

Annual Report
2014-15

HEIDELBERGCEMENT
INDIA LTD.

for every construction need...



mycem
cement

for better building

CORPORATE INFORMATION

BOARD OF DIRECTORS

Non Executive Chairman

Mr. P.G. Mankad

Non Executive Directors

Dr. Albert Scheuer

Dr. Lorenz Naeger

Mr. S. Krishna Kumar

Mr. Pradeep V. Bhide

Mr. Daniel R. Fritz

Ms. Soek Peng Sim

Registered Office

9th Floor, Infinity Tower C

DLF Cyber City, Phase-II

Gurgaon, Haryana-122002

Auditors

S.R. Batliboi & Co. LLP

Chartered Accountants

Registrars & Share Transfer Agents

Integrated Enterprises (India) Limited

30, Ramana Residency, 4th Cross,

Sampige Road, Malleswaram,

Bengaluru - 560 003

CEO & Managing Director

Mr. Jamshed Naval Cooper

Wholetime Director

Mr. Sushil Kumar Tiwari

Chief Financial Officer

Mr. Anil Kumar Sharma

Legal Head & Company Secretary

Mr. Rajesh Relan

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HeidelbergCement India Limited

CIN: L26942HR1958FLC042301

Regd. Office: 9th Floor, Tower 'C', Infinity Towers, DLF Cyber City, Phase II, Gurgaon, Haryana -122002,
Ph. +91 0124-4503795, Fax +91 0124-4147698, Email Id: investors.mcl@mycem.in; Website: www.mycemco.com

NOTICE TO MEMBERS

NOTICE is hereby given that the 56th Annual General Meeting of the Members of the Company will be held at 9.30 A.M. on Friday the 7th August 2015 at Epicentre, Apparel House, Sector 44, Institutional Area, Gurgaon, 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 2015 and the Profit and Loss Account for the fifteen months period ended 31st March 2015 including notes thereto together with the Reports of the Board of Directors and Auditors' thereon for the fifteen months period ended 31st March 2015.
2. To appoint a Director in place of Dr. Albert Scheuer (holding DIN 02170574), who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit to pass, with or without modification(s) the following as an Ordinary Resolution:
"RESOLVED that pursuant to Section 139 and other applicable provisions of Companies Act, 2013 and the Rules made thereunder the appointment of S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No.: 301003E), who were appointed as Auditors of the Company at the 55th Annual General Meeting held on 19th June 2014, to hold office from conclusion of 55th Annual General Meeting until conclusion of 58th Annual General Meeting be and is hereby ratified and confirmed from the conclusion of 56th AGM till the conclusion of 57th AGM on such remuneration as may be agreed upon between the Board of Directors and the Auditors, in addition to applicable taxes, reasonable out of pocket expenses and reimbursement of travelling expenses incurred by them in connection with Audit of the accounts of the Company."

SPECIAL BUSINESS:

4. To consider and if thought fit to pass, with or without modification(s) the following as an Ordinary Resolution:
"RESOLVED that Mr. Jamshed Naval Cooper (holding DIN 01527371) who was appointed by the Board of Directors, as an Additional Director of the Company with effect from 1st July 2014 and who holds office up to the date of this Annual General Meeting of the Company under Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of the Director, be and is hereby appointed as a Director not liable to retire by rotation."
5. To consider and if thought fit to pass, with or without modification(s) the following as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder including any statutory modification(s) and/or re-enactment thereof, consent of the members of the Company be and is hereby accorded to the appointment

of Mr. Jamshed Naval Cooper (holding DIN 01527371) as CEO & Managing Director of the Company without any remuneration for a period of three years with effect from 1st July 2014 to 30th June 2017."

6. To consider and if thought fit to pass, with or without modification(s) the following as an Ordinary Resolution:

"RESOLVED that Ms. Soek Peng Sim (holding DIN 06958955) who was appointed by the Board of Directors, as an Additional Director of the Company with effect from 16th September 2014 and who holds office up to the date of this Annual General Meeting of the Company under Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a Member proposing her candidature for the office of the Director, be and is hereby appointed as a Director liable to retire by rotation."

7. To consider and if thought fit to pass, with or without modification(s) the following as a Special Resolution:

"RESOLVED that pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made thereunder including any statutory modification(s) and/or re-enactment thereof, consent of the members of the Company be and is hereby accorded to the re-appointment of Mr. Sushil Kumar Tiwari (holding DIN 03265246) as Wholtime Director of the Company from 10th June 2015 till 9th June 2017, on the terms and conditions as detailed in Statement pursuant to Section 102 of the Act annexed hereto.

RESOLVED FURTHER that pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Act and the Rules made thereunder including any statutory modification(s) and/or re-enactment thereof, the terms of remuneration of Mr. Sushil Kumar Tiwari effective from 1st January 2015 as set out in the Statement pursuant to Section 102 of the Act be and are hereby approved.

RESOLVED FURTHER that pursuant to Section II of Part II of Schedule V and other applicable provisions, if any, of the Act and subject to such approvals as may be necessary, the Company be and is hereby authorized to pay the remuneration as detailed in the Statement pursuant to Section 102 of the Act annexed hereto as minimum remuneration to Mr. Tiwari in any financial year, in which the Company has no profit or the profit is inadequate.

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) shall, in accordance with the statutory limits/approvals as may be applicable for the time being in force, be at full liberty to revise and/or change the terms and conditions of the appointment and remuneration from time to time as may be deemed appropriate."

8. To consider and if thought fit to pass, with or without modification(s) 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 2015-16, amounting to ₹ 2,25,000 (Rupees Two Lacs Twenty Five 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.”

9. To consider and if thought fit to pass, with or without modification(s) the following as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board

Date : 25th May 2015

Place : Gurgaon

Rajesh Relan

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. **Voting through electronic means**
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 56th 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 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.
 - IV. The remote e-voting period commences on 4th August 2015 (9:00 am) and ends on 6th August 2015 (5:00 pm). During this period members’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 31st July 2015, 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 is cast by the member, the member shall not be allowed to change it subsequently.
 - V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
 - (i) Open email and open PDF file viz; “HeidelbergCement India Limited remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/ PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select “EVEN” of “HeidelbergCement India Limited”.
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
 - (x) Upon confirmation, the message “Vote cast successfully” will be displayed.

- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to officenns@gmail.com with a copy marked to evoting@nsdl.co.in.
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- (i) Initial password is provided at the bottom of the Attendance Slip for the AGM:
- | | | |
|-----------------------------------|---------|--------------|
| EVEN | USER ID | PASSWORD/PIN |
| (Remote e-voting
Event Number) | | |
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 31st July 2015.
- X. Any person, who acquires shares of the Company and becomes a member after dispatch of the notice and holding shares as of the cut-off date i.e. 31st July 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Contact Mr. Rajiv Ranjan of 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 forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- XI. 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.
- XII. Mr. Nityanand Singh, Company Secretary in Wholetime Practice (FCS No. 2668, CP No. 2388) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner. Mr. Pawan Kumar, Company Secretary in Wholetime Practice (ACS No. 38674, CP No. 14435) has been appointed as an alternate scrutinizer.
- XIII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XIV. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him.
- XV. 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 him. The results shall also be submitted to the stock exchanges where the shares of the Company are listed.
3. Statement pursuant to section 102 of the Companies Act, 2013 is annexed.
 4. The Register of Members and the Share Transfer Books of the Company will remain closed from 1st August 2015 to 7th August 2015 (both days inclusive).
 5. The share transfer instruments, complete in all respects, should be sent to the Registrar & Share Transfer Agents, Integrated Enterprises (India) 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.
 6. 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.
 7. 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.
 8. 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.

9. (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 production 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. 2:

Brief resume of Dr. Albert Scheuer, who is proposed to be re-appointed as Director, is given below:

Dr. Albert Scheuer, aged 57 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. Since 1st April, 2008, he is in charge of Asia-Oceania Region of HeidelbergCement Group and also entrusted with the responsibility of worldwide coordination of the activities of Heidelberg Technology Center.

Dr. Scheuer is a Director/Member of Managing Board of the following Companies: -

Cement Australia Holdings Pty. Ltd., Cement Australia Pty. Ltd., China Century Cement Limited, Cochin Cements Ltd., Easy Point Industrial Ltd., Guangzhou Heidelberg Yuexiu Enterprise Management Consulting Company Ltd., Hanson Building Materials (S) Pte Ltd., Hanson Investment Holdings Pte Ltd., Hanson Pacific (S) Pte Ltd., HeidelbergCement AG, HeidelbergCement Asia Pte Ltd., HeidelbergCement Bangladesh Limited, HeidelbergCement Holding HK Ltd., HeidelbergCement Myanmar Company Limited, HeidelbergCement Technology Center GmbH, Jidong Heidelberg (Fufeng) Cement Company Limited, Jidong Heidelberg (Jingyang) Cement Company Limited, PT Indocement Tungal Prakarsa Tbk. and Squareal Cement Ltd.

Dr. Scheuer is a member of Nomination and Remuneration Committee and CSR Committee of the company. Dr. Scheuer does not hold any Equity Shares in the Company. The Board of Directors has recommended the re-appointment of Dr. Scheuer by the members.

Except Dr. Scheuer, 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 Clause 49 of Listing Agreement with Stock Exchanges.

Item No. 3

In accordance with the provisions of Section 139(1) of the Companies Act, 2013 the members had at the last Annual General Meeting (AGM) held on 19th June 2014 appointed S.R. Batliboi & Co. LLP, Chartered Accountants, as statutory auditors of the Company for three consecutive financial years i.e., up to the conclusion of 58th AGM. Section 139(1) of the Companies Act, 2013, further provides that the appointment of statutory auditors shall be placed before the members at every AGM for ratification.

Accordingly, a resolution has been proposed for seeking member's ratification for the continued appointment of S.R. Batliboi & Co. LLP, Chartered Accountants, as statutory auditors of the Company. The Board has recommended the resolution set out at Item No. 3 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. 4 & 5

The Board of Directors of the Company at its meeting held on 27th June 2014 had appointed Mr. Jamshed Naval Cooper as an Additional Director and CEO & Managing Director of the Company for a period of three years from 1st July 2014 to 30th June 2017. In accordance with the provisions of Section 161, Section 196 and other applicable provisions of the Companies Act, 2013 it is proposed to obtain approval of the members in this regard through resolutions set out at Item No. 4 and 5 of the Notice. Brief resume of Mr. Cooper is given below:

Mr. Jamshed Naval Cooper, aged 58 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 of almost three and a half decades, he has gained rich experience spanning over 31 years in the cement industry alone. He has also worked for consumer durable industry in the past.

Mr. Cooper joined HeidelbergCement India Limited (formerly Mysore Cements Limited) as head of its sales & marketing function in December 2006 soon after the takeover of the Company by HeidelbergCement Group. He is credited for revamping the Sales and Marketing setup of the Company realigning the channel network and logistics focusing it towards maximizing the market share in high revenue markets. He successfully created and launched the "mycem" brand. Over the years, he has nurtured and improved the brand positioning by implementing several innovative sales and marketing strategies. Under his leadership, "mycem" has attained its premium positioning in Central India. He is also the Managing Director of Cochin Cements Limited since May 2007 (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. During his tenure at ACC, he also worked for its joint ventures namely, Float Glass and Bridgestone. Before joining ACC, Mr. Cooper had a stint with Godrej & Boyce Manufacturing Co. Limited, a consumer durable company.

Traversing his professional career, Mr. Cooper has 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.

Mr. Cooper looks after the day-to-day management and administration of the affairs of the Company, subject to the overall superintendence, control and directions of the Board of Directors. In accordance with the terms mutually agreed upon between HeidelbergCement AG of Germany and Mr. Cooper, the remuneration of Mr. Cooper with effect from 1st July 2014 is being borne and directly paid by HeidelbergCement AG to Mr. Cooper as a nominee of the ultimate shareholder. HeidelbergCement India Limited provides chauffeur driven car to Mr. Cooper and also reimburses the expenses incurred towards mobile phone, broadband connection, landline phone at his residence and club/chambers' membership fee.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013, Mr. Cooper holds the office as an Additional Director up to the date of ensuing AGM. The Company has received a Notice in writing from a member alongwith deposit of requisite amount under Section 160 of the Act proposing candidature of Mr. Cooper as Director of the Company not liable to retire by rotation.

Mr. Cooper is a member of Audit Committee and Stakeholders' Relationship Committee of the Company. Mr. Cooper does not hold any Equity Shares in the Company. The Board of Directors has recommended the resolutions set out at Item No. 4 and 5 of the Notice for approval of the members.

Except Mr. Cooper, 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 resolution. This explanatory statement may also be regarded as a disclosure pursuant to Clause 49 of Listing Agreement with Stock Exchanges.

Item No. 6

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013, the Board of Directors of the Company has on 16th September 2014 appointed, Ms. Soek Peng Sim as an Additional Director. Ms. Sim holds office up to the date of ensuing of AGM. The Company has received a Notice in writing from a member alongwith deposit of requisite amount under Section 160 of the Act proposing candidature of Ms. Sim for appointment as a Director by the members at the ensuing AGM. Brief resume of Ms. Sim is given below:

Ms. Soek Peng Sim, aged 45 years, is presently Finance Director of HeidelbergCement Asia Pte Ltd., Singapore. She holds a Bachelor Degree in Accounting from University of Malaya, Malaysia. She also holds CPA Degree of The Malaysian Association of Certified Public Accountants (MICPA) as well as Chartered Accountant Degree of Malaysian Institute of Accounting (MIA). Prior to joining HeidelbergCement Group, she worked with Reckitt Benckiser Group, Philips Malaysia, Ho Hup Malaysia and The Lion Group, Malaysia. She has rich and vast experience of more than 20 years. Traversing her professional career she has gained experience in financial planning & analysis, business development and support, accounting & taxation, construction & property development and construction materials industry.

Ms. Sim is on the Board of Directors of HeidelbergCement Bangladesh Limited, Hanson Pacific (S) Pte Ltd., Hanson Investment Holdings Pte Ltd. and Hanson Building Materials (S) Pte Ltd. Ms. Sim is also an alternate director in Butra HeidelbergCement Sdn Bhd.

Ms. Sim does not hold any Equity Shares in the Company. The Board has recommended the resolution set out at Item No. 6 of the Notice for approval of the members.

Except Ms. Sim, 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 resolution. This explanatory statement may also be regarded as a disclosure pursuant to Clause 49 of Listing Agreement with Stock Exchanges.

Item No. 7

The members of the Company at the last Annual General Meeting held on 19th June 2014 had approved the appointment of Mr. Sushil Kumar Tiwari as Wholtime Director of the Company from 29th April 2014 till 9th June 2015, being the date of his retirement from the services of the Company.

In his career spanning over 35 years, Mr. Tiwari has rich and vast experience of more than 29 years in the cement industry. During his 8 years of association with the Company, he has undertaken multifarious assignments which have led to increase in operational efficiencies and improvement of consumption parameters. He plays a crucial role in managing the operations of plants and mines of the Company. After the expansion of capacity of Damoh and Jhansi Units, the scale and complexity of operations has increased considerably. It is therefore necessary to have a seasoned professional to lead the technical team.

In view of the aforesaid facts the Board of Directors, on the recommendation of Nomination and Remuneration Committee, had at its meeting held on 25th May 2015 has re-appointed Mr. Sushil Kumar Tiwari as Wholtime Director of the Company for a further period of two years from 10th June 2015 to 09th June 2017.

The terms and conditions of Mr. Tiwari's remuneration effective from 1st January 2015 are as under:

- i) Basic Salary : ₹ 5,130,600 per annum. The annual increment will be effective from 1st January 2016.
- ii) House Rent Allowance : 40% of the basic salary.
- iii) Variable Pay : Variable Pay shall be equivalent to ₹31,26,423 on 100% achievement of the Company's and individual targets set at the beginning of the year. It can vary between 0% to 200% of the base amount of ₹31,26,423 depending upon results of evaluation of individual's and Company's performance. The annual increment in variable pay will also be effective from 1st January 2016.
- iv) Car Allowance : ₹ 6,12,000 per annum.
- v) Perquisites & Allowances : Medical Reimbursement, Mediclaim Premium, Special Allowance, Long Term Incentive Plan, Leave Travel Allowance, Ex-gratia etc., in accordance with the Rules of the Company or as may be agreed to between the Company and Mr. Tiwari.
Perquisites and allowances shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost. Provision for use of telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the remuneration.
- vi) Retirement benefits : Contribution to Provident Fund and Superannuation Fund, as per Company's policy. Gratuity to be paid in accordance with Payment of Gratuity Act, 1972 and encashment of leave at end of tenure.

Minimum Remuneration: Where in any financial year during the tenure of the Wholetime Director, the Company has no profit or its profit is inadequate, the Company will pay remuneration specified herein above as minimum remuneration, subject to the requisite approvals as may be necessary.

Within the overall ceiling on managerial remuneration prescribed under the Companies Act, 2013, or any statutory modification or re-enactment thereof the Board (including any Committee of the Board or any person authorised by the Board in this behalf) shall be entitled to add, alter or vary any of the foregoing terms of remuneration, benefits or perquisites to which Mr. Tiwari may be entitled as aforesaid.

The annual remuneration package of Mr. Tiwari approved by the members at the last AGM held on 19th June 2014 was for the period from 1st January 2014 till 31st December 2014. Therefore Mr. Tiwari's remuneration is being revised w.e.f. from 1st January 2015 although the re-appointment is effective from 10th June 2015.

The statement as required under Section II, Part II of Schedule V of the Companies Act, 2013 with reference to aforesaid item is given below:

I. General Information:

- (1) Nature of industry. : Manufacturing of Cement.
- (2) Date or expected date of commencement of commercial production. : Not Applicable (The Company was incorporated on 13th May 1958 and commenced commercial production in 1962).
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. : Not Applicable
- (4) Financial performance based on given indicators. :

(₹ in million)

Particulars	For the period ended 31st March 2015 (fifteen months)	For the year ended 31st December 2013	For the year ended 31st December 2012
Net Sales and Other Income	20,581.2	14,006.0	11,144.2
EBITDA (Earnings before interest, tax, depreciation and amortization)	3,359.5	1,222.1	876.8
Profit / (loss) before tax	1,197.9	(806.7)	456.6
Net Profit / (Loss)	595.3	(407.3)	308.4

- (5) Foreign investments or collaborations, if any. : The foreign holding in the share capital of the Company as on 31st March 2015 is as under:-

Foreign holding	No. of shares	Percentage of holding
Promoter (Cementum I B.V.)	157,244,693	69.39%
Foreign Institutional Investors	19,880,671	8.77%
Non-Resident Indians / OCBs	1,528,112	0.68%

II. Information about the appointee:

- (1) Background details. : Mr. Sushil Kumar Tiwari, completing 60 years of age on 10th June 2015, is Engineer in Electrical as well as Electronics and Communication from the Institute of Engineers, Kolkata. In his career spanning over 36 years he has rich and vast experience of more than 29 years in the Cement Sector. He has worked with Raymond Limited (Cement Division), which was taken over by Lafarge India Private Limited in the year 2001. Mr. Tiwari joined HeidelbergCement India Limited in April 2007 as Unit Head of Company's Ammasandra Plant. In August 2008, he was appointed as Unit Head of the Company's Damoh and Jhansi units. In view of the valuable contribution of Mr. Tiwari, he was elevated to the position of Technical Head of the Company w.e.f. 1st September 2010. He was appointed as Wholetime Director of the Company w.e.f. 29th April 2011. He is a member of Corporate Social Responsibility Committee of the Company. He is also a Director of Cochin Cements Limited.
- (2) Past remuneration. : Mr. Tiwari was appointed as Wholetime Director of the Company w.e.f. 29th April 2011. The details of remuneration paid to Mr. Tiwari during last three financial years are as under:
Year 2012: He was paid remuneration of ₹ 12,534,254 during the year ended 31st December 2012.
Year 2013: He was paid remuneration of ₹ 13,988,282/- during the year ended 31st December 2013.
Year 2014-15: He was paid remuneration of ₹ 1,92,95,644/- during the period ended 31st March 2015 (fifteen months).
- (3) Recognition or awards. : The Institution of Engineers (India) at its 21st National Convention 2005-06 held on 4th & 5th day of February 2006, had honoured Mr. Tiwari for the outstanding achievements and contribution in the field of Electronics & Telecommunication Engineering. The Award was presented to Mr. Tiwari by the then Hon'ble Governor of Chattisgarh, Mr. Krishna Mohan Seth.
- (4) Job profile and his suitability. : As Wholetime Director, Mr. Tiwari performs such duties and exercises such powers as are entrusted to him from time to time by the Board of Directors and/or CEO & Managing Director. In view of Mr. Tiwari's rich and vast experience of more than 29 years in Cement Sector, he is competent to discharge the functions and tasks associated with his position as Wholetime Director of the Company. Mr. Tiwari plays a crucial role in overseeing the activities at the Plants and Mines of the Company.
- (5) Remuneration proposed. : As per details given in the Statement pursuant to Section 102 of the Act.
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person : The remuneration payable to Mr. Tiwari has been benchmarked with remuneration being drawn by similar positions in the cement industry and has been approved by the Nomination and Remuneration Committee at its meeting held on 25th May 2015.

- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any. : Apart from receiving his remuneration as stated in the statement pursuant to Section 102 of Act, Mr. Tiwari does not have any pecuniary relationship, directly or indirectly with the Company, its Directors, Key Managerial Personnel and/or their relatives. Mr. Tiwari does not hold any shares of the Company.

III. Other information:

- (1) Reasons of loss or inadequate profits. : Not Applicable
- (2) Steps taken or proposed to be taken for improvement. : Not Applicable
- (3) Expected increase in productivity and profits in measureable terms. : Not Applicable

Although the Company has shown growth and profit from its operations in the previous financial year and is expected to earn profits in the future years also, it is proposed to pass the resolution given at Item No.7 of this Notice as a Special Resolution, in order to enable the Company to pay the remuneration detailed above as minimum remuneration to Mr. Tiwari in the eventuality of loss/inadequacy of profits in any financial year during his tenure in terms of the provisions of Section II, Part II of Schedule V of the Companies Act, 2013.

IV. Disclosures: The remuneration package of the managerial personnel has been described in the statement pursuant to section 102 of the Act and the same will also be provided in the Corporate Governance Report of the subsequent years.

The Board of Directors has recommended the resolution set out at Item No.7 of the Notice for approval of the members as a Special Resolution.

Except Mr. Sushil Kumar Tiwari, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financial or otherwise, in the aforesaid resolution. This explanatory statement may also be regarded as a disclosure pursuant to Clause 49 of the Listing Agreement with Stock Exchanges.

Item No. 8:

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 2016.

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 2015-16 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. 8 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 aforesaid resolution.

Item No. 9:

The existing Articles of Association (AoA) of the Company are based on the provisions of the Companies Act, 1956. Several articles in the AoA contain reference to specific sections of the Companies Act, 1956. Some of the Articles are not in conformity with the provisions of the Companies Act, 2013.

It is therefore proposed to amend the existing AoA to make the same in conformity with the provisions of the Companies Act, 2013. The amended AoA are based on Table 'F' of the Act which sets out the model AoA for a company limited by shares.

New provisions proposed to be inserted in existing Articles are as follows:

- Providing e-voting facility to members at a General Meeting/ Postal Ballot
- Service of documents by the Company through registered post, speed post, courier or by Email.
- Existing AoA provides that quorum for General Meetings shall be five members. The same is proposed to be amended to bring it in line with the Companies Act, 2013.
- Provisions relating to appointment of Key Managerial Personnel.
- Participation of Directors in meetings of the Board and its Committees through video conferencing or other audio-visual means.

The existing Articles which have become redundant consequent to Companies Act, 2013 and are therefore proposed to be deleted relate to issue of share warrants, holding of statutory meeting, appointment of treasurers, appointment of first auditor etc.

In accordance with the green initiative the proposed new draft of AoA have been uploaded on the Company's website for perusal by the members and the same is also available for perusal at the Registered Office of the Company during business hours on all working days up to and including the date of 56th AGM. The members who wish to have a hard copy of the draft AoA may also write to the Legal Head & Company Secretary of the Company at its Registered Office address.

Pursuant to the provisions of Section 14 of the Companies Act, 2013 amendment of the Articles of Association of the Company needs approval of members of the Company by way of a Special Resolution. The Board has recommended the special resolution set out at Item No. 9 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 aforesaid resolution.

By Order of the Board

Date : 25th May 2015
Place : Gurgaon

Rajesh Relan
Legal Head & Company Secretary

Board's Report

TO THE MEMBERS,

The Directors are pleased to present the 56th Annual Report together with the audited accounts of the Company for the fifteen months period ended 31st March 2015.

The financial year of the Company has been changed to comply with the provisions of Section 2(41) of the Companies Act, 2013. The period under review is therefore for 15 months i.e., from 1st January 2014 to 31st March 2015.

THE YEAR IN RETROSPECT

The fiscal year 2014-15 witnessed resumption in growth with the Index of Industrial Production (IIP) growing by 2.8 per cent as compared to the contraction of 0.1 per cent in 2013-14. The GDP grew at 7.3 per cent in 2014-15 due to improved performance of both manufacturing and service sector as compared to 6.9 per cent in 2014-15. Inflation abated with the Wholesale Price Index (WPI) hitting a six year low of zero per cent in November 2014 in contrast to 7.5 per cent witnessed in November 2013. The decline in global crude prices also helped to ease inflation and release pressure on the current account deficit. All these factors collectively have raised expectations of a decrease in interest rates and increase in economic growth.

The overall demand growth for cement industry in 2014 was marginally better compared to 2013. However, the industry continues to be saddled with significant unutilized capacity created over the past six years. At the end of March 2015, the overall installed cement manufacturing capacity stood close to 390 million tonnes.

FINANCIAL HIGHLIGHTS / REVIEW OF OPERATIONS

During the fifteen months period ended 31st March 2015, the new plants at Damoh and Jhansi were stabilized. The production team was able to consistently produce above the rated capacity which is a testimony to the high level of competence and commitment of our workforce.

- The gross sales for the period ended 31st March 2015 were MINR 23,713.8 compared to MINR 16,102.4 during the previous year ended 31st December 2013 (twelve months), an increase of 17.8 % (on an annualised basis).
- EBITDA (Earnings before interest, tax and depreciation) grew in fifteen months to MINR 3,359.5 from MINR 1,222.1 in the previous year ended 31st December 2013 (twelve months) resulting in growth of 120% (on an annualised basis).
- The net profit in fifteen months was MINR 595.3 compared to net loss of MINR (407.3) during the previous year ended 31st December 2013 (twelve months). Cash profit for 2014-15 was MINR 1,970.7 compared to MINR 563.0 in 2013.

A snapshot of the Company's financial performance for the period ended 31st March 2015 (fifteen months) vis-à-vis performance for the previous year ended 31st December 2013 is as under:-

(₹ in Millions)

	Continuing operation		Discontinued operation*		Total	
	31-March-15	31-Dec-13	31-March-15	31-Dec-13	31-March-15	31-Dec-13
Income						
Revenue from operations (gross)	23,713.8	14,049.4	-	2,053.0	23,713.8	1,6102.4
Revenue from operations (net of Excise Duty)	20,442.8	12,089.1	-	1,843.1	20,442.8	13,932.2
Other income	138.4	73.0	-	0.8	138.4	73.8
Total revenue	20,581.2	12,162.1	-	1,843.9	20,581.2	14,006.0
Earnings before interest, tax, depreciation and amortization (EBITDA)	3,359.9	1,093.3	(0.4)	128.8	3,359.5	1,222.1
Net Depreciation and Amortization	1,375.4	890.7	-	79.6	1,375.4	970.3
Finance costs	1,389.3	1,056.4	-	2.1	1,389.3	1,058.5
Exceptional Item	603.1	-	-	-	603.1	-
Total tax expense	602.6	(399.4)	-	-	602.6	(399.4)
Profit/(loss)	595.7	(454.4)	(0.4)	47.1	595.3	(407.3)

*Discontinued operations are of Raigad Unit which was sold on 3rd January 2014.

Enhancement in production of clinker and cement, post stabilization of new plants, also increased the demand for raw materials, fuels, packing bags etc. The Company's foremost priority is to secure stable and economical sources of raw materials and accordingly necessary steps were taken in that direction. Procurement of adequate quantities of fly ash from sources in close proximity to our plants led to a saving of ~14% at Imlai plant.

The fall in crude oil prices beginning July 2014, lowered the poly propylene granule and diesel prices by ~15% thus benefitting the Company by way of reduction in packing and logistics costs. Royalty on limestone was increased in September 2014 by 27% from ₹ 63 per tonne to ₹ 80 per tonne.

Notwithstanding the challenging demand supply situation, the Company registered a 30% growth in sales volume on a like-for-like basis, way above the estimated average growth of 5% for the cement industry. The Company successfully increased its market share in Central India and penetrated new areas bringing new channel partners to its fold. Cement under a new brand name "Mycem power" was also launched in Southern India. Emphasis was placed on ensuring effective coordination among production, quality control, marketing, logistics and customer support teams to supply quality products and services to our customers.

TRANSFER TO DEBENTURE REDEMPTION RESERVE

The Company had on 16th December 2013 issued Non-Convertible Debentures aggregating to MINR 3,700 carrying interest of 10.4% per annum. It is proposed to transfer out of the profits for the period ended 31st March 2015, an amount of MINR 173.4 to Debenture Redemption Reserve (DRR) to meet the obligations towards the redemption of debentures which is commencing from 16th December 2019.

DIVIDEND

In order to achieve growth and lay a stronger foundation for the future, the Company invested nearly INR 16 billion in capacity addition at its existing locations in Central India. This was financed through a mix of internal accruals and debt. Since the repayment of external commercial borrowings will commence from January 2016, your Directors have decided to conserve the financial resources and therefore not recommended payment of dividend at this juncture. As always, every management decision remains directed towards creating value for the shareholders in the long term.

STEPS TOWARDS COST REDUCTION

The Company is continuously evaluating its internal and external environment and taking all possible steps to

control costs so that it is able to improve its competitiveness and profitability. A few notable steps taken in this direction were as under:

A step towards clean energy: The Company took a major decision to set-up an eco-efficient Waste Heat Recovery based Power Generation Plant at its clinkerisation unit at Narsingarh, District Damoh (M.P.). The proposed plant envisages production of approximately 12 MW of power for captive consumption from the waste heat generated from all three clinkerisation lines at Narsingarh. It will substitute grid power thus reducing power cost per ton of clinker. The project is likely to be operational by end of 2015.

Energy Costs: To stem the burgeoning fuel costs, the Company has successfully altered its fuel mix and increased usage of petcoke as it delivers a lower cost per Giga Joules (GJ) compared to coal. The management's efforts to reduce specific power consumption have also started yielding results.

Operational Efficiencies: The Company has installed wagon tippers, extended its railway sidings and modified the packing plant at its Central India locations, resulting in the reduction of turnaround time for trucks and faster loading of wagons thereby increasing operational efficiencies.

Various other measures were taken on the production front to improve the operating parameters in order to minimize the impact arising out of increasing input costs. Judicious sourcing and inventory management helped in keeping costs under control while astute financial management resulted in reduction of interest costs.

DIVESTMENT OF RAIGAD UNIT

The Company sold its Raigad unit as a going concern to JSW Steel Limited on a slump sale basis with effect from the close of business hours on 3rd January 2014. The entire sale consideration for the same aggregating to INR 1,660 million has been received during the fifteen months period ended 31st March 2015. The aforesaid sale transaction has resulted into net gain of INR 603.1 million which has been shown as an exceptional item.

ENVIRONMENTAL SUSTAINABILITY

The Company firmly believes in sustainable development and therefore environment protection and conservation of natural resources are practiced across functions of the organization. The following initiatives were taken in 2014-15:

- ❑ Two additional Continuous Ambient Air Quality Monitoring Stations (CAAQMS) were installed at the Clinkerization Units at Narsingarh and Ammasandra.
- ❑ Surveillance Audit conducted by TUV-SUD for Integrated Management System for ISO 9001:2008 (Quality Management System), ISO 14001:2004 (Environment

Management System) and OHSAS 18001: 2007 (Occupational Health & Safety Assessment Series).

- ❑ Trainings on environmental legislations and environmental management were conducted at all the plants and mines.
- ❑ Planted a wide range of tree saplings in the Green Belt to improve the environment at all the plants. Plantation has also been carried out at Narsingarh Limestone Mines.
- ❑ Various initiatives were taken for improving the housekeeping and aesthetics at the plants and mines.

ENRICHING BIODIVERSITY

Recognizing the importance of biodiversity for sustainable development, the company took several measures in this regard. Development of water bodies and green belt surrounding the plants and mines was undertaken for improving air quality, prevention of soil erosion, sustenance of precipitation and conservation of flora and fauna. Numerous varieties of birds and animals, including certain species of migratory birds, are now being spotted near our plants and mines.



MAKING A DIFFERENCE THROUGH CSR

The Company is creating value for the local communities through its CSR activities in the areas of healthcare, education, community development, environment etc. During the fifteen months period ended 31st March 2015 the Company has spent INR 10.7 million on various CSR activities / projects compared to statutory minimum amount of INR 0.5 million which needed to be spent in accordance with the provisions of Section 135 of the Companies Act, 2013. The CSR activities carried out by the Company using the aforesaid funds have further strengthened our bond with the communities around the plant.

The Company organized free health check-up camps manned with experienced doctors and also provided mobile medical services distributing free medicines. Due to scarcity of drinking water in the area, the Company has undertaken both long term and short term projects to alleviate the situation.

Under the rural development programme, the Company constructed community centers in Damoh District. It is also constructing a Km long Murom road along-with culverts and retaining walls, linking the villages of Imlai to SH-72 to facilitate speedier and smoother connectivity especially during rainy season.

In the field of education, the Company renovated the infrastructure at seven schools by providing toilets, proper flooring, and expanded roofing slabs. The Company provided benches, desks and books to schools to improve the education facility. The Company is also running two education centers in the vicinity of its plant at Jhansi for the benefit of adults and children from the weaker sections of the society.



Camps were organized for farmers to educate them on methods to increase crop yield by using latest farming techniques. In order to empower women and improve their

livelihood, the Company distributed paper plate making machines for commercial use.



The Report on CSR activities is annexed herewith as 'Annexure – A'.



OCCUPATIONAL HEALTH & SAFETY

Attention to occupational health & safety remains a core business value for the company.

The Company is OHSAS 18001:2007 certified by TUV-SUD. The safety system is built on five strong pillars: safety guidelines of HeidelbergCement Group; cardinal norms on safety; compliance with legal obligations; OHSAS 18001:2007 benchmarking; and compliance with the industry's best safety practices.

To make our employees and contractors aware of the occupational risks, specific trainings were imparted with focus on making our people as role models in occupational health and safety. Appropriate rules and systems have been put in place for this purpose and relentless efforts are made for continuous improvement on the basis of past experiences combined with contemporary safety practices.

However despite the Company's best efforts and high level of commitment at every level, a fatality occurred during an old preheater's demolition work at Ammasandra plant. Although, the work was assigned to a contracting agency specialized in this field and the job was being done under

strict supervision, the incident happened due to negligent behavior of the contract workman. The Management has taken it very seriously. A committee was formed to investigate the root cause of the incident. Based on the recommendations of the committee, procedures and methodology have been revisited. Several precautionary measures have also been taken including training on behavior based safety to avoid recurrence.

Nevertheless, we are seeing a marked improvement in LTI rates. The Company stands committed to achieve "Zero Harm" Safety performance. Towards this goal, during the period under review the following steps were ensured:

- Installed AV alarm system in Wagon Loading Machines as well as at both ends of two railway platforms to caution people working on the platforms, at Jhansi plant.
- Installed "Inert Gas Purging System" for effective fire control situation - Coal Mill I & II at Narsingarh plant.
- Installed fencing (1500 Mtr) on both sides of the railway track to avoid chances of accident at Jhansi plant.
- Extended Fire Hydrant system at Jhansi plant and installed Water Foam Monitors at fuel tank farm area and Fire Hydrant at Imlai plant.
- Constructed approximately 2000 meter pathway for pedestrian safety at all the plants.
- Route Risk Analysis carried out for two routes, Narsingarh-Damoh and Narsingarh-Patharia Mines, by an external agency.

AWARDS AND ACCOLADES

The Company continued to pursue excellence in all areas of its operations, and we are happy to report that it won the following awards and honours:

- ❑ Certificate of Merit for National Energy Conservation was given by Ministry of Power to Narsingarh Plant.
- ❑ Best Contributor Management award was given by MP State Welfare Board, Bhopal to Narsingarh Plant.
- ❑ "National Energy Conservation Award - Second prize - Cement Sector" was given to Narsingarh Plant.
- ❑ 2nd Prize for Overall Performance and 1st Prize for Safety Song/Slogans was awarded by Mines Safety Association, Karnataka, Zone-3 to Yerekatte limestone mines during the Mines Safety Week celebrations.

CORPORATE GOVERNANCE

The Company believes in and practices the highest standards of corporate governance. All the Directors and employees are bound by the Codes of Conduct setting out the fundamental standards to be followed in all actions carried out on behalf of the Company.

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance, together with a certificate from M/s. Nityanand Singh & Co., a firm of Company Secretaries in Practice, confirming compliance with conditions of Corporate Governance, forms an integral part of this Report. A Management Discussion and Analysis Report is also given as an addition to this Report.

A certificate furnished by Mr. Jamshed N. Cooper, CEO & Managing Director and Mr. Anil Sharma, Chief Financial Officer in respect of the financial statements and the cash flow statement for the period ended 31st March 2015 is annexed as Annexure 'B' to this Report.

DIRECTORS

During the period under review, Mr. Ashish Guha (DIN: 00004364) tendered his resignation from the position of Chief Executive Officer and Managing Director (CEO&MD) of the Company on 2nd May 2014. The Board of Directors accepted the resignation and relieved Mr. Guha with effect from close of business hours on 30th June 2014. The Board places on record its appreciation for the valuable services rendered by him during his tenure.

The Board has, subject to the approval of the members, appointed Mr. Jamshed N. Cooper (DIN: 01527371) as an Additional Director and also as CEO&MD of the Company with effect from 1st July 2014 in place of Mr. Guha. Mr. Cooper has rich and vast experience of more than 30 years in the cement industry. The Company has received a notice under Section 160(1) of the Companies Act, 2013 from a member proposing his appointment as a director at the ensuing AGM. A brief profile of Mr. Cooper is given in the Notice of AGM. The Board recommends the appointment of Mr. Cooper by the members at the ensuing AGM.

The Board has, subject to the approval of the members, reappointed Mr. Sushil Kumar Tiwari (DIN: 03265246) as Wholetime Director of the Company for a further period of two years from 10th June 2015 to 9th June 2017. The Board recommends the reappointment of Mr. Tiwari by the members at the ensuing AGM.

Dr. Bernd Scheifele (DIN: 01467699) has tendered his resignation from the position of Director of the Company with effect from close of business hours on 10th September 2014. The Board places on record its appreciation for the valuable guidance provided by Dr. Scheifele during his tenure. The Board has appointed Ms. Soek Peng Sim (DIN: 06958955) as an Additional Director on 16th September 2014. Ms. Sim has rich experience of more than 25 years in finance function. As an Additional Director Ms. Sim holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice under section 160(1) of the Companies Act, 2013 from a member proposing

her appointment as a director at the ensuing AGM. A brief profile of Ms. Sim is given in the Notice of AGM. The Board recommends her appointment by the members at the ensuing AGM.

Dr. Albert Scheuer (DIN: 02170574) retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible offers himself for re-appointment. The Board recommends his reappointment by the members at the ensuing AGM.

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 last Annual General Meeting held on 19th June 2014 and they continue to be on the Board of Directors. All the independent directors have given declarations regarding fulfilling the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

DISCLOSURES UNDER COMPANIES ACT, 2013

Number of Board Meetings: During the fifteen months period ended 31st March 2015, six 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 Mr. Jamshed N. Cooper. 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 Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually and the performance evaluation of all the Committees constituted by it, namely, the Audit Committee, Nomination and Remuneration Committee, CSR Committee and Stakeholders' Relationship Committee. The manner in which the performance evaluation has been carried out has been explained in the Corporate Governance Report.

Nomination and Remuneration Policy: The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management Personnel and their remuneration. The salient features of the same are given in the Corporate Governance Report. The Policy can be accessed at the website of the Company, www.mycemco.com.

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

Appointment of Key Managerial Personnel: Mr. Anil Kumar Sharma and Mr. Rajesh Relan who were already working with the Company as Chief Financial Officer and Legal Head & Company Secretary respectively were designated as Key Managerial Personnel in compliance with the provisions of Section 203 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. During the period under review the Internal Financial Controls were tested and no reportable material weakness in the design or operation were observed.

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, your directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013 :

- (a) that in the preparation of the accounts for the fifteen months period ended 31st March 2015 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 2015 and of the profit of the Company for the fifteen months period 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 fifteen months period ended 31st March 2015 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 were operating effectively.

RELATED PARTY TRANSACTIONS

All the transactions entered into between the Company and its related parties during the fifteen months period ended 31st March 2015 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. The Company has not entered into any fresh contract or arrangement or modified any existing contract or arrangement after the date on which Section 188 of the Companies Act, 2013 became effective. A statement of all related party transactions is placed before the Audit Committee on a quarterly basis, specifying the nature and value of the transactions.

Pursuant to Clause 49 of the Listing Agreement, the Company has framed 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 is <http://mycemco.com/related-party-transaction-policy>.

RISK MANAGEMENT

The Company has a sound risk management system and a structured risk management policy in place. 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

The Company has established a vigil mechanism to deal with the instances of fraud and mismanagement. The details of the vigil mechanism are given in the Corporate Governance Report and the same is also posted on the website of the Company.

AUDITORS

In accordance with the provisions of Section 139(1) of the Companies Act, 2013 the members had at the last Annual General Meeting (AGM) held on 19th June 2014 appointed S.R. Batliboi & Co. LLP, Chartered Accountants, as statutory auditors of the Company for three consecutive financial years i.e., up to the conclusion of the 58th AGM. Section 139(1) of the Companies Act, 2013, further provides that the appointment of statutory auditors shall be placed before the members at every AGM for ratification. Accordingly, a Resolution seeking member's ratification for the continued appointment of S.R. Batliboi & Co. LLP, Chartered Accountants, as statutory auditors of the Company is included at Item No. 3 of the Notice convening

the AGM. S.R. Batliboi & Co. LLP have given their consent and confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules made thereunder for continuing as statutory auditors of the Company. 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 Cost Audit for the financial year ended 31st December 2013 was conducted by M/s R.J. Goel & Co., Cost Accountants, Delhi and as required Cost Audit Report was duly filed with Ministry of Corporate Affairs, Government of India. The Audit of the cost accounts of the Company for the fifteen months period ended 31st March 2015 is 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) Amendment 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 2015-16 on a remuneration of INR 0.225 million. 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 at Item No. 8 of the Notice convening the AGM. The Board recommends the aforesaid resolution for approval of the members.

SECRETARIAL AUDIT

The Board has 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 fifteen months period ended 31st March 2015 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 'D'. 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 Accounts for the fifteen

months period ended 31st March 2015 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 'E'.

DISCLAIMER

It is brought to the notice of the members that the Ministry of Corporate Affairs had vide its Circular No. 08/2014 dated 4th April 2014 clarified that the financial statements and the documents required to be attached thereto, the Auditor's and Boards' Report in respect of the financial year under reference shall continue to be governed by the relevant provisions of the Companies Act, 1956, schedules and rules made thereunder. Accordingly, whilst the financial statements and the Auditor's Report as aforesaid are prepared as per the requirements of the Companies Act, 1956, the Company, as a good corporate practice, has to the extent possible provided the information in the Board's Report and the Corporate Governance Report in accordance with the provisions of the Companies Act, 2013.

ACKNOWLEDGEMENTS

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. We are thankful to various agencies of the Central and State Government(s) for their continued support and co-operation.

For and on behalf of the Board

Place: Gurgaon
Date: 25th May 2015

P.G. Mankad
Chairman

Annexure - A to the Board's Report

Report on Corporate Social Responsibility (CSR) activities for the fifteen months period ended 31 March 2015

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 CSR Committee approved a CSR Policy.</p> <p>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 timeframes. 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, health care, education, rural infrastructure development and environment, giving maximum freedom to the local communities and employees to evolve meaningful initiatives. • Your 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 of 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 Corporate 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 for the same is http://mycemco.com/community-initiative</p>
2	Composition of the CSR Committee:	Mr. S. Krishna Kumar, Chairman of the Committee; Dr. Albert Scheuer Mr. Sushil Kumar Tiwari
3	Average net profit of the Company for last three financial years:	₹ 25.03 million
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above):	₹ 0.50 million
5	Details of CSR spent for the financial year: (a) Total amount spent for the period ended 31 st March 2015 (fifteen months): (b) Amount unspent, if any:	<p>₹ 10.73 million</p> <p>NIL</p>

(c) Manner in which the amount has been spent during the period ended 31st March 2015 (fifteen months) is detailed below:

₹ in millions

S. No	CSR project or activity identified	Sector in which the project is covered	Location	Amount Outlay (budget) project or programs-wise (Jan 2014 - Mar 2015)	Amount spent on the projects or programs	Cumulative expenditure up to the reporting period (i.e. Mar 31, 2015)	Amount spent: Direct or through implementing agency
					Direct		
1	Construction of Community halls and construction/ renovation of old age home	Rural Development	Damoh (Madhya Pradesh), Jhansi (Uttar Pradesh) and Ammasandra (Karnataka)	3.36	3.19	3.19	3.19
2	Deepening of ponds, distribution of hand pumps/bore wells, construction of check dams, providing drinking water distribution infrastructure etc.*	Rural Development	Damoh (Madhya Pradesh), Jhansi (Uttar Pradesh)	1.44	1.21	1.21	1.21
3	Construction of road, culverts and retaining walls alongside roads	Rural Development	Damoh (Madhya Pradesh), Jhansi (Uttar Pradesh)	2.50	1.70	1.70	1.70
4	Free medical check up camps and providing medicines	Health Care	Damoh (Madhya Pradesh), Jhansi (Uttar Pradesh)	0.37	0.37	0.37	0.37
5	Awareness and training on health, sanitation, safe drinking water and women's personal hygiene	Health Care	Jhansi (Uttar Pradesh)	0.15	0.15	0.15	0.15
6	Distribution of bags, books and note books to promote education	Education	Jhansi (Uttar Pradesh) and Ammasandra (Karnataka)	0.07	0.07	0.07	0.07
7	Construction of toilets in schools, addition of class rooms, renovation of school buildings & library	Education	Damoh (Madhya Pradesh), Jhansi (Uttar Pradesh) and Ammasandra (Karnataka)	3.42	3.37	3.37	3.37
8	Providing vocational training like driving school, providing education centres for adults, providing paper plate making machine including training with the objective of women empowerment	Education	Damoh (Madhya Pradesh), Jhansi (Uttar Pradesh)	0.36	0.36	0.36	0.36
9	Plantation of saplings and providing solar lights	Environment	Damoh (Madhya Pradesh)	0.33	0.31	0.31	0.31
	Total			12.00	10.73	10.73	10.73

* Includes 0.4 MINR paid to Public Health Engineering Department of Government of Madhya Pradesh under 'Nal Jal Yojna' for Narsingarh Village

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 : Gurgaon
Date : 25 May 2015

Jamshed N. Cooper
CEO & Managing Director

S. Krishna Kumar
Chairman – CSR Committee

Annexure - B to the Board's Report

The Board of Directors
HeidelbergCement India Limited

Dear Sirs,

Sub. : CEO & CFO's Certification

1. We have reviewed the financial statements and the cash flow statement of the Company for the fifteen months period ended 31 March 2015 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 fifteen months period ended 31 March 2015 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 are no significant changes in internal control over financial reporting during the fifteen months period ended 31 March 2015;
 - (ii) that there are no significant changes in accounting policies during the fifteen months period ended 31 March 2015; and
 - (iii) there are no instances of fraud of which we have become aware.

Place : Gurgaon
Date : 25-05-2015

Jamshed Naval Cooper
CEO & Managing Director

Anil Kumar Sharma
Chief Financial Officer

Annexure - C to the Board's Report

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2015**

[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, Gurgaon, Haryana – 122002, Phone Nos. : 0124 – 4503795
- vi) Whether listed company: Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:
Integrated Enterprises (India) 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 ID: vijayagopal@integratedindia.in and alfint@vsnl.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S.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. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [as on 01 January 2014]				No. of Shares held at the end of the year [as on 31 March 2015]				% 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	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [as on 01 January 2014]				No. of Shares held at the end of the year [as on 31 March 2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
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	156,149,534	-	156,149,534	68.91	157,244,693	-	157,244,693	69.39	0.48
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) (2)	156,149,534	-	156,149,534	68.91	157,244,693	-	157,244,693	69.39	0.48
Total Shareholding Promoter Group (A)=(A)(1)+(A)(2)	156,149,534	-	156,149,534	68.91	157,244,693	-	157,244,693	69.39	0.48
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1,150,999	4,460	1,155,459	0.51	1,957,529	4,385	1,961,914	0.87	0.36
b) Banks / FI	26,165	975	27,140	0.01	91,648	975	92,623	0.04	0.03
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	328,440	328,440	0.14	-	328,440	328,440	0.14	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies-	13,809,041	1,400	13,810,441	6.09	12,355,374	1,400	12,356,774	5.45	-0.64
g) FIIs	11,075,517	132	11,075,649	4.89	19,880,539	132	19,880,671	8.77	3.88
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	26,061,722	335,407	26,397,129	11.65	34,285,090	335,332	34,620,422	15.28	3.63
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	13,079,280	18,954	13,098,234	5.78	5,766,786	18,004	5,784,790	2.55	-3.23
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	18,617,008	1,257,514	19,874,522	8.77	18,250,100	1,202,194	19,452,294	8.58	-0.19
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	8,068,899	177,700	8,246,599	3.64	7,372,220	177,700	7,549,920	3.33	-0.31

Category of Shareholders	No. of Shares held at the beginning of the year [as on 01 January 2014]				No. of Shares held at the end of the year [as on 31 March 2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)						-			
Non Resident Indians	1,376,746	65,145	1,441,891	0.64	1,463,767	62,845	1,526,612	0.68	0.04
Overseas Corporate Bodies	-	1,500	1,500	-	-	1,500	1,500	0.00	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	546,919	-	546,919	0.24	387,839	-	387,839	0.17	-0.07
Trusts	3,019	853,769	856,788	0.38	5,019	40,027	45,046	0.02	-0.36
Foreign Bodies -D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	41,691,871	2,374,582	44,066,453	19.45	33,245,731	1,502,270	34,748,001	15.33	-4.12
Total Public Shareholding (B)=(B)(1)+ (B)(2)	67,753,593	2,709,989	70,463,582	31.09	67,530,821	1,837,602	69,368,423	30.61	-0.48
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	223,903,127	2,709,989	226,613,116	100	224,775,514	1,837,602	226,613,116	100	-

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1	Cementum I B.V.	156,149,534	68.91	Nil	157,244,693	69.39	Nil	0.48%
	Total							

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

		Shareholding at the beginning of the period - 01.01.2014					Cumulative shareholding during the period (01.01.2014 to 31.03.2015	
S. No.	Name of the Shareholder	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.	156149534	68.91	31.12.2013			156149534	68.91
				09.01.2014	184999	TRANSFER	156334533	68.99
				16.01.2014	430000	TRANSFER	156764533	69.18
				06.02.2014	109493	TRANSFER	156874026	69.23
				06.03.2014	71998	TRANSFER	156946024	69.26
				13.03.2014	170551	TRANSFER	157116575	69.33
				20.03.2014	128118	TRANSFER	157244693	69.39
				31.03.2015			157244693	69.39

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

Sl. No.	Name of the shareholder	Shareholding at the beginning of the period - 01.01.2014		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the period (01.01.2014 to 31.03.2015)	
		No. of Shares	% to Total Shares of the Company				No. of Shares	% to Total Shares of the Company
1	ASIA VISION FUND	2000000	0.88	01.01.2014				
				30.05.2014	-12439	TRANSFER	1987561	0.88
				06.06.2014	-62561	TRANSFER	1925000	0.85
				31.03.2015			1925000	0.85
2	JAPAN TRUSTEE SERVICES BANK LTD. A/C JF INDIA EQUITY	965439	0.43	01.01.2014				
				30.01.2014	-50000	TRANSFER	915439	0.40
				02.05.2014	-40000	TRANSFER	875439	0.39
				23.05.2014	-20000	TRANSFER	855439	0.38
				30.05.2014	-25000	TRANSFER	830439	0.37
				29.08.2014	-19800	TRANSFER	810639	0.36
				14.11.2014	-55000	TRANSFER	755639	0.33
				31.03.2015			755639	0.33
3	JP MORGAN INDIA SMALLER COMPANIES FUND	1278294	0.56	01.01.2014				
				09.01.2014	-150000	TRANSFER	1128294	0.50
				11.04.2014	142846	TRANSFER	1271140	0.56
				18.04.2014	256875	TRANSFER	1528015	0.67
				25.04.2014	175005	TRANSFER	1703020	0.75
				02.05.2014	125274	TRANSFER	1828294	0.81
				30.05.2014	-150000	TRANSFER	1678294	0.74
				25.07.2014	200000	TRANSFER	1878294	0.83
				05.09.2014	215000	TRANSFER	2093294	0.92
				05.12.2014	223789	TRANSFER	2317083	1.02
				12.12.2014	26211	TRANSFER	2343294	1.03
				31.12.2014	100000	TRANSFER	2443294	1.08
				16.01.2015	80000	TRANSFER	2523294	1.11
				31.03.2015			2523294	1.11
4	JUPITER SOUTH ASIA INVESTMENT COMPANY LIMITED	2003717	0.88	01.01.2014	NO MOVEMENT DURING THE PERIOD			
5	LIFE INSURANCE CORPORATION OF INDIA	3608764	1.59	01.01.2014	NO MOVEMENT DURING THE PERIOD			
6	TATA INVESTMENT CORPORATION LIMITED	1200000	0.53	01.01.2014	NO MOVEMENT DURING THE PERIOD			
7	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	10201577	4.50	01.01.2014				
				04.04.2014	118775	TRANSFER	10320352	4.55
				09.05.2014	26350	TRANSFER	10346702	4.57
				20.06.2014	-4519	TRANSFER	10342183	4.56
				30.06.2014	2484	TRANSFER	10344667	4.56
				11.07.2014	-1548	TRANSFER	10343119	4.56
				18.07.2014	9154	TRANSFER	10352273	4.57
				01.08.2014	8036	TRANSFER	10360309	4.57
				24.10.2014	108974	TRANSFER	10469283	4.62
				14.11.2014	-14718	TRANSFER	10454565	4.61
				05.12.2014	106	TRANSFER	10454671	4.61
				12.12.2014	21	TRANSFER	10454692	4.61

Sl. No.	Name of the shareholder	Shareholding at the beginning of the period - 01.01.2014		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the period (01.01.2014 to 31.03.2015)	
		No. of Shares	% to Total Shares of the Company				No. of Shares	% to Total Shares of the Company
				19.12.2014	19	TRANSFER	10454711	4.61
				31.12.2014	34	TRANSFER	10454745	4.61
				02.01.2015	78	TRANSFER	10454823	4.61
				16.01.2015	-1408443	TRANSFER	9046380	3.99
				30.01.2015	-134470	TRANSFER	8911910	3.93
				06.02.2015	102	TRANSFER	8912012	3.93
				27.02.2015	-14062	TRANSFER	8897950	3.93
				06.03.2015	-347547	TRANSFER	8550403	3.77
				13.03.2015	-25493	TRANSFER	8524910	3.76
				31.03.2015			8524910	3.76
8	CENTRAL INDIA GENERAL AGENTS LTD	6134583	2.71	01.01.2014				
				13.06.2014	-25000	TRANSFER	6109583	2.70
				04.07.2014	-16583	TRANSFER	6093000	2.69
				11.07.2014	-32700	TRANSFER	6060300	2.67
				18.07.2014	-150000	TRANSFER	5910300	2.61
				25.07.2014	-10000	TRANSFER	5900300	2.60
				01.08.2014	-50000	TRANSFER	5850300	2.58
				08.08.2014	-481000	TRANSFER	5369300	2.37
				14.08.2014	-200000	TRANSFER	5169300	2.28
				22.08.2014	-219300	TRANSFER	4950000	2.18
				29.08.2014	-240000	TRANSFER	4710000	2.08
				05.09.2014	-545000	TRANSFER	4165000	1.84
				12.09.2014	-874000	TRANSFER	3291000	1.45
				19.09.2014	-865100	TRANSFER	2425900	1.07
				30.09.2014	-1873600	TRANSFER	552300	0.24
				03.10.2014	-275000	TRANSFER	277300	0.12
				10.10.2014	-272300	TRANSFER	5000	-
				31.03.2015			5000	-
9	FIDELITY FUNDS - GLOBAL REAL ASSET SECURITIES POOL	1437419	0.63	01.01.2014				
				20.02.2014	72202	TRANSFER	1509621	0.67
				18.04.2014	-6420	TRANSFER	1503201	0.66
				25.04.2014	-19599	TRANSFER	1483602	0.65
				02.05.2014	-22599	TRANSFER	1461003	0.64
				23.05.2014	-35583	TRANSFER	1425420	0.63
				20.06.2014	-28309	TRANSFER	1397111	0.62
				30.06.2014	-30711	TRANSFER	1366400	0.60
				11.07.2014	-32533	TRANSFER	1333867	0.59
				08.08.2014	-29370	TRANSFER	1304497	0.58
				14.08.2014	-1304497	TRANSFER	0	0
10	UCO BANK	813742	0.36	01.01.2014				
				12.09.2014	-813742	TRANSFER	0	0
11	THE EMERGING MARKETS SMALL CAP SERIES OF THE DFA I*	348433	0.15	01.01.2014				
				30.05.2014	15850	TRANSFER	364283	0.16
				04.07.2014	11078	TRANSFER	375361	0.17
				08.08.2014	18369	TRANSFER	393730	0.17
				22.08.2014	29296	TRANSFER	423026	0.19
				29.08.2014	30644	TRANSFER	453670	0.20

Sl. No.	Name of the shareholder	Shareholding at the beginning of the period - 01.01.2014		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the period (01.01.2014 to 31.03.2015)	
		No. of Shares	% to Total Shares of the Company				No. of Shares	% to Total Shares of the Company
				05.09.2014	50122	TRANSFER	503792	0.22
				12.09.2014	20431	TRANSFER	524223	0.23
				17.10.2014	31624	TRANSFER	555847	0.25
				31.10.2014	12279	TRANSFER	568126	0.25
				28.11.2014	9996	TRANSFER	578122	0.26
				05.12.2014	10641	TRANSFER	588763	0.26
				13.02.2015	21598	TRANSFER	610361	0.27
				20.02.2015	18188	TRANSFER	628549	0.28
				27.02.2015	73428	TRANSFER	701977	0.31
				06.03.2015	12008	TRANSFER	713985	0.32
				13.03.2015	24475	TRANSFER	738460	0.33
				31.03.2015			738460	0.33
12	ASHOKA PTE LTD*	0	0.00	01.01.2014				
				24.01.2014		TRANSFER	285000	0.13
				30.09.2014	1613000	TRANSFER	1898000	0.84
				03.10.2014	330000	TRANSFER	2228000	0.98
				10.10.2014	643127	TRANSFER	2871127	1.27
				17.10.2014	228375	TRANSFER	3099502	1.37
				24.10.2014	95049	TRANSFER	3194551	1.41
				31.10.2014	39000	TRANSFER	3233551	1.43
				14.11.2014	72000	TRANSFER	3305551	1.46
				21.11.2014	111880	TRANSFER	3417431	1.51
				28.11.2014	1100000	TRANSFER	4517431	1.99
				02.01.2015	513143	TRANSFER	5030574	2.22
				20.03.2015	220000	TRANSFER	5250574	2.32
				27.03.2015	212000	TRANSFER	5462574	2.41
				31.03.2015			5462574	2.41

*Not in the list of top 10 shareholders as on 01-01-2014. The same is reflected above since the shareholder was one of the top 10 shareholders as on 31-03-2015.

(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	% of total shares of the company	No. of shares	% of 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

(₹ in Million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the period i.e. as on 01-01-2014				
i) Principal Amount*	-	11,814.3	-	11,814.3
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	139.3	-	139.3
Total (i+ii+iii)	-	11,953.6	-	11,953.6
Change in Indebtedness during fifteen months period ended 31-03-15				
- Addition	-	24.0	-	24.0
- Reduction	-	(642.0)	-	(642.0)
Net Change	-	(618.0)	-	(618.0)
Indebtedness at the end of the period i.e., as on 31-03-2015				
i) Principal Amount*	-	11,172.3	-	11,172.3
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	163.3	-	163.3
Total (i+ii+iii)	-	11,335.6	-	11,335.6

*The entire foreign currency loan is hedged and therefore, the exchange fluctuation has no impact on indebtedness of the Company (refer note 5 to notes to accounts).

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager during the fifteen months period ended 31-03-2015:

(₹ in Million)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Sushil Kumar Tiwari, Whole time Director	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17.7	17.7
	(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 PF and Superannuation	1.6	1.6
	Total (A)	19.3	19.3

Overall ceiling as per the Act for payment of managerial remuneration to Wholetime Director:

30.5*

* Pursuant to provisions of Section 197 of the Companies Act, 2013 the remuneration payable to a Managing Director or a Wholetime 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: (a) Mr. Ashish Guha was CEO & MD up to 30th June 2014. His remuneration was directly paid by HeidelbergCement AG. The Company has not paid any sitting fees / commission/remuneration to Mr. Guha.

(b) The remuneration of Mr. Jamshed Naval Cooper, CEO & 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 to other directors during the fifteen months period ended 31-03-2015:**1. Independent Directors****(₹ 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	0.54	0.42	0.54	1.50
• Commission	-	-	-	-
• Others	-	-	-	-
Total (1)	-	-	-	1.50

2. Other Non-Executive Directors**(₹ in Million)**

Particulars of Remuneration	Name of Director					Total Amount
	Dr. Albert Scheuer	Dr. Lorenz Naeger	Mr. Daniel Robert Fritz	Ms. Soek Peng Sim (Appointed as an Additional Director on 16th September 2014)	Dr. Bernd Scheifele (Ceased to be Director w.e.f. close of business hours on 10th September 2014)	
• Fee for attending board/committee meetings	-	-	-	-	-	-
• Commission	-	-	-	-	-	-
• Others	-	-	-	-	-	-
Total (2)	-	-	-	-	-	-
Total (B)=(1+2)	-	-	-	-	-	1.50
Overall ceiling as per the Act for payment of remuneration to Independent Directors and other Non-Executive Directors:						6.1*
Total Managerial Remuneration (A+B)	-	-	-	-	-	20.8#

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

36.6

* 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 Wholtime Director and sitting fees paid to Independent Directors.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**(₹ in Million)**

Sl. 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 (April'14 – Mar'15) (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	4.7 - -	14.1 - -	18.8 - -
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel		
		Mr. Rajesh Relan Legal Head & Company Secretary	Mr. Anil Kumar Sharma, CFO	Total
4.	Commission - as % of profit - others	- -	- -	- -
5.	Others (Contribution to PF and other fund)	0.2	1.3	1.5
	Total	4.9	15.4	20.3

*Pursuant to the provisions of Section 203 of the Companies Act, 2013 Mr. Anil Kumar Sharma, Chief Financial Officer and Mr. Rajesh Relan, Legal Head & Company Secretary were designated as Key Managerial Personnel with effect from 1st April 2014. Therefore the salary stated above is for twelve months period from 1st April 2014 to 31st March 2015.

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			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

Annexure - D to the Board's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the period from 1st January, 2014 to 31st March, 2015

[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 statutory compliances and expressing our opinion thereon.

Based on our verification of the 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 period covering the financial year ended on 31st March, 2015 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:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **HeidelbergCement India Limited** for the period from 1st January, 2014 to 31st March, 2015 according to the provisions of:
 - (i) The Companies Act, 1956 and the Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (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;
2. We have relied on representations made by the Company and its officers for system and mechanism formed by the company for compliances under other applicable Acts, Laws and Regulations of the Company, namely as follows:
 - 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) Industries (Development & Regulation) Act, 1951
 - f) Acts as prescribed under Direct & Indirect Tax
 - g) Acts prescribed for carrying out mining activities.
 - h) Labour laws.

3. We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
 - (ii) The Listing Agreements entered into by the Company with Stock Exchanges.

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. 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.
3. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with size and operation of the Company to monitor and ensure compliance of applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has:

- passed a special resolution at the Annual General Meeting held on 19th June 2014 for creating charge/ mortgage on the properties of the Company for securing borrowed funds up to INR 20,000 million.
- after seeking approval of shareholders sold the Raigad unit as a going concern on a slump sale basis to JSW Steel Limited for a lump sum consideration of INR 1,660 million with effect from the close of business hours on 3rd January 2014.

Besides above there has been no instance of :

- Public/Rights/Preferential issue of shares/debentures/sweat equity.
- Redemption/buy back of securities.
- Merger/amalgamation/reconstruction etc.
- Foreign technical collaborations.

**For Nityanand Singh & Co.,
Company Secretaries**

**Nityanand Singh (Prop.)
FCS No. : 2668/ CP No. : 2388
Place : New Delhi
Date : 25th May 2015**

Annexure - E 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 fifteen months period ended 31st March 2015:

- Replacement of kiln outlet seal in Kiln-II with graphite seal at Narsingarh Plant.
- Increase in output of cement mills by de-bottlenecking.
- Replacement of LRS (Liquid Resistance Starter) with GRR (Grid Rotor Resistance) for coal mill at Narsingarh Plant.
- Installation of water spray system in the top stage twin cyclone to reduce the fan speed without reducing the Kiln feed.
- Modification in dust settling chamber for Kiln-2 to improve thermal efficiency and operation.
- Reduction in HSD (High Speed Diesel) consumption at Jhansi Plant by process optimisation.

(ii) Steps taken by the company for utilising alternate sources of energy:

Paint Sludge and FRP (Fibre Reinforced Plastic) has been used as Alternate Fuel at Ammasandra Plant

(iii) Capital investment on energy conservation equipment:

The Company has invested approximately INR 40 million in energy conservation equipment listed at A(i) above.

B. TECHNOLOGY ABSORPTION

(i) Efforts made towards Technology Absorption:

- Higher usage of Petcoke in fuel mix.
- Installation of Air Quality Monitoring Stations (AQMS) at Ammasandra Plant.
- Adaptation to best practices and processes of HeidelbergCementGroup, thus reaping the benefits of their global expertise.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:

- Higher Pet coke usage led to reduction in overall fuel cost and also helped in conserving natural resources.
- Installation of AQMS has helped to keep a check on the emission levels.
- Adaptation of best practices and processes of HeidelbergCementGroup enabled the Company to carry out in-house modifications and improvements in pyro processes resulting in reduction in thermal and electrical energy consumption leading to reduction in energy costs.

(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:

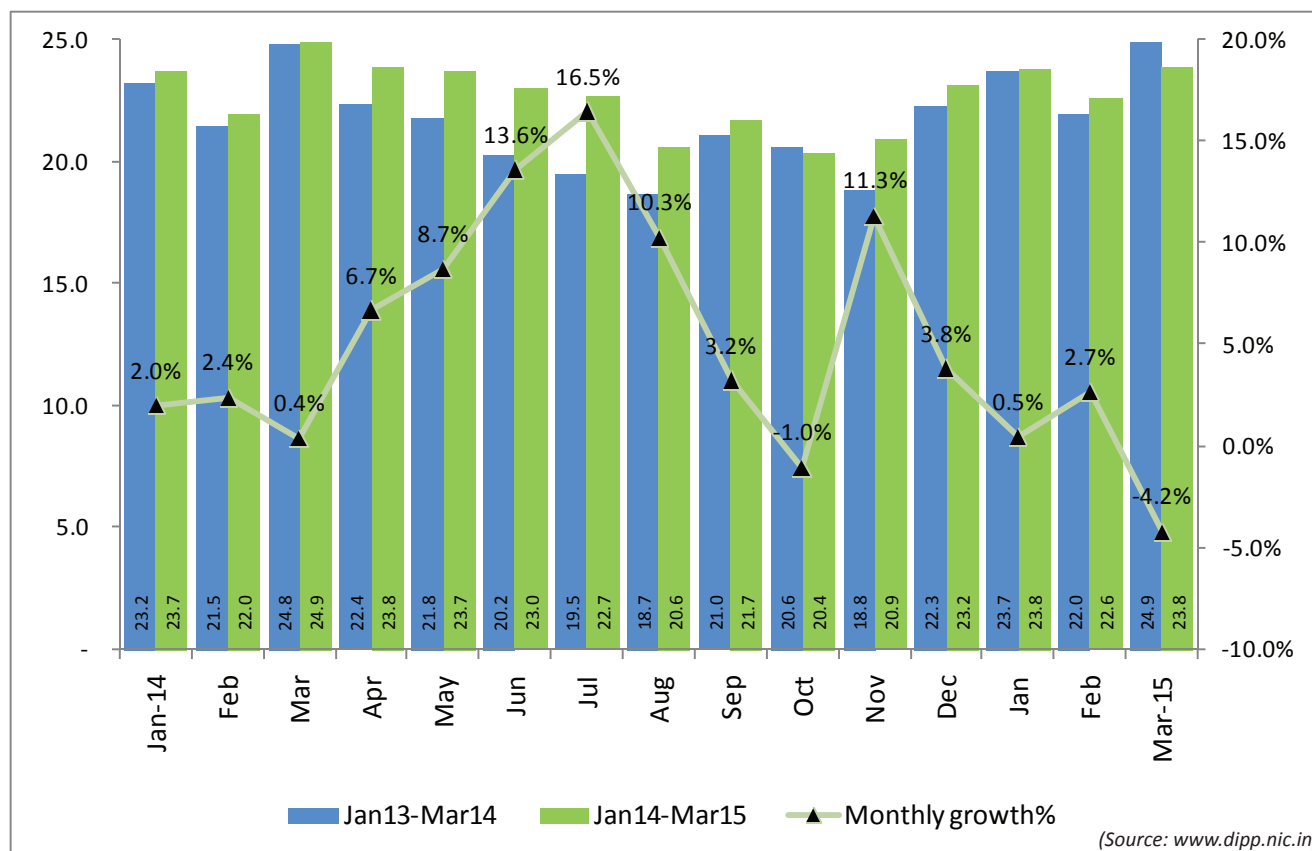
₹ in Million

	Current period ended 31.03.2015 (fifteen months)	Previous Year ended 31.12.2013
Foreign exchange used		
- Imports	581.0	1.0
- Expenditure	1,209.6	549.1
Total	1,790.6	550.1
Foreign exchange earning	Nil	Nil

Management Discussion and Analysis

INDUSTRY STRUCTURE AND DEVELOPMENTS

All India Cement Production (January 2013 - March 2014 Vs. January 2014 - March 2015)



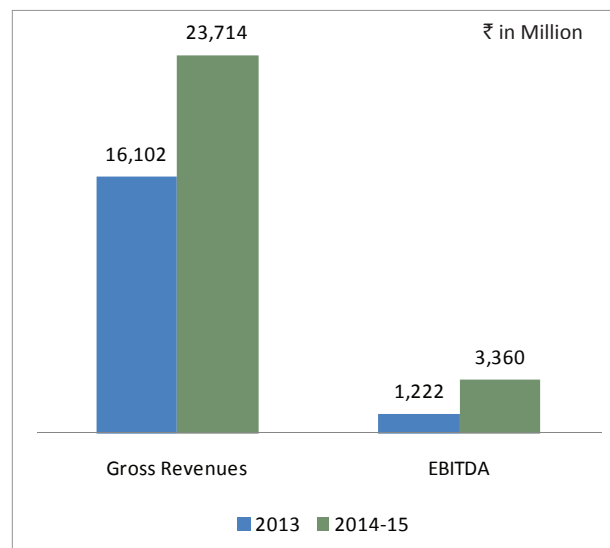
With its strong linkages to the housing and infrastructure sectors, the cement industry is an engine of growth. The housing sector is the biggest demand driver accounting for around 60% of the total cement demand followed by infrastructure ~20% and commercial and industrial construction ~20%. The government's promise to expedite clearances for the stalled infrastructure projects and likely reduction in interest rates bode well for the industry's prospects from a medium to long term perspective.

The industry had a total installed capacity of about 390 million tonnes as on 31st March 2015. All India monthly cement production figures during the fifteen months period from January 2014 to March 2015 compared with corresponding figures of January 2013 to March 2014 indicate an encouraging trend. However during the latter part of the year sluggish trend was witnessed.

The expectations of above normal demand growth from rural and suburban areas were belied due to the bad monsoon and the unexpected rains in the current period. In the last couple of years, new capacity additions have slowed down due to diminishing returns on capital employed.

However, the overall position still remains that of surplus capacity.

FINANCIAL AND OPERATIONAL PERFORMANCE



The gross sales for the period ended 31st March 2015 (fifteen months) were MINR 23,713.8 compared to MINR 16102.4 during the previous year ended 31st December 2013 (twelve months), an increase of 17.8% (on an annualized basis). EBITDA (Earnings before interest, tax and depreciation) grew in fifteen months to MINR 3359.5 from MINR 1,222.1 in the previous year ended 31st December 2013 (twelve months) resulting in growth of 120% on annualized basis. The Company has reported net profit of MINR 595.3 in fifteen months compared to net loss of MINR (407.3) during the previous year. Cash profit for 2014-15 was MINR 1,970.7 compared to MINR 563.0 in 2013. Cement sales were 5.28 million tonnes during fifteen months period ended 31st March 2015 against 3.20 million tonnes (*excluding cement sales of Raigad unit*) during twelve months period ended 31st December 2013.

PRODUCT PERFORMANCE AND CUSTOMER RELATIONS

Your Company gives top most priority to its customers and closely monitors the production and supply chain to ensure delivery of quality products and services to its customers. The quality and reliability of our products is making an increasing mark in the minds of our customers. Our brand mascot “Chutkoo” is now extensively recognised and identified in the central Indian markets.

We continue to extend our support to our customers through a team of competent, technical service personnel who provide guidance for adopting good construction practices. Your Company’s brand “mycem” has won the trust of its customers and is amongst the premium brands in Central India market. Increased brand visibility, faster delivery practices and a customer-friendly approach has enabled the Company to strengthen its relationship with the customers and the channel partners.

OPPORTUNITIES AND THREATS

Opportunities

External landscape:

- ❑ The construction sector can chalk growth on the expectation of lowering of interest rates. The industry hopes that the government will stimulate the stalled infrastructure projects and certain new projects may also be commenced.
- ❑ The policy reforms of the new government and initiatives like “Make in India” will help in improving the investment climate and boost the economic activity.
- ❑ The government’s long term vision of developing 100 new smart cities with better facilities, connectivity and environment bodes well for the industry.

All these factors are a precursor to better future prospects of the cement industry in the medium to long term.

Creating opportunities for cost savings:

- ❑ The Power Generation Plant of approximate 12MW capacity based on Waste Heat Recovery at our clinker unit in Narsingarh, Damoh (M.P.) is at an advanced stage of construction. Once operational, there will be saving in power cost.
- ❑ Fuel Mix for the kiln has been successfully optimised by increasing the usage of petcoke as an economical alternative compared to coal. The Company is also exploring other measures for further reduction in power and fuel consumption.

THREATS

Sectoral capacity

- ❑ Supply overhang due to large capacity additions in the past few years continues to put pressure on prices. This has led to a drop in capacity utilisation throughout the industry.
- ❑ Unseasonal rains in many parts of the country caused damage to crops adversely affecting the agricultural income. This could have adverse impact on cement demand in rural areas.

Cost challenges

- ❑ Over the years, power rates have been increasing steadily. Further increases would pose further challenges.
- ❑ Recently the crude prices have started inching upwards straining the hydrocarbon throughputs such as diesel, coke and PP granules.
- ❑ The recent amendment of the Mines and Minerals (Development and Regulation) Act, 1957 would have an impact on the industry in terms of payments to be made to District Mineral Foundation and National Mineral Exploration Trust.
- ❑ All cost increases will burden the industry as it has not succeeded in passing these to the customers over the past few years.

Logistics challenges

- ❑ The cement industry is dependent upon Railways for the movement of inbound and outbound material. Shortage of railway wagons and transit delays affect plant operations including service to customers. We are continuously improving our loading systems to achieve faster turnaround for railway wagons and trucks.

OUTLOOK

We expect cement demand to grow in the range of 5 – 6% during FY 2015-16 considering the following:

- ❑ Reduction in interest rates is expected to revive the hitherto sluggish demand for home loans giving impetus to housing.

- ❑ Pick-up in industrial production and economic activities including infrastructure development initiatives being undertaken by the government.
- ❑ Boost to affordable housing segment.

In view of the dwindling profitability and longer gestation period for new projects, we believe that the new capacity additions could slow down leading to improvement in capacity utilisation.

RISKS AND CONCERNS

Risk management is an integral part of the Company's activity. The Company has a structured Risk Management Policy. The top and senior management of the Company continuously monitor and review the business risks in the verticals of Operations, Sales & Marketing, Procurement, Regulatory Affairs, Finance, Information Technology and Human Resources and take timely measures to minimise the impact.

The key risks identified by the Company are increase in power, fuel and freight costs; capacity / demand mismatch in the industry; shortages of railway wagons; volatility in forex and high interest rates. Whereas a systematic risk identification and mitigation framework is in place and suitable action plan is drawn up to mitigate the same, the Company has virtually no control over external risks such as a general down turn in the economy, new regulations, government policies and interest rates.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The internal control systems of the Company are well-structured and adequate for the business. The objective of the internal control system is to ensure efficient use and protection of the Company's resources, accuracy in financial reporting and due compliance with statutes. The internal auditors of the Company assess the adequacy and effectiveness of the internal control systems.

The Internal Audit team of HeidelbergCement Group also reviews the internal control systems and the Management takes action on their recommendations. The Company has implemented SAP Enterprise Resource Planning (ERP) system.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Your Company believes that people are the real assets of an organization. Therefore employees' development is a must for the growth of the organization. To achieve this, a comprehensive training calendar is made which focuses on technical and functional trainings, interspersed with sales and behavioural trainings. Compliance trainings are key to the organization and the same were done across the Company through internal and external trainers as well as through e-learning courses. Training was also provided to the sales team on various facets of competition law through an external agency. Along with professional development, the Company also ensures personal development of its people.

The industrial environment was cordial all throughout the year. The Company had 1493 officers and workmen on its rolls as on 31st March 2015. Your Company has laid equal impetus on creating a highly competitive, transparent and performance oriented management system. As the young workforce keeps joining the company, the management gears up to provide them opportunities which are meaningful to them. Your company has been continuously orienting itself to meet the challenges posed by changing demographics. From time to time the Organization has reviewed its performance management systems and policies to align with the changing needs of business and aspirations of its employees.

The Company is in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The said Act provides for protection of women at workplace against any form of sexual harassment and prompt redressal of any complaint. During the fifteen months period ended 31st March 2015 the Company received a complaint alleging sexual harassment against an employee of the Company, which was dealt with in accordance with the provisions of the said Act.

Communication continues to be the bridge between the management and employees. The CEO&MD of your Company addresses all employees through a telecast communicating the progress in the quarter as well as sharing future plans and challenges. It is a two-way communication with the employees ending with a Q&A session. Periodic open houses are also conducted at all locations to gather the pulse on the ground and use the feedback constructively for improvements.

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.

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 intrinsic 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.

In terms of revised clause 49 of the Listing Agreement, the details of compliances, for the fifteen months period ended 31st March 2015, are as follows :-

Directors' Attendance Record and Directorships held

Composition and other details of the Board of Directors:

S. No.	Name of the Director	Category / Status of Directorship	No. of Board Meetings attended during the period 1.1.2014 to 31.03.2015	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
					Chairman	Member	
1.	Mr. P.G. Mankad, Chairman DIN: 00005001	Independent	6	6	1	4	-
2.	Dr. Bernd Scheifele^ DIN: 01467699	Non-Executive	1	-	-	-	-
3.	Dr. Lorenz Naeger DIN: 00603640	Non-Executive	1	-	-	-	-
4.	Mr. S. Krishna Kumar DIN: 01785323	Independent	6	-	-	-	-
5.	Dr. Albert Scheuer DIN: 02170574	Non-Executive	6	1	-	-	-
6.	Mr. Pradeep V. Bhide DIN: 03304262	Independent	6	5	1	3	-
7.	Mr. Daniel Robert Fritz DIN: 03491499	Non-Executive	6	-	-	-	-
8.	Ms. Soek Peng Sim^^ DIN: 06958955	Non-Executive	2	-	-	-	-
9.	Mr. Ashish Guha# DIN: 00004364	Executive	3	-	-	-	-
10.	Mr. Jamshed Naval Cooper ## DIN: 01527371	Executive	3	1	-	-	-
11.	Mr. Sushil Kumar Tiwari DIN: 03265246	Executive	6	1	-	-	-

* 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 agreement.

^ Ceased to be Director w.e.f. close of business hours on 10th September 2014.

^^ Appointed as Additional Director w.e.f. 16th September 2014.

Ceased to be CEO & Managing Director w.e.f. close of business hours on 30th June 2014.

Appointed as CEO & Managing Director w.e.f. 1st July 2014.

Number of Board Meetings

During the fifteen months period from 1st January 2014 to 31st March 2015, the Board of Directors met six times on 12th February 2014, 2nd May 2014, 27th June 2014, 25th July 2014, 5th November 2014 and 6th February 2015. The maximum time gap between any two consecutive board meetings was less than 120 days.

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 CEO & 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,
- Stakeholder's 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 2015 comprised four members namely, Mr. S. Krishna Kumar (Chairman of the Committee), Mr. P.G. Mankad, Mr. Pradeep V. Bhide and Mr. Jamshed Naval Cooper. During the period from 1st January 2014 to 31st March 2015, the Audit Committee met five times on 12th February 2014, 2nd May 2014, 25th July 2014, 5th November 2014 and 6th February 2015. 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 members 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	Mr. Ashish Guha*	2
5	Mr. Jamshed Naval Cooper**	3

* Ceased to be CEO & Managing Director w.e.f. close of business hours on 30th June 2014.

** Appointed as CEO & Managing Director w.e.f. 1st July 2014.

The terms of reference of the Audit Committee were amended to align them with the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The role of the Audit Committee is to provide oversight over the accounting systems, financial reporting and internal controls of the Company. The powers and role of the Audit Committee are as set out in the Listing Agreement and Section 177 of the Companies Act, 2013.

The Company Secretary acts as the Secretary to the Committee. The 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. Mr. S. Krishna Kumar, Chairman of the Audit Committee, possesses accounting and financial management expertise and all the members of the Committee also have accounting and financial knowledge.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee as on 31st March 2015 comprised three members namely, Mr. P.G. Mankad (Chairman of the Committee), Mr. Pradeep V. Bhide and Mr. Jamshed Naval Cooper. During the period from 1st January 2014 to 31st March 2015, the Committee met 5 times on 12th February 2014, 2nd May 2014, 25th July 2014, 5th November 2014 and 6th February 2015 to take note of shareholders' grievances, if any. 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	5
2	Mr. Pradeep V. Bhide	5
3	Mr. Ashish Guha*	2
4	Mr. Jamshed Naval Cooper**	3

* Ceased to be CEO & Managing Director w.e.f. close of business hours on 30th June 2014.

** Appointed as CEO & Managing Director w.e.f. 1st July 2014.

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 four complaints were received from shareholders, which were resolved satisfactorily. There were no pending investor complaints as on 31st March 2015.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee as on 31st March 2015 comprised three members, namely, Mr. S. Krishna Kumar (Chairman of the Committee), Dr. Albert Scheuer and Mr. Sushil Kumar Tiwari. During the period from 1st January 2014 to 31st March 2015 the Committee met three times on 2nd May 2014, 25th July 2014 and 6th February 2015. The terms of reference of the Committee are in line with the provisions of the Companies Act, 2013 and the Rules made thereunder. 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	3
2	Dr. Albert Scheuer	3
3	Mr. Sushil Kumar Tiwari	3

Nomination and Remuneration Committee

The Committee as on 31st March 2015 comprised three members, namely, Mr. Pradeep V. Bhide (Chairman of the Committee), Mr. P.G. Mankad and Dr. Albert Scheuer. During the period from 1st January 2014 to 31st March 2015, the Committee met three times on 2nd May 2014, 27th June 2014 and 6th February 2015. The terms of reference of the Committee are in line with the provisions of the revised Clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013 and the Rules made thereunder. 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. P.G. Mankad	3
2	Mr. Pradeep V. Bhide	3
3	Dr. Albert Scheuer	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 qualifications, positive attributes, area of expertise, independence, number of Directorships and Memberships held in various committees of other companies by such person. The Board considers the recommendations of NRC and takes appropriate decision.

The said Policy 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 of salaries, perquisites, allowances, retirement benefits etc., and variable component comprising of performance based incentive. Balance between fixed and variable pay is maintained so as to achieve short term and long term performance objectives. The Nomination and Remuneration Policy can be accessed at the website of the company, www.mycemco.com.

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, 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.

Sitting fee of Non-Executive Directors

(₹)

Name of the Director	No. of meetings attended						Sitting fees paid from 1.1.2014 to 31.03.2015*
	Board Meetings	Audit Committee Meetings	Stakeholders' Relationship Committee Meetings	Nomination and Remuneration Committee Meetings	Corporate Social Responsibility Committee Meetings	Meeting of Independent Directors	
Non-Executive Independent Directors							
Mr. P.G. Mankad, Chairman	6	5	5	3	N.A.	1	540,000
Mr. S. Krishna Kumar	6	5	N.A.	N.A.	3	1	420,000
Mr. Pradeep V. Bhide	6	5	5	3	N.A.	1	540,000

* 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 notified by the Government, the Company as recipient of service is depositing service tax on the sitting fees paid to Directors.

Remuneration of Wholetime Director

The details of the Remuneration paid to Mr. Sushil Kumar Tiwari, Wholetime Director, from 1st January 2014 to 31st March 2015 are given below :- (₹)

Basic Salary	6,055,290
Perquisites & Allowances	3,644,833
Variable Pay #	7,960,592
Contribution to PF and Superannuation Fund	1,634,929
Total	19,295,644

Variable Pay of Wholetime 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 set targets.

The notice period of Wholetime Director is three months. The Company does not have any Stock Option Scheme.

The Board of Directors at its meeting held on 5th November 2014 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
Meeting of Board of Directors	50,000
Meeting of Audit Committee	40,000
Meeting of CSR Committee	30,000
Meeting of Nomination and Remuneration Committee	30,000
Meeting of Stakeholders' Relationship Committee	30,000
Separate Meeting of independent directors pursuant to Schedule IV of the Companies Act, 2013.	30,000

The Company has not paid any remuneration or sitting fees to its non-resident directors namely, Dr. Bernd Scheifele, Dr. Lorenz Naeger, Dr. Albert Scheuer, Mr. Daniel Robert Fritz and Ms. Soek Peng Sim, during the period under review. The Company does not pay any sitting fees/commission/remuneration to Mr. Jamshed Naval Cooper, CEO & Managing Director. The remuneration of Mr. Cooper is being borne and directly paid by HeidelbergCement AG. No sitting fees/commission/remuneration was paid to Mr. Ashish Guha, former CEO & Managing Director as his remuneration was borne and directly paid by HeidelbergCement AG. The notice period of Mr. Jamshed Naval Cooper, CEO & 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 every Board Meeting with respect to the strategy, business model, operations, markets, business environment, risk

management, etc. The Board is also updated on matters relating to changes in regulatory framework.

At the time of appointment, a Director is given a formal letter of appointment, which *inter alia* explains 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, Clause 49 of the Listing Agreement and other applicable regulations. The CEO & MD 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 <http://mycemco.com/investor-relations/familiarization-programme-independent-director>.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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

The independent directors of the Company met on 13th March 2015 *inter alia* to discuss 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 meeting.

Subsidiary

The Company does not have any subsidiary company.

Related Party Transactions

All the transactions entered into between the Company and its related parties during the fifteen months period ended 31st March 2015 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. The Company has not entered into any fresh contract or arrangement or modified any existing contract or arrangement after the date on which Section 188 of the Companies Act, 2013 became effective. A statement of all related party transactions is placed before the Audit Committee on a quarterly basis, specifying the nature and value of the transactions.

Pursuant to Clause 49 of the Listing Agreement, the Company has framed a Policy on Related Party Transactions and the same has been posted on the Company's website. The web-link to access the said policy is <http://mycemco.com/related-party-transaction-policy>.

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 Board Meetings for taking the same on record.

The Senior Management and the Board of Directors of the Company review the adoption of the non-mandatory requirements under Clause 49 of the Listing Agreement, from time to time.

Vigil Mechanism/Whistle Blower Policy

The Company has established a Vigil Mechanism/Whistle Blower Policy to deal with the instances of fraud and mismanagement, if any. The Company is committed to developing a culture where it is safe for employees to raise genuine concerns or grievances about unethical behaviour, fraud, conflict of interest and violation of the Code of Conduct. The purpose of this policy is to provide a framework for an effective vigil mechanism and to provide protection to employees or directors reporting 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 period under review.

Disclosure of Accounting Treatment in preparation of Financial Statements

The Company has followed the accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

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

Your Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges and SEBI Regulations. No penalties or strictures have been imposed on your 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 of 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 published in the English and Hindi editions of Business Standard.

The Quarterly / Annual Financial Results, Shareholding Patterns, Annual Reports 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 posted simultaneously 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.

GENERAL SHAREHOLDERS INFORMATION:

Directors

During the period under review, Mr. Ashish Guha (DIN: 00004364) tendered his resignation from the position of Chief Executive Officer and Managing Director (CEO&MD) of the Company on 2nd May 2014. The Board of Directors accepted the resignation and relieved Mr. Guha with effect from close of business hours on 30th June 2014. The Board places on record its appreciation for the valuable services rendered by Mr. Guha during his tenure.

The Board has, subject to the approval of the members, appointed Mr. Jamshed N. Cooper (DIN: 01527371) as an additional director and also as CEO&MD of the Company

with effect from 1st July 2014. The Company has received a notice under Section 160(1) of the Companies Act, 2013 from a member proposing his appointment as a director at the ensuing AGM. A brief profile of Mr. Cooper is given in the Notice of AGM.

The Board has subject to the approval of the members, reappointed Mr. Sushil Kumar Tiwari (DIN: 03265246) as Wholtime Director of the Company for a further period of two years from 10th June 2015 to 9th June 2017.

Dr. Bernd Scheifele (DIN: 01467699) has tendered his resignation from the position of Director of the Company with effect from close of business hours on 10th September 2014. The Board has appointed Ms. Soek Peng Sim (DIN: 06958955) as an Additional Director on 16th September 2014. As an additional director Ms. Sim holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice under section 160(1) of

the Companies Act, 2013 from a member proposing her appointment as a director at the ensuing AGM. A brief profile of Ms. Sim is given in the Notice of AGM.

Dr. Albert Scheuer (DIN: 02170574) retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible offers himself for re-appointment.

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 to 31st March 2019 in the last Annual General Meeting held on 19th June 2014 and they continue to be on the Board of Directors. All the independent directors have given declarations regarding fulfilling the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

General Meetings of Shareholders

The details of the Annual General Meetings (AGM) of the shareholders held during the last 3 years are given below:

Financial Year ended	Date & Time	Venue	Special Resolutions passed
31.12.2013	19.06.2014, 9.30 A.M.	Epicentre, Apparel House, Sector 44, Institutional Area, Gurgaon, Haryana	a) For Re-appointment of Mr. Sushil Kumar Tiwari as Wholtime Director of the Company. b) For borrowing money up to ₹ 20,000 million under Section 180(1)(c) of the Companies Act, 2013. c) For creation of charge / mortgage on the properties of the Company to secure borrowings up to ₹ 20,000 million under Section 180(1)(a) of the Companies Act, 2013.
31.12.2012	16.05.2013, 9.30 A.M.	Epicentre, Apparel House, Sector 44, Institutional Area, Gurgaon, Haryana	No special resolution was passed.
31.12.2011	25.04.2012, 9.30 A.M.	Epicentre, Apparel House, Sector 44, Institutional Area, Gurgaon, Haryana	No special resolution was passed.

Mr. P.G. Mankad, Chairman; Mr. S. Krishna Kumar, Chairman of Audit Committee; Mr. Pradeep V. Bhide, Chairman of Nomination and Remuneration Committee, Mr. Ashish Guha, the then CEO & Managing Director and Mr. Sushil Kumar Tiwari, Wholtime Director of the Company were present at the last AGM held on 19th June 2014.

POSTAL BALLOT

Special Resolution passed for payment of managerial remuneration to Wholtime Director

Pursuant to Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules, 2011, a Notice dated 16th December 2013 was sent to the members for passing a Special Resolution through Postal Ballot under Sections 198 and 309 and Schedule XIII of the Companies Act, 1956 for payment of remuneration to Mr. Sushil Kumar Tiwari, Wholtime Director of the Company in view of inadequacy of profits during the financial year ended 31st December 2013.

The Postal Ballot voting process was conducted in a fair and transparent manner in accordance with the provisions of Section 192A of the Companies Act, 1956 and the rules framed thereunder. Mr. Nityanand Singh, Practicing Company Secretary acted as scrutinizer for the Postal Ballot voting process. The voting pattern in respect of aforesaid resolution is given below:

No. of Valid ballots	No. of valid votes casted	Votes casted in favour of the resolution	Votes casted against the resolution
267	162,074,031	158,645,493 (97.88%)	3,428,538 (2.12%)

Since out of the total valid votes polled, 97.88% of the votes were cast in favour of the resolution, the above Special Resolution was declared to have been passed with overwhelming majority. The result of the Postal Ballot was announced by Mr. Ashish Guha, the then CEO & Managing Director on 31st January 2014 at the Registered Office of the Company at 5.00 P.M. After declaration, the result was communicated to the stock exchanges and also posted on the Company's website.

Annual General Meeting

Date	: 7 th August 2015
Day	: Friday
Time	: 9.30 A.M.
Venue	: Epicentre, Apparel House, Sector 44, Institutional Area, Gurgaon, Haryana.

Financial Year

The financial year of the Company was extended by three months i.e., up to 31st March 2015 to comply with the provisions of Section 2(41) of the Companies Act 2013, which inter alia provides that the financial year of a company should end on 31st day of March every year. Thus the Annual Report contains financial statements and reports for the fifteen months period from 1st January 2014 to 31st March

2015. The current financial year is of twelve months from 1st April 2015 to 31st March 2016.

Financial Calendar for 2015-16

Proposed Board Meetings for taking on record quarterly financial results for the financial year 2015 -16 are as under:

Approval of the financial results for the quarter ending 30 th June 2015, 30 th September 2015 and 31 st December 2015.	Within 45 days from the end of the respective quarter.
Audited annual financial results for financial year ending 31 st March 2016.	Within 60 days from the end of the financial year.
AGM for the financial year ending 31 st March 2016.	July to September 2016.

Book Closure: 1st August 2015 to 7th August 2015 (both days inclusive).

Dividend: Nil

Stock Exchanges where shares are listed	Stock Code / Trading Symbol
BSE Ltd. (BSE)	500292
National Stock Exchange of India Ltd. (NSE)	Heidelberg

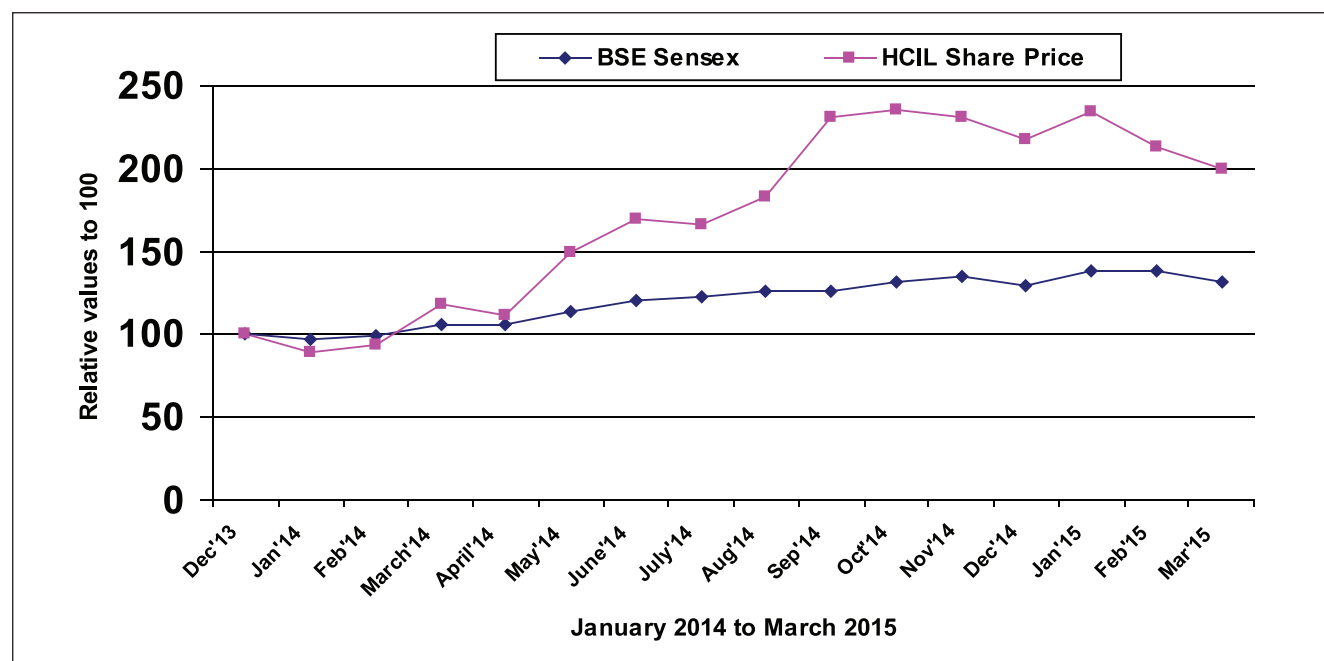
There are no arrears of listing fees to be paid to the Stock Exchanges.

Share Price Data

Share Price of HeidelbergCement India Ltd. at BSE & NSE during the fifteen months period ended 31st March 2015.

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
January 2014	43.30	32.80	43.50	32.50
February 2014	36.45	32.70	36.40	32.60
March 2014	44.25	34.35	44.40	34.30
April 2014	47.30	40.00	47.50	39.60
May 2014	62.00	40.90	61.95	40.70
June 2014	70.80	56.20	70.90	56.00
July 2014	67.80	56.85	67.20	56.65
August 2014	73.90	61.00	73.65	60.80
September 2014	88.65	69.00	88.80	69.10
October 2014	104.00	83.80	104.00	84.05
November 2014	94.85	83.95	94.85	83.90
December 2014	90.70	70.50	90.90	70.50
January 2015	91.50	76.00	91.35	75.45
February 2015	89.20	76.70	89.30	76.50
March 2015	87.20	70.55	87.30	70.20

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

Shareholding Pattern as on 31st March 2015

Category	No. of Equity Shares	% of Equity shareholding
Promoters (Foreign Body Corporate)	157,244,693	69.39
Mutual Funds	1,961,914	0.87
Financial Institutions & Banks	92,623	0.04
Central /State Government	328,440	0.15
Insurance Companies	12,356,774	5.45
FII's	19,880,671	8.77
NRIs & OCBs	1,528,112	0.68
Bodies Corporate	5,784,790	2.55
Trusts	45,046	0.02
Resident Individuals	27,002,214	11.91
Clearing members	387,839	0.17
Total	22,66,13,116	100.00

Distribution Schedule of Equity Shares as on 31st March 2015

No. of equity shares of ₹ 10 each	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1-500	44630	84.06	7088575	3.13
501-1000	4352	8.20	3648683	1.61
1001-2000	1951	3.67	3076260	1.36
2001-3000	735	1.38	1916199	0.84
3001-4000	320	0.60	1161829	0.51
4001-5000	299	0.56	1443061	0.64
5001-10000	401	0.77	3073586	1.36
10001 and above	404	0.76	205204923	90.55
Total	53,092	100.00	226,613,116	100.00

Dematerialisation of shares and liquidity

The Equity Shares of the Company are actively traded at BSE and NSE in dematerialised form. International Securities Identification Number (ISIN) for both the depositories, viz., NSDL and CDSL is INE578A01017. As on 31st March 2015, 99.18 % of the Equity Shares of the Company were held in dematerialised form. The shareholders who 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.

Non-Convertible Debentures

The Company has on 16th December 2013 issued and allotted 370 unsecured, redeemable, non-convertible debentures ("Debentures") of face value of MINR 10 each, aggregating to MINR 3,700 to HeidelbergCement AG for the purpose of refinancing the long term loans obtained from banks.

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 delivered within a period of fifteen days from the date of receipt, subject to documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission, etc. of the Company's securities to the Company Secretary. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement and files a copy of the said certificate with 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 Enterprises (India) 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.

Outstanding warrants and their implications on equity

As on 31st March 2015, there are no outstanding GDRs, ADRs, convertible warrants or any other instruments convertible into equity shares, issued by the Company.

Addresses for correspondence

Registered Office:
HeidelbergCement India Ltd.
9th Floor, Tower C, Infinity Towers
DLF Cyber City, Phase II
Gurgaon, Haryana – 122002

Phone Nos. : 0124 – 4503795
Fax No. : 0124 – 4147698
E-mail-Ids : investors.mcl@mycem.in
rajesh.relan@heidelbergcement.in
shrivas.hari@heidelbergcement.in

Registrar & Share Transfer Agents:

Integrated Enterprises (India) 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 : vijayagopal@integratedindia.in and
alfint@vsnl.com

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 period ended 31st March 2015.

Place: Gurgaon
Date: 25th May 2015

Jamshed Naval Cooper
CEO & Managing Director

CERTIFICATE OF COMPLIANCE WITH CLAUSE 49 OF LISTING AGREEMENT

To,

The Members of HeidelbergCement India Ltd.

We have examined the compliance of conditions of Corporate Governance by HeidelbergCement India Limited for the fifteen months period ended 31st March 2015, as stipulated in the Listing Agreement of the said Company with BSE Limited and National Stock Exchange of India Limited.

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 Listing Agreements.

We state that during the fifteen months period ended 31st March 2015, four complaints were received from shareholders which were resolved satisfactorily. As on 31st March 2015 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 : 25th May 2015

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 of persons constituting 'Group' include the following:-

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., Bukhtarmipskaya Cement Company, Carpatcement Holding S.A., 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, Kunda Nordic Cement Corp., Norcem AS, S.A. Cimenteries CBR, Tvornica Cementa Kakanj d.d., Civil and Marine Inc., HeidelbergCement 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, Sierra Leone Cement Corp. Ltd., TPCC Tanzania Portland Cement Company Ltd., HC Trading B.V., HC Trading Malta Ltd. and HC Fuels Limited.

Financial Statements

Independent Auditor's Report

To
The Members of HeidelbergCement India Limited

Report on the Financial Statements

We have audited the accompanying financial statements of HeidelbergCement India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the fifteen months period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 read with General Circular 8/2014 dated April 4, 2014 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have

obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (b) in the case of the Statement of Profit and Loss, of the profit for the period ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act and on the basis of the MCA Circular referred to in the Other Matters paragraph, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 8/2014 dated April 4, 2014 issued by the Ministry of Corporate Affairs;
 - (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Companies Act, 2013.

Other Matters

The Ministry of Corporate Affairs had vide its General Circular No. 07/2014, 'Dissemination of information with

regards to the provisions of the Companies Act, 2013 as notified till date vis a vis corresponding provisions of the Companies Act, 1956' ('MCA Circular'), dated April 1, 2014, identified such sections of the Companies Act, 1956 that would cease/ continue to have effect from April 1, 2014. Accordingly, in terms of the aforesaid MCA Circular, our reporting in respect of section 227(3)(f) of the Companies Act, 1956, and clauses (iii), (v)(a) and (b), (vi), (viii), (xiv), (xviii) of the Companies (Auditor's Report) Order, 2003 (dealing with sections 49, 58A, 58AA, 209(1)(d) and 301 of the Companies Act, 1956) is only for the period beginning from i.e. January 1, 2014 till March 31, 2014 since as per the

aforementioned MCA Circular these sections have ceased to have effect from April 1, 2014.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

per Sanjay Vij

Partner

Membership Number: 95169

Place: Gurgaon

Date: May 25, 2015

Annexure referred to in paragraph 1 of our report of even date under Section 'Report on Other Legal and Regulatory Requirements'
Re: HeidelbergCement India Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the period but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the period, the Company has disposed off a substantial part of the fixed assets. Based on the information and explanations given by the management and on the basis of audit procedures performed by us, we are of the opinion that the sale of the said part of fixed assets has not affected the going concern status of the Company.
- (ii) (a) The inventory has been physically verified by the management during the period. In our opinion, the frequency of verification is reasonable. Inventories lying with outside parties have been confirmed by them as at period end.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii)(a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon.
- (b) The Company had taken loan from a company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the period was ₹ 5,200.0 million and the period-end balance of loan taken from such party was ₹ 5,200.0 million.
- (c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (d) In respect of loan taken, repayment of the principal amount is as stipulated and payment of interest has been regular.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for sale of goods. The activities of the Company do not include rendering of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions

made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs have been entered into during the financial period at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956, related to the manufacture of cement and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the period end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of Statute	Nature of dues	Amount (₹ 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	56.3	1994-95, 1997-98, 2000-01 to 2004-05 and 2009-10	High Court
		0.2	1997-98, 2002-03 and 2010-11	Appellate Tribunal
		3.3	2000-01 and 2001-02	Deputy Commissioner (Appeals)
		0.3	2000-01 and 2007-08	Additional Commissioner
		5.6	2006-07 and 2010-11	Joint Commissioner (Appeals)
		125.1	2002-03 to 2013-14	Assessing Officer, Sales Tax
Various State Entry Tax Act	Entry Tax	519.3	2003-04 to till date	Supreme Court
		153.0	1999-2000 to 2007-08, 2009-10	Assessing Officer
Income Tax Act, 1961	Income Tax	20.6	2009-10 to 2013-2014	Commissioner of Income Tax (Appeals)
		2.7	2011-12 to 2013-2014	Assessing Officer
Central Excise Act, 1944	Excise Duty and Cenvat	7.9	2007-08	Supreme Court
		21.9	1995-96 to 2000-01	High Court
		101.1	2003-04 to 2013-14	Central Excise and Service Tax Appellate Tribunal
		2.2	2011-12 to 2013-14	Commissioner of Central Excise (Appeals)
Customs Act, 1962	Custom Duty	8.9	2006-07, 2009-10 to 2011-12	Assessing Officer
Finance Act, 1994 (Amended 2009)	Service Tax	16.1	2008-09, 2009-10, 2011-12, 2012-13	Commissioner of Central Excise (Appeals)
		2.7	2007-08 to 2010-11	Central Excise and Service Tax Appellate Tribunal
Madhya Pradesh Rural Road Development Authority	Rural Infrastructure and Road Development Tax	24.9	2005-06 till date	Supreme Court

- (x) The Company has no accumulated losses at the end of the financial period and it has not incurred cash losses in the current period and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks and debenture holders. The Company has no outstanding dues in respect of financial institutions.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained, though idle/surplus funds which were not required for immediate utilization have been gainfully invested in liquid investments payable on demand. The maximum amount of idle/surplus funds invested during the period was ₹ 940.0 million, of which ₹ 80.0 million were outstanding at the end of the period.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has unsecured debentures outstanding during the period, on which no security or charge is required to be created.
- (xx) The Company has not raised any money through public issue during the period.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the period.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

per Sanjay Vij

Partner

Membership Number: 95169

Place: Gurgaon

Date: May 25, 2015

Balance Sheet as at 31st March 2015

Particulars	Notes	31 March 2015 ₹ in Millions	31 December 2013 ₹ in Millions
Equity and liabilities			
Shareholders' funds			
Share capital	3	2,266.2	2,266.2
Reserves and surplus	4	6,449.4	6,067.4
		8,715.6	8,333.6
Non-current liabilities			
Long-term borrowings	5	9,248.9	12,926.2
Deferred tax liabilities (net)	6	652.2	49.6
Other long-term liabilities	9.1	29.3	46.8
Long-term provisions	7	207.6	150.9
		10,138.0	13,173.5
Current liabilities			
Short-term borrowings	8	-	642.0
Trade payables	9.2	1,909.9	1,901.1
Other current liabilities	9.2	5,525.2	2,022.5
Short-term provisions	7	1,908.4	1,513.4
		9,343.5	6,079.0
TOTAL		28,197.1	27,586.1
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	17,888.1	17,861.6
Intangible assets	11	49.6	11.6
Capital work-in-progress	25	1,274.2	1,669.8
Long-term loans and advances	12	546.7	301.5
Other non-current assets	13.2	1,033.7	1,994.3
		20,792.3	21,838.8
Current assets			
Inventories	14	1,910.0	1,989.2
Trade receivables	13.1	191.4	306.0
Cash and bank balances	15	1,462.6	1,141.4
Short-term loans and advances	12	2,966.9	2,306.2
Other current assets	13.2	873.9	4.5
		7,404.8	5,747.3
TOTAL		28,197.1	27,586.1
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. R. Batliboi & Co. LLP**
Firm Registration No. 301003E
Chartered Accountants

For and on behalf of the Board of Directors of
HeidelbergCement India Limited

per **Sanjay Vij**
Partner
Membership No.: 95169

Anil Kumar Sharma
Chief Financial Officer

Dr. Albert Scheuer
Director

P.G. Mankad
Chairman

Jamshed Naval Cooper
CEO & Managing Director

S. Krishna Kumar
Director

Place : Gurgaon
Date : May 25, 2015

Rajesh Relan
Legal Head & Company Secretary

Pradeep V. Bhide
Director

Daniel R. Fritz
Director

Soek Peng Sim
Director

Sushil Kumar Tiwari
Wholtime Director

Statement of Profit and Loss for the Period ended 31st March 2015

Particulars	Notes	For the 15 months ended 31 March 2015 ₹ in Millions	For the year ended 31 December 2013 ₹ in Millions
Continuing operations			
Income			
Revenue from operations (gross)	16	23,713.8	14,049.4
Less: excise duty		(3,271.0)	(1,960.3)
Revenue from operations (net)		20,442.8	12,089.1
Other income	17	138.4	73.0
Total revenue (I)		20,581.2	12,162.1
Expenses			
Cost of raw material consumed	18	4,438.3	2,822.6
(Increase)/ decrease in inventories of finished goods and work-in-progress	19	(277.2)	(305.2)
Employee benefits expense	20	1,337.3	966.7
Other expenses	21	11,722.9	7,584.7
Total (II)		17,221.3	11,068.8
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)		3,359.9	1,093.3
Depreciation and amortization expense	22	1,385.7	900.5
Less: recoupment from revaluation reserve		(10.3)	(9.8)
Net depreciation and amortization expense		1,375.4	890.7
Finance costs	23	1,389.3	1,056.4
Profit/(loss) before tax & exceptional item		595.2	(853.8)
Add: Exceptional Items (refer note 38 (a))		603.1	-
Profit/(loss) before tax		1,198.3	(853.8)
Tax expenses			
Current tax		91.3	97.1
Less: MAT credit entitlement		(91.3)	(97.1)
Net current tax liability		-	-
Current tax/MAT related to earlier years		-	(71.3)
Deferred tax charge		602.6	(328.1)
Total tax expense		602.6	(399.4)
Profit/(loss) for the period from continuing operations (A)		595.7	(454.4)
Discontinued operations	38		
Profit/(loss) before tax from discontinued operations		(0.4)	47.1
Tax expense of discontinued operations [Refer Note 38 (b)]		-	-
Profit/(loss) after tax from discontinued operations (B)		(0.4)	47.1
Profit/(loss) for the period (A+B)		595.3	(407.3)
Earnings per equity share [nominal value of share ₹ 10 (31 December 2013: ₹ 10)]	24		
Basic and Diluted EPS		2.63	(1.80)
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. R. Batliboi & Co. LLP
Firm Registration No. 301003E
Chartered Accountants

For and on behalf of the Board of Directors of
HeidelbergCement India Limited

per Sanjay Vij
Partner
Membership No.: 95169

Anil Kumar Sharma
Chief Financial Officer

Dr. Albert Scheuer
Director

P.G. Mankad
Chairman

Jamshed Naval Cooper
CEO & Managing Director

S. Krishna Kumar
Director

Place : Gurgaon
Date : May 25, 2015

Rajesh Relan
Legal Head & Company Secretary

Pradeep V. Bhide
Director

Daniel R. Fritz
Director

Soek Peng Sim
Director

Sushil Kumar Tiwari
Wholetime Director

Cash Flow Statement for the period ended 31st March 2015

Particulars	For the 15 months ended 31 March 2015 ₹ in Millions	For the year ended 31 December 2013 ₹ in Millions
Cash flow from operating activities		
Profit/(Loss) before tax from continuing operations	1,198.3	(853.8)
Profit/(Loss) before tax from discontinued operations	(0.4)	47.1
Profit/(Loss) before tax	1,197.9	(806.7)
Non-cash adjustment to reconcile profit/(loss) before tax to net cash flows		
Depreciation/ amortization (net of recoupment from revaluation reserve)	1,375.4	890.7
Depreciation/ amortization on discontinued operation	-	79.6
Tangible/ intangible assets written off	5.4	9.7
Tangible/ intangible assets written off pertaining to discontinued operation	-	0.1
Loss/ (profit) on sale of fixed assets	(4.2)	1.9
Profit on sale of discontinued operation (refer note 38)	(603.1)	-
Unrealized foreign exchange loss	0.1	0.7
Provision for mine reclamation expenses	22.5	18.0
Provision for Doubtful debts and Advances	-	1.1
Sundry balances written off	6.3	2.5
Provision/Liabilities no longer required written back	(33.4)	(117.3)
Interest expense	1,351.4	1,024.0
Interest (income)	(129.0)	(70.6)
Operating profit before working capital changes	3,189.3	1,033.7
Movements in working capital :		
Increase/ (decrease) in trade payables and other current liabilities	137.0	649.8
Increase / (decrease) in long-term and short-term provisions	442.2	184.3
Decrease / (increase) in trade receivables	(73.2)	(91.0)
Decrease / (increase) in inventories	(448.5)	(338.8)
Decrease / (increase) in long-term and short-term loans and advances	(765.5)	(220.5)
Cash generated from /(used in) operations	2,481.3	1,217.5
Direct taxes paid (net of refunds)	(105.8)	(23.6)
Net cash flow from/ (used in) operating activities (A)	2,375.5	1,193.9
Cash flows from investing activities		
Purchase of fixed assets, including capital work in progress and capital advances	(1,728.2)	(2,026.1)
Proceeds from sale of fixed assets	7.6	3.1
Proceeds from sale of discontinued operation (refer note 38)	1,660.0	-
Interest received	122.5	68.8
Net cash flow from/ (used in) investing activities (B)	61.9	(1,954.2)
Cash flows from financing activities		
Proceeds from issuance of debentures	-	3,700.0
Proceeds from long-term borrowings	-	2,200.0
Repayment of long-term borrowings	-	(3,700.0)
Proceeds from short-term borrowings	-	20,045.1
Repayment of short-term borrowings	(642.0)	(19,853.1)
Interest paid	(1,474.2)	(1,222.1)
Net cash flow from financing activities (C)	(2,116.2)	1,169.9

Cash Flow Statement for the period ended 31st March 2015

Particulars	For the 15 months ended 31 March 2015 ₹ in Millions	For the year ended 31 December 2013 ₹ in Millions
Net increase/(decrease) in cash and cash equivalents (A + B + C)	321.2	409.6
Cash and cash equivalents at the beginning of the period	1,141.4	731.8
Cash and cash equivalents at the end of the period	1,462.6	1,141.4
Components of cash and cash equivalents		
Cash on hand	1.3	0.9
Cheques/ drafts on hand	1.0	-
With banks- on current account	316.2	200.5
- on deposit account	1,144.1	940.0
Total cash and cash equivalents (note 15)	1,462.6	1,141.4
Summary of significant accounting policies	2.1	

As per our report of even date

For **S. R. Batliboi & Co. LLP**
Firm Registration No. 301003E
Chartered Accountants

For and on behalf of the Board of Directors of
HeidelbergCement India Limited

per Sanjay Vij
Partner
Membership No.: 95169

Anil Kumar Sharma
Chief Financial Officer

Dr. Albert Scheuer
Director

P.G. Mankad
Chairman

Jamshed Naval Cooper
CEO & Managing Director

S. Krishna Kumar
Director

Place : Gurgaon
Date : May 25, 2015

Rajesh Relan
Legal Head & Company Secretary

Pradeep V. Bhide
Director

Daniel R. Fritz
Director

Soek Peng Sim
Director

Sushil Kumar Tiwari
Wholetime Director

Notes to Financial Statements for the Period ended 31st March 2015

1. CORPORATE INFORMATION

HeidelbergCement India Limited (hereinafter referred to as "HCIL" or "the Company") is a Company domiciled in India. Its shares are listed on two stock exchanges in India. The Company is engaged in the manufacturing of Portland cement at its three locations viz. Ammasandra (Karnataka), Damoh (Madhya Pradesh) and Jhansi (Uttar Pradesh).

2. BASIS OF PREPARATION

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India. The Company has prepared these financial statements to comply in all material respects with the accounting standard notified under Companies Accounting Standards Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made /revaluation is carried out and derivative financial instruments which have been measured at fair value. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1 Summary of significant accounting policies

a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) Tangible fixed assets

Fixed assets are stated at cost or revalued amounts, as the case may be, net of accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

In case of revaluation of fixed assets, any revaluation surplus is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the statement of profit and loss, in which case the increase is recognized in the statement of profit and loss. A revaluation deficit is recognized in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets 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.

c) Depreciation on tangible fixed assets

(i) Depreciation on fixed assets is provided on straight line basis using the rates arrived at based on the useful lives of the assets as estimated by management or those prescribed under the schedule XIV to the Companies Act, 1956 whichever is higher. The depreciation on the following assets is provided at higher rates based on following useful life, as compared to schedule XIV rates:

Tangible Assets	Estimated Useful Lives (Years)
Ropeways	2 to 8
Motor Cars	5
Roads	25

(ii) Assets costing less than ₹ 5,000 are fully depreciated in the year of purchase.

(iii) In respect of the revalued assets, the difference between the depreciation calculated on the revalued amount and that calculated on the original cost is recouped from the revaluation reserve account.

- (iv) Leasehold Land is amortized over the period of initial lease term ranging from 5 to 20 years.
- (v) Cost of mineral reserve embedded in the cost of freehold mining land is depreciated in proportion of actual quantity of minerals extracted to the estimated quantity of extractable mineral reserves.

d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The amortization period and the amortization method are reviewed at least 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 their technically assessed useful lives, as mentioned below:

Intangible Assets	Estimated Useful Lives (Years)
Software	5

e) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. For the purpose of accounting of impairment, due consideration is given to revaluation reserve, if any.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

f) 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 of finished goods includes excise duty. Cost is determined on a weighted average basis.
Scrap	Net realizable value.

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.

g) 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. The following specific recognition criteria must also be met before revenue is recognized;

(i) Sale of goods

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the amount of revenue (gross) and not the entire amount of liability arise during the year. Sales are reported net of sales tax, incentives and rebates.

(ii) Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

h) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds.

i) Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

j) Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit & loss on a straight line basis over the lease term.

k) Foreign currency translations

Foreign currency transactions and balances

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are translated using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise.

l) 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 Hedging Reserve Account included in the Reserves and Surplus 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.

m) Retirement and other employee benefits

- (i) Superannuation Fund (being administered by Trusts) and Employees' State Insurance Corporation (ESIC) are 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 statement of profit and loss.
- (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.

n) Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. 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 recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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 tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

o) Segment reporting

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 not applicable to the company.

p) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

q) 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.

r) 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.

s) Mine reclamation expenses

The Company provides for the estimated expenses to reclaim the quarries used for mining. The total estimate of reclamation expenses is apportioned over the estimate of mineral reserves and a provision is made based on the minerals extracted during the year.

Mines reclamation expenses are incurred on an ongoing basis and until the closure of the mine. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenses.

t) Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

u) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

3. SHARE CAPITAL

	31 March 2015 ₹ in Millions	31 December 2013 ₹ in Millions
Authorized shares		
230,000,000 (31 December 2013: 230,000,000) equity shares of ₹ 10/- each	2,300.0	2,300.0
5,000,000 (31 December 2013: 5,000,000) preference shares of ₹100/- each	500.0	500.0
Issued shares		
226,631,309 (31 December 2013: 226,631,309) equity shares of ₹10/- each	2,266.3	2,266.3
Subscribed and paid-up shares		
226,613,116 (31 December 2013: 226,613,116) equity shares of ₹10/- each fully paid up	2,266.1	2,266.1
18,193 (31 December 2013: 18,193) forfeited equity shares of ₹10/- each (₹ 5/- each paid up)	0.1	0.1
	2,266.2	2,266.2

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares

	31 March 2015		31 December 2013	
	No	₹ in Millions	No	₹ in Millions
At the beginning of the period	226,613,116	2,266.1	226,613,116	2,266.1
Outstanding at the end of the period	226,613,116	2,266.1	226,613,116	2,266.1

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹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.

c. 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:

	31 March 2015 ₹ in Millions	31 December 2013 ₹ in Millions
Cementum I B V, the holding company		
157,244,693 (31 December 2013: 156,149,534) equity shares of ₹10/- each fully paid	1,572.4	1,561.5

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

	31 March 2015		31 December 2013	
	No	% holding in the class	No	% holding in the class
Equity shares of ₹10/- each fully paid				
Cementum I B V , the holding company	157,244,693	69.39%	156,149,534	68.91%

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.

4. RESERVES AND SURPLUS

	31 March 2015 ₹ in Millions	31 December 2013 ₹ in Millions
Capital reserve	549.7	549.7
Capital subsidy reserve	6.4	6.4
Capital redemption reserve	159.9	159.9
Securities premium account	3,707.1	3,707.1
Revaluation reserve		
Balance as per the last financial statements	133.4	143.2
Less: amount transferred to the statement of profit and loss as reduction from depreciation	(10.3)	(9.8)
Closing Balance	123.1	133.4
Hedge fluctuation reserve (refer note no 30)		
Balance as per the last financial statements	347.3	63.0
Add: Fair value change recognized	(203.0)	284.3
Closing Balance	144.3	347.3
Debenture redemption reserve		
Balance as per the last financial statements	-	-
Add: amount transferred from surplus balance in the statement of profit and loss	173.4	-
Closing Balance	173.4	-
Surplus in the statement of profit and loss		
Balance as per last financial statements	1,163.6	1,570.9
Profit/(loss) for the period	595.3	(407.3)
Less: Appropriations		
Transfer to debenture redemption reserve	(173.4)	-
Net surplus in the statement of profit and loss	1,585.5	1,163.6
Total reserves and surplus	6,449.4	6,067.4

5. LONG-TERM BORROWINGS

	Non-current portion		Current maturities	
	31 March 2015 ₹ in Millions	31 December 2013 ₹ in Millions	31 March 2015 ₹ in Millions	31 December 2013 ₹ in Millions
Debentures				
370 (31 December 2013: 370), 10.4% redeemable, listed, non-convertible debentures of ₹10,000,000/- each (unsecured)	3,700.0	3,700.0	-	-
Term loans				
Indian rupee loan from a party other than banks (unsecured)	1,500.0	1,500.0	-	-
	-	-		
Foreign currency loan from a party other than banks (Unsecured)	4,048.9	7,726.2	3,737.5	-
	9,248.9	12,926.2	3,737.5	-

	Non-current portion		Current maturities	
	31 March 2015 ₹ in Millions	31 December 2013 ₹ in Millions	31 March 2015 ₹ in Millions	31 December 2013 ₹ in Millions
The above amount includes				
Secured borrowings	-	-	-	-
Unsecured borrowings	9,248.9	12,926.2	3,737.5	-
Amount disclosed under the head "other current liabilities" (refer note 9.2)			(3,737.5)	
Net amount	9,248.9	12,926.2	-	-

a. Debentures

10.4% Debentures (listed at BSE Limited) are redeemable at par in three tranches of ₹ 1,250.0 million, ₹ 1,250.0 million and ₹ 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. Indian 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 amounting to ₹ 1,500.0 million (Previous year ₹ 1,500.0 million) on unsecured basis. This is repayable on completion of 5 years from the date of drawdown of the respective tranches.

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. amounting to USD 125 million equivalent to ₹ 7,786.4 million (Previous year USD 125 million equivalent to ₹ 7,726.2 million) on unsecured basis at a rate linked to LIBOR. 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.

- d.** Interest rate in respect of above borrowings mentioned in (b) and (c) are in range of 7.65% p.a to 10.5% p.a (previous year 7.65% p.a to 13.4% p.a).

6. DEFERRED TAX LIABILITIES (NET)

	31 March 2015 ₹ in Millions	31 December 2013 ₹ in Millions
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	1,957.9	1,524.2
Impact of expenditure allowed for tax purposes on payment basis but charged to statement of profit & loss	140.6	128.1
Gross deferred tax liabilities	2,098.5	1,652.3
Deferred tax asset		
Unabsorbed deprecation / carry forward tax losses	1,099.8	1,352.1
Impact of expenditure charged to statement of profit and loss but allowable for tax purposes on payment basis	320.4	235.7
Provision for doubtful debts and advances	11.5	11.9
Others	14.6	3.0
Gross deferred tax asset	1,446.3	1,602.7
Net deferred tax liability	652.2	49.6

7. PROVISIONS

	Long-term		Short-term	
	31 March 2015 ₹ in Millions	31 December 2013 ₹ in Millions	31 March 2015 ₹ in Millions	31 December 2013 ₹ in Millions
Provision for employee benefits				
Provision for gratuity (refer note 33)	172.0	132.9	20.2	26.0
Provision for leave benefits	-	-	60.1	54.5
	172.0	132.9	80.3	80.5
Other provisions				
Provision for litigation [refer note 29 (b)]	-	-	1,828.0	1,432.9
Provision for mine reclamation expenses [refer note 29 (c)]	35.6	18.0	-	-
Provision for wealth tax	-	-	0.1	-
	35.6	18.0	1,828.1	1,432.9
	207.6	150.9	1,908.4	1,513.4

8. SHORT-TERM BORROWINGS

	31 March 2015 ₹ in Millions	31 December 2013 ₹ in Millions
Cash credit from a bank (unsecured)	-	82.0
Working capital loan from banks (unsecured)	-	560.0
	-	642.0
The above amount includes		
Secured borrowings	-	-
Unsecured borrowings	-	642.0
	-	642.0

Above borrowings were secured by 100% unconditional and irrevocable Corporate Guarantee of HeidelbergCement AG, Germany, the ultimate holding company. These loans carried various interest rates depending on the period of the drawdown.

9.1 OTHER LONG TERM LIABILITIES

	31 March 2015 ₹ in Millions	31 December 2013 Rs in Millions
Trade payables	29.3	46.8
	29.3	46.8

9.2 OTHER CURRENT LIABILITIES

	31 March 2015 ₹ in Millions	31 December 2013 ₹ in Millions
Trade payables (refer note 34 for details of dues to micro and small enterprises)	1,909.9	1,901.1
Other liabilities		
Current maturities of long-term borrowings (refer note 5)	3,737.5	-
Interest accrued but not due on borrowings	163.3	139.3
Trade and other deposits	933.4	833.1
Payable against purchase of fixed assets	220.3	313.0
Advance from customers	241.5	235.1
Book overdraft	-	1.0
Others		
Interest accrued on security deposits	26.9	53.8
Withholding Income tax (TDS) payable	39.3	41.0

	31 March 2015 ₹ in Millions	31 December 2013 ₹ in Millions
Value added tax/ sales tax payable	97.5	198.6
Excise & service tax payable	20.0	177.9
Other statutory dues	45.5	29.7
	5,525.2	2,022.5
	7,435.1	3,923.6

10. TANGIBLE ASSETS

11. INTANGIBLE ASSETS

Particulars	Freehold non mining Land	Freehold mining Land	Leasehold Land	Buildings	Railway Siding	Plant and equipment	Furniture and fixtures	Vehicles	Total	Computer software	Total
Cost or valuation											
At 1 January 2013	106.6	208.8	41.0	941.6	117.4	8,697.0	168.3	108.8	10,389.5	53.2	53.2
Additions/adjustments	3.6	11.9	1.0	544.1	91.7	14,388.3	34.8	55.2	15,130.6	0.2	0.2
Disposals	-	-	-	(6.3)	-	(180.0)	(7.5)	(1.1)	(194.9)	-	-
At 31 December 2013	110.2	220.7	42.0	1,479.4	209.1	22,905.3	195.6	162.9	25,325.2	53.4	53.4
Additions/ adjustments	13.1	55.2	-	145.2	122.6	1,597.1	2.5	8.7	1,944.4	50.7	50.7
Disposals**	(31.4)	-	-	(104.2)	-	(1,501.5)	(34.0)	(16.4)	(1,687.5)	-	-
At 31 March 2015	91.9	275.9	42.0	1,520.4	331.7	23,000.9	164.1	155.2	25,582.1	104.1	104.1
Depreciation/Amortisation											
At 1 January 2013	-	-	14.8	351.7	101.7	6,048.0	99.6	52.0	6,667.8	34.6	34.6
Charge for the year*	-	6.8	1.5	32.0	3.9	898.5	22.2	11.1	976.0	7.2	7.2
Disposals	-	-	-	(4.8)	-	(168.5)	(5.9)	(1.0)	(180.2)	-	-
At 31 December 2013	-	6.8	16.3	378.9	105.6	6,778.0	115.9	62.1	7,463.6	41.8	41.8
Charge for the period*	-	12.1	2.0	51.2	14.5	1,261.7	19.6	12.7	1,373.8	12.7	12.7
Disposals**	-	-	-	(29.5)	-	(1,073.5)	(27.0)	(13.4)	(1,143.4)	-	-
At 31 March 2015	-	18.9	18.3	400.6	120.1	6,966.2	108.5	61.4	7,694.0	54.5	54.5
Net Block											
At 31 December 2013	110.2	213.9	25.7	1,100.5	103.5	16,127.3	79.7	100.8	17,861.6	11.6	11.6
At 31 March 2015	91.9	257.0	23.7	1,119.8	211.6	16,034.7	55.6	93.8	17,888.1	49.6	49.6

Note :

1. Revaluations:

- Certain fixed Assets were revalued based on current replacement cost by approved valuers on 1 July 1981, 31 March 1990 and 31 March 1992. These had resulted in increase in book value of fixed assets by ₹ 2,633.0 million (gross) and accumulated depreciation by ₹ 475.3 million resulting in net increase of ₹ 2,157.7 million which were credited to Revaluation Reserve.
- Gross block of freehold land, building, railway siding and plant and equipment include ₹ 28.9 million (Previous Year ₹ 28.9 million), ₹ 206.7 million (Previous Year ₹ 206.7 million), ₹ 16.2 million (Previous Year ₹ 16.2 million) and ₹ 1,530.6 million (Previous Year ₹ 1,530.6 million) respectively on account of above revaluation. Further accumulated depreciation of building, railway siding and plant and equipment include ₹ 124.1 million (Previous Year ₹ 119.6 million), ₹ 16.2 million (Previous Year ₹ 16.2 million) and ₹ 1,518.8 million (Previous Year ₹ 1,513.1 million) respectively on account of revaluation.
- Depreciation for the period includes ₹ 10.3 million (Previous Year: ₹ 9.8 million) in respect of increased value of fixed assets due to above revaluation and an equivalent amount has been recouped from Revaluation Reserve.

2. Capitalised borrowing cost:

The borrowing cost capitalised during the period ended March 31, 2015 was ₹ 150.7 Million (Previous Year ₹ 1,252.3 million).

3. Assets having written down value amounting to ₹ 69.0 million are being held for disposal in the near future.

* Depreciation includes an amount of ₹ 0.8 million (Previous Year: ₹ 3.1 million) transferred to expenditure during construction period. (refer note 25).

**Disposals include gross block of ₹ 1,562.5 million and accumulated depreciation of ₹ 1,027.2 million of Raigad plant transferred to JSW Steel Limited on January 3, 2014 in pursuant to a Business Transfer Agreement dated October 5, 2013 (also refer note 38).

12. LOANS AND ADVANCES

	Non-current		Current	
	31 March 2015 ₹ in Millions	31 December 2013 ₹ in Millions	31 March 2015 ₹ in Millions	31 December 2013 ₹ in Millions
Capital advances				
Unsecured, considered good (refer note 37)	256.0	159.8	-	-
(A)	256.0	159.8	-	-
Advances recoverable in cash or kind				
Unsecured considered good	-	-	132.1	33.8
(B)	-	-	132.1	33.8

	Non-current		Current	
	31 March 2015 ₹ in Millions	31 December 2013 ₹ in Millions	31 March 2015 ₹ in Millions	31 December 2013 ₹ in Millions
Other loans and advances				
Other loans and advances	-	-	13.9	17.9
Advance income-tax (net of provision for taxation)	-	-	57.6	43.1
MAT credit entitlement	233.0	141.7	-	-
Prepaid expenses	57.7	-	41.6	53.6
Security Deposits	-	-	345.5	340.2
Balances with statutory/government authorities and Others				
- Considered good	-	-	1,777.2	1,513.2
- Doubtful	-	-	9.9	11.1
VAT receivable	-	-	359.9	105.2
CENVAT Receivable	-	-	239.1	199.2
	290.7	141.7	2,844.7	2,283.5
Provision for doubtful deposits	-	-	(9.9)	(11.1)
(C)	290.7	141.7	2,834.8	2,272.4
Total (A+ B + C)	546.7	301.5	2,966.9	2,306.2

13. TRADE RECEIVABLES AND OTHER ASSETS

13.1 TRADE RECEIVABLES

	Non-current		Current	
	31 March 2015 ₹ in Millions	31 December 2013 ₹ in Millions	31 March 2015 ₹ in Millions	31 December 2013 ₹ in Millions
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	-	-	24.7	4.2
Doubtful	-	-	23.4	23.9
	-	-	48.1	28.1
Provision for doubtful trade receivables			(23.4)	(23.9)
(A)	-	-	24.7	4.2
Other receivables				
Unsecured, considered good	-	-	166.7	301.8
(B)	-	-	166.7	301.8
Total (A + B)	-	-	191.4	306.0

13.2 OTHER ASSETS

	Non-current		Current	
	31 March 2015 ₹ in Millions	31 December 2013 ₹ in Millions	31 March 2015 ₹ in Millions	31 December 2013 ₹ in Millions
Interest accrued on bank deposits	-	-	5.5	1.8
Interest accrued on other deposits	-	-	5.5	2.7
Derivative assets (refer note 30)	1,033.7	1,994.3	862.9	-
Total	1,033.7	1,994.3	873.9	4.5

14. INVENTORIES (VALUED AT LOWER OF COST AND NET REALIZABLE VALUE)

	31 March 2015 ₹ in Millions	31 December 2013 ₹ in Millions
Raw materials (includes in transit ₹ Nil million) (31 December 2013: ₹ 16.4 million) (refer note 18)	189.9	566.2
Work-in-progress (refer note 19)	739.4	436.7
Finished goods (includes in transit ₹ 62.5 million) (31 December 2013: ₹ 52.8 million) (refer note 19)	321.2	353.3
Stores and spares (includes in transit ₹ 17.1 million) (31 December 2013: ₹ Nil million)	659.5	623.0
Scrap stock	-	10.0
	1,910.0	1,989.2

15. CASH AND BANK BALANCES

	Non-current		Current	
	31 March 2015 ₹ in Millions	31 December 2013 ₹ in Millions	31 March 2015 ₹ in Millions	31 December 2013 ₹ in Millions
Cash and cash equivalents				
Balances with banks:				
On current accounts	-	-	316.2	200.5
Deposits with original maturity of less than three months	-	-	1,144.1	940.0
Cheques on hand			1.0	-
Cash on hand	-	-	1.3	0.9
	-	-	1,462.6	1,141.4

16. REVENUE FROM OPERATIONS

	For the 15 months ended 31 March 2015 ₹ in Millions	For the year ended 31 December 2013 ₹ in Millions
Revenue from operations		
Sale of products		
Cement	23,225.1	15,527.3
Ground Granulated Blast Furnace Slag (GGBS)	-	153.2
Clinker	157.9	137.4
	23,383.0	15,817.9
Other operating revenue		
VAT incentive (refer note 36)	226.2	80.0
Scrap sales	58.4	50.9
Provision/Liabilities no longer required written back	33.4	117.3
Miscellaneous income	12.8	36.3
	330.8	284.5
Revenue from operations (gross)	23,713.8	16,102.4
Less: Excise duty (refer note 32)	(3,271.0)	(2,170.2)
Revenue from operations (net)	20,442.8	13,932.2
Less: Pertaining to discontinued operation (refer note 38)		
- Sale on products (net of excise duty ₹ Nil million (Previous Year: ₹ 209.9 million)	-	(1,780.1)
- Other operating revenue	-	(63.0)
	20,442.8	12,089.1

17. OTHER INCOME*

	For the 15 months ended 31 March 2015 ₹ in Millions	For the year ended 31 December 2013 ₹ in Millions
Interest income on bank deposits	104.1	50.3
Interest income on other deposits	24.9	20.3
Rent	4.4	3.2
Profit on sale of fixed assets (net)	4.2	-
Exchange rate difference	0.8	-
	138.4	73.8
Less: Pertaining to discontinued operation (refer note 38)	-	(0.8)
	138.4	73.0

18. COST OF RAW MATERIAL CONSUMED*

	For the 15 months ended 31 March 2015 ₹ in Millions	For the year ended 31 December 2013 ₹ in Millions
Inventory at the beginning of the period	566.2	524.7
Add: purchases	4,557.3	3,808.4
Less: Transferred pursuant to business transfer agreement (refer note 38)	(495.3)	-
	4,628.2	4,333.1
Less: inventory at the end of the period	(189.9)	(566.2)
Cost of raw material consumed	4,438.3	3,766.9
Less: Pertaining to discontinued operation (refer note 38)	-	(944.3)
	4,438.3	2,822.6

DETAILS OF RAW MATERIAL CONSUMED

	For the 15 months ended 31 March 2015 ₹ in Millions	For the year ended 31 December 2013 ₹ in Millions
Details of raw material consumed		
Limestone	500.0	394.0
Pozzolona	695.3	524.6
Slag	150.3	254.3
Gypsum	854.1	575.1
Clinker Purchased	-	694.3
Packing material	960.6	615.0
Others	1,278.0	709.6
	4,438.3	3,766.9

DETAILS OF INVENTORY

	31 March 2015 ₹ in Millions	31 December 2013 ₹ in Millions
Raw material		
Lime stone purchased	9.1	8.1
Pozzolona	0.4	10.7
Slag	8.0	470.3
Gypsum	122.3	21.4
Clinker (purchased)	-	24.4
Packing materials	33.1	8.3
Others	17.0	23.0
	189.9	566.2

* Directly attributable income/expenses in relation to project under construction have been transferred to capital work in progress (refer note 25).

19. (INCREASE)/DECREASE IN INVENTORIES

	For the 15 months ended 31 March 2015 ₹ in Millions	For the year ended 31 December 2013 ₹ in Millions	(Increase) / decrease ₹ in Millions
Inventories at the end of the period			
Work-in-progress	739.4	436.7	(302.7)
Finished goods	321.2	353.3	32.1
Scrap stock	-	10.0	10.0
	1,060.6	800.0	(260.6)
Add: Transferred pursuant to the business transfer agreement (Refer note 38)			
Work-in-progress	1.2	-	(1.2)
Finished goods	15.4	-	(15.4)
Scrap stock	-	-	-
	16.6	-	(16.6)
Less: Inventories at the beginning of the period			
Work-in-progress	436.7	332.8	(103.9)
Finished goods	353.3	237.8	(115.5)
Scrap stock	10.0	12.2	2.2
	800.0	582.8	(217.2)
	(277.2)	(217.2)	
Add: Work-in-progress inventory out of trial run production	-	(25.0)	
Add: Finished goods inventory out of trial run production	-	(37.6)	
	(277.2)	(279.8)	
Less: Pertaining to discontinued operation (refer note 38)	-	(25.4)	
	(277.2)	(305.2)	

Details of inventory

	31 March 2015 ₹ in Millions	31 December 2013 ₹ in Millions
Work-in-progress		
Uncrushed limestone	68.5	41.1
Crushed limestone	193.3	115.2
Raw meal	16.0	14.8
Clinker	461.6	265.6
	739.4	436.7
Finished goods		
Cement	321.2	350.9
Ground Granulated Blast Furnace Slag (GGBS)	-	2.4
	321.2	353.3

20. EMPLOYEE BENEFIT EXPENSE*

	For the 15 months ended 31 March 2015 ₹ in Millions	For the year ended 31 December 2013 ₹ in Millions
Salary, wages and bonus	1,142.3	902.4
Contribution to provident and other fund	73.0	57.8
Gratuity expense (refer note 33)	56.3	21.6
Staff welfare expenses	66.1	59.1
	1,337.7	1,040.9
Less: Pertaining to discontinued operation (refer note 38)	(0.4)	(74.2)
	1,337.3	966.7

* Directly attributable income/expenses in relation to project under construction have been transferred to capital work in progress (refer note 25).

21. OTHER EXPENSES*

	For the 15 months ended 31 March 2015 ₹ in Millions	For the year ended 31 December 2013 ₹ in Millions
Stores and spares consumption	744.3	429.3
Freight & forwarding	2,742.8	2,093.1
(Increase) / decrease of excise duty on inventory	(8.1)	27.6
Power & fuel	5,624.1	3,887.5
Rent	29.1	33.9
Repairs and maintenance		
- Buildings	52.2	50.6
- Plant and machinery	205.9	110.8
- Others	9.3	4.4
Insurance	22.1	18.4
Rates and taxes	622.2	426.5
Travelling expenses	106.8	84.7
Directors fees	1.5	0.8
Payment to auditor		
As auditor:		
Audit Fees	8.0	7.5
Tax Audit Fees	3.0	1.2
Limited reviews	3.8	2.8
Reimbursement of expenses	0.7	0.6
Legal & professional expenses**	34.3	35.7
Technical know how fees	212.5	170.0
Printing & stationery	12.9	9.4
Communication expenses	38.9	24.5
Advertisement and publicity expenses	150.9	129.1
Commission on sale	788.6	482.9
Cement handling expenses	110.6	70.0
Loss on sale of fixed assets (net)	-	1.9
Provision for doubtful debts and advances	-	1.1
Fixed asset written off	5.4	9.8
Sundry balances written off	6.3	2.5
Loss on foreign currency transactions	0.1	0.7
Miscellaneous expenses#	194.7	138.6
	11,722.9	8,255.9
Less: Pertaining to discontinued operation (refer note 38)	-	(671.2)
	11,722.9	7,584.7

22. DEPRECIATION AND AMORTIZATION EXPENSE*

	For the 15 months ended 31 March 2015 ₹ in Millions	For the year ended 31 December 2013 ₹ in Millions
Depreciation of tangible assets	1,373.0	972.9
Amortization of intangible assets	12.7	7.2
	1,385.7	980.1
Less: recoupment from revaluation reserve	(10.3)	(9.8)
	1,375.4	970.3
Less: Pertaining to discontinued operation (refer note 38)	-	(79.6)
	1,375.4	890.7

* Directly attributable expenses in relation to project under construction have been transferred to capital work in progress. (refer note 25)

** excluding direct expenses amounting to ₹ 8.6 million which have been adjusted in net gain on sale of Raigad plant (refer note 38)

including amount spent during the period in relation to CSR activities ₹ 10.7 million (refer note 39)

23. FINANCE COSTS*

	For the 15 months ended 31 March 2015 ₹ in Millions	For the year ended 31 December 2013 ₹ in Millions
Interest:		
On borrowings	1,282.9	976.2
Others	68.5	47.7
Bank charges & guarantee commission	37.9	34.6
	1,389.3	1,058.5
Less: Pertaining to discontinued operation (refer note 38)	-	(2.1)
	1,389.3	1,056.4

* Directly attributable expenses in relation to project under construction have been transferred to capital work in progress. (refer note 25)

24. EARNINGS PER SHARE (EPS)

The following reflects the profit/(loss) and share data used in the basic and diluted EPS computations:

	For the 15 months ended 31 March 2015 ₹ in Millions	For the year ended 31 December 2013 ₹ in Millions
Profit/(loss) after tax available to equity shareholders	595.3	(407.3)
Net profit/(loss) for calculation of basic /Diluted EPS	595.3	(407.3)
	No in Millions	No in Millions
Weighted average number of equity shares in calculating basic/Diluted EPS	226.6	226.6
Basic and diluted EPS	2.63	(1.80)

25. (a) Capital work in progress include tangible assets amounting to ₹ 1,274.2 million (previous year ₹ 1,641.6 million) and intangible assets amounting to ₹ Nil million (previous year ₹ 28.2 million).
- (b) Capital work in progress includes an amount ₹ 1,003.1 million (previous year ₹ 25.3 million) towards setting up of Waste Heat Recovery (WHR) Power Plant at its clinkerisation unit at Narsingarh, adjacent to the Kilns to generate power from waste heat. The same is being setup as a separate unit for generation of approximately 12 to 13 MW of power. The Company intends to utilize the energy generated by WHR for captive consumption. The Company has placed orders for new equipments and the work for civil construction & equipment erection is in progress. The plant is expected to be commissioned by end of 2015.
- (c) Capital work-in-progress relating to tangible fixed assets includes capital items in transit amounting to ₹ 5.7 million (previous year: ₹ Nil million).
- (d) During the period, 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:

							₹ in Millions
Particulars	Opening balance as at 1 January 2013	Additions during the year	Capitalisation during the year	Closing balance as at 31 December 2013	Additions during the period	Capitalisation during the period	Closing balance as at 31 March 2015
Cost of raw material consumed	137.6	156.1	293.7	-	-	-	-
Salary, wages and Bonus	263.6	81.8	314.5	30.9	11.6	34.6	7.9
Gratuity expense	1.6	-	1.6	-	-	-	-

Particulars	Opening balance as at 1 January 2013	Additions during the year	Capitalisation during the year	Closing balance as at 31 December 2013	Additions during the period	Capitalisation during the period	Closing balance as at 31 March 2015
Staff welfare expenses	1.8	2.0	3.8	-	0.4	0.3	0.1
Stores and Spares consumed	3.0	-	3.0	-	-	-	-
Freight & forwarding	19.5	19.9	39.4	-	-	-	-
Excise duty on closing stock	6.6	-	6.6	-	-	-	-
Power & fuel	199.9	176.0	372.7	3.2	12.9	4.0	12.1
Power Transmission Line related expenses	308.7	-	308.7	-	-	-	-
Rent	17.9	9.3	19.1	8.1	1.0	9.1	-
Insurance	20.8	0.6	21.4	-	-	-	-
Rates and taxes	6.2	6.9	13.1	-	0.7	-	0.7
Travelling expenses	36.3	6.9	40.2	3.0	1.9	3.3	1.6
Legal & professional expenses	314.9	59.8	334.4	40.3	32.7	43.1	29.9
Communication Expenses	2.2	0.3	2.5	-	-	-	-
Commission on sale	1.7	2.8	4.5	-	-	-	-
Miscellaneous Expenses	72.9	17.5	52.7	37.7	11.0	43.6	5.1
Depreciation and amortization expenses	20.3	3.1	19.8	3.6	0.8	4.4	-
Interest	1,130.0	242.4	1,252.3	120.1	74.8	154.1	40.8
Guarantee commission (included in bank charges and guarantee commission)	35.7	3.6	37.5	1.8	-	1.8	-
Total expenditure during construction period	2,601.2	789.0	3,141.5	248.7	147.9	298.4	98.2
Less: Sales during Trial Run period (Net of excise duty of ₹ 24.9 million)	(145.2)	(155.4)	(300.6)	-	-	-	-
Less: Scrap Sale (net of excise duty)	(17.3)	(22.6)	(21.5)	(18.4)	-	(18.4)	-
Less: Interest income on bank deposits	(102.7)	(0.5)	(101.9)	(1.3)	-	(1.3)	-
Less: Closing Stock of finished goods out of trial run production	(37.6)	-	(37.6)	-	-	-	-
Less: Closing Stock of work in progress out of trial run production	(25.0)	-	(25.0)	-	-	-	-
Total	2,273.4	610.5	2,654.9	229.0	147.9	278.7	98.2

26. RELATED PARTY DISCLOSURE

(a) Names of related parties and related party relationship:

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

Related parties under AS 18 with whom transactions have taken place during the period:

Fellow subsidiaries	HeidelbergCement Asia Pte Ltd Cochin Cement Limited PT Indocement Tunggai Prakarsa Tbk
Key management personnel	Mr. Sushil Kumar Tiwari, Whole Time Director

Additional related parties as per companies Act, 2013 with whom transactions have taken place during the year:

Chief Financial Officer	Mr. Anil Sharma (w.e.f. April 01, 2014)
Company Secretary	Mr. Rajesh Relan (w.e.f. April 01, 2014)

(b) Related party transactions

The following table provides the total amount of transactions that have been entered in to with related parties for the relevant periods:

₹ in Millions

Particulars	Enterprises where controls exists		Fellow Subsidiaries		Key Management Personnel		Total	
	Mar-15	Dec-13	Mar-15	Dec-13	Mar-15	Dec-13	Mar-15	Dec-13
Transactions with Cementum I B.V.:								
-Interest on ECB	275.1	224.4	-	-	-	-	275.1	224.4
Transactions with HeidelbergCement AG:								
- Corporate Guarantee Charges	13.4	25.9	-	-	-	-	13.4	25.9
- Payroll cost reimbursed	6.9	25.8	-	-	-	-	6.9	25.8
- SAP License Fees	13.0	-	-	-	-	-	13.0	-
- End-user workstation charges	7.0	-	-	-	-	-	7.0	-
-Guarantees Given/renewed	-	4,450.0	-	-	-	-	-	4,450.0
-Guarantees Lapsed/cancelled	4,450.0	5,860.0	-	-	-	-	4,450.0	5,860.0
- ECB taken	-	1,500.0	-	-	-	-	-	1,500.0
-Issue of non-convertible debenture	-	3,700.0	-	-	-	-	-	3,700.0
-Interest on ECB & Debentures	676.0	94.1	-	-	-	-	676.0	94.1
Transactions with Cochin Cement Limited:								
- Expenses Recovered	-	-	32.5	49.7	-	-	32.5	49.7
- Sale of Clinker	-	-	88.0	137.4	-	-	88.0	137.4
Transactions with HeidelbergCement Asia Pte Limited:								
- Technical Know How Fee	-	-	212.5	170.0	-	-	212.5	170.0
-Other Receipts	-	-	-	-	-	-	-	-
Transactions with PT Indocement Tunggai Prakarsa Tbk								
- ERP Maintenance Charges	-	-	1.7	6.7	-	-	1.7	6.7
Transactions with key management personnel**								
Mr. Sushil Kumar Tiwari, Whole Time Director								
- Salary, wages, bonus and allowances	-	-	-	-	17.7	12.8	17.7	12.8
- Contribution to provident and other fund	-	-	-	-	1.6	1.2	1.6	1.2

Particulars	Enterprises where controls exists		Fellow Subsidiaries		Key Management Personnel		Total	
	Mar-15	Dec-13	Mar-15	Dec-13	Mar-15	Dec-13	Mar-15	Dec-13
Mr. Anil Sharma, Chief Financial Officer								
- Salary, wages, bonus and allowances	-	-	-	-	14.1	-	14.1	-
- Contribution to provident and other fund	-	-	-	-	1.3	-	1.3	-
Mr. Rajesh Relan, Company Secretary								
- Salary, wages, bonus and allowances	-	-	-	-	4.7	-	4.7	-
- Contribution to provident and other fund	-	-	-	-	0.2	-	0.2	-
Balance outstanding at the year end								
Receivables								
Cochin Cements Limited	-	-	18.7	-	-	-	18.7	-
Payable								
- HeidelbergCement AG	6.9	32.4	-	-	-	-	6.9	32.4
- PT Indocement Tunggal Prakarsa Tbk	-	-	-	1.3	-	-	-	1.3
- HeidelbergCement Asia Pte Limited	-	-	38.3	38.5	-	-	38.3	38.5
Loans Taken*								
-Cementum I.B.V	7,786.4	7,726.2	-	-	-	-	7,786.4	7,726.2
- HeidelbergCement AG	1,500.0	1,500.0	-	-	-	-	1,500.0	1,500.0
Issue of Debenture								
- HeidelbergCement AG	3,700.0	3,700.0	-	-	-	-	3,700.0	3,700.0
Interest accrued but not due on ECB loan								
-Cementum I.B.V	39.2	67.4	-	-	-	-	39.2	67.4
- HeidelbergCement AG	19.4	56.7	-	-	-	-	19.4	56.7
Interest accrued but not due on debenture								
- HeidelbergCement AG	104.7	15.0	-	-	-	-	104.7	15.0
Guarantees Outstanding:								
-HeidelbergCement AG	-	4,450.0	-	-	-	-	-	4,450.0

*Difference of ₹ 60.2 million (Previous year ₹ 868.0 million) in ECB loan amount received & payable to Cementum IBV as at March 31, 2015 is on account of restatement of ECB loan at closing exchange rate.

**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 director are not included above.

27. 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 one office premises which is taken on a non-cancellable lease. The Company has recognized ₹ 21.4 million (Previous year: ₹ 34.9 million) in respect of cancellable operating leases and ₹ 10.1 million (Previous year: ₹ 9.3 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:

			₹ in Millions	
S. No.	Particulars		Mar-15	Dec-13
(i)	Not later than one year;		4.7	8.1
(ii)	Later than one year and not later than five years;		-	6.7
(iii)	Later than five years;		-	-

Out of the total rent recognised, ₹ 1.4 million (Previous year ₹ 1.0 million) relating to residential accommodation provided to the employees has been shown under Employee benefit expenses.

₹ 1.0 million (Previous year: ₹ 8.1 million) relating to a non-cancellable operating lease and ₹ Nil million (Previous year: ₹ 1.2 million) relating to cancellable operating lease has been capitalized during the current year.

28. CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 623.7 million (Previous year: ₹ 138.4 million).

29. CONTINGENCIES AND PROVISION FOR LITIGATION

(a) Contingent Liabilities not provided for

₹ in Millions		
Particulars	31 March 2015	31 December 2013
-Excise Duty / Service Tax/CENVAT Credit	104.1	107.5
-Sales Tax/ Trade Tax/Entry Tax	135.7	145.0
-Income Tax	12.4	33.3
-Differential Royalty on Limestone*	2,505.1	2,073.3
- Claims not acknowledged by the Company	109.2	104.4
Total	2,866.5	2,463.5

* The Company had filed writ petition against the order of the Madhya Pradesh State Mining Department (referred as 'department') towards payment of additional royalty on limestone based on the ratio of 1.6 tonnes of limestone to 1 tonne of cement produced. The Company holds the view that the payment of royalty on limestone is correctly made based on the actual quantity of limestone extracted from the mining area. All writ petitions & writ appeals filed by the cement manufacturers regarding Royalty have been disposed off by Madhya Pradesh High Court ("High Court") vide its Order dated 8th July 2014 and it has quashed and set aside the department's contention to use notional conversion factor of 1.6 instead of actual consumption. Further, the matter has been relegated before the Assessing Officer for re-examination of the entire matter afresh from the stage of filing of the returns in light of above observation. Presently, the reassessment is in process.

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.

(b) Provision for Litigation

₹ in Millions				
Particulars	Balance as at 1 January 2014	Additions during the period charged to respective expenses head	Amounts reversed during the period	Balance as on 31 March 2015
Trade tax/sales tax/VAT	43.6 (35.1)	11.6 (9.4)	- (0.9)	55.2 (43.6)
Entry tax	1,194.7 (1,020.2)	354.6 (230.0)	- (55.5)	1,549.3 (1,194.7)
Cess on captive power	86.8 (86.8)	- (-)	- (-)	86.8 (86.8)
Rural Infrastructure and Road Development tax, Madhya Pradesh	72.9 (55.4)	28.2 (17.5)	- (-)	101.1 (72.9)
Environment protection fees, Karnataka	14.5 (14.5)	- (-)	- (-)	14.5 (14.5)
Other litigations	20.4 (31.1)	0.7 (0.6)	- (11.3)	21.1 (20.4)
TOTAL	1,432.9 (1,243.1)	395.1 (257.5)	- (67.7)	1,828.0 (1,432.9)

Note: Figures in brackets are for the previous year.

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 short term loan and advances in note no. 12.

(c) Movement of provision for Mine reclamation expenses during the period as required by Accounting Standard 29:

Mine Reclamation Expenses

Particulars	₹ in Millions	
	31 March 2015	31 December 2013
Opening provision	18.0	-
Add: Provision made during the period	22.5	18.0
Less: Provision utilised during the period	4.9	-
Closing provision	35.6	18.0

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.

30. CROSS CURRENCY INTEREST RATE SWAP

The Company has a cross currency interest rate swap agreement with a bank for ECB Loan of USD 125,000,000 (Previous year USD 125,000,000) 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 restatement of bank borrowings up to year end amounting to ₹ 1,814.1 million (up to previous year ₹ 1,753.9 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 ₹ 1,896.6 million (Previous year ₹ 1,994.3 million) which is presented under other current assets in Note 13.2. Effective portion of cash flow hedge and differential accrued interest amounting to ₹ 144.3 million (previous year ₹ 347.3 million) has been taken to "Hedging Reserve Account" under Reserves & Surplus under Note 4.

31. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE**Cross currency interest rate swap outstanding as at Balance Sheet date**

Particulars	Currency	Mar-15	Dec-13	Purpose
Cross Currency Interest rate Swap	USD	125,000,000	125,000,000	For hedging payment of ECB loan and interest thereon.

Particulars	Currency	Mar-15	Dec-13	Purpose
Forward Contract	USD	17,23,560	-	For hedging payment against import of capital goods.

Unhedged Foreign Currency Exposure

Particulars	Currency	Mar-15			Dec-13		
		Amount in foreign currency	Exchange Rate	₹ in Millions	Amount in foreign currency	Exchange Rate	₹ in Millions
Trade Payable for Imports	USD	-	-	-	21,425.0	61.81	1.3
	EURO	-	-	-	303,583.4	84.96	25.8
	SGD	-	-	-	4,614.1	48.94	0.2

- 32.** Excise duty on sales amounting to ₹ 3,271.0 million (Previous year ₹ 2,195.1 million which includes ₹ 24.9 million from sales out of production during trial runs) has been reduced from sales in statement of profit and loss. Excise duty income on increase in stocks amounting to ₹ 8.1 million (Previous year excise duty expenses of ₹ 27.6 million) has been considered in Note 21 of the financial statement.

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. 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 confirm to the interest rate declared by the Government for the Employees Provident Fund. The Guidance Note on implementing AS-15, Employee Benefits (Revised 2005) issued by the Accounting Standard Board (ASB) states that provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. 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

Net employee benefit expense (recognized in employee cost)

Particulars	₹ in Millions	
	Gratuity	
	Mar-15	Dec-13
Current service cost	19.8	17.0
Interest cost on benefit obligation	28.4	19.7
Expected return on plan assets	(12.0)	(7.7)
Net actuarial (gain)/ loss recognized	20.1	(7.4)
Past service cost / (credit) recognized	-	-
Net benefit expense	56.3	21.6
Actual Return on plan assets	8.5	8.7

Balance Sheet

Details of Provision for gratuity

Particulars	₹ in Millions	
	Gratuity	
	Mar-15	Dec-13 [#]
Defined benefit obligation	306.2	270.9
Fair value of plan assets	(114.0)	(112.0)
	192.2	158.9
Less: Unrecognized past service cost	-	-
Plan liability	192.2	158.9

Changes in the present value of the defined benefit obligation are as follows:

Particulars	₹ in Millions	
	Gratuity	
	Mar-15	Dec-13 [#]
Opening defined benefit obligation*	264.1	253.4
Current service cost	19.8	17.0
Interest cost on benefit obligation	28.3	19.7
Actuarial (gain)/ loss recognized	19.4	(6.4)
Past service cost / (credit) recognized	-	-
Benefits paid	(25.4)	(12.8)
Closing defined benefit obligation	306.2	270.9

[#] Figures for December 2013 includes figures of discontinued operation.

*Excluding discontinued operation.

Changes in the fair value of plan assets are as follows:

Particulars	₹ in Millions	
	Gratuity	
	Mar-15	Dec-13#
Opening fair value of plan assets*	110.0	96.7
Expected return	12.0	7.7
Contribution by employer	18.1	19.4
Actuarial gain/(loss) recognized	(0.7)	1.0
Benefits paid	(25.4)	(12.8)
Closing fair value of plan assets	114.0	112.0

The Company expects to contribute ₹ 20.2 million to gratuity in financial year 2015-16 (previous year ₹ 20.0 million).

Figures for December 2013 includes figures of discontinued operation.

*Excluding discontinued operation.

The principal assumptions used in determining gratuity for the Company's plans are shown below:

Particulars	Mar-15	Dec-13
Discount rate	8.10%	9.20%
Expected rate of return on assets	8.50%	9.20%
Employee Turnover	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.

The expected return on plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Mar-15 (%)	Dec-13 (%)
Investments with insurer	98.03	98.35
Investments in government bonds	0.09	0.09
Bank balance	1.88	1.56
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.

Amounts for the current and previous years are as follows:

Particulars	₹ in Millions				
	Gratuity				
	Mar-15	Dec-13#	Dec-12#	Dec-11#	Dec-10#
Defined benefit obligation	(306.2)	(270.9)	(253.5)	(207.3)	(182.9)
Plan assets	114.0	112.0	96.8	82.4	65.4
Surplus / (deficit)	(192.2)	(158.9)	(156.7)	(124.9)	(117.5)
Experience loss/(gain) on plan liabilities	19.4	(6.4)	23.9	1.8	6.8
Experience loss/(gain) on plan assets	0.7	(1.0)	0.4	(0.5)	(4.1)

Figures includes figures of discontinued operation.

(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 March 31, 2015 and December 31, 2013.

The details of the fund and plan assets position are as follows:

₹ in Millions		
Particulars	Mar-2015	Dec-2013
Plan assets at year end, at fair value	196.5	225.7
Present value of defined obligation at year end	167.3	191.2
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	Mar-2015	Dec-2013
Discount rate	7.81%	9.02%
Expected guaranteed interest rate	8.75%	8.50%
Expected Rate of Return on Asset	9.22%	8.94%

- (c) Contribution to Defined Contribution Plans included under head 'Contribution to PF and other funds' under Note 20 'Employee benefit Expenses'

₹ in Millions		
Particulars	Mar-15	Dec-13
Provident Fund	63.3	47.5
Other Post Employment Funds	6.1	4.7
Total	69.4	52.2

34. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006 as per the information available with the Company in response to the enquiries from all existing suppliers with whom the Company deals, which has been relied upon by the auditors:

		₹ in Millions	
S. No.	Particulars	Mar-15	Dec-13
(i)	the principal amount and the interest due thereon remaining unpaid to any supplier		
	- Principal amount	29.0	2.8
	- Interest thereon	-	-
(ii)	the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iii)	the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
(iv)	the amount of interest accrued and remaining unpaid	-	-
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act	-	-

35. SUPPLEMENTARY STATUTORY INFORMATION**35.1 Expenditure in foreign currency (accrual basis)**

Particulars	₹ in Millions	
	Mar-15	Dec-13
Technical know how fees	212.5	170.0
Legal & Professional expenses	3.4	6.7
Guarantee commission (included under bank charges & guarantee commission)	13.4	25.9
Interest	951.1	318.6
Others	29.2	27.9
Total	1209.6	549.1

35.2 Value of imports calculated on CIF basis

Particulars	₹ in Millions	
	Mar-15	Dec-13
Stores & spare parts	31.7	1.0
Capital goods	549.3	-
Total	581.0	1.0

35.3 Imported and indigenous raw materials and packing materials consumed:

There are no consumption of imported raw materials and packing materials. All consumptions are of indigenous items.

35.4 Imported and indigenous stores and spares consumed:

Particulars	Percentage of total consumption		Value ₹ in Millions	
	Mar-15	Dec-13	Mar-15	Dec-13
Imported	5.9	0.09	43.6	0.4
Indigenous	94.1	99.91	700.7	428.9
Total	100.00	100.00	744.3	429.3

36. SALES & ENTRY TAX BENEFIT

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. February 18, 2013. Under the said policy, the Company has been exempted from payment of Entry Tax on purchase of input materials for a period of 7 years and also claim refund upto 75% of VAT/CST paid on sales for a period of 10 years within the state of Madhya Pradesh in respect of the increased production facility.

- 37.** Capital advances include an amount of ₹ 150.6 million paid during the previous year to a 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 in previous year had also offered the Company to renegotiate and agree with its subcontractors for settlement of the aforesaid advance. The Company invoked the advance bank guarantee to recover the advances paid to the said supplier. The Hon'ble High Court of Delhi had in previous year 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, which is currently pending. During the period, the Division bench of the Delhi high court has given direction to the single judge to decide the matter expeditiously. Basis legal assessment and precedents of Supreme Court judgements, the management is confident of recovering the amounts and no adjustments are considered necessary in the financial statements in this regard.

38. DISCONTINUED OPERATION

- a)** In accordance with the approval granted by the Board of Directors of the Company on May 21, 2013, the Company executed a Business Transfer Agreement on October 5, 2013 with JSW Steel Limited for sale of its cement grinding facility in Raigad, Maharashtra, to JSW Steel Limited, as a going concern on slump sale basis for a consideration of ₹ 1,660.0 million. The process of selling the Raigad plant was completed on January 3, 2014 and

net gain of ₹ 603.1 million has been disclosed as an exceptional item in the statement of profit and loss during the period.

The carrying amounts of the total assets and liabilities disposed off at 03 January 2014 are as follows. Comparative information for Raigad plant is included in accordance with AS 24 Discontinuing Operations.

₹ in Millions		
Particulars	03 January 2014	31 December 2013
Total assets	1,321.6	1,321.7
Total liabilities	273.3	308.0
Net assets	1,048.3	1,013.7

b) Revenue and expenses of continuing and discontinued operations are as follows: ₹ in Millions

	Continuing operation		Discontinued operation		Total	
	31-Mar-15	31-Dec-13	31-Mar-15	31-Dec-13	31-Mar-15	31-Dec-13
Income						
Revenue from operations (gross)	23,713.8	14,049.4	-	2,053.0	23,713.8	16,102.4
Less: Excise duty	(3,271.0)	(1,960.3)	-	(209.9)	(3,271.0)	(2,170.2)
Revenue from operations (net)	20,442.8	12,089.1	-	1,843.1	20,442.8	13,932.2
Other income	138.4	73.0	-	0.8	138.4	73.8
Total revenue (I)	20,581.2	12,162.1	-	1,843.9	20,581.2	14,006.0
Expenses						
Cost of raw material consumed	4,438.3	2,822.6	-	944.3	4,438.3	3,766.9
(Increase)/ decrease in inventories of finished goods and work-in-progress	(277.2)	(305.2)	-	25.4	(277.2)	(279.8)
Employee benefits expense	1,337.3	966.7	0.4	74.2	1,337.7	1,040.9
Other expenses	11,722.9	7,584.7	-	671.2	11,722.9	8,255.9
Total (II)	17,221.3	11,068.8	0.4	1,715.1	17,221.7	12,783.9
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)	3,359.9	1,093.3	(0.4)	128.8	3,359.5	1,222.1
Depreciation and amortization expense	1,385.7	900.5	-	79.6	1,385.7	980.1
Less: recoupment from revaluation reserve	(10.3)	(9.8)	-	-	(10.3)	(9.8)
Net depreciation and amortization expense	1,375.4	890.7	-	79.6	1,375.4	970.3
Finance costs	1,389.3	1,056.4	-	2.1	1,389.3	1,058.5
Profit/(loss) before tax	595.2	(853.8)	(0.4)	47.1	594.8	(806.7)
Add: Exceptional Items	603.1	-	-	-	603.1	-
Profit/(loss) before tax	1,198.3	(853.8)	(0.4)	47.1	1,197.9	(806.7)
Tax expenses*						
Current tax	91.3	97.1	-	-	91.3	97.1
Less: MAT credit entitlement	(91.3)	(97.1)	-	-	(91.3)	(97.1)
Net current tax liability	-	-	-	-	-	-
Current tax/MAT related to earlier years	-	(71.3)	-	-	-	(71.3)
Deferred tax charge	602.6	(328.1)	-	-	602.6	(328.1)
Total tax expense	602.6	(399.4)	-	-	602.6	(399.4)
Profit/(loss) for the year	595.7	(454.4)	(0.4)	47.1	595.3	(407.3)

*Tax Expenses is not determined separately for discontinued operations, as it is determined for the Company as a whole.

- c) Net Cash flows attributable to the operating, investing and financing activities of the discontinued operations are as follows:

₹ in Millions		
Particulars	For the period January 01, 2014 to January 03, 2014	31 December 2013
Operating activities	(0.6)	(31.6)
Investing activities	-	1.3
Financing activities	-	(3.1)
Net cash inflows / (outflows)	(0.6)	(33.4)

39. During the period, the gross amount required to be spent by the Company on activities related to Corporate Social Responsibility (CSR) amounted to ₹ 0.5 million.

Further, amount spent during the period in relation to CSR activities in cash is mentioned below:

Particulars	Amount incurred	Amount yet to be paid	Total
(i) Construction/acquisition of any asset	9.5	-	9.5
(ii) On purposes other than (i) above	1.2	-	1.2
Total	10.7	-	10.7

40. Previous Year Figures

During the period, the Company's financial statements have been prepared for the fifteen months period from January 01, 2014 to March 31, 2015 and hence not comparable with those of previous year. Previous year figures have been regrouped / reclassified, where necessary, to conform to this period's classification.

As per our report of even date

For **S. R. Batliboi & Co. LLP**
Firm Registration No. 301003E
Chartered Accountants

For and on behalf of the Board of Directors of
HeidelbergCement India Limited

per Sanjay Vij
Partner
Membership No.: 95169

Anil Kumar Sharma
Chief Financial Officer

Dr. Albert Scheuer
Director

P.G. Mankad
Chairman

Jamshed Naval Cooper
CEO & Managing Director

S. Krishna Kumar
Director

Place : Gurgaon
Date : May 25, 2015

Rajesh Relan
Legal Head & Company Secretary

Pradeep V. Bhide
Director

Daniel R. Fritz
Director

Soek Peng Sim
Director

Sushil Kumar Tiwari
Wholtime Director

HeidelbergCement India Limited

CIN: L26942HR1958FLC042301

Registered Office: 9th Floor, Infinity Tower "C", DLF Cyber City, Phase II, Gurgaon, Haryana – 122002,

Phone +91-124-4503-700; Fax +91-124-4147-698; Website: www.mycemco.com

PROXY FORM

Name of the member(s):	
Registered address:	
E-mail Id:	
Folio No./ Client Id:	
DP/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: _____.

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 56th Annual General Meeting of the Company, to be held on the 7th day of August, 2015 at 9.30 A.M. at Epicentre, Apparel House, Sector 44, Institutional Area, Gurgaon, Haryana - 122 002 and at any adjournment thereof in respect of the resolutions as are indicated below:

Sl. No.	Resolutions	Optional*	
		For	Against
ORDINARY BUSINESS			
1.	Adoption of Financial Statements together with the Reports of the Board of Directors and Auditors’ for the fifteen months period ended 31 st March 2015.		
2.	Re-appointment of Dr. Albert Scheuer (holding DIN 02170574), as Director who retires by rotation.		
3.	Ratification of appointment of S.R. Batliboi & Co. LLP, Chartered Accountants, as Statutory Auditors from the conclusion of 56 th AGM until conclusion of 57 th AGM.		
SPECIAL BUSINESS			
4.	Appointment of Mr. Jamshed Naval Cooper (holding DIN 01527371) as Director.		
5.	Appointment of Mr. Jamshed Naval Cooper (holding DIN 01527371) as CEO & Managing Director.		
6.	Appointment of Ms. Soek Peng Sim (holding DIN 06958955) as Director.		
7.	Special Resolution for re-appointment of Mr. Sushil Kumar Tiwari (holding DIN 03265246) as Wholetime Director and approval of his terms of re-appointment and Remuneration.		
8.	Ratification of remuneration of Cost Auditors for the year 2015-16.		
9.	Special Resolution to amend Articles of Association of the Company.		

Signed this day of 2015

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Notes :

- 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.
- For the Resolutions, Explanatory Statement and Notes, please refer to Notice of the 56th Annual General Meeting.
- 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.
- Please complete all details including details of member(s) in above box before submission.







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for better building

Registered Office
HeidelbergCement India Limited
9th Floor, Infinity Tower "C", DLF Cyber City,
Phase-II Gurgaon, Haryana - 122 002

FORM A

1.	Name of the Company	HeidelbergCement India Limited
2.	Financial statements for the fifteen months period ended	31 st March 2015
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not Applicable

For S.R. Batliboi & Co. LLP Chartered Accountants ICAI Firm Registration No. 301003E  per Sanjay Vij Partner Membership No. 95169 Place: Gurgaon Date: 09/07/2015	For HeidelbergCement India Limited  Jamshed Naval Cooper CEO & Managing Director  S. Krishna Kumar Chairman of Audit Committee  Anil Kumar Sharma Chief Financial Officer
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