
Sales Tax (M.P.)	Disallowance of credit notes	0.24	2002-03	Tax Board, M.P.
	Disallowance of credit notes	3.84	2012-13	Tax Board, M.P.
Sales Tax (Rajasthan)	Rajasthan incentive	4161.84	2003-08	Rajasthan High Court
	RVAT	2.00	2007-08	RTB, Ajmer
	RVAT	11.28	2012-13	Appellate Authority, Jaipur
Service Tax	Service Tax	837.71	Various matters, from 2005 to 2015	CESTAT. New Delhi
		104.42	2013-14	Commissioner, Udaipur
		453.64	Various matters, from 2012 to 2016	Commissioner (Appeals)
		112.31	2010 to 2015	Addl. Commissioner
		20.78	2012-2015	Asst. Commissioner
		0.39	2013-14	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 13, 2017

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, 2017 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 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, 2017, 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
M. No. 010479

Place: New Delhi
Date: May 13, 2017

Balance Sheet

as at 31st March, 2017

(₹ in Lacs)

Particulars	Note No.	As at March 31st, 2017	As at March 31st, 2016	As at April 1st, 2015
I. ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	1	80294.70	73465.82	74705.44
(b) Capital work-in-progress		4876.73	7093.47	3077.43
(c) Other Intangible assets		1063.80	960.48	920.98
(d) Financial assets				
(i) Investments	2	2253.18	1954.08	1706.00
(ii) Others financial assets	3	869.56	798.83	700.98
(e) Other non-current assets	4	2244.85	4800.94	1997.24
Total-Non current assets		**91602.82**	**89073.62**	**83108.07**
(2) Current assets				
(a) Inventories	5	10157.38	11593.37	15851.64
(b) Financial assets				
(i) Investments	6	554.45	-	24.34
(ii) Trade receivables	7	3434.00	3469.80	2882.91
(iii) Cash and cash equivalents	8	790.32	1242.41	1750.12
(iv) Bank balances other than (iii) above	9	1715.35	1706.57	1118.34
(v) Loans and Deposits	10	1870.00	1270.00	1230.00
(vi) Others	11	594.86	491.78	319.02
(c) Current tax assets (Net)	12	325.27	1117.56	463.83
(d) Other current assets	13	10261.83	9278.79	9383.47
Total-Current assets		**29703.46**	**30170.28**	**33023.67**
TOTAL ASSETS		**121306.28**	**119243.90**	**116131.74**
II. EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	14	2669.38	2669.38	2669.38
(b) Other equity		47930.59	44655.45	47402.30
Total-Equity		**50599.97**	**47324.83**	**50071.68**
LIABILITIES				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	15	22800.03	28052.45	29686.20
(ii) Other financial liabilities	16	3890.01	4237.31	4225.74
(b) Provisions	17	1679.46	1331.38	1194.11
(c) Deferred tax liabilities (Net)	18	3683.29	3314.07	3628.63
(d) Other non-current liabilities	19	1269.81	2994.11	2825.07
Total-Non current liabilities		**33322.60**	**39929.32**	**41559.75**
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	20	7143.96	6940.73	3321.60
(ii) Trade payables	21	12608.28	11123.42	10403.94
(iii) Other financial liabilities	22	10830.74	10164.20	8017.92
(b) Other current liabilities	23	6075.33	3331.11	2548.57
(c) Provisions	24	725.40	430.29	208.28
Total-Current liabilities		**37383.71**	**31989.75**	**24500.31**
TOTAL EQUITY AND LIABILITIES		**121306.28**	**119243.90**	**116131.74**
Accounting Policies and Notes to Accounts	**33**			

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 13, 2017

Swadesh Agrawal
Company Secretary

Yaswant Mishra
President (Corporate) & CFO

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, 2017

(₹ in Lacs)

Particulars	Notes	Year ended 31st March, 2017	Year ended 31st March, 2016
I INCOME			
Revenue from operations	25	104885.70	96871.67
Other income	26	1686.54	658.04
Total Revenue (I)		**106572.24**	**97529.71**
II EXPENSES			
Cost of materials consumed		14368.42	13580.98
Purchases of Stock-in-Trade		-	5153.86
Changes in inventories of finished goods and work-in-progress	27	1800.88	2245.80
Employee benefits expense	28	7793.95	7245.44
Finance costs	29	4748.94	4594.47
Depreciation and amortization expense	1	4031.46	3665.89
Other expenses	30	68781.28	64176.71
Total Expenses (II)		**101524.93**	**100663.15**
III Profit / (Loss) before Exceptional Item and tax (I-II)		**5047.31**	**(3133.44)**
Exceptional item		-	-
IV Profit / (Loss) before tax		**5047.31**	**(3133.44)**
V Tax expense :	31		
Current tax/MAT		853.00	-
MAT Credit		(853.00)	-
Income Tax Expenditure For Earlier Year (Net)		-	2.20
Deferred tax		1383.84	(989.43)
VI Profit / (Loss) for the Period (IV-V)		**3663.47**	**(2146.21)**
VII Other Comprehensive Income (net of tax)	32		
Items that will not be reclassified subsequently to Profit and Loss			
Remeasurment of the net defined benefit liability/asset (net of tax)		(305.39)	(8.47)
Equity instrument through Comprehensive Income		77.68	50.38
Total-Other Comprehensive Income (net of tax) (VII)		**(227.71)**	**41.91**
VIII Total Comprehensive Income for the Year (VI+VII)		**3435.76**	**(2104.30)**
Earnings per equity share			
[Nominal Value per share: ₹10 (2015-16: ₹10)]			
(a) Basic - ₹		13.72	(8.04)
(b) Diluted - ₹		13.72	(8.04)
Accounting Policies and Notes to Accounts	**33**		

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 13, 2017

Swadesh Agrawal
Company Secretary

Yaswant Mishra
President (Corporate) & CFO

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, 2017

(₹ in Lacs)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit / (Loss) before taxation and extraordinary items	5047.31	(3133.44)
Adjustments for:		
1. Depreciation and amortisation expenses	4031.46	3665.89
2. Interest expense	4366.08	4772.46
3. Interest income	(578.85)	(562.36)
4. (Profit) / Loss on sale of property, plant & equipment (net)	(0.60)	15.26
5. Gain on Foreign exchange fluctuation (net)	(863.62)	(0.67)
6. Gain on Sale of current Investments	(54.45)	(95.01)
7. Gain on Interest rate swap	(189.02)	-
Operating profit before working capital Changes	**11758.31**	**4662.13**
Changes in Working Capital		
Increase / (decrease) in Trade payables	1484.86	719.48
Increase / (decrease) in Other financial liability	(712.02)	424.07
Increase / (decrease) in Non-financial liability	1019.92	951.58
Increase / (decrease) in Provisions	244.28	391.85
(Increase) / decrease in Trade receivables	39.17	(586.22)
(Increase) / decrease in inventories	1435.99	4258.26
(Increase) / decrease in other financial assets	223.01	(607.23)
(Increase) / decrease in loans and deposits	(600.00)	(40.00)
(Increase) / decrease in other non financial assets	1569.89	(2702.17)
Less : Taxes paid (net of refund)	(113.92)	(18.65)
Net cash flows from operating activites (A)	**16349.49**	**7453.10**
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant & equipment	(9090.35)	(6600.92)
Sale of property, plant & equipment	347.19	107.00
Purchase of current investments	(1000.00)	(2000.00)
Sale of current investments	500.00	2119.34
Interest received	214.64	192.87
Net cash flows used in investing activities (B)	**(9028.52)**	**(6181.71)**
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest and financial charges	(4459.87)	(4151.50)
Dividend paid (including corporate dividend tax)	(175.51)	(645.98)
Proceeds from long-term borrowings	3900.00	6750.00
Repayment of long-term borrowings	(7201.48)	(6850.75)
Proceeds from short-term borrowings (net)	203.23	3619.13
Net cash flows used is financing activities (C)	**(7733.63)**	**(1279.10)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(412.66)	(7.71)
Cash and cash equivalents at the beginning of the year	2242.41	2250.12
Cash and cash equivalents at the end of the year	**1829.75**	**2242.41**

Cash Flow Statement

for the Year ended 31st March, 2017

(₹ in Lacs)

Particulars		Year ended 31st March, 2017	Year ended 31st March, 2016
Notes	1. The above cash flow statement has been prepared under the Indirect Method as set out in IND AS - 7		
	2. Previous year's figures have been regrouped wherever necessary to confirm to this year's classification.		
	3. Figure in brackets indicates cash outgo		
	4. Components of cash and cash equivalents		
	Cash in hand	7.74	5.25
	Cheques / Drafts on hand	-	720.15
	Bank balances		
	- Current account	782.58	517.01
	- Short term deposit	1039.43	1000.00
		1829.75	**2242.41**

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 13, 2017

Swadesh Agrawal
Company Secretary

Yaswant Mishra
President (Corporate) & CFO

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 Changes in Equity

for the Year ended 31st March, 2017

A. Equity Share Capital		
Issued, subscribed and paid up	**Number of Shares**	**Value(Rs. In Lacs)**
Equity Shares of Rs. 10 each	26693780	2669.38
On April 1,2015		
Equity share capital issued during the year	-	-
Balance at March 31, 2016	**26693780**	**2669.38**
Equity share capital issued during the year	-	-
Balance at March 31, 2017	**26693780**	**2669.38**

B. Other Equity

(₹ in Lacs)

	Reserve and Surplus								
Particulars	**Capital Reserve**	**Capital Redemption Reserve**	**Preferrence Share Capital Redemption Reserve**	**Revaluation Reserve**	**General Reserve**	**Retained Earning**	**Equity Instrument through other comprehensive Income**	**Other comprehensive income**	**Total**
Balance as at 1 April, 2015	20.22	155.30	20.00	471.61	6513.15	41906.32	-	-	49086.60
Opening Ind AS adjustment	-	-	-	(471.61)	-	(1212.69)	-	-	(1684.30)
Restated balance at at 1 April,2015	**20.22**	**155.30**	**20.00**	**-**	**6513.15**	**40693.63**	**-**	**-**	**47402.30**
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	-	(8.47)	(8.47)
Equity Instrument through other comprehensive income	-	-	-	-	-	-	50.38	-	50.38
Dividend Paid	-	-	-	-	-	(642.55)	-	-	(642.55)
Profit/(Loss) for the year	-	-	-	-	-	(2146.21)	-	-	(2146.21)
Balance as at 31 March,2016	**20.22**	**155.30**	**20.00**	**-**	**6513.15**	**37904.87**	**50.38**	**(8.47)**	**44655.45**
Dividend Paid	-	-	-	-	-	(160.62)	-	-	(160.62)
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	-	(305.39)	(305.39)
Equity Instrument through other comprehensive income	-	-	-	-	-	-	77.68	-	77.68
Profit for the year	-	-	-	-	-	3663.47	-	-	3663.47
Balance as at 31 March,2017	**20.22**	**155.30**	**20.00**	**-**	**6513.15**	**41407.72**	**128.06**	**(313.86)**	**47930.59**

The accompanying notes referred to above form an integral part of the Financial Statements
As per 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 13, 2017

Swadesh Agrawal
Company Secretary

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Aruna Makhan, Director
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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

A. Property Plant and Equipment (₹ in Lacs)

	Land	Leasehold Land	Buildings	Plants & Machinery	Furniture & Fittings	Vehicles	Office Equipments	Railway Siding	Total
Cost									
As at 1st April 2015	1384.83	1893.93	2671.11	65057.09	110.79	393.81	9.95	3183.93	74705.44
Additions	-	-	1368.33	794.53	11.03	6.30	3.57	81.32	2265.08
Disposals/Deductions	-	22.01	-	86.56	0.82	14.13	-	-	123.52
As at 31st March 2016	**1384.83**	**1871.92**	**4039.44**	**65765.06**	**121.00**	**385.98**	**13.52**	**3265.25**	**76847.00**
Additions	181.57	-	2510.77	7931.70	10.40	71.48	1.35	358.10	11065.37
Disposals/Deductions	-	22.01	-	329.37	2.02	13.61	-	-	367.01
As at 31st March 2017	**1566.40**	**1849.91**	**6550.21**	**73367.39**	**129.38**	**443.85**	**14.87**	**3623.35**	**87545.36**
Depreciation									
As at 1st April 2015	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Charge for the year	-	-	191.48	2898.96	18.52	66.75	2.85	207.04	3385.60
Disposals/Deductions	-	-	-	3.92	0.08	0.42	-	-	4.42
As at 31st March 2016	**-**	**-**	**191.48**	**2895.04**	**18.44**	**66.33**	**2.85**	**207.04**	**3381.18**
Charge for the year#	-	0.02	260.93	3329.29	17.21	64.56	2.67	218.38	3893.06
Disposals/Deductions	-	-	-	18.53	0.53	4.52	-	-	23.58
As at 31st March 2017	**-**	**0.02**	**452.41**	**6205.80**	**35.12**	**126.37**	**5.52**	**425.42**	**7250.66**
Net Block									
As at 1st April 2015	**1384.83**	**1893.93**	**2671.11**	**65057.09**	**110.79**	**393.81**	**9.95**	**3183.93**	**74705.44**
As at 31st March 2016	**1384.83**	**1871.92**	**3847.96**	**62870.02**	**102.56**	**319.65**	**10.67**	**3058.21**	**73465.82**
As at 31st March 2017	**1566.40**	**1849.89**	**6097.80**	**67161.59**	**94.26**	**317.48**	**9.35**	**3197.93**	**80294.70**

Note :

As mentioned in Footnotes : Ind-AS 101 Exemptions applied, the Company is carrying Property, Plant and Equipment at carrying value as per previous GAAP . Accordingly, the net WDV as per Indian GAAP as on 1st April, 2015 has been considered as Gross Block under Ind-AS. The accumulated depreciation netted off as on 1st April 2015, is as below-

	Land	Leasehold Land	Buildings	Plants & Machinery	Furniture & Fittings	Vehicles	Office Equipments	Railway Siding	Total
Gross Block	1384.83	1895.21	4002.35	100005.06	250.14	562.74	49.72	3651.59	111801.64
Less: Accumulated Depreciation	-	1.28	1331.24	34947.97	139.35	168.93	39.77	467.66	37096.20
Net Block	**1384.83**	**1893.93**	**2671.11**	**65057.09**	**110.79**	**393.81**	**9.95**	**3183.93**	**74705.44**

Rs. 2.88 lacs included in preoperative expenses during the year.

Notes

forming part of the Financial Statements

B. INTANGIBLE ASSETS

(₹ in Lacs)

	Computer Softwares	Mining right (Land)	Total
Gross Block			
As at 1st April 2015	80.17	840.81	920.98
Additions	310.48	13.39	323.87
As at 31st March 2016	**390.65**	**854.20**	**1244.85**
Additions	169.74	74.86	244.60
As at 31st March 2017	**560.39**	**929.06**	**1489.45**
Amortisation			
As at 1st April 2015	-	-	-
Charge for the year	45.59	238.78	284.37
As at 31st March 2016	**45.59**	**238.78**	**284.37**
Charge for the year	95.53	45.75	141.28
As at 31st March 2017	**141.12**	**284.53**	**425.65**
Net Block			
As at 1st April 2015	**80.17**	**840.81**	**920.98**
As at 31st March 2016	**345.06**	**615.42**	**960.48**
As at 31st March 2017	**419.27**	**644.53**	**1063.80**

Note :

For Intangible Assets existing as on April 1, 2015, i.e. date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed cost as permitted by Ind-AS 101 - First-time Adoption of Indian Accounting Standards . Accordingly, the net WDV as per Indian GAAP as on 1st April, 2015 has been considered as Gross Block under Ind-AS after adjusting for Site Restoration cost as mentioned in Note B (ii) to the "Footnotes to the reconciliation of balance sheet and equity as at 1st April 2015 and 31st March 2016 and profit or loss for the year ended 31st March 2016". The accumulated depreciation so netted off as on 1st April 2015, is as below –

(₹ in Lacs)

	As at 31st March, 2017	As at 31st March, 2016	As at April 1st, 2015
Gross Block	249.67	2692.51	2942.18
Less:Accumulated Amortisation	169.50	1858.34	2027.84
Add:Adjustment for Site Restoration Cost	-	6.64	6.64
Net Block	**80.17**	**840.81**	**920.98**

Notes
forming part of the Financial Statements

Note No. 2

Investments (₹ in Lacs)

	31st March, 2017	31st March, 2016	1st April, 2015
Non Trade:			
Quoted			
Investments in Equity Instruments carried at fair value through other comprehensive income 6,50,000 Fully paid up Equity shares of ₹10/- each of Mangalam Timber Products Ltd. (Related party)	186.55	108.88	58.50
Unquoted			
Investments in Preference shares carried at amortised cost 34,47,000- 7.5% Non-Cumulative Redeemable Preference shares of ₹100/-each of Mangalam Timber Products Ltd.*	2066.63	1845.20	1647.50
	2253.18	**1954.08**	**1706.00**
Aggregate amount of Quoted Investments	110.02	110.02	110.02
Aggregate Market Value of Quoted Investments	186.55	108.88	58.50
Aggregate amount of unquoted Investments	3447.00	3447.00	3447.00
Investment carried at amortised cost	186.55	108.88	58.50
Investment carried at fair value through other comprehensive income	2066.63	1845.20	1647.50

* 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. 3

Others : Financial Assets (at amortised cost) (₹ in Lacs)

	31st March, 2017	31st March, 2016	1st April, 2015
Unsecured considered good :			
Deposits with Government Department and Others	823.59	791.29	700.14
Interest accrued on Fixed Deposits with bank	33.49	0.36	0.19
Balances with bank on margin money accounts	12.48	7.18	-
Advance against supply of goods or services	-	-	0.65
	869.56	**798.83**	**700.98**

Margin money Deposit given as security
Margin money deposit of Rs. 12.48 lacs (31st March, 2016 : Rs. 7.18 lacs, 1st April , 2015 : Nil) are pledged with banks against bank guarantees and overdraft facilities.

Note No. 4

Other Non Current Assets (₹ in Lacs)

	31st March, 2017	31st March, 2016	1st April, 2015
Unsecured, considered good :			
Capital Advances	2108.51	4721.68	1931.23
Prepaid Expenses	136.34	79.26	66.01
	2244.85	**4800.94**	**1997.24**

Notes
forming part of the Financial Statements

Note No. 5

Inventories (₹ in Lacs)

	31st March, 2017	31st March, 2016	1st April, 2015
At lower of cost and net realisable value			
Raw materials	1096.65	1020.57	1672.23
Work - in - progress	1464.71	2916.94	5107.91
Finished Goods [Including Goods in Transit ₹ 312.58 Lacs;			
(31.03.2016: ₹ 227.21 lacs; 01.04.2015: ₹ 592.60 lacs)]	974.19	1322.83	1365.68
Stores and Spare [Including Goods in Transit ₹ 1513.48 Lacs; (31.03.2016: ₹ 2008.55 lacs; 01.04.2015: ₹ 2212.81 lacs)]	6525.72	6236.92	7597.73
At net realisable value			
Scrap & waste	96.11	96.11	108.09
	10157.38	**11593.37**	**15851.64**

Note No. 6

Investments (₹ in Lacs)

	31st March, 2017	31st March, 2016	1st April, 2015
Carried at fair value through Profit & Loss			
Unquoted Mutual Funds			
Reliance Money Manager fund (Growth)	225.86	-	-
SBI Ultra Short Term Debt Fund (Growth)	60.58	-	-
Kotak treasury Advantage Fund (Growth)	268.01	-	-
SBI Premier Liquid Fund	-	-	24.34
	554.45	**-**	**24.34**

Note No. 7

Trade receivables (₹ in Lacs)

	31st March, 2017	31st March, 2016	1st April, 2015
Other debts			
Secured, considered good	841.41	1152.73	871.55
Unsecured,considered good	2592.59	2317.07	2011.36
	3434.00	**3469.80**	**2882.91**

Note No. 8

Cash and Cash Equivalents (₹ in Lacs)

	31st March, 2017	31st March, 2016	1st April, 2015
Balances with banks :			
On Current Accounts	782.58	517.01	355.79
Cheques / Drafts on hand	-	720.15	1388.93
Cash in hand	7.74	5.25	5.40
	790.32	**1242.41**	**1750.12**

Notes
forming part of the Financial Statements

Note No. 9

Other Bank balances (₹ in Lacs)

	31st March, 2017	31st March, 2016	1st April, 2015
Balances with Banks			
On Short Term Deposit	1039.43	1000.00	500.00
Other Bank Balances:			
On Margin Money Accounts	607.52	623.31	531.66
On Unpaid Dividend Account	68.40	83.26	86.68
	1715.35	**1706.57**	**1118.34**

Note No. 10

Loans and deposits (₹ in Lacs)

	31st March, 2017	31st March, 2016	1st April, 2015
Unsecured considered good:			
Inter Corporate Deposits			
(i) Related Party	1100.00	500.00	460.00
(ii) Others	770.00	770.00	770.00
	1870.00	**1270.00**	**1230.00**

Note No. 11

Other financial assets (₹ in Lacs)

	31st March, 2017	31st March, 2016	1st April, 2015
Unsecured considered good:			
Deposits with Government Department and Others	3.77	3.95	8.45
Interest accrued on Fixed Deposits & Others	427.27	370.17	244.44
Interest accrued on ICD to related party	152.23	99.68	53.79
Advance recoverable in cash or in kind	11.59	17.98	12.34
	594.86	**491.78**	**319.02**

Note No. 12

Current Tax Assets (Net) (₹ in Lacs)

	31st March, 2017	31st March, 2016	1st April, 2015
Advance Income Tax	1581.05	2022.56	463.83
Provision for MAT	(1255.78)	(905.00)	-
	325.27	**1117.56**	**463.83**

Note No. 13

Other current assets (₹ in Lacs)

	31st March, 2017	31st March, 2016	1st April, 2015
Unsecured, considered good:			
Advances recoverable in cash or in kind	10258.67	9275.63	9380.31
Prepaid expenses	3.16	3.16	3.16
	10261.83	**9278.79**	**9383.47**

Notes
forming part of the Financial Statements

Note No. 14

SHARE CAPITAL (₹ in Lacs)

	31st March, 2017	31st March, 2016	1st April, 2015
Authorised			
40000000 Equity Shares of ₹10 each	4000.00	4000.00	4000.00
	4000.00	**4000.00**	**4000.00**
Issued, Subscribed and Paid up			
26693780 Equity Shares of ₹ 10/- each fully paid up	2669.38	2669.38	2669.38
	2669.38	**2669.38**	**2669.38**

Note :-	**31st March, 2017**	**31st March, 2016**	**1st April, 2015**
1 Reconciliation of the number of Equity Shares Outstanding			
Number of Equity Shares Outstanding at the beginning of the year	26693780	26693780	26693780
Number of Equity Shares Outstanding at the end of the year	26693780	26693780	26693780

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

Name of shareholders	No. of Shares	%	No. of Shares	%	No. of Shares	%
Camden Industries Limited	3819563	14.31	3819563	14.31	-	-
Kesoram Industries Limited	-	-	-	-	3819563	14.31
Century Textiles & Industries Limited	2220500	8.32	2220500	8.32	2220500	8.32
India Capital Fund Limited	1972418	7.39	1744896	6.54	1397596	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.

Note No. 15

Borrowings (₹ in Lacs)

	31st March, 2017	31st March, 2016	1st April, 2015
Secured :-			
Term Loan From banks			
Indian Rupee Loan From HDFC Bank Ltd.	4375.00	6875.00	9375.00
Indian Rupee Loan From HDFC Bank Ltd	5200.00	5750.00	-
Indian Rupee Loan From State Bank of India	3500.00	5500.00	7500.00
Indian Rupee Loan From Indusind Bank	3050.00	-	-
Foreign Currency loan from DBS Bank Ltd.*	6675.03	9927.45	12811.20
	22800.03	**28052.45**	**29686.20**

There is no default of repayment of principal and interest.

Note :-

(1) Rupee loan from HDFC Bank

Secured by:	A first paripassu 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.

Notes
forming part of the Financial Statements

(2) Rupee loan from HDFC Bank

Secured by:	A first paripassu 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 30.06.2017 to 31.03.2020 at quarter end from the date of initial disbursement i.e. with a moritorium of 2 years from the date of 1st disbursement.
Rate of interest:	Fixed interest of 10.15% p.a. for first year. Reset at every anniversary from first day of disbursement at HDFC Bank Base Rate+15bps.

(3) Rupee loan from State Bank of India

Secured by:	A first paripassu 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.

(4) Rupee loan from Indusind Bank

Secured by:	A first paripassu charge on entire fixed assets (both movable and immovable, present and future). A second pari passu charge on current assets of the company (both present and future).
Repayment Terms:	16 structured quarterly installment after a moratorium of 2 years repayment commence from 27th month from the date of 1st disbursement.
Rate of interest:	1st year MCLR +0.05% MCLR as on the date of disbursement.

(5) Foreign Currency Loan from DBS Bank Ltd.

Secured by:	A first paripassu 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:	Libor+2.60%

* Fully hedged by foreign exchange contract by DBS Bank Ltd against loan taken in foreign currency and included in 2016-17, 2015-16 and 01.04.2015 foreign exchange fluctuation ₹1351.08 lacs, ₹2140.25 lacs and ₹1905.70 lacs respectively and net of forward cover assets ₹1429.80 lacs, ₹1668.05 lacs and ₹1251.30 lacs respectively.

Note No. 16

Other Financial Liabilities (₹ in Lacs)

	31st March, 2017	31st March, 2016	1st April, 2015
Unsecured :-			
Retention money (at amortised cost)	29.29	63.00	55.09
Deposits (from stockist and others) - at amortised cost	3822.76	3947.34	4037.04
Interest Rate Swap Liability (at fair value)	37.96	226.97	133.61
	3890.01	**4237.31**	**4225.74**

Note No. 17

Provisions (₹ in Lacs)

	31st March, 2017	31st March, 2016	1st April, 2015
Employee Benefits	1101.07	814.96	733.02
Provision for Site Restoration	578.39	516.42	461.09
	1679.46	**1331.38**	**1194.11**

Notes
forming part of the Financial Statements

Note No. 18
Deferred tax liabilities (Net) (₹ in Lacs)

	31st March, 2017	31st March, 2016	1st April, 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 property, plant and equipment	14413.01	13002.22	12105.09
(ii) Others	2193.09	2239.97	2154.45
Total (a)	**16606.10**	**15242.19**	**14259.54**
(b) Deferred tax assets being tax impact on -			
(i) Expenses charged in the books but allowance thereof deferred under income tax laws	1512.90	1353.93	1219.81
(ii) Unabsorbed depreciation and unabsorbed business losses	8308.50	7907.51	6295.48
(iii) MAT Credit Entitlement	1758.00	905.00	1584.35
(iv) Others	1343.41	1761.68	1531.27
Total (b)	**12922.81**	**11928.12**	**10630.91**
(c) Net Deferred Tax Liabilities (a) – (b)	**3683.29**	**3314.07**	**3628.63**

Note No. 19
Other Non Current Liabilities (₹ in Lacs)

	31st March, 2017	31st March, 2016	1st April, 2015
Statutory liabilities	1269.81	2994.11	2825.07
	1269.81	**2994.11**	**2825.07**

Note No. 20
Borrowings (₹ in Lacs)

	31st March, 2017	31st March, 2016	1st April, 2015
From Bank :-			
Secured			
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.)	2143.96	6940.73	3321.60
Unsecured Loan			
Commercial Paper**	5000.00	-	-
	7143.96	**6940.73**	**3321.60**

****Commercial Paper :**

Sl. No.	Issued to	Amount (₹ in Lacs)	Rate	Tenure	Due Date
1.	HDFC Bank Limited	2500.00	6.95%	90 days	30th May, 2017
2.	HDFC Bank Limited	2500.00	6.95%	90 days	08th June, 2017

Note No. 21
Trade payables (₹ in Lacs)

	31st March, 2017	31st March, 2016	1st April, 2015
Micro and Small Enterprises	31.61	2.18	51.82
Others	12576.67	11121.24	10352.12
	12608.28	**11123.42**	**10403.94**

Notes
forming part of the Financial Statements

Note No. 22

Other Financial Liabilities (at amortised cost) (₹ in Lacs)

	31st March, 2017	31st March, 2016	1st April, 2015
Unpaid Dividends	68.40	83.26	86.68
Current Maturities of long term loan from banks	9141.93	7812.99	6062.50
Liabilities for Capital Goods	229.75	592.49	344.74
Security Deposit and Retention Money	1349.21	1540.22	1375.47
Interest accrued but not due on Loans and Deposits	-	50.24	95.97
Interest accrued and due on Loans and Deposits	41.45	85.00	52.56
	10830.74	**10164.20**	**8017.92**

Note No. 23

Other current liabilities (₹ in Lacs)

	31st March, 2017	31st March, 2016	1st April, 2015
Other Statutory Liabilities	3868.72	1900.52	1053.04
Advances from Customers	2206.61	1430.59	1495.53
	6075.33	**3331.11**	**2548.57**

Note No. 24

Provisions (₹ in Lacs)

	31st March, 2017	31st March, 2016	1st April, 2015
Employee Benefits	725.40	430.29	166.20
Others :			
Wealth Tax	-	-	42.08
	725.40	**430.29**	**208.28**

Note No. 25

Revenue from operations (₹ in Lacs)

	31st March, 2017	31st March, 2016
Sale of products (including excise duty)		
Cement	102769.68	93110.37
Clinker	1347.41	2889.85
Other operating revenues	768.61	871.45
	104885.70	**96871.67**

Notes
forming part of the Financial Statements

Note No. 26

Other income (₹ in Lacs)

	31st March, 2017	31st March, 2016
Interest Income :		
Bank	280.73	287.85
Others	76.70	76.81
Profit on sale of Mutual Fund	16.93	96.41
Gain on Foreign Exchange Fluctuation (net)	3.37	0.67
Gain on Foreign Exchange Fluctuation (on Borrowing)	860.25	-
Profit on sale of property, plant and equipment	0.60	-
Unrealized Gain on investment	258.94	196.30
MTM Gain on valuation of Interest rate swap	189.02	-
	1686.54	**658.04**

Note No. 27

Changes in inventories of finished goods, work-in-progress (₹ In Lacs)

	31st March, 2017	31st March, 2016
Opening Stock		
Work-in-Progress		
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**
Closing Stock		
Work-in-Progress		
Raw meal	14.30	82.59
Clinker	909.99	2,378.01
Crushed lime stone	540.41	456.34
Finished Goods-Cement	974.19	1,322.83
Scrap & waste	96.11	96.11
	2535.00	**4335.88**
	1800.88	**2245.80**

Note No. 28

Employee benefits expense (₹ In Lacs)

	31st March, 2017	31st March, 2016
Salaries, Wages, Bonus and Allowances	6454.71	6188.54
Contribution to Provident, gratuity and other funds	1165.64	850.79
Staff welfare expenses	173.60	206.11
	7793.95	**7245.44**

Notes
forming part of the Financial Statements

Note No. 29

Finance costs (₹ In Lacs)

	31st March, 2017	31st March, 2016
Interest Expenses	3621.80	3533.20
Exchange Fluctuation on ECB Loan	-	634.26
(Exchange difference regarded as an adjustment to borrowing cost)		
Other Finance costs	1127.14	427.01
	4748.94	**4594.47**

Note No. 30

Other expenses (₹ In Lacs)

	31st March, 2017	31st March, 2016
Stores and Spares consumed	3315.38	3693.47
Power and fuel	19944.47	17759.59
Rent	355.67	737.28
Repairs and Maintenance		
Plant and Machinery	1453.70	1301.49
Buildings	385.19	216.72
Others	60.18	47.56
	1899.07	1565.77
Insurance	81.95	94.53
Excise duty	14029.00	12695.52
Rates and Taxes	544.35	406.81
Research & Development Expenses	65.87	99.30
Packing, Forwarding and Distribution Expenses	25494.33	24273.22
Commission & Brokerage to Selling Agents	849.29	747.54
Corporate Social Responsibility Expenditure	52.12	204.78
Directors fees	19.53	13.55
Directors Commission	113.00	-
Payments to Auditors:		
(a) Statutory Auditors		
Audit fees	11.00	10.01
Tax audit fees	2.19	1.99
Other services	3.93	3.01
Out of pocket expenses	0.74	0.38
(b) Cost Auditors		
Audit fees	1.06	0.94
Loss on sale of property, plant and equipment (net)	-	15.26
Miscellaneous Expenses	1998.33	1853.76
	68781.28	**64176.71**

Notes
forming part of the Financial Statements

Note No. 31

Income tax Expense (₹ In Lacs)

	31st March, 2017	31st March, 2016
Current Income tax :		
Current Income tax	853.00	-
Less : MAT Credit Entitlment	(853.00)	-
Net Current tax	**-**	**-**
Deferred tax :		
Relating to origination and reversal of temporary differences	1399.05	(978.33)
Relating to Change in tax rate	-	92.81
	1399.05	**(885.52)**
Adjustment in respect of Income tax previous year		
Current Income tax	-	2.20
Deferred tax	(15.21)	(103.91)
	(15.21)	**(101.71)**
	1383.84	**(987.23)**
Reconcilation of tax expenses and accounting profit		
Net Loss/(Income) before taxes	5047.31	(3133.44)
Enacted tax rates (in %)	34.61	34.61
Computed Expected tax expenses	1746.78	(1084.42)
Increase/(reduction) in taxes on account of:		
Previous year tax adjustments	-	2.20
Deferred tax of previous years	(15.21)	(11.10)
Other non deductible expenses	33.97	149.30
Income chargeble to tax not included in Statement of Profit and Loss	54.81	-
Income not taxable /exempt from tax	(0.21)	(5.24)
Additional Benefit on research and development expenses and Investment allowance	(436.30)	(37.97)
Income tax expense reported	**1383.84**	**(987.23)**

Note No. 32

Other Comprehensive Income (₹ In Lacs)

	31st March, 2017	31st March, 2016
Remeasuring of defined benefit plan	(467.01)	(12.95)
Tax effect on above	161.62	4.48
Gain on equity securities accounted at FVTOCI	77.68	50.38
	(227.71)	**41.91**

Notes
forming part of the Financial Statements

NOTE 33

Significant Accounting Policies and Notes on Accounts as at and for the year ended on 31st March 2017

1. Corporate Information

Mangalam Cement Limited (MCL) is a public limited company domiciled and incorporated in India and its shares are publicly traded on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE'), in India. The registered office of MCL, Aditya Nagar Morak -326520, Kota (Rajasthan). The Company is principally engaged in manufacturing of Cement in India. These financial statements are prepared in Indian rupees.

The financial statements were approved and adopted by board of directors of the Company in their meeting held on 13th May 2017.

2. Basis of preparation Compliance with Ind AS

The financial statements have been prepared in accordance with all material respects with the accounting standards (Ind AS) as per Companies (Indian Accounting Standard Rules), 2015 notified under section 133 of Companies Act 2013 and Companies (Indian Accounting Standard) Amendment Rules 2016 and other relevant provisions of the Companies Act, 2013.

The financial statements up to year ended 31st March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules ,2006 (as amended) and other relevant provisions of the Act.

3. Significant accounting Policies

3.1 Basis of Measurement

These accounts are prepared on historical cost basis except for certain financial Assets and liabilities (including derivatives instruments) measured at fair value.

3.2 Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statement and reported amounts of revenue and expenses during the period. Application of accounting policies that requires critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed. Accounting estimate could change from period to period. Actual results could differ from those judgments. Appropriate changes in estimates are made as management become aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which change are made and if material, their effects are disclosed in the notes to the financial statements.

3.3 Significant accounting Judgements, estimates, assumptions

In the process of applying the Company's accounting policies, management has made the following key estimates, assumptions and judgements, which have significant effect on the amounts recognised in the financial statement :

(a) Income taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

(b) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

(c) Mine restoration obligations

In determining the fair value of the mine restoration obligation the Company uses technical estimates to determine the expected cost to restore the mines and the expected timing of these costs. Discount rates are determined based on expected rate of return.

(d) Insurance Claims

Insurance and other claims raised by the Company are accounted for when received owing to uncertainties involved.

3.4 Current versus non-current classification

The Company present assets and liabilities in the balance sheet based on current/non-current classification.

(A) An asset treated as current when it is:

(i) Expected to be realised or intended to be sold or consumed in normal operating cycle,

(ii) Held primarily for the purpose of trading,

(iii) Expected to be realised within twelve months after the reporting period, or

(iv) Cash or Cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

(B) A liability is current when :

(i) It is expected to be settled in normal operating cycle.

(ii) It is held primarily for the purpose of trading,

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

3.5 Reclassification of financial assets and liabilities

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no classification is made for financial assets which are equity instruments and financial liabilities. For financials assets which are debt instruments; a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to the external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period. Following the changes in business model, the company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

3.6 Foreign Currencies 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.

3.7 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Sales are recognized 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 measured at the fair value of the consideration received and receivable inclusive of excise duty and net of trade discounts, allowable sales return and sales tax/value added tax.

Interest Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable

Dividend

Dividend income is recognised when the right to receive dividend is established

3.8 Government Grants

Government Grants are recognised where there is reasonable assurance that the grant will be received and all attached condition will be complied with.

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 and Loss or deducted from the related expenses.

3.9 Taxation

Income tax expense represents the sum of current and deferred tax (including MAT). Current income tax assets and liabilities are measured at the amount to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Income tax expense is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences, Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Minimum Alternative Tax (MAT) is applicable to the Company. Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

3.10 Property, Plant and Equipment

The Company considers the previous GAAP carrying value for all its Property, Plant and Equipment as deemed cost at the transaction date, viz. 1st April 2015

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment of loss, if any.

Cost of any item of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition cost of dismantling and removing the item and restoring the site on which it is located.

Capital work in progress is stated at cost incurred during the construction / installation / pre-operation period relating to items of project in progress.

On transition to IND AS, the Company has elected to continue with carrying value of all of its property plant and equipment recognized as at 1 April 2015, measured as per the previous GAAP and use that carrying value as the deemed Cost of such property, plant and Equipment.

Depreciation is provided on the straight line method by depreciating carrying amount of Property, Plant and Equipment over remaining useful life of the assets.

Notes
forming part of the Financial Statements

Depreciation methods, useful life and residual values are reviewed at each financial year end. The useful life and residual value as per such review is normally in accordance with schedule II of the Companies Act 2013.The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

3.11 Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and impairment. Intangible assets are amortised over their respective individual estimated useful life on a straight line method. The useful lives of intangible assets are as follows:

(a) Mining rights are amortised over the period of the leases.

(b) Computer software is amortised over a period of 5 years.

Cost of Site restoration is capitalised as Property, Plant and Equipment under the head" Site Restoration Cost".

3.12 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.

3.13 Borrowing Costs

Interest and other costs connected with the borrowing for the acquisition / construction of qualifying fixed assets are capitalised up to the date that when such asset are ready for their intended use and other borrowing cost are charged to statement of profit & loss. Borrowing cost includes exchange difference to the extent regarded as an adjustment to the borrowing cost.

3.14 Lease

Leases under which the Company assumes substantially all risks and rewards of ownership are classified as finance lease. When acquired such assets are capitalised at fair value or present value of minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating lease are recognised as an expenses on a straight line basis in the Statement of Profit and Loss account over the lease term.

3.15 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 Work In Progress 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.

3.16 Provision and Contingencies

A provision is recognised if as a result of past event the company has a present legal or constructive obligation that is reasonably estimated and it is probable that an outflow of economic benefit will be required to settle the obligation. Provisions are determined by discontinuing the expected cash flow at a pre-tax rate that reflects current market assessments of the time value of the money and the risk specific to the liabilities. 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.

Mine restoration expenditure is provided for in the Statement of Profit and Loss based on present value of estimated expenditure required to be made towards site restoration at the time of vacation of mine. The unwinding of the discount is expensed as incurred and recognised as a finance cost in the Statement of Profit and Loss. The cost estimates are reviewed periodically and adjusted as appropriate. Changes in the estimated future costs or discount rate applied are added to or deducted from the Site restoration cost.

3.17 Employee Benefits :

Expenses and liabilities in respect of employee benefit are recorded in accordance with Indian Accounting Standard (Ind AS 19 employees benefit)

(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 employee's 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, on the basis of actuarial valuations carried out by actuary at each Balance Sheet date. Actuarial gain /loss, if any, arising from experience adjustments and change in actuarial assumptions are charged or credited to Other Comprehensive income in the period in which they arise. Net Interest Cost are charged as interest Cost in statement of profit and Loss account.

3.18 Cash and Cash Equivalents

Cash and Cash equivalents in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of Company's Cash Management.

3.19 Dividend

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividend is approved by the shareholders. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

3.20 Earnings Per Share

Basic Earnings per equity 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.

Notes
forming part of the Financial Statements

For calculating diluted earnings 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.

3.21 Research and Development Expenses

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.

3.22 Financial Instruments

(a) Financial Assets

Initial Recognition and Measurement

All financial Assets are recognised initially at fair value plus, in case of financial assets not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the financial asset.

Subsequent measurement

(i) **Financial Assets carried at amortised Cost**- A Financial Assets is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest term on the principal amount outstanding.

(ii) **Financial Assets at fair value through other comprehensive income**- A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investment which are classified as equity instruments to present the subsequent changes in fair value in other Comprehensive income based on its business model. Further, in case where the company has made an irrecoverable election based on its business model for its investments, which are classified as equity instrument the subsequent changes in fair value are recognised in other comprehensive income.

(iii) **Financial assets at fair value through profit or loss** - A Financial Assets which is not classified in any of the above categories are included within Fair value through Profit or Loss.

(b) Financial Liabilities

Initial recognition and Measurement

Financial Liability are recognised at fair value on initial recognition and in case of loan and borrowing and payables net of directly attributable transaction costs.

Subsequent recognition

Financial Liabilities are subsequently carried at amortized cost using effective interest method. For trade and other payables maturing within one year from the Balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(c) Derivatives

The Company uses derivative financial instruments, such as Option Contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks. Derivative financial instruments are initially recognised at fair value on the date derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

(d) De-recognition of financial instrument

The company de-recognises the financial assets when contractual right to cash flow from financial assets expire or it transfer the financial assets and transfer qualities for de-recognition under IND AS 109. A financial liability or a part of a financial liability is de-recognised from the company's Balance Sheet when obligation specified in the contract is discharged or cancelled or expires.

3.23 Fair value financial instruments

The company measure financial instrument at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In determining the fair value of its financial instruments, the company use various method and assumption that are based on market conditions and risks existing at each reporting date. The methods used to determine the fair value includes discounted cash flow analysis, available quoted market price and dealer quotes and valuation report etc. The method of assessing fair value results in general approximation of value and such value may never actually be realised.

3.24 Recent accounting pronouncements

Standard issued but yet not effective

In March 2017, the Ministry of Corporate affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules 2017, notifying amendments to Ind AS 7'Statement of cash flows' and Ind AS 102, 'Share -based payment'. These amendments are in accordance with the recent amendments made by International Accounting Standard Board (IASB) to IAS 7,'statements of cash flows' and IFRS 2, 'Share based payment,' respectively. The amendments are applicable to the Company from April 1,2017.

Amendments to Ind AS 7

The amendments to Ind AS require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial activities including both changes arising from cash flows and non - cash changes, suggesting inclusion of a reconciliation between the opening and closing balance in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendments and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102

The amendments to Ind AS 102 provide specific guidance to measurement of cash-settled awards, modifications of cash-settled awards and awards that includes a net settlement features in respect of withholding taxes.

The Company is evaluating the requirements of the amendments and the impact on the financial statements is being evaluated.

Notes
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NOTES ON ACCOUNTS

4. 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, 2017	31st March, 2016	1st April, 2015
Taxation Matters			
- Direct tax	2062.93	2560.22	1949.26
- Indirect tax	6215.94	7890.35	6360.44
- Others	1610.17	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)

(c)	31st March, 2017	31st March, 2016	1st April, 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.	8136.65	8136.65	8136.65

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 materialise.

ii. Commitments:

(₹ In Lacs)

	31st March, 2017	31st March, 2016	1st April, 2015
(a) Estimated Capital Commitments (Net of advances)	335.40	1952.09	1583.00
(b) Other Commitments - Commitment for Social Welfare (outstanding contribution for "Over Bridge" Construction)	_	_	125.00

5. The Board of Directors has proposed a dividend of ₹ 0.75 per equity shares of ₹ 10 each for the year ended 31st March 2017 and the total proposed dividend amounts to ₹ 200.20 lacs and corporate dividend tax to be ₹ 40.76 lacs.

6. Revenue expenditure on Research and Development amounting to ₹ 65.87 lacs (Previous year ₹ 99.30 lacs) is shown in the Statement of Profit & Loss. Capital expenditure relating to Research and Development amounting to ₹ Nil (Previous year ₹ 10.42 lacs) has been included in fixed assets.

7. Other operating revenue includes investment subsidy and employment generation subsidy aggregating to ₹ 386.74 lacs (Previous Year ₹ 318.14 lacs).

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, 2017	31st March, 2016	1st April, 2015
(a)	(i) Principal amount remaining unpaid at the end of the accounting year	31.61	2.18	51.82
	(ii) Interest due thereon	Nil	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	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	Nil
(d)	The amount of interest accrued and remaining unpaid at the end of the financial year	Nil	Nil	Nil
(e)	The amount of further interest remaining due and payable in succeeding years, until such interest is actually paid	Nil	Nil	Nil

9. Employee Defined Benefits:

(a) Defined Contribution Plans

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

(₹ In Lacs)

Particulars	31st March, 2017	31st March, 2016
a. Contribution to Superannuation fund	325.82	266.53
b. Contribution to Provident fund (Government)	480.76	434.64
c. Others	47.94	38.75
	854.52	**739.92**

(b) Defined Benefit Plans as per actuarial valuation on 31st March, 2017 and recognised in the financial statements in respect of Employee Benefit Schemes:

(₹ In Lacs)

Particulars	Gratuity (Funded)		Leave Encashment (Non-funded)	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
I Reconciliation of Defined Benefit Obligations (DBO) during the year ended 31st March, 2017				
1 Present value of DBO at the beginning of period	1885.39	1748.36	926.82	792.99
2 Current service cost	143.92	122.73	137.05	106.79
3 Interest cost	150.83	152.98	74.14	69.39
4 Actuarial (Gains)/Losses	163.18	(5.61)	293.08	26.57
5 Benefits paid	(223.48)	(133.07)	(178.42)	(68.92)
6 Present value of DBO at the end of period	2119.84	1885.39	1252.67	926.82
II Reconciliation of Fair Value of plan assets during the year ended 31st March, 2017				
1 Plan assets at the beginning of period	1761.77	1582.16		
2 Expected return on plan assets	140.95	138.43		
3 Actuarial Gains/(Losses)	(10.75)	8.02		
4 Company contribution	125.62	166.23		
5 Benefits paid	(223.48)	(133.07)		
6 Plan assets at the end of period	1794.11	1761.77		

Notes
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(₹ In Lacs)

Particulars	Gratuity (Funded)		Leave Encashment (Non-funded)	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
III Reconciliation of fair value of assets and obligation as at 31st March, 2017				
1 Present value of Defined Benefit Obligation	2119.84	1885.39	1252.67	926.82
2 Fair value on plan assets	1794.11	1761.77	-	-
3 Status [Surplus/(Deficit)]	(325.73)	(123.62)	(1252.67)	(926.82)
4 Net asset/(liability) recognised in the Balance Sheet	(325.73)	(123.62)	(1252.67)	(926.82)
IV Expenses recognised during the year				
1 Current service cost	143.92	122.73	137.05	106.79
2 Interest cost	9.89	14.54	74.14	69.39
3 Total expenses recognised in the Statement of Profit & Loss	153.81	137.27	211.19	176.18
V Other Comprehensive Income				
Re measurements of the net defined benefit liability/(assets)				
Actuarial (gain)/loss for the year on PBO	163.18	(5.61)	293.08	26.57
Actuarial (gain)/loss for the year on Asset	10.75	(8.02)		
VI Major category of plan assets as a % of the total plan assets as at 31st March, 2017				
1. Interest based scheme with Insurance companies	100%	100%		
VII Actuarial assumptions				
1 Discount rate (%)	7.35	8.00	7.35	8.00
2 Rate of escalation in salary (per annum) (%)	5.50	5.50	5.50	5.50
3 Mortality table (IALM)	2006-08	2006-08	2006-08	2006-08

VIII Sensitivity analysis:

(₹ In Lacs)

Particulars	Change in Assumptions	Gratuity		Leave Encashment	
		31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Discount Rate	0.50% increase	(73.16)	(59.47)	(51.60)	(28.10)
	0.50% decrease	78.08	63.31	55.64	49.90
Change in salary increase	0.50% increase	79.10	64.55	56.38	50.69
	0.50% decrease	(74.74)	(61.12)	(52.71)	(29.13)

Sensitivity due to mortality & withdrawal are not material & hence impact of change not calculated.

IX History of experience adjustments is as follows :

(₹ In Lacs)

Particulars	Gratuity		Leave Encashment	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Plan Liabilities	69.31	(3.32)	226.75	27.95
Plan Assets	(10.74)	8.02	-	-

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X Estimate of expected benefit payments (in absolute terms i.e. undiscounted)

(₹ In Lacs)

Sl. No.	Year	Gratuity	Leave Encashment
a)	April 2017 - March 2018	207.39	151.61
b)	April 2018 - March 2019	31.58	31.72
c)	April 2019 - March 2020	55.82	32.89
d)	April 2020 - March 2021	158.36	90.14
e)	April 2021 - March 2022	201.49	84.84
f)	April 2022 - March 2023	119.47	43.38
g)	March 2023 onwards	1345.72	818.09

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

11. Related Party information as per **Ind AS 24.**

Sl. No.	Particulars	Name	Designation
I.	List of related parties		
	(a) Key Management Personnel	(1) Shri A.V. Jalan	Executive Director
		(2) Smt. Vidula Jalan	Executive Director
		(3) Shri Yaswant Mishra	President (Corporate) & CFO
		(4) Shri Swadesh Agarwal	AVP & Company Secretary
	(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.(for F.Y. 2015-16)	
		(5) Century Textile & Industries Ltd. (for F.Y. 2015-16)	

II. Transactions with related parties:

(₹ In Lacs)

Particulars	Referred in I (a) above		Referred in I (b) above	
	2016-17	2015-16	2016-17	2015-16
Expenses:				
Remuneration to KMP	Refer note below #	Refer Note below #		
Rent				
– Mangalam Timber Products Ltd.			10.50	9.00
Electricty Charges Paid				
– Mangalam Timber Products Ltd.			-	3.59
Dividend paid				
– Pilani Investment & Industrial Corporation Ltd.			5.60	22.40
– Kesoram Industries Ltd.			-	76.39
– Century Textiles & Industries Ltd.			-	44.41
– Vidula Consultancy Services Ltd.			0.07	0.23
– Shri A.V. Jalan	0.05	0.20		
– Smt. Vidula Jalan	0.30	0.86		
Income:				
Interest income				
Mangalam Timber Products Limited			52.55	50.99
I.C.D. Given				
Mangalam Timber Products Limited			600.00	40.00

Notes
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(₹ In Lacs)

Outstanding balances :

Particulars	Referred in I (a) above			Referred in I (b) above		
	31st March, 2017	31st March, 2016	1st April, 2015	31st March, 2017	31st March, 2016	1st April, 2015
Interest accrued						
Mangalam Timber Products Limited				152.23	99.68	53.79
Director Commission						
Shri A.V. Jalan	39.00	-	20.00			
Smt. Vidula Jalan	39.00	-	20.00			
I.C.D. Given						
Mangalam Timber Products Limited				1100.00	500.00	460.00
Investment in Shares						
Mangalam Timber Products Limited						
a. Equity Shares				186.55	108.88	58.50
b. 7.5% Non-Cumulative Redeemable Preference Shares				2066.63	1845.21	1647.51

 # Remuneration to Key Managerial Personnel :

(₹ In Lacs)

Particulars	31st March, 2017	31st March, 2016
Salary and other allowances	318.96	267.19
Contribution to Provident Fund	26.14	20.89
Contribution of Superannuation Fund	28.17	20.35
Medical Expenses	12.42	4.67
LTA	6.98	0.72
Commission to Directors	78.00	-
Other Perquisites	2.53	9.88
Total	**473.20**	**323.70**

Note : The amount related to gratuity cannot be ascertained separately since they are included in the contribution in respect made to the insurance company on a group basis for all employees together. As the liability for leave encashment are provided on actuarial basis for the Company as a whole. Hence not included as above.

12. Financial Instrument

Financial Instrument by category

(₹ In Lacs)

Particulars	31st March, 2017		31st March, 2016		1st April, 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets/ liabilities at fair value through profit or loss						
Derivatives-						
Option Contract	1429.80	1429.80	1668.05	1668.05	1251.30	1251.30
Investment-						
Mutual Fund	516.93	554.45	-	-	22.94	24.34
Financial assets designated at fair value through other Comprehensive Income						
Equity Shares	110.02	186.55	110.02	108.88	110.02	58.50
Financial Assets designated at Amortised Cost						
Cash and Cash Equivalent	790.32	790.32	1242.41	1242.41	1750.12	1750.12
Fixed Deposits with Bank	1659.43	1659.43	1630.49	1630.49	1031.66	1031.66
Investment	3447.00	2066.63	3447.00	1845.20	3447.00	1647.50
Trade and Other Receivables	3434.00	3434.00	3469.80	3469.80	2882.91	2882.91

(₹ In Lacs)

Particulars	31st March, 2017		31st March, 2016		1st April, 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Loan	1870.00	1870.00	1270.00	1270.00	1230.00	1230.00
Other Financial assets	1520.34	1520.34	1366.69	1366.69	1106.68	1106.68
Fiancial Liabilities designated at fair value through profit or loss						
Derivatives:-						
Interest Rate Swap	37.96	37.96	226.97	226.97	133.61	133.61
Financial Liabilities designated at amortised cost						
Borrowings	40515.72	40515.72	44474.22	44474.22	40321.60	40321.60
Trade and Other payables	12608.28	12608.28	11123.42	11123.42	10403.94	10403.94
Other Financial Liabilities	5540.86	5540.86	6361.55	6361.55	6047.55	6047.55

Fair Value Hierachy

Level-1 Quoted Price (unadjusted) is active markets for identical assets or liabilities

Level-2 Inputs other than quoted prices included within Level-1 that are observable for the asset or liability, either directly (i.e as prices) or indirectly (i.e. derived from prices)

Level-3 Inputs other than quoted prices included within Level-1 that are based on non-observable market data.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2017 :

(₹ In Lacs)

Particulars	As of 31st March, 2017	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in equity instruments	186.55	186.55		
Investments in preference Share	2066.63			2066.63
Investment in Mutual Fund	554.45	554.45		
Derivative financial instruments - option contracts	1429.80		1429.80	
Liabilities				
Derivative financial instruments - Interest Rate Swap	37.96		37.96	

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2016 :

(₹ In Lacs)

Particulars	As of 31st March, 2016	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in equity instruments	108.88	108.88		
Investments in preference Share	1845.20			1845.20
Derivative financial instruments - option contracts	1668.05		1668.05	
Liabilities				
Derivative financial instruments - Interest Rate Swap	226.97		226.97	

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The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of April 1, 2015:

(₹ In Lacs)

Particulars	As of 1st April, 2015	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in equity instruments	58.50	58.50		
Investments in preference Share	1647.50			1647.50
Investment in Mutual Fund	24.34	24.34		
Derivative financial instruments - option contracts	1251.30		1251.30	
Liabilities				
Derivative financial instruments - Interest Rate Swap	133.61		133.61	

13. Financial risk management objective and policies

The Company's Financial liabilities include Loan and borrowing, security deposits, retention money and Trade & other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include investments, trade & other receivables, deposits and cash & cash equivalents.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain risk exposures. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes.

The Company is exposed to market risk, credit risk and liquidity risk. The Company has a Risk management policy and its management is supported by a Risk management committee that advises on risks and the appropriate financial risk governance framework for the Company. The Risk management committee provides assurance to the Company's management that the Company's risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include trade payables, trade receivables, borrowings, etc.

Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. To protect itself from the volatility prevailing, the Company maintain its long term borrowing on fixed interest rate through interest rate swap instrument, in which it agrees to exchange at specific intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed upon principal amount.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows.

(₹ In Lacs)

	Increase/decrease in basis points	Effect on profit before tax
31st March, 2017	50 basis point	135.23
31st March, 2016	50 basis point	140.80

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company has hedged its foreign currency borrowing through forward cover to protect itself from the foreign currency volatility. However, the Company's exposure to the risk of changes in foreign exchange rates are not significant.

Derivative instruments and unhedged foreign currency exposure:

(a) Derivative outstanding as at the reporting date

Foreign Currency in lacs

	Foreign Currency	As at 31st March, 2017	As at 31st March, 2016	1st April, 2015
Option Contract to buy USD	USD	22.07	25.21	20.06
Swaps	USD	0.59	3.43	2.14

(b) Particulars of unhedged foreign currency exposure as at the reporting date

Foreign Currency in lacs

	Foreign Currency	As at 31st March, 2017	As at 31st March, 2016	1st April, 2015
Other Financial Liabilities	USD	-	0.65	0.66
Trade Payables	Euro	-	0.10	-

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade receivables

Customer credit risk is managed by the respective department subject to Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits as defined by the Company. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis. The calculation is based on historical data of credit losses.

The ageing analysis of the receivables (gross of provision) has been considered from the date the invoice falls due.

(₹ In Lacs)

Particulars	Neither due nor impaired (including unbilled)	Past due			Total
		Up to 6 months	6 to 12 months	Above 12 months	
Trade receivables					
As at 31st March , 2017					
Secured	-	836.85	3.50	1.05	**841.40**
Unsecured	71.22	2325.45	125.43	70.50	**2592.60**
Total	**71.22**	**3162.30**	**128.93**	**71.55**	**3434.00**
As at 31st March , 2016					
Secured	-	1148.45	4.28	-	**1152.73**
Unsecured	75.83	2155.89	29.45	55.90	**2317.07**
Total	**75.83**	**3304.34**	**33.73**	**55.90**	**3469.80**
As at 1st April , 2015					
Secured	-	766.79	-	-	**766.79**
Unsecured	104.76	1940.64	17.12	53.60	**2116.12**
Total	**104.76**	**2707.43**	**17.12**	**53.60**	**2882.91**

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity profile of Financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

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(₹ In Lacs)

Financial Liabilities	0-1 year	2-5 year	5-10 year	Above 10 years
As at 31st March, 2017				
Borrowings	7143.96	21824.03	976.00	-
Trade Payables	12608.28	-	-	-
Other financial liabilities	10830.74	3890.01	-	-
Total	**30582.98**	**25714.04**	**976.00**	**-**
As at 31st March, 2016				
Borrowings	6940.73	28052.45	-	-
Trade Payables	11123.42	-	-	-
Other financial liabilities	10164.20	4237.31	-	-
Total	**28228.35**	**32289.76**	**-**	**-**
As at 01st April, 2015				
Borrowings	3321.60	29686.20	-	-
Trade Payables	10403.94	-	-	-
Other financial liabilities	8017.92	4225.74	-	-
Total	**21743.46**	**33911.94**	**-**	**-**

14. Capital management

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended March 31, 2017 and March 31, 2016.

For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings, trade and other payables less cash and short term deposits.

The Company monitors capital using gearing ratio, which is net debt divided by total capital as under:

(₹ In Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Loans and borrowings	39085.92	42806.17	39070.30
Less : cash and cash equivalents	790.32	1242.41	1750.12
Net debts	38295.60	41563.76	37320.18
Total capital	50999.97	47324.83	50071.68
Capital and net debt	89295.57	88888.59	87391.86
Gearing ratio	42.89%	46.76%	42.70%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest bearing loans and borrowing for reported periods.

15. Earning Per Share (EPS):

(₹ in Lacs)

	31st March, 2017	31st March, 2016
Net profit attributable to equity shareholders (Rs. In Lacs)	3663.47	(2146.21)
Weighted average of equity shares (Nos.)	26693780	26693780
Nominal value of equity shares (In Rs.)	10	10
Basic/Diluted EPS (in rupees)	13.72	(8.04)

16. Corporate Social Responsibilities

As per section 135 of Companies Act, 2013, Company meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three years on corporate social responsibility. A CSR committee has been formed by the company as per the Act The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of The Companies Act,2013.

(a) Gross amount required to be spent by Company during the year is Rs. 52.15 lacs

(b) Amount Spent during the year on :

(₹ in Lacs)

S.No.	Particulars	Amount Spent	Yet to be Spent	Total
1.	Overall development of the local surrounding area	52.12	0.03	52.15

17. Disclosure on Specified Bank Notes (SBN)

During the year, the Company has specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308 (E) dated 30th March, 2017 on the details of specified Bank Notes (SBN) held and transaction during the period from November 8, 2016 to December 30, 2016 is given below :

(In ₹)

Particulars	SBNs*	Other Denomination Notes	Total
Closing cash in hand as on 8th November, 2016	2705500	99041	2804541
Add: Permitted receipts	-	1128005	1128005
Less: Permitted payments	-	716388	716388
Less: Amount deposited in Banks	2705500	-	2705500
Closing cash in hand as on December 30, 2016	-	510658	510658

**For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016*

18. First Time Adoption of Ind AS

As these accounts are the first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, (First-time Adoption of Indian Accounting Standards) has been applied. An explanation of how the transition from previous GAAP to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company.

(a) Exemption on first time adoption of Ind AS availed in accordance with Ind AS 101

The Company has elected to measure items of PPE at the date of transition to Ind AS at their Carrying Value. Company has used the Carrying Value of assets at the date of transition as at 01.04.2015, which is considered as deemed cost on transition

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(b) Reconciliation of the Balance Sheet as on 31st March, 2016 and 1st April, 2015

(₹ In Lacs)

Particulars	Footnote Reference Number	As at 31st March, 2016 (End of Last Period presented under previous GAAP)			As at 1st April,2015 (Date of Transition)		
		Previous GAAP	Effect of Transition to IND AS	As per IND AS	Previous GAAP	Effect of Transition to IND AS	As per IND AS
ASSETS							
Non- Current Assets							
a) Property, Plant and Equipment	I	73507.62	(41.80)	73465.82	74750.40	(44.96)	74705.44
b) Capital Work in Progress		7093.47	-	7093.47	3077.43	-	3077.43
c) Intangible Assets	B	953.94	6.54	960.48	914.34	6.64	920.98
d) Financial Assets							
(i) Investments	D	3557.02	(1602.94)	1954.08	3557.02	(1851.02)	1706.00
(ii) Other Financial Assets	D	1430.03	(631.20)	798.83	1764.78	(1063.80)	700.98
(e) Other Non Financial Assets	I	4762.30	38.64	4800.94	1955.44	41.80	1997.24
Total Non Current Assets (A)		**91304.38**	**(2230.76)**	**89073.62**	**86019.41**	**(2911.34)**	**83108.07**
Current Assets							
a) Inventories		11593.37	-	11593.37	15851.64	-	15851.64
(b) Financial Assets							
(i) Investments	D	-	-	-	22.94	1.40	24.34
(ii) Trade Receivables		3469.80	-	3469.80	2882.91	-	2882.91
(iii) Cash and Cash Equivalent		1242.41	-	1242.41	1750.12	-	1750.12
(iv) Bank Balances other than (iii) above		1706.57	-	1706.57	1118.34	-	1118.34
(v) Loans		1270.00	-	1270.00	1230.00	-	1230.00
(vi) Other Financial Assets	D	930.53	(438.75)	491.78	848.62	(529.60)	319.02
(c) Current Tax Assets (net)	F	2022.56	(905.00)	1117.56	2048.18	(1584.35)	463.83
(d) Other Non Financial Assets	I	9275.63	3.16	9278.79	9380.31	3.16	9383.47
Total Current Assets (B)		**31510.87**	**(1340.59)**	**30170.28**	**35133.06**	**(2109.39)**	**33023.67**
TOTAL ASSETS [(A)+(B)]		**122815.25**	**(3571.35)**	**119243.90**	**121152.47**	**(5020.73)**	**116131.74**
EQUITY AND LIABILITIES							
Equity							
a) Equity Share Capital		2669.38	-	2669.38	2669.38	-	2669.38
b) Other Equity		46869.59	(2214.14)	44655.45	49086.60	(1684.30)	47402.30
Total Equity (C)		**49538.97**	**(2214.14)**	**47324.83**	**51755.98**	**(1684.30)**	**50071.68**
Liabilities							
Non-Current Liabilities							
(a) Financial Liabilities							
(i) Borrowings	D,H	27580.25	472.20	28052.45	29031.80	654.40	29686.20
(ii) Other financial liabilities	C,D	4683.63	(446.32)	4237.31	5204.17	(978.43)	4225.74
(b) Provisions	B	814.95	516.43	1331.38	733.02	461.09	1194.11
(c) Deferred Tax Liabilities (Net)	F	5225.69	(1911.62)	3314.07	6141.76	(2513.13)	3628.63
(d) Other Non-current liabilities		2994.11	-	2994.11	2825.07	-	2825.07
Total Non Current Liabilities (D)		**41298.63**	**(1369.31)**	**39929.32**	**43935.82**	**(2376.07)**	**41559.75**
Current Liabilities							
(a) Financial liabilities							
- Borrowings		6940.73	-	6940.73	3321.60	-	3321.60
- Trade Payables		11123.42	-	11123.42	10403.94	-	10403.94
- Other Financial Liabilities	D,H	9991.46	172.74	10164.20	8335.72	(317.80)	8017.92
(b) Other Non Financial Liabilities		3331.11	-	3331.11	2548.57	-	2548.57
(c) Provisions	E	590.93	(160.64)	430.29	850.84	(642.56)	208.28
Total Current Liabilities (E)		**31977.65**	**12.10**	**31989.75**	**25460.67**	**(960.36)**	**24500.31**
TOTAL EQUITY AND LIABILITIES [(C) +(D)+(E)]		**122815.25**	**(3571.35)**	**119243.90**	**121152.47**	**(5020.73)**	**116131.74**

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(c) Reconciliation of Total Comprehensive Income for the year ended 31st March, 2016

(₹ In Lacs)

	Particulars	Foot note Reference	Previous GAAP	Effect of Transition to IND AS	As per IND AS
I	**Income:**				
	Revenue from operations		96871.67	-	96871.67
	Other Income	D	461.74	196.30	658.04
	Total Income (I)		**97333.41**	**196.30**	**97529.71**
II	**Expenses:**				
	Cost of Raw Materials Consumed		13580.98	-	13580.98
	Purchase of traded goods		5153.86	-	5153.86
	Changes in Inventories of finished goods and material in process		2245.80	-	2245.80
	Employee benefit expenses	G.	7342.31	(96.87)	7245.44
	Finance costs	B,C,D,H	4138.21	456.26	4594.47
	Depreciation and Amortisation	B	3656.88	9.01	3665.89
	Other expenses		64176.71	-	64176.71
	Total Expenses (II)		**100294.75**	**368.40**	**100663.15**
III	**Profit/(Loss) before Exceptional Item and Tax (I-II)**		**(2961.34)**	**(172.10)**	**(3133.44)**
	Exceptional Item		**-**	**-**	**-**
IV	**Profit/(Loss) before tax**		**(2961.34)**	**(172.10)**	**(3133.44)**
V	**Tax expense:**				
	Current tax/MAT		-	-	-
	MAT Credit		-	-	-
	Income Tax Expenditure For Earlier Year (Net)		2.20	-	2.20
	Deferred tax charged / (credit)	F	(916.08)	(73.35)	(989.43)
VI	**Profit/(Loss) for the Period (IV-V)**		**(2047.46)**	**(98.75)**	**(2146.21)**
VII	**Other Comprehensive Income (net of tax)**				
	Items that will not be reclassify subsequents to Profit and Loss				
	Remeasurment of the net defined benefit liability/asset (net of tax)	F, G	-	(8.47)	(8.47)
	Equity instrument through Comprehensive Income	D	-	50.38	50.38
VIII	**Total Comprehensive Income for the period (VI+VII)**		**(2047.46)**	**(56.84)**	**(2104.30)**

(d) Reconciliation of Total Equity as on 31st March, 2016 and 1st April, 2015

(₹ In Lacs)

Particulars	Foot note Reference	As at 31st March, 2016 (End of Last Period presented under previous GAAP)	As at 1st April, 2015 (Date of Transition)
Total Equity (Shareholders' funds) under previous GAAP		**49538.97**	**51755.98**
Gain /(Loss) on Investment measuring at fair value	D	(1602.93)	(1849.61)
Finance Cost	B,C,D,H	(1859.09)	(1402.83)
Salary Wages	G	96.87	-
Depreciation	B	(3.30)	(3.20)
Deferred tax adjustment other than OCI adjustment	F	1002.14	928.79
Reversal of Proposed dividend and tax on Dividend	E	160.64	642.55
Actuarial Gain/(loss) for the year (OCI) (net of tax)	F,G	(8.47)	-
Total Adjustment to Equity		**(2214.14)**	**(1684.30)**
Total Equity under IND AS		**47324.83**	**50071.68**

Notes
forming part of the Financial Statements

(e) Foot Note

The Company has made following reclassification as per the requirements of Ind-AS:

A. Reclassifications

i) Assets / liabilities which do not meet the definition of financial asset / financial liability have been reclassified to other asset / liability.

ii) Re-Measurement gains/(losses) on defined benefit plans on long term employee benefit plans are re-classified from profit and loss to OCI.

B. Property, plant & equipment and Intangible Assets

(i) Under previous GAAP, company was carrying assets on at revaluation assessed 01.04.1987, to fair value assets with corresponding increase in revaluation reserve. On the date of transition, the Company has elected to measure items of Property, Plant & Equipment and Intangible Assets at the date of transition to Ind AS at their carrying value as deemed cost. Consequently, revaluation reserve carrying value Rs. 471.61 lacs has been adjusted against retained earnings.

(ii) The Company has measured the liability relating to Site Restoration cost in accordance with Ind AS 37 on the date of transition viz. 1st April, 2015 and has capitalised the obligation as a separate component under Intangible Assets together with the accumulated depreciation from the date the obligation was incurred to the transition date. The amount to be capitalized as part of the cost of the asset has been calculated by discounting the liability back to the date the obligation initially arose using the best estimate of historical discount rates, with the associated accumulated depreciation having been calculated by applying the current estimate of the useful life of the asset, using the entity's depreciation policy for the asset.

C. Derivative financial instruments

Under Ind AS, derivative contracts are measured at fair value at each balance sheet date to the extent of any reduction/gain in fair value, recognised in Statement of Profit and Loss as finance expense or finance income. Under Indian GAAP premium on forward contract is amortised over the contract period.

D. Fair valuation of financial assets and liabilities

(i) Under Indian GAAP, receivables and payables were measured at transaction cost Under Ind AS, these financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment, if any. The resulting gain /loss recognised in the Statement of Profit and Loss for financial liabilities as Finance Cost or Finance Income.

(ii) Under Ind AS investments are designated as fair value through other comprehensive income (FVOCI), fair value through profit and loss (FVTPL) and carried at amortised cost. For investment designated as FVOCI, difference between the fair value and carrying value is recognised in OCI. For investment designated as FVTPL, difference between the fair value and carrying value is recognised in profit and loss. For investment designated as amortised cost, accrual of interest is recognised in profit and loss with which value of investment will be equal to maturity date contractual cash flows which includes solely payments of interest and principal.

E. Proposed Dividend

Under Indian GAAP, proposed dividends are recognised as liability in the period to which they relate irrespective of the approval by shareholders. Under Ind AS a proposed dividend is recognised as liability in the period in which it is declared (on approval of shareholders in a general meeting) or paid. Therefore, the proposed dividend and dividend distribution tax of Rs. 642.55 lacs on March 31, 2015 has been derecognised and recognised during 2015-16 on payment. Similarly proposed dividend and dividend distribution tax of Rs.160.64 lacs on March 31, 2016 has been derecognised and recognised during 2016-17.

Notes

forming part of the Financial Statements

F. Deferred tax

The Company has accounted for deferred tax on the various adjustments between Indian GAAP and Ind AS at the tax rate at which they are expected to be reversed.

MAT entitlement credit being of the nature of deferred tax, on transition to IND AS MAT credit entitlement of Rs. 1584.35 lacs and Rs. 905.00 lacs for April 1, 2015 and March 31, 2016 respectively has been regrouped under deferred tax assets from Current tax assets (net).

G. The impact of change in actuarial assumption and experience adjustments for defined benefit obligation towards gratuity liability and Leave Encashment is accounted in the Statement of Other Comprehensive Income and responding tax impact on the same. Due to this Rs. 12.95 lacs and Rs. 467.00 lacs for the period ended March 31, 2016 and March 31, 2017 respectively, tax credit there on is shown in OCI and reversal in Statement of Profit and loss.

H. Profit on reinstatement of loan given is shown under finance income, Loss on reinstatement with respect to borrowings and regarded as an adjustment to borrowing cost are shown under finance expense.

I. In case of operating lease, the carrying amount of Leasehold Land shown as a prepayment under Non-Financial Assets and amortized as lease rent over a period of Lease.

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

As per 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 13, 2017

Swadesh Agrawal
Company Secretary

Yaswant Mishra
President (Corporate) & CFO

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

Smt. Aruna Makhan	
Shri N. G. Khaitan	
Shri Gaurav Goel	
Shri K. C. Jain	
Smt. Vidula Jalan	Executive Director
Shri A. V. Jalan	Executive Director

PRESIDENT [CORPORATE] AND CHIEF FINANCIAL OFFICER

Shri Yaswant Mishra

COMPANY SECRETARY

Shri Swadesh Agrawal

TEAM OF EXECUTIVES

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

PLANT LOCATIONS

1. **Rajasthan**
   P.O. - Aditya Nagar - 326520
   Morak, Dist - Kota

2. **Uttar Pradesh**
   K/1, CDF Complex
   UPSIDC Industrial Area
   Anoopsahar Road, Cherat
   Dist - Aligarh

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

CORPORATE OFFICE

Birla Building, 10th Floor
9/1, R.N. Mukherjee Road
Kolkata - 700 001
Phone No: 0332243 8707/8857
E-mail : kolkata@mangalamcement.com

AUDITORS

Jain Pramod Jain & Co.
Chartered Accountants
New Delhi

BANKERS

State Bank of India
HDFC Bank Limited
IDBI Bank Limited
DBS Bank Limited
IndusInd Bank Limited

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



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.

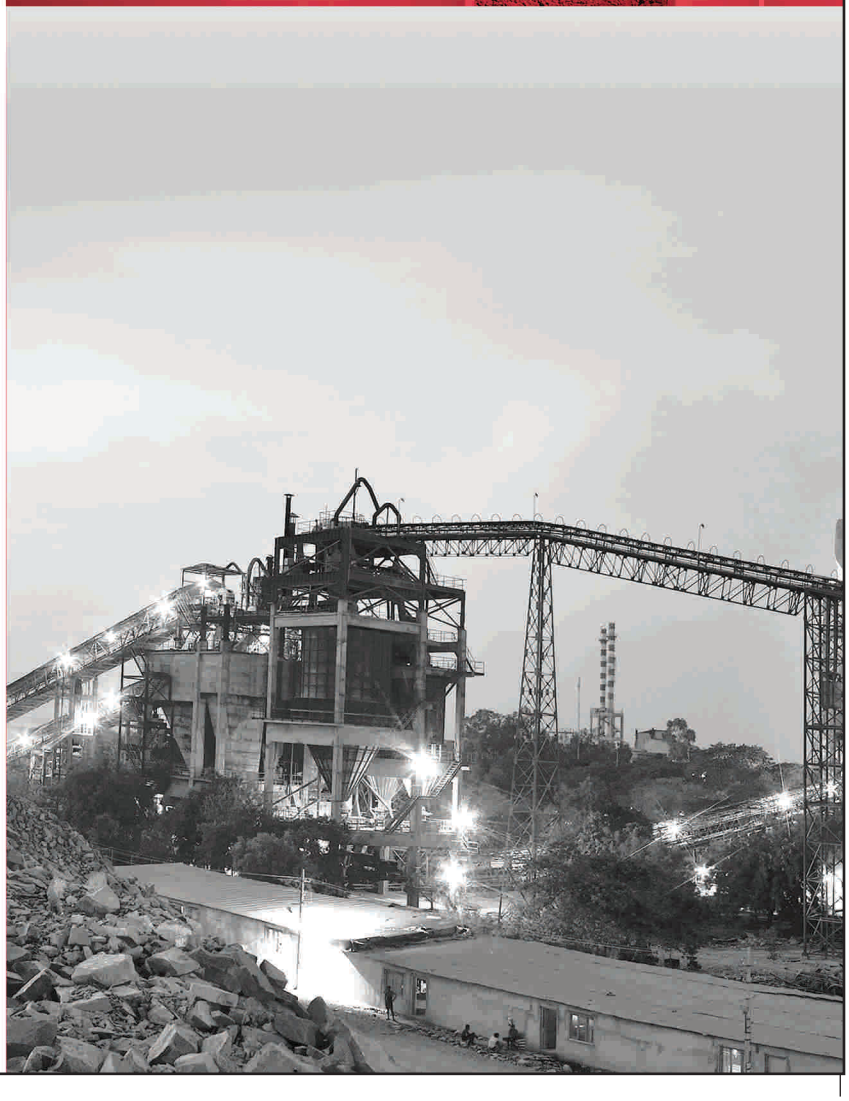
The Symmetry - The Resilience, Versatility and Stability

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 41st Annual General Meeting (AGM) of Mangalam Cement Limited (CIN: L26943RJ1976PLC001705) will be held on Saturday, the 02nd September, 2017, 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, 2017 and the Reports of the Board of Directors and Auditors thereon.

2. To declare dividend on Equity Shares for the year ended 31st March, 2017.

3. To appoint a Director in place of Shri Kamal Chand Jain (DIN:00029985) who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.

4. To appoint statutory auditors and 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 pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable (including any statutory modification, amendment, substitution or re-enactment thereof for the time being in force), and pursuant to the recommendations of the Audit Committee, M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049F), be appointed as Statutory Auditors of the Company, in place of retiring auditors M/s. Jain Pramod Jain & Co., Chartered Accountants, New Delhi (Firm Registration Number: 016746N), to hold office for a term of five consecutive years from the conclusion of this Annual General Meeting until the conclusion of the 46th AGM, subject to ratification by members every year, as applicable, at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company."

   RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

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 and 198 read with Schedule V and any other applicable provisions of the Companies Act, 2013 (the Act), and the Rules made thereunder, including the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the Articles of Association of the Company and subject to such other approvals as may be necessary, the approval of the Members of the Company, be and is hereby accorded to the appointment of Shri Anshuman Vikram Jalan (holding DIN 01455782), as Whole-time Director to be designated as Executive Director of the Company for a period of 3 years w.e.f. 1st April, 2017, upon the following terms and conditions, including remuneration and perquisites, as approved by the Board of Directors, with liberty to the Board of Directors (hereinafter referred to as "the Board", which term shall include any Committee constituted or to be constituted by the Board) from time to time to alter the said terms and conditions, in such manner as may be agreed to between the Board and Shri Anshuman Vikram Jalan and as may be permissible at law:

I. Remuneration:

(a) Salary : Rs. 8,00,000/- (Rupees Eight Lakh Only) per month with such revision as the Board may approve from time to time in the salary grade of Rs. 8,00,000/- to Rs. 11,00,000/-.

The first increase in salary shall be effective from 1st April, 2018.

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.

B. 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.

C. Minimum remuneration:

In the event of loss or inadequacy of profits of the company in any financial year during the currency of his 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 under section 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 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 and 198 read with Schedule V and any other applicable provisions of the Companies Act, 2013 (the Act), and the Rules made thereunder, including the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the Articles of Association of the Company and subject to such other approvals as may be necessary, the approval of the Members of the Company, be and is hereby accorded to the appointment of Smt. Vidula Jalan (holding DIN 01474162), as Whole-time Director to be designated as Executive Director of the Company for a period of 3 years w.e.f. 1st April, 2017, upon the following terms and conditions, including remuneration and perquisites, as approved by the Board of Directors, with liberty to the Board of Directors (hereinafter referred to as "the Board", which term shall include any Committee constituted or to be constituted by the Board) from time to time to alter the said terms and conditions, in such manner as may be agreed to between the Board and Smt. Vidula Jalan and as may be permissible at law :

A. Remuneration:

(a) Salary - 8,00,000/- (Rupees Eight Lakh Only) per month with such revision as the Board may approve from time to time in the salary grade of Rs. 8,00,000/- to Rs. 11,00,000/-.

The first increase in salary shall be effective from 1st April, 2018.

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.

B. 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.

C. 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 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, 2018, 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."

Registered Office:
P.O.Adityanagar 326520,
Morak, Dist.Kota (Rajasthan)
May 13, 2017

By Order of the Board,

Swadesh Agrawal
Company Secretary

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 26th August, 2017 to 02nd September, 2017 both the days inclusive on account of Annual General Meeting and dividend payment.

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 26th August, 2017 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 herein below in Note 7.

7. 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, 2010 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, 2010 orany subsequent Financial Year(s) are urged to claim such amount from the Share Department of the Company/Registrarand Share Transfer Agent.

8. 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.

9. 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.

10. 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 herein above in Note 7 to consolidate their holding in one folio.

11. 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.

12. 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 26th August, 2017, 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 Wednesday, 30th August, 2017 and will end at 05.00 p.m. on Friday, 01st September, 2017. 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.

13. The procedure and instructions for e-voting are produced 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 41stAnnual 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 26th August, 2017.

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. 26th August, 2017, 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.

14. Reappointment of Shri Kamal Chand Jain, Director Retiring by Rotation

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

Shri Kamal Chand Jain (DIN: 00029985), a qualified Chartered Accountant, has a rich 50 years' experience in the cement industry. He has been a member of the managing committee of Cement Manufacturer's Association (CMA) for the past 36 years. He was the Managing Director of the Company from 1996 to 2012. He is a director in the company since 5th May, 2012 and holds 6840 shares of the company.

ANNEXURE TO THE NOTICE

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

Item No. 04

Though not mandatory, this statement is provided for reference M/s. Jain Pramod Jain & Co., Chartered Accountants, Statutory auditors of the Company has been completed their tenure with pursuant to the provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014. In terms of their appointment, they are holding office of the auditors up to the conclusion of the 41st AGM and hence, would retire at the conclusion of the forthcoming 41st AGM.

As per second proviso to Section 139(2) of the Companies Act, 2013 ('the Act'), a transition period of three years from the commencement of the Act is provided to appoint a new auditor when the existing auditor's firm has completed two terms of five consecutive years.

Accordingly, as per the said requirements of the Act, M/s. Singhi & Co., Chartered Accountants are proposed to be appointed as auditors for a period of 5 years, commencing from the conclusion of 41st AGM till the conclusion of the 46th AGM, subject to ratification by members every year, as may be applicable.

M/s. Singhi & Co., Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

None of the Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item No. 4 of the notice.

The Board recommends the ordinary resolution set forth in item No. 4 of the notice for approval of the members.

Item No. 05 & 06

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

The Nomination and Remuneration Committee had recommended appointment of Shri Anshuman Vikram Jalan and Smt. Vidula Jalan as a Whole Time Director designated as Executive Directors of Company for a further period of three years from 1st April, 2017 to 31st March, 2020, (both days inclusive) on such remuneration and other terms as stated in Resolution No. 5 & 6 respectively of the accompanying Notice. The Board of Directors, at their meeting held on 11th February, 2017 had approved the recommendations subject to the approval by the members at the ensuing Annual General Meeting by way of Special Resolutions.

The Board is of the opinion that considering their background, qualifications and expertise that Shri Anshuman Vikram Jalan and Smt. Vidula Jalan brings to the Company, the remuneration offered to them is reasonable and in line with present corporate practice.

Except the remuneration proposed, the Whole-time Directors designated Executive Directors do not have any pecuniary relationship with the Company and they are not related to any managerial personnel. However, they are related to each other as spouses.

The information as required under Schedule V to the Companies Act, 2013, SEBI (Listing Obligations & Disclosure Requirements), 2015 and Secretarial Standard-2 are 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	2016-17 (Rs. In Lacs)	2015-16 (Rs. In Lacs)
		Net Income	104885.70	96871.67
		Profit before Tax, Finance Cost & Depreciation	13827.71	5126.92
		Less: Finance Costs	4748.94	4594.47
		Profit before Depreciation and Tax	9078.77	532.45
		Less: Depreciation	4031.46	3665.89
		Profit before Tax	5047.31	(3133.44)
		Less: Provision for Tax	1383.84	987.23
		Net Profit After Tax	**3663.47**	**(2146.21)**
		Other Comprehensive Income (net of tax)	(227.71)	41.91
		Total Comprehensive Income (after tax)	**3,435.76**	**(2,104.30)**
		Equity Capital (face value Rs. 10)	2669.38	2669.38
		Earning Per Share (Rs.)	13.72	(8.04)
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 40 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 about 37 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, 2017, he has been paid a remuneration of Rs. 7,00,000/-per month as basic salary (+) perquisites as approved by the members of the Company in the 40th Annual General Meeting.	During the year ended 31st March, 2017, she has been paid a remuneration of Rs. 7,00,000/-per month as basic salary (+) perquisites as approved by the members of the Company in the 40th 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 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 her 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.

Sr. No.	Particulars	Shri Anshuman Vikram Jalan (Executive Director)	Smt. Vidula Jalan (Executive Director)
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.
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.
8	**First Date of Appointment**	30th July, 2009	30th July, 2009
9	**Number of Board Meetings attended during the year**	3 (Total 4 meeting held in FY 2016-17)	2 (Total 4 meeting held in FY 2016-17)
10	**Membership/Chairmanship of other Companies in India**	Pilani Investment and Industries Corporation Ltd: • Audit Committee-Member • Nomination & Remuneration Committee-Member	Mangalam Timber Products Ltd: • Share Transfer Committee-Member • Internal Complaint Committee-Chairperson
11	**Directorships held in other Companies in India**	• Pilani Investment and Industries Corporation Ltd. • Vidula Consultancy Services Ltd. • Shree Guru Carbide & Chemicals Pvt. Ltd. • Gorakhpur Oxygen Pvt. Ltd. • Dhanshree Niketan Pvt. Ltd. • Mahamaya Properties Pvt. Ltd. • Amexco Investments Pvt. Ltd. • Aramco Pvt. Ltd. • Soorajmull Nagarmull Pvt. Ltd. • Ocean Minerals and Industrial Gases Pvt. Ltd. • Sakambhari Commodities Pvt. Ltd. • Mignonette Creations Pvt. Ltd.	• Vidula Consultancy Services Ltd. • Mangalam Timber Products Ltd. • Mignonette Creations Pvt. Ltd.
12	**Relationship with other Directors/ Manager/ Key Managerial Personnel**	Except being spouse of each other, Shri Anshuman Vikram Jalan and Smt. Vidula Jalan do not have any relationship with other Directors/ Manager/ Key Managerial Personnel.	

III. OTHER INFORMATION:

1	**Reasons of loss or inadequate profits:**	N.A.
2	**Steps taken or proposed to be taken for improvement**	N.A.
3	**Expected increase in productivity and profits in measurable terms**	N.A.

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.

The Board of Directors recommends passing of the Special Resolution at item No. 5 & 6 of the Notice.

None of the Directors 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.

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, 2018 pursuant to Section 148 of the Companies Act, 2013 on a remuneration of Rs.1,15,000/- (Rupees One Lac Fifteen 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.

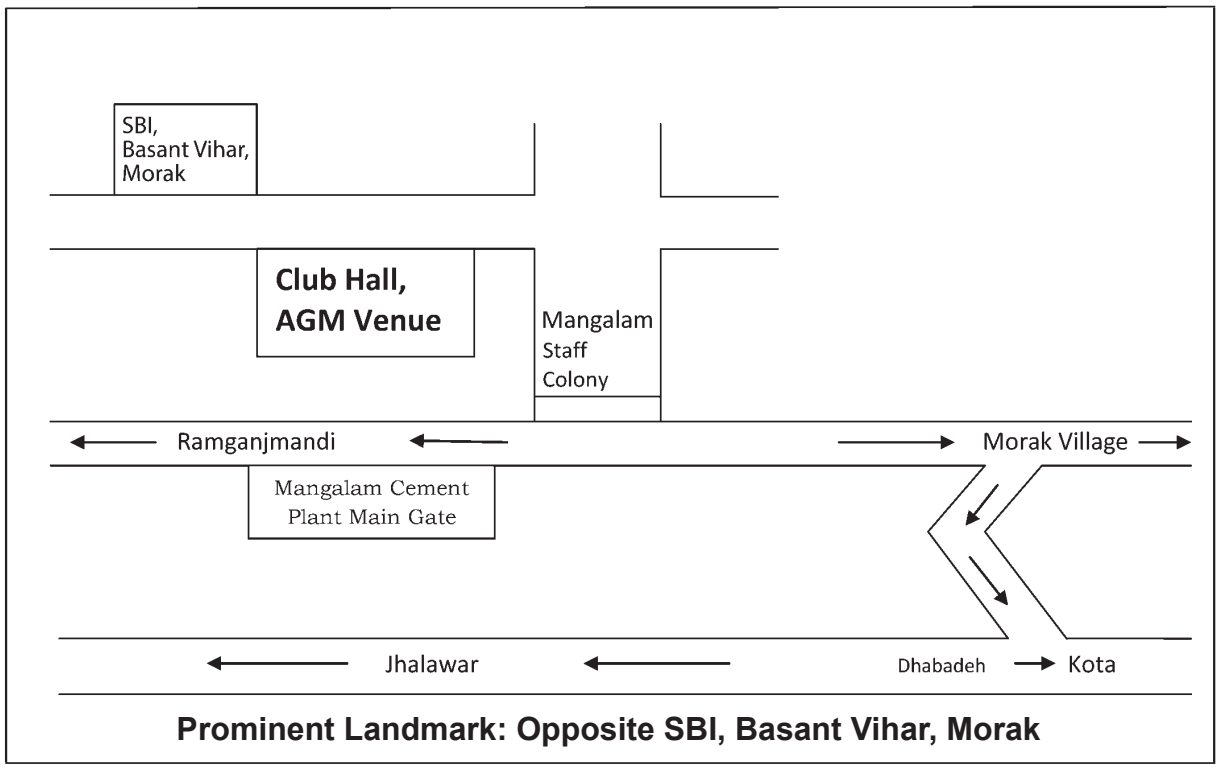
The Board of Directors recommends the ordinary resolution for your approval.

Registered Office:
P.O. Adityanagar 326520,
Morak, Dist. Kota (Rajasthan)
May 13, 2017

By Order of the Board,

Swadesh Agrawal
Company Secretary

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



Prominent Landmark: Opposite SBI, Basant Vihar, Morak

MANGALAM CEMENT LTD.

CIN : L26943RJ1976PLC001705
Regd. Office : P.O. Aditya Nagar - 326520, Morak, Distt. Kota (Raj.)
Phone : 07459-233127, Fax : 07459-232036
Email : shares@mangalamcement.com Website : www.mangalamcement.com

ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN	NO. OF SHARES

The e-voting facility will be available during the following voting period:

Commencement of e-voting	**From 10.00 a.m. (IST) on August 30, 2017**
End of e-voting	**Upto 05.00 p.m. (IST) on September 01, 2017**

- **The cut-off date (i.e. the record date) for the purpose of e-voting is August 26, 2017.**
- **Please refer to the attached AGM Notice for instructions on E-Voting.**

---------- TEAR HERE----------

MANGALAM CEMENT LTD.

CIN : L26943RJ1976PLC001705
Regd. Office : P.O. Aditya Nagar - 326520, Morak, Distt. Kota (Raj.)
Phone : 07459-233127, Fax : 07459-232036
Email : shares@mangalamcement.com Website : www.mangalamcement.com

ATTENDANCE SLIP

Regd. Folio No. / DP ID - Client ID : _____

Name & Address of First/Sole Shareholder : _____

No. of Shares held : _____

I hereby record my presence at the 41st Annual General Meeting of the Company to be held on Saturday, the 2nd September, 2017 at 11.30 a.m. at the Club Hall of Mangalam Cement Ltd, Basant Vihar, Adityanagar-326520, Morak, Dist. Kota (Rajasthan).

_____
Signature of Member/Proxy

Notes:

a) Only Member/Proxy can attend the meeting. No minors would be allowed at the meeting.
b) Member / Proxy wish to attend the meeting must bring this attendance slip to the meeting and handover at the entrance duly filled in and signed.

MANGALAM CEMENT LTD.

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PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

MGT 11

Folio / DP ID-Client ID No. :

Name of the Member(s) & Address :

I/We, being the member(s) of ..... shares of the above named Company, hereby appoint

(1) Name :
Address:
E-mail id: Signature_____, or failing him;

(2) Name :
Address:
E-mail id: Signature_____, or failing him;

(3) Name :
Address:
E-mail id: Signature_____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 41st Annual General Meeting of the Company, to be held on Saturday, the 2nd September, 2017 at 11.30 a.m. at the Club Hall of Mangalam Cement Ltd, Basant Vihar, Adityanagar-326520, Morak, Dist. Kota (Rajasthan)., and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Description
1.	To consider and adopt Audited Financial Statements, Reports of Board of Directors and Auditors thereon for the year ended 31st March, 2017.
2.	To Declare Dividend on Equity Shares.
3.	To re-appoint Shri Kamal Chand Jain, who retires by rotation.
4.	To appoint M/s Singhi & Co., Chartered Accountants, as the Statutory Auditors of the Company and fixing their remuneration.
5.	To appoint Shri Anshuman Vikram Jalan as the Wholetime Director to be designated as the Executive Director of the Company.
6.	To appoint Smt. Vidula Jalan as the Wholetime Director to be designated as the Executive Director of the Company.
7.	To ratify the remuneration of M/s. J K Kabra & Co. Cost Auditors of the Company for the year ending 31st March, 2018.

Signed this---------- day of---------- 2017

Affix Revenue Stamp

Signature of Shareholder----------

Signature of Proxy holder(s) ----------

Notes :

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
2. **For the Resolutions, Explanatory Statements and notes, please refer to the Notice of the 41st Annual General Meeting.**

The procedure and instructions for e-voting as given in the Notice of the 41st 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 (a) 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 Ltd**.".
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.

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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 and communicated to the BSE Limited, Mumbai.