

HeidelbergCement India Limited

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HCIL:SECTL:SE:2018-19

26th September 2018

BSE Ltd.
Listing Department
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai - 400001

Listing Department,
National Stock Exchange of India Ltd.
Exchange Plaza, C/1, Block G,
Bandra Kurla Complex, Bandra (E)
Mumbai - 400 051

Scrip Code:500292

Trading Symbol: Heidelberg

Dear Sir,

Sub: Submission Annual Report – 2017-18

In compliance with Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Annual Report for the financial year 2017-18 duly approved and adopted by the shareholders at the 59th Annual General Meeting held on 21st September 2018.

You are requested to take the same on record and post it on the website of stock exchange.

Thanking you,

Yours faithfully,
For HeidelbergCement India Ltd.



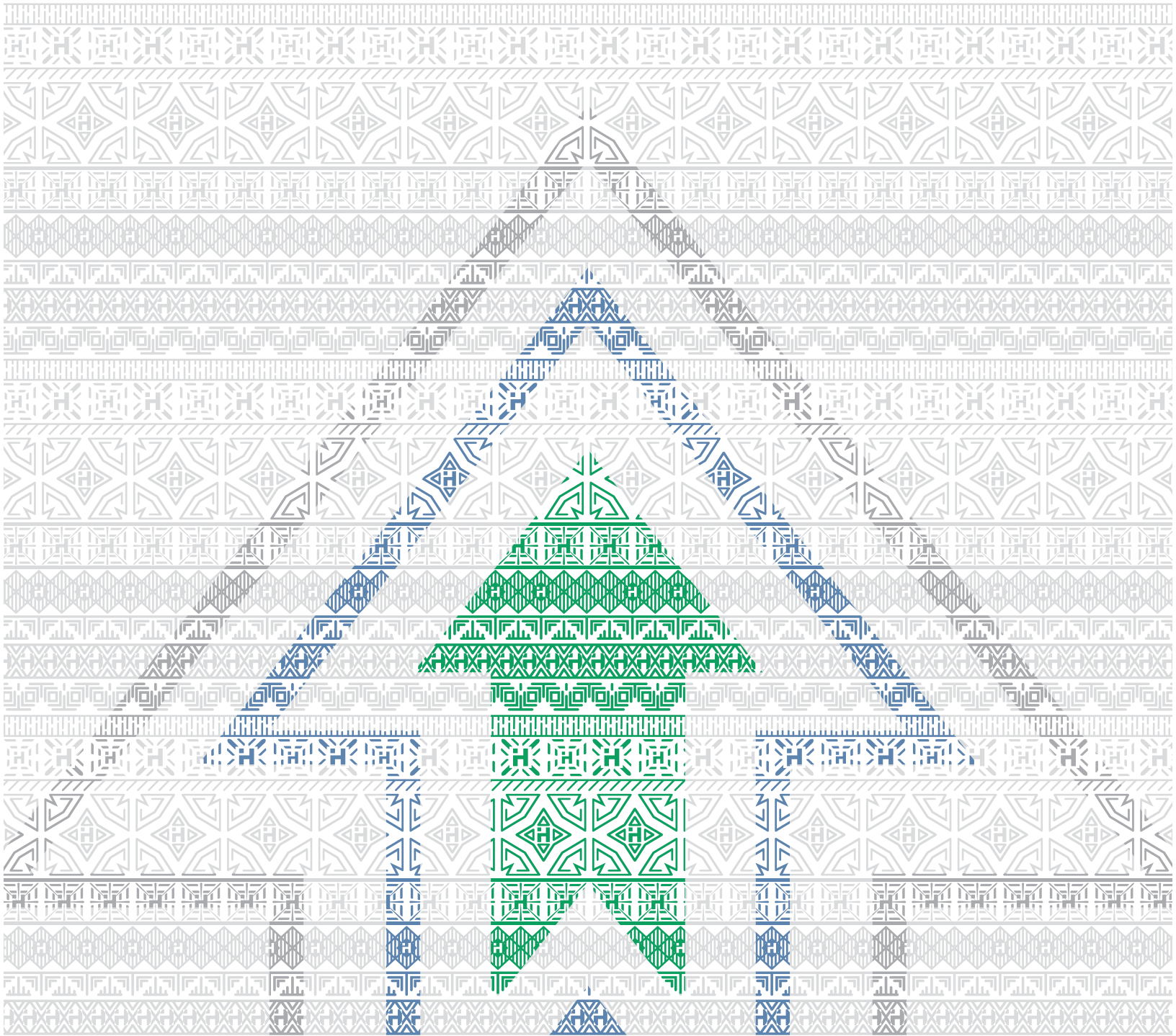
Rajesh Relan
Legal Head & Company Secretary

Encl.: as above



HEIDELBERGCEMENT

INDIA



GROWTH IS UNLOCKING VALUE

ANNUAL REPORT 2017-18 | HEIDELBERGCEMENT INDIA LTD.

Financial Highlights

Particulars	CY 13	FY 15*	FY 16#	FY 17#	FY 18
Sales Volumes ('000 t)	3,626	5,289	4,443	4,474	4,653
Total Revenue (net of Excise) (Rs. million)	14,006	20,581	16,708	17,412	19,094
EBITDA (Rs. million) [@]	1,222	3,360	2,536	3,026	3,833
EBITDA Margin (%)	8.7%	16.3%	15.2%	17.4%	20.1%
EBT (Rs. million)	-807	1,198	454	1,136	2,077
EBT Margin (%)	-5.8%	5.8%	2.7%	6.5%	10.9%
PAT (Rs. million)	-407	595	354	762	1,332
PAT Margin (%)	-2.9%	2.9%	2.1%	4.4%	7.0%
EPS (Rs./Share)	-1.8	2.6	1.6	3.4	5.9
Shareholders Fund (Rs. million)	8,334	8,716	8,949	9,670	10,464
Long Term Borrowings (Rs. million)**	11,172	11,172	8,603	6,846	6,192
Short Term Borrowings (Rs. million)	642	-	700	-	-
Debt Equity Ratio	1.34:1	1.28:1	0.96:1	0.71:1	0.59:1
Cash and Cash Equivalents (Rs. million)	1141	1463	78	142	2,122

Notes:

CY denotes Calendar Year, FY denotes Financial Year. CY13 figures are inclusive of Raigad Plant.

* FY15 has 15 months results due to change in accounting year.

Figures of FY17 are Ind-AS compliant and accordingly the corresponding figures for FY16 have been restated.

** Long Term Borrowings include current portion of borrowings maturing in the next one year but excludes impact of Mark to Market on the USD External Commercial Borrowings, which were hedged using Cross Currency Swaps.

@ EBITDA is inclusive of other income.

HeidelbergCement in India

One of the World's largest integrated manufacturers of building materials, HeidelbergCement made its foray into India in early 2006. The move was motivated by its pursuit for growth which emanated from the growing market in developing countries. As a part of this growth strategy, the Group acquired controlling stake in Mysore Cements as well as the Indorama Cement Joint Venture, which in 2008 was converted into a full acquisition.

Following the merger with Indorama Cement, in 2009, Mysore Cements was renamed HeidelbergCement India Ltd. Since then there has been no looking back. In 2009, the Company undertook a brownfield capacity expansion in Central India to increase its cement manufacturing capacity from 2.1 million tonnes per annum to 5.4 million tonnes per annum.



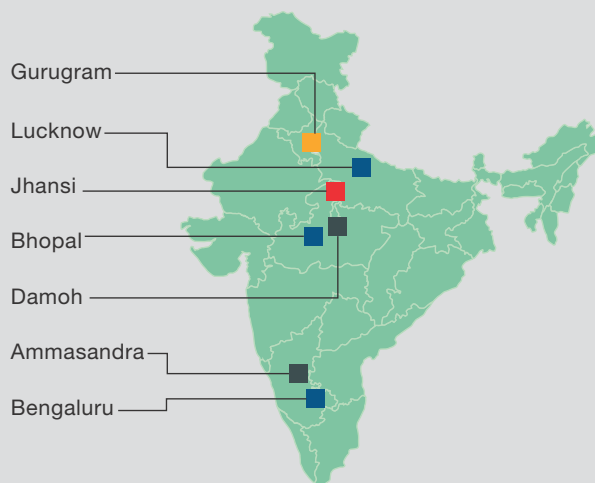
LOCATION OF PLANTS AND MAIN OFFICES

HeidelbergCement India's
Cement Capacity –
5.4 Mn Tonnes per Annum

- Integrated Unit
- Grinding Unit
- Regional Marketing Office
- Registered Office

Registered Office

9th Floor, Infinity Tower "C",
DLF Cyber City, Phase-II, Gurugram,
Haryana-122 002



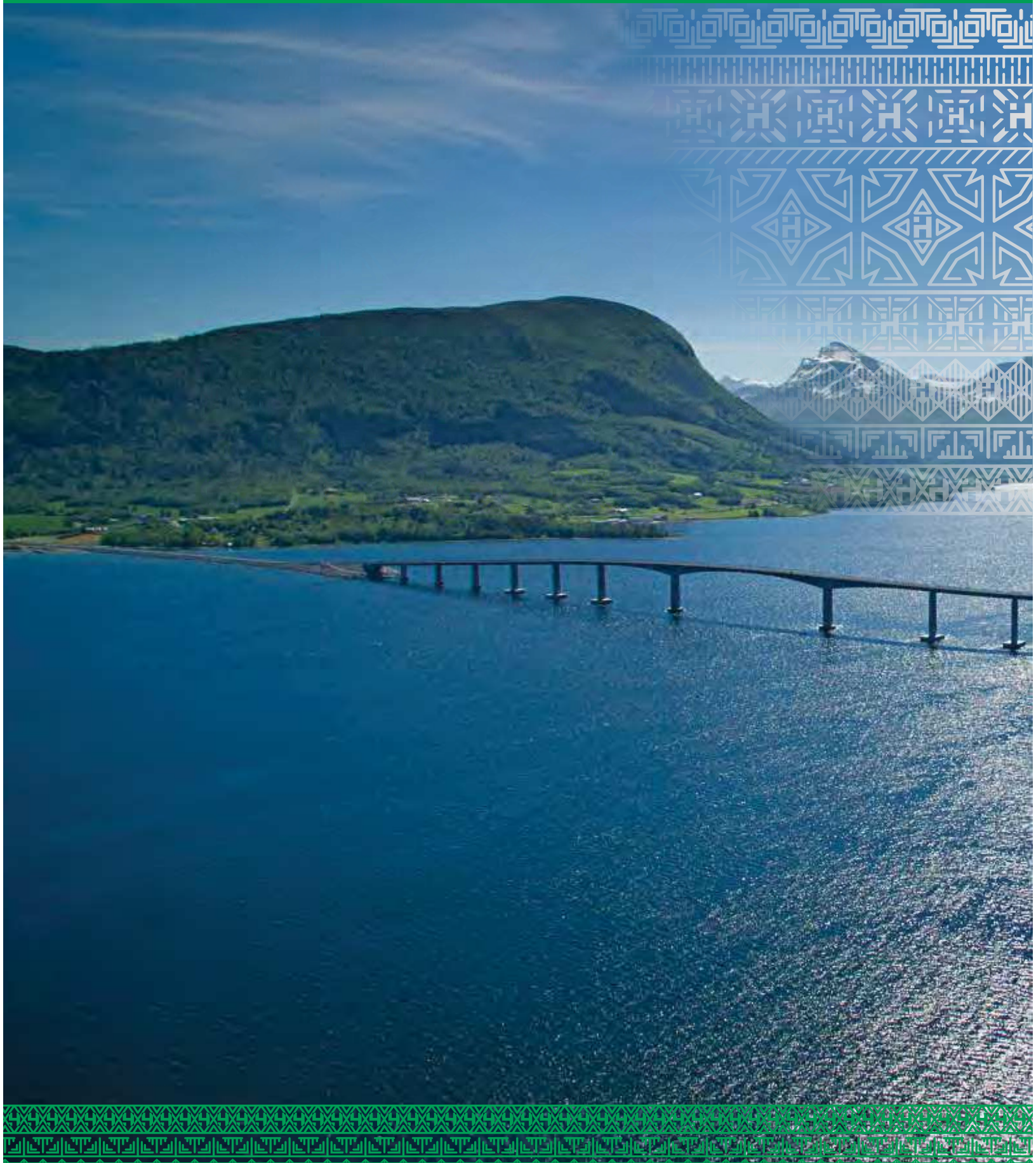
Chief Financial Officer
Mr. Anil Kumar Sharma

Legal Head & Company Secretary
Mr. Rajesh Relan

Statutory Auditors
S.N. Dhawan & Co. LLP. Chartered Accountants

Registrars & Transfer Agents

Integrated Registry Management Services Pvt. Ltd, 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bengaluru - 560 003



Quality and Reliability – That is HeidelbergCement.

Founded in 1873 in Heidelberg, a small town in Germany, HeidelbergCement has grown consistently spreading its footprint across the globe. Every goal it set for itself, has been achieved without compromising on values and focusing persistently on research and innovation. Inclusive and sustainable growth have been driving forces of our business model as we continue to strive and improve our products, services and business processes to attain the highest standards of efficiency. These form the fundamentals of our corporate culture and we are proud of it.

As we continue to traverse through this journey of growth, high product standards, vast reserves of quality raw material at strategic locations, proximity to our customers with excellent relationships and uncompromising approach to ecological sustainability accompany us as our core strengths.

In this 145 year journey, a lot has changed in the World around us. However our core values remain unmoved.



Review 2017-18

Q1 ——— **Smooth transition to the GST era**

Transition to the GST era demanded special efforts on the part of all corporates. For our dealers who are relatively not that organized, it was indeed an uphill task. We prepared a booklet to educate them and also conducted training sessions to enable them understand the new processes, systems and compliance requirements. As we geared up for GST, our teams also proactively provided trainings to our vendors, so that they too could smoothly transit their business into the GST regime with equal ease like us.

Q2 ——— **Cementing relationships with the channel partners**

The Company organized an Annual Dealers' Conference, "Shaurya", to present its future roadmap to its channel partners and also recognize their achievements by bestowing awards and accolades. The conference was attended by over 1,500 channel partners comprising Clearing and Forwarding Agents and Dealers.

Q3 ——— **Astute financial management pays rich dividends**

In order to achieve growth, the Company had invested over INR 16 billion for expansion of capacity of its Damoh and Jhansi plants, which commenced commercial production in 1st quarter of CY2013. This was partly financed through External Commercial Borrowings (ECB) of USD 125 million. The Company repaid final tranche of the above-mentioned ECB loan through its internal accruals in October 2017 helping it reduce its finance cost significantly. Further, the Company also undertook steps to manage its working capital especially in the areas of accounts receivables, inventories and creditors. The Company commands one of the lowest receivables days and cash conversion cycle in the Indian Cement Industry.

Q4 ——— **Landmark quarter in the Company's history**

The Company reported highest ever quarterly Revenue; Earnings Before Interest, Tax, Depreciation & Amortization (EBITDA) and Profit After Tax (PAT). This remarkable achievement was the result of concerted efforts both in the plants as well as in the markets. Major highlights of the quarter that resulted in such healthy financial performance were highest ever quarterly sales volume and WHR Power Generation.



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Growth is unlocking value



Growth remains one of the biggest driving forces within HeidelbergCement India. Each and every function is aligned to the Company's goals supported by the Group's culture which focuses on extending the best value to its Stakeholders by leveraging its assets to the maximum.

Through this Annual Report, we have attempted to showcase the Company's approach towards utilizing its scarce resources in a sustainable manner, thereby optimizing the benefits to its Stakeholders at the same time achieve its growth objectives. HeidelbergCement India team directs its efforts in the realm of resource optimization, cost rationalization and reduction in cycle time to achieve its goals.





Growth is - building a culture of excellence



With a people-driven culture that embraces diversity, transparency and equal opportunity, HeidelbergCement India is setting high standards when it comes to excellence in performance. Its success rests on the strong pillars of operational excellence that encompass processes, people, performance and results.





'Excellence is as much a journey as it is a milestone.'

We are HeidelbergCement India.

We are a team of highly committed professionals aligned to our India business objectives while adhering to the uncompromising value systems mandated by the Group. We firmly believe that long term value to the society and company can be achieved only by working together as partners; where integrity, fairness, trust and mutual respect come first.

We take pride in our lineage. Our ambition for operational excellence and position in our industry necessitates a solid foundation of commitment to adhere to the laws of the land coupled with highest ethical conduct. We believe that an outstanding company is known not only because of its market position but also by the robust corporate culture it demonstrates.

One of the main reasons behind our continued success has been the contribution made by every member to our company towards upholding the values in day-to-day working, enriching the quality of decisions we make. We believe that committing and living high ethical and legal standards in all our business activities will continue to remain fundamental to our future successes.

We focus on result-oriented growth through initiatives in productivity, efficiency, sustainability and profitability driven by an undeterred commitment to achieve customer and employee satisfaction as well.

Here are some examples of operational excellence as practiced at HeidelbergCement India.

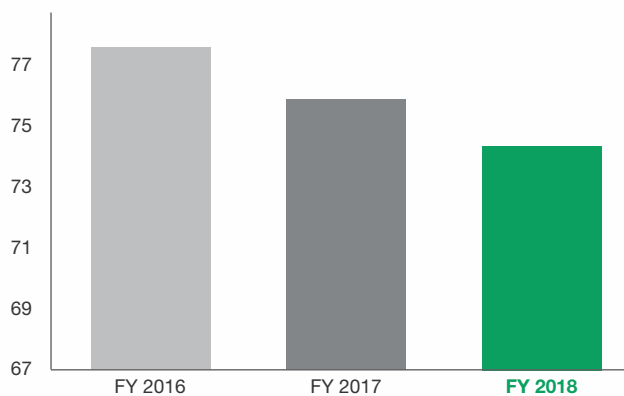
Maintenance Improvement Programme

A global initiative of the Group, the Maintenance Improvement Programme (MIP) was put into practice in 2014 in India operations and ever since then, it has made remarkable contributions to our performance. When it was initiated, the objective was to essentially build a structured database of equipment and improve equipment reliability. In our quest to achieve these objectives, we have been able to considerably reduce ad hoc maintenance activities and replace them with system-driven planned interventions. Further, maintenance KPIs are monitored on a daily, weekly, monthly, quarterly and annual basis.

VRM modifications leading to improvement in productivity

Small in-house modifications at our Narsingarh Plant resulted in increased productivity and reduced specific power consumption. Our teams figured out that an extension of the VRM Inlet Chute with appropriate trajectory for raw meal feed will lead to an even distribution of material to the centre of the grinding table, thus improving the crushing efficiency and increase its output. By extending the VRM Separator Reject Chute, the team was also able to reduce the free-flowing material.

Having made the necessary modifications, we achieved reduction in separator rejects, thus enhancing fresh feed demand, reduction in specific power consumption as well as improving consistency in raw meal quality.



Narsingarh - Specific Power Consumption Kwh/Mt Clinker





Ball Mill Optimization at Jhansi Plant

The Ball Mill's annual average output hovered ~127.5 Tonnes Per Hour (TPH). Our Jhansi Plant decided to set an ambitious target to increase its output to 130-140 TPH. The technical teams chalked out a mill optimization plan and implemented it step-by-step to achieve the target. The optimization process was completed in November 2017.

Initiatives taken to optimize power cost

It is a known fact that power cost, being one of the major cost elements, weighs down heavily on cement companies and HeidelbergCement India is no exception.

During the past few years, through a series of initiatives we have managed to save substantially on our power cost. The first and foremost initiative was to reduce our dependence on costly grid power and therefore installed Waste Heat Recovery (WHR) Plant and successfully substituted close to 40% of the grid power requirements of Narsingarh Plant.

Another initiative that has made a remarkable difference to our power cost is reducing the Contract Demand with the Discom. With due diligence, our teams have progressively optimized Contract Demand for power across all plants. This has helped us save substantial amount on account of contract demand charges levied by Discom.

In addition to the above, the Company has sourced economical power under open access, which has also contributed to the savings in power cost.

Other Highlight:



- Motivated by better capacity utilization and increase in production volumes, the WHR system at Narsingarh plant generated its highest ever net power of 69.5 million units in FY18.





Growth is - raising the bar in customer satisfaction



We continuously endeavour to strengthen our bond with our customers by investing in technologies that help us enhance our service levels. While quality of our products becomes the foundation of our robust brand equity, continuous innovation and use of state-of-the-art technology have helped the Company in delivering improved products of high standards to its discerning customers.



'A satisfied customer is the best business strategy of all.'



Customers' success is our success.

Our belief in fairness, equality and transparency has paid rich dividends. We treat all our dealers at par irrespective of the size of business they do with us. We have earned the trust of our channel partners who are consistently giving us a higher share of their cement business. We continuously strive to add value to the business of our channel partners by offering them advice on improving customer relations, adopting futuristic business practices, besides providing them superior products that deliver value for money.

A happy customer is the ultimate brand ambassador. We continuously reinforce customer confidence in our products and services project by project and day after day. We take customer feedback constructively placing it on our drawing board to find solutions in the least possible time frames. The direct approach to our customers provides us the opportunity to anticipate their needs and deliver solutions well before they could ask for. As competent business partners, we supplement our customers experience by providing advice and support using our global knowledge pool.

Here are some examples that reflect on our orientation to delight our customers.

Concrete solution - The power to the individual buyer

Word of mouth plays a crucial role in making purchase decisions especially for the retail consumer. During one of our market researches, it came to light that cement users (masons) are not well informed about best construction practices. Our teams prepared a curriculum encompassing topics which matter most when it comes to building durable structures. The programme is intended to make the Masons aware of their responsibilities towards their customers and the future risks posed to the residents of the building because of sub-optimal construction practices. We have pressed into service mobile vans equipped with concrete testing facilities; the services of which are availed by individual home builders for availing mix designs based on the building materials available at their site.

Customer-speak...

My name is Mohan Rastogi. I am from Civil Lines, Moradabad. I got my house built about three months back. It was constructed with mycem cement, which I completely trust. The company personnel and dealers were very helpful and guided me throughout the construction phase. I have full faith in mycem cement and believe that it will stay strong and durable for my generations to enjoy living in it.



Shared Services Centre - A new milestone in the business eco-system

With the creation of Shared Services Centre (SSC), HeidelbergCement India added a new chapter in the business eco-system. An earlier decentralized accounting proved to be inefficient in meeting the demands of the fast-changing needs of vendors, channel partners and business associates. SSC ushered in standardization and harmonization of processes thus significantly reducing duplication of work at the same time increased the speed for processing transactions. SSC is now able to achieve effective centralized controlling, reporting and monitoring that fosters smoother operations and ultimately we have our share of delighted customers as well.



GST benefit passed on to the customers

Growth is - a smiling customer. Transition to the GST era demanded special efforts on the part of all corporates. Initially setting up systems and procedures for implementing GST appeared to be a challenge but that happens with every change, be it our life or business. For our dealers who are relatively not that organized, it was an uphill task. Initially our dealers had many queries for which we stepped in to help them understand the new processes, systems and



compliance requirements. We prepared booklets to educate them and conducted training sessions to create awareness on GST. As we geared up for GST, our teams proactively provided training to our customers and vendors so that they too could smoothly transit their business into the GST regime with equal ease. With the migration to this new tax regime on 1st July 2017, the country is on the fast track to attaining a unified market allowing seamless movement of goods.

With implementation of GST, there was reduction in indirect taxes which was immediately passed on to the customers.

Quality pays

Not just quality but also its consistency is what matters most to cement customers. Our flagship brand - 'mycem' - is known for its unparalleled consistent quality. To add to it, appropriate brand visibility has enabled the Company to increase its sales volume by 4% despite the challenging situation of sand shortage in Uttar Pradesh. We organized events, training programs and conferences for our channel partners to foster a stronger bond with them. The efforts of the sales team were backed with additional support from teams of production, quality control, marketing, logistics and customer support.



GST training session in progress



HeidelbergCement India is on the move!

We improved the turnaround time for trucks within the Plant from 300 minutes to 278 minutes. Efforts continue to better this day after day. Trucks are monitored at five vital points within our plant's campus viz. main gate, weigh-bridge, packing plant (loading section), weigh-bridge and exit. Based on our experience, a maximum time for each handling point has been fixed and the operator is required to complete the process within this time frame. All exceptions are tracked and the learnings from these are used to train our people; at the same time used for standardizing the processes.



Other Highlights:



- Our average freight cost is one of the lowest in the Indian Cement Industry. This has been achieved by adopting a dynamic system, which allows us to alter the mix of rail and road deliveries depending on the optimal logistics costs. A long-term agreement on tariff with the Indian Railways, volume improvement discount and station-to-station benefit are some of the strategies that have helped us unlock the value in the supply chain.
- Having implemented Reverse Auction method for sourcing of various input materials, we have climbed yet another step to achieve competitiveness at the same time brought in greater transparency in our processes. Our vendors have appreciated the same and we are seeing significant improvement in our relations with them.
- Construction projects have stringent timelines. We understand the pressures of our customers and accordingly gear our logistics to meet the delivery schedules given by them.
- The Company sells its product under two brands, 'mycem' and 'mycem power'. The latter brand being a premium product. During FY18 volume of mycem power increased to 254% of FY17. Its share of business increased to 9% of trade sales.



Growth is - creating a robust Health and Safety culture



Health and Safety are integral part of our operations and when it comes to putting it into practice, it's a well accepted norm that 'More is Less'. Our constant dialogue with the workforce, focus on safety trainings and adoption of global best practices put us in an advantageous position to promote learning across the organization. The value generated through shared knowledge and practices is precious.





'Safety is the best insurance policy one can ever source.'



HeidelbergCement India accords foremost priority to occupational Health and Safety.

Long-term business story can flourish only if we provide our employees with safe and healthy workplace and we at HeidelbergCement India take it as the ultimate truth. Our efforts are directed towards removing conditions that pose risk for accidents and injuries. We make our people understand the importance of safety so that they are not just following the instructions but with full understanding and appreciation to act safely. This has been the prime driver in creating a culture that keeps growing day after day.

At HeidelbergCement India, top management is the first to wear the hat of Health and Safety. Leading by example is a must for every employee in the organization. Vendors and visitors alike are aligned to our H&S requirements and entrusted with equal responsibility to support us in carrying out our pledge of providing a safe and healthy work environment within our premises. Our contractors too receive occupational safety trainings. They are made aware of risks associated with the jobs carried out by them and their associates and accordingly supported by our safety teams enabling them to take precautions and avoid accidents.

We have a set of cardinal rules that are binding on all. Our aim is to ensure that relevant people remain vigilant and aware of risks involved in their areas of responsibility. Our interventions to improve safety standards are constantly aligned to our Group's guidelines.

Here are some of the important initiatives aimed at creating a robust Health and Safety culture.

Culture – that encourages open-dialogue and uses training as a medium to promote stress-free work environment

Since health and safety remains our foremost priority, safety training have become an integral part of our work culture. Be it visitors, or a company's employee from other units visiting any plant, all are subjected to safety induction given by our safety managers. Every employee is familiarized with our safety culture. Mock drills and customized awareness campaigns are carried out from time to time serving as refresher courses. Our commitment to Health and Safety is reassured by celebrating theme-based Safety Week every year. Our commitment to safety does not end here. We go all out and conduct eye check-up camps for truck drivers and organize awareness camps to make them understand the importance of safe driving.

To make people understand and realize the importance of safety, we often adopt measures that have the ability to create emotional connect with them. **"Someone is waiting for you at home"**, is the key message delivered by the Managing Director in every communication he makes. Be it his teleconference addresses to the employees on a pan-India basis, which happens every quarter or while addressing gatherings at plants or during general meetings, he connects with the employees striking the emotional cord. This has made an indelible mark on the minds of our employees compelling them to act safe for the sake of their family who depend on them.

Golden Helmet - the crowning glory of the safety star

In order to celebrate the Champions of Safety, we have institutionalized a quarterly recognition programme branded as "Safety Star Awards". The participants at each location have to go through rigorous processes comprising written tests followed by interviews and finally voted by their coworkers; and whoever secures the maximum points emerges as the "Safety Star" of the quarter. The leadership at the plant supported by Safety Heads put special efforts to conduct the selection process. These awards are conferred on the winners



personally by the Managing Director, which further reinforces the importance and commitment of the top management thus encouraging the team to work towards building a robust safety culture of the organization.

Cardinal safety norms

Safety Culture of the organization grows as we forge ahead reporting near-miss incidents and rowing eye that spot unsafe conditions at the workplace and rectify them. Be it Energy Isolation, Conveyor Belt Safety, Confined Space Entry, Working at Heights, Lifting Operations and many more, we have well-defined Standard Operating Procedures (SOP) that are mandatory for all including wearing of Personal Protective Equipments (PPEs) including specific PPEs for a job requires its use. Risk assessment for every important job is carried out before commencing work. Only when the safety conditions are met, “Work Permits” are issued by the competent authority.

Knowledge-integration

With the Group's operation in over 60 countries across the Globe, HeidelbergCement India stands to benefit as it has access to the technical know-how, case studies, best practices and naturally the pool of talent too. The 'Engineers Global Forum' meets every year to exchange experiences and this makes it an extremely enriching learning platform for our employees.

Preventive maintenance, and online compliance monitoring

One of the ways to secure on-the-job safety is by improving equipment reliability. We have institutionalized a mechanism of preventive maintenance by SAP-linking.

Compliance with the regulatory norms is a must for every employee. An online compliance monitoring system with capabilities to alert the compliance owners before the due dates is in place. It also serves as a repository when all evidences of completed compliances are uploaded.



Inter-plant Safety Workshop



Other Highlight:



■ HeidelbergCement India has one of the lowest Lost Time Injuries (LTI) frequency rate of 0.13 against an industry average of 0.8 in the Country. This is almost six times lesser than the industry average and is testimony to the Safety Culture in the Company.



Growth is - working towards a sustainable future



We do not allow ourselves to forget that we are mere custodians of planet Earth with the obligation to deliver it to GenNext in a condition that does not deprive them of their rights to exist and flourish the way we have. Being aware of the impact our operations have on the surrounding environment, we remain committed to restoring reclaimed mined out land and use alternative materials, fuels, sources of power etc. which go a long way in conserving the precious natural resources.



'Sustainable development – we call it futuristic global peace policy.'

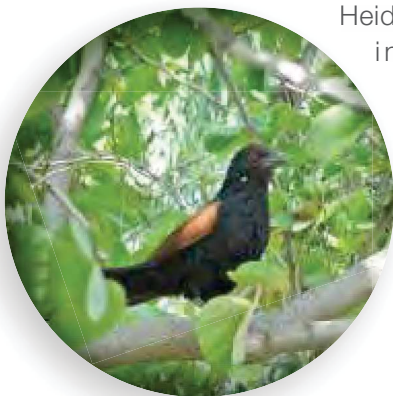


HeidelbergCement India strives for a sustainable future.

Natural resources are the basic ingredients of our business. Hence, prevention, mitigation and compensation become our three-pronged approach to fulfill our commitment towards sustainability.

Judicious use of natural resources holds the key to secure the needs of generations to come. Our sustainability strategy therefore lays special emphasis on environment conservation, climate protection, which will ensure sustained availability of natural resources for the future.

Our commitment to comply with all applicable environmental laws remains steadfast. To fulfill this promise, we invest in measures that help us improve our environmental footprint.



HeidelbergCement India works in the realm of water management, green belt development, alternate fuels, energy efficiency, and alternate materials to conserve Natural Resources and reduce CO₂ emissions as well as promote biodiversity.

Here are some of our noteworthy contributions in this regard.

Six goals - 2030



HeidelbergCement India is committed to the Group's Sustainability Commitments 2030 that define the key topics and core principles of our corporate

sustainability strategy. The six goals are:

- Driving economic strength and innovation
- Reducing our environmental footprint
- Being a good neighbour
- Achieving excellence in occupational health and safety
- Enabling the circular economy
- Ensuring compliance and creating transparency



Solar power for our Ammasandra Plant

HeidelbergCement India has signed a 25 year Solar Power Purchase Agreement for its Ammasandra unit. This renewable energy will meet close to 50% of the Ammasandra's power requirement and will come into effect from FY 2018-19. Sourcing power from the renewable sources is helping us reduce our Carbon Footprint. With this, we fulfill a part of the Sustainability Commitment 2030 towards reducing our environmental footprint.

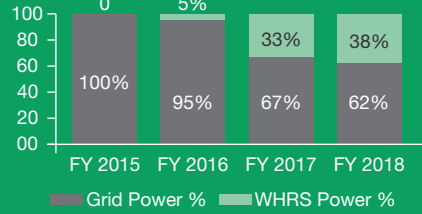


Unlocking value through the power of Green Power

Using the flue gases from our kilns, which otherwise were released in the atmosphere, we now generate electricity to substitute the grid power at the same time contain emissions.

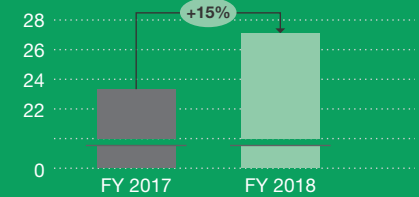
A substantial part of the power requirement of Narsingarh Plant comes from the WHRS Green Power...

Narsingarh Power Mix



Over the last four years, the Narsingarh unit has reduced its dependence on Grid Power, which is almost seven times costlier than the WHRS Power.

WHRs Generation per ton of clinker



Driven by better capacity utilization and increase in production volumes, we improved WHR efficiency by 15% or 2 – 4 units per tonne of Clinker produced.



Water-water everywhere - in a scarce rainfall region!

One of the most significant contributions that HeidelbergCement India has made in the recent past is towards becoming water positive by over six times. This remarkable achievement is an outcome of various water conservation initiatives undertaken by the company. This assumes greater importance since its operations in Central India are located in a geography that predominantly has scarce rainfall. Its socio-economic impact too is equally significant since the farmers adjacent to the plant location are now able to cultivate three crops in a year, against just one in prior years. Now the tube-wells in the vicinity do not run dry despite peak summers and water is available to them round the year.

It is what we leave behind...

Post mining, the reclaimed land has been developed at the Patharia mines and is a sight to behold. Its well-developed green belts, thick woods, water reservoirs, vast green spaces and cultivable land parcels all nurture an ecology of their own. We take additional efforts to enrich the biodiversity in our areas of operation.

The key feature of our mining operations is minimizing the environmental impact and this is achieved through the three pillars of prevention, mitigation and compensation.



The Over Land Belt Conveyor (OLBC) constructed to transport crushed limestone over 21.5 km distance from Patharia mines to our Narsingarh Plant is one-of-its-kind in India and stands tall because it is environment friendly. The volume transported every day by OLBC is equivalent to 330 trucks carrying 30MT each, which would have otherwise emitted almost 11 tonnes CO₂ into the environment every day totalling to a whopping 4000 tonnes CO₂ every year!



Ministry of Mines, Govt. of India has awarded 5 Star Rating to our Mining Operations for the second year in a row.



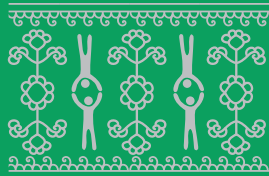
Other Highlight:



- Every day, approximately 250kg compost is made available for greening initiatives. This compost is generated out of municipal waste collected from our housing colonies and plant, thus earning the distinction of having Zero Solid Waste footprint.



Growth is all about - growing together



Our belief in inclusive growth has been a satisfying experience.

Our Company is committed to the well-being of local communities around its plants and continues to contribute through various community development programmes and projects. Capacity building in the realm of healthcare, rural development and education are the mainstay of our CSR initiatives.





'Secret of our success lies in the success of the society around us'



“Think globally - act locally” is what HeidelbergCement Group practices.

Based on the felt needs of local societies, we undertake projects in areas of Healthcare, Rural Development, Environment, Education and Training. Skill-development trainings have become integral part of our CSR activities. Empowering the youth with knowledge and preparing them to become worthy enough to earn their living has been well appreciated by the local community.

Our undeterred commitment to uplift the lifestyle of the people around us is now bearing fruits and has facilitated building a congenial relationship with the society at large.



Here's a glimpse into some of the CSR initiatives undertaken by us.

Sakshamta Vikas Kendra at Jhansi

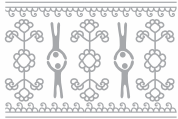
The “Sakshamta Vikas Kendra” at Jhansi was set up with the sole intent to provide skill-development trainings to the unemployed youth, which in turn would make them worthy for becoming self-employed or seek employment across geographies.



Roof-top Solar Power System for Girls Hostel, Narsingarh

HeidelbergCement India has been contributing to a number of improvement projects at the Girls' Hostel located in the vicinity of Narsingarh Plant. Beginning with constructing of its boundary wall, followed by providing books, lights, fans, beds and other fixtures, it has been a long journey facilitating education of girls coming from economically weaker sections. This year, the Company installed a 5 KVA roof-top solar power system at the hostel to ensure uninterrupted power supply.





Building trust, beyond transactions

A fabulous example of HeidelbergCement India's commitment towards the communities living in the vicinity of its operations is visible at Patharia mines. While acquiring land for mining operations, the villagers and farmers though willing to sell their land to the Company, expressed reservations to get the sale consideration through banking transaction and desired to have the same in cash.

Not giving in to their demands, the Company officials educated the land owners about the banking system and the safety it provides to their hard earned money.



We arranged meetings with officials of a Nationalized Bank to explain the concept of banking and win their trust. Having succeeded in opening their accounts with the Bank, we gave them advice on ways and options to park funds that would enable them get the best possible yields. The entire exercise, though lengthy, has indeed helped us win their hearts and trust.



Caring for biodiversity



Letter to the Shareholders

Dear Shareholders,

With great sense of fulfilment I am happy to inform you that HeidelbergCement India Limited has delivered yet another year of excellent results for the Financial Year 2017-18. We delivered higher volumes, revenue and operating income.

- o Achieved 85% capacity utilization against industry average of 65%.
- o Earnings per share stood at Rs. 5.88.
- o ECB of USD 125 million was paid in full and well in time.
- o Finance cost reduced by almost 17%.
- o Net profit grew by 74% which is unprecedented.
- o Board has recommended a dividend of 25% (disbursement subject to shareholders' approval).

The above achievements happened at a time when the economic environment remained challenging and competition highly unrelenting. The rising energy prices too did not dampen our spirits. Our operations team proactively altered the fuel mix frequently at the same time sustained optimum production. Our agility and expertise to meet unforeseen challenges were once again put to test and as always, our team came out with flying colours. Our decision to invest in Waste Heat Recovery Power Generation (WHR) has proved to be a wise one as we now are able to achieve optimum generation contributing almost 38% of our Narsingarh Plant's requirement.

We look forward with optimism to the FY 2018-19 which is also supported by the improving trend that's visible in the results of 1st quarter FY 2018-19. Good monsoons, revival in rural demand, increased infrastructure spending, ensuing general elections and consistently improving buyer sentiments are reaffirming our forecast of having a good business year ahead. The teething troubles of major reforms like GST and Demonetization are behind us. The investments committed by the government for infrastructure projects are now witnessing mobilization of resources and the same is visible at ground level.

Our commitment to sustainability continues unrelenting. We made good progress in implementing various initiatives in areas of Safety, Health, Environment and Community. Our employees and vendors alike have started to appreciate the importance of Safety more than ever. This is corroborated by the significant increase in "near-miss" reporting witnessed during the year. I can now with greater confidence say that, "Safety Culture" is now on its way to become a part of our organization's DNA.

Being certified 6x water positive is yet another feather in our cap. Our operations teams toiled hard to conserve water and at the same time took significant steps for rainwater harvesting. Now the farmers in the vicinity are taking three harvests annually as against just one. The water table also increased and during peak of last summer we did not see bore-wells from running dry. The plantation drive undertaken at our mining locations during the past four years is now a sight to behold as the green cover is now home to various birds including the migratory ones. These noteworthy efforts have earned us the distinction for which we were awarded the highest "5-Star Rating" by the Department of Mines, Government of India.

Reinforcing our strategic priorities, we continued to sharpen our double edged sword enabling us to cut costs using one edge while the other being deployed to carve out higher premiums for "mycem". Customers in central India markets continued their patronage for mycem upholding it as their preferred choice when it comes to deciding on cement.



Unconditional support from our channel members has been very heartening. This was possible ever since we declared that “we sell through the dealer and not to the dealer”. We rewarded our channel partners applying sound business logic based on their deservingness rather than their desire.

In order to improve shareholder value, we laid greater emphasis on financial discipline, resource optimization and operational excellence at the same time pursued our growth strategy. As a result, we managed to achieve our economic, ecological, and social goals that are integral part of our business strategy.

I must thank all employees for their magnificent contributions round the year which made it possible for us to deliver results as great as this one. We strived and placed the right talent in the right positions at opportune time culminating in higher output and greater job satisfaction. Our drive to improve employee “Happiness Quotient” is now paying rich dividends. The step up in employee engagement activities by our Human Resources team received applauses across levels in the organization and has manifested in cross function bonhomie.

As always, the guidance and encouragement provided by our Board of Directors has helped us to continue excelling year after year and I thank them for the same. I am also grateful to all our stakeholders for their trust and understanding that has been instrumental in reinforcing our confidence to take on challenges which couldn't dare alone.

HeidelbergCement India is well positioned to tap every available opportunity. We have declared FY 2018-19 as the “Year of Compliance Reassurance” to reassure ourselves that the foundations we painstakingly built over the years rest on solid values so that we could endure our growth trajectory as we continue unlocking value of our business.

Upholding the spirit of fairness, transparency and demonstrated leadership – my team and I commit to position our organization as one of the best-managed companies of our industry in India.

Yours sincerely,

Jamshed Naval Cooper
Managing Director

Gurugram, 31 July 2018

Board of Directors



Mr. P.G. Mankad
Chairman

Mr. P.G. Mankad, IAS (Retd.) aged 76 years, is M.A. and has done Diploma in Development Studies from Cambridge, U.K. He was Finance Secretary and Secretary (Industries) in the respective Ministries of Government of India. He has also worked as Executive Director with Asian Development Bank, Manila. Mr. P.G. Mankad joined the Board of Directors of the Company as an Independent Director on 19th October 2006. He was appointed as Chairman of the Board of Directors of the Company on 24th April 2008. He is Chairman of Stakeholders' Relationship Committee and a member of Audit Committee and Nomination and Remuneration Committee of the Board of Directors of the Company.



Mr. Kevin Gerard Gluskie
Non-executive Director

Mr. Kevin Gerard Gluskie, aged 51 years, completed his Bachelor of Engineering (Honours) with a major in Civil Engineering from the University of Tasmania in 1988 and an Executive Master of Business Administration from the Australian Graduate School of Management in 2001. He had also completed an Advanced Leadership Program in 2007 conducted by McGill University, the Indian Institute of Management, and Lancaster University.

Mr. Gluskie joined Pioneer International (subsequently acquired by Hanson PLC) in 1990 and held a number of operational roles throughout Australia in the Readymix Concrete and Aggregates businesses. In 1999 he was appointed as Regional General Manager responsible for the company's operations in the Victoria and Tasmania regions of Australia. In 2009 Mr. Gluskie was appointed as Chief Executive of Hanson Australia.

Mr. Gluskie was appointed as a member of the Managing Board of HeidelbergCement AG, on 01 February 2016 and from 01 April 2016 he assumed responsibility for HeidelbergCement Group's operations in the Asia-Pacific Region.

Mr. Gluskie joined the Board of Directors of the Company on 4th February 2016. He is also a member of Nomination and Remuneration Committee and CSR Committee of the Board.



Dr. Albert Scheuer
Non-executive Director

Dr. Albert Scheuer, aged 60 years, completed Degree in Mechanical Engineering / Process Technology from the Technical University of Clausthal, Germany in the year 1982. He has also completed Doctorate in Mechanical Engineering in the year 1987.

Dr. Scheuer started his professional career with the Research Institute of the German Cement Industry in 1983. After joining HeidelbergCement group in 1992, he took on various positions at Leimen Cement Plant and Heidelberg Technology Center. From 1998 to 2005, he was in charge of Technical support for European cement plants as Managing Director of Heidelberg Technology Center. Since 2005, he was responsible for HeidelbergCement's activities in China as Chief Operating Officer and in August 2007 he was appointed as Member of the Managing Board and Executive Vice President of Lehigh Cement. He also took active part in the integration of the operations of Hanson, North America with HeidelbergCement Group. From 1st April, 2008, he was in charge of Asia-Oceania Region of HeidelbergCement Group and was also entrusted with the responsibility of worldwide coordination of the activities of Heidelberg Technology Center. Since 1st April 2016, he is in charge of the Northern and Eastern Europe-Central Asia Group area.

Dr. Scheuer joined the Board of Directors of the Company on 24th April 2008.



Mr. S. Krishna Kumar
Independent Director

Mr. S. Krishna Kumar, aged 72 years, a former member of the Indian Administrative Service (IAS), holds a Master's Degree in Physics from Bangalore University and in Public Administration from the Harvard University. In a career spanning thirty seven years, he had specialized in public policy and governance in areas like agriculture, public finance, infrastructure and international migration. Mr. Krishna Kumar was the first secretary of the Ministry of Overseas Indian Affairs of the Government of India during 2004-06. As Additional Chief Secretary in Karnataka during 2001-04, he concluded a number of infrastructure projects, including the prestigious Bangalore International Airport and the Hassan-Mangalore broad gauge rail line. Between 1992 and 1998, he worked as an International consultant for the IMF in Sri Lanka and for the World Bank in Mauritius. Post-retirement, he has been involved with the Centre for Development Studies, Thiruvananthapuram as a resource person. His first book "Emigration in 21st-Century India - Governance, Legislation, Institutions" was published by Routledge in 2014. He is currently the President of the Mysore Education Society, Bangalore.

Mr. S. Krishna Kumar joined the Board of Directors of the Company as an Independent Director on 19th April 2007. He is Chairman of the Audit Committee and the Corporate Social Responsibility Committee of the Board of Directors of the Company from 14th May 2012 and 2nd May 2014 respectively.



Mr. Pradeep V. Bhide
Independent Director

Mr. Pradeep V. Bhide, aged 68 years, is a retired IAS Officer and holds MBA, LL.B. and B.Sc. degrees. During his career spanning about four decades he held various positions at senior level, including the Secretary, Department of Revenue, Ministry of Finance, Government of India; Secretary and Joint Secretary, Department of Disinvestment, Ministry of Finance, Government of India; Additional Secretary / Spl. Secretary, Ministry of Home Affairs, Government of India; Deputy Secretary/Director in the Department of Economic Affairs, Ministry of Finance, Government of India; Director Fund-Bank Division of the Department and Advisor to India's Executive Director to the International Board for Reconstruction and Development, Washington D.C; Secretary, Department of Finance, Government of Andhra Pradesh; Secretary, Department of Energy, Government of Andhra Pradesh and Managing Director of Godavari Fertilisers and Chemicals Limited.

During his tenure as Secretary, Department of Revenue, Ministry of Finance he was involved in formulation of the Direct and Indirect Taxation Policies including the model of Goods and Services Tax and Direct Taxes Code.

Mr. Bhide joined the Board of Directors of the Company as an Independent Director on 29th April 2011. He is Chairman of Nomination and Remuneration Committee and a member of Audit Committee and Stakeholders' Relationship Committee of the Company.

Board of Directors (Continued)



Ms. Soek Peng Sim
Non-executive Director

Ms. Soek Peng Sim, aged 49 years, is presently Finance Director for HeidelbergCement Asia Pacific. She holds a Bachelor Degree in Accounting from University of Malaya, Malaysia. She is also a CPA registered with The Malaysian Association of Certified Public Accountants (MICPA) as well as a Chartered Accountant honoured by Malaysian Institute of Accounting (MIA). Prior to joining HeidelbergCement Group, she worked with Reckitt Benckiser Group, Philips Malaysia, HoHup Malaysia and The Lion Group, Malaysia. She has rich and vast experience in financial planning & analysis, business development and support, accounting & taxation, business process improvements and corporate structure optimisation. Other than extensive MNC experience in construction materials industry, she also possess diversified industry exposure in FMCG, manufacturing and construction & property development. Ms. Sim joined the Board of Directors of the Company on 16th September 2014. She is also a member of Audit Committee of the Board.



Mr. Juan-Francisco Defalque
Non-executive Director

Mr. Juan-Francisco Defalque, aged 54 years, completed his Masters degree in Mining Engineering from Catholic University of Louvain in Belgium in the year 1987. He started his professional career in 1989 with CBR, a Belgian International Company engaged in the production of cement, ready-mix and aggregates in Europe and North America (in 1993 CBR was acquired by HeidelbergCement Group). From 1989 to 2002 he held several management positions including director of technical projects for Belgium. In 2002 he joined HC Cimbenin located in Benin (West Africa) as its Managing Director. In 2006 he joined HC Indocement to set up a completely new Heidelberg Technology Centre (HTC), Indonesia organization holding the position of Head of HTC Indonesia. During his time in Indonesia several major projects were executed or started including an integrated plant with 10,000 TPD clinker line located south of Jakarta.

In 2015 he joined HeidelbergCement Asia Pte Ltd, Singapore as Director HTC APAC responsible for managing the technical centres in the region, which not only provides technical support to all the cement manufacturing facilities of HeidelbergCement group in this region but also takes care of the new projects. Mr. Defalque joined the Board of Directors of the Company on 29th October 2015.



Mr. Jamshed Naval Cooper
Managing Director

Mr. Jamshed Naval Cooper, aged 61 years, is a science graduate with Post-Graduation in management specializing in marketing from the Institute of Management Studies, Indore University. During his professional career he has gained rich experience spanning over 34 years in the cement industry. He has also worked for consumer durable industry in the past.

Mr. Cooper joined HeidelbergCement India Limited as Head of Sales & Marketing in December 2006 soon after takeover of Mysore Cements. He is credited for revamping the Sales and Marketing setup of the Company and launching of "mycem" brand which is now positioned as a premium category cement in Central India. He is also the Managing Director of Zuari Cement Ltd. (which is also a part of the HeidelbergCement Group).

Prior to joining HeidelbergCement India Ltd., Mr. Cooper served ACC Limited (now a Holcim Group Co.) for 22 years where he also worked for its joint ventures Float Glass and Bridgestone. Prior to ACC, he worked for Godrej & Boyce Manufacturing Co. Ltd. a consumer durable company.

Traversing his professional career, Mr. Cooper has gained experience in Corporate Management, Cost Leadership, Strategy Building, Brand Management, Logistics, Channel Management, Rural Marketing, Feasibility Studies & Project Implementation, Human Resource Management, IT Systems and Procurement. During his illustrious career, he pioneered the 25 kg cement packing and launched bulk cement for the first time in India. One of his achievements has been managing and minimizing the risks arising out of spurious look-alike brands. He is a member of Audit Committee and Stakeholders' Relationship Committee of the Company.



Mr. Sushil Kumar Tiwari
Wholetime Director

Mr. Sushil Kumar Tiwari, aged 63 years, holds degrees in Engineering in two streams - Electrical and Electronics & Communication - from the Institute of Engineers, Kolkata. In his career spanning over 38 years he has acquired rich and vast experience of over three decades in the Cement Sector. Prior to joining HCIL he was working with the cement division of Raymond Limited, which was subsequently acquired by Lafarge India Private Limited.

Mr. Tiwari joined HeidelbergCement India Limited in April 2007 as Unit Head of the Company's Ammasandra Plant. In August 2008, he was appointed as Unit Head of the Company's Damoh and Jhansi units. Mr. Tiwari took over the position of Technical Head of the Company w.e.f. 1st September 2010. He is also a Whole-time Director of the Company w.e.f. 29th April 2011 and is a member of Corporate Social Responsibility Committee of the Company.

Messages from the Management Team



“ I am Sushil Kumar Tiwari. I am a strong believer that positive thinking and approach can make you achieve what you want to do in life. World is full of opportunities which can be converted to values, if unlocked with a positive approach or else it can turn out to be challenge to growth. As you know we are transitioning into a new era where technology continues to change the world landscape albeit with more speed. As our company strives to adopt the new changes, agility will define success in future. In the recent past, we initiated many improvement projects which helped us in enhancing our operational efficiency, safety and Environmental standards. These small steps are now driving our organization towards unlocking our potential, and contributing in cost reduction thus leading organizational growth by way of economies of scale productivity, improved operational efficiency & Safety records. We have not yet hit gold but surely are heading in the right direction. Consistent stable operations and improved product quality by our technical team has provided appropriate springboard enabling us take the next leap of success. Manufacturing has always been inspired by our highly skilled people and efficient machines. It will be our pursuit to continue upskilling our people and invest in technologies that will make us more efficient in meeting the challenges in the market.

I would like to share some of the key steps implemented at HCIL that have unlocked our potential leading to a quantum leap in growth of our bottom line.

- Kilns that were designed to use coal as primary fuel are now altered to burn petcoke as fuel.
- Increasing and sustaining the running of key equipment with more than 20% capacity enhancement.
- Giving back to mother earth. We are over 6 times water positive. The green cover at the manufacturing units has increased manifold.
- Utilizing low grade mineral limestone to enhance quarry life
- Utilizing waste heat for power generation and consistently improvement in generation year on year.
- Implemented best practices from plants across globe, leading to improvement in safety & operational efficiency and reduce costs in India ”

Mr. Sushil Kumar Tiwari
Whole-time Director



“ I, Anil Kumar Sharma - always scouting for opportunities to optimise available resources for maximising value.

Financial year 2018 witnessed one of the biggest tax reforms in India as the Country moved from multiple taxation system to single tax system on Goods and Services. GST is a complete transformation in the indirect tax landscape leading to unified markets and seamless movement of goods. Our proactive and committed team revamped the systems and processes paving the road for its smooth implementation in your company. Basic principle for successful migration to any new change is to unlearn old one and learn new one and that is possible only through training. We went a step further to provide training to our valued channel partners and vendors thus ensuring business continuity for them too under the new tax regime.

Our motto is to create, preserve and enhance value for all stakeholders. One of the factors that distinguish our company's journey to create sustainable value lies in our ability to manage the business risks. Business risks are inevitable part of our daily life. The risk management processes laid down by our company ensure timely identification of risk, its evaluation and its proactive addressing. The robust risk mitigation framework significantly reduces the margin for error as the system makes it compulsory for the users to continuously monitor adequacy and effectiveness of internal controls covering the entire gamut of activities from “mine to market”.

Financial discipline and optimisation of resources has played a vital role in enhancing the performance of your Company during the last couple of years. The Company has utilised its internal accruals for repayment of External Commercial Borrowings (ECB) of USD 125 million. The final tranche of said ECB was repaid in October 2017 resulting in reduction in interest cost and Debt-Equity ratio.

I am sure that your Company will move forward in its journey and continue to grow. ”

Mr. Anil Kumar Sharma
Chief Financial Officer



“ I am Poonam Sharma, HR-Director for HC-India. I believe in the infinite possibilities of what a human mind can achieve, powered by the energy of positive thinking, drive and flexibility. I also believe that minds are like parachute, they need to be open to work. I am confident of the success of every human being on this earth as I believe everyone is talented in one's own way and am committed to tap that talent to make it grow.

We believe that keeping our staff engaged is business wisdom. Engaged people stay excited about what they're doing, making, in turn, our potential customers excited about our company. This also means lower human error and less safety lapses. This year was a year focused on making sure that our employees stay engaged through a continuous year- long engagement initiatives in the Company. The multi prong approach was tailor made for each location ranging from knowledge sharing to cultural and social activities and celebrations of local festivals and personal days.

The Company also made sure that talent got recognised through its recognition & appreciation programs, interactive programs and creating forums of two way communication with employees.

Providing interaction platforms to employees through formal and informal networks both within and outside their work groups fostered team spirit and a strong cross cultural impact.

An employee is far more likely to be engaged when they have clear performance expectations, the tools to do their job well and a manager who communicates effectively with them. Towards this, our Performance Management process was strengthened with a more robust objective setting and review process.

The plants conducted days of family engagement programs encouraging, art, craft and culture. These were specially appreciated and enjoyed by the family members of employees. Our annual training initiative reached a sense of maturity with a record no. of the leaders delivering functional and managerial trainings in-house to their teams. In our Plant locations employee health and well-being received a shot in the arm through programs related to healthy lifestyles, nutrition and physical fitness. ”

Ms. Poonam Sharma
Human Resources Director



“ Hi, I am Purnachander.

Passion for procurement drives me to google for best available resources globally at a competitive price.

“What gets measured, gets managed” – Peter Drucker
Despite 2017-18 posed several challenges, we could dive deep to measure and manage sourcing at best available and economical prices.

The major challenge was of Fuels being major spend in cement have gone up by 35% YoY but managed well below 17% for pet coke and 7% average fuels increase while experimenting various fuel mix. By continuously monitoring local Coal quality and logistics, we could reduce the impact by 10%.

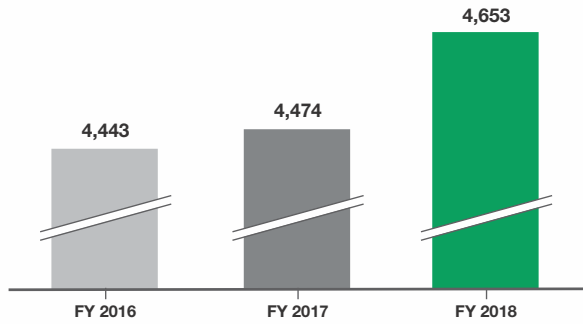
Despite huge increase in fuel prices, raw materials and packaging, variable cost marginally gone up. There is considerable contribution in reducing the impact of Packaging cost despite 11% increase in granules cost. Additive cost down 10% and raw material cost 6% by Logistic, source optimization and Supplier rotation. We are unlocking the advantages of bundling various plant requirements and source them negotiating best volume discounts possible.

We have web based procurement systems and processes to manage our purchasing to cope up with any changes this dynamic markets surprisingly pose. We have e-procurement 'Easy Supply' to manage our spend giving fair, transparent and equal opportunity to all the vendors. This e-platform not only keeps our vendor base intact but also keeps them to continuously work on refining their offers with ongoing dynamic competition. Our experienced human assets always on toes ensure sourcing well managed. ”

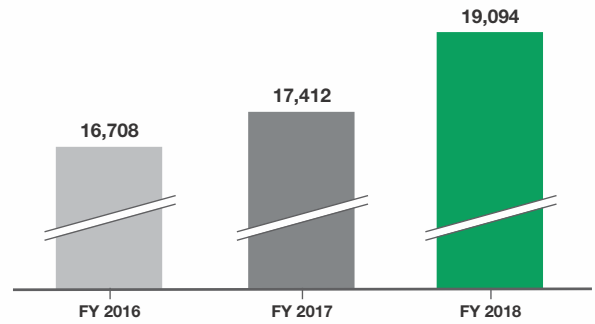
Mr. M. Purnachander
Procurement Director

Operational and Financial Performance

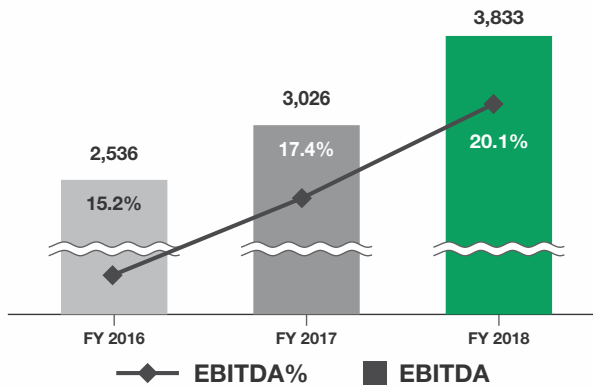
Sales Volume ('000 tonnes)



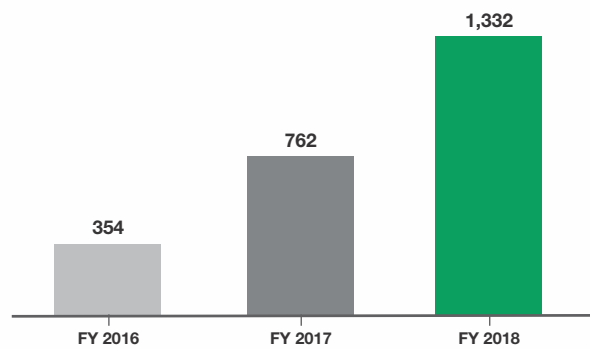
Net Revenue (Rs. million)



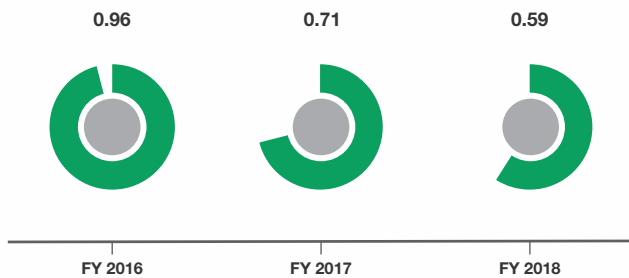
EBITDA (Rs. million and % of net revenue)



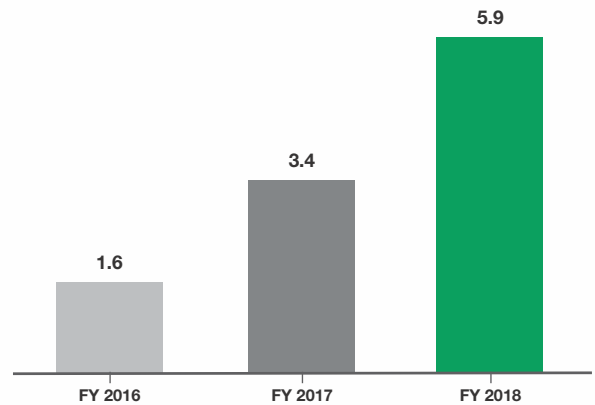
PAT (Rs. million)



Debt Equity Ratio



EPS (Rs. per Share)



BOARD'S REPORT

To the Members,

The Directors are pleased to present the 59th Annual Report together with the audited accounts of the Company for the financial year ended 31st March 2018 (FY18).

THE YEAR IN RETROSPECT

The year 2017-18 was marked by a number of key structural initiatives for strengthening economy for sustainable growth in the future. While the first quarter of the year saw the impact of demonetisation tapering off, in the next quarter, introduction of the landmark Goods and Services Tax (GST) brought in some uncertainties as businesses adjusted to the new regime. From the third quarter onwards, we have been witnessing signs of growth.

After a gap of 14 years, Moody's upgraded India's sovereign rating to Baa2 with a stable economic outlook. India has also improved its ranking in the World Bank's Doing Business Report (2018 edition) from 130 in 2017 to 100 among 190 countries.

The GDP fell from 7.1% in FY17 to 6.7% in FY18 as the economy had to cope with the lingering effects of demonetisation and businesses grappled with the nitty-gritty of GST. Rising global crude oil prices cast negative spell on the Indian economy and posed a risk to growth.

During FY18, the Cement industry in India witnessed revival backed by Government spending on infrastructure. The good monsoon ensured steady cement demand from the rural segment. However the demand from urban residential real estate segment remained subdued in comparison to FY17 due to elevated inventory levels and introduction of RERA in May 2017, which disrupted construction activity as the real estate developers went slow on launching new

projects. Cement production grew at about 6 percent for the full year against a decline of about 1 percent last year.

Over-capacity in the cement industry continues to impact the price and margins. At the end of March 2018, the overall installed cement manufacturing capacity stood close to about 465 million tonnes. Cement production during FY2017-18 was about 298* million tonnes compared to 280 million tonnes in the corresponding period indicating growth of about 6%.

* Source: Website of Office of Economic Adviser, Ministry of Commerce and Industry.

FINANCIAL HIGHLIGHTS/REVIEW OF OPERATIONS

The Company adopted Indian Accounting Standards (Ind-AS) from 1st April 2016. The financial statements of the Company for the financial year ended 31st March 2018 as well as for 31st March 2017 presented in this Annual Report are Ind-AS compliant.

During FY18, the Company reported its highest ever production and sales volume, sales revenue and EBITDA. During the year ended 31st March 2018, the Company produced 4.61 million tonnes of cement compared to 4.44 million tonnes in the year ended March 2017, an increase of 3.7%. Cement sales for the year were 4.65 million tonnes compared to 4.47 million tonnes in FY17, an increase of 4.0%. Net sales in FY18 were INR 18,894.7 million compared to INR 17,174.6 million in FY17, an increase of 10.0%. The net profit for FY18 was INR 1,331.8 million compared to INR 762.1 million in FY17.

A snapshot of the Company's financial performance for the financial year ended 31st March 2018 vis-à-vis performance for the financial year ended 31st March 2017 is as under: -

Particulars	(Rs. in million)	
	Financial Year ended 31 March 2018	Financial Year ended 31 March 2017
Income		
Revenue from Operations (Net of Excise duty/GST)	18,894.7	17,174.6
Other Income	199.3	236.9
Total Revenue	19,094.0	17,411.5
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)- Including other income	3,832.9	3,025.5
Depreciation and Amortization	1,011.7	991.5
Finance Cost	744.5	897.7
Profit before Tax	2,076.7	1,136.3
Total Tax expense	744.9	374.2
Net Profit for the year	1,331.8	762.1

During FY18, international coal prices were up by about 15% y-o-y. In order to curtail the impact of rising fuel prices the Company maximized usage of petcoke which led to savings of around 9% compared to coal, despite about 30% price increase in international petcoke. The Company altered its

fuel mix carefully balancing the use of local fuels to optimise the overall cost.

Prices of other raw materials viz., laterite, iron-ore, sweetener etc., also increased due to mining and environmental issues.

The Company had to rigorously work upon development of reliable supplier base and churning, whenever necessary, for cost optimization. The Company procured natural gypsum through e-auction route and achieved cost reduction of 18% despite the uptrend witnessed in international price of gypsum.

The Company was also able to reduce fly ash cost by 21% through optimization of logistics at Damoh and Jhansi Plants. Increase in global crude prices impacted cost of packaging bags. However the Company was able to mitigate the impact to a large extent through reverse e-auctioning mechanism.

The best practices and processes of the Heidelberg Cement Group, coupled with Continuous Improvement Program, ensured resource and energy optimization. Modifications and improvisations across pyro processes and milling operations resulted in reduced thermal and electrical energy consumption. Owing to various modifications, de-bottlenecking, process optimisation and equipment upgradation, we secured an increased kiln and mill throughput.

The Waste Heat Recovery-based Power Generation Plant during FY18 generated 69,448 Mega Watt of power which was about 40% of the total power requirement of Narsingarh plant, resulting in equivalent reduction in grid power leading to substantial savings in power cost. The clinker manufacturing plants of the Company viz., Narsingarh and Ammasandra Plants were enrolled by the Bureau of Energy Efficiency (BEE) under 'Perform, Achieve and Trade Scheme' (PAT) which aims at enhancing energy efficiency of the industrial units. Both the plants were able to achieve the targets set by BEE for reducing specific energy consumption under PAT Cycle 1 (target year 2014-15 against energy consumption in baseline year 2009-10). These units have been granted 20,586 Energy Saving Certificates, which can either be used for meeting obligations of the PAT Cycle 2 in case of any shortfall in achieving the target or available for monetization in the market.

The Company proactively changed its systems and processes as well as provided training to its Customers and Vendors assisting them to smoothly transit into the GST regime. The benefit of reduction in indirect taxes on account of implementation of GST was passed on to the customers.

Consistent good quality of the product has enabled the Company to meet expectations of its discerning customers thereby sustaining the image of its flagship brand "mycem". Brand visibility enabled the Company to increase sales volume by 4% despite the challenging demand supply situation owing to shortage of sand in Uttar Pradesh. To strengthen its bond with channel partners, the Company conducted a number of events, training programs and conferences. Effective coordination among production, quality control, marketing, logistics and customer support teams ensured supply of quality products and unmatched service to the customers.

TRANSFERTO DEBENTURE REDEMPTION RESERVE

The Company had issued Non-Convertible Debentures aggregating to INR 3700 million carrying interest of 10.4% per

annum on 16th December 2013. It is proposed to transfer, an amount of INR 134.1 million (previous year INR 134.2 million) out of the profits for the financial year ended 31st March 2018 to the Debenture Redemption Reserve (DRR) to meet the obligations towards the redemption of debentures commencing from 16th December 2019.

During the year the credit rating in respect of the aforesaid debentures has been reaffirmed as "IND AA+" (with stable outlook) by India Ratings and Research Pvt. Ltd.

REPAYMENT OF EXTERNAL COMMERCIAL BORROWINGS

The Company had borrowed USD 125 million in nine tranches from January 2011 to October 2012 by way of External Commercial Borrowings (ECB) for the purpose of financing its Damoh-Jhansi expansion project. Each tranche of ECB was repayable after a period of five years from the date of its draw down. During FY2017-18, the eighth and ninth tranche aggregating to USD 20 million were repaid. Thus entire ECB of USD 125 million stands repaid.

DIVIDEND

The Board of Directors is pleased to recommend a dividend of INR 2.50 per equity share of INR 10 each (25%) for FY 2017-18 for approval of the members at the ensuing AGM. The dividend outgo will be INR 683.0 million (inclusive of a dividend tax of INR 116.5 million).

Dividend Distribution Policy

Regulation 43A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, requires the top 500 listed companies based on the market capitalization to formulate a Dividend Distribution Policy. In compliance with the said requirement, the Board of Directors had formulated a Dividend Distribution Policy in FY17 and the same is posted on the Company's website. The web-link to access the said policy is as follows:

<http://mycemco.com/sites/default/files/HCLIL%20Dividend%20Distribution%20Policy.pdf>

Unclaimed dividend for FY2016-17: Total unclaimed dividend for FY2016-17 as on 31 March 2018 stood at INR 2.3 million. The shareholders whose dividend will remain unclaimed at the expiry of seven years from the date of transfer to 'Unpaid Dividend Account' i.e., until 28th October 2024 will be transferred to 'Investor Education and Protection Fund'.

ENVIRONMENTAL SUSTAINABILITY

The Company is committed and aligned with Heidelberg Cement Group's Sustainability Commitments 2030 covering water, air, land, occupational health and safety, circular economy, people and communities. In line with these commitments, the Company is taking initiatives for environment protection and conservation.

Sustained commitment over the years towards conserving the water resources has led to the Company being certified as 6.37 times Net Water Positive by an independent certifying agency, TÜV SÜD. During FY17 all the cement plants of the Company withdrew 1,093,332 kilo litres of water from various sources and harvested 6,965,000 kilo litres of water. This implies that the Company has given back 6.37 times water than it consumed. This distinction was achieved through the

commitment of all employees and a multidimensional approach including diversion of rain water to reservoirs, installation of water harvesting systems, revival of bore-wells, controlling seepages and educating everyone on water conservation measures.

The Company has also achieved significant reduction of carbon footprint to 517 kg of CO₂/ton of cement produced. Clinker incorporation factor of 62% has been achieved through utilisation of fly ash and other additives, thus preserving natural limestone reserves for the future generations. The company's waste heat recovery power plant at Narsingarh unit generated power from the waste heat of clinker lines and helped in preserving the fossil fuel. The emphasis is also on taking new initiatives for recycling and reusing waste materials as alternate fuels in kilns thus promoting green and clean environment.

All the plants of the Company are ISO 14001 (Environment Management System) certified.

ENRICHING BIODIVERSITY

The Company preserves and enhances biodiversity across all its plants and mines. The Company has developed green belt covering about 38% of the factory area and created water bodies covering large areas. These water bodies and trees are home to a variety of flora and fauna. The enriched biodiversity provides shelter to thousands of parrots and numerous other bird species.

MAKING A DIFFERENCE THROUGH CSR

The Company continued to contribute to the economic and social development of the local communities in the regions where it has presence by focusing on healthcare, education, community development, and other related activities. By promoting local participation, the company strengthens its bond with local communities. The feeling of ownership that is being generated among the beneficiaries of the CSR assets is ensuring their judicious use and upkeep. During FY18 the Company has spent INR 14.75 million on various CSR activities / projects exceeding the obligations pursuant to Section 135 of the Companies Act, 2013.

Industry requires skilled manpower and the best source for this is large pool of unskilled, unemployed rural youth. The Company conducted diverse training programmes to enhance the skills of the unemployed youth at its well-equipped training and development centre at Jhansi having classrooms and conference rooms. The open area of the training centre is being developed for imparting training on agricultural techniques, horticulture and growing herbal plants.

The company facilitates education of children of nearby villages through the schools being supported by it. In order to improve the infrastructure of nearby schools, the Company provided classroom furniture to them. In order to promote education, meritorious students were rewarded with scholarships. Free books and utility kits were also distributed in many schools. The Company also sponsored sports' meets in nearby villages wherein students from many schools participated. The Company installed solar panels for lighting in the girls' hostel at Narsingarh.

The Company's Central India plants are situated in water scarce Bundelkhand region. While free water is provided to villages near the Narsingarh plant throughout the year, during extreme summer when water resources ran dry, the Company deployed water tankers to provide water to other villages also. Construction of a check-dam was initiated near Satpara mines to ensure water storage during monsoons which will thereafter be available for nearly 6 to 7 months to nearby villagers for cultivation and domestic needs. The Company also dug bore wells and built water tanks in certain localities to meet the water demand during summers. The Company also organised free health check-up camps, provided mobile medical services and distributed medicines in the nearby villages.

The Company continued to extend its support towards development of infrastructure in the vicinity of its plants and mines. It also constructed concrete roads and culverts for safe, speedier and smoother connectivity and thus facilitated villagers to overcome the commuting problems faced by them.

The Report on CSR activities together with brief outline of CSR Policy of the Company is annexed herewith as 'Annexure-A'.

OCCUPATIONAL HEALTH & SAFETY

Way above its business priorities, occupational health and Safety (OH&S) remained Company's foremost priority. "Every employee must return home smiling to his family". Driven by this philosophy, we endeavour to provide a safe and healthy work environment. The day begins with safety gate meetings wherein important safety aspects are discussed along with safety prayer and pledge. To build and grow the Happiness Quotient among the workmen, people are encouraged to share a joke post the safety pledge. We believe that it's the "Smiles that will take you Miles".

Various measures taken at the plants and mines to embed strong safety culture led to reduction in Lost Time Incidents Frequency Rate (LTIFR) from 0.21 in FY17 to 0.2 in FY18. However we regret to inform that we lost a young man deployed by our contractors while performing a task at our Imlai plant for which he had no prior authorization.

Top Management's commitment to safety is pivotal and crucial for harmonizing employees' safe behavior at the workplace. Safety Leadership training programmes were organized for top management, plant heads and HODs at all plants for implementing best safety practices. Employees including contract workmen were imparted safety induction trainings, refresher courses and job specific trainings like scaffolding safety, working at height, confined space etc. A schedule of twelve most critical safety hazards relevant to our industry has been compiled. Safety themes were announced every month and all the aspects were dwelt upon throughout the month so as to instill the same firmly in the minds of the workmen. Drivers and helpers were also imparted training on defensive driving techniques. All plants are OHSAS 18001 certified. OH&S monitoring of the workplace for noise, particulate matter, free silica and illumination level is being done as per the regulatory norms.

AWARDS AND ACCOLADES

The Company continues to pursue excellence in all areas of its operations, and the same being recognized in the form of awards and honours.

- ‘Ammasandra Plant was awarded a certificate and trophy titled ‘Utthama Suraksha Puraskara’ in recognition of its high standards of safety performance and management System from Karnataka Chapter of National Safety Council.
- Yerekatte Limestone Mines in Karnataka was awarded First Prize in the categories of ‘Mineral Benefication’ and ‘Environmental Monitoring’ and Second Prize for ‘Overall Performance’ during the Mines Environment & Mineral Conservation Week Awards 2017-18 from the Indian Bureau of Mines.
- Jhansi Plant received the ‘Energy Efficient Unit’ award in the cement sector from Confederation of Indian Industry at the 18th National Awards for Excellence in Energy Management.
- Diamond Patharia Limestone Mines received a certificate in recognition for the initiatives taken under ‘Swachh Bharat Mission 2018’ from the Indian Bureau of Mines.
- Diamond Patharia Limestone Mines continues to be accredited with Five Star Rating* by the Ministry of Mines, Government of India. The accreditation certificate was given by Shri Haribhai Parthibhai Chaudhary, Hon’ble Minister of State for Mines.

* “Star Rating of Mines” is a scheme of the Ministry of Mines, Government of India, to recognise the performance of mines by giving them rating ranging from one to five stars. Under the scheme, mines bearing major minerals are evaluated on the parameters relating to sustainable development in accordance with sustainable development framework designed by Ministry of Mines and validated by Indian Bureau of Mines.

CORPORATE GOVERNANCE

The Company has always strived to build sustainable relationship with its stakeholders based on trust and transparency. As a result, its governance framework has earned a reputation of being ethical and responsible. All the Directors and employees consider it their personal responsibility to conduct themselves in accordance with the Code of Conduct set out by the organization.

The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have further reinforced the governance regime in India. The Company remains fully compliant with the corporate governance requirements as prescribed under the said regulations. Pursuant to the provisions of the listing regulations, a certificate from M/s. Nityanand Singh & Co., a firm of Company Secretaries in Practice, confirms compliance with conditions of Corporate Governance and forms an integral part of this Report. The Company has also ensured compliance with applicable Secretarial Standards issued by the Institute of Company Secretaries of India pursuant to Section 118(10) of the Companies Act, 2013.

A certificate furnished by Mr. Jamshed Naval Cooper,

Managing Director and Mr. Anil Kumar Sharma, Chief Financial Officer in respect of the financial statements and the cash flow statement for the financial year ended 31st March 2018 is annexed as Annexure ‘B’ to this Report.

Management Discussion and Analysis Report is also given as an addition to this Report.

BUSINESS RESPONSIBILITY REPORT

In terms of Regulation 34(2)(f) of the SEBI Listing Regulations, a Business Responsibility Report forms part of this Annual Report.

DIRECTORS

There was no change in the Board of Directors during the financial year ended 31st March 2018. Mr. Juan-Francisco Defalque (DIN: 07318811) retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible has offered himself for re-appointment. His brief profile is given in the Notice of AGM. The Board recommends his re-appointment by the members at the ensuing AGM.

Independent Directors: Mr. P.G. Mankad (DIN: 00005001), Mr. S. Krishna Kumar (DIN: 01785323) and Mr. Pradeep V. Bhide (DIN: 03304262) were appointed as Independent Directors by the members for a term of five years from 1st April 2014 up to 31st March 2019 in the 55th Annual General Meeting held on 19th June 2014 and they continue to be on the Board of Directors. All the independent directors have submitted declarations to the Company that they fulfil the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DISCLOSURES UNDER COMPANIES ACT, 2013

Number of Board Meetings: During the financial year ended 31st March 2018, four board meetings were held. The details of the same are given in the Corporate Governance Report.

Composition of Audit Committee: The Company has an Audit Committee comprising four members namely, Mr. S. Krishna Kumar (Chairman of the Committee), Mr. P.G. Mankad, Mr. P.V. Bhide and Ms. Soek Peng Sim. Other details about the said Committee are given in the Corporate Governance Report. All the recommendations made by the Audit Committee were accepted by the Board.

Board Evaluation: In accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance, that of the directors individually and that of all the Committees constituted by it, namely, the Audit Committee, Nomination and Remuneration Committee, CSR Committee and the Stakeholders’ Relationship Committee. The manner in which the performance evaluation has been carried out has been explained in the Corporate Governance Report.

Policy for appointment and remuneration of directors: The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a ‘Nomination and Remuneration Policy’. The policy inter alia lays down the criteria for determining qualifications, attributes and

independence of potential candidates for appointment as directors and determining their remuneration. The said policy is annexed as Annexure 'C' to this Report. The Board has also adopted a 'Board Diversity Policy' which requires the Board to ensure appropriate balance of skills, experience and diversity of perspectives in its own composition.

Extract of Annual Return: The extract of the Annual Return in the prescribed form, MGT-9 is annexed herewith as Annexure 'D'.

Key Managerial Personnel: No changes took place in the Key Managerial Personnel (KMP) during the financial year ended 31st March 2018. The following persons continue to be the KMP of the Company:-

- Mr. Jamshed Naval Cooper, Managing Director;
- Mr. Sushil Kumar Tiwari, Whole-time Director;
- Mr. Anil Kumar Sharma, Chief Financial Officer; and
- Mr. Rajesh Relan, Legal Head & Company Secretary.

General: The Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions with respect to these items during the financial year ended 31st March 2018:

- Details relating to deposits covered under Chapter V of the Companies Act, 2013.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of stock options or sweat equity shares.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future.
- Loans, investments, guarantees and securities in terms of Section 186 of the Companies Act, 2013.

INTERNAL FINANCIAL CONTROLS

The Company has in place various internal controls, policies and procedures to ensure orderly and efficient conduct of its business. Standard Operating Procedures (SOPs) and Risk Control Matrix (RCM) have been designed for all critical processes across its operations. The internal financial controls are tested for operating effectiveness through management's ongoing monitoring and review processes, and independently by the internal auditors. In our view the internal financial controls are adequate and are operating effectively.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them and based on the assessment of the management, the Board of Directors makes the following statements in terms of Section 134 of the Companies Act, 2013:

- (a) that in the preparation of the accounts for the financial year ended 31st March 2018 the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) that such accounting policies have been selected and

applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2018 and of the profit of the Company for the financial year ended on that date;

- (c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the financial statements for the financial year ended 31st March 2018 have been prepared on a 'going concern' basis;
- (e) that proper internal financial controls were in place and that such internal financial controls were adequate and were operating effectively; and
- (f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

RELATED PARTY TRANSACTIONS

All the transactions entered into between the Company and its related parties during the financial year ended 31st March 2018 were in the ordinary course of business and on an arm's length basis. The particulars of such transactions have been disclosed in the notes to accounts of the Balance Sheet presented in the Annual Report. During the year under review, the Company has not entered into any related party transaction exceeding the threshold limit provided under the Companies Act, 2013/Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A statement of all the related party transactions is placed before the Audit Committee on a quarterly basis, specifying the nature and value of the transactions.

The Company has in place a Policy on Related Party Transactions and a framework for the purpose of assessing the basis of determining the arm's length price of relevant transactions. The said policy and the framework are annually reviewed by the Audit Committee and the Board of Directors. The same have been posted on the Company's website. The web-link to access the said policy and framework is as follows:

<http://mycemco.com/sites/default/files/Related%20Party%20Transaction%20Policy.pdf>

RISK MANAGEMENT

One of the factors that distinguish a company's journey to create sustainable value for its shareholders is its ability to manage the business risks. Many risks exist in the operating environment and may emerge from time to time. The Risk Management processes of the Company ensure that the risks are identified well in time and addressed pro-actively.

The business risks have been classified under the broad heads - strategic, operational, financial and legal & compliance risks. The Company's Risk Management Policy lays down a bottom-up process comprising risk identification, analysis and evaluation, treatment and controlling. Risk

owners identify and analyse all risks in their area of operations. The business risks are reviewed by the Senior Management and thereafter evaluated by the Audit Committee and the Board of Directors on a quarterly basis.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has established a vigil mechanism / whistle blower policy to deal with the instances of unethical behaviour, fraud, conflict of interest, mismanagement and violation of the Code of Conduct. The details of the vigil mechanism are given in the Corporate Governance Report and the same has been posted on the Company's website. The web link to access the said policy is as follows:

<http://mycemco.com/sites/default/files/HCIL%20Whistle%20Blower%20Policy.pdf>

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE

The Company continues to remain compliant with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, which aims to protect women at workplace against any form of sexual harassment and prompt redressal of any complaint. During FY18, the Company received a complaint of sexual harassment against an employee of the Company, which was dealt with in accordance with the provisions of the said Act.

AUDITORS

In accordance with the provisions of Section 139(1) of the Companies Act, 2013 the members had at the 58th Annual General Meeting (AGM) held on 22nd September 2017 appointed S.N. Dhawan & Co. LLP., Chartered Accountants, as statutory auditors of the Company up to the conclusion of the 63rd AGM (FY2017-18 to FY2021-22). It is proposed to pay remuneration of INR 4.5 million to S.N. Dhawan & Co. LLP., for carrying-out audit for FY2018-19. A resolution for obtaining approval of the members for payment of the abovementioned remuneration to the statutory auditors is included in the Notice convening the AGM. The Board recommends the aforesaid resolution for approval of the members.

The observations of the Auditors in their report on Accounts read with the relevant notes are self-explanatory. The Auditors' Report does not contain any qualification, reservation or adverse remark.

COST AUDIT

The Company is maintaining cost records in accordance with provisions of Section 148 of the Companies Act, 2013 and the Rules made thereunder.

The Cost Audit for the financial year ended 31st March 2017 was conducted by M/s R.J. Goel & Co., Cost Accountants, Delhi and as required Cost Audit Report was duly filed with the Ministry of Corporate Affairs, Government of India. The Audit of the cost accounts of the Company for the financial year ended 31st March 2018 is also being conducted by the said firm and the Report will be filed within the stipulated time.

In accordance with Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 the Board of Directors has on the recommendation of the Audit Committee, appointed M/s. R.J. Goel & Co., Cost

Accountants as Cost Auditor of the Company for the financial year 2018-19 on a remuneration of INR 250,000. Pursuant to Section 148(3) of the Companies Act, 2013, a resolution seeking member's ratification for the remuneration payable to M/s. R.J. Goel & Co., Cost Accountants is included in the Notice convening the AGM. The Board recommends the aforesaid resolution for approval of the members.

SECRETARIAL AUDIT

The Board had appointed M/s. Nityanand Singh & Co., a firm of Company Secretaries in Practice as Secretarial Auditor for carrying out secretarial audit of the Company for the financial year ended 31st March 2018 in accordance with the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Report of the Secretarial Auditor is annexed herewith as Annexure 'E'. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

PARTICULARS OF EMPLOYEES

The particulars of employees required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 shall be provided on request. In accordance with the provisions of Section 136 of the Act, the Board's Report and the financial statements for the financial year ended 31st March 2018 are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered Office of the Company during business hours on all working days up to the date of the ensuing Annual General Meeting. If any member desires to have a copy of the same, he may write to the Company Secretary in this regard.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules 2014, forming part of this Report are annexed as Annexure 'F'.

ACKNOWLEDGEMENTS

We are thankful to various agencies of the Central and State Government(s) for their continued support and co-operation. Your Directors are thankful to all stakeholders including Customers, Bankers, Suppliers, Distributors, Dealers, and Contractors for their continued assistance, co-operation and support. The Directors wish to place on record their sincere appreciation to all employees for their commitment and continued contribution to the Company. The Directors are grateful for the confidence, faith and trust reposed by the shareholders in the Company.

For and on behalf of the Board

Place: Gurugram

P.G. Mankad

Date: 24th May 2018

Chairman

ANNEXURE - A TO THE BOARD'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

- | | | |
|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes. | <p>Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of the Company has on recommendation of the CSR Committee approved a CSR Policy. Brief outline of the said Policy is given below:</p> <ul style="list-style-type: none"> • The overall objective of the CSR Policy of the Company is to promote sustainable development of the local communities with set targets and time frames. The Policy focuses on mitigating the adversities faced by the communities and guiding them towards helping themselves. • The Company takes up CSR activities in key sectors including but not limited to, healthcare, education, rural infrastructure development and environment, giving maximum freedom to the local communities and employees to evolve meaningful initiatives. • The Company believes that supporting the development efforts of local communities addresses the felt needs of the community and in return leads to greater ownership and involvement in maintaining the assets created. • CSR initiatives are implemented through the Company's own employees. However, if required, the Company may also deploy appropriate agencies based on their proven credentials in the area of rural development to supplement its efforts. • The CSR projects are implemented through committees comprising local Company officials at Damoh (covering Patharia, Narsingarh and Imlai), Jhansi and Ammasandra. The committees are chaired by the Plant Heads and have key officials representing Human Resources, Welfare and Administration functions at the local level as members. • Proposals sent by the Implementation Committees are vetted by a committee at the Registered Office together with the financial allocation and thereafter the same are placed before the CSR Committee and the Board of Directors for consideration and approval. <p>The Policy is placed on the Company's website and the web link to access the same is:
 http://mycemco.com/sites/all/modules/custom/shareholdingpattern/HCIL-CSR-Policy.pdf</p> |
| 2 | Composition of the CSR Committee: | <p>The members of the Committee as on 31st March 2018 were:</p> <ol style="list-style-type: none"> a) Mr. S. Krishna Kumar, Chairman of the Committee; b) Mr. Kevin Gerard Gluskie; and c) Mr. Sushil Kumar Tiwari. |
| 3 | Average net profit of the Company for last three financial years (FY 2014-15 FY 2015-16 and FY 2016-17): | INR 724.3 million |
| 4 | Prescribed CSR Expenditure (two percent of the amount as in item 3 above): | INR 14.5 million |

5 Details of CSR spent for the financial year 2017-18:

(a) Total amount spent for the financial year ended 31st March 2018: INR14.75 million

(b) Amount unspent, if any: NIL

(c) Manner in which the amount has been spent on CSR activities during the financial year ended 31st March 2018 is detailed below:

							(Rs. in million)
S. No.	CSR project / activity	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 were undertaken	Amount Outlay (budget) project or programwise (Apr 2017 - Mar 2018)	Amount spent on the project or programs	Cumulative expenditure up to the reporting period (i.e. March 31, 2018)	Amount spent: Direct or through implementing agency
1	Development of Training Centre (Sakshamta Vikas Kendra) for skill enhancement and self employment for society- Infrastructure Support	Rural Development	Jhansi (Uttar Pradesh)	2.40	2.75	5.98	5.98
2	Operation of Sakshamta Vikas Kendra for skill enhancement and self employment for society	Rural Development	Jhansi (Uttar Pradesh) Damoh (Madhya Pradesh)	0.90	0.51	0.51	0.51
3	Construction of Road and Culvert	Rural Development	Damoh (Madhya Pradesh)	1.58	1.78	1.78	1.78
4	Construction of Check Dam on Drain at Satpara Village	Rural Development	Damoh (Madhya Pradesh)	2.50	1.68	1.68	1.68
5	Construction of water tanks, drilling borewells and providing water with tankers in water scarce areas.	Rural Development	Damoh (Madhya Pradesh)	1.15	0.92	0.92	0.92
6	Providing Machine with trolley for cutting cattle feed to nearby village	Rural Development	Jhansi (Uttar Pradesh)	0.35	0.42	0.42	0.42
7	Construction of Public toilet	Rural Development	Ammasandra (Karnataka)	0.60	0.55	0.55	0.55
8	Expenditure towards Students in our school coming from Nearby Villages	Education	Damoh (Madhya Pradesh)	2.00	1.81	1.81	1.81
9	Subsidy in School at Ammasandra	Education	Ammasandra (Karnataka)	2.00	1.42	1.42	1.42
10	Distribution of Note books, school kit, two-wheeler and scholarships	Education/ Rural Dev.	Damoh (Madhya Pradesh) Jhansi (Uttar Pradesh) Ammasandra (Karnataka)	0.52	0.39	0.39	0.39
11	Promotion of Sports in School and Youth in nearby villages	Education	Damoh (Madhya Pradesh) Jhansi (Uttar Pradesh) Ammasandra (Karnataka)	0.44	0.48	0.48	0.48
12	Providing Desks and Benches in nearby School	Education	Ammasandra (Karnataka)	0.10	0.10	0.10	0.10
13	Providing Solar Panel to Girls Hostel/ Community Centres. Awareness Programs on Environment	Environment	Damoh (Madhya Pradesh) Jhansi (Uttar Pradesh)	0.95	0.67	0.67	0.67
14	Provision of Medicines and food to needy people including Health camps #	Health Care	Damoh (Madhya Pradesh) Jhansi (Uttar Pradesh)	0.61	0.42	0.42	0.42
15	Construction of Shishu Vihar @	Rural Development	Ammasandra (Karnataka)	0.50	0.50	0.50	0.50
16	Construction of cremation shed at village Satpara	Rural Development	Damoh (Madhya Pradesh)	0.40	0.34	0.34	0.34
Total				17.00	14.75	17.98	17.98

Note:

- #. Includes deposit of INR 3 lacs in favour of Deendayal Rasoi Yojna at Damoh
- @. Payment of INR 5 lacs to Sri Basaveshwara Jeernodhara Seva Samithi for Construction of Shishuvihara in Ammasandra

6. In case the company has failed to spend the two percent of the average net profits of the last three years or any part thereof, the company shall provide the reasons for not spending the amount in the Board's Report: Not Applicable.

7. RESPONSIBILITY STATEMENT

The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company is given below:

“The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.”

Place: Gurugram

Jamshed Naval Cooper

S. Krishna Kumar

Date: 24 May 2018

Managing Director

Chairman – CSR Committee

ANNEXURE - B TO THE BOARDS' REPORT

The Board of Directors
HeidelbergCement India Limited

Dear Sirs,

Sub. : Managing Director & CFO's Certification

1. We have reviewed the financial statements and the cash flow statement of the Company for the financial year ended 31st March 2018 and to 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 the 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 financial year ended 31st March 2018 which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee :
 - (i) that there were no significant changes in internal control over financial reporting during the financial year ended 31st March 2018;
 - (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) there are no instances of fraud of which we have become aware.

Place : Gurugram
Date : 24 May 2018

Jamshed Naval Cooper
Managing Director

Anil Kumar Sharma
Chief Financial Officer

ANNEXURE – C TO THE BOARD’S REPORT

Nomination and Remuneration Policy

1. Preface

HeidelbergCement India Ltd. (the “Company”) is committed to excel in every sphere of its activity by attracting and retaining qualified, talented and experienced professionals through efficient selection and evaluation mechanism.

The Board of Directors of the Company has constituted Nomination and Remuneration Committee (“the Committee”) to perform the delegated functions and to formulate a Policy for nomination, appointment and remuneration of Directors and Top and Senior Management Personnel (“Senior Management”) of the Company. This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified for being appointed as Directors on the Board and those who may be appointed to fill the senior management positions. The Policy also sets out the guiding principles for determining the remuneration of executive directors, senior management personnel and other employees.

2. Role of Nomination and Remuneration Committee

The Board of Directors has entrusted the following responsibilities to the Committee:

- Identification of persons who are qualified to become directors and who may be appointed in senior management positions in accordance with the criteria laid down;
- Recommend to the Board the appointment and removal of Senior Management Personnel;
- Formulate the criteria for determining qualifications, positive attributes and independence of a director;
- Recommend to the Board a policy, relating to the remuneration of the directors, senior management personnel and other employees; and
- Carryout evaluation of every director’s performance.
- Devising a policy on Board diversity.

3. Criteria for identification of Directors and Senior Management Personnel

The Committee shall review potential candidates for appointment as Director and for filling senior management positions and give its recommendations to the Board. In evaluating the suitability of potential candidates the Committee may take into account factors, such as:

- personal and professional ethics, integrity and values;
- educational and professional background;
- leadership skills, standing in the profession;
- business knowledge, relevant competencies and skills, experience;
- actual or potential conflicts of interest, if any;

- willingness to devote time and efforts to effectively carry out duties and responsibilities;
- during the process of identification of suitable candidates for appointment as independent directors it must be ensured that the criteria of independence laid down under Section 149(6) of the Companies Act, 2013 are duly fulfilled.

The Committee may also institute an enquiry into the background and qualifications of the potential candidates.

4. Criteria for determining Remuneration

The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Executive Directors on their appointment / re-appointment, which shall be within the overall limit provided under the Companies Act, 2013. The Board shall also approve the remuneration payable to the Key Managerial Personnel (KMP) of the Company at the time of their appointment. Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Executive Directors, Senior Management Personnel and other employees shall be given letter of appointment describing their job description, duties, rights and responsibilities. The remuneration shall comprise of fixed and performance based components as detailed below:

Fixed Remuneration: It shall be determined for each grade of employees and senior management personnel after taking into account the comparative remuneration profile with respect to industry, scale of the company’s business, criticality of the position and competencies and experience of the person. It shall be the Company’s endeavour to pay fixed remuneration which will:

- attract, retain and motivate professionals required to successfully run the Company;
- encourage people to perform to their highest potential;
- align the performance of the business with the performance of key individuals and teams within the Company;
- allow the Company to compete in each relevant employment market;

Performance Based Remuneration:

(a) Variable Pay: The Company shall reward Executive Directors, Senior Management Personnel and other employees based upon the Company’s performance and their own individual performance to create a strong relationship between performance and remuneration. The percentage of performance based remuneration / variable pay in the total remuneration package of each employee shall be determined according to his / her level in the organization so as to ensure that the remuneration package is fairly balanced to attract, retain and motivate skilled professionals.

The variable pay shall be divided into two parts, of which first part would be dependent upon company's performance which shall be measured in financial terms such as achievement of targeted EBIT or Net Profit during the calendar year gone by. The other part shall depend upon the individual employee's performance against the targets set in the goal agreement. The weightage of the company performance vis-a-vis individual performance in the variable pay may range from 40 to 60 percent depending upon seniority of the concerned employee in the organisation structure.

There shall be a goal agreement setting out the annual objectives / targets of an individual employee cascading from the organisational goals. These annual objectives / targets shall be:

- Formulated clearly, i.e. goals must be described in a concrete, precise and comprehensible manner.
- Can be influenced, i.e. the employee must have a decisive influence on the goal's achievement.
- Realistic, fair and challenging, i.e. it must be possible for the employee to achieve a goal without being underchallenged or overchallenged.
- Must be able to measure whether the goal has been achieved, i.e. by means of quantitative standards (key figures) or qualitative standards (quality criteria based on common definitions) defined and ascertained during target setting.

The aforesaid objectives shall strike a balance between short term and long term goals of the Company. The progress of the employees towards achievement of the objectives shall be reviewed at the end of half year followed by a full year assessment at the end of each calendar year, and based on the

achievements against the Key Performance Indicators, performance based remuneration shall be paid.

(b) Long Term Retention Plan: In order to retain high calibre senior personnel, the Company shall continue with its Long Term Retention Plan (LTRP). The period of LTRP shall cover 3 to 4 years. The basis of disbursement may vary each year.

Performance Management System (PMS): The Company has a detailed and structured PMS. Based on the review of performance through the PMS process, the Company shall assess the employees' competencies, eligibility for promotion and increment of senior management personnel, Key Managerial Personnel and other employees. The MD shall from time to time decide the annual increments / mid-term revisions to be given to employees, including senior management personnel and KMP as per the guidelines given in this policy. The MD is also authorised to approve the policies for giving loans/financial assistance to the employees.

Retirement benefits: The Company shall comply with the applicable laws for payment of retirement benefits such as Provident Fund, Superannuation, Leave Encashment and Gratuity.

Termination payments: Each employment contract shall set out in advance the notice period in case of resignation / termination of employment or the payment to be made in lieu thereof.

5. Amendment

The Committee / the Board of Directors reserve the right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.

ANNEXURE – D TO BOARD’S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN: L26942HR1958FLC042301
- ii) Registration Date: 13th May 1958
- iii) Name of the Company: HeidelbergCement India Limited
- iv) Category/Sub-Category of the Company: Company having Share Capital
- v) Address of the Registered office and contact details:
HeidelbergCement India Ltd., 9th Floor, Tower C, Infinity Towers, DLF Cyber City, Phase II,
Gurugram, Haryana – 122002.
Phone No. : 0124 – 4503700
- vi) Whether listed company: Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:
Integrated Registry Management Services Private Limited
(Unit: HeidelbergCement India Ltd.)
30, Ramana Residency, 4th Cross, Sampige Road,
Malleswaram, Bengaluru - 560 003, Karnataka
Phone Nos.: 080-23460815 to 23460818
Fax No.: 080-23460819
Email ID: vijayagopal@integratedindia.in and irg@integratedindia.in

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:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Cement	3242	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1	Cementum I B.V., Pettelaapark 30, NL-5216 PD 's-Hertogenbosch, The Netherlands	Foreign Company	Holding Company	69.39%	2(46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year [as on 01 April 2017]				No. of Shares held at the end of the year [as on 31 March 2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) (1)	-	-	-	-	-	-	-	-	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	157,244,693	-	157,244,693	69.39	15,72,44,693	-	15,72,44,693	69.39	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) (2)	157,244,693	-	157,244,693	69.39	15,72,44,693	-	15,72,44,693	69.39	-
Total Shareholding Promoter & Promoter Group (A)=(A)(1)+(A)(2)	157,244,693	-	157,244,693	69.39	15,72,44,693	-	15,72,44,693	69.39	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	91,24,148	4,135	91,28,283	4.03	71,09,621	4,035	71,13,656	3.14	-0.89
b) Banks / FI	2,52,200	1442	2,53,642	0.11	38,234	1,442	39,676	0.02	-0.09
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	3,28,440	3,28,440	0.14	-	3,28,440	3,28,440	0.14	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies-	65,90,429	1,300	65,91,729	2.91	63,82,957	1,400	63,84,357	2.82	-0.09
g) FIs	2,57,32,606	132	2,57,32,738	11.36	2,63,45,180	132	2,63,45,312	11.63	0.27
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	4,16,99,383	3,35,449	4,20,34,832	18.55	3,98,75,992	3,35,449	4,02,11,441	17.74	-0.80
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	30,91,043	17,379	31,08,422	1.37	56,51,956	17,379	56,69,335	2.50	1.13
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	1,50,09,288	11,16,090	1,61,25,378	7.12	1,60,69,128	10,73,864	1,71,42,992	7.56	0.45
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	59,94,539	1,57,000	61,51,539	2.71	43,22,013	1,57,000	44,79,013	1.98	-0.74
c) Others (specify)									
Non Resident Indians	13,77,961	58,295	14,36,256	0.63	12,62,315	55,895	13,18,210	0.58	-0.05
Overseas Corporate Bodies	-	1,500	1,500	-	-	1,500	1,500	-	-
Foreign Nationals	-	-	-	-	1,000	-	1,000	-	-
Clearing Members	4,49,369	-	4,49,369	0.20	4,83,797	-	4,83,797	0.21	0.02
Trusts	21,100	40,027	61,127	0.03	19,800	40,027	59,827	0.03	-
LLP	-	-	-	-	1,308	-	1,308	-	-
Foreign Bodies -D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	2,59,43,300	13,90,291	2,73,33,591	12.06	2,78,11,317	13,45,665	2,91,56,982	12.86	0.80
Total Public Shareholding (B)=(B)(1)+ (B)(2)	6,76,42,683	17,25,740	6,93,68,423	30.61	6,76,87,309	16,81,114	6,93,68,423	30.61	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	22,48,87,376	17,25,740	22,66,13,116	100	22,49,32,002	16,81,114	22,66,13,116	100	-

(ii) Share holding of Promoters

Sr. Shareholder's Name No.	Shareholding at the beginning of the year 01-04-2017			Shareholding at the end of the year 31-03-2018			% Change in Shareholding during the year
	No. of Shares	% to total Shares of the company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% to total Shares of the company	% of Shares Pledged / encumbered to total Shares	
1 Cementrum I B.V. Total	157,244,693	69.39	Nil	157,244,693	69.39	Nil	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. Name of the Share No. holder	Shareholding at the beginning of the year 01-04-2017			Cumulative shareholding during the year (01.04.2017 to 31.03.2018)			
	No. of Shares	% of total Shares of the company	Date	Increase / Decrease in shareholding	Reason	No. of Shares	% to total Shares of the company
1 CEMENTRUM I B.V.	157244693	69.39	31.03.2018	-	-	157244693	69.39

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. Name of the Share No. holder	Shareholding at the beginning of the year 01-04-2017			Cumulative shareholding during the year 31.03.2018			
	No. of Shares	% of total Shares of the company	Date	Increase / Decrease in share holding	Reason	No. of Shares	% to Total Shares of the company
1 FIRST STATE INDIAN SUBCONTINENT FUND	6157405	2.72	01.04.2017			6157405	2.72
			19.01.2018	-86964	TRANSFER	6070441	2.68
			09.02.2018	10993	TRANSFER	6081434	2.68
			31.03.2018			6081434	2.68
2 LIFE INSURANCE CORPORATION OF INDIA	3608764	1.59	01.04.2017	NO MOVEMENT DURING THE YEAR			
3 THE SCOTTISH ORIENTAL SMALLER COMPANIES TRUST PLC	3209972	1.42	01.04.2017			3209972	1.42
			19.01.2018	-73924	TRANSFER	3136048	1.38
			31.03.2018			3136048	1.38
4 HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	2982865	1.32	01.04.2017			2982865	1.32
			05.05.2017	-25257	TRANSFER	2957608	1.31
			30.06.2017	-947	TRANSFER	2956661	1.30
			14.07.2017	-1543	TRANSFER	2955118	1.30
			05.05.2017	-25257	TRANSFER	2957608	1.31
			30.06.2017	-947	TRANSFER	2956661	1.30
			14.07.2017	-1543	TRANSFER	2955118	1.30
21.07.2017	-18010	TRANSFER	2937108	1.30			
28.07.2017	19553	TRANSFER	2956661	1.30			

Sr. No.	Name of the Share holder	Shareholding at the beginning of the year 01-04-2017		Cumulative shareholding during the year 31.03.2018				
		No. of Shares	% of total Shares of the company	Date	Increase / Decrease in share holding	Reason	No. of Shares	% to Total Shares of the company
				06.10.2017	14094	TRANSFER	2970755	1.31
				08.12.2017	-21413	TRANSFER	2949342	1.30
				15.12.2017	20596	TRANSFER	2969938	1.31
				22.12.2017	-48379	TRANSFER	2921559	1.29
				29.12.2017	-100711	TRANSFER	2820848	1.24
				05.01.2018	-28007	TRANSFER	2792841	1.23
				12.01.2018	-53871	TRANSFER	2738970	1.21
				19.01.2018	-43063	TRANSFER	2695907	1.19
				25.01.2018	-66272	TRANSFER	2629635	1.16
				16.02.2018	-15946	TRANSFER	2613689	1.15
				23.02.2018	21276	TRANSFER	2634965	1.16
				02.03.2018	23693	TRANSFER	2658658	1.17
				16.03.2018	-1165	TRANSFER	2657493	1.17
				23.03.2018	30000	TRANSFER	2687493	1.19
				31.03.2018			2687493	1.19
5	JP MORGAN INDIAN INVESTMENT COMPANY (MAURITIUS) LIMITED	2975000	1.31	01.04.2017		NO MOVEMENT DURING THE YEAR		
				31.03.2018			2975000	1.31
6	CAISSE DE DEPOT ET PLACEMENT DU QUEBEC- FIRST STATE INVESTMENT INTERNATIONAL	2798760	1.24	01.04.2017			2798760	1.24
				19.01.2018	-39075	TRANSFER	2759685	1.22
				09.02.2018	4924	TRANSFER	2764609	1.22
				31.03.2018			2764609	1.22
7	SUNDARAM MUTUAL FUND A/C SUNDARAM SMILE FUND	2200000	0.97	01.04.2017			2200000	0.97
				09.02.2018	-132904	TRANSFER	2067096	0.91
				31.03.2018			2067096	0.91
8	ASIA VISION FUND	1925000	0.85	01.04.2017			1925000	0.85
				15.09.2017	-750000	TRANSFER	1175000	0.52
				31.03.2018			1175000	0.52
9	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE MANUFACTURING EQUITY FUND	1350799	0.60	01.04.2017			1350799	0.60
				09.02.2018	-120000	TRANSFER	1230799	0.54
				02.03.2018	-30799	TRANSFER	1200000	0.53
				31.03.2018			1200000	0.53
10	JP MORGAN INDIA SMALLER COMPANIES FUND	1153398	0.51	01.04.2017			1153398	0.51
				06.10.2017	-76692	TRANSFER	1076706	0.48
				13.10.2017	-523308	TRANSFER	553398	0.24
				03.11.2017	-150000	TRANSFER	403398	0.18
				31.03.2018			403398	0.18
11	BAJAJ HOLDINGS AND INVESTMENT LTD*	0	0.00	01.04.2017				
				01.09.2017	45492	TRANSFER	45492	0.02

Sr. No.	Name of the Share holder	Shareholding at the beginning of the year 01-04-2017			Cumulative shareholding during the year 31.03.2018			
		No. of Shares	% of total Shares of the company	Date	Increase / Decrease in share holding	Reason	No. of Shares	% to Total Shares of the company
				15.09.2017	1487415	TRANSFER	1532907	0.68
				13.10.2017	475000	TRANSFER	2007907	0.89
				09.03.2018	249900	TRANSFER	2257807	1.00
				16.03.2018	196437	TRANSFER	2454244	1.08
				23.03.2018	225145	TRANSFER	2679389	1.18
				31.03.2018	200747	TRANSFER	2880136	1.27
12	ALQUITY SICAV - ALQUITY INDIAN SUBCONTINENT FUND*	624441	0.28	01.04.2017			624441	0.28
				21.04.2017	50726	TRANSFER	675167	0.30
				12.05.2017	48138	TRANSFER	723305	0.32
				26.05.2017	77263	TRANSFER	800568	0.35
				04.08.2017	30557	TRANSFER	831125	0.37
				11.08.2017	1376	TRANSFER	832501	0.37
				18.08.2017	56090	TRANSFER	888591	0.39
				08.09.2017	92720	TRANSFER	981311	0.43
				27.10.2017	163073	TRANSFER	1144384	0.50
				12.01.2018	118564	TRANSFER	1262948	0.56
				19.01.2018	75246	TRANSFER	1338194	0.59
				02.03.2018	126419	TRANSFER	1464613	0.65
				09.03.2018	24202	TRANSFER	1488815	0.66
				31.03.2018			1488815	0.66
13	LEGATO CAPITAL MANAGEMENT INVESTMENTS, LLC - ALQUITY INVESTMENT MANAGEMENT*	0	0.00	01.04.2017				
				04.08.2017	502791	TRANSFER	502791	0.22
				11.08.2017	411243	TRANSFER	914034	0.40
				18.08.2017	77000	TRANSFER	991034	0.44
				25.08.2017	91827	TRANSFER	1082861	0.48
				01.09.2017	23173	TRANSFER	1106034	0.49
				30.09.2017	166329	TRANSFER	1272363	0.56
				09.02.2018	40050	TRANSFER	1312413	0.58
				31.03.2018			1312413	0.58

* Not in the list of top 10 shareholders as on 01.04.2017. The same is mentioned above since the shareholder was one of the top 10 shareholders as on 31.03.2018.

(v) Shareholding of Directors and Key Managerial Personnel:

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of Shares	% to total shares of the company	No. of Shares	% to total shares of the company
At the beginning of the year	None of the Directors and Key Managerial Personnel hold shares in the Company			
Date wise increase/ decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	None of the Directors and Key Managerial Personnel hold shares in the Company			
At the end of the year	None of the Directors and Key Managerial Personnel hold shares in the Company			

V. INDEBTEDNESS

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

	(Rs. in million)			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i.e., as on 01-04-2017				
i) Principal Amount	551.9	6,294.5	-	6,846.4
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	141.2	-	141.2
Total (i+ii+iii)	551.9	6,435.7	-	6,987.6
Change in Indebtedness during the financial year ended 31-03-2018				
- Addition	440.4	-	-	440.4
- Reduction	-	-1,112.8	-	-1,112.8
Net Change	440.4	-1,112.8	-	-672.4
Indebtedness at the end of the financial year i.e., as on 31-03-2018				
i) Principal Amount	992.3	5,200.0	-	6,192.3
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	122.9	-	122.9
Total (i+ii+iii)	992.3	5,322.9	-	6,315.2

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Director and/or Manager during the financial year ended 31-03-2018:

		(Rs. in million)	
Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager Mr. Sushil Kumar Tiwari, Wholetime Director	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	24.3	24.3
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	-	-
	(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	-	-
	- others	-	-
5	Others, (Contribution to Provident Fund and Superannuation Fund)	1.4	1.4
	Total(A)	25.7	25.7
Overall ceiling as per the Act for payment of managerial remuneration to Whole-time Director			104.7*

* Pursuant to the provisions of Section 197 of the Companies Act, 2013 the remuneration payable to a Managing Director or a Whole-time Director or Manager shall not exceed five per cent of the net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 2013.

Note: The remuneration of Mr. Jamshed Naval Cooper, Managing Director is borne and directly paid by HeidelbergCement AG. The Company does not pay any sitting fees /commission/ remuneration to Mr. Cooper.

B. Remuneration of other directors during the financial year ended 31-03-2018:

1. Independent Directors

(Rs. in million)

Particulars of Remuneration	Name of Director			Total Amount
	Mr. P.G. Mankad	Mr. S. Krishna Kumar	Mr. Pradeep V. Bhide	
Fee for attending board /committee meetings	0.87	0.68	0.87	2.42
Commission	-	-	-	-
Others	-	-	-	-
Total(1)	0.87	0.68	0.87	2.42

2. Other Non-Executive Directors

(Rs. in million)

Particulars of Remuneration	Name of Director				Total Amount
	Dr. Albert Scheuer	Ms. Soek Peng Sim	Mr. Juan-Francisco Defalque	Mr. Kevin Gerard Gluskie	
Fee for attending board /committee meetings	-	-	-	-	-
Commission	-	-	-	-	-
Others	-	-	-	-	-
Total(2)	-	-	-	-	-
Total(B)=(1+2)	-	-	-	-	2.42

Overall ceiling as per the Act for payment of remuneration to Independent Directors and other Non-Executive Directors: 20.9*

Total Managerial Remuneration (A+B) 28.12#

The overall ceiling on remuneration for Executive and Non-Executive Directors: 125.6

* Pursuant to the provisions of Section 197 of the Companies Act, 2013 the remuneration payable to Non-Executive Directors shall not exceed one per cent of the net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 2013. Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 provides that a company may pay to its directors as sitting fees for attending meetings of the Board or Committees thereof, such sum as may be decided by the Board of Directors, which shall not exceed INR 1,00,000 for each meeting of the Board and its Committees.

Total of remuneration paid to Whole-time Director and sitting fees paid to the Independent Directors.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Rs. in million)

Sr.No.	Particulars of Remuneration	Name of Key Managerial Personnel		
		Mr. Rajesh Relan Legal Head & Company Secretary	Mr. Anil Kumar Sharma CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	5.8	22.8	28.6
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	-	-	-
	(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	-	-	-
	- others	-	-	-
5	Others,	0.2	1.4	1.6
	(Contribution to Provident Fund and Superannuation Fund)			
	Total	6.0	24.2	30.2

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment		None			
Compounding					
B. DIRECTORS					
Penalty					
Punishment		None			
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment		None			
Compounding					

ANNEXURE – E TO BOARD'S REPORT

SECRETARIAL AUDIT REPORT

for the financial year ended 31st March 2018

[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 of HeidelbergCement India Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by HeidelbergCement India Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company'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, we hereby report that in our opinion, the Company has, during the audit for the financial year ended on 31st March, 2018, 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.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2018, in accordance to the provisions of:

- I. The Companies Act, 2013 ("the Act") and the Rules made thereunder to the extent applicable;
- 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') to the extent applicable to the Company:-
 - 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;

- d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - e. 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;
 - f. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- VI. Other Laws which are applicable to the Company:
- The Employees' Provident Fund & Miscellaneous Provisions Act, 1952.
 - The Employees State Insurance Act, 1948.
 - The Payment of Gratuity Act, 1972.
 - The Labour Laws and Law relating to Payment of Wages.
 - Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013.
 - Direct Taxes –Income Tax Act, 1961, Service Tax, Customs Act, Value Added Tax Act, Sales Tax, GST Act, 2017
 - Miscellaneous Acts:
 - a) The Water (Prevention and Control of Pollution) Act, 1974.
 - b) The Air (Prevention and Control of Pollution) Act, 1981.
 - c) The Environment (Protection) Act, 1986.
 - d) The Factories Act, 1948.
 - e) The Industries (Development & Regulation) Act, 1951.
 - f) The Explosives Act, 1884.
 - g) The Electricity Act, 2003.
 - h) Acts and Laws relating to carrying out Mining Activities.

We have also examined compliance with the applicable clauses of the Secretarial Standard-1 and Secretarial Standard-2 formulated by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the financial year under review.

Adequate notice is given to all Directors to schedule the

Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and 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. During the period, all the decisions in the Board meetings were carried out unanimously.

We 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.

We further report that there has been no instance of following during the audit period:

- Public/ Rights/ Preferential issue of shares/ Debentures/ Sweat equity.
- Redemption/Buy-Back of securities.
- Major Decision taken by the Members in pursuance to section 180 of the Companies Act, 2013.
- Merger/ Amalgamation/ Reconstruction etc.
- Foreign Technical Collaborations.

To,
The Members of **Heidelberg Cement India Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records 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 the 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. Whereever required, we have obtained the management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the 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 efficacy or effectiveness with which the management has conducted the affairs of the Company.

We also report that the compliances of other applicable laws, as listed in Para (VI) above, are based on the Management Certifications.

For Nityanand Singh & Co.,
Company Secretaries

Nityanand Singh (Prop.)
FCS No.: 2668/ CP No. : 2388

Place: New Delhi
Date: 24/05/2018

Note:

This report is to be read with our letter of even date which is annexed as Annexure – 1 and forms an integral part of this report.

ANNEXURE – 1

For Nityanand Singh & Co.,
Company Secretaries

Nityanand Singh(Prop.)
FCS No. : 2668/ CP No. : 2388

Place: New Delhi
Date: 24 May 2018

ANNEXURE – F TO THE BOARD'S REPORT

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo as required under the Companies (Accounts) Rules, 2014

A. Conservation Of Energy

- (i) Energy conservation measures taken during the financial year ended 31st March 2018:
Reduction in specific power consumption through following initiatives like:
- Optimisation of processes,
 - Use of LED bulbs in place of conventional lightings,
 - Increasing the grate cooler area to enhance the recuperation efficiency at Narsingarh,
 - Increase in output of mills through various initiatives.
 - Optimisation of lighting load by carrying out automation of plant lighting like timer based operation.
- (ii) Steps taken by the Company for utilising alternate sources of energy:
Reaping the benefits of IEX & Renewable Wind Power at Ammasandra Plant
- (iii) Capital investment on energy conservation equipment:
The Company has invested ~ INR 10 million in FY 2017-18 on energy conservation equipment listed at A(i) above.

B. Technology Absorption

- (i) Efforts made towards Technology Absorption:
- a) Use of high efficacy LED in place of conventional luminaries.
 - b) Adaptation to best practices and processes of HeidelbergCement Group, thus reaping the benefits of their global expertise.
- (ii) Benefits derived like product improvement, cost reduction, product development or import substitution:
- a) Power generated by the WHR plant was optimized and the generation was increased by around 3.5% thus reducing intake from state grid.
 - b) Reduction of per unit cost of power by use of renewable and IEX power
 - c) Reduction of specific consumption per unit of clinker or cement produced thus reduction in cement cost
 - d) Adaptation of best practices and processes of HeidelbergCement Group enabled the Company to carry out in-house modifications and improvements in pyro processes and milling operation resulting in reduction in thermal and electrical energy consumption leading to reduction in energy costs.
 - e) Optimization of the process fans in the kiln in order to reduce the specific Power consumption.
- (iii) Information regarding technology imported during last 3 years: Nil
- (iv) The expenditure incurred on Research and Development: Nil

C. Foreign Exchange Earnings & Outgo

Total foreign exchange used and earned:		Rs. in Million	
		Financial Year ended 31.03.2018	Previous Financial Year ended 31.03.2017
Foreign exchange used:	- Imports	33.8	64.6
	- Expenditure	814.3	891.4
Total		848.1	956.0
Foreign exchange earnings:		Nil	Nil

Management Discussion and Analysis

Global & Indian Economy at a glance

Particulars	2010	2011	2012	2013	2014	2015	2016	2017	2018e	2019e
	Projections									
A. World Output / Real GDP										
(Annual percent change)										
World	5.4	4.3	3.5	3.5	3.6	3.5	3.2	3.8	3.9	3.9
- Advanced Economies	3.0	1.7	1.2	1.3	2.1	2.3	1.7	2.3	2.5	2.2
- Emerging Market & Developing Economies	7.4	6.4	5.4	5.1	4.7	4.3	4.4	4.8	4.9	5.1
• India	10.3	6.6	5.5	6.4	7.4	8.2	7.1	6.7	7.4	7.8
B. Inflation: Consumer Prices										
(Annual Percent change)										
- Advanced Economies	1.5	2.7	2.0	1.4	1.4	0.3	0.8	1.7	2.0	1.9
- Emerging Market & Developing Economies	5.6	7.1	5.8	5.5	4.7	4.7	4.3	4.0	4.6	4.3
• India	9.5	9.5	10.0	9.4	5.8	4.9	4.5	3.6	5.0	5.0
C. Current Account Balances										
(Percent of GDP)										
- Advanced Economies	0.0	-0.1	0.0	0.4	0.5	0.7	0.7	0.8	0.7	0.5
- Emerging Market and Developing Economies	1.2	1.4	1.3	0.6	0.5	-0.2	-0.3	-0.1	-0.1	-0.2
• India	-2.8	-4.3	-4.8	-1.7	-1.3	-1.1	-0.7	-2.0	-2.3	-2.1
D. World Trade Volume										
(Annual percent change)										
	12.5	7.1	3.0	3.5	3.8	2.7	2.3	4.9	5.1	4.7
E. Commodity Prices										
(Annual percent change)										
- Oil	27.9	31.6	1.0	-0.9	-7.5	-47.2	-15.7	23.3	18.0	-6.5
- Non-fuel	26.7	18.1	-10.2	-1.5	-3.9	-17.6	-1.5	6.8	5.6	0.5
(Primary Commodities)										

Source : World Economic Outlook (April 2018) published by International Monetary Fund (IMF) and Website of Reserve Bank of India

Note : For India, data and forecasts are presented on a fiscal year basis. India's GDP from 2011 onwards is based on GDP at market prices with fiscal year 2011/12 as base year.

A. Global Economy

World economy grew in 2017 by 0.6 percent to 3.8 percent recording the fastest growth since 2011, on the back of rebound in global trade, investment led recovery in advanced economies, strong and sustained growth in emerging markets and developing economies.

Global growth is expected to further improve to 3.9 percent during the following two years supported by favorable market and financial sentiments arising out of expansionary fiscal policy in the United States.

While the upside and downside risks over the short-term remain broadly balanced, risks over the medium term lean more to the downside indicating a moderate growth. Downside concerns include a tightening of financial conditions, inward looking policies that may harm

international trade and lead to geopolitical tensions.

B. Indian Economy

Last year, India witnessed several key structural initiatives like launch of Goods and Service Tax (GST), dynamic fuel pricing, and Recapitalization of PSU Banks. Despite global headwinds, first half of the year remained sluggish which bottomed out as 2018 set in.

Keeping aside the currency depreciation and issue of stressed assets in banking sector, presently the Indian economy is on the path of improvement across macro indicators like industrial production, inflation, real interest rates and foreign exchange reserves.

Home to about 1.3 billion people, Indian economy is projected to clock a growth rate of about 7.4 percent and 7.8

percent during FY19 and FY20 respectively, surpassing China's growth.

C. Indian Cement Industry

C.1. Capacity and Demand

India's cement manufacturing capacity recorded 465 million tonnes as at March 2018, having added about 25 million tonnes over previous year.

The cement production registered a decline of about 1 percent in the first half of FY18 followed by a robust growth of about 14 percent during the second half. Growth for the full year was about 6 percent (~298 million tonnes) compared to the decline of about 1 percent during the previous year attributed to short term impact of demonetization. Industry operated at an average capacity utilization of ~65% during FY18, flat to marginally positive over the previous year.

Over the next two years, about 43 million tonnes of capacity addition is expected, mostly through brown field expansion projects. Going forward, demand is expected to grow by 7-8 percent mainly driven by higher budgetary allocations to housing and public infrastructure segments, normal monsoon and general elections in 2019.

C.2. Input Costs

Input costs further hardened during the year led by surge in fuel and diesel prices.

International prices of coal were up by about 15 percent with Petcoke CIF price exceeding USD 100 per MT, registering an increase of 30 percent over previous year. The retail diesel prices too clocked an all-time high of INR 67.2 per litre at the end of FY18 against INR 61.5 per litre a year ago thereby escalating freight costs.

Companies have been periodically rejigging fuel mix and improving efficiencies so as to achieve optimum cost with suitable fuel mix.

C.3. Price and Earnings

Cement being a bulk commodity, logistics cost limits its distribution spread thus making it a regional business. Depending on installed capacity and demand, pricing sentiments vary across regions. Prices during the year remained range bound on an all India basis. East, West and Central regions witnessed better pricing scenario while North and South remained weak.

During FY18, there was acute shortage of sand in select regions of the Country as the State Governments attempted to curb illegal sand mining and hence controlled the same. Non-availability of sand stalled construction activities which in turn impacted cement demand putting pressure on prices.

Low demand with increased availability took away the pricing power making it difficult for the industry to pass on the increased input costs to the market.

C.4. Opportunities

Cement sector is expected to benefit from government's focus on housing and public infrastructure segments which

constitute about 80 percent of the cement demand. Schemes like 'Housing for All by 2022', Bharatmala project, dedicated freight corridors, Sagarmala project, smart cities, upcoming metro rail projects etc. augur well for the cement industry.

The Pradhan Mantri Aawas Yojana – Gramin (PMAY-G) targets to build 40 Million houses in rural areas by 2022 and the Pradhan Mantri Aawas Yojana – Urban (PMAY-U) targets to build 20 Million houses in urban areas by 2022. Implementation of Real Estate Regulation Act (RERA) is expected to boost the confidence of home buyers by bringing greater transparency and ensuring timely delivery of projects.

Budgetary allocation for infrastructure has been increased over 20 percent to about INR 5,970 billion. National highway construction target has been set at 45 kms per day for FY19 against actual construction of about 27 kms per day in last year. While these projects translate into an optimistic scenario for the cement sector, the execution speed will be paramount for accelerating the demand for cement.

C.5. Threats

Though the opportunities are galore, there remain a few concerns which the industry should be wary off.

Over the medium term, industry may continue to witness capacity additions, volatile prices, and ramp up of capacity utilization of stressed assets.

The rising prices of coal, petcoke and diesel have so far impacted margins. Any further increase could pose further challenges to profitability of the industry. Concerns have also been raised on usage of petcoke by the industry, the matter is presently pending before the Hon'ble Supreme Court. Any restriction imposed in this regard may increase the dependence on coal and consequently also increase cost.

C.6. Outlook

Demand growth is expected to outpace supply growth in the near term, however depending on the levels of supply hang the margins of the cement sector will get influenced accordingly. Over the near term, prices are expected to remain range bound with possibilities to pass on the incremental operating costs to the consumers.

D. Company Review - Operational and Financial Performance

The Company operates three plants located at Damoh (MP), Jhansi (UP) and Ammasandra (Karnataka) with an installed cement manufacturing capacity of 5.4 MTPA. During FY18, the Company produced 4.6 million tonnes of cement registering a growth of 3.7 percent over FY17. 4.7 million tonnes of cement was sold registering an increase of 4.0 percent in volume terms. The capacity utilization stood at 85.3 percent in FY18 against the industry average of ~65 percent. The power generated by Waste Heat Recovery Power Plant (WHRPP) substituted grid power and thus enabled the Company to reduce its power cost. During FY18 the Company reported highest ever annual production and

sales volume, revenue and EBITDA. Snapshot of some of the key financial figures is given below:

(INR in million)		
Particulars	FY18	FY17
Revenue (Net of Excise Duty / GST)	18,894.7	17,174.6
Power & Fuel Cost	4,439.0	4,292.7
Freight and forwarding expenses	2,835.9	2,392.2
EBITDA (including Other income)	3,832.9	3,025.5
EBIT	2,821.2	2,034.0
Finance Cost	744.5	897.7
Net Profit after Tax	1,331.8	762.1
Earnings Per Share (EPS) – INR	5.9	3.4
Book Value Per Share – INR	46.18	42.67

In FY18, price of petcoke and coal went up significantly. Better consumption parameters and savings from WHRPP helped offset the impact of higher fuel cost. The company's EBITDA margin stood at 20.3 percent in FY18 as compared to 17.6 percent in the previous year. The PAT of the Company was INR 1,331.8 million in FY18 compared to INR 762.1 million in FY17. The Board has recommended a dividend of INR 2.5 per share (25 percent) for FY18 compared to INR 2 per share (20 percent) for FY17.

The gross long-term debt stands reduced to INR 6,192 million from INR 6,846 million at the end of FY17. With the repayment of last two tranches aggregating to USD 20 million, the ECB of USD 125 million stands fully repaid. During FY18 the Company has received third tranche of interest-free loan of INR 693.9 million from the Government of Uttar Pradesh. The aggregate amount of interest-free loan as at the end of FY18 was INR 1,659.3 million. Overall, the Debt-Equity ratio improved to 0.59:1 compared to 0.71:1 at the end of FY17.

E. Product Performance and Customer Relations

Our unrelenting efforts to deliver consistent high quality cement and services to our customers have paid rich dividends by way of customer loyalty that continues to enhance year after year. Together as a team, we have converged our energy to deliver "value for money", earning customer trust and a bond that keeps strengthening. Company's flagship brand "mycem" now enjoys a top-of-mind recall in most parts of Central India and its mascot "Chutkoo" is seen as a harbinger for durable construction.

F. Business Risks and Concerns

The Company has a sound risk management process to identify risks and opportunities enabling the management to take strategic decisions. It involves mapping of all possible business risks, their likelihood and the consequential impact on business.

Major business risks and their mitigation strategies are as follows:

- I. Economic Risk: Macro economic slowdown can have an adverse impact on demand.

Mitigation Measure: The management continuously tracks various macro-economic factors and accordingly realigns its marketing and sales strategies.

- II. Fuel Supply Risk: Cement manufacturing is an energy intensive process. Non-availability or a sharp increase in fuel prices may affect margins.

Mitigation Measure: The Company has coal linkages to ensure uninterrupted fuel supply. Besides, it has also developed capabilities to switch between various fuel mixes.

- III. Freight Cost Risk: Cement is a low-value high-volume commodity and freight is a significant component of the total cost. Transport strikes or increase in fuel costs can impact the margins.

Mitigation Measure: The Company strives to appropriately balance its Rail-Road mix, which currently stands at about 50:50. Optimized warehousing facilities and astute measures to control logistics costs remains the key focus area for the Company. Increasing its sale in the markets where logistic costs are low is a continuous process.

G. Internal Control Systems

The Company has well-structured and effective internal controls which are periodically reviewed and strengthened. They track and alert the management in terms of utilization of Company's resources, accuracy in financial reporting and compliance with the applicable laws. Internal auditors appointed by the Board of Directors, on the recommendation of the Audit Committee, assess and confirm the adequacy and effectiveness of the internal control systems. Statutory auditors have also audited the internal financial controls over financial reporting and have opined that the same are adequate and are operating effectively.

All material audit observations and follow-up actions thereon are reported to the Audit Committee, which also reviews the adequacy and effectiveness of the internal control systems. Improved internal controls and focus on cost reduction have helped the Company to stay competitive.

H. Human Resources

H.1 Employee Engagement and talent Management

The year 2017-18 was a year of reinforcement of employee well-being, engagement and development that would go a long way in ensuring the financial and business health of the Organization. Employee policies were reviewed and revamped, keeping in line with the changing needs of the organization, industry practices and employee welfare to support the growth initiatives. The balance between employee welfare and Company's business interest was kept in mind at all levels. The organization structure was made more robust which further enhanced efficiency in resource utilization.

Focus on hiring the right talent was the key objective. The Company hired close to 100 employees during the year, laterally and through the campuses, to ensure continuity in the talent pipeline. The trainees underwent a rigorous training and induction program, giving them exposure to all facets of business, preparing them to take on the baton from their seniors. Over 300 internal and external training programs were conducted during the year with a stupendous effort from the senior managers. Trainings were also conducted by external faculty in the technical, behavioural and managerial arenas.

The Company ensured adherence to its mandate of occupational health and safety by organizing safety trainings

and health check-up camps. The Workmen trainings and interactions also continued throughout the year.

H.2 Industrial Relations

The Company had 1,315 employees on its rolls, as on 31st March 2018. Employee Relations remained cordial during the year. The Company engaged with the workmen through training programs, informal redressal systems and Managing Director's quarterly communication meetings. The Company also engaged in continuous dialogue with the unions and workmen. This has enabled in building a healthy work culture for consistent development and growth.

Cautionary Statement

Statements in the Management Discussion and Analysis Report, which describe the Company's objectives, projections, estimates, expectations or predictions, may be considered to be "forward-looking statements" within the meaning of applicable Securities Laws and Regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however materially differ from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian political, economic and demand-supply conditions, finished goods prices, raw materials cost and availability, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, Policies, tax regimes, economic developments within India besides other factors such as litigation and industrial relations as well as the ability to implement strategies. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.

Business Responsibility Report

Awareness of and sensitivity to the responsibility of the business towards the society and the environment has continuously gained importance in the Indian context. The country's business ecosystem is being aligned with the principles of sustainable development that also considers social and environmental performance along with financial results as a holistic measure of progress.

As a responsible business enterprise, HeidelbergCement India Ltd. (the "Company") has always pursued the highest

ethos of corporate responsibility and governance, often transcending the regulatory threshold. Cognizant of its responsibilities towards the society and the environment, the Company has consistently shaped its business strategies with focus on sustainability.

In line with the guidelines of the Securities and Exchange Board of India (SEBI) the Company is hereunder presenting its Business Responsibility Report for FY2017-18:

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

S.No	Particulars	Remarks												
1.	Corporate Identification Number	L26942HR1958FLC042301												
2.	Name of the Company	HeidelbergCement India limited												
3.	Registered Address	9th Floor, Tower C, Infinity Towers, Phase II, Gurugram, Haryana - 122002. Phone No. : 0124-4503700												
4.	Website	www.mycemco.com												
5.	E-mail id	investors.mcl@mycem.in												
6.	Financial year reported	1st April 2017 to 31st March 2018												
7.	Sector(s) that the company is engaged in (industrial activity code wise):	<table border="1"> <thead> <tr> <th>Group</th> <th>Class</th> <th>Sub-class</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>239</td> <td>2394</td> <td>23941</td> <td>Manufacture of</td> </tr> <tr> <td></td> <td></td> <td>23942</td> <td>clinker and cement</td> </tr> </tbody> </table>	Group	Class	Sub-class	Description	239	2394	23941	Manufacture of			23942	clinker and cement
Group	Class	Sub-class	Description											
239	2394	23941	Manufacture of											
		23942	clinker and cement											
	(Source: National Industrial Classification Code (NIC))													
8.	List three key products/services that the company is manufacturing/ provides (as in balance sheet)	The Company manufactures only two kinds of cement:- Portland Pozzolana Cement; and Portland Slag Cement.												
9.	Total no. of locations where business activity is undertaken by the Company.	National locations: Two Integrated Cement Units, One Grinding Unit, Registered Office and Regional Marketing Offices and Sales Offices spread in the States of Madhya Pradesh, Uttar Pradesh, Bihar, Uttarakhand, Karnataka and Kerala. International locations : Nil												
10.	Markets served by the Company	<table border="1"> <thead> <tr> <th>Local</th> <th>State</th> <th>National</th> <th>International</th> </tr> </thead> <tbody> <tr> <td>✓</td> <td>✓</td> <td>-</td> <td>-</td> </tr> </tbody> </table>	Local	State	National	International	✓	✓	-	-				
Local	State	National	International											
✓	✓	-	-											

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR)	₹ 2266.2 million
2. Total turnover (INR)	₹ 18894.7 million #
3. Total profit after tax (INR)	₹ 1331.8 million
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after tax (%)	₹ 14.75 million (2.04% of average net profit of last three financial years)
5. List of activities in which expenditure in 4 above has been incurred	a) Education b) Healthcare c) Rural Development

Net of Excise Duty / GST

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

The Company does not have any subsidiary company.

2. Do the Subsidiary Company/Companies participate in the Business Responsibility (BR) initiatives of the parent company? If yes, then indicate the number of such subsidiary companies:

Not Applicable.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:

The other entities with which the Company does business viz., suppliers, distributors etc. don't participate in the BR initiatives of the Company.

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1) Details of Director(s) responsible for BR

a). Details of Director responsible for implementation of BR policy(ies):

S.No.	Particulars	Details
1.	DIN number	01527371
2.	Name	Mr. Jamshed Naval Cooper
3.	Designation	Managing Director

b). Details of BR head

S.No.	Particulars	Details
1.	DIN number	03265246
2.	Name	Mr. Sushil Kumar Tiwari
3.	Designation	Whole-time Director
4.	Telephone Number	0124-4503700
5.	E-mail id	sk.tiwari@heidelbergcement.in

2) Principle-wise (as per NVGs) BR Policy / policies

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs have identified nine areas of Business Responsibility which have been coined in the form of nine business principles. These principles (P1 to P9) are as under:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

a) Details of compliance (Reply in Y/N):

S. No.	Question	Ethics, Transparency and Accountability	Product responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	Inclusive Growth (CSR)	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies on the BR principles?	Y	Y	Y	Y	Y	Y	NA1	Y	NA2
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	NA
		The relevant policies have evolved over a period of time with inputs from the concerned internal stakeholders and representatives of external stakeholders, wherever relevant.								
3	Does the policy conform to any national/ international standards? If yes, specify?	The spirit of the Code of Conduct and the applicable laws and standards are captured in the policies formulated by the Company. The policies are based on and are in compliance with the applicable regulatory requirements.								
4	Has the policy been approved by the Board?	Y	Y3	Y3	Y3	Y3	Y3	NA	Y	NA
	If yes, has it been signed by MD/ Owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	NA	Y	NA
5	Does the company have a specified Committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	NA
6	Indicate the link for the policy to be viewed online?	Y4	Y5	Y5	Y5	Y5	Y5	NA	Y4	NA
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to the key internal stakeholders of the Company. The communication is an on-going process.								
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	NA	Y	NA
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	NA	Y	NA
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	As part of compliance with the ISO standards adopted by the Company, an external agency evaluates the implementation of the ISO standards on annual basis. Apart from this, the Company also undertakes periodical reviews to ensure adherence to various policies.								

1. Public Policy: The Company doesn't have a separate policy for dealing with policy advocacy. For advocacy on matters relating to the cement industry, the Company works through various trade/industry associations such as CII, CMA and CSI.
2. Customer relations: The Company doesn't have a standalone policy on customer relations. It has a customer centric approach which leads to high level of customer satisfaction. The Company stands fully committed to supply technically superior products to its customers as well as provide integrated solutions through its technical services team for sustainable construction practices. The Company also has a customer complaint redressal system.
3. The Board has taken note of the Policy in this regard.
4. These Policies are available on the website of the Company at the following links:-
<http://www.mycemco.com/sites/default/files/Code-of-Conduct1.pdf>
<http://mycemco.com/sites/all/modules/custom/shareholdingpattern/HCIL-CSR-Policy.pdf>
5. These Policies are available on internal portal, which can be easily accessed by employees of the Company.

b) If answer to question at Sr. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S. No.	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principle(s).	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task.	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year.	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify).	-	-	-	-	-	-	-	-	-

3). Governance related to BR

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The Managing Director and top management review the BR performance of the Company during the monthly review meetings. The action points that emerge from the discussions at these meetings are recorded, implemented and reviewed in subsequent meetings. Besides, the CSR Committee of the Board reviews the social performance of the Company on half-yearly basis.

b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Business Responsibility Report of the Company is published as part of Annual Report. The report can be accessed at www.mycemco.com.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

The Company's Code of Conduct (the "Code") requires the employees to act with high standards of personal and professional ethics and integrity and to comply with the applicable laws. The Company fosters a culture of ethics by making sensitization with the Code an integral part of the induction training programme for its new recruits. The Code is made readily accessible on the Company's website and intranet. The Code and the Anti-corruption Policy of the Heidelberg Cement Group (which has been adopted by the Company) defines and deals with the transgressions such as deception, bribery, forgery, and corruption committed by any employee. Adequate measures are taken to educate and train employees, suppliers and other stakeholders and sensitise them about the Company's expectations on ethical conduct.

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it

extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Code relating to ethics, bribery and corruption covers the Company only. The Company does not have any joint ventures in India. The Company encourages its affiliates operating in India to follow the principles envisaged in the Code. The Company also has a Suppliers' Code of Conduct which must be signed by each supplier as part of the regular contract documents before transacting any business with the Company.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the year under review no complaint was received from shareholders. Similarly no complaint was received from any of the other stakeholders under the vigil mechanism established by the Company.

Principle 2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

1. Portland Pozzolana Cement
2. Portland Slag Cement

The Company manufactures only the above two types of cement, meaning thereby that 100 percent of company's products get covered under this aspect.

As an active member of the Cement Sustainability Initiative (CSI) of the World Business Council for Sustainable Development (WBCSD), the Company stands fully committed to the sustainable development of its business activities, with focus on safety, health and environment. Steps were taken to reduce carbon footprint through reduction of specific power consumption and specific fuel consumption and increased usage of cementitious materials like flyash and slag.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product:

a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

Alternate materials like flyash, chemical gypsum, slag etc., were used during production process which helped in conserving natural raw materials. Alternative fuels were used in kilns which lead to reduction in usage of coal and other fuels. The Company also recycles waste water and has also made arrangements for rainwater harvesting and recharging of ground water. The reduction in specific power and fuel consumption is highlighted below:

Consumption per unit of production	Current Year (FY 2017-18)	Previous Year (FY 2016-17)
Electrical Energy (kwh)/ Tonne of Cement)	74.6	76.2
Coal and other Fuels (k Cal/Tonne of Clinker)	708	715

b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The cement produced by the Company conforms to the BIS parameters and is purchased by numerous consumers for various purposes. Therefore, it is not possible for the Company to ascertain the reduction in the energy/water consumption during its usage.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has procedures in place for sustainable sourcing of material and their transportation. Limestone is the primary raw material for manufacturing of cement. The Company uses the latest mining techniques to be cost effective in its operations and avoid wastage. The transportation of limestone from Patheria mine to Narsingarh Clinkerisation plant is done in a sustainable manner via 21 km long Overland Belt Conveyor (OLBC). Despite being capital intensive, OLBC has been helping reduce our carbon footprint and also the transportation cost. In order to optimise and thereby conserve Limestone, the Company has been producing blended cement only, thus producing more cement from every ton of clinker. Consequently, the life of the mines is also getting extended.

With a belief that sustainable transportation is attained through less polluting and fuel-efficient transportation mix, most of the bulk material is transported inward by rail.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding the place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company accords priority to local suppliers, wherever possible. Goods and services like horticulture, housekeeping, contract labour, general maintenance, canteen and other similar services are sourced locally. The Company's contractors deploy labour from nearby communities, who are made aware and trained on Company's health and safety priorities before commencing work.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%,

5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company efficiently uses industrial waste such as flyash, blast furnace slag, ink sludge, chemical gypsum, etc. as well as solid municipal waste to substitute the raw materials and fuel required for producing cement. Additionally, the Company utilizes the waste heat generated by the linkerisation lines to generate power at its Narsingarh Plant.

Principle 3: Businesses should promote the well-being of all employees.

The company treats its human capital as the most vital asset. Making available a safe workplace, friendly policies, growth and learning opportunities, and a good work-life balance to employees features high on the Company's priorities. The Company ensures that safety policies are adhered to even by the outsiders / contract labour.

1. Please indicate the Total number of employees.

The total number of employees as on 31st March 2018 was 1315.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

Total number of employees hired on temporary/contract/casual basis was 1861.

3. Please indicate the Number of permanent women employees.

The Company had 31 permanent women employees as on 31st March 2018.

4. Please indicate the Number of permanent employees with disabilities.

There are no employees in the Company with disabilities.

5. Do you have an employee association that is recognised by the management?

Yes, the Company has recognized unions affiliated to various trade unions' bodies.

6. What percentage of your permanent employees are members of the recognised employee associations?

All the workmen (619 numbers) comprising 47.03% of the total permanent employees are members of recognized unions.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.

The Company did not receive any complaint pertaining to child labour, forced labour or involuntary labour during the FY 2017-18. A complaint was received relating to sexual harassment against an employee of the Company which was dealt with in accordance with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaint was pending as at 31st March 2018.

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Safety of the employees is paramount to the Company. It is mandatory for new employees to undergo safety trainings, including firefighting training as part of their induction process. For shop floor workers, periodic safety trainings are organised throughout the year. The Company strives to cover majority of its employees under various training programmes. The coverage of the Company's training programmes is given below:

a) Permanent Employees	90%
b) Permanent Women Employees	80%
c) Casual/Temporary/Contract Employees	60-70%
d) Employees with Disabilities	NA

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

Identifying the stakeholders and engaging with them to understand their needs is an essential part of our sustainability plan.

1. Has the Company mapped its internal and external stakeholders? Yes/No.

Yes, the Company has established processes for identifying and engaging with stakeholder groups. Internal and external stakeholders of the Company comprise employees and their families, shareholders, local community, regulatory authorities, C&F agents, dealers, suppliers and customers.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

The Company has identified the communities around its manufacturing units as the disadvantaged, vulnerable and marginalized stakeholders.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof in about 50 words or so.

The Company contributes to the economic and social development of the local communities through a slew of measures such as healthcare camps, education, community development, school supplies, vocational studies, sanitation, drinking water, roads and other activities. Participation of local communities is encouraged to strengthen the bond and create ownership and involvement to maintain the assets created through its CSR projects.

Principle 5: Businesses should respect and promote human rights.

According to international conventions, the term 'human rights' covers a host of aspects including freedom of

association, collective bargaining, non-discrimination, gender equality, avoidance of child and forced labour among others. The Company firmly believes that respecting human rights is essential for a fair and just society and ensures compliance with the applicable laws governing the human rights as well as its own policy formulated in this regard.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Human Rights Policy of the Company covers the aspects relating to human rights such as prevention of child and forced labour, compliance with occupational health and safety standards and the principles of non-discrimination at work place. The Company does not have any joint venture in India. However the Company encourages its affiliates operating in India as well as its suppliers and contractors to follow the same.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company did not receive any stakeholder complaint in FY2017-18 relating to human rights.

Principle 6: Businesses should respect, protect and make efforts to restore the environment.

Respecting, protecting and conserving the environment are accorded utmost focus by the Company. Incorporating eco friendly measures, including best in class technology and processes and ensuring optimal utilization of resources, helps us to make effective contribution towards this objective.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

The Policy on Environment covers the Company only as the Company does not have any joint venture in India. The Company annexes requirements on environment protection and compliance with the applicable regulatory requirements along with the contracts executed with its vendors. The Company also encourages its affiliates operating in India to follow the same practice.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming etc? Y/N. If yes, please give hyperlink for web page etc.

The Company is committed and aligned with Heidelberg Cement Group's Sustainability Commitments 2030 covering water, air, land, occupational health and safety, circular economy, people and communities. In line with these commitments the Company is taking initiatives for environment protection and conservation.

The Company is a member of the Cement Sustainability Initiative ("CSI") of the World Business Council for Sustainable Development ("WBCSD"). This engagement

has given better understanding of the environmental and climate change initiatives. The Company has addressed environment and climate change issues with clear goals, targets and achievements. The Company proactively measures carbon footprint as per Cement Sustainability Initiatives CO2 protocol. The details of initiatives taken by the Company in this regard are available on the Company's website at the link:

<http://mycemco.com/about-us/environment>.

3. Does the Company identify and assess potential environmental risks? Yes/No

The Company has put systems in place to ensure continuous monitoring of potential environmental risks involved in its operations. All the manufacturing plants are certified as per the ISO-14001 environment management system and integrated with quality and safety management systems (ISO 9001 and OHSAS 18001). All plants identify environment aspects and impact and maintain a register in this regard. Significant aspects are managed through Environment Management Programmes (EMPs) which are biannually reviewed by the management. The periodic audits conducted as part of these management systems help the Company in identifying potential risks and take suitable actions to mitigate the risks. For new projects, potential environmental risks are identified while preparing Environment Impact Assessment and Risk Assessment reports which are addressed at the design stage itself.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Currently we do not have any project registered under the Clean Development Mechanism.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The Company generated 69,448 Mega Watt of power from the Waste Heat Recovery Power Plant at Narsingarh, which was about 40% of the total power requirement of Narsingarh clinkerization plant during FY2017-18. A thermal power plant for generation of equivalent units of power would have consumed 58,814 tonnes of coal and emitted 49,000 tonnes of CO₂, which is equivalent to CO₂ sequestration by 1.2 million trees grown over a period of 10 years (as per US- EPA).

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB (Central Pollution Control Board)/SPCB (State Pollution Control Board) for the financial year being reported?

Yes, the emissions / waste generated by the Company are within the permissible limits given by CPCB / SPCB.

7. Number of show cause/ legal notices received from CPCB /SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

The Company provides its suggestions on public or regulatory aspects, as and when necessary, through the trade associations and chambers of commerce of which the Company is a member. The Company also articulates the larger interest of the industry and the community at the aforesaid forums. All this is always done with a complete sense of responsibility.

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.

Yes. The Company is a member of the following trade associations:

- a) Confederation of Indian Industry(CII)
- b) Cement Manufacturers' Association (CMA)
- c) Cement Sustainability Initiative (CSI), a body of World Business Council for Sustainable Development.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No. If yes, specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes. The Company has always been a proponent of the sustainable business practices and energy security. Following are the broad areas of its advocacy:

- 1. Use of Alternative Fuels
- 2. Sustainable Mining Practices
- 3. Waste Management
- 4. Energy Conservation
- 5. Promotion of concrete roads

Principle 8: Businesses should support inclusive growth and equitable development.

The Company believes in creating opportunities for communities located around its plants with a view to enable a shared future and inclusive growth.

1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company has formulated programs to pursue policies on inclusive growth and equitable development. These cover education, basic healthcare, women empowerment, sustainable livelihood and rural development. The details of the CSR activities

undertaken by the Company are set out in the Corporate Social Responsibility section of the Board's Report.

2. Are the programmes / projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organisation?

All such programmes / projects are generally undertaken and implemented by the in-house teams. The Company also collaborates with District Authorities, Village Panchayats, NGOs and like-minded stakeholders for various CSR initiatives.

3. Have you done any impact assessment of your initiative?

Impact assessment is conducted on regular basis in the nearby villages. Based on these assessments, the Company decides upon appropriate interventions to be undertaken.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

The Company has spent INR14.75 million on various CSR activities during FY2017-18. The details of the amount spent and areas covered are given in Annexure-A to the Board's Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The Company follows a participatory approach and encourages suggestions from the local communities, while planning and implementing various projects/activities. There is continuous engagement with local communities to understand their needs and concerns. This participation has strengthened the bond with the local communities and reinforced the relationship.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Placing customers at the core of its business activities, the Company instills an organization-wide culture of customer centricity through a slew of measures such as a dedicated Customer Support Services Department, sensitising and training employees towards customer needs and concerns etc.

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year?

Resolving the consumer complaints at the earliest is the top most priority and the motto of the company. There were 12 consumer cases pending before different Forums/ Commissions/Courts as on 31st March 2018.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information).

Cement being a standardised product, the Company displays product information on the cement bags which is mandated as per the provisions of Bureau of Indian Standards(BIS) Act 2016, Legal Metrology Act 2011 and the rules made thereunder.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on the end of financial year. If so, provide details thereof, in about 50 words or so.

The Company does not indulge in unfair trade practices, irresponsible advertising and/or anti-competitive behavior. It respects the rights of the stakeholders and treats consumers as a key stakeholder. No case has been filed against the Company in this regard during the last five years.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Under the Customer Excellence Program, the Company carried out Net Promoter Score (NPS) survey to elicit insights on customer needs and also their feedback. The exercise helped identify key loyalty drivers and the Company is leveraging upon them to further boost customer satisfaction.

Report on Corporate Governance

CORPORATE GOVERNANCE PHILOSOPHY

The Company believes that sound ethical practices, transparency in operations and timely disclosures go a long way in enhancing long-term shareholders' value while safeguarding the interest of all the stakeholders. It is this conviction that has led the Company to make strong corporate governance values integral to all its operations. The Company is led by a distinguished Board, which includes independent directors. The Board provides strong oversight and strategic counsel. The Company has established systems and procedures to ensure that the Board of the Company is well-informed and well-equipped to fulfill its oversight responsibilities and to provide management the strategic direction it needs.

The Company is in compliance with the provisions stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of compliances, for the financial year ended 31st March 2018, are as follows :-

BOARD OF DIRECTORS

Composition of the Board

As on 31st March 2018, the Company's Board comprised of Nine Directors viz., Seven Non-Executive Directors (out of which three are Independent Directors); a Managing Director and a Whole-time Director. The Chairman of the Board is an Independent Director. None of the directors of the Company are related to each other.

The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which stipulates that: (i) the Board should have at least a woman director; (ii) not less than 50% of the Directors should be Non-Executive Directors; and (iii) where the Chairman of the Board is a Non-Executive Director not related to the promoter group, at least one-third of the Board should comprise of independent directors.

Number of Board Meetings

During the financial year ended 31st March 2018, the Board of Directors met four times on 25th May 2017, 28th July 2017, 27th October 2017 and 8th February 2018. The maximum time gap between any two consecutive board meetings was less than 120 days.

The composition of the Board of Directors, their attendance at the Board Meetings and the number of other Directorships / Committee positions held by them as on 31st March 2018 are as under:

Sr. No.	Name of the Director	Category / Status of Directorship	No. of Board Meetings attended during the period 01.04.2017 to 31.03.2018	No. of Directorship(s) in other Public Limited Companies*	No. of Committee positions held in other Public Limited Companies**		No. of Equity Shares held in the Company
					Member	Member and Chairman	
1.	Mr. P.G. Mankad, Chairman DIN: 00005001	Independent	4	2	1	-	-
2.	Dr. Albert Scheuer DIN: 02170574	Non-Executive	2	-	-	-	-
3.	Mr. Kevin Gerard Gluskie DIN: 07413549	Non-Executive	4	2	-	2	-
4.	Mr. S. Krishna Kumar DIN: 01785323	Independent	4	-	-	-	-
5.	Mr. Pradeep V. Bhide DIN: 03304262	Independent	4	6	4	3	-
6.	Ms. Soek Peng Sim DIN: 06958955	Non-Executive	3	3	-	-	-
7.	Mr. Juan-Francisco Defalque DIN: 07318811	Non-Executive	3	2	-	-	-
8.	Mr. Jamshed Naval Cooper DIN: 01527371	Executive	4	4	-	-	-
9.	Mr. Sushil Kumar Tiwari DIN: 03265246	Executive	4	2	-	-	-

* Directorships in Private Limited Companies, Foreign Companies and Companies governed by section 8 of the Companies Act, 2013 are excluded for this purpose.

** Only Audit Committee and Stakeholders' Relationship Committee have been considered for the purpose of the Committee positions as per listing regulations.

Code of Conduct for Board Members and Senior Management Personnel

The Board had approved a Code of Conduct for Board Members and Senior Management Personnel of the Company which also incorporates the duties of independent directors as laid down in the Companies Act, 2013. The Code has been displayed on the Company's website viz., www.mycemco.com. The Board Members and Senior Management Personnel have affirmed compliance with the aforesaid Code. A declaration signed by the Managing Director in this regard is attached and forms part of this Report.

Directors with Materially Significant Pecuniary Relationships or Business Transactions with the Company

The Company does not have any pecuniary relationship with any of the Directors and has not entered into any transaction, material or otherwise, with them except for the remuneration / sitting fees and payments / reimbursement of travelling, lodging and boarding expenses.

BOARD LEVEL COMMITTEES

The Company has the following Board Level Committees:

- Audit Committee;
- Stakeholders' Relationship Committee;
- Corporate Social Responsibility Committee; and
- Nomination and Remuneration Committee.

The Board of the Company takes all decisions with regard to constituting, assigning, co-opting, delegating and fixing the terms of reference of the Committees. Recommendations / decisions of the Committees are submitted / informed to the Board for approval / information.

Audit Committee

The Audit Committee of the Company as on 31st March 2018 comprised four members namely, Mr. S. Krishna Kumar (Chairman of the Committee), Mr. P.G. Mankad, Mr. Pradeep V. Bhide and Ms. Soek Peng Sim. During the financial year ended 31st March 2018, the Audit Committee met five times on 25th May 2017, 28th July 2017, 22nd September 2017, 27th October 2017 and 8th February 2018. The time gap between any two meetings of the Audit Committee was less than four months. The quorum for the meetings of the Audit Committee is one-third of the members of the Committee, subject to a minimum of two independent directors present at the meeting.

The details of attendance of the members of Audit Committee are given below:

S.No.	Name of the Member	No. of Meetings Attended
1	Mr. S. Krishna Kumar	5
2	Mr. P.G. Mankad	5
3	Mr. Pradeep V. Bhide	5
4	Ms. Soek Peng Sim	3

The role of the Audit Committee is to provide oversight over the accounting systems, financial reporting, related party transactions and internal controls of the Company. The powers and role of the Audit Committee are as set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The terms of reference of the Committee are available on the website of the Company, www.mycemco.com.

The Company Secretary acts as the Secretary to the Committee. The Managing Director, Chief Financial Officer and the representative(s) of the Statutory Auditors and the Internal Auditors are invited to attend the meetings of the Audit Committee. The Chairman and all the other members of Audit Committee possess accounting and financial management expertise.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee as on 31st March 2018 comprised three members namely, Mr. P.G. Mankad (Chairman of the Committee), Mr. Pradeep V. Bhide and Mr. Jamshed Naval Cooper. The terms of reference of the Committee are available on the website of the Company, www.mycemco.com. During the financial year ended 31st March 2018, the Committee met four times on 25th May 2017, 28th July 2017, 27th October 2017 and 8th February 2018 to take note of shareholders' grievances and to review other matters relating to investors' servicing. The details of attendance of the members of the Stakeholders' Relationship Committee are given below:

S.No.	Name of the Member	No. of Meetings Attended
1	Mr. P.G. Mankad	4
2	Mr. Pradeep V. Bhide	4
3	Mr. Jamshed Naval Cooper	4

Mr. Rajesh Relan, Legal Head & Company Secretary is the Compliance Officer of the Company and also acts as Secretary to the Committee. During the period under review no complaints were received from shareholders. There were no pending investor complaints as on 31st March 2018.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee as on 31st March 2018 comprised three members, namely, Mr. S. Krishna Kumar (Chairman of the Committee), Mr. Kevin Gerard Gluskie and Mr. Sushil Kumar Tiwari. During the financial year ended 31st March 2018 the Committee met twice on 25th May 2017 and 27th October 2017. The terms of reference of the Committee are in line with the provisions of the Companies Act, 2013 and the Rules made thereunder. The terms of reference of the Committee are available on the website of the Company, www.mycemco.com. The details of attendance of the members of the Corporate Social Responsibility Committee are given below:

S.No.	Name of the Member	No. of Meetings Attended
1	Mr. S. Krishna Kumar	2
2	Mr. Sushil Kumar Tiwari	2
3	Mr. Kevin Gerard Gluskie	2

Nomination and Remuneration Committee

The Nomination and Remuneration Committee as on 31st March 2018 comprised three members, namely, Mr. Pradeep V. Bhide (Chairman of the Committee), Mr. P.G. Mankad and Mr. Kevin Gerard Gluskie. During the financial year ended 31st March 2018, the Committee met thrice on 25th May 2017, 28th July 2017 and 8th February 2018. The terms of reference of the Committee are in line with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013 and the Rules made thereunder. The terms of reference of the Committee are available on the website of the Company, www.mycemco.com. The details of attendance of the members of the Nomination and Remuneration Committee are given below:

S.No.	Name of the Member	No. of Meetings Attended
1	Mr. Pradeep V. Bhide	3
2	Mr. P.G. Mankad	3
3	Mr. Kevin Gerard Gluskie	3

Nomination and Remuneration Policy

The Board on the recommendation of the Nomination and Remuneration Committee (NRC) has approved a Nomination and Remuneration Policy for Directors and Senior Management Personnel. The said policy provides that while considering a proposal for appointment of a director, NRC shall inter alia consider his/her qualifications, positive attributes, areas of expertise, independence and the number of directorships and memberships in Board level committees held by such person in other companies. The Board considers the recommendations of NRC and takes appropriate decision.

The said Policy also provides that while determining the remuneration it should be ensured that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, senior management personnel and other employees. The remuneration is divided into two components namely, fixed component comprising salaries, perquisites, allowances, retirement benefits etc., and variable component comprising performance based incentive. Appropriate balance between fixed and variable pay is maintained so as to be focussed on both short term as well as long term performance objectives.

The annual increments and performance incentives are decided through a structured performance management system, which takes into account criticality of the roles and responsibilities, employees' competencies and performance, the Company's performance vis-à-vis the achievement of annual operating plan, individuals performance vis-à-vis Key Performance Indicators (KPIs), industry benchmark and current compensation trends in the market. The Nomination and Remuneration Policy is given as Annexure C to the Board's Report.

Criteria for payment of sitting fee to Non-Executive Directors

The Board of Directors at its meeting held on 28th July 2017 revised the sitting fee payable to non-executive independent directors for attending meetings of the Board and its Committees. The revised sitting fee structure is as follows:

Name of Meeting	Amount payable to each director per meeting (Rs.)
Meeting of Board of Directors	80,000
Meeting of Audit Committee	60,000
Meeting of Nomination and Remuneration Committee	40,000
Meeting of Corporate Social Responsibility Committee	40,000
Meeting of Stakeholders' Relationship Committee	40,000
Meeting of Independent Directors	40,000

Sitting Fee paid to Non-Executive Independent Directors during FY2017-18

Name of the Director	Board Meetings	Audit Committee Meetings	Stakeholders' Relationship Committee Meetings	No. of meetings attended			Sitting fees paid from 1.4.2017 to 31.03.2018*
				Nomination and Remuneration Committee Meetings	Corporate Social Responsibility Committee Meetings	Meeting of Independent Directors	
Mr. P.G. Mankad, Chairman	4	5	4	3	N.A.	1	8,70,000
Mr. S. Krishna Kumar	4	5	N.A.	N.A.	2	1	6,80,000
Mr. Pradeep V. Bhide	4	5	4	3	N.A.	1	8,70,000

* Sitting fee paid to Non-Executive Independent Directors shown in the table given above is gross. The payment has been made to Directors after deduction of tax at source. Further, pursuant to the reverse charge mechanism, the Company as recipient of service has deposited Service Tax/GST on the sitting fees paid to Directors.

The Company has not paid any remuneration or sitting fees to its non-resident directors namely, Dr. Albert Scheuer, Mr. Kevin Gerard Gluskie, Ms. Soek Peng Sim and Mr. Juan-Francisco Defalque during the financial year ended 31st March 2018.

Remuneration of Whole-time Director

The details of the Remuneration paid to Mr. Sushil Kumar Tiwari, Whole-time Director, during FY2017-18 are given below:-

	(₹)
Basic Salary	5,396,760
Perquisites & Allowances	13,114,419
Variable Pay #	5,748,947
Contribution to PF and Superannuation Fund	1,457,125
Total	25,717,251

Variable Pay of Whole-time Director can vary between 0% and 200% of the base amount depending upon individual and Company's performance after evaluation of the performance against the targets set in the beginning of the year.

The notice period of Whole-time Director is three months. The Company does not pay any sitting fee/commission/remuneration to Mr. Jamshed Naval Cooper, Managing Director. The remuneration of Mr. Cooper is being borne and directly paid by Heidelberg Cement AG, the ultimate holding company. The notice period of Mr. Jamshed Naval Cooper, Managing Director is six months. The Company does not have any Stock Option Scheme.

Familiarisation programmes for Board Members

The Board members are provided with necessary documents to enable them to familiarise with the Company's procedures and practices. Presentations are made at Board Meetings with respect to strategy, business model, operations, markets, business environment, risk management, competitive benchmarking, etc. The Board is also updated from time to time on matters relating to changes in the regulatory framework including tax laws.

At the time of appointment, an Independent Director is given a formal letter of appointment describing the role, functions, duties and responsibilities expected from him/ her as a Director of the Company. The Director is also briefed on the compliances required from him under the Companies Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations. The Managing Director also has a one-to-one discussion with the newly appointed Director which helps the newly appointed Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him/her to effectively fulfil his/her role as a Director of the Company.

The details of familiarisation programmes for Independent Directors are posted on website of the Company and the same can be accessed at the web-link given below:-

http://mycemco.com/sites/default/files/Familiarisation_programme_for_Independent_Directors.pdf

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Performance Evaluation Policy has been formulated containing the criteria and methodology for facilitating performance evaluation of the Board as a whole, Committees of the Board and the directors individually. In accordance with the criteria contained in the said Policy, the Board has carried out performance evaluation of its own performance, its Committees and the Independent Directors. The Nomination and Remuneration Committee has also evaluated the performance of all the Directors.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors at their separate meeting. The Directors have expressed their satisfaction on the outcome of the performance evaluation.

Meeting of Independent Directors

During the financial year ended 31st March 2018, the independent directors of the Company met on 8th February 2018 for performance evaluation of non-independent directors and Board as a whole; performance evaluation of Chairman of the Company and evaluation of the quality, content and timeliness of flow of information between the management and the Board. All the Independent Directors were present at the said meeting. The independent directors have expressed satisfaction on the outcome of the performance evaluation.

Subsidiary

The Company does not have any subsidiary company.

Related Party Transactions

All the transactions between the Company and its related parties during the financial year ended 31st March 2018 were in the ordinary course of business and on an arm's length basis. The particulars of such transactions have been disclosed in the notes to accounts of the Balance Sheet presented in the Annual Report. During the year under review, the Company has not entered into any related party transaction exceeding the threshold limit provided under the Companies Act, 2013/ Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A statement containing the details of all the related party transactions is placed before the Audit Committee on a quarterly basis, specifying the nature and value of the transactions.

The Company has in place a Policy on Related Party Transactions and a framework for the purpose of assessing the basis of determining the arm's length price of relevant transactions. The same have been posted on the Company's website. The web-link to access the said policy and framework is as follows:

<http://mycemco.com/sites/default/files/Related%20Party%20Transaction%20Policy.pdf>

Management Discussion and Analysis

This Annual Report has a detailed chapter on Management Discussion and Analysis.

Disclosures

Wherever necessary, Directors and Senior Management Personnel make disclosures to the Board relating to all the material financial and commercial transactions where they have a personal interest that may create a potential conflict with the interest of the Company at large. All the related party transactions have been disclosed in the notes to the accounts of the Balance Sheet presented in the Annual Report. All the Directors have disclosed their interest in Form MBP-1 pursuant to Section 184 of the Companies Act, 2013 and Rules made thereunder and as and when any changes in their interests take place, they are placed at the following Board Meeting for taking the same on record.

The Board of Directors of the Company annually review the adoption of the 'discretionary requirements' under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Vigil Mechanism/Whistle Blower Policy

The Company is committed to develop a culture where it is safe for employees to raise genuine concerns or grievances about unethical behaviour, conflict of interest, mismanagement, fraud and violation of Code of Conduct. The Company has put in place a Vigil Mechanism/Whistle Blower Policy to deal with such instances. The purpose of this policy is to provide a framework for an effective vigil mechanism and to provide protection to employees or directors against victimization who report such genuine concerns. The Vigil Mechanism/Whistle Blower Policy is posted on the website of the Company. No grievance was received from any employee during the year under review. No employee was denied access to the Audit Committee in this regard.

Disclosure of Accounting Treatment in preparation of Financial Statements

The Company had adopted Indian Accounting Standards (Ind-AS) from 1st April 2016. The financial statements of the Company for the financial year ended 31st March 2018 as well as for 31st March 2017 presented in this Annual Report are Ind-AS compliant.

Details of Non-compliance by the Company in the last three years

The Company has complied with all the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority in connection with violation of capital market norms, rules, regulations, etc. in the last three years.

Risk Management

The Company has a structured Risk Management Policy. The business risks have been classified under the broad heads -

strategic, operational, financial and legal & compliance risks. The Company's risk management policy lays down a bottom-up process comprising risk identification, analysis and evaluation, treatment and control. The business risks are evaluated by the Audit Committee and the Board of Directors on a quarterly basis.

Means of Communication

The quarterly and annual financial results are usually published in the English and Hindi editions of Business Standard. The Quarterly / Annual Financial Results, Shareholding Patterns, Annual Reports, Corporate Announcements etc., are displayed on the websites of the stock exchanges (BSE & NSE), as well as on the Company's website – www.mycemco.com and the same can be accessed thereat.

The Company attends the earnings calls/investors' conferences organised by the recognised market intermediaries and the presentations, if any, given to investors/analysts at such conferences are submitted to the stock exchanges and simultaneously also posted on the Company's website for information of the investors.

During the year under review presentations were made to the Institutional Investors/Analysts after announcement of financial results and the same can be accessed at the Company's website, www.mycemco.com. The Company's website, www.mycemco.com also contains transcripts of earnings' call and other useful information as required to be displayed pursuant to Regulation 46(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

GENERAL SHAREHOLDERS INFORMATION:

DIRECTORS

Appointment/Resignation of Directors

There was no change in the Board of Directors during the financial year ended 31st March 2018.

Retirement by rotation

Mr. Juan-Francisco Defalque (holding DIN 07318811) retires by rotation at the ensuing AGM and being eligible has offered himself for re-appointment. His brief profile is given in the Notice of AGM.

Independent Directors: Mr. P.G. Mankad (DIN: 00005001), Mr. S. Krishna Kumar (DIN: 01785323) and Mr. Pradeep V. Bhide (DIN: 03304262) were appointed as Independent Directors by the members for a term of five years from 1st April 2014 up to 31st March 2019 in the 55th AGM held on 19th June 2014 and they continue to be on the Board of Directors. All the independent directors have submitted declarations to the Company that they fulfil the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

General Meetings of Shareholders

The details of the Annual General Meetings (AGM) of shareholders held during the last three years are given below:

Financial Year ended	Date & Time	Venue	Details of Special Resolutions passed at AGM
31.3.2017	22.09.2017, 9.30 A.M.	Auditorium in Apparel House Building, Sector 44, Institutional Area, Gurugram, Haryana.	For Re-appointment of Mr. Sushil Kumar Tiwari (holding DIN 03265246) as Whole-time Director of the Company from 10th June 2017 till 9th June 2019.
31.03.2016	21.09.2016, 9.30 A.M.	Epicentre, Apparel House, Sector 44, Institutional Area, Gurugram, Haryana.	No Special Resolution was passed.
31.03.2015 (fifteen months)	07.08.2015, 9.30 A.M.	Epicentre, Apparel House, Sector 44, Institutional Area, Gurugram, Haryana	a) For Re-appointment of Mr. Sushil Kumar Tiwari (holding DIN 03265246) as Whole-time Director of the Company from 10th June 2015 till 9th June 2017. b) For amendment of Articles of Association of the Company.

Mr. P.G. Mankad, Chairman of the Board of Directors as well as Chairman of Stakeholders' Relationship Committee; Mr. S. Krishna Kumar, Chairman of the Audit Committee; Mr. Pradeep V. Bhide, Chairman of the Nomination and Remuneration Committee; Mr. Jamshed Naval Cooper, Managing Director and Mr. Sushil Kumar Tiwari, Whole-time Director of the Company were present at the last AGM held on 22nd September 2017.

Postal Ballot

The Company has not passed any Resolution through Postal Ballot during the financial year ended 31st March 2018. There is also no proposal to pass any resolution through Postal Ballot before the ensuing AGM.

Annual General Meeting

Date : 21st September 2018
Day : Friday
Time : 9.30 A.M.
Venue : Auditorium in Apparel House Building,
Sector 44, Institutional Area, Gurugram, Haryana.

Financial Calendar for 2018-19

Proposed Board Meetings for approving quarterly financial results for the financial year 2018-19 are as under:

Approval of the financial results for the quarter ending 30th June 2018, 30th September 2018 and 31st December 2018.	Within 45 days from the end of the respective quarter
Audited financial results for financial year ending 31st March 2019.	Within 60 days from the end of the financial year
AGM for the financial year ending 31st March 2019.	August / September 2019.

Book Closure: 15th September 2018 to 21st September 2018 (both days inclusive).

Dividend: The Board of Directors has recommended dividend of INR 2.50 per equity share of INR 10 each (25%) for FY 2017-18, subject to the approval of the members at the ensuing AGM. The dividend will be paid within 30 days from the date of AGM.

Stock Exchanges where shares are listed	Stock Code / Trading Symbol
BSE Ltd. (BSE)	500292
Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai - 400001	
National Stock Exchange of India Ltd. (NSE)	HEIDELBERG
Exchange Plaza, C/1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai - 400 051	

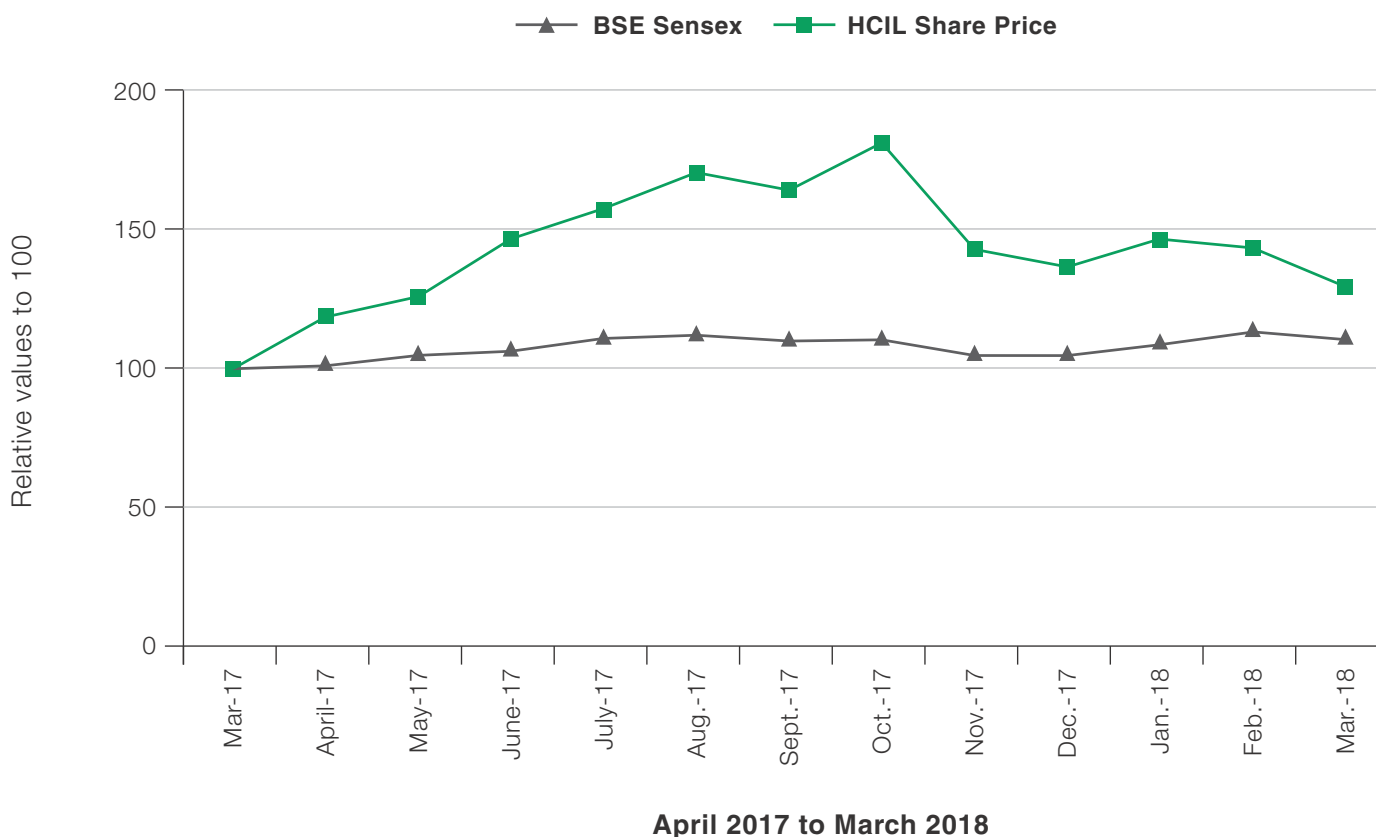
There are no arrears of listing fees to be paid to BSE and NSE.

Share Price Data

Share Price of HeidelbergCement India Ltd. at BSE & NSE during the financial year ended 31st March 2018 is given below:

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 17	138.55	125.15	138.90	124.75
May 17	141.30	118.10	141.40	118.30
June 17	135.00	123.30	134.80	123.20
July 17	142.25	124.20	142.70	123.90
August 17	129.25	110.00	129.60	109.00
September 17	132.45	117.50	132.00	116.60
October 17	162.70	117.60	162.00	117.80
November 17	175.00	142.35	174.90	145.00
December 17	162.00	148.10	162.40	148.10
January 18	189.25	150.45	189.95	151.30
February 18	167.65	133.40	167.40	134.00
March 2018	160.10	141.00	161.00	140.6

Comparison of Share Price of HeidelbergCement India Ltd. with BSE Sensex



Shareholding Pattern as on 31st March 2018

Category	No. of Equity Shares	% of Equity shareholding
Promoters (Foreign Body Corporate)	157,244,693	69.39
Mutual Funds	7,113,656	3.14
Financial Institutions & Banks	39,676	0.02
Central /State Government	328,440	0.14
Insurance Companies	6,384,357	2.82
FII's	26,345,312	11.63
NRIs & OCBs	1,319,710	0.58
Bodies Corporate	5,669,335	2.50
Trusts	59,827	0.03
Resident Individuals	21,622,005	9.54
Clearing members	483,797	0.21
LLP & Foreign Nationals	2,308	-
Total	226,613,116	100.00

Distribution Schedule of Equity Shares as on 31st March 2018

No. of equity shares of Rs. 10 each	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1-500	45,171	86.62	6,311,268	2.79
501-1000	3,635	6.97	3,000,290	1.32
1001-2000	1,636	3.14	2,536,119	1.12
2001-3000	549	1.05	1,424,980	0.63
3001-4000	250	0.48	906,924	0.40
4001-5000	211	0.40	1,011,956	0.45
5001-10000	331	0.63	2,511,814	1.11
10001 and above	363	0.70	208,909,765	92.19
Total	52,146	100.00	226,613,116	100.00

Dematerialisation of shares/liquidity/unclaimed shares

The Equity Shares of the Company are actively traded at BSE and NSE in dematerialised form only. International Securities Identification Number (ISIN) for both the depositories, viz., NSDL and CDSL is INE578A01017. As on 31st March 2018, 99.26% of the Equity Shares of the Company were held in dematerialised form. The shareholders who are still holding shares in physical form and wish to get their shares dematerialised can submit the share certificates together with the Demat Request Form to the Depository Participant with whom they have opened a demat account. The Company doesn't have any unclaimed shares with respect to its past public/rights issue of shares/convertible debentures.

Non-Convertible Debentures

The Company has on 16th December 2013 issued and allotted 370 unsecured, redeemable, non-convertible debentures ("Debentures") of face value of Rs. 10 million

each, aggregating to Rs. 3,700 million to HeidelbergCement AG for the purpose of refinancing the long term loans obtained from banks. The debentures are redeemable in three instalments at the end 6th, 7th and 8th year from the date of allotment.

The Debentures have been issued in dematerialized form and are listed at wholesale debt segment of BSE Limited. ISIN allotted by the Depositories is INE578A08012.

Share Transfer System

Share transfers are processed and share certificates duly endorsed are dispatched within a period of fifteen days from the date of receipt, subject to the submitted documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission, etc. of the Company's equity shares to the Company Secretary. The Company obtains from a Practising Company Secretary a half-yearly certificate regarding compliance with the share transfer formalities as required under Regulation 40(9) of the

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the said certificate with the Stock Exchanges.

The shareholders who wish to transfer their shares held in physical form can lodge the duly completed request for registration of transfer of shares with Integrated Registry Management Services Private Ltd., Bengaluru. In case of transfer of shares, deletion of name of deceased shareholder, transmission or transposition of names in respect of shares held in physical form it is mandatory to submit photocopy of PAN Card of the transferee(s), surviving holder(s), legal heir(s) and joint holder(s) respectively along with the request for transfer, transmission or transposition, as the case may be.

Outstanding warrants and their implications on equity

There are no outstanding GDRs, ADRs, convertible warrants or any other instruments convertible into equity shares.

Commodity price risk or foreign exchange risk and hedging activities

The External Commercial Borrowings of USD 125 million, which were fully repaid during FY2017-18, were hedged through Cross Currency Swaps to mitigate adverse impact of foreign exchange fluctuations. The foreign exchange exposure arising on account of imports are routinely managed by entering into forward contracts to the extent considered necessary. The details of foreign currency exposure are disclosed in notes to the Annual Accounts.

Addresses for correspondence

Registered Office:

Heidelberg Cement India Ltd.
9th Floor, Tower C, Infinity Towers
DLF Cyber City, Phase II
Gurugram, Haryana – 122002
Phone Nos. : 0124 – 4503700
Fax No. : 0124 – 4147699
E-mail-Ids : investors.mcl@mycem.in
rajesh.relan@heidelbergcement.in
shrivas.hari@heidelbergcement.in

Registrar & Transfer Agents:

Integrated Registry Management Services Private Ltd.
(Unit: HeidelbergCement India Ltd.)
30, Ramana Residency,
4th Cross, Sampige Road,
Malleswaram,
Bengaluru - 560 003, Karnataka
Phone Nos.:080-23460815 to 23460818
Fax No. : 080-23460819
Email-Ids: irg@integratedindia.in and vijayagopal@integratedindia.in

Debenture Trustee:

Axis Trustee Services Ltd.
Axis House, 2nd Floor,
Wadia International Centre,
Pandurang Budhkar Marg,
Worli, Mumbai – 400 025
Phone Nos : 022-24252525/43252525
E-mail-Ids : debenturetrustee@axistrustee.com

Plant Locations

(a) HeidelbergCement India Ltd.
P.O. Ammasandra
District Tumkur
Karnataka - 572211

(b) Diamond Cements
(Unit of HeidelbergCement India Ltd.)
P.O. Narsingarh,
District Damoh
Madhya Pradesh – 470675

(c) Diamond Cements
(Unit of HeidelbergCement India Ltd.)
Village Imlai
District Damoh
Madhya Pradesh - 470661

(d) Diamond Cements
(Unit of HeidelbergCement India Ltd.)
Village Madora
District Jhansi
Uttar Pradesh - 284121

Affirmation of Compliance with the Code of Conduct for Board Members and Senior Management Personnel

I declare that the Company has received affirmation of compliance with the “Code of Conduct for Board Members and Senior Management Personnel” laid down by the Board of Directors, from all the Directors and Senior Management Personnel of the Company, for the financial year ended 31st March 2018.

Place: Gurugram

Date: 24th May 2018

Jamshed Naval Cooper
Managing Director

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,

The Members of HeidelbergCement India Limited

We have examined the compliance of conditions of Corporate Governance by HeidelbergCement India Limited for the financial year ended 31st March 2018, as stipulated in the Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the 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 Corporate Governance as stipulated in the above mentioned Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that during the financial year ended 31st March 2018, no complaint was received from shareholders. As on 31st March 2018 there was no pending investor complaint.

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 Nityanand Singh & Co.
Company Secretaries

Place: New Delhi

Date: 24th May, 2018

Nityanand Singh
Proprietor
FCS No. 2668 CP No. 2388

Disclosure pursuant to Regulation 10(1) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Promoters and persons acting in concert: Cementum I B.V., HeidelbergCement AG, HeidelbergCement Asia Pte Ltd, CBR International Services S.A., Castle Cement Ltd., CBR Baltic B.V., CBR Portland B.V., Civil and Marine Slag Cement Ltd., BukhtarmaCement Company LLP, HeidelbergCement Romania SA, Cementa AB, Ceskomoravsky Cement, a.s, Duna-Drava Cement Kft, ENCI Holding N.V., Gorazdze Cement S.A., Hanson Ltd., CaucasusCement Holding B.V., HeidelbergCement Central Europe East Holding B.V., HeidelbergCement Danmark A/S, HeidelbergCement International Holding GmbH, HeidelbergCement Netherlands Holding B.V., HeidelbergCement Northern Europe AB, HeidelbergCement Norway a.s., HeidelbergCement Sweden AB, HeidelbergCement UK Holding Ltd., HeidelbergCement Ukraine Public Joint Stock Company, Kunda Nordic Tsement AS, Norcem AS, S.A. Cimenteries CBR, TvornicaCementa Kakanjd.d., Civil and Marine Inc., Lehigh Hanson, Inc., Lehigh B.V., Lehigh Hanson Materials Limited, Lehigh Southwest Cement Company, Permanente Cement Company, Butra HeidelbergCement Sdn. Bhd., Cimbenin S.A., Ciments du Togo S.A., Cochin Cements Ltd., Ghacem Ltd., HeidelbergCement Bangladesh Ltd., Liberia Cement Corporation Ltd., PT Indocement Tunngal Prakarsa Tbk, Scancem International DA, SierraLeone Cement Corp. Ltd., TPCC Tanzania Portland Cement Company Ltd., HC Trading B.V., HC Trading Malta Ltd., HC Fuels Limited, Zuari Cement Ltd., Gulbarga Cement Limited, Sitapuram Power Limited, Singha Cement (Private) Limited, Italcementi S.p.A. and CimentsFrançais S.a.s.



Independent Auditor's Report

To the Members of HeidelbergCement India Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Indian Accounting Standards (Ind AS) financial statements of HeidelbergCement India Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the statement of Cash Flows 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 Ind AS 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 financial position, 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 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.

Auditor's 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 thereunder.

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 the 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 the 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 obtained by us, 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 of the Company as at 31 March 2018, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative Ind AS financial statements of the company for the year ended 31 March 2017 included in these Ind AS financial statements were audited by predecessor auditors who expressed an unmodified opinion on those financial statements on 25 May 2017.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that:
 - 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.
 - 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.
 - The Ind AS Financial Statements dealt with by this Report are in agreement with the books of account.
 - In our opinion, the 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 31 March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 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 controls over financial reporting of the Company and the operating effectiveness of such controls, 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 (as amended), 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 – Refer Note 32 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.N. Dhawan & Co LLP**

Chartered Accountants

Firm's Registration No.: 000050N/N500045

Rajeev K Saxena

Partner

Membership No.: 077974

Place: Gurugram

Date: 24 May 2018

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of HeidelbergCement India Limited on the Ind AS financial statements as of and for the year ended 31 March 2018)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and according to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the freehold immovable properties (which are included under the head 'Property plant and equipment') are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and according to the information and explanations given to us, no material discrepancies between physical inventory and book records were noticed on physical verification. Inventory lying with third parties have been confirmed by them as at 31 March 2018 and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, the Company has not granted any loan, secured or

unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

- (iv) In our opinion and according to the information and explanations given to us, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year and had no unclaimed deposits at the beginning of the year within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (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 sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, Goods and Service tax (GST), Cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable

Name of statute	Nature of dues	Amount (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
Central Sales tax act and various state Sales tax act	Sales tax	35.0	1994-95, 1997-98, 2000-01 to 2004-05 and 2009-2010	High Court
		11.0	1997-98, 2002-03 and 2007-08 to 2013-14	Appellate Tribunal
		0.1	2001-02	Deputy Commissioner (Appeals)
		3.2	2005-06 and 2006-07	Assistant Commissioner
		2.6	2000-01, 2011-12 and 2012-13	Additional Commissioner
		15.2	2006-07, 2012-13 and 2013-14	Joint Commissioner (Appeals)
		94.5	2002-03 to 2007-08	Assessing Officer, Sales Tax

(b) According to the information and explanations given to us, the dues outstanding in respect of income-tax, sales-tax, service tax, duty of excise, value added tax on account of any dispute, are as follows:

Name of statute	Nature of dues	Amount (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
Various State Entry Tax Act	Entry Tax	575.0	2003-04 to till date	Supreme Court
Income Tax Act, 1961	Income Tax	141.1	1999-2000 to 2007-08, 2009-10	Appellate Tribunal
		26.0	2010-11, 2012-13 to 2014-15	Commissioner of Income Tax (Appeal)
		8.0	2011-12	Appellate Tribunal
Central Excise Act, 1944	Excise Duty and Cenvat	10.0	2007-08	Supreme court
		23.8	1995-96 to 2000-01	High court
		16.7	2003-04, 2005-06 to 2015-16	Central Excise and Service Tax Appellate Tribunal
		8.9	2007-08 to 2010-11	Commissioner of Central Excise (Appeals)
Finance Act 1994 (Amended 2009)	Service Tax	0.2	2007-08 to 2012-13	Central Excise and Service Tax Appellate Tribunal
		0.2	2008-09 to 2009-10	Commissioner of Central Excise (Appeals)
Madhya Pradesh Rural Road Development Authority	Rural Infrastructure and Road development tax	18.5	2005-06 till date	Supreme court

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any bank or any dues to debenture-holders during the year. The company has no outstanding dues in respect of financial institutions.

(ix) In our opinion and according to the information and explanations given to us, the Company has applied monies raised by way of debt instruments/ term loans for the purposes for which they were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) In our opinion and according to the information and explanations given to us, managerial remuneration has been paid/ provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, provisions of clause 3 (xiv) of the order are not applicable.

(xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause 3 (xv) of the order are not applicable.

(xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3 (xvi) of the order are not applicable.

For **S.N. Dhawan & Co LLP**
Chartered Accountants
Firm's Registration No.: 000050N/N500045

Rajeev K Saxena
Partner
Membership No.: 077974

Place: Gurugram
Date: 24 May 2018



Annexure B to the Independent Auditor's Report of even date on the Ind AS financial statements of HeidelbergCement India Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of HeidelbergCement India Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the 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 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 the company's 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 Act.

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 the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, 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 ICAI. 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 were 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an 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 statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit opinion on the Company's internal financial controls over

financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls 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 controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 limitations 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 internal financial controls 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, and 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, the Company has, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018.

For **S.N. Dhawan & Co LLP**

Chartered Accountants

Firm's Registration No.: 000050N/N500045

Rajeev K Saxena

Partner

Membership No.: 077974

Place: Gurugram

Date: 24 May 2018

Balance sheet as at 31 March 2018

Particulars	Notes	31 March 2018 Rs in Million	31 March 2017 Rs in Million
Assets			
Non-current assets			
Property, plant and equipment	3	18,043.8	18,744.2
Capital work-in-progress	3	80.7	62.9
Intangible assets	4	16.5	26.5
Financial assets			
Security deposits	5	284.9	273.0
Other non-current assets	6	294.1	311.0
		18,720.0	19,417.6
Current assets			
Inventories	7	1,268.9	1,396.4
Financial assets			
Security deposits	5	106.9	101.6
Derivative instruments	5	-	186.5
Trade receivables	8	188.0	125.6
Cash and bank balances	9	2,124.1	142.0
Other financial assets	5	19.1	7.7
Other current assets	10	2,901.2	2,699.0
		6,608.2	4,658.8
Total assets		25,328.2	24,076.4
Equity and liabilities			
Equity			
Equity share capital	11	2,266.2	2,266.2
Other equity	12	8,197.8	7,403.3
		10,464.0	9,669.5
Non-current liabilities			
Financial liabilities			
Borrowings	13	4,692.3	5,751.9
Other financial liabilities	14	53.8	62.0
Provisions	15	196.0	217.1
Government grants	16	511.8	328.1
Deferred tax liabilities (net)	17	835.0	530.0
		6,288.9	6,889.1
Current liabilities			
Financial liabilities			
Trade payables	18	2,266.3	1,914.1
Other current financial liabilities	19	3,121.6	2,820.0
Other current liabilities	20	896.0	562.8
Government grants	16	102.8	59.8
Provisions	15	2,188.6	2,161.1
		8,575.3	7,517.8
Total liabilities		14,864.2	14,406.9
Total equity and liabilities		25,328.2	24,076.4
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For **S.N. Dhawan & Co. LLP**

Firm Registration No. 000050N/N500045

Chartered Accountants

Rajeev K Saxena
Partner

Membership No. 077974

Place: Gurugram
Date: 24 May 2018

For and on behalf of the Board of Directors of

HeidelbergCement India Limited

Anil Kumar Sharma
Chief Financial Officer

P.G. Mankad
Chairman

Kevin Gerard Gluskie
Director

Jamshed Naval Cooper
Managing Director

S. Krishna Kumar
Director

Rajesh Relan
Legal Head &
Company Secretary

Pradeep V. Bhide
Director

J-F Defalque
Director

Soek Peng Sim
Director

Sushil Kumar Tiwari
Whole-time Director



Statement of profit and loss for the year ended 31 March 2018

Particulars	Notes	31 March 2018 Rs in Million	31 March 2017 Rs in Million
Revenue from operations	21	19,619.6	20,018.5
Other income	22	199.3	236.9
Total Income (I)		19,818.9	20,255.4
Expenses			
Cost of raw material consumed	23	3,566.4	3,259.9
(Increase)/decrease in inventories of finished goods and work-in-progress	24	136.1	346.6
Excise duty on sale of goods		724.9	2,843.9
Employee benefits expense	25	1,201.5	1,147.6
Depreciation and amortization expense	26	1,011.7	991.5
Finance costs	27	744.5	897.7
Other expenses	28	10,357.1	9,631.9
Total Expense (II)		17,742.2	19,119.1
Profit before tax (I) - (II)		2,076.7	1,136.3
Tax expenses			
Current tax		444.3	239.5
Current tax related to earlier years		-	2.0
Net current tax expense		444.3	241.5
Deferred tax charge		300.6	132.7
Total tax expense		744.9	374.2
Profit for the year (III)		1,331.8	762.1
Other comprehensive income			
Remeasurement gain/(losses) of net defined benefit plans		10.0	(24.3)
Income tax effect		(3.5)	8.4
		6.5	(15.9)
Net movement on cash flow hedge		2.6	(39.7)
Income tax effect		(0.9)	13.7
		1.7	(26.0)
Other comprehensive income for the year, net of tax (IV)		8.2	(41.9)
Total comprehensive income for the year, net of tax (III) + (IV)		1,340.0	720.2
Earnings per share [nominal value of share Rs 10]			
Basic and diluted	29	5.88	3.36
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For **S.N. Dhawan & Co. LLP**

Firm Registration No. 000050N/N500045

Chartered Accountants

Rajeev K Saxena
Partner

Membership No. 077974

Place: Gurugram
Date: 24 May 2018

Anil Kumar Sharma
Chief Financial Officer

Rajesh Relan
Legal Head &
Company Secretary

P.G. Mankad
Chairman

Pradeep V. Bhide
Director

Kevin Gerard Gluskie
Director

J-F Defalque
Director

For and on behalf of the Board of Directors of

HeidelbergCement India Limited

Jamshed Naval Cooper
Managing Director

Soek Peng Sim
Director

S. Krishna Kumar
Director

Sushil Kumar Tiwari
Whole-time Director

Statement of change in equity for the year ended 31 March 2018

a. Equity Share Capital:

Equity shares of Rs. 10 each issued, subscribed and fully paid	Numbers	Rs. in million
At 31 March 2017	226,613,116	2,266.1
At 31 March 2018	226,613,116	2,266.1

Equity shares of Rs 10 each issued, subscribed and partly paid	Numbers	Rs. in million
At 31 March 2017	18,193	0.1
At 31 March 2018	18,193	0.1

b. Other equity:

For the year ended 31 March 2018

Particulars	Other Equity (Refer -Note 12)							Total	
	Reserves and Surplus					Items of OCI			
	Capital Reserve	Capital Subsidy redemption reserve	Capital Securities redemption reserve	Securities redemption reserve	Debenture redemption reserve	Retained earnings	Cash flow huge reserve		Other item of OCI
As at 1 April 2017	672.8	6.4	159.9	3,707.1	441.7	2,437.0	(1.7)	(19.9)	7,403.3
Profit for the year	-	-	-	-	-	1,331.8	-	-	1,331.8
Dividend on equity shares	-	-	-	-	-	(453.2)	-	-	(453.2)
Dividend distribution tax on dividend	-	-	-	-	-	(92.3)	-	-	(92.3)
Other comprehensive income (Note 12)	-	-	-	-	-	-	1.7	6.5	8.2
Total comprehensive income	-	-	-	-	-	786.3	1.7	6.5	794.5
Transfer from retained earning (Note 12)	-	-	-	-	134.1	(134.1)	-	-	-
At 31 March 2018	672.8	6.4	159.9	3,707.1	575.8	3,089.2	-	(13.4)	8,197.8

For the year ended 31 March 2017

Particulars	Other Equity (Refer -Note 12)							Total	
	Reserves and Surplus					Items of OCI			
	Capital Reserve	Capital Subsidy redemption reserve	Capital Securities redemption reserve	Securities redemption reserve	Debenture redemption reserve	Retained earnings	Cash flow huge reserve		Other item of OCI
As at 1 April 2016	672.8	6.4	159.9	3,707.1	307.5	1,809.1	24.3	(4.0)	6,683.1
Profit for the year	-	-	-	-	-	762.1	-	-	762.1
Other comprehensive income (Note 12)	-	-	-	-	-	-	(26.0)	(15.9)	(41.9)
Total comprehensive income	-	-	-	-	-	762.1	(26.0)	(15.9)	720.2
Transfer from retained earning (Note 12)	-	-	-	-	134.2	(134.2)	-	-	-
At 31 March 2017	672.8	6.4	159.9	3,707.1	441.7	2,437.0	(1.7)	(19.9)	7,403.3

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **S.N. Dhawan & Co. LLP**

Firm Registration No. 000050N/N500045

Chartered Accountants

Rajeev K Saxena
Partner

Membership No. 077974

Place: Gurugram
Date: 24 May 2018

For and on behalf of the Board of Directors of

HeidelbergCement India Limited

Anil Kumar Sharma
Chief Financial Officer

P.G. Mankad
Chairman

Kevin Gerard Gluskie
Director

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Managing Director

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Rajesh Relan
Legal Head &
Company Secretary

Pradeep V. Bhide
Director

J-F Defalque
Director

Soek Peng Sim
Director

Sushil Kumar Tiwari
Whole-time Director



Cash flow statement for the year ended 31 March 2018

Particulars	Notes	31 March 2018 Rs in Million	31 March 2017 Rs in Million
Cash flow from operating activities			
Profit before tax		2076.7	1136.3
Non-cash adjustment to reconcile profit before tax to net cash flows:			
Depreciation and amortization expense		1011.7	991.5
Property, plant and equipment written off		2.7	9.1
Profit on sale of property, plant and equipment (net)		(10.4)	(1.4)
Unrealized foreign exchange loss/ (gain)		(0.3)	(1.1)
Sundry balances written off		5.7	1.7
Provision/ liabilities no longer required written back		(60.7)	(169.4)
Interest expenses		722.2	880.2
Interest income		(51.1)	(31.8)
Operating profit before working capital changes		3696.5	2815.1
Movements in working capital:			
Increase/ (decrease) in trade payables and other payables		827.8	337.4
Increase / (decrease) in provisions and gratuity		71.4	230.5
Decrease / (increase) in trade receivables		(62.4)	132.0
Decrease / (increase) in inventories		127.5	385.7
Decrease / (increase) in other current and non-current assets		(374.4)	(41.5)
Cash generated from operations		4286.4	3859.2
Direct taxes paid (net of refunds)		(440.9)	(245.2)
Net cash flow from operating activities (A)		3845.5	3614.0
Cash flows from investing activities			
Purchase of property, plant and equipment including capital work in progress and capital advances		(232.4)	(473.7)
Proceeds from sale of property, plant and equipment		48.9	27.8
Increase in other bank balances		(2.3)	0.0
Interest received		48.8	43.5
Net cash flow used in investing activities (B)		(137.0)	(402.4)
Cash flows from financing activities			
Proceeds from borrowings and government grants		667.1	610.7
Repayments of borrowings		(1094.5)	(2825.3)
Dividend Paid (including Dividend Distribution Tax)		(543.2)	0.0
Interest paid		(758.1)	(932.7)
Net cash flow used in financing activities (C)		(1728.7)	(3147.3)
Net increase/ (decrease) in cash and cash equivalents (A + B + C)		1979.8	64.3
Cash and cash equivalents at the beginning of the year		142.0	77.7
Cash and cash equivalents at the end of the year	9	2121.8	142.0
Summary of significant accounting policies	2.1		

As per our report of even date

For **S.N. Dhawan & Co. LLP**

Firm Registration No. 000050N/N500045

Chartered Accountants

Rajeev K Saxena
Partner

Anil Kumar Sharma
Chief Financial Officer

P.G. Mankad
Chairman

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Director

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Managing Director

S. Krishna Kumar
Director

Membership No. 077974

Place: Gurugram
Date: 24 May 2018

Rajesh Relan
Legal Head &
Company Secretary

Pradeep V. Bhide
Director

J-F Defalque
Director

Soek Peng Sim
Director

Sushil Kumar Tiwari
Whole-time Director

For and on behalf of the Board of Directors of

HeidelbergCement India Limited

Notes to financial statements for the year ended 31 March 2018

1. CORPORATE INFORMATION

HeidelbergCement India Limited (hereinafter referred to as “HCIL” or “the Company”) is a public company domiciled in India and is incorporated on 13 May 1958 under the provisions of the Companies Act, 1956. The Company’s equity is listed on BSE Limited and National Stock Exchange of India Limited. The registered office of the company is located at 9th floor, Infinity Tower ‘C’, DLF Cyber City, Gurugram, Haryana 122002.

The Company is engaged in the manufacturing and selling of Cement and Cement related products at its three locations viz. Ammasandra (Karnataka), Damoh (Madhya Pradesh) and Jhansi (Uttar Pradesh).

The financial statements were authorised for issue in accordance with a resolution of the directors on 24 May 2018.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, the relevant provisions of the Companies Act, 2013 (“the Act”) and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

Effective April 1, 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest million (INR 000,000) upto one decimal, except when otherwise indicated.

2.1 Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- 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.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Foreign currency

Functional currency

The functional currency of the company is Indian rupee. These financial statements are presented in Indian rupees (rounded off to million) upto one decimal.

Transactions and Translations



Foreign currency denominated monetary assets and liabilities are translated in to relevant functional currency at exchange rates in effect at the balance sheet date. The gain or losses resulting from such translations are included in net profit in the statement of profit and loss. Non-monetary assets and non- monetary liabilities denominated in foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value is determined.

Non-monetary assets and non- monetary liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Transaction gain or loss realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expenses and cash flow items denominated in foreign currencies are translated in to the relevant functional currencies using the exchange rate in effect on the date of transaction.

c) Fair Value measurement

The Company measures financial instruments, such as, derivatives 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

d) 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, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Sales are presented gross of excise duty and net of Goods and Services Tax (GST), Value Added Tax (VAT)/ Sales Tax, wherever applicable.

In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, Sales for the previous year ended 31 March 2017 and for the period 1 April 2017 to 30 June 2017 were reported gross of Excise Duty and net of Value Added Tax (VAT)/ Sales Tax. Excise Duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1 July 2017, VAT/Sales Tax, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognised as part of sales as per the requirements of Ind AS 18.

The following specific recognition criteria must also be met before revenue is recognized:

(i) Sale of goods

Revenue from the sale of goods is recognised when all the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

(ii) Sale of Services

Sale of services are recognised when such services are rendered as per contract terms.

(iii) Interest

Interest income is included under the head "other income" in the statement of profit and loss if such interest income is recognized using the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

e) Government grants and subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e., by equal annual instalments.

Government grants in the nature of VAT incentive are recognised in the Statement of Profit and Loss in the period in which they become receivable.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. Government grants is recognised in profit or loss on a systematic basis over the periods in which the entity recognises the related costs for which the grants are intended to compensate.

Expenditure on power and fuel is recorded into statement of profit and loss, net of government grants in the form of concessional tariffs available to the Company.

f) Income taxes**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the 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.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current Tax assets and Liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits (including MAT Credit) and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets (including MAT credit available) is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

g) Property, Plant and Equipment (PPE)

The initial cost of PPE, including Capital work in progress, comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

An item of PPE and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

h) Depreciation on property, plant and equipment

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Particulars	Useful lives estimated by the management (years)
Buildings	10–60
Railway Siding	15
Plant and equipments	3–25
Furniture and fixtures	10
Vehicles	8-15

The Company, based on technical assessment and management estimates, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Freehold mining land is depreciated over 5 years, which is the expected period of mineral extraction.

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the month preceding the month of deduction/disposal.

i) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. The amortization period and the amortization method are reviewed at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Costs incurred on acquisition of intangible assets are capitalized and amortized on a straight-line basis over useful lives, as mentioned below:

Intangible Assets	Estimated Useful Lives (Years)
Software	5

j) Impairment of non-financial assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

m) Inventories

Inventories are valued as follows:

- **Raw materials, stores and spares and packing materials**

Lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost is determined on a weighted average basis and includes cost incurred in bringing the material to its present location and condition.

- **Work-in-progress and finished goods**

Lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

n) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of the past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provision for mine reclamation expenses

The company records a provision for mines reclamation. Mine reclamation costs are provided at the present value of expected costs to settle the obligation using estimated cash flows. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the reclamation liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of reclamation are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from such provision prospectively.

o) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation at the reporting date. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

p) Retirement and other employee benefits

- (i) Superannuation Fund (being administered by Trusts) is defined contribution schemes and the contributions are charged to the statement of profit and loss for the period when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
- (ii) Retirement benefits in the form of provident fund contributed to statutory provident fund is a defined contribution scheme and the payments are charged to the statement of profit and loss for the period when the payments to the respective funds are due. There are no obligations other than contribution payable to provident fund authorities.
- (iii) Retirement benefits in the form of provident fund contributed to trust set up by the employer is a defined benefit scheme and the amounts are charged to the statement of profit and loss for the period when the payments to the trust are due. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.
- (iv) Gratuity liability (being administered by a Trust) is a defined benefit obligation and is provided for on the basis of an actuarial valuation done using projected unit credit method at the end of each financial year.

Actuarial gains and losses for defined benefit plans are recognized in full in the period in which they occur in the OCI.

- (v) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

q) Financial instruments

Initial recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (that are not at fair value through profit or loss) are added to or deducted from the fair value, as appropriate, on initial recognition.

Classification and Subsequent measurement: Financial Assets

I. Non-derivative financial instruments

i) Financial assets carried at amortised cost

A financial asset 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 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 specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Classification and Subsequent Measurement: Financial liabilities:

Financial liabilities are classified as follow:

iv) Financial liability at fair value through profit or loss (FVTPL)

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

v) Other Financial Liabilities:

Financial liabilities are subsequently carried at amortized cost using the 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.

Impairment of financial assets

Financial assets, other than those at Fair Value through Profit and Loss (FVTPL), are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected, or a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty;
- Breach of contract, such as a default or delinquency in interest or principal payments;
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation; or the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on individual basis.

For financial assets that are carried at cost, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognized.

De-recognition of financial assets

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an

associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

De-recognition of financial liabilities

A financial liability shall be derecognized when, and only when it is extinguished i.e when the obligation specified in the contract is discharged or cancelled or expires.

II. Derivative financial instruments and hedge accounting

The Company uses derivative financial instrument such as cross currency interest rate swaps to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss, except for the effective portion of cash flow hedge, which is recognised in OCI in the cash flow hedge reserve while any ineffective portion is recognised immediately in the statement of profit and loss.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability
- Cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedge accounting is discontinued from the last testing date when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on such hedging instrument recognised in shareholder's funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders' funds is transferred to statement of profit and loss for the period.

r) Dividend Distributions

The Company recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Company and is declared by the shareholders. A corresponding amount is recognised directly in equity.

s) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders after deducting preference dividends and attributable taxes by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

t) Cash and cash equivalents

Cash and cash equivalent 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 the 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 the Company's cash management.

3. PROPERTY, PLANT AND EQUIPMENT

4. INTANGIBLE ASSETS

Particulars	Freehold non mining Land	Freehold mining Land	Buildings	Railway Siding	Plant and equipment	Furniture and fixtures	Vehicles	Capital work in progress	Total	Computer Software	Total
(Rs. in million)											
Cost or valuation											
At 1 April 2016	106.5	354.9	1,160.2	223.2	17,943.0	69.3	95.9	560.5	20,513.5	51.5	51.5
Additions	1.0	13.7	60.7	4.4	699.4	4.7	0.7	273.5	1,058.1	1.2	1.2
Disposals	-	-	(1.1)	(0.1)	(37.8)	(0.1)	(0.1)	-	(39.2)	-	-
Capitalised during the year	-	-	-	-	-	-	-	(771.1)	(771.1)	-	-
At 31 March 2017	107.5	368.6	1,219.8	227.5	18,604.6	73.9	96.5	62.9	20,761.3	52.7	52.7
Additions	22.4	14.2	41.0	24.4	195.7	6.9	36.7	323.6	664.9	1.2	1.2
Disposals	(0.3)	-	(0.6)	(0.9)	(50.2)	(2.0)	(2.5)	-	(56.5)	-	-
Capitalised during the year	-	-	-	-	-	-	-	(305.8)	(305.8)	-	-
At 31 March 2018	129.6	382.8	1,260.2	251.0	18,750.1	78.8	130.7	80.7	21,063.9	53.9	53.9
Depreciation/ Amortization											
At 1 April 2016	-	11.8	126.0	15.0	799.3	13.3	12.6	-	978.0	14.6	14.6
Charge for the year	-	14.2	85.5	14.7	846.9	9.1	9.5	-	979.9	11.6	11.6
Disposals	-	-	(0.2)	(0.0)	(3.3)	(0.0)	(0.2)	-	(3.7)	-	-
At 31 March 2017	-	26.0	211.3	29.7	1,642.9	22.4	21.9	-	1,954.2	26.2	26.2
Charge for the year	-	21.2	86.4	15.5	858.5	8.8	10.1	-	1,000.5	11.2	11.2
Disposals	-	-	(0.1)	(0.1)	(13.6)	(0.8)	(0.7)	-	(15.3)	-	-
At 31 March 2018	-	47.2	297.6	45.1	2,487.8	30.4	31.3	-	2,939.4	37.4	37.4
Net book value											
At 31 March 2018	129.6	335.6	962.6	205.9	16,262.3	48.4	99.4	80.7	18,124.5	16.5	16.5
At 31 March 2017	107.5	342.6	1,008.5	197.8	16,961.7	51.5	74.6	62.9	18,807.1	26.5	26.5

Net book value	31 March 2018	31 March 2017
Property, plant and equipment	18,043.8	18,744.2
Capital work-in-progress	80.7	62.9
Intangible assets	16.5	26.5

Note :

- (a) The borrowing cost capitalised during the year ended 31 March 2018 was Rs. Nil (31 March 2017: Rs. 12.7 million).
- (b) Assets having written down value amounting to Rs. Nil (31 March 2017: Rs. 7.6 million) are being held for disposal in the near future.

5. FINANCIAL ASSETS

	31 March 2018 Rs in Million	31 March 2017 Rs in Million
Security deposits		
Unsecured, considered good	391.8	374.6
Total	391.8	374.6
Current	106.9	101.6
Non-current	284.9	273.0
Derivative instruments		
Derivative instruments at fair value through OCI		
Interest rate swap cash flow hedges	-	186.5
Total	-	186.5
Current	-	186.5
Non-current	-	-
Other financial assets		
Interest accrued on bank deposits	4.2	-
Interest accrued on other deposits	5.8	7.7
Other accrued income	9.1	-
Total	19.1	7.7
Current	19.1	7.7
Non-current	-	-

Derivative instruments at fair value through OCI

Interest rate swaps

The Company had an interest rate swap agreement whereby the Company receives a fixed rate of interest of 9.08% and pays interest at a variable rate. The swap was being used to hedge the exposure to changes in the fair value of its fixed rate unsecured loan. The decrease in fair value of the interest rate swap was recognised in finance costs and offset with a similar gain on the bank borrowings. The fixed rate on unsecured loan has been repaid during the current year and accordingly interest rate swap agreement has ended.

Break up of financial assets carried at amortised cost

Security deposits	391.8	374.6
Other financial assets	19.1	7.7
Trade receivables (note 8)	188.0	125.6
Cash and bank balances (note 9)	2,124.1	142.0
Total financial assets carried at amortised cost	2,723.0	649.9

Break up of financial assets carried at fair value through profit or loss

Derivative instruments	-	186.5
Total	-	186.5

6 OTHER NON-CURRENT ASSETS

	31 March 2018 Rs in Million	31 March 2017 Rs in Million
Capital advances	4.3	158.0
Advance income-tax (net of provision for taxation)	78.6	82.0
Prepaid expenses	211.2	71.0
Total	294.1	311.0

7. INVENTORIES

	31 March 2018 Rs in Million	31 March 2017 Rs in Million
Raw materials (includes in transit Rs. 2.7 million) (31 March 2017: Rs. Nil)	188.8	127.8
Work-in-progress	397.2	408.2
Finished goods	274.1	399.2
Stores and spares (includes in transit Rs. 19.6 million) (31 March 2017: Rs. 22.2 million)	408.8	461.2
Total inventories valued at lower of cost and net realizable value	1,268.9	1,396.4

8. TRADE RECEIVABLES

	31 March 2018 Rs in Million	31 March 2017 Rs in Million
Trade receivables	188.0	125.6
Total Trade receivables	188.0	125.6

Break-up for security details:

Unsecured, considered good	188.0	125.6
Doubtful	23.4	23.4
	211.4	149.0
Allowances for doubtful debts	(23.4)	(23.4)
Total trade receivables	188.0	125.6

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivables are non-interest bearing and are generally on terms of 0 to 60 days.

9. CASH AND BANK BALANCES

	31 March 2018 Rs in Million	31 March 2017 Rs in Million
Cash and cash equivalents		
Balances with banks:		
On current accounts	210.8	140.1
Deposits with original maturity of less than three months	1,910.0	-
Cheques on hand	0.3	1.1
Cash on hand	0.7	0.8
	2,121.8	142.0
Bank balances other than Cash and cash equivalents		
Balances with banks:		
On unpaid dividend accounts*	2.3	-
	2.3	-
	2,124.1	142.0

* The company can utilize these balances only toward settlement of the unpaid dividend.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the company, and earn interest at the respective short-term deposit rates.

10. OTHER CURRENT ASSETS

	31 March 2018 Rs in Million	31 March 2017 Rs in Million
Advances other than capital advances*	172.4	71.7
Prepaid expenses	70.6	60.9
Balances with statutory/ government authorities and Others		
- Considered good	2,078.8	1,999.6
- Doubtful	8.2	9.2
VAT incentive receivable	513.4	370.9
GST/CENVAT Receivable	66.0	195.9
	2,909.4	2,708.2
Allowances for doubtful advance & deposits	(8.2)	(9.2)
Total	2,901.2	2,699.0

*Advances other than capital advances includes payment to vendors for supply of goods and services.

11. SHARE CAPITAL

	Equity Shares		Preference Shares	
	Numbers	Rs in Million	Numbers	Rs in Million
Authorized Share Capital				
At 31 March 2018	230,000,000	2,300.0	5,000,000	500.0
At 31 March 2017	230,000,000	2,300.0	5,000,000	500.0

Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Issued equity capital

Equity shares of Rs. 10 each issued, subscribed and fully paid	Numbers	Rs in Million
At 31 March 2018	226,613,116	2,266.1
At 31 March 2017	226,613,116	2,266.1
Equity shares of Rs 10 each issued, subscribed and partly paid	Numbers	Rs in Million
At 31 March 2018	18,193	0.1
At 31 March 2017	18,193	0.1
Total	226,631,309	2,266.2

a. Shares held by holding/ultimate holding company and/or their subsidiaries/associates

Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

Equity shares of Rs.10/- each fully paid

Centrum I B V, the holding company	Numbers	Rs in Million
At 31 March 2018	157,244,693	1,572.4
At 31 March 2017	157,244,693	1,572.4

b. Details of shareholders holding more than 5% shares in the Company

Name of the Shareholder	Numbers	% holding in the class
Equity shares of Rs.10/- each fully paid		
Centrum I B V, the holding company		
At 31 March 2018	157,244,693	69.39%
At 31 March 2017	157,244,693	69.39%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

12. OTHER EQUITY

	31 March 2018 Rs in Million	31 March 2017 Rs in Million
A) Retained earnings		
Balance as per last financial statements	2,437.0	1,809.1
Profit for the year	1,331.8	762.1
Less: Appropriations		
Transfer to debenture redemption reserve	(134.1)	(134.2)
Dividend on equity shares	(453.2)	-
Dividend Distribution tax	(92.3)	-
Closing balance	3,089.2	2,437.0
B) Cash flow hedge reserve		
Balance as per the last financial statements	(1.7)	24.3
Add: Fair value change recognized	1.7	(26.0)
Closing balance	-	(1.7)
C) Remeasurement gain/ (losses) of net defined benefit plans, net of tax		
Balance as per last financial statements	(19.9)	(4.0)
Additions during the year	6.5	(15.9)
Closing balance	(13.4)	(19.9)
D) Debenture redemption reserve		
Balance as per the last financial statements	441.7	307.5
Add: amount transferred from retained earnings	134.1	134.2
Closing balance	575.8	441.7



	31 March 2018 Rs in Million	31 March 2017 Rs in Million
D) Debenture redemption reserve		
Balance as per the last financial statements	441.7	307.5
Add: amount transferred from retained earnings	134.1	134.2
Closing balance	575.8	441.7
E) Other reserves		
Capital reserve (including opening revaluation reserve)	672.8	672.8
Capital subsidy reserve	6.4	6.4
Capital redemption reserve	159.9	159.9
Securities premium reserve	3,707.1	3,707.1
Closing balance	4,546.2	4,546.2
Total (A+B+C+D+E)	8,197.8	7,403.3

Nature and purpose of reserves:

(i) Cash flow hedge reserve

This represents effective portion of cash flow hedge and differential accrued interest as on balance sheet date. The period of such reserve will be similar to maturity period of underlying ECB loan in foreign currencies.

(ii) Debenture redemption reserve ('DRR')

The Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the company to create DRR out of profits of the company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued.

(iii) Capital reserve

Pursuant to the scheme of amalgamation, excess of fair value of net assets taken by the company over the paid up value of equity shares issued to the shareholders of erstwhile Indorama Cement Limited (IRCL) and HeidelbergCement India Private Limited (HIPL) amounting to Rs. 549.7 million has been treated and shown as capital reserve w.e.f 1 April 2008. The Company may issue fully paid-up bonus shares to its members out of the Capital reserve account.

(iv) Capital redemption reserve

Capital redemption reserve was created for the redemption of preference shares. The Company may issue fully paid-up bonus shares to its members out of the Capital redemption reserve account.

(v) Securities premium reserve

Security premium reserve is created when shares are issued at premium. The Company may issue fully paid-up bonus shares to its members out of the security premium reserve account, and company can use this reserve for buy-back of shares.

13. BORROWINGS

	Maturity	31 March 2018 Rs in Million	31 March 2017 Rs in Million
Non-current borrowings			
From related parties			
Debentures			
370 (31 March 2017: 370) 10.4% redeemable, listed, non-convertible debentures of Rs. 10,000,000/- each (unsecured)	2019-2021	3,700.0	3,700.0
Term loans			
Indian rupee loan from a party other than banks (unsecured)	2018	-	1,500.0
From other parties			
Indian rupee loan from a party other than banks (secured)	2023-2024	992.3	551.9
Total non-current borrowings		4,692.3	5,751.9
Current borrowings			
Current maturity of term loans			
Indian rupee loan from a party other than banks (unsecured)	2018	1,500.0	-
Foreign currency loan from a party other than banks (unsecured)	2017	-	1,301.2
Total current borrowings		1,500.0	1,301.2
Less : Amount disclosed under the head "Other current financial liabilities" (refer note 19)		(1,500.0)	(1,301.2)
Net current borrowings		-	-
The above amount includes			
Aggregated secured borrowings		992.3	551.9
Aggregated unsecured borrowings		5,200.0	6,501.2
Net amount		6,192.3	7,053.1

(a) Debentures

10.4% Debentures (listed at BSE Limited) are redeemable at par in three tranches of Rs. 1,250.0 million, Rs. 1,250.0 million and Rs. 1,200.0 million at the end of 6th, 7th and 8th year respectively from the date of allotment of 16 December, 2013. The Company has the option on or prior to the redemption date to buy-back, purchase, redeem, re-sell and/or re-issue all or part of debentures from the debenture holders, subject to such debenture holders having the discretion to offer its debentures in response to the Company exercising such an option.

(b) India rupee loan from a party other than banks :

- The Company has availed Indian rupees term loan in the form of External Commercial Borrowing (ECB) from HeidelbergCement AG, Germany, the ultimate holding company outstanding amounting to Rs. 1,500.0 million (31 March 2017: Rs. 1,500.0 million) on unsecured basis. This is repayable on completion of 5 years from the date of drawdown of the respective tranches. Interest rate in respect of this borrowing is 10.5% p.a for the year ended 31 March 2018 and 31 March 2017.
- The Company has availed the facility of interest free loan from 'The Pradeshiya Industrial and Investment Corporation of U.P. Ltd.' ('PICUP), Lucknow in accordance with the 'Industrial Investment Promotion Scheme-2012', Uttar Pradesh. This loan is secured by bank guarantee and repayable after expiry of 7 (Seven) years from the date of disbursement of loan. Effective interest rate in respect of this borrowing is 9.01% p.a for the year ended 31 March 2018 and 31 March 2017.

(c) Foreign currency loan from a party other than banks :

The Company has availed foreign currency term loan in the form of External Commercial Borrowing (ECB) in US Dollars from the parent company Cementum I.B.V. outstanding Rs. Nil (31 March 2017: USD 20 million equivalent to Rs. 1,301.2 million) on unsecured basis at a rate linked to LIBOR 6M. The loan is repayable after a period of 5 years from the date of drawdown of the respective tranches. Exposure of fluctuation in foreign currency and LIBOR rate have been hedged through a Cross Currency Interest Rate Swap agreement with a bank whereby Company's liability of repayment of loan is converted and fixed in Indian rupees and interest rate is fixed for the entire duration of such loans. Interest rate in respect of this borrowing is in range of 7.65% p.a to 9.55% p.a for the year ended 31 March 2018 and 31 March 2017.

14. OTHER NON-CURRENT FINANCIAL LIABILITIES

	31 March 2018 Rs in Million	31 March 2017 Rs in Million
Trade payables	53.8	62.0
	53.8	62.0

15. PROVISIONS

	31 March 2018 Rs in Million	31 March 2017 Rs in Million
Non-current provisions		
Provision for gratuity (refer note 33)	196.0	217.1
	196.0	217.1
Current provisions		
Provision for litigations (refer note 32 (c) (ii))	2,084.5	2,049.5
Provision for leave benefits	67.3	70.2
Provision for gratuity (refer note 33)	34.0	25.0
Provision for mine reclamation expenses (refer note 32 (c) (iii))	2.8	16.4
	2,188.6	2,161.1

16. GOVERNMENT GRANTS

	31 March 2018 Rs in Million	31 March 2017 Rs in Million
At 1 April	387.9	145.6
Received during the year	300.8	272.8
Released to statement of profit & loss	(74.1)	(30.5)
At 31 March	614.6	387.9
Current	102.8	59.8
Non-current	511.8	328.1

The benefit of a government loan at below current market rate of interest is treated as a government grant. The loan is recognised and measured in accordance with Ind AS 109. The benefit of the below market rate of interest is measured as the difference between the initial carrying value of the loan determined in accordance with Ind AS 109 (at Fair value) and the proceeds received. Government grant is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

17. INCOME TAX & DEFERRED TAX LIABILITY

The major components of income tax expense for the years ended 31 March 2018 and 31 March 2017 are:

Statement of Profit or loss :	31 March 2018 Rs in Million	31 March 2017 Rs in Million
Current income tax:		
Current income tax charge	444.3	239.5
Adjustments in respect of current income tax of previous year	-	2.0
Deferred tax:		
Relating to origination and reversal of temporary differences	300.6	132.7
Income tax expense reported in the statement of profit or loss	744.9	374.2
Other comprehensive income:		
Deferred tax related to items recognised in OCI during the year:		
Net loss/(gain) on remeasurements of defined benefit plans	3.5	(8.4)
Net (gain)/loss on revaluation of cash flow hedges	0.9	(13.7)
Income tax charged to OCI	4.4	(22.1)
Reconciliation of tax expense and the accounting profit multiplied by India's tax rate for 31 March 2018 and 31 March 2017:		
Accounting profit before income tax	2,076.7	1,136.3
At India's statutory income tax rate of 34.61% (31 March 2017: 34.61%)	718.7	393.3
Adjustments in respect of current income tax of previous years	(4.1)	(1.3)
Adjustments in respect of change in tax rate	17.9	
Deductible expenses for tax purposes	-	(26.5)
Non-deductible expenses for tax purposes:		
Corporate social responsibility expenditure	5.1	3.3
Other non-deductible expenses	7.3	5.4
At the effective income tax rate of 35.87% (31 March 2017: 32.93%)	744.9	374.2
Income tax expense reported in the statement of profit and loss	744.9	374.2
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	2,945.6	2,634.8
Impact of expenditure allowed for tax purposes on payment basis but not charged to statement of profit & loss	160.3	140.6
Gross deferred tax liabilities	3,105.9	2,775.4
Deferred tax asset		
Unused tax credits (MAT credit entitlement)	1,031.3	587.0
Unabsorbed depreciation/ carry forward tax losses	899.7	1,284.9
Impact of expenditure charged to statement of profit and loss but allowable for tax purposes on payment basis	327.1	346.7
Provision for doubtful debts and advances	11.0	11.3
Others	1.8	15.5
Gross deferred tax asset	2,270.9	2,245.4
Net deferred tax liability	835.0	530.0
Deferred Tax benefits are recognised on assets to the extent that it is probable that taxable profit will be available against which the deductible temporary differences will be utilised.		



Reconciliation of deferred tax liabilities (net):	31 March 2018 Rs in Million	31 March 2017 Rs in Million
Opening balance as of 1 April	530.0	419.4
Tax (income)/expense during the year recognised in profit or loss	300.6	132.7
Tax (income)/expense during the year recognised in OCI	4.4	(22.1)
Closing balance as at 31 March	835.0	530.0

18. TRADE PAYABLES

	31 March 2018 Rs in Million	31 March 2017 Rs in Million
Trade payables (refer note a)	2,109.4	1,842.0
Trade payables to related parties (refer note d)	156.9	72.1
	2,266.3	1,914.1

19. OTHER CURRENT FINANCIAL LIABILITIES

	31 March 2018 Rs in Million	31 March 2017 Rs in Million
Current maturities of long-term borrowings (refer note b)	1,500.0	1,301.2
Interest accrued but not due on borrowings (refer note b)	122.9	141.2
Trade and other deposits (refer note b & c)	1,464.7	1,320.1
Unpaid Dividend	2.3	-
Interest accrued on security deposits (refer note b & c)	22.3	22.3
Payable against purchase of property, plant and equipment	9.4	35.2
	3,121.6	2,820.0

Terms and conditions of the above financial liabilities:

- a) Trade payables are non-interest bearing and are normally settled within 0 to 60 day terms.
- b) Other current financial liabilities are generally interest bearing and have an average term of six months for borrowings and one year for deposits.
- c) Interest payable is normally settled quarterly/half yearly/yearly throughout the financial year.
- d) For terms and conditions with related parties, refer to Note 31

Break up of financial liabilities carried at amortised cost

	31 March 2018 Rs in Million	31 March 2017 Rs in Million
Borrowings (non-current) (note 13)	3,700.0	5,200.0
Trade payables (note 18)	2,266.3	1,914.1
Trade payables (note 14)	53.8	62.0
Current maturity of long term borrowings (note 19)	1,500.0	1,301.2
Other current financial liabilities (note 19)	1,621.6	1,518.8
	9,141.7	9,996.1

Break up of financial liabilities carried at fair value through profit or loss

Borrowings (non-current) (note 13)	992.3	551.9
	992.3	551.9

20. OTHER CURRENT LIABILITIES

	31 March 2018 Rs in Million	31 March 2017 Rs in Million
Advance from customers	413.7	420.3
Withholding income tax (TDS) payable	77.1	30.0
Goods and Service tax/Value added tax	393.9	69.9
Excise and service tax payable	-	18.8
Other statutory dues	11.3	23.8
	896.0	562.8

21. REVENUE FROM OPERATIONS

	31 March 2018 Rs in Million	31 March 2017 Rs in Million
Sale of products		
Cement	19,159.1	19,689.7
Clinker	132.6	30.3
	19,291.7	19,720.0
Sale of Services	39.9	-
Other operating revenue		
VAT incentive (refer note 35)	238.8	230.9
Scrap sales	39.5	55.2
Miscellaneous income	9.7	12.4
	288.0	298.5
	19,619.6	20,018.5

Revenue from operations

In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, Sales for the previous year ended 31 March 2017 and for the period 1 April 2017 to 30 June 2017 were reported gross of Excise Duty and net of Value Added Tax (VAT)/Sales Tax. Excise Duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1 July 2017, VAT/Sales Tax, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognised as part of sales as per the requirements of Ind AS 18. Hence revenue from operations for the year ended March 31, 2018 is not comparable with the previous year corresponding figures.

Sales for the year ended 31 March 2018 includes Excise duty up to 30 June 2017. Sale of goods includes excise duty collected from customers of Rs. 724.9 million (31 March 2017: Rs. 2,843.9 million). Sale of goods net of excise duty is Rs. 18,566.8 million (31 March 2017: Rs. 16,876.1 million)

22. OTHER INCOME

	31 March 2018 Rs in Million	31 March 2017 Rs in Million
Interest income on other deposits	19.9	23.7
Interest income on bank deposits	31.2	8.1
Government grants	74.1	30.5
Rent	2.7	2.7
Provisions/ liabilities no longer required written back	60.7	169.4
Profit on sale of property, plant and equipment (net)	10.4	1.4
Exchange differences (net)	0.3	1.1
	199.3	236.9

Government Grants

The benefit of a government loan at below current market rate of interest is treated as a government grant. The loan is recognised and measured in accordance with Ind AS 109. The benefit of the below market rate of interest is measured as the difference between the initial carrying value of the loan determined in accordance with Ind AS 109 (at Fair value) and the proceeds received. Government grants is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

23. COST OF RAW MATERIAL CONSUMED

	31 March 2018 Rs in Million	31 March 2017 Rs in Million
Inventory at the beginning of the period	127.7	113.8
Add: Purchases	3,627.5	3,273.8
	3,755.2	3,387.6
Less: inventory at the end of the period	(188.8)	(127.7)
Cost of raw material consumed	3,566.4	3,259.9

24. (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	31 March 2018 Rs in Million	31 March 2017 Rs in Million
Inventories at the end of the period		
Work-in-progress	397.2	408.2
Finished goods	274.1	399.2
	671.3	807.4
Less: Inventories at the beginning of the period		
Work-in-progress	408.2	688.9
Finished goods	399.2	465.1
	807.4	1,154.0
	136.1	346.6

25. EMPLOYEE BENEFIT EXPENSE*

	31 March 2018 Rs in Million	31 March 2017 Rs in Million
Salary, wages and bonus	1,053.0	1,009.5
Contribution to provident and other funds	59.6	59.7
Gratuity expense (refer note 33)	32.1	30.9
Staff welfare expenses	56.8	47.5
	1,201.5	1,147.6

26. DEPRECIATION AND AMORTIZATION EXPENSE

	31 March 2018 Rs in Million	31 March 2017 Rs in Million
Depreciation of Property, plant and equipment	1,000.5	979.9
Amortization of intangible assets	11.2	11.6
	1,011.7	991.5

27. FINANCE COSTS*

	31 March 2018 Rs in Million	31 March 2017 Rs in Million
Interest:		
On borrowings	649.8	801.9
Others	72.4	78.3
Unwinding of discount and effect of changes in discount rate on provisions (refer note 32 (c) (iii))	-	2.4
Bank charges and guarantee commission	22.3	15.1
	744.5	897.7

* Directly attributable income/expenses in relation to project under construction have been transferred to capital work in progress (refer note 40).

28. OTHER EXPENSES*

	31 March 2018 Rs in Million	31 March 2017 Rs in Million
Consumption of stores and spares	666.4	612.8
Freight and forwarding	2,835.9	2,392.2
(Increase) / decrease of excise duty on inventory	(72.6)	(10.2)
Power & fuel	4,439.0	4,292.7
Rent	49.2	32.0
Repairs and maintenance		
- Buildings	65.1	55.9
- Plant and machinery	256.7	219.9
- Others	7.1	9.6
Insurance	28.6	14.1
Rates and taxes	476.4	610.4
Travelling expenses	82.6	79.7
Directors fees	2.4	1.8
Payment to auditor		
As auditor:		
Audit fees	3.0	7.5
Tax audit fees	0.3	0.5
Limited reviews	1.8	2.9
Reimbursement of expenses	0.3	0.6
Legal and professional expenses	65.0	39.0
Technical know how fees	170.0	170.0
Printing and stationery	11.6	8.5
Communication expenses	85.4	77.5
Advertisement and publicity expenses	166.6	147.0
Cement handling expenses	863.3	720.7
Property, plant and equipment written off	2.7	9.1
Sundry balances written off	5.7	1.7
Corporate social responsibility expenses	14.8	9.4
Miscellaneous expenses	129.8	126.6
	10,357.1	9,631.9

29. EARNINGS PER SHARE (EPS)

	31 March 2018 Rs in Million	31 March 2017 Rs in Million
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Profit after tax available to equity shareholders	1,331.8	762.1
Net profit for calculation of basic /Diluted EPS	1,331.8	762.1
	No in Million	No in Million
Weighted average number of equity shares in calculating Basic/ Diluted EPS	226.6	226.6
Basic and diluted EPS	5.88	3.36

* Directly attributable income/expenses in relation to project under construction have been transferred to capital work in progress (refer note 40).

30. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Contingent liabilities

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Useful Lives of Property, Plant & Equipment:

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

(ii) Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment defined benefits are determined using actuarial valuations. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Further details about gratuity obligations are given in Note 33.

(iii) Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 38 of the financials.

(iv) Mines reclamation expenses:

In determining the fair value of the Mines Restoration Obligation, assumptions and estimates are made in relation to discount rates, the expected cost of mines restoration and the expected timing of those costs.

(v) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

31. RELATED PARTY DISCLOSURE

(a) Names of related parties and related party relationship:

I. Names of related parties where control exists irrespective of whether transactions have occurred or not:

Ultimate holding company	HeidelbergCement AG
Holding company	Cementum I.B.V
Fellow subsidiaries	HeidelbergCement Asia Pte Ltd Cochin Cements Limited Zuari Cement Limited

II. Related Parties with whom transaction have taken place

Key management personnel

Mr. Sushil Kumar Tiwari, Whole Time Director
 Mr. P.G. Mankad, Independent Director
 Dr. Albert Scheuer, Non-Executive Director
 Mr. Kevin Gerard Gluskie, Non-Executive Director
 Mr. S. Krishna Kumar, Independent Director
 Mr. Pradeep V. Bhide, Independent Director
 Ms. Soek Peng Sim, Non-Executive Director
 Mr. Juan-Francisco, Non-Executive Director
 Mr. Jamshed Naval Cooper, Managing Director
 Mr. Anil Kumar Sharma, Chief Financial Officer
 Mr. Rajesh Relan, Company Secretary

(b) Related party transactions

Note 31 (a) provides the information about the company's structure including the details of the fellow subsidiaries and the holding company. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

Particulars	(Rs. in million)			
	Enterprises where controls exists		Fellow Subsidiaries	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Transactions with Cementrum I B.V.:				
- Interest on ECB	19.7	115.0	-	-
- ECB repaid	1,094.5	2,125.3	-	-
- Dividend paid	314.5	-	-	-
Transactions with HeidelbergCement AG:				
- Payroll cost reimbursed	-	0.3	-	-
- Group Overhead Recharge	7.8	3.8	-	-
- End-user workstation charges	59.0	57.2	-	-
- Interest on ECB & Debentures	542.3	541.5	-	-
Transactions with Cochin Cements Limited:				
- Sale of Clinker	-	-	-	23.3
- Expenses Recovered	-	-	-	10.3
Transactions with Zuari Cement Limited				
- Purchase of Clinker	-	-	389.7	33.6
- Service Income	-	-	39.9	-
Transactions with HeidelbergCement Asia Pte Limited:				
- Technical Know how fee	-	-	170.0	170.0

Particulars				
	Enterprises where controls exists		Fellow Subsidiaries	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Payable				
- HeidelbergCement AG	22.1	20.2	-	-
- HeidelbergCement Asia Pte Limited	-	-	38.3	38.3
- Zuari Cement Limited	-	-	87.4	13.6
Loans taken				
- *Cementrum I.B.V	-	1,301.2	-	-
- HeidelbergCement AG	1,500.0	1,500.0	-	-
Issue of debenture				
- HeidelbergCement AG	3,700.0	3,700.0	-	-
Interest accrued but not due on ECB loan				
- Cementrum I.B.V	-	16.3	-	-
- HeidelbergCement AG	20.2	20.2	-	-
Interest accrued but not due on debenture				
- HeidelbergCement AG	102.7	104.7	-	-

* Movement of Rs. 1,301.2 million in ECB loan amount payable to Cementrum IBV as at March 31, 2017 is on account of repayment amounting to loan Rs. 1,094.5 million and balance on account of reinstatement at closing exchange rate.

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Transactions with key management personnel

Compensation of key management personnel of the Company

	31 March 2018 Rs in Million	31 March 2017 Rs in Million
Short-term employee benefits	53.2	53.2
Termination benefits	3.1	2.9
Total compensation paid to key management personnel	56.3	56.1

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the key management personnel are not included above.

Loans from related parties

a. Foreign currency loan from a party other than banks :

The Company has availed foreign currency term loan in the form of External Commercial Borrowing (ECB) in US Dollars from the parent company Cementum I.B.V. outstanding Rs. Nil (31 March 2017: USD 20 million equivalent to Rs. 1,301.2 million) on unsecured basis at a rate linked to LIBOR 6M. The loan is repayable after a period of 5 years from the date of drawdown of the respective tranches. Exposure of fluctuation in foreign currency and LIBOR rate have been hedged through a Cross Currency Interest Rate Swap agreement with a bank whereby Company's liability of repayment of loan is converted and fixed in Indian rupees and interest rate is fixed for the entire duration of such loans. Interest rate in respect of this borrowing is in range of 7.65% p.a to 9.55% p.a for the year ended 31 March 2018 and 31 March 2017.

b. India rupee loan from a party other than banks :

The Company has availed Indian rupees term loan in the form of External Commercial Borrowing (ECB) from HeidelbergCement AG, Germany, the ultimate holding company outstanding amounting to Rs. 1,500.0 million (31 March 2017: Rs. 1,500.0 million) on unsecured basis. This is repayable on completion of 5 years from the date of drawdown of the respective tranches. Interest rate in respect of this borrowing is 10.5% p.a for the year ended 31 March 2018 and 31 March 2017.

c. Debentures

10.4% Debentures (listed at BSE Limited) are redeemable at par in three tranches of Rs. 1,250.0 million, Rs. 1,250.0 million and Rs. 1,200.0 million at the end of 6th, 7th and 8th year respectively from the date of allotment of 16 December, 2013. The Company has the option on or prior to the redemption date to buy-back, purchase, redeem, re-sell and/or re-issue all or part of debentures from the debenture holders, subject to such debenture holders having the discretion to offer its debentures in response to the Company exercising such an option.

All outstanding balances are unsecured and are repayable in cash and cash equivalents.

32. COMMITMENTS AND CONTINGENCIES

a) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 27.8 million (31 March 2017: Rs. 95.7 million).

b) Other commitments (Leases)

The Company has taken various residential premises, office premises and warehouses under operating lease agreements. These are generally cancellable and are renewable by mutual consent on mutually agreed terms except two office premises which is taken on a non-cancellable lease. The Company has recognized Rs. 36.3 million (31 March 2017: Rs. 10.4 million) in respect of cancellable operating leases and Rs. 12.9 million (31 March 2017: Rs. 21.6 million) in respect of non-cancellable operating leases.

Operating Lease (Non-Cancellable)

The total of future minimum lease payments under non- cancellable operating leases for each of the following periods:

(Rs. in million)

S.No.	Particulars	31 March 2018 Rs in Million	31 March 2017 Rs in Million
(i)	Not later than one year;	6.1	12.9
(ii)	Later than one year and not later than five years;	-	6.1
(iii)	Later than five years	-	-

c) Contingencies and Provision for litigations

i) Contingent liabilities not provided for

(Rs. in million)

Particulars	31 March 2018 Rs in Million	31 March 2017 Rs in Million
(a) Claims against the company not acknowledged as debt	126.9	117.5
(b) Other money for which the company is contingently liable:		
-Excise Duty/ Service Tax/ CENVAT Credit	67.2	70.3
-Sales Tax/ Trade Tax/ Entry Tax	120.8	131.7
-Income Tax	46.5	46.5
Total	361.4	366.0

In respect of above cases based on the favourable decisions in similar cases/ legal opinions taken by the Company/ discussions with the solicitors etc., the management is of the opinion that it is possible, but not probable, that the action will succeed and accordingly no provision for any liability has been made in these financial statements.

ii) Provision for litigations

(Rs. in million)

Particulars	Balance as at 1 April 2017	Additions during the year charged to respective expenses head	Amounts reversed during the year	Balance as on 31 March 2018
Trade Tax/Sales Tax/VAT	19.7	-	-	19.7
	(19.7)	(-)	(-)	(19.7)
Entry Tax	1,762.0	60.6	55.0	1,767.6
	(1,705.8)	(196.2)	(140.0)	(1,762.0)
Provision taken for Cess on Captive Power	86.8	-	-	86.8
	(86.8)	(-)	(-)	(86.8)
Rural Infrastructure and Road Development tax, Madhya Pradesh	146.1	23.0	-	169.1
	(124.2)	(21.9)	(-)	(146.1)
Environment protection fees, Karnataka	14.5	-	-	14.5
	(14.5)	(-)	(-)	(14.5)
Other Litigations	20.4	6.4	-	26.8
	(21.7)	(0.6)	(1.9)	(20.4)
TOTAL	2,049.5	90.0	55.0	2,084.5
	(1,972.7)	(218.7)	(141.9)	(2,049.5)

Note: Figures in brackets are for the previous period.

Above provisions have been made against demands raised by various authorities. All these cases are under litigation and are pending with various authorities; expected timing of resulting outflow of economic benefits cannot be specified. Amount deposited under protest against these provisions are shown under other current assets in note no.10.

iii) Movement of provision for Mine reclamation expenses during the year as required by Ind AS 37:

Mine reclamation expenses

(Rs. in million)

	31 March 2018 Rs in Million	31 March 2017 Rs in Million
Opening provision	16.4	16.7
Add: Provision made during the period	-	-
Add: Unwinding of discount and effect of changes in discount rate on provisions	-	2.4
Less: Provision utilised during the period	13.6	2.7
Closing provision	2.8	16.4

Mine reclamation expense is incurred on an ongoing basis and until the closure of mines. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenses.

33.a) Gratuity and other employment benefit plans

The Company has three post-employment funded plans, namely Gratuity, Superannuation and Provident Fund.

Gratuity being administered by a Trust is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement/ termination/ resignation. The benefit vests on the employee after completing 5 years of service. The Gratuity plan for the Company is a defined benefit scheme where annual contributions as demanded by the insurer are deposited to a Gratuity Trust Fund established to provide gratuity benefits. The Trust Fund has taken a Scheme of Insurance, whereby these contributions are transferred to the insurer. The Company makes provision of such gratuity asset/ liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the

determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Plan assets also include investments and bank balances used to deposit premiums until due to the insurance company.

Retirement benefits in the form of Superannuation Fund (being administered by Trusts) are funded defined contribution schemes and the contributions are charged to the Statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable.

The Provident Fund being administered by a Trust is a defined benefit scheme whereby the Company deposits an amount determined as a fixed percentage of basic pay to the fund every month. The benefit vests upon commencement of employment. The interest credited to the accounts of the employees is adjusted on an annual basis to conform to the interest rate declared by the Government for the Employees Provident Fund. Based on latest actuarial valuation of the said trust, there is no deficit in the fund.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the amounts recognized in the balance sheet for the Gratuity.

Statement of profit and loss

(i) Net employees benefit expense recognized in employee cost:-

(Rs. in million)

Particulars	Mar-2018	Mar-2017
Current service cost	19.8	17.8
Interest cost on benefit obligation	22.6	22.6
Expected return on plan assets	(10.3)	(9.5)
Defined benefit cost included in Statement of Profit & Loss	32.1	30.9

(Rs. in million)

Particulars	Mar-2018	Mar-2017
Remeasurement recognised in other comprehensive income		
- changes in financial assumptions	(7.9)	26.2
- change in experience adjustments	(2.9)	(3.3)
-(Return) on plan asset (excluding interest income)	0.7	1.4
Amount recognised in OCI	(10.0)	24.3

Balance Sheet

(ii) Reconciliation of the net defined benefit (asset) liability

The following table shows reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components.

Reconciliation of present value of defined benefit obligation

(Rs. in million)

Particulars	Gratuity	
	Mar-2018	Mar-2017
Balance at the beginning of the year	357.0	325.7
Current service cost	19.8	17.8
Interest cost on benefit obligation	22.6	22.6
Actuarial (gains) losses recognised in other comprehensive income		
- changes in financial assumptions	(7.9)	26.2
- experience adjustments	(2.9)	(3.3)
Benefit paid	(36.7)	(32.0)
Balance at the end of the year	351.9	357.0

Reconciliation of the present value of plan assets

(Rs. in million)

Particulars	Gratuity	
	Mar-2018	Mar-2017
Balance at the beginning of the year	114.9	114.7
Expected return	10.3	9.5
Contribution by employer	34.2	24.1
Return on plan assets recognised in other comprehensive income	(0.7)	(1.4)
Benefits paid	(36.8)	(32.0)
Balance at the end of the year	121.9	114.9

Details of Provision for gratuity

(Rs. in million)

Particulars	Gratuity	
	Mar-2018	Mar-2017
Present value of defined benefit obligation	351.9	357.0
Present value of plan assets	(121.9)	(114.9)
Net defined benefit liability	230.0	242.1

(iii) Plan assets

The major categories of plan assets of the fair value of total plan assets are as follows:

Particulars	31 March 2018	31 March 2017
	%	%
Investments with insurer	96.39	96.58
Investments in government bonds	0.08	0.08
Bank balance	3.53	3.34
Total	100.00	100.00

The principal plan asset consists of a scheme of insurance taken by the Trust, which is a qualifying insurance policy.

(iv) Defined benefit obligation

- Actuarial assumptions

The principal assumptions used in determining gratuity for the Company's plans are shown below:

Particulars	Mar-2018	Mar-2017
Discount rate	7.30%	6.85%
Salary increase rate	7.50%	7.50%
Attrition rate	5.00%	5.00%

Note:

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Assumptions regarding future mortality are based on published statistics and mortality tables.

- Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(Rs. in million)

Gratuity Plan	Sensitivity level		Impact on DBO	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Assumptions				
Discount rate	0.5%	0.5%	(8.4)	(8.8)
	-0.5%	-0.5%	8.9	9.3
Future salary increases	0.5%	0.5%	7.9	8.4
	-0.5%	-0.5%	(7.6)	(8.0)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The following payments are expected contributions to the defined benefit plan in future years:

(Rs. in million)

Particulars	31 March 2018	31 March 2017
Within the next 12 months (next annual reporting period)	66.3	53.8
Between 2 and 5 years	198.1	206.9
Beyond 5 years	223.1	219.6

The average duration of the defined benefit plan obligation at the end of the reporting period is 5 years (31 March 2017: 5 years).

B) PROVIDENT FUND

Provident fund for certain eligible employees is managed by the Company through trust "Mysore Cement Limited officers' and staff provident fund trust", in line with the Provident Fund and Miscellaneous Provision Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee.

In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumption provided below there is no shortfall as at 31 March, 2018 and 31 March, 2017 respectively.

The details of the fund and plan assets position are as follows:

Particulars	31 March 2018	31 March 2017
Plan assets at year end, at fair value	252.5	235.6
Present value of defined obligation at year end	194.0	182.8
Assets recognised in Balance Sheet	-	-

The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

Particulars	31 March 2018	31 March 2017
Discount rate	7.30%	6.85%
Expected guaranteed interest rate	8.55%	8.65%
Expected Rate of Return on Asset	9.00%	9.21%

C) CONTRIBUTION TO DEFINED CONTRIBUTION PLANS INCLUDED UNDER HEAD 'CONTRIBUTION TO PF AND OTHER FUNDS' UNDER NOTE 25 'EMPLOYEE BENEFIT EXPENSES'

Particulars	31 March 2018	31 March 2017
Provident Fund	48.7	48.8
Other Post Employment Funds	4.8	4.8
Total	53.5	53.6

34. As per Micro, Small and Medium Enterprises Act, 2006, the Company is required to identify the Micro, Small and Medium suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. As per the information available with the Company, none of the creditors fall under the definition of "Supplier" as per Section 2(n) of the Act. In view of this prescribed disclosures under Section 22 of the Act are not required to be made in the financial statements.

35. Tax incentive

The Company is entitled to benefits under the Madhya Pradesh State Industrial Promotion Policy, 2004 and 2010 for the increased cement production facility at Damoh, Madhya Pradesh w.e.f. 18 February 2013. Under the said policy, the Company has been exempted from payment of Entry Tax on input materials for a period of 7 years and also claim refund up to 75% of VAT/CST paid (which is now subsumed on GST) on sales for a period of 10 years within the state of Madhya Pradesh in respect of the increased production facility.

36. Capital advances included an amount of Rs. 150.6 million paid during an earlier year to the supplier against a bank guarantee for setting up a Waste Heat Recovery based Power Generation Plant at the Company's clinkerisation unit at Narsingarh in Madhya Pradesh. A dispute arose with the supplier as they failed to adhere to the agreed timelines and insisted for enhancement of the contract price in view of depreciation of Rupee against US dollars, despite the contract being for a fixed price. The supplier offered the Company to renegotiate and agree with its sub-contractors for settlement of the aforesaid advance. Due to continuous breach of the terms of the Contract by the supplier the Company was compelled to terminate the contract and invoke the advance bank guarantee to recover the advances paid to the said supplier. The Hon'ble High Court of Delhi had on 19 October 2013 granted an ad interim ex-parte injunction against the invocation of aforesaid Bank Guarantee, against which the Company had filed an application for vacation of stay. The Hon'ble High court of Delhi vide its order dated 23 May 2017 vacated the aforesaid stay/injunction and the company invoked the bank guarantee and recovered the entire advance of Rs. 150.6 million.

Further, the Company also has initiated arbitration proceeding against the said supplier to claim the advance amount given as per the terms of the supply contract, interest on advance amount given and compensation in terms of risk purchase clause of the contract for loss incurred in respect of work completed through other third parties, which is currently pending. The company has completed its argument and the matter is at the stage of final argument of Supplier.

37. DETAIL OF CSR EXPENDITURE:

a.) Gross amount required to be spent by the company during the year:

During the year, the gross amount required to be spent by the Company on activities related to Corporate Social Responsibility (CSR) amounted to Rs. 14.5 million (31 March 2017: Rs. 1.6 million).

b). Amount spent during the year ended on 31 March 2018

(Rs. in million)

S.N.	Particulars	Amount	Amount yet to be paid	Total
(i)	Construction/acquisition of any asset	9.4	-	9.4
(ii)	On purposes other than (i) above	5.4	-	5.4
	Total	14.8	-	14.8

c). Amount spent during the year ended on 31 March 2017

(Rs. in million)

S.N.	Particulars	Amount	Amount yet to be paid	Total
(i)	Construction/acquisition of any asset	4.3	-	4.3
(ii)	On purposes other than (i) above	5.1	-	5.1
	Total	9.4	-	9.4

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company has exposure to the following risks arising from financial instruments:

- credit risk (see 38(ii));
- liquidity risk (see 38 (iii)); and
- market risk (see 38 (iv)).

(i) Risk management framework

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed periodically to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how Management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The Audit Committee is assisted in its oversight role by the senior management of the Company and through the periodical internal audits carried out by the Internal Auditors.

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Company has no significant concentration of credit risk with any counterparty.

Trade receivables

Customer credit risk is managed in line with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed through internal evaluation which takes into account the financial parameters, past experience with the counterparty and current economic/market trends. Individual credit limits are thus defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by advances, security deposits, bank guarantees etc.

Trade receivables are consisting of a large number of customers. The Company does not have higher concentration of credit risks to a single customer. Single largest customer has total exposure in sales 0.08% (31 March 2017: 0.04%) and in receivables 7.17% (31 March 2017: 4.9%).

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made with approved counterparties only.

Credit Risk on cash and cash equivalent, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments are generally low as Company enters into the Derivative Contracts with the reputed Banks and Financial Institutions.

(iii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's treasury department monitors liquidity on an ongoing basis through rolling cash flow forecasts. The Company's objective is to maintain timely and adequate funding for its operations via multiple sources including but not limited to bank overdrafts, bank loans, debentures, preference shares etc. Approximately 22% of the Company's debt will mature in less than one year at 31 March 2018 (31 March 2017: 17%) based on the carrying value of borrowings reflected in the financial statements.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

Maturities of financial liabilities

The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments.

	Less than one year	1 to 5 years	> 5 years	Total
Year ended				
31-Mar-18				
Borrowings*	-	4,035.8	1,323.5	5,359.3
Other financial liabilities	3,121.6	53.8	-	3,175.4
Trade and other payables	2,266.3	-	-	2,266.3
	5,387.9	4,089.6	1,323.5	10,801.0
Year ended				
31-Mar-17				
Borrowings *	-	5,200.0	965.3	6,165.3
Other financial liabilities	2,820.0	62.0	-	2,882.0
Trade and other payables	1,914.1	-	-	1,914.1
	4,734.1	5,262.0	965.3	10,961.4

*Borrowings are shown excluding of interest cost.

(iv) 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: interest rate risk, currency risk and other price risk, such as equity. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments.

The Company's treasury department is entrusted with managing the overall market risks in line with the company's established risk management policies which are approved by the Senior Management and Audit Committee.

I. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest risk arises from the long-term borrowings with variable rates, which exposes the Company to cash flow interest rate risk. Company's policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. During 31 March 2018 and 31 March 2017, the company's borrowings at variable rate were mainly denominated in INR and USD.



The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under these swaps, the company agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Generally, the company raises long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the company borrowed at fixed rates directly.

The Company has a cross currency interest rate swap agreement with a bank for ECB Loan of USD Nil (31 March 2017: USD 20,000,000) whereby the Company pays a fixed rate of interest for various tranches of loan and receives a variable rate linked to LIBOR. The swap is being used to hedge the ECB loan taken on floating interest rate linked to LIBOR.

The loss on reinstatement of bank borrowings up to year end amounting to Rs. Nil (up to 31 March 2017: Rs. 206.7 million) has been charged off to Statement of profit and loss and offset with a similar gain on increase in fair value of Derivative Assets. The Company has closing derivative assets of Rs. Nil (31 March 2017: Rs. 186.5 million) which is presented under financial assets in Note 5. Effective portion of cash flow hedge and differential accrued interest amounting to Rs. Nil (31 March 2017: Rs. (-) 2.5 million) has been taken to "cash flow hedge reserve" under other equity in Note 12.

Cross currency interest rate swap outstanding as at Balance Sheet date

Particulars	Currency	Mar-18	Mar-17	Purpose
Cross Currency Interest rate Swap	USD	Nil	20,000,000	For hedging payment of ECB foreign currency loan and interest thereon.

The Company is thus not exposed to significant interest rate risks at the respective reporting dates.

II. 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's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating or financing activities and the same are hedged in line with established risk management policies of the Company.

When a derivative is entered into for the purpose of hedging, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Outstanding Unhedged Foreign Currency Exposure

Particulars	Currency	31-March-18			31-March-17		
		Amount in foreign currency	Exchange Rate	Rs. in million	Amount in foreign currency	Exchange Rate	Rs. in million
Trade Payables	USD	8,600.0	65.6	0.6	166,691.8	65.1	10.8
	EUR	312,271.9	80.8	25.2	273,389.3	69.3	18.9
	CHF	-	-	-	10,550.0	68.1	0.7

Foreign currency sensitivity on unhedged exposure:

1% increase in foreign exchange rates will have the following impact on profit before tax :

Particulars	31 March 2018	31 March 2017
USD	(0.0)	(0.2)
EUR	(0.3)	(0.2)
CHF	(0.0)	(0.0)

Note: If the rate is decreased by 100 bps, profit will increase by an equal amount. The Company is thus not exposed to significant foreign currency risks at the respective reporting dates.

39. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings (including government grants) less cash and cash equivalents.

		(Rs. in million)	
Particulars		31 March 2018	31 March 2017
Borrowings (Non-current)		4,692.3	5,751.9
Government grants (Non-current and Current)		614.6	387.9
Current maturity of long term borrowings		1,500.0	1,301.2
Less: Cash and cash equivalents		(2,121.8)	(142.0)
Net debt	(A)	4,685.1	7,299.0
Equity	(B)	10,464.0	9,669.5
Capital and net debt	(C)=(A+B)	15,149.1	16,968.5
Gearing ratio	(D)=(A)/(C)	31	43

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. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

40. During the year, the Company has capitalized the following expenses of revenue nature to the cost of fixed assets/Capital work in progress which are incurred during construction period on substantial expansion of existing units/new projects/intangible assets of the Company. Consequently, expenses disclosed under the respective notes are net of amount capitalised by the company:

								(Rs. in million)
Particulars	Opening balance as at 1 April 2016	Additions during the year	Capitalisation during the year	Closing balance at 31 March 2017	Additions during the year	Capitalisation during the year	Closing balance at 31 March 2018	
Salary, wages and Bonus	4.0	2.2	6.2	-	-	-	-	
Staff welfare expenses	0.4	0.7	1.1	-	-	-	-	
Power & fuel	9.6	(0.4)	9.2	-	-	-	-	
Rates and taxes	0.3	-	0.3	-	-	-	-	
Travelling expenses	1.9	1.3	3.2	-	-	-	-	
Legal & professional expenses	17.9	11.6	29.5	-	-	-	-	
Miscellaneous Expenses	2.6	1.0	3.6	-	-	-	-	
Interest	12.7	-	12.7	-	-	-	-	
Total expenditure during construction period	49.4	16.4	65.8	-	-	-	-	

41. Standard issued but not yet effective

Ind AS 115- Revenue from Contract with Customers:

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 'Revenue from Contracts with Customers', which replaces Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue'. Except for the disclosure requirements, the new standard will not materially impact the Company's financial statements. The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.



42. Dividend Paid and Proposed

(Rs. in million)

Particulars	31 March 2018	31 March 2017
Dividend declared and paid during the year:		
Final Dividend for the year ended on 31 March 2017: Rs 2.00 per share	453.2	-
Dividend Distribution Tax (DDT) on Final Dividend	92.3	-
	545.5	-
Proposed Dividend on equity shares:		
Proposed dividend for the year ended on 31 March 2018		
Rs. 2.50 per share (31 March 2017: Rs 2.00 per share)	566.5	453.2
Dividend Distribution Tax (DDT) on proposed dividend	116.5	92.3
	683.0	545.5

Dividends would attract dividend distribution tax when declared or paid. Proposed dividends on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability (including DDT thereon) as at 31 March 2018.

- 43.** The Company is primarily engaged in the manufacturing of cement and hence entire operation represents a single primary segment. The company operates within India only and hence geographical segment is also not applicable to the company.
- 44.** The financial statements as at and for the year ended March 31, 2017 were audited by another firm of Chartered Accountants and previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

As per our report of even date

For **S.N. Dhawan & Co. LLP**

Firm Registration No. 000050N/N500045

Chartered Accountants

Rajeev K Saxena
Partner

Membership No. 077974

Place: Gurugram
Date: 24 May 2018

Anil Kumar Sharma
Chief Financial Officer

Rajesh Relan
Legal Head &
Company Secretary

For and on behalf of the Board of Directors of
HeidelbergCement India Limited

P.G. Mankad
Chairman

Pradeep V. Bhide
Director

Kevin Gerard Gluskie
Director

J-F Defalque
Director

Jamshed Naval Cooper
Managing Director

Soek Peng Sim
Director

S. Krishna Kumar
Director

Sushil Kumar Tiwari
Whole-time Director

HeidelbergCement India Limited

CIN: L26942HR1958FLC042301

Regd. Office: 9th Floor, Tower 'C', Infinity Towers, DLF Cyber City,
Phase II, Gurugram, Haryana -122002

Ph. +91 0124-4503700, Fax +91 0124-4147699, Email Id: investors.mcl@mycem.in; Website: www.mycemco.com

NOTICE

of the Annual General Meeting

NOTICE is hereby given that the 59th Annual General Meeting of the Members of the Company will be held at 9.30 A.M. on Friday the 21st September 2018 at Auditorium in Apparel House Building, Sector 44, Institutional Area, Gurugram, Haryana to transact the following business: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company consisting of the Balance Sheet as at 31st March 2018; the Profit and Loss Account and Cash Flow Statement for financial year ended 31st March 2018 including notes thereto together with the Reports of the Board of Directors and Auditors' thereon for the financial year ended 31st March 2018 and in this regard pass the following resolution as an Ordinary Resolution:

"RESOLVED that the Audited Accounts of the Company consisting of Balance Sheet as at 31st March 2018 and Profit and Loss Account for the financial year ended on that date including notes thereto together with the Reports of the Board of Directors and Auditors thereon, already circulated to the members and now submitted to this meeting be and are hereby received and adopted."

2. To declare a dividend on Equity Shares and in this regard pass the following resolution as an Ordinary Resolution:

"RESOLVED that a dividend at the rate of Rs. 2.50 per Equity Share be and is hereby declared on 22,66,13,116 (Twenty Two Crore Sixty Six Lac Thirteen Thousand One Hundred Sixteen) fully paid-up equity shares of Rs. 10 (Rupees Ten) each for the financial year ended 31st March 2018 absorbing Rs. 56,65,32,790 (Rupees Fifty Six Crore Sixty Five Lac Thirty Two Thousand Seven Hundred Ninety only) excluding 'tax on distributed profits' under Income Tax Act, 1961 and the same be paid to the Members entitled thereto and whose names appeared on the Register of Members of the Company as on cut-off date of 14th September 2018 or their mandatees, and to the beneficial owners as on 14th September 2018 as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of shares held in dematerialized form."

3. To appoint a Director in place of Mr. Juan-Francisco Defalque (holding DIN 07318811), who retires by rotation and being eligible offers himself for re-appointment and in this regard pass the following resolution(s) as an Ordinary Resolution:

"RESOLVED that Mr. Juan-Francisco Defalque (holding DIN 07318811) who retires in accordance with the

provisions of the Companies Act, 2013 and has offered himself for re-appointment be and is hereby re-appointed as Director of the Company liable to retire by rotation."

4. To consider and if thought fit to pass, the following as an Ordinary Resolution:

"RESOLVED that pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder S.N. Dhawan & Co. LLP., Chartered Accountants (Firm Registration No.: 000050N/N500045), who were appointed as Statutory Auditors of the Company at the 58th Annual General Meeting held on 22nd September 2017, to hold office from conclusion of 58th Annual General Meeting until conclusion of 63rd Annual General Meeting (FY 2017-18 to FY 2021-22) be paid a fee of Rs. 4.5 million for the financial year 2018-19, in addition to reimbursement of applicable taxes and out of pocket expenses in connection with Audit of the accounts of the Company.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to determine the remuneration of Statutory Auditors for their remaining tenure i.e., from FY 2019-20 to FY 2021-22."

SPECIAL BUSINESS:

5. To consider and if thought fit to pass, the following as a Special Resolution:

"RESOLVED that pursuant to the provisions of Sections 185, 186 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification or re-enactment thereof), consent of the members of the Company, be and is hereby accorded to give Inter-Corporate Loans to Zuari Cement Limited (ZCL), part of HeidelbergCement Group, from time to time up to an aggregate amount of Rs. 500 million (principal amount) on such terms and conditions as may be mutually agreed between the Company and ZCL for the purpose of working capital of ZCL.

RESOLVED FURTHER that the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee thereof and any person authorised by the Board in this behalf) be and is hereby authorized to decide and finalize the terms and conditions of Inter-Corporate Loans to be given to ZCL from time to time and do all such acts, deeds and things in its absolute discretion that may be considered necessary, proper and expedient or incidental for the

purpose of giving effect to this resolution.”

6. To consider and if thought fit to pass, the following as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force), the remuneration payable to M/s. R. J. Goel & Co., Cost Accountants (Firm Registration No. 000026) appointed by the Board of Directors of the Company to conduct the audit of the cost accounting records of the Company for the financial year 2018-19, amounting to Rs. 250,000 (Rupees Two Lac Fifty Thousand only) plus applicable taxes, reasonable out of pocket expenses and reimbursement of travelling expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed.”

By Order of the Board

Date : 26th July 2018

Rajesh Relan

Place : Gurugram

Legal Head & Company Secretary

NOTES :

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll, to vote instead of himself. Such proxy need not be a member of the company. The instrument appointing a proxy has to be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company. A member holding more than ten percent of the total share capital of the company may appoint a single person as a proxy and such person shall not act as a proxy for any other person or shareholder.**
2. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email address is registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their email address with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the AGM.
3. Statement pursuant to section 102 of the Companies Act, 2013 is annexed.
4. The complete particulars of the venue of the AGM including route map and prominent land mark for easy location are enclosed herewith. The route map of the Venue of the AGM is also hosted along with the Notice on

the website of the Company i.e. www.mycemco.com.

5. Voting through electronic means
 - I. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014; Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 59th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).
 - II. The facility for voting through ballot paper shall be made available at the AGM venue and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again. A member can opt for only single mode of voting, that is, through remote e-voting or voting at the Meeting. If a member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as invalid.
 - IV. The remote e-voting period commences on 18th September 2018 (9:00 A.M.) and ends on 20th September 2018 (5:00 P.M.). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 14th September 2018 i.e., the date prior to the commencement of book closure, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution has been cast by a member, no change shall be allowed subsequently.
 - V. The process and manner for remote e-voting are as under:
 - Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>
 1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
 2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
 3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing

IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who holds hares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
- a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?" (If you are

holding shares in physical mode) option available on www.evoting.nsdl.com.

- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN,your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then,click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- 1 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to officenns@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset

- Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request atevoting@nsdl.co.in
 - VI. The voting rights shall be as per the number of equity shares held by the members as on the cut-off date of 14th September 2018.
 - VII. Any person, who acquires shares of the Company and becomes a member after dispatch of the Notice of AGM and holds shares as of the cut-off date i.e. 14th September 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or contact NSDL at toll free no.: 1800-222-990.
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 have forgotten your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at toll free no.: 1800-222-990.
 - VIII. 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. A person who is not a member as on the cut-off date, should treat this Notice for information purpose only.
 - IX. Mr. Nityanand Singh, Company Secretary in Whole-time Practice (FCS No. 2668, CP No. 2388) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner. Mr. Harish Damani, Company Secretary in Whole-time Practice (ACS No. 37635, CP No. 14471) has been appointed as an alternate scrutinizer.
 - X. 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/alternate 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.
 - XI. The Scrutinizer/ alternate 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 two 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.
 - XII. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company (www.mycemco.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by the Board of Directors/Chairman. The results shall also be submitted to BSE Limited and National Stock Exchange of India Limited.
6. (a) The Register of Members and the Share Transfer Books of the Company will remain closed from 15th September 2018 to 21st September 2018 (both days inclusive).
 - (b) The dividend on equity shares, if declared, at the AGM will be credited/despached within thirty days from the date of AGM to those members whose names appear on the Company’s Register of Members on 14th September 2018. In respect of the shares held in dematerialised form the dividend will be paid to the members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on 14th September 2018.
 - (c) Members holding shares in electronic form may note that the bank particulars registered against their respective demat accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, Integrated Registry Management Services Private Limited (RTA) cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes need to be advised by the members directly to the depository participants with whom they are maintaining a demat account.**
 - (d) Members holding shares in physical form are requested to immediately advise any change in their address or bank particulars to the Company or its Registrars and Transfer Agents, Integrated Registry Management Services Private Limited so that the same can be updated in the Register of Members before processing of dividend payment.**
 - (e) Non-Resident Indian members are requested to inform RTA (for physical shares)/ their DPs (for dematerialized shares), immediately of:
 - (i) Change in their residential status on return to India for permanent settlement.
 - (ii) Particulars of their PAN and bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin codenumber, if not furnished earlier, to facilitate payment of dividend.
 - (f) The Company has placed on its website www.mycemco.com, the details of unclaimed

dividend for FY2016-17 which was declared at the AGM held on 22nd September 2017. The concerned shareholders may approach Registrars and Transfer Agents, Integrated Registry Management Services Private Limited to claim the same.

7. The share transfer instruments, complete in all respects, should be sent to the Registrar & Share Transfer Agents, Integrated Registry Management Services Private Limited, 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bengaluru - 560003 well in advance so as to reach the Registrar & Share Transfer Agents prior to the book closure.
8. Members who continue to hold the shares in physical form are requested to inform any change in their address, bank particulars, nominee, email address etc., to the Registrar & Share Transfer Agents. Members holding shares in dematerialized form are requested to approach their Depository Participant for change of address, bank particulars, nominee, email address etc.
- 9. In accordance with the directions issued by SEBI, it is mandatory for the members holding shares in physical mode to submit their Permanent Account Number (PAN) and Bank Account Details to the Company / RTA, in case they have not yet submitted the same.**

10. Prohibition on transfer of shares in physical form:

We have already informed shareholders holding shares in physical form about notification bearing No. SEBI/LAD-NRO/GN/2018/24 dated 8th June 2018 vide which SEBI has amended the Listing Regulations thereby prohibiting transfer of shares in physical form w.e.f. 5th December 2018. However there will not be any impact on transmission and transposition of securities.

In view of the aforesaid amendment, the Company will not be in position to entertain any request for registration of transfer of shares in physical form with effect from 5th December 2018. Accordingly in case you wish to transfer the shares held in physical form after 4th December 2018 the same will be possible only after you dematerialize your shareholding.

Holding shares in dematerialized form is not only convenient but also offers several benefits. For guidance of our shareholders we have placed the procedure for dematerialization along with its benefits on our website www.mycemco.com. The same can be easily accessed at: <http://www.mycemco.com/shareholders-queries>

11. Members are requested to note that in case of transfers, deletion of name of deceased shareholder, transmission and transposition of names in respect of shares held in physical form, submission of photocopy of PAN Card of the transferee(s), surviving holder(s), legal heir(s) and joint holder(s) respectively, along with necessary documents at the time of lodgement of request for transfer/transmission/transposition, is mandatory.
12. Under the provisions of Section 72 of the Companies Act, 2013, shareholder(s) is/are entitled to nominate in the prescribed manner, a person to whom his/her/their shares in the Company, shall vest after his/her/their

lifetime. Members who are holding shares in physical form and are interested in availing the nomination facility are requested to write to the Company/RTA.

13. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorised under the said resolution to attend the meeting and vote on their behalf.
14. (a) Members attending the meeting are requested to complete the attendance slip and submit the same at the entrance of the meeting hall. Attendance at the Annual General Meeting shall not be allowed without submission of the attendance slip duly signed.
(b) Members are requested to bring their copies of the Annual Report as additional copies of the same will not be distributed at the meeting.

Statement pursuant to Section 102 of Companies Act, 2013

Item No. 3:

Brief resume of Mr. Juan-Francisco Defalque, who is proposed to be reappointed as Director, is given below:

Mr. Juan-Francisco Defalque (holding DIN 07318811), aged 54 years, completed his Master degree in Mining Engineering from Catholic University of Louvain in Belgium in the year 1987. He started his professional career in 1989 with CBR, a Belgian International Company engaged in the production of cement, ready-mix and aggregates in Europe and North America (in 1993 CBR was acquired by HeidelbergCement Group). From 1989 to 2002 he held several management positions including director of technical projects for Belgium. In 2002 he joined HC Cimbenin located in Benin (West Africa) as its Managing Director. In 2006 he joined HC Indocement to set up a completely new Heidelberg Technology Centre (HTC) Indonesia organization holding the position of Head of HTC Indonesia. During his time in Indonesia several major investment projects were executed or started including an integrated plant with 10,000 TPD clinker line located south of Jakarta.

In 2015 he joined HeidelbergCement Asia Pte Ltd, Singapore as Director HTC APAC responsible for managing the technical centres in the region, which not only provide technical support to all the cement manufacturing facilities of HeidelbergCement group in this region but also take care of the new projects.

Mr. Defalque is also a director in Zuari Cement Limited and Gulbarga Cement Limited in India. Mr. Defalque is not a member in any of Committees of the Board of Directors of the Company. He does not hold any Equity Shares in the Company. The Board of Directors has recommended the reappointment of Mr. Defalque by the members at the ensuing AGM.

Except Mr. Defalque, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financial or otherwise, in the proposed appointment. This explanatory statement may also

be regarded as a disclosure pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item No. 4

In accordance with the provisions of Section 139(1) of the Companies Act, 2013 the members had at the 58th Annual General Meeting (AGM) held on 22nd September 2017 appointed S. N. Dhawan & Co. LLP., Chartered Accountants, as statutory auditors of the Company for a term of five years i.e., up to the conclusion of 63rd AGM. Section 139(1) of the Companies Act, 2013, which provided for placing the matter relating to appointment of statutory auditors before the members at every AGM for ratification has been omitted by the Companies (Amendment) Act, 2017, which became effective from 7th May 2018.

Accordingly, a resolution has been proposed for seeking member's approval for fee to be paid to S. N. Dhawan & Co. LLP., Chartered Accountants, as statutory auditors of the Company for FY2018-19 as well as for delegating the authority to the Board of Directors for determining the fee of Statutory Auditors for each of the financial years during their remaining tenure i.e., for FY2019-20, FY2020-21 and FY 2021-22. The Board has recommended the resolution set out at Item No. 4 of the Notice for approval of the members.

None of the Directors, Key Managerial Personnel of the Company and/or their relatives are concerned or interested in the proposed resolution.

Item No. 5

There has been considerable improvement in operational and financial performance of the Company over the last couple of years on the back of cost optimization measures as well as the recent pickup in demand, which has led to improvement in volumes and margins of the Company. The financial parameters like EBITDA, net profit and cash profit have also witnessed improvement. The Company's bank balance as on 30th June 2018 stood at Rs. 2,435 million. The surplus funds of the Company have been placed in fixed deposits with banks earning interest in the range of 5% to 7% per annum.

Zuari Cement Limited (ZCL), which is a part of HeidelbergCement Group and thus is a related party to the Company, is managing its working capital requirements through bank borrowings. ZCL has requested the Company to give it short term funds by way of Inter-Corporate Loans to meet its working capital requirements.

It is proposed to utilize part of the surplus funds of the Company for giving inter-corporate loans to ZCL as may be required by them from time to time subject to overall limit of Rs. 500 million towards principal amount. Section 186 of the Companies Act, 2013 provides that the rate of interest to be charged on short term loans shall not be lower than the prevailing yield on one year government securities.

Based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on 26th July 2018, has subject to the approval of the shareholders, given its unanimous approval for giving inter-corporate loans to ZCL. The rate of interest to be charged to ZCL for such short term loans will be higher of the following:

- Prevailing yield on one year government securities + 50 basis points; or
- Interest rate on bank fixed deposits.

Section 185 of the Companies Act, 2013 provides that a company may advance a loan to its group company subject to the condition that the same is approved by the shareholders of the lending Company through a special resolution passed at a general meeting.

The Board of Directors has recommended the resolution set out at Item No. 5 of the Notice for approval of the members as a Special Resolution at the ensuing AGM. HeidelbergCement AG through its subsidiaries holds 69.39% of equity share capital of HeidelbergCement India Limited and 100% of equity share capital of ZCL. In compliance with the provisions of SEBI Listing Regulations, the promoter group (Cementum I B.V.) and other related parties holding shares of the Company as on the cut-off date will abstain from voting on this resolution.

Mr. Jamshed Naval Cooper being a Managing Director of both HCIL and ZCL may be deemed to be interested in the aforesaid resolution. None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution at Item No. 5 of this Notice. None of them hold any equity shares in ZCL.

Item No. 6

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. R. J. Goel & Co., Cost Accountants, for conducting the audit of cost records of the Company for the financial year ending 31st March 2019.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the members of the Company. Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditors during the financial year 2018-19 as set out in the Resolution for the aforesaid services to be rendered by them. The Board of Directors has recommended the resolution set out at Item No. 6 of the Notice for approval of the members at the ensuing AGM.

None of the Directors, Key Managerial Personnel of the Company and/or their relatives are concerned or interested in the aforesaid resolution.

By Order of the Board

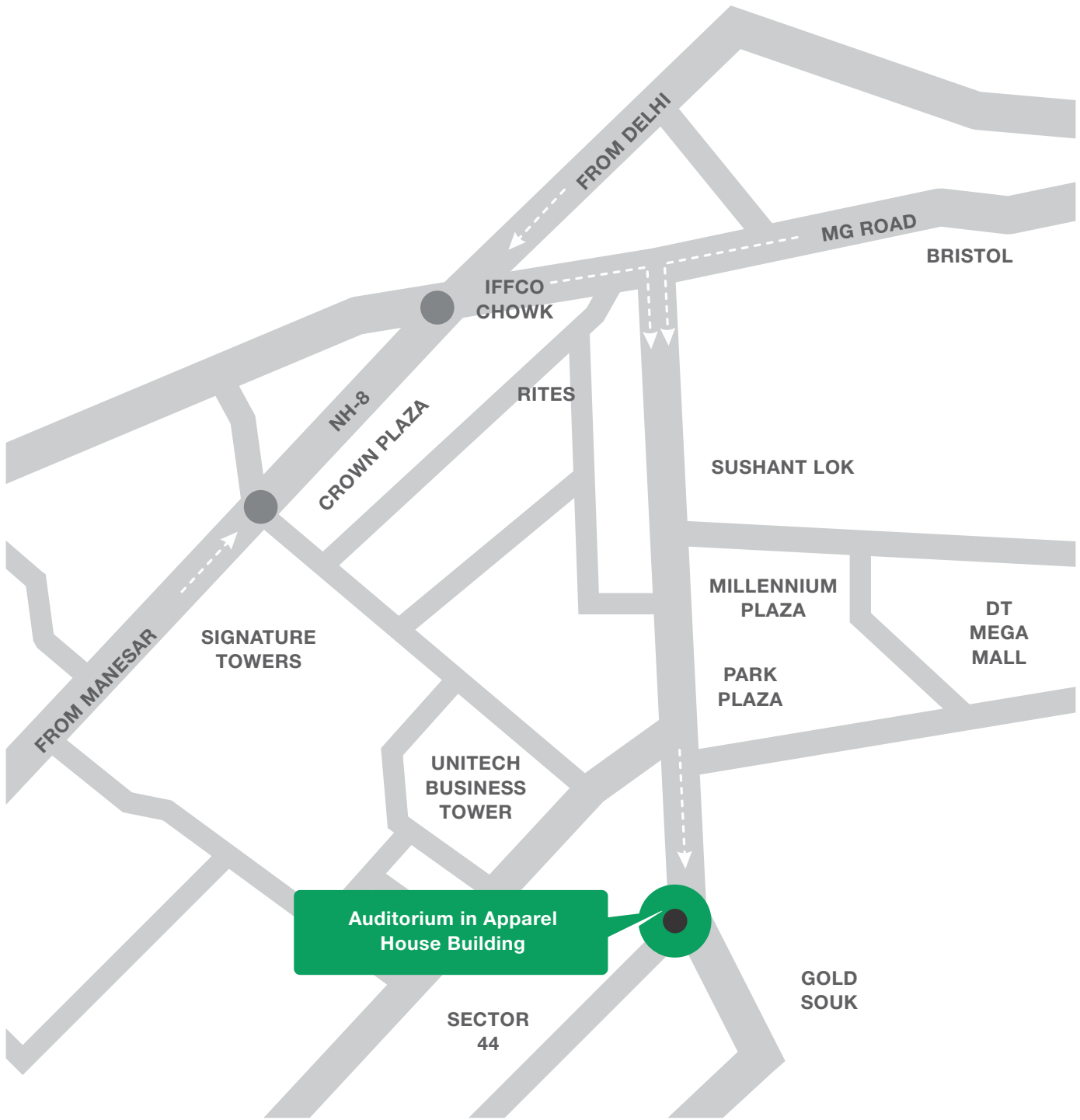
Date : 26th July 2018

Place : Gurugram

Rajesh Relan

Legal Head & Company Secretary

**ROUTE MAP TO REACH AGM VENUE - AUDITORIUM IN APPAREL HOUSE BUILDING
(formerly known as Epicentre)**



HeidelbergCement India Limited

CIN: L26942HR1958FLC042301

Regd. Office: 9th Floor, Tower 'C', Infinity Towers, DLF Cyber City,
Phase II, Gurugram, Haryana -122002

Ph. +91 0124-4503700, Fax +91 0124-4147699, Email Id: investors.mcl@mycem.in; Website: www.mycemco.com

PROXY FORM

Name of the member(s):	
Registered address:	
E-mail Id:	
Folio No.:	
DP/ID and Client Id :	

I/We, being the member(s) of HeidelbergCement India Limited holding _____ shares, 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 : _____ or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 59th Annual General Meeting of the Company, to be held on the 21st day of September 2018 at 9.30 A.M. at Auditorium in Apparel House Building, Sector 44, Institutional Area, Gurugram, Haryana - 122 003 and at any adjournment thereof in respect of the resolutions as are indicated below:

Sr. Resolutions No.	Optional*	
	For	Against
ORDINARY BUSINESS		
1. Adoption of Financial Statements together with the Reports of the Board of Directors and Auditors' for the financial year ended 31st March 2018.		
2. Declaration of dividend on Equity Shares @ Rs. 2.50 per Equity Share .		
3. Re-appointment of Mr. Juan-Francisco Defalque (holding DIN 07318811), as a Director.		
4. Audit Fee of S.N. Dhawan & Co. LLP, Statutory Auditors.		
SPECIAL BUSINESS		
5. Inter-Corporate Loans to Zuari Cement Limited subject to overall limit of Rs. 500 million.		
6. Ratification of remuneration of Cost Auditors for the financial year 2018-19.		

Signed this _____ day of _____ 2018



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 Statement and Notes, please refer to Notice of the 59th Annual General Meeting.
- 3*. It is optional to put a '✓' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.

mycem
cement

for better building

HEIDELBERGCEMENT

**building foundations
that last centuries...**



HeidelbergCement, Germany resembles a Banyan tree that's been there for the past 145 years and continues to grow steadily. It has spread its operations across the globe and presently having roots in 60 countries with ~195 million tonnes of annual cement capacity. 59,000 employees in more than 3,000 locations, make sure that the slogan "for better building" is brought to life day after day. Today the company is one of the **world's largest company in**

the building products segment.

The company has obligated itself to build on three pillars of ecology, economy and social responsibility so that it can facilitate building a better world for generations to come. This philosophy translates into delivering "**mycem**" - every bag of which is backed by highest quality assurance and reliability that you can always count on.

Research, Concept, Content, Design and Development by



A Creative Division of Metieta Advertising Pvt. Ltd.
ping@marshmallow.in

for better building



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INDIA

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