

**HeidelbergCement India Limited**

CIN: L26942HR1958FLC042301

Registered Office

2<sup>nd</sup> Floor, Plot No. 68, Sector-44,

Gurugram, Haryana 122002, India

Phone +91-124-4503700

Fax +91-124-4147698

Website: www.mycemco.com

HCIL:SECTL:SE:2021-22

3 September 2021

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

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

Scrip Code:500292

Trading Symbol: Heidelberg

Dear Sir,

**Sub: Submission of Annual Report 2020-21**

In compliance with Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Annual Report for the financial year 2020-21, inter alia containing the Notice of 62<sup>nd</sup> Annual General Meeting to be held on 27 September 2021.

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

Thanking you,

Yours faithfully,  
For HeidelbergCement India Ltd.



Rajesh Relan  
Legal Head & Company Secretary



**HEIDELBERGCEMENT**  
INDIA



**PURPOSEFUL  
C.H.A.N.G.E**

**ANNUAL REPORT 2020-21**

HEIDELBERGCEMENT INDIA LTD.



# PURPOSEFUL C.H.A.N.G.E

Year 2020 will go down in the history as a year that ceased the world on its tracks. At its core, was the global health crisis caused by novel corona virus that posed adverse implications on human lives, livelihoods, businesses and economies around the globe. While the health crisis has grabbed maximum attention in every walk of life, another global challenge that warrants our attention is the compounding effect of climate change in the form of intense storms, heat waves, wildfires, floods etc.

The world today is punctuated by novel times and changing climates. For the life to smoothly navigate the future with peace, progress and predictability will remain pivotal for enterprises to succeed. At HeidelbergCement, business goals have always walked hand-in-hand with a sense of social accountability and environmental stewardship. This being the prime driver; the company is consciously pursuing the path of 'Purposeful Change'.

While the pandemic remained a challenging force, it only accelerated the digitalization of organizations and economies, exponentially. With digital transformation being a focus area of your company over the several years, the e-reforming of the processes felt like a natural transition for us and our people.

Be it our products, our processes or our people, the aim is to drive strategic transformation in order to align the Company with our Group's Purpose Statement – "Material to build our future". While the tenets of triple-bottom line excellence, continuous improvement and value maximization have always been a way of life at HeidelbergCement India, we are now converging our efforts to usher in 'Purposeful Change'. The shift is towards promoting innovations that will go a long way in shaping a sustainable and inclusive future.

In FY21, the Company performed quite well despite a challenging environment and an extremely competitive market. The content that follows will provide in-depth

information about the Company's performance across all the key areas of C.H.A.N.G.E: **Cementing Bonds, Harnessing Innovation, Accelerating Excellence, Nurturing People, Generating Value, Enriching Ecology**

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# Cementing Bonds



**T**he measure of an organisation's success lies in its ability to ensure enduring relationships with customers, investors, employees, channel partners, supply chain associates, and all other stakeholders. Stakeholder centricity is a strategic priority at HeidelbergCement India and we achieve the same through communication, collaboration and credibility.



# FY2020-21: The Year of Facing Challenges Together

The Company managed the operational and financial impact of the pandemic in an assured manner. The operations in plants and mines were suspended during the last week of March 2020 until 20 April 2020 due to national lockdown directives of the Government to contain the spread of COVID-19, which adversely affected the business of the Company during the quarter ended 30 June 2020. We are pleased to share that despite the myriad challenges faced by the Company during the year under review it achieved highest ever profitability during FY21. The Company's Net Profit increased by 17.49% to INR 3,149.5 million from INR 2,680.6 million in FY20. Despite all odds, the EBITDA margin for FY21 stood firm at 25.6%.

These results were achieved through a focussed approach involving enhanced efficiency in consumption parameters, cost optimisation measures and operational excellence through process optimisation and digitalisation.

While doing so, the health of our employees, associates and customers remained our priority as always.

## Glimpse of FY2020-21

Q1  
June' 20

- To mitigate COVID-19 risks, as part of "Contingency Management and Business Continuity Plan" the Company undertook various measures to ensure safety of Manpower, security of Plant and Machinery, securing Materials and conservation of resources.
- Crisis Management Teams monitored health status of employees through thermal scanning, verification of travel history and aligning policies relating to quarantine, 'work from home' etc., as per the need of the hour.
- As part of a community support project, "Annam", the Company contributed Re. 1 per bag for distributing food packets containing grains, rice and other edible items to the under privileged.
- Training of Channel Partners on e-Meet platforms and regular e-Meetings.
- Social Media Campaign "Stamps of the Times".

Q2  
Sep' 20

- Payment of higher final dividend of 60% for FY2019-20 to shareholders.
- Execution of a mining lease for setting up a greenfield project in Gujarat.
- The Company achieved ambient temperature reduction of 1.2°C at its plants as compared to that prevailing a kilometre away.
- Launched e-Banking project to increase usage of electronic fund transfers and optimisation of receivables.
- Launch of "Sambandh" App - aimed at digital maintenance of data pertaining to the points earned by masons.

Q3  
Dec' 20

- Repayment of second tranche of NCD of INR 1,250 million.
- Introduction of a new sales method "Direct to Retail" ("D2R").
- The Company was conferred the recognition "Best Corporate" based on its contribution to Transformation in Rural Education Facilities and providing conducive learning environment.
- Model "Aanganwadi" development project through renovation, provision of necessities etc. at Damoh.
- Skill Development training to rural youth and ladies in association with CEDMAP (Centre for Entrepreneurship Development).

Q4  
March' 21

- COVID-19 Vaccination camps across various locations for employees, contract workmen and their family members.
- The policy of "Work from home" was replaced with "Work from Anywhere" to provide moral comfort to employees.
- The Company was certified as 4.4x water positive by TUV SUD.
- Gold Award - Safe Workplace Award in Cement Sector - 2020 by Apex India Safe Workplace to Jhansi Plant.
- Initiated shifting of Registered & Corporate Office including allied infrastructure within Gurugram city to drive cost optimization.

# Financial Highlights

Particulars	FY 17	FY 18	FY 19	FY 20	FY 21
Sales Volumes (KT)	4,474	4,653	4,897	4,706	4,486
Total Revenue (Net of Excise Duty / GST) (Rs. million)	17,412	19,094	21,682	22,224	21,631
EBITDA (Rs. million) (including Other income)	3,026	3,833	5,182	5,805	5,531
EBITDA Margin (%)	17.4%	20.1%	23.9%	26.1%	25.6%
EBT (Rs. million)	1,136	2,077	3,416	3,981	3,912
EBT Margin (%)	6.5%	10.9%	15.8%	17.9%	18.1%
PAT (Rs. million)	762.1	1,331.8	2,206.6	2,680.6	3,149.5
PAT Margin (%)	4.4%	7.0%	10.2%	12.1%	14.6%
EPS (Rs./Share)	3.4	5.9	9.7	11.8	13.9
Shareholders Fund (Rs. million)	9,670	10,464	11,712	13,146	14,939
Long Term Borrowings (Rs. million)	6,846	6,192	5,168	4,051	2,945
Short Term Borrowings (Rs. million)	-	-	-	-	-
Debt Equity Ratio	0.71:1	0.59:1	0.44:1	0.31:1	0.20:1
Cash and Cash Equivalentents (Rs. million)	142	2,122	3,371	4,697	4,303

# Company Profile

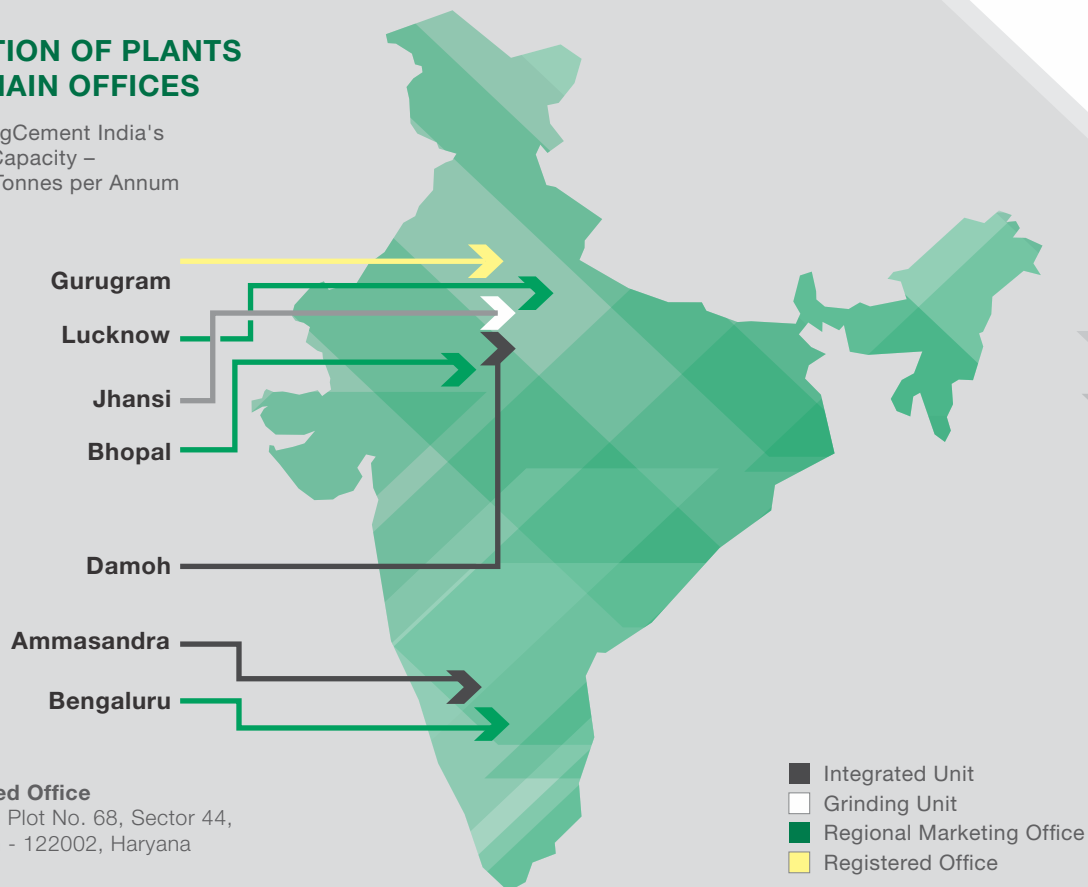
## HeidelbergCement India

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

After the merger of Indorama Cement with Mysore Cements, in 2009, Mysore Cements was renamed as HeidelbergCement India Ltd. Since then there has been no looking back. In 2009, the Company undertook a brownfield capacity expansion in Central India to increase its cement manufacturing capacity from 2.1 million tonnes per annum (MTPA) to 5.4 MTPA. Debottlenecking activities in last quarter of FY20 increased the grinding capacity at Imlai and Jhansi plants by 0.5 MTPA and 0.55 MTPA respectively. The aggregate cement grinding capacity of the Company now stands enhanced to 6.26 MTPA.

### LOCATION OF PLANTS AND MAIN OFFICES

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



**Chief Financial Officer**  
Mr. Anil Kumar Sharma

**Legal Head & Company Secretary**  
Mr. Rajesh Relan

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

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



# HEIDELBERGCEMENT GROUP

HeidelbergCement is one of the world's largest building material Group. Post the acquisition of the Italian cement producer Italcementi, HeidelbergCement repositioned itself as number 1 in aggregates production, number 2 in cement, and number 3 in ready mix concrete. Both the companies complement each other perfectly: on one hand it is similarity of products and organization structure, and on the other hand it's the distinct geographical footprints with minimal overlaps. In the significantly expanded HeidelbergCement Group, around 53,000 employees work at more than 3,000 locations in over 50 countries generating global revenue of over 17 billion euros.

➔ **1** Number 1 in aggregates production

➔ **2** Number 2 in cement

➔ **3** Number 3 in ready-mixed concrete

## Ratings Upgrade

Moody's has upgraded long term issuer rating of HeidelbergCement AG (HCAG) to Baa2 from Baa3. Prior to that S&P had also upgraded the rating by one notch to BBB from BBB-.

Ratings upgrade was based on resilient performance throughout 2020, leverage ratio (net debt to operating EBITDA) within the target corridor of 1.5x-2.0x etc.



### Sustainability Initiatives

HeidelbergCement AG (HCAG) has recently signed business ambition undertaking thus committing itself to contain global warming by 1.5°C and achieving net zero carbon emissions by 2050. Thus, HCAG has joined the global “Race to Zero” campaign that supports in building a positive momentum to transit towards a decarbonised economy.

HCAG has also announced its intention to upgrade its cement plant in Sweden and has thus emerged as the World's first carbon-neutral cement plant to become operational by 2030. Deploying innovative technology at its plant to capture CO<sub>2</sub> which will transport the captured CO<sub>2</sub> several kilometres to be safely buried and stored permanently in sea beds.



### German Innovation Award to first 3D-printed house

The first 3D concrete printed residential house in Germany has been awarded the German Innovation Award by the German Design Council under the “Building & Elements” Category. The two-storey single-family home in Beckum, with around 160 square meters of living space consists of multi-layered walls filled with insulating material or ready-mixed concrete.

HeidelbergCement provided the building material required for 3D-printing. Contributing as a strong and innovative partner in this project, HeidelbergCement has provided viable option over traditional concrete thus accelerating the use of 3D printing commercially by the construction industry.





# Harnessing Innovation



**W**e encourage innovation - be it in any measure. We believe, every individual - in every department, across hierarchy, any stage of the process - is capable of generating surprising ingenious ideas. The power of innovation is exhibited in resource optimisation, customer retention, process efficiencies, quality enhancement, sustainability and cost optimisation.

The tools our teams leverage to realise such high outcomes are Continuous Improvement initiatives, Automation and Digitalisation.



An illustrious journey of 148 years, HeidelbergCement Group has achieved its goals while remaining steadfast to its values and maintaining a keen eye on research and innovation.

In India, it has been our endeavour to tread on the Group's footsteps relentlessly raising the standards of excellence while staying firmly

rooted and adhering to



the laws of the land coupled with highest ethical conduct.



# OpEx Highlights

The Company has a well-structured and effective internal control system with Standard Operating Procedures laid out for all critical aspects of processes. These SOPs are periodically reviewed to remain in line with the applicable laws and contemporary industry practices. From Quarries to Shop Floor, throughout the production line, operational performance has enhanced the productivity, sustainability, and competitiveness.



Keeping the mining operations afloat during the pandemic was an uphill task. Bringing the plant operation to a sudden halt during the 1st lockdown was a major challenge and thereafter resuming it too was in no way any less. Recalibrating the mammoth machineries, realigning manpower that would comply with Covid restrictions, ensuring safety measures were carried out meticulously by our committed employees who did a commendable job to jump start the operations and establish a new normal.

## Digitalisation & Automation

Digital transformation is rapidly changing the landscape of manufacturing activities and is a progressive step towards achieving business excellence. Your company is currently in midst of automating and digitalizing its manufacturing processes under the guidance of HeidelbergCement's Group. New initiative titled 'HProduce' will deliver significant improvement in operational efficiency and cost optimization. The key deliverables under this are increased throughput, reduced energy consumption and lower maintenance costs achieved as a result of real time analysers that monitor consumption parameters and enable remote management of the systems.

**During FY2020-21, the Company has implemented following changes at its Plants:**

<b>Simple Help</b>	Facilitate remote operation in case of exigencies, provide remote diagnostic data for breakdown of equipment including process control system, QC Lab equipment etc. and facilitate reduction in downtime.
<b>Online gear box monitoring</b>	Better preventive maintenance available from time data and its analysis by experts sitting in shared control centres.
<b>Upgrading Process Automation</b>	Making automation systems more robust and glitch free from operations and IT security perspective.

**Some Digitalisation Projects that were initiated in FY21 and will be implemented in FY22 include:**

<b>Expert System</b>	This digitalization tool will be used to run the three cement mills at Imlai in auto mode using advanced process controls. It will minimise human intervention, reduce power consumption and deliver consistent quality.
<b>Remote Operation of Grinding Units -</b>	This initiative will synergise and unify technical support between Plants and facilitate flexible operation of the grinding units.
<b>Px Trend</b>	Using the data gathered over long durations, it will deliver precise MIS which in turn will make available expert guidance for peculiar process problems. It will lead to improved preventive maintenance.
<b>App based Mobile Maintenance</b>	Improvement in reliability and Mean Time Between Failure (MTBF)

Digitalisation covers vast areas and is no longer considered as an expense but as an investment that will deliver sustainable quality revenues in the future. Gradually, we have started witnessing operational efficiencies from the above tools.

## HConnect



End-to-end experience for our customers

### Key levers:

- Realtime information for Customer satisfaction & business development
- Reduced back-office workload
- Additional revenues

## HProduce



Real-time insights and advanced analytics optimizers

### Key levers:

- Higher production efficiency
- Lower production cost / less Down Time
- Lower maintenance cost

## HService



Seamless connection with partners

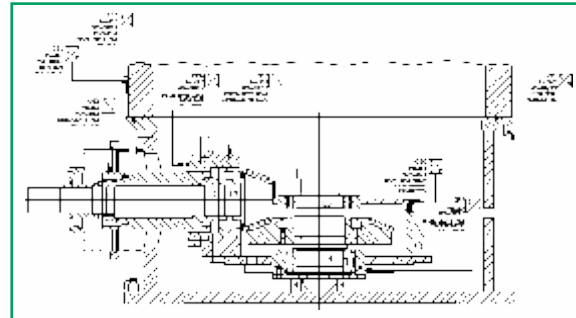
### Key levers:

- Digitalization of repetitive processes  
Increased productivity
- Further automation through Robotics
- Process Automation

## Some of the other digitalization initiatives implemented during FY21 include:

Installation of monitoring system in Raw Mill gearbox at Narsingarh plant to minimise human error factor in equipment maintenance and as an aid in process control. This complements the Industry 4.0 requirements of “Advanced analytics and sensing data to predict equipment reliability”. The benefits of this intervention are:

- Access to performance graphs of critical machine conditions and process indicators in real time on a dashboard.
- Empowering the maintenance team to carry out precise analysis of the machine condition and take timely measures to prevent failure.
- VRM condition can be checked remotely using online remote access.



Introduction of mobile app-based tools that connect the maintenance processes to SAP seamlessly. Maintenance tasks of a cement plants are complex and therefore dedicated software systems will prove to be a boon. The new app is user-friendly, secure, and stable digital platform that works in conjunction with SAP. The app enables the technical team to take data-driven decisions, simplify the routine processes and enable mobile access to SAP.

Our emphasis on producing high-quality cement within the cost-time-resource paradigm remains unflinching. Towards this pursuit, the company is always in search for possibilities to optimise through automation. The Company deploys latest mining techniques to conserve natural resources and attempts to consume every possible reserve that is capable to produce cement.

- During the year under review Imlai plant integrated the process controls of all its cement mills on a standard unified platform. The highlight of the intervention was that most of the projects were managed through virtual meetings and transition could be achieved with minimum plant stoppages. Having accomplishing this project, we have improved equipment availability and enabled its navigation across locations.



- At our Narsingarh plant, we are setting up an AFR Storage & Feeding System which will use State-of-the-art equipment.

## Continuous Improvement

The road to excellence is paved with stones of incremental improvement. In isolation, they may seem like fragmented acts; but when compounded together and seen as a larger picture, that reflects our philosophy behind the purpose driven change.

Your Company has always focused on consistent upgradation of technology to ensure high quality at optimal cost. The objective is attained via Continuous Improvement Programs dedicated to bring on board new ideas to improve process efficiencies and cost savings.

Below is a snapshot of a significant continuous improvement project undertaken during the year:

### Replacement of imported mining machineries with indigenous machineries

- Towards this purpose, the team procured indigenous machineries thus contributing to the vision of 'Atmanirbhar Bharat'. These machines are equipped with best-in-class technology and safety features aligned to industry benchmarks. Key highlights include:
  - Performance parameters equivalent to imported machines.
  - Reduced cost
  - Easy maintenance and optimised assembly
  - Better OEM support





# **A**ccelerating E x c e l l e n c e



**I**n a market that has largely standardised products, customer orientation and service quality become differentiating factors. Consistent quality assurance of our products has led to high level of customer satisfaction.

We firmly believe that 'excellence is as much a journey as it is a milestone' and therefore even the smallest act of improvement is encouraged across functions. Continuous innovation and adoption of latest technology has helped us strengthen our brand equity.



The onslaught of the pandemic brought with it new challenges and learnings. Digital transformation remains central to this learning cycle. As industries grapple with the consequences of an unprecedented health emergency beginning with disruptions in supply chains, lockdown impediments and grappling with norms of social distancing – virtual communication, coordination and collaboration that have brought in a new dimension to the business.

Digitalisation being integral part of our excellence strategy since 2015, switching over to the new business normal was a natural learning curve. Our employees across functions were prompt in shifting to online mode of working. Throughout the value chain starting from production to logistics to customer interface, digital transformation played a vital role. Key benefits of digitisation are:



E-sourcing: which became a prominent tool during the pandemic



App-based tools enabled access to real-time data



Physical meetings got replaced with online “teams” meetings without dilution of efficacy.



Company's presence on social media (Twitter, Facebook, LinkedIn) opened news doors for engagement





# Our Products. Our Ambassadors.

The quality of our products is such that it makes our customers happy who then become our brand ambassadors.



'Mycem' and 'Mycem Power' - our two brands - have become synonymous with 'quality' and 'reliability' and these factors distinguish between the good and great. 'Mycem' now enjoys a top-of-mind recall in most parts of Central India with its mascot 'Chutkoo' becoming a harbinger for durable construction.



Being one of the India's preferred cement manufacturers with a legacy of almost 148 years, we have deep understanding of consumer needs. The cement we produce contributes towards enhancing quality of life – be it roads, buildings or bridges and therefore makes us conscious of the responsibility we shoulder which culminates into producing quality cement that surpasses the expectations of our customers.

During FY21, the Company produced 4.53 million tons of cement registering a decline of 3.4% over FY20. The decline in production was primarily due to nation-wide lockdown that applied breaks on production and dispatches.

## Environmentally-Efficient Material. Functionally-Efficient Design

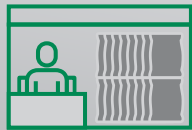
Another highlight of the year under review was the introduction of 'Laminated packaging' for MyCem Power. Alongside ensuring eco-friendly benefits, this new packaging alternative also provides functional benefits to our customers and end-users thus adding value to the product's premium label.




-  Easy to Store
-  Weather Resistant
-  Tamper Proof
-  Superior Quality



Continues to produce  
**100%**  
blended cement



Premium product contributes  
**19%**  
of Trade Volume  
- 29% y/y+



**83%**  
Trade Sales



**47%**  
Road Volume



# Customer Satisfaction

Customer delight is paramount for us. We believe in providing the best product and services to our customers and this makes our marketing strategy customer centric. We communicate and connect with them on a regular basis to understand and address their needs.

The Company has deployed a slew of measures such as a dedicated Customer Service Department, sensitising and training employees to enable them grasp and addressing consumer needs.

We have a qualified and trained team of Civil Engineers who visit IHB sites and help customers build durable houses. We assist customers in selection of quality building materials, training masons and contractors to adopt best construction practices. Sales Team continuously strives to train our channel partners to meet customer expectations.

Our mobile technical labs continue to demonstrate best construction practices to end consumers at their site. These labs are being scaled up to further enhance customer delight. Customers are sensitised about best construction practices, giving elementary explanation through videos that are also available on YouTube / circulated through other social media platforms.



Even amidst the pandemic and the two consequential lockdowns, the frequency and quality of our communication with customers and business associates remained uncompromised.



730 Twitter followers.



The Facebook follower base increased from 12.5K to 32.8K



LinkedIn base increased from 3.3K followers to 12.5K



### Covid-Appropriate Meets & Engagements

Meets were organised in compliance with appropriate capacity considerations and social distancing norms.



- ✓ Mason Meets
- ✓ Engineer Meets
- ✓ Contractor Meets
- ✓ Retailer Meets
- ✓ Concrete Solutions managed by Mobile Lab Engineers
- ✓ Interaction with Influencers
- ✓ Customer Relation Management





# Commitment to Quality

The trust we have built over the years, has now become the backbone of Mycem's premium positioning in Central India. Our brand mascot 'Chutkoo' is a well-recognised figure in markets of Central India.

Quality is always an outcome of concerted efforts, which has become a habit at HeidelbergCement India. Putting the quality first, has always been our motto as we converge our energy to deliver value for money to the consumers. While striving to optimize input costs, we maintain the quality of raw materials used in the manufacturing process including their consumption parameters.

HeidelbergCement India complies with the ISO standards 9000, 14000, 45000, 50000. The ISO 26000, 36000, 14046 will be received in FY22 making HCIL the only cement company in India having 7 quality standards. Quality assurance controls are checked by the independent experts from TUV SUD as a part of the extensive quality assurance programmes.

Our mobile technical labs continue to demonstrate the best construction practices to ultimate consumers while respecting the social distancing norms. These vans are now being upgraded to further enhance customer delight.

We are in the processes of introducing a Vendor Evaluation System in the near future. As per this system, all the vendors will be ranked on various parameters of compliance, dependability, trustworthiness to name a few. Basis their ratings, vendors will be prioritised for giving further business. This initiative will support our twin objectives – best quality sourcing and competitive prices.





# Nurturing People



**I**n our pursuit for excellence and as a responsible corporate citizen caring for people, we champion the cause of inclusive growth and equal opportunity for all.

We nurture a people-first culture. Be it our workforce or the communities residing around our plants – assuming accountability towards their wellbeing comes naturally to us. Excellence is integral to every intention and action of ours when it pertains to the wellbeing of employees and the communities.

Committed teams execute a steady stream of interventions in the focus areas as laid out under our Corporate Social Responsibility (CSR) programmes. When it comes to Occupational Health & Safety (OHS) standards, we pursue a zero-tolerance, zero harm policy. Be it those operating from workstations or at the shop-floor – we stay committed to secure the physical and emotional wellbeing of every employee of our organization.



# People in our premises

Your Company is a people driven and people powered organisation. It is the potential of our talented workforce that has enabled the Company to successfully sail through the challenging environment. Hence, we are reaffirming our faith in the power of human resources that's capable to combat any challenge.

FY21 was a year of facing challenges together. Our employees put extraordinary efforts to keep the engines of our operations firing while respecting the requisite safety measures to mitigate the risk of spread of COVID-19.

Our employees are our greatest strength hence, the biggest responsibility too. Occupational health and safety is a fundamental element at workplace. We ensure high safety standards across all our plants through a slew of SOPs.

**Our talent management strategy therefore incorporates the key parameters for talent attraction, motivation, development and retention:**



Our vision is to be the most admired cement company in India and to be an employer of choice. Sharing the same passion, every employee works with an entrepreneurial spirit to bring it to fruition.

Our culture also emphasises the need to stimulate a sense of sharing, learning and growing together as a team. The performance management system aims at managing the overall development of employees and encourages and rewards performance. The Company offers various career advancement opportunities and incentives to recognize talent. Special incentives like variable pay, sales incentives, star employee scheme, special increments and promotions are various ways we deploy to motivate our employees.

## Health & Safety

The foremost value that drives the organisation is 'safety' of every employee. The pandemic has especially taught us that there's no bigger priority than the wellbeing of human beings.

We deploy proven procedures and techniques to reinforce operational safety standards and safety-first behaviour in plants and mines. Beginning from safety conversations with employees, specific safety trainings, awareness building initiatives, upgrading safety management system in line with international trends and benchmarking - we lead the occupational health & safety drive from the front. The Management team is the first to wear the safety helmet and PPE, following the cardinal rules in true letter and spirit. All employees, contractors, vendors, visitors are required to follow the occupational safety regulations. Every working day begins with a gate meeting, taking the safety pledge along with a safety prayer.

Safety trainings are mandatory for all new employees as part of their induction process. Alongside this, safety trainings are conducted at regular intervals for our shop floor workers. The contract workers are also provided requisite safety trainings to foster a safety culture throughout the organization. Drivers and helpers are trained on defensive driving techniques. Apart from the workforce, their family members, nearby villagers and school children are also imparted safety training. Fully equipped Safety Training Centres are in place for sensitising about workplace hazards and the significance of safety measures. We also have well-equipped labs with simulators for providing job-specific training to engineers

All HeidelbergCement India plants are equipped with Pedestrian walkways to ensure maximum safety of our employees at the plant.



and trainees. During the year under review many training sessions were conducted using video conferences in view of the pandemic. Details are as mentioned in the below table.

Permanent Employees	68%
Permanent Women Employees	60%
Casual/Temporary/Contract Employees	45-50%



We remain committed to achieving "zero-harm" in our plants. In the year under review, we stood on a firm ground and achieved yet another safe business year with no fatality.



## Guarding against COVID-19

To counter the impending risks of the pandemic, the management put in place a 'Contingency Management and Business Continuity Plan'. It mandated that we create awareness among the employees, vendors and channel partners and the need for thermal scanning, sanitization, hygiene, wearing masks and observing social distancing. Relevant communications were made and awareness sessions were conducted. Below is a glimpse of the measures undertaken to guard our people from the adversities of the pandemic.



- Contactless sanitizer dispensing machines & handwashing facilities
- Adherence to social distancing for employees and workmen
- Masks made mandatory for all employees in plant premises, in addition to usual Personal Protective Equipment (PPE).
- Work from Home facility for corporate office and sales force
- Distribution of free Face Masks and Face Shields, PPE Kits, Gloves for employees
- Distribution of free Face Masks and Sanitizer to local community.
- Sanitization drive carried out in areas identified by district authority as high risk areas
- Awareness Programmes, Posters & Audio Clips
- Setting up Isolation Centres in the colony for Covid patients
- Special tie-ups with hospitals
- Arrangement of additional oxygen cylinders at our Occupational Health Centres and local hospitals
- Development of additional COVID wards with food facility at District Hospitals
- Donating medical equipment and medicines to District Hospitals.
- Development of rural health institutions for enhancing medical facilities in the rural areas.
- Distribution of Immunity Boosting Medicines to employees
- Daily sanitization of technical buildings, colony and outside area
- Circulating Weekly Emails to all employees sharing Do's & Don'ts of the pandemic
- Financial assistance in case of hospitalization of employees / family members



**Our multi-city vaccination drive continues to ensure that HeidelbergCement India Parivar has safe and easy access to the vaccine. The Covid-19 vaccination drive was conducted for entire workforce (including contract workmen) along with their family members.**



# People around our premises

We feel proud to say that the Company stands out as a corporate entity with a conscience. We strive to make positive difference to the lives of the communities that surround us by identifying and addressing their needs and concerns.

The developmental programmes are decided through a participatory approach involving people from local communities. This helps us prioritise key areas of intervention. Accordingly, we have identified five core areas.

**Our mission to develop the communities in close vicinity of our manufacturing units is an endless journey.**

## Education

Contribution towards upgrading the infrastructure of Schools and Anganwadi Centres in rural areas.

- Transformation of school Infrastructure – new classrooms, renovation of existing rooms, painting, labs, boundary walls, toilets, stage, drinking water storage facility etc.
- Distribution of educational kits to students.



## Livelihoods

Supplement the income for communities around our plants by enhancing skill levels of the rural folk and make them employable. The Company has set up "Sakshamta Vikas Kendras" in Jhansi and Damoh with a mission to enhance the skills of the rural folk and make them capable of earning a respectable livelihood. Training is also provided to farmers both in terms of better farming techniques and livestock development.

- We setup a Livestock Development Centre at Damoh that conducts a host of activities like capacity building of community through training, doorstep artificial insemination service, Vermi compost production, seeds distribution to farmers, and Cattle Health cum Infertility camp.

## Health

Organising health checkup camps, multi-speciality health camps and providing support to government hospitals and health centres to societies living around our manufacturing units.

- First Aid Kit distribution in 25 government schools
- Installation of Sanitary Pad Vending Machine





We are directly supporting 30 villages at three locations viz., Damoh, Jhansi and Ammasandra. The Company's CSR contribution in FY21 stood at INR 66 million as against INR 44.7 million in FY20. This contribution exceeds the mandatory level of 2% of net profits as provided under Section 135 of the Companies Act, 2013.



## Infrastructure

Improvement in connectivity by laying concrete roads, building community halls, parks and other facilities based on the needs of the communities living in the vicinity of our plants.

- Construction of sheds and concrete roads in villages that are located around our 3 plants



## Social Engagement

Supporting the local communities in organizing sports tournaments and cultural events.

- Distribution of tricycles to 25 physically challenged people at Damoh



Our efforts to execute the social initiatives with the highest level of commitment have earned us number of awards and accolades.





## Our approach towards transforming education infrastructure in rural areas

With an aim to transform the quality of education for the children of our neighbouring communities, we have adopted a comprehensive 'Social Infra Upliftment Model' wherein we renovate the Schools and Anganwadi Centres which are then handed over to the communities.

### Objective:

- To improve the basic facilities of rural education institutions both for students and teachers.
- To promote pre-school education culture in government Anganwadi Centres by making them lively and capable of attracting kids.
- Increase attendance and enrolment of students at Government schools.

### Intervention

Initiating actions around our plants and mines to systematically upgrade the educational infrastructure.

- Infrastructure improvement - construction of boundary walls for safety of students, renovation of rooms, flooring and attractive informative classrooms
- Pre-school education materials - uniforms, shoes, socks, books and stationery
- Health and hygiene - washrooms, playgrounds, sports materials
- School furniture - almirahs, desks, chairs, tables, fans, boards, etc.
- Solar panel - for self-sustained electricity generation

### Transformation:

infrastructure transformation is yielding the following benefits:

- Rural educational institutions have gained acceptance both from students and teachers.
- Active involvement of stakeholders in maintenance of infrastructure so created
- 25% increase in attendance of enrolled students
- 80% children are regularly coming to Anganwadi Centres
- 35% increase in new enrolment at schools

### Beneficiaries:

- 30 villages
- 45 Government Schools
- 20 Model Anganwadi Centres
- 9500+ students
- 146 teachers

**Going ahead, we plan to cascade this infra transformation model to ramp up the healthcare facilities for local communities.**



## Reaching out to communities in testing times

If at all there is a lesson that this pandemic has taught us, it is - "Our wellbeing is dependent on the wellbeing of the people surrounding us". The pandemic caught all of us unaware, but your Company was quick enough to safeguard the communities from the impact of the novel coronavirus.

Right from raising awareness about the pandemic and arming people with masks and sanitizers, to setting up isolation centres for patients to distributing grocery kits, our CSR team proactively rolled up their sleeves to help the people.

### Distributing of food kits under Annam Programme

- Distribution of food kits under Annam Programme
- Free provision of sanitizers and face masks
- Conducting pandemic awareness drives for the public at large
- Sanitisation kiosks setup at banks and other such crucial public places
- Preliminary check-up for symptomatic patients.
- Provided critical medical equipment like defibrillator, blood analyser, oxygen cylinders, beds, concentrators, air purifiers etc., to District Hospitals
- Undertook sanitization drives in villages.
- 24 x 7 Ambulance facility





# **G**enerating Value

# G



# F

For us at HeidelbergCement, value creation is a multi-dimensional pursuit. Our approach is to balance the interests of all stakeholders i.e., our shareholders, customers, employees, suppliers, channel partners, as well as communities and public at large. The aim is to enhance the value of the Company through sustainable and result-oriented growth.



Inclusive and sustainable growth have been driving forces of our business model as we continuously strive and improve our products, services and business processes to attain the highest standards of efficiency. These form the fundamentals of our corporate culture. We are highlighting below the value generated by us over the years for our stakeholders:

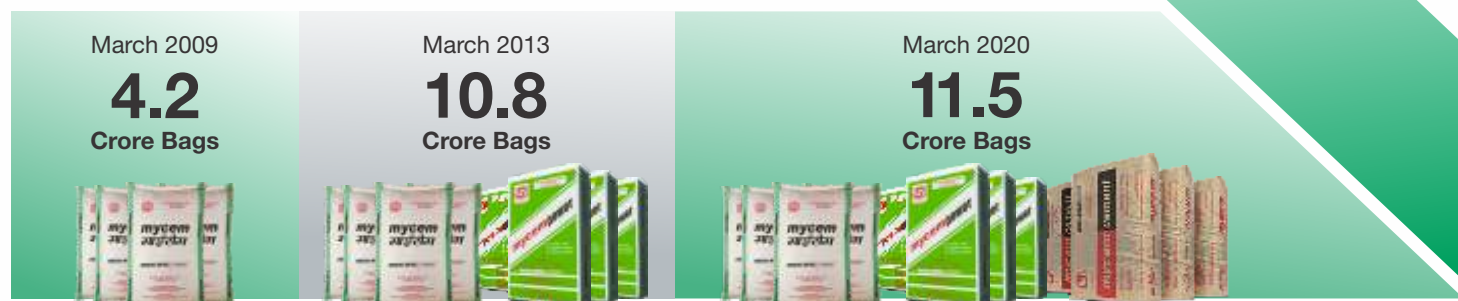


### Increase in production capacity to support volume growth in coming years

After the completion of brownfield capacity expansion in Central India, the Company had sufficient capacity to meet market demand, however with consistent volume growth, during FY19, the Company's Central India plants viz, Jhansi and Imlai plants ran at capacity utilization rate of 99.6% and 94.5% respectively. There was a need to increase the capacity to meet the future demand growth of

Central India market. During FY20, the Company through debottlenecking projects increased the grinding capacity of its Jhansi and Imlai plants by 0.55 Million Tonnes Per Annum (MTPA) and 0.50 MTPA respectively. The aggregate cement grinding capacity of the Company has increased to 6.26 MTPA by March 2020, out of which 5.75 MTPA is in Central India.

### Snapshot of HeidelbergCement's capacity in Central India:



Due to national lockdown driven by COVID-19, FY21 was a difficult year not only for HeidelbergCement but for the entire Industry. As the situation comes back to normal, the Company will realize sustainable benefits of aforesaid capacity increase in the coming years. In addition, the Company is also considering the possibility of debottlenecking its clinker manufacturing capacity at Narsingarh plant.

The Company has also executed a mining lease in Gujarat and is seeking environmental clearances from the Government(s).

## Continuous increase in consumption of economical power

Power cost is one of the biggest cash costs (1/4th) of the variable cost in cement production. HeidelbergCement has been continuously focusing on sourcing sustainable power at economical cost. COVID-19 led to reduction in demand for power and consequently reduction in power cost per unit, giving an opportunity to the Company to reap maximum benefits by switching over from costlier grid power to economical power. Therefore, despite decrease in cement volume during FY21, the economical power consumption increased from 115 Gigawatt hours in FY20 to 122 Gigawatt hours in FY21, accounting for ~ 37% of the total power consumption. Out of 122 Gigawatt hours, 73

Gigawatt hours is green power which is more than ~ 22% of the total power consumption of the Company. To further enhance the share of green power, the Company has recently signed a long-term solar power purchase agreement for purchasing ~ 22 Gigawatt Hours per annum under 'Group Captive Scheme'.

The table given below provides a snapshot of various power sourcing initiatives taken by the Company in recent years. As a result of all these initiatives, the Company has been able to reduce its FY21 power cost per unit by ~ 10% as compared to power cost per unit in FY16.

2016 Narsingarh	2017 Ammasandra	2018 Ammasandra and Jhansi	2019 Narsingarh and Ammasandra	2020 Narsingarh	2021 Jhansi
Commissioning of 12 Mega Watt Waste Heat Recovery System (WHRS)	Started buying wind power together with power through open exchange.	Long term solar power purchase agreement for Ammasandra plant.  Started buying power through open exchange in Jhansi plant.	Started buying power in Narsingarh plant through open exchange.  Another long-term solar power purchase agreement for Ammasandra plant.	Work commenced for setting up 5 Mega Watt Solar Power plant.	Signed long-term solar power purchase agreement to purchase ~ 22 Gigawatt Hours per annum.

## Continuous increase in share of premium products

HeidelbergCement being one of India's preferred cement manufacturers with a legacy of 148 years has deep understanding of the consumer needs. One of the major achievements during FY21 was introduction of 'paper packaging' for Mycem Power (Company's premium product). Mycem Power offers eco-friendly benefits such as superior quality, weather resistance, tamper proof and easy to store.

The Company realises higher prices for premium products as compared to normal products. During FY21, the Company increased sale of premium products from ~ 540,000 tonnes to ~ 700,000 tonnes, registering an increase of ~ 29%. Premium products now account for ~ 1/5th of the Company's total sales in trade segment.



## Better allocation of funds to improve interest income

There has been considerable improvement in the operational and financial performance of the Company over the last couple of years on the back of cost optimisation measures and pickup in cement prices, which has led to improvement in margins of the Company. During FY21, the Company's bank balance had increased to all time high, the surplus amount is generally placed in fixed deposits with banks.

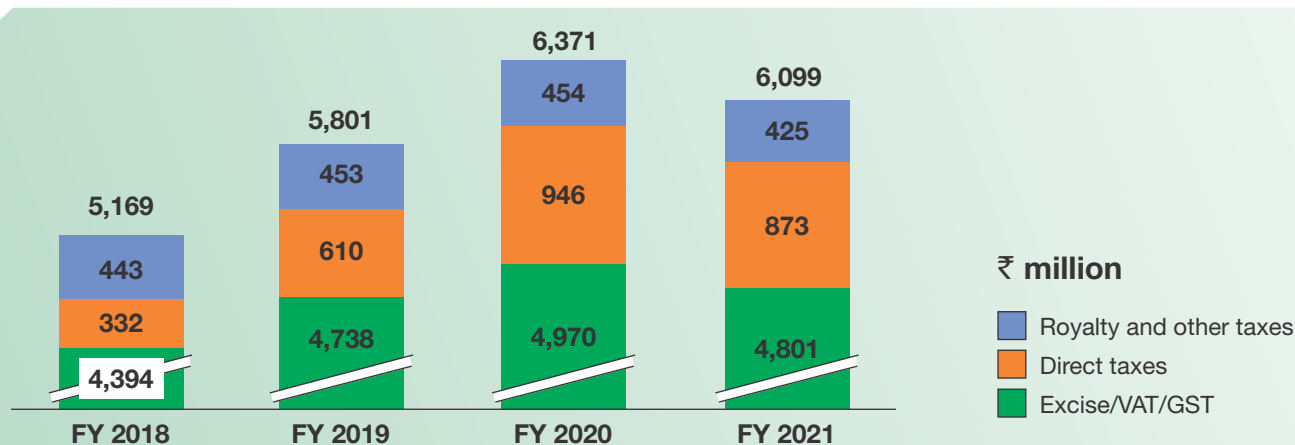
Zuari Cement Limited (ZCL), which is also part of HeidelbergCement Group, was setting up a Waste Heat Recovery based Power Generation Project in its integrated cement plant in Yerraguntla, Andhra Pradesh involving capital expenditure of about INR 2,000 million. ZCL requested HCIL to provide it with a term loan for the capital expenditure required for the aforesaid project.

During the year under review, the Company after obtaining approval from its shareholders at its last AGM held on 18 September 2020, provided term loan of INR 1,500 million to ZCL at rate of interest which was 275 bps over and above the prevailing yield on three years' government securities, thereby resulting in fixed interest rate of around 7.6% p.a., which is significantly higher than the interest rate of 3 - 3.5% p.a. earned on bank fixed deposits. The tenure of the loan is two years from the drawl of each tranche without any rollover option.



## Contribution to the Exchequer and Regulatory Compliances

The Company maintains high standards of integrity in compliance with tax laws, contributing to the Exchequer towards nation building. Compliance with all other applicable laws in true letter and spirit is also given utmost priority to ensure long term value creation within the legal and ethical framework. Towards this endeavour the Company has made standards, policies and procedures and utilizes online tool for regular monitoring of the compliance status. Training sessions are also organized for employees to keep them updated with the latest amendments. Contribution made to the Exchequer is highlighted below:



## Positive impact on Life and Livelihood of local community

The Company's interventions towards upgrading the infrastructure of government schools and Aanganwadi centres, provision for medical facilities and development of infrastructure in nearby villages has led to marked improvement in quality of life of the people living in vicinity of the Company's plants and mines.

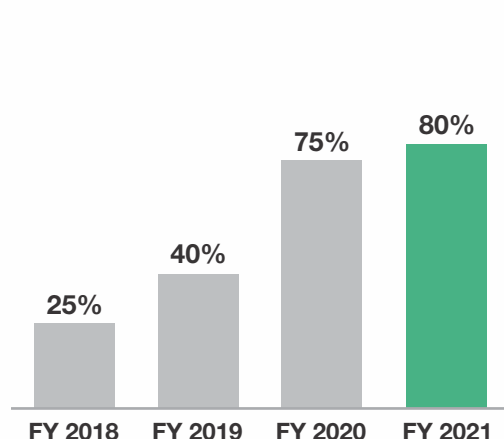
In a rapidly changing world, skills are required to augment education and make people financially independent. Complimenting the Government of India's Skill India Mission, the "Sakshamta Vikas Kendras" established by

the Company in Jhansi and Damoh are enhancing the skills of rural folk and making them capable of earning a respectable livelihood. Thus, we are successfully playing the role of being partners in progress and generating value for the local community too. (For more details please refer to the section titled 'Nurturing People').

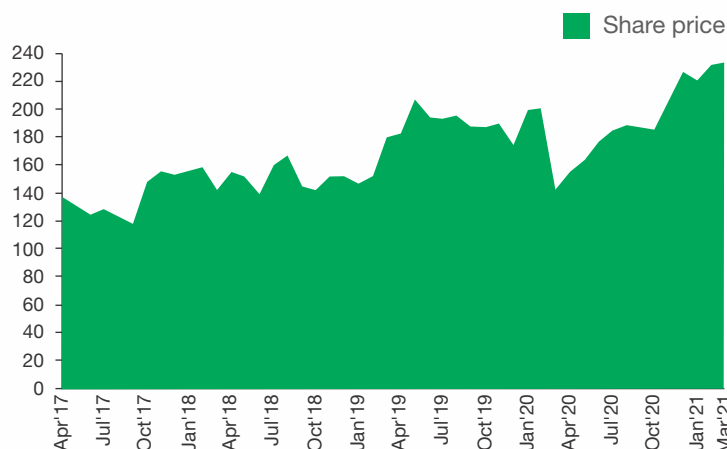
## Long Term Value Creation for Shareholders

Last, but not the least, our efforts towards a Purposeful C.H.A.N.G.E. are continuously generating value for our esteemed shareholders as depicted in the graph below:

## Increase in Dividend Rate



## Capital Appreciation





# Enriching Ecology



**N**atural resources have been the foundation of every modern day progress and are critical for our manufacturing processes as well.

We are conscious that containing the environmental impact of manufacturing processes needs significant and systemic measures. We, therefore, follow a three-pronged approach to fulfil our commitment towards sustainability: Prevention, Mitigation and Compensation.



**“We are obliged to handover the World which we inherited from our ancestors to our future generations so that they too could survive and thrive the way we did, after all its about demonstrating RESPONSIBLE behavior”**

***Mr. Jamshed Naval Cooper***



# Approach

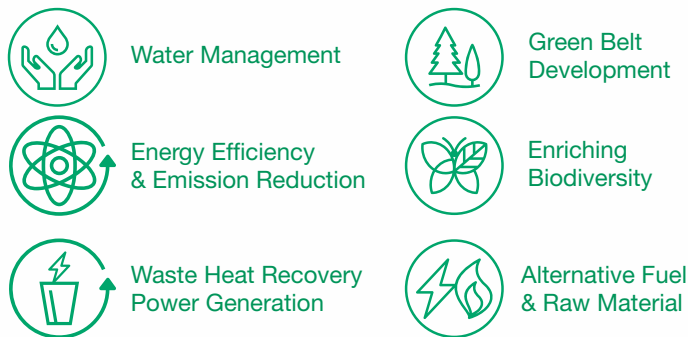
HeidelbergCement India is a member of Global Cement and Concrete Association to drive the Sustainable Development Goals (SDGs).

We have embraced a culture of conservation and integrated environmental parameters into our growth aspirations by adopting state-of-the-art technological interventions, innovative production techniques, resource optimization measures and sustainable mining practices.

Our commitment to the Mother Earth extends beyond conservation and restoration of ecology to that of exploring options for rejuvenation. We have assumed responsibility towards reduction in our carbon footprint, water positivity, increase in the green cover and maximum usage of low carbon footprint alternative fuels.

Our environment protection objectives aim at protecting the climate, preserve resources, reduce emissions, and have minimum impact on the environment.

## Key intervention areas:



## Alignment with Group's Sustainability Goals

As one of the world's leading building materials producers, the HeidelbergCement Group has set for itself the goal of being the industry leader on the path to carbon neutrality.

During the financial year, the Group introduced 'Beyond 2020' strategy with accelerated CO2 reduction targets. To amplify actions towards climate change, the Group also relooked its 'Sustainability Commitments 2030' and advanced some of the related targets and their respective deadlines to reflect environmental and social developments. The Sustainability Commitments 2030 now include several new or updated targets and an even broader range of responsibilities in corporate sustainability management.

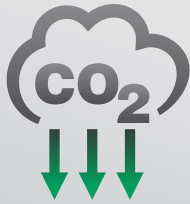
The commitment is to advance the original target for 2030, of a 30% reduction in specific net CO2 emissions compared with 1990 and achieve it by 2025. Thereafter for 2030, we intend to reduce our specific net CO2 emissions to below 500 kg per tonne of cementitious materials produced. This corresponds to a further reduction of more than 15% compared to 2019 levels. These goals will be achieved by using proven techniques and measures such as maximising the use of alternative fuels, reducing clinker content, and improving the efficiency of our plants. To this end, specific measures have been defined for all the plants of HC Group worldwide.

Armed with a strong track record of reducing CO2 emissions -- your company is well-aligned with the Group's goals. We are committed to fulfilling our share of the global responsibility to contain the rise in temperature below 2°C, at the same time continue reducing our impact on air, land, water and waste management.

## ALIGNMENT WITH THE SDGS



## Highlights



Strong track record of reducing CO2 emissions



4.4x Water Positive  
Conserves more water than it consumes



117 Bird Species recorded at limestone quarries



'National Energy Management Award 2020'

### Green Benchmarking



Green Company Certified by CII



Green Product Certified by CII

5 Star Rating to Pathria Limestone mines from the Indian Bureau of Mines, Consistently every year Since inception of this concept.

## Sustainable Mining

Ecological stewardship is an obligation of every corporate that avails the natural resources. It provides a social license to operate our mines and plants. Through a series of well-calibrated pre and post mining measures – the Company strives to reverse the operational impact and at the same time add value to the economy and community. The mined areas have been developed into large water reservoirs that cater to the communities living in close vicinity and supports bird habitation.

Our interventions range from soil management, pollution control, biodiversity conservation, maintain water balance and promote safe mining practices. Post mining, significant amount of land is also reclaimed through back-filling and afforestation.

**“We will conserve, recycle, reuse and repair however difficult it is, as we untiringly re-engineer and continuously innovate.”**



## Afforestation

The Company is a strong proponent of Afforestation. During the year under review various species of trees such as Bel, Rain Tree, Bargad, Arjun, Golden Bamboo, Pilkhan, Neem and Shisham were planted on the reclaimed land.

'Friends of Earth' is an initiative with a difference. Under the tutelage of your company's Managing Director Mr. Jamshed N. Cooper, this innovative programme has been set up with an aim to motivate citizens of the planet to collaborate and contribute towards increasing the green cover, and to become "friends of Earth". The core idea is to provide an internet based plantation which keeps a record of trees planted by individuals and the same is visible by logging on the web page. To build an emotional bond between the tree and the planter, we insist that the day of plantation coincides with special occasions be it a birthday, an anniversary or a festival. The initial drive commenced with planting Neem trees by business associates and employees. Neem was chosen, because of its multi-dimensional benefits to environment and society. Over 25,000 plantations have been done so far of which 1500+trees have been uploaded on the website. The [hcfriendsofearth.com](http://hcfriendsofearth.com) dedicated web portal keeps track of the details of the planted tree with geo tag of the location and its growth progress as and when updated by the planter. For higher transparency and interactivity, the trees are geotagged on the location map along with photographs of the plantation. The person who plants the tree receives a membership certificate as a token of appreciation.



## Water Management

The harvested water finds its way to the reservoirs and recharging the wells in close vicinity. This has increased the water table and now proving to be a blessing to the rural folk as they are now able to harvest at least two crops in a year.

Our Patharia Mines fall under arid zone that has been grappling with an ever-receding ground water table with locals mainly dependent on rains for farming. Absence of water bodies in the vicinity add to the water woes. Until about 7 years back, we used to purchase water from nearby dug-wells to meet part of our daily requirement of Narisngarh Plant and our housing colony. This is when we decided to take stock of the situation. We created waterbodies by converting our excavated mine pits into water reservoirs by diverting rainwater harvested in our plant and colony. The aim was to recharge ground water table of the region. Our persistent efforts have reaped rich rewards and we have been certified 4.4 X water positive. i.e., we conserve 4.4 times water than what we consume.



We are now able to harvest rainwater to the tune of 41.1 million litres with the help of 2 water reservoirs spanning over an area of 6.34 hectares. Not only we have become self-sufficient in meeting our water requirements but the villagers of the surrounding regions too feel empowered to meet their agricultural requirements.

We monitor the ground water level and its quality on a quarterly basis. Studies indicate that the depth of water table ranges between 32 to 40mtrs pre monsoon which improves by almost 4-5 mtrs post monsoon season.

Not only has the region benefited in terms of water availability, the entire ecosystem has been enriched with abundance of green goodness, which adds to the happiness quotient.

## Enriching Biodiversity

We strive to preserve and enhance the biodiversity across all the plants and mines. Our green cover extends to about 38% of the factory area.

The development of flora around the mines and presence of water source has attracted fauna thus enriching biodiversity. The recent study conducted by Bird Life and Bombay Natural History Society has identified 117 bird species that grace the greenbelt. Out of these 117 bird species, 5 species are listed as near threatened in ICUN list.



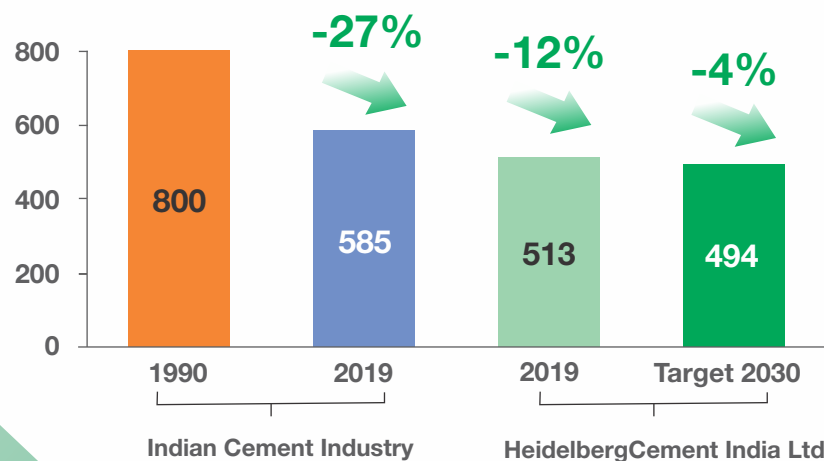
## Sustainable Operations

For long term sustainability of our business, we have continuously aligned our organization with the needs of the market and its stakeholders. This has helped boost the investor's confidence.

We ensure sustainability of our operations by managing six key parameters which align with the green tools of the GreenCo Rating System as well as the Group's Sustainability Commitments 2030.

All our manufacturing plants are certified as per ISO-14001 environment management system. Robust environment management programmes are in place to measure, manage and mitigate environmental risks and impact throughout the lifecycle of cement manufacturing.

Our Group's Sustainability Strategy focuses on climate protection. The goal is clear - reducing specific CO<sub>2</sub> emissions per tonne of cement by 40% as compared to emission levels of 1990.



As of 2019, we have reduced our specific net CO<sub>2</sub> emissions by 36% as compared to emission levels of 1990 and ramped up the target to further lower it by another 4% by 2030. HeidelbergCement India stands committed to achieve this target through a slew of unfailing measures.





## Green Initiatives:

- Your company has the distinction of producing 100% blended cements.
- Consumes ~34.8% of fly ash in cement production thus reducing limestone consumption and in preserving natural limestone reserves for posterity.
- Generation of 60,693 MWh power from Waste Heat Recovery Power Plant at Narsingarh unit.
- >90% Green Power clocked at Ammasandra plant
- Solar power plant of 5.5 MWh at Patharia Limestone Mines is at an advanced stage of commissioning.
- Plantation of Bamboo at Patharia Mines to harness Bio-Fuel as a natural alternative resource.
- Installation of 5 kW solar system in staff colony for lighting purposes is a step towards creating public awareness towards use of green power.
- Our target to achieve a 2°C lower ambient temperature inside the plant premises as compared to the temperature prevailing a Kilometer away has recorded good progress as we have been able to clock a difference of 1.2°C owing to extensive green cover.



**From the Desk  
of the Managing Director**

*Dear  
Shareholders,*

**“Disruptive changes in a challenging environment bring out the core strength of people.”**

Having traversed a journey of 148 years HeidelbergCement has remained a witness to the ups and downs of the economy and the changing landscape of technology. As a Global leader in cement manufacturing, the Group has stayed ahead in setting new benchmarks, be it technology, sustainability, health and safety or community development, earning it a reputation of being a good corporate citizen. Following its parent's footsteps, HCIL has been imbibing these values. It's the unparalleled experience of the Group that enabled us to add over a million tonne capacity at a marginal cost during the last financial year.

**“When the going gets tough, the tough gets going”**. Even during the trying times, when economy was in on-off mode, your organization was able to deliver a record profit of 3130 MINR setting a new benchmark for itself. Your organization was also able to secure a Gujarat mining lease opening room for future expansion.

The year gone by subjected us to manage unprecedented challenges. However, with **“challenges come opportunities”**. The pandemic has been a compelling force that has taught us the importance of being agile and proactive while respecting the need of the times. It has brought to the fore, value of Human capital and balancing business and emotions. You will be pleased to note that your organization has been dynamic enough to put in place a **Business Continuity and Contingency Management** framework well before the 1st lockdown and upgraded it based on the changing needs as it followed through the second wave.

Our Nation witnessed contraction in GDP by ~24% during the first quarter of FY21, the engines of the economy were energized by the essential services. A lockdown of two months suppressed the demand sharply, compelling organizations to venture to distant markets. It was these testing times that made our team to innovate, re-orient and converge ideas & resources, thus unifying us to deliver a **Purposeful Change**.

During the nation-wide lockdown, the privileged ones had the comfort to Stay Safe at Home, whereas a vast section of the society faced harsh challenges to meet



their daily needs. It was then, that your organization took up the responsibility and contributed Re. 1 per bag of cement sold. The proceeds were utilized to launch **“annam”** for the underprivileged, where dietary essentials were provided, to sustain a family of four, for a week.

Your organization believes that “Businesses cannot sustain in societies that fail”. Hence we endeavored to support the societies in close vicinity of our plants and perform the role of being a good neighbor. Our major CSR spends were directed towards upliftment of the rural folk that would facilitate in the short term and, also build for them a sustainable future. Better Education, Empowerment through skill enhancement, livelihood



augmentation, infrastructure development, availability of medical facilities, encouraging social engagement etc., have been some of the contributions made by your company towards the local communities.

Ecological balance is necessary for societies to prosper. **“We are obliged to handover the World which we inherited from our ancestors to our future generations so that they too could survive and thrive the way we did, after all its about demonstrating RESPONSIBLE behavior”**. Our commitment towards increasing the planet's green cover through 'friends of Earth' has embarked on a trajectory scaling new heights. As a responsible corporate citizen, we had set for ourselves a target to achieve 2-degree lower ambient temperature in our plants compared to that prevailing a Km away. With increased plantation and improvement in basic hygiene factors, our cement plants are now wrapped up in a green cloak and have registered a temperature reduction of 1.2 degree Celsius. Our RESPONSIBLE approach to mining has created significant flora and fauna at the mines which are now home to 117 species of birds, five of which were under near threatened list and this is duly certified by Bird life International partnered with Bombay Natural History Society (BNHS). Our genetic bend towards reducing our carbon footprint has also fared well. Producing 100% blended cements, your company was able to bring down its CO2 emissions to 520 Kg/t of cement as against the industry average of 580 Kg/t. Conservation of water has made the societies afloat with its abundance. Construction of check dams, water bodies, water harvesting techniques has made us 4.4 times water positive i.e., we harvested ~5.7 Bn litres of water and consumed ~1.3 Bn litres.

**“We would consistently conserve, recycle, reuse and repair however difficult it is, after all, it is about demonstrating a responsible behaviour and making the World a wonderful place to live for generations to come”**.

While we focus on environment and well-being of community **“we also produce and sell cement”**. Our products **mycem BBB** (box bottom bag) along with

**mycem Power** occupy the premium shelves of cement dealers in Central India. Our premium positioning has not only improved the brand recall among customers, but also attracted dealers and retailers desirous of joining our channel Parivar.

Digitization emerged to be the lifeline during the pandemic times. E-connecting with channel partners / employees to e-invoicing moving towards high degree of plant automation to digital marketing, your organization has left no stone unturned to stay ahead of the digital curve. Using the digital platform, your company has initiated digital marketing and stepped up its social media presence.

Health & Safety and Compliance continue to remain our topmost priority. Our slogan **“Someone is waiting for you at home”** has helped us instill a sense of responsible behavior within the employees. Our commitment to **Zero Harm** stays steadfast. Compliance to anti-competitive laws, emission norms, mining norms, business standards etc., have been the guiding forces for our business. Our credit rating has been re-affirmed by India Ratings as AA+.

Learning from the past, we embarked to make a **Purposeful Change** that augurs well with Group's philosophy **“Material to Build our Future”**.

We celebrated our 15th Anniversary of consistent progress strengthening our footprint as we continue to **“Make in India, for India”**.

I thank the Board of Directors, Top Management of HeidelbergCement Group for their encouragement and unwavering vision for excellence. I also place on record my sincere appreciation for the employees for their magnificent contributions round the year despite the challenging conditions, which made it possible for us to deliver operational and financial results as great as this one. I also thank our Channel Partners and all Investors for bestowing their trust in us and our business principles.

Yours sincerely,

Jamshed Naval Cooper  
Managing Director

# Board of Directors



**Ms. Akila Krishnakumar**  
Chairperson (Independent Director)

Ms. Akila Krishnakumar, aged 59 years, is an alumnus of the Birla Institute of Technology and Sciences (BITS), Pilani. She is a Founding Partner of Social Venture Partners (India), a network of engaged citizens coming together to address complex social issues, particularly livelihood opportunities for disadvantaged women and youth.

Until February 2013, she was President of Global Technology and also Country Head for SunGard, a Fortune 500 Company and global leader in financial services software.

She is a recognised thought leader to technology-driven companies who are building large scale and diverse businesses across the world. Her unique focus on operational excellence, talent engagement and customer relevance has repeatedly delivered great returns for the many businesses she managed during a 30 year career.

She has held several key positions in national industry bodies and business chambers. She has also won several awards and accolades including being among the Top 5 Women Leaders in the Indian Technology Industry for many years and is also listed amongst the 50 Most Powerful Business Women in India.



**Mr. Ramakrishnan Ramamurthy**  
Independent Director

Mr. Ramakrishnan Ramamurthy, aged 69 years, is a graduate in Commerce, holds Diploma in Mechanical Engineering and Post-graduate Diploma in Business Management. He is also certified Mentor/Coach for Leaders and Family Business advisor.

He possesses vast experience, decisive leadership skills and quantifiable achievements in the areas of strategic planning, sales & marketing, manufacturing, product development, international business development, project management & HR in manufacturing, engineering, agri and infrastructure sectors.

He has good track record of strategising and driving successful projects and developed businesses from ground zero both in India

and abroad. He demonstrated ability to plan turnaround of loss making unit by empowering it with effective marketing strategy, manufacturing / operational excellence, improved processes and quality systems and building capability in the organisation & people skills.

He has been working with the Chairman of GMR Group as President-Business Integration for the last five years supporting business strategy, policies, systems, processes and integration of the various businesses in the Group.

He started his career with Bosch (India) as an apprentice and thereafter worked with Murugappa Group for around twenty years. He has been President of Mytrah Energy Ltd. (an IPP Renewable energy organization), Managing Director of GMR Industries Ltd. and Chief Executive of Sanmar Engineering.





**Ms. Jyoti Narang**  
**Independent Director**

Ms. Jyoti Narang, aged 63 years, holds a Bachelor's Degree in BA Economics (Honours) from Lady Shriram College for Women, University of Delhi and an MBA in Finance from the University of Delhi. She has also completed her executive education in Advanced Management Programme from Harvard Business School, Strategic Marketing from International Institute for Management Development (IMD), Lausanne and Brand Management from Wharton University of Pennsylvania.

She is a business leader with extensive experience in the service industry. She has a strong strategic perspective, works well with a diversity of styles and has experience in crisis management. Her domain expertise lies in building consumer brands, management of human capital and the impact of technology on both distribution and operations. Till recently, she led a group of luxury hotels that attract an annual footfall of five million and cater to the most discerning clientele in the world. She was also the founding member of the Experience India Society that created the first global campaign for marketing India.

Additionally, being a part of the Tata Group with a combined revenue of over \$100 billion and a significant presence across industries and geographies, she gained expertise in global business practices. Strategic risk, corporate sustainability and technology-led innovation are focus areas.

Her breadth of experience in marketing and operations combined with her early stint in manufacturing has enabled her to add value across multiple sectors.



**Mr. Kevin Gerard Gluskie**  
**Non-executive Director**

Mr. Kevin Gerard Gluskie, aged 54 years, completed his Bachelor of Engineering (Honours) with a major in Civil Engineering from the University of Tasmania in 1988 and an Executive Master of Business Administration from the Australian Graduate School of Management in 2001. He had also completed an Advanced Leadership Program in 2007 conducted by McGill University, the Indian Institute of Management, and Lancaster University.

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

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



**Ms. Soek Peng Sim**  
**Non-executive Director**

Ms. Soek Peng Sim, aged 52 years, is presently Finance Director for HeidelbergCement Asia Pacific. She holds a Bachelor Degree in Accounting from University of Malaya, Malaysia. She is also a CPA-registered with The Malaysian Association of Certified Public Accountants (MICPA) as well as a Chartered Accountant honoured by Malaysian Institute of Accounting (MIA). Prior to joining HeidelbergCement Group, she worked with Reckitt Benckiser Group, Philips Malaysia, HoHup Malaysia and The Lion Group, Malaysia. She has rich and vast experience in financial planning & analysis, business development and support, accounting & taxation, business process improvements and corporate structure optimisation. Other than extensive experience in construction materials industry, she also possess diversified industry exposure in FMCG, manufacturing and construction & property development.

# Board of Directors



**Mr. Jamshed Naval Cooper**  
Managing Director

Mr. Jamshed Naval Cooper, aged 64 years, is a science graduate with Post-Graduation in management from the Institute of Management Studies, Indore University. During his professional career he has gained rich experience spanning over 36 years in the Cement Industry. He has also worked for consumer durables industry in the past.

Mr. Cooper joined HeidelbergCement India Limited as Head of Sales & Marketing in December 2006 soon after takeover of Mysore Cements Limited by HeidelbergCement Group. He is credited for revamping the Sales and Marketing setup of the Company and launching of 'mycem' brand which is now positioned as a premium category cement in Central India. He is also the Managing Director of Zuari Cement Limited and Chairman of Gulbarga Cement Limited (which are also part of HeidelbergCement Group). Besides this he is also a member of Board of Governors of National Council for Cement and Building Materials (which is under the Administrative Control of Ministry of Commerce & Industry, Govt. of India)

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

Traversing his professional career, Mr. Cooper has gained experience in Corporate Management, Cost Leadership, Strategy Building, Brand Management, Logistics, Channel Management, Rural Marketing, Feasibility Studies & Project Implementation, Human Resource Management, IT Systems, Procurement and Company Integration. 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 minimising the risks arising out of spurious look-alike brands.



**Mr. Sushil Kumar Tiwari**  
Whole-time Director

Mr. Sushil Kumar Tiwari, aged 66 years, holds degree in Engineering in two streams - Electrical and Electronics & Communication – from the Institute of Engineers, Kolkata. In his career spanning over 41 years, he has acquired rich and vast experience of over three decades in the Cement Sector. Prior to joining the Company he worked with the cement division of Raymond Limited, which was subsequently acquired by Lafarge India Private Limited.

Mr. Tiwari joined HeidelbergCement India Limited in April 2007 as Unit Head of the Company's Ammasandra Plant. In August 2008, he was appointed as Unit Head of the Company's Damoh and Jhansi units. Mr. Tiwari became Wholetime Director of the Company w.e.f. 29th April 2011.



# Messages from the Management Team



**Mr. Sushil Kumar Tiwari,**  
Whole-time Director

Covid – 19 has been a force that has compelled us to change in more ways than we could have ever imagined. As we continue to deal with dynamic challenges, we carry with us memories of moments that make us feel proud of our achievements. Most of these we may attribute to the timely and purposeful changes we introduced in our organization. History suggests that - quest for finding purpose has driven human beings to drive the change. It motivates us to excel in what we do and confidently face emerging challenges. This purpose driven change will continue to have a trickling effect on the whole organization. Significant innovations and changes were made by our people who rose to the occasion and glorified it through team efforts. It further cemented our conviction to our Group values that remain the core of continuous improvement.

Our focus continued towards Sustainability and Safety that remain foremost priority for our people. It has been reciprocated by everyone going beyond the call of duty to collaborate and deliver on commitments. It gives us the confidence to face any challenges that lie ahead without losing focus on our goals. It is wisely said that adversity makes you strong and it has indeed made us better. This year we further cemented our relationships with all our stakeholders as we supported them in various ways to transverse the difficult time. We are confident that the beginning we made during the year will build a long term partnership in Heidelberg cement India's growth journey.

Success for us is not only about what we have achieved but it is also about obstacles that we had overcome to achieve this success. While excellence in our day- to- day operations helped us to improve efficiencies, it was harnessing innovation that led to redesigned operation that ensured growth during the pandemic times. As I reflect back on the year gone by, I am assured that the timely and purposeful changes we brought about will facilitate our long term growth objectives.



**Mr. Anil Kumar Sharma,**  
CFO

The Financial Year 2020-21 began with nationwide lock down which posed a major challenge to maintain business continuity. Sensing the gravity of the situation, we immediately activated our Business Continuity Plan to ensure that :

- All the employees and their families are safe
- There is no impairment of inventory or bad debts
- We have adequate liquidity in the system for smooth conduct of business.

COVID-19 has led to an unprecedented situation for the entire world in the past 100 years. Almost throughout the year 2020-21, many people were working from home. It, therefore, became critical to ensure timely delivery of tasks with consistent work quality. We thank all our team members for their relentless efforts who have gone beyond their call of duty despite facing many challenges and operational hindrances. Despite all odds the Company was able to clock highest ever net profit and the Board has decided to recommend highest ever dividend of 80%.

Covid-19 has taught us many lessons, making us smarter in terms of time management and resource utilization. It provided us an opportunity to further digitalise our systems thereby establishing a firm footing in our daily operations. With more focus in this area, we have made three pillars for our Digitalisation Drive – HConnect (End-to-end experience for our customers), HProduce (Real time insights and advance analytics optimizers) and HService (Seamless connection and communication from back office). Covid has also led to modification in many existing processes like physical verification of inventories / Fixed assets, approval work flows etc. which have been effectively implemented & tested by incorporating the same in our Risk Control Matrix (RCM).

With Challenges comes Change and as the change is inevitable part of life, we now move to next lap of bringing "Purposeful C.H.A.N.G.E" by Cementing Relationships, Harnessing Innovations, Accelerating Excellence, Nurturing People, Generating Value and Enriching Ecology. Whereas in the past we did the groundwork to strengthen our processes and systems, today we expect the future to test the limits of our organisation given that the road to global recovery is still miles long.

Virtual communication, meetings, negotiations, and payments are the "new normal" and I am sure that through this CHANGE, our Company will continue to progress and attain new heights in the coming years. I thank all our Stakeholders for their support during this tough time.

Please Take Care, Stay safe and Stay healthy!

## Messages from the Management Team



**Ms. Poonam Sharma**  
Human Resources  
Director

Anybody, who would have laid out a plan for the FY 2021 would have faced the horror of being terribly wrong in all predictions. Nobody would have imagined the outbreak of a pandemic as devastating as Covid 19 in last one and a half years when Man had almost started playing God. The year was that of massive transformation, adaptation and introspection. While we were putting all our energies behind operational aspects of business to see to it that there were no breaks in the momentum, we had many challenges keeping our employees safe and simultaneously productive and motivated, with fears of loss to lives and jobs at bay.

The Organization quickly made changes in the way of working, with “work from home” being the new normal in an industry that is so labour intensive and has twenty four by seven production cycle. We adapted to staggered working, work from home policy, temperature monitoring, sanitization drives in the offices and plants, sanitization spots at various workstations etc. We constantly sent out the Covid prevention guidelines and tips. Daily covid check list was maintained at all locations of the Company and shared with the Corporate office for monitoring and taking requisite actions. A contingency management team was formed at all locations for on-site rapid actions.

Although there were many changes forced by the pandemic, there were several employee development initiatives taken in a purposeful and deliberate manner. We organized 214 online training programs, covering 785 employees through the year. People learnt using technology like never before.

Approx. 75 new employees joined the Company. We hired against critical positions, deferring the ones we could afford to in the interest of business. Many employees got a boost to their careers through getting growth opportunities in-house, filling vacancies internally. Employee retention was better this year, partly due to poor job market owing to the Covid situation and partly due to many initiatives taken by the Company.

The performance evaluations were done online for all employees as per schedule and increments were given as planned. All contract labour, despite the lock down were paid their full wages for that period. The contract labour invoicing was done through strengthening the SOPs, making sure that they remained motivated and in keeping with the fair practices of the Company. With all the above initiatives, the employee cost to revenue went down by 0.4 percent despite the head winds. Employee cost /ton went down from INR 274/T to INR 259/T. It would be fair to mention that employees' contribution to solidarity deduction contributed to this partially. Employees also showed solidarity and magnanimity by contributing to the PM CARES Fund.



**Mr. M. Purnachander,**  
Procurement Director

To face challenges, we need to change. Those who constantly change and adapt especially during these tough times are the only ones who will emerge successful. What was going well started showing disorientation, insecurity, and uncertainty due to COVID19 at the beginning of the financial year 2020-21. We had to be bold, think differently and work innovatively to overcome these challenges. We have ensured all our team to work from home to stay safe and healthy during the lock down period. Our team has worked harder than ever while staying well connected remotely and well engaged with internal and external stake holders whilst having the latest IT infrastructure in place ensuring the continuity of business.

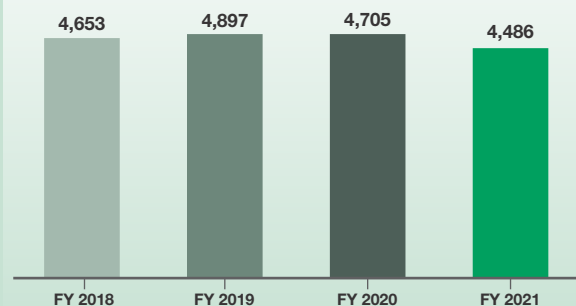
We have strengthened our procurement systems & tools, digitalized and increased e-sourcing during the lock down period. Having advantage of being part of a global company, we have adopted several group initiatives of e-procurement projects locally such as Ariba sourcing, HANA and RPA (Robotic Process Automation). These new tools and systems helped us to harness on time information, data mining, process repetitive works and effective procurement processes.

“If you focus on results, you will never change. If you focus on change, you will get results.” as aptly said, we have challenged the challenges and adopted to change as always and became the agents of change by inculcating various creative, innovative and survival tactics. During hard days, we have reviewed all of the service contracts, vehicles and annual frame agreements towards optimizing the cost by renegotiations and enhanced productivity by downsizing and eliminating redundant services and bundling of manpower services. When the fuel and diesel prices hit lows, we have procured sufficient fuels at lowest possible prices with differed supplies and right fuel mix of Indian coal and pet coke that reduced the spend and optimized costs. Renegotiated transport prices that contributed for considerable savings. As always, we strived hard to source alternative materials such as Slag, Fly ash etc., cost effectively substituting clinker towards sustainability and reducing dependability on natural resources achieving 100% blended cement. Judicious management of inventories, audit, identify and usage of low turn stock reduced fresh sourcing thus reducing spend and increasing cash generation. Through such proactive, innovative actions during hard times, we have proudly become agents of change and stood as a perfect example for others to follow.

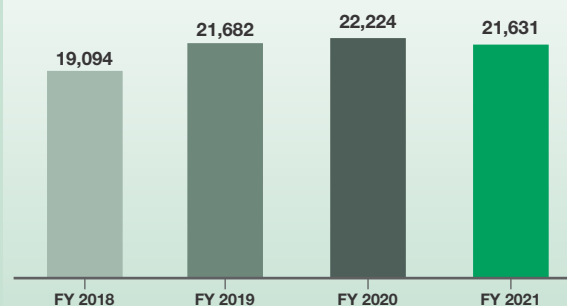


# Operational and Financial Highlights

## Sales Volume ('000 Tonnes)

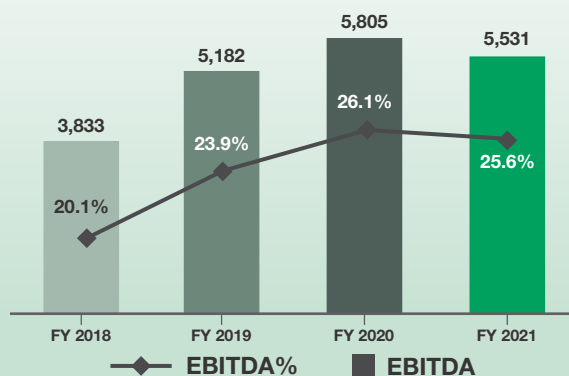


## Total Revenue (Rs. Million)



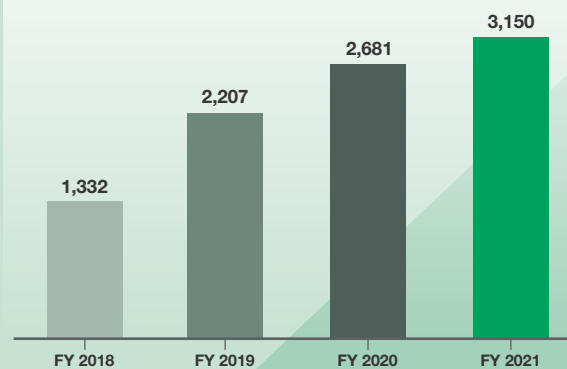
Note: Revenue including other operating income

## EBITDA (Rs. Million and % of Total Revenue)

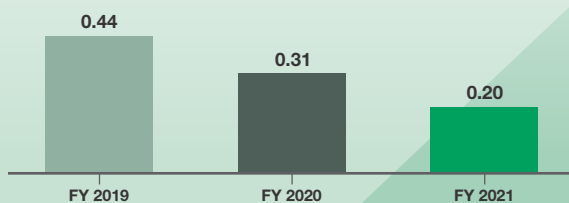


Note: EBITDA including other income

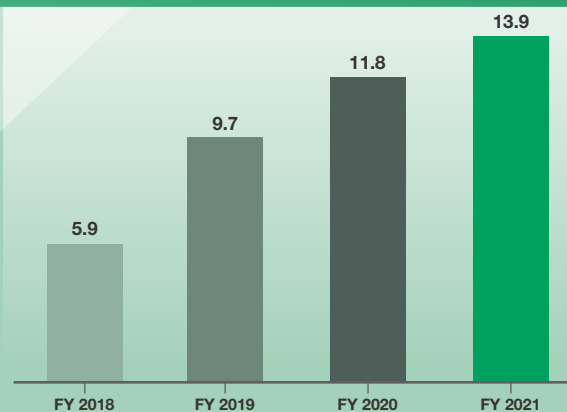
## PAT (Rs. Million)



## Debt Equity Ratio

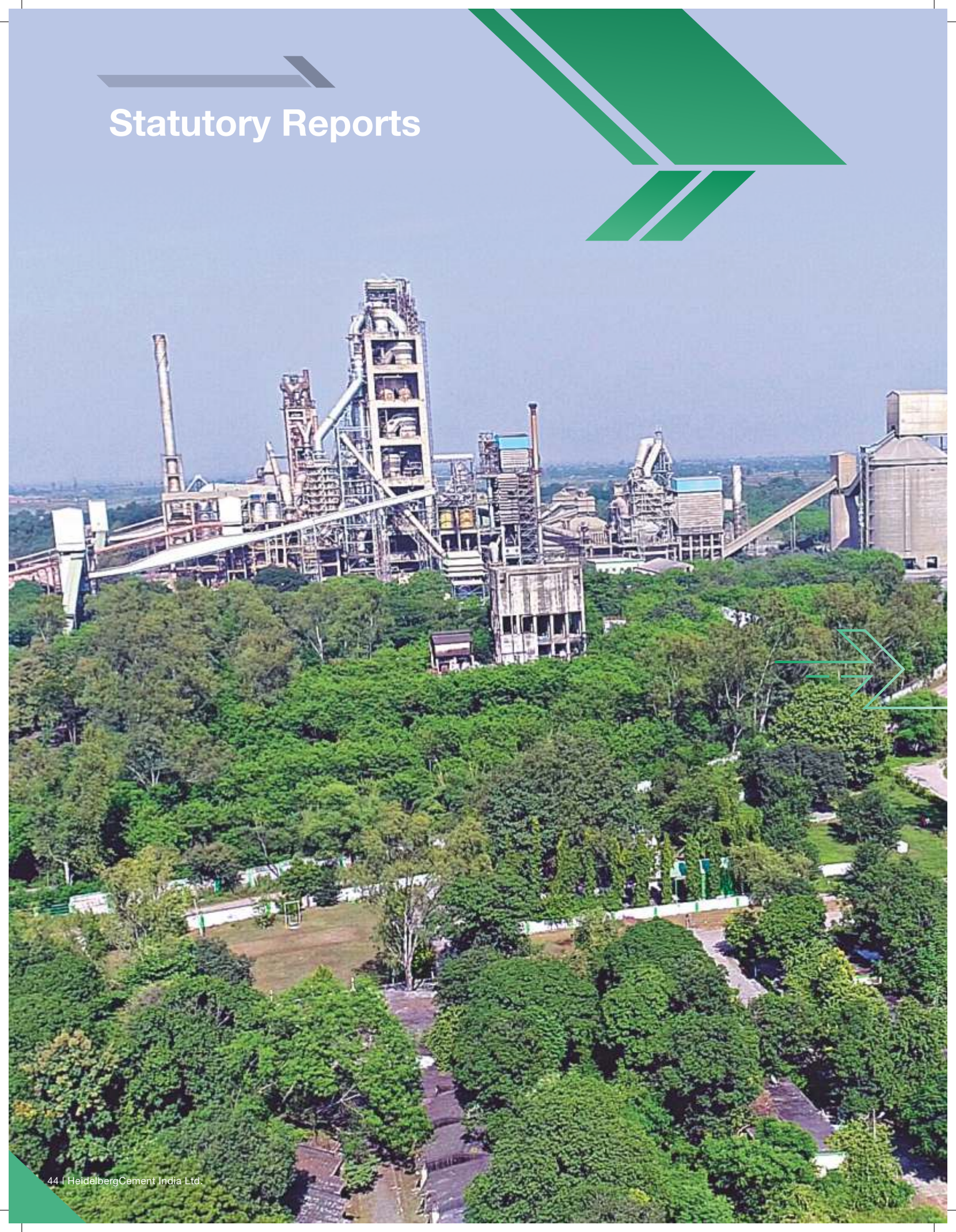


## EPS (Rs. per Share)





# Statutory Reports





## BOARD'S REPORT

To the Members,

The Directors are pleased to present the 62nd Annual Report together with the audited financial statements of HeidelbergCement India Ltd. (the Company) for the financial year ended 31st March 2021 (FY21).

### THE YEAR IN RETROSPECT

The FY21 witnessed unprecedented turmoil as the novel Corona virus caused a major health crisis posing the biggest ever threat of survival to the mankind in a century. To protect lives and to give a breather to the healthcare systems, isolations, lockdowns and widespread closures were implemented by governments across the globe. In India, at the onset of the pandemic an intense nationwide lockdown was enforced to contain the spread of COVID-19. The pandemic and the consequent lockdowns affected daily life of people and the economic activity in myriad ways. In India a vast number of migrant labourers were forced to move from cities to their native places.

COVID-19 put brakes on the Indian economy that had started gaining momentum in the beginning of Q1-2020. Most of the initial predictions indicated a contraction of ~ 8% in India's GDP for FY21 comprising a steep decline in first half followed by a modest recovery. To combat the situation, the central government and RBI deployed a range of policy tools such as Atmanirbhar Bharat economic stimulus package, lowering key policy rates, quantitative easing, loan guarantees, moratorium on loan repayments, frequent reductions in repo rate, reverse repo and CRR, and measures to ease working capital requirements. Fresh insolvency proceedings under the Insolvency and Bankruptcy Code (IBC) were also suspended for a year. The recovery rate for the Scheduled Commercial Banks through IBC (since its inception) has been over 45%.

Through these concerted efforts and resilience demonstrated by the India's citizens, the economy bounced back and India once again became a preferred investment destination with FPIs pouring in money amidst global asset

shifts towards equities and prospects of quicker recovery in emerging economies. NIFTY-50 and BSE SENSEX scaled their new high on 16th February 2021. Just when the things seemed to be returning to normalcy, India was unfortunately hit by a far more devastating second wave of COVID-19. In a desperate move the state governments again resorted to containment measures such as night curfews, weekend lockdowns and complete lockdowns.

COVID-19 pandemic had a catastrophic impact on many industries especially the global oil and gas industry. Declining consumer demand and high levels of output made oil storage capacities look dwarf, resulting in brent crude slipping into negative territory for the first time ever in the global history. In India the GDP for FY21 contracted by 7.25%\* and the real GDP growth was -2.97%. The combined index of eight core industries stood at 143.1 in March 2021, registering an increase of 24.1% over the previous year.

Except for the months of April and May 2020, the Indian cement industry reported robust production and sales volume on the back of emergence of pent up demand post COVID-19 lockdown and resurgence in government infrastructure construction activities. India's cement manufacturing capacity was about 535 million tons as at the end of March 2021, an increase of about 10 million tons or a ~2 percent capacity expansion over last year.

\*Source: Economic Survey 2020-21.

### FINANCIAL HIGHLIGHTS / REVIEW OF OPERATIONS

During FY21, the Company produced 4.53 million tonnes of cement compared to 4.69 million tonnes during the financial year ended 31st March 2020 (FY20), a decrease of 3.4%. Cement sales during the year were 4.49 million tonnes compared to 4.71 million tonnes in FY20, a decrease of 4.7%. Net sales in FY21 were INR 21,166.7 million compared to INR 21,696.2 million in FY20.

A snapshot of the Company's financial performance for FY21 vis-à-vis FY20 is as under:

(INR in million)

Particulars	FY 2021	FY 2020
<b>Income</b>		
Revenue from Operations	21,166.7	21,696.2
Other Income	464.6	527.3
Total Revenue	21,631.3	22,223.5
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) - Including other income	5,531.0	5,805.2
Depreciation and Amortization	1,110.3	1,086.1
Finance Cost	508.5	738.5
Profit before Tax	3,912.2	3,980.6
Total Tax expense	762.7	1,300.0
Net Profit for the year	3,149.5	2,680.6

FY 20-21 began with a ray of hope as the economic activity was gaining steam and the commodity prices were also soft leading to visible procurement savings. However, that phase

was short lived as the fear and uncertainty created by COVID-19 and subsequent lockdowns engulfed all the economic activities.

The pandemic impacted almost every business and your Company was no exception. In compliance with the directions issued by the Central and State Governments the Company suspended operations in its plants in last week of March 2020. Guided by the phrase 'Survival of the fittest', your Company chalked out plans to ensure safety of its employees, upkeep of plants, securing supply of fuels, raw materials, spares, consumables, and packing bags. The proactive approach enabled us to quickly restart our plant operations as soon as the lockdown restrictions were partially relaxed by the government. The operations resumed since 20th April 2020 with reduced manpower and under stringent guidelines to mitigate the risk of COVID-19.

The Company also reviewed its Risk Control Matrix to counter the emerging challenges arising from the unprecedented situation. A continuous process of coordination with all stakeholders is in place to assess the risks and take corrective measure to mitigate the same.

During the lockdown, we renegotiated fuel contracts and focused on spot purchases to nullify the price fluctuations. We procured best available grades of fuels while constantly changing the fuel mix towards cost optimization. All services and manpower contracts were reviewed and renegotiated to bring down the costs by 10% through bundling, consolidation of contracts and restructuring of manpower. We deferred contracts, renegotiated the annual agreements that contributed for additional savings. Fixed term contracts were extended by 3 months without adverse impact on the cost.

Despite the shortage of fly-ash due to frequent shutdown of power plants, we ensured its continuous availability from alternate locations. During the year we also successfully replaced 16.8 kms belt of Overland Belt Conveyor (OLBC) and the remaining to be replaced in first half of following financial year.

In the wake of challenges posed by COVID-19 pandemic your Company, as a responsible corporate citizen, stands fully committed to the wellbeing of its employees and the society at large and is doing everything within its capacity to support the Government in overcoming the serious challenge faced by our Nation.

### DEBENTURE REDEMPTION RESERVE

The Company had allotted 10.4% Non-Convertible Debentures aggregating to INR 3,700 million on 16th December 2013. These debentures are redeemable in three instalments at the end of 6th, 7th, and 8th year from the date of allotment. The 1st and 2nd redemption instalments of INR 1250 million each were paid on 16th December 2019 and

16th December 2020 respectively through internal accruals. The Company has adequate bank balance to repay the last and final instalment of INR 1200 million that would fall due on 16th December 2021.

The Debenture Redemption Reserve (DRR) stood at INR 710.1 million as on 31st March 2020. In view of relaxation granted by the Ministry of Corporate Affairs to listed companies from creation of DRR it has been decided not to transfer any amount to DRR during FY21. Accordingly, the DRR remains unchanged at INR 710.1 million as on 31st March 2021. The credit rating in respect of the aforesaid debentures has been reaffirmed as "IND AA+" (with stable outlook) by India Ratings and Research Pvt. Ltd.

### RELOCATION OF REGISTERED OFFICE

The Company has relocated its Registered Office within Gurugram, from "9th Floor, Infinity Tower-C, DLF Cyber City, Phase-II, Gurugram, Haryana-122002" to "2nd Floor, Plot No. 68, Sector-44, Gurugram, Haryana-22002" with effect from 1st April 2021. Requisite intimations regarding relocation of Registered Office have been given to the Ministry of Corporate Affairs, Stock Exchanges, Depositories and other statutory authorities.

### DIVIDEND

The Board has recommended a dividend of INR 8 per share (80%) for FY21, subject to the approval of the shareholders in the ensuing AGM (Dividend paid during FY20 was INR 7.5 per share). The proposed dividend for FY21 will absorb INR 1,812.9 million. In accordance with the provisions of the Income Tax Act, 1961 the proposed dividend will be taxable in the hands of shareholders but liable for Tax Deduction at Source (TDS) by the Company at the applicable rates.

### Dividend Distribution Policy

Regulation 43A of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, requires top 1000 listed companies based on market capitalization to formulate a Dividend Distribution Policy. In compliance with the said requirement, the Board of Directors had formulated a Dividend Distribution Policy in FY17 and the same is posted on the Company's website. The web-link to access the said policy is as follows:

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

### Unclaimed Dividends

The respective due dates on which unclaimed amounts of dividends pertaining to the prior years will be transferred to 'Investor Education and Protection Fund' (IEPF), constituted by the Ministry of Corporate Affairs, are given below:

S. No.	Financial Year	Dividend Per Share (INR)	Date of declaration	Date of transfer to IEPF
1	FY2016-17	2.00	22nd September 2017	28th October 2024
2	FY2017-18	2.50	21st September 2018	27th October 2025
3	FY2018-19	1.00 (Interim)	25th October 2018	30th November 2025
4	FY2018-19	3.00 (Final)	19th September 2019	24th October 2026
5	FY2019-20	1.50 (Interim)	23rd November 2019	28th December 2026
6	FY 2019-20	6.00 (Final)	18th September 2020	21st October 2027



## ENVIRONMENTAL SUSTAINABILITY

Sowing the seeds for a greener future is no longer a moral responsibility, but a business imperative for a long-term self-sustenance. We follow a three-pronged approach to fulfil our commitment towards sustainability: Prevention, Mitigation and Compensation. Committed to deliver on our Sustainability Goals 2030, we strive to excel in environment protection by reducing our footprints on water, air and land, and simultaneously facilitating a circular economy by recycling and reusing waste materials. We remain committed to engage and deliver in the following key domain areas:

- Driving Economic Strength & Innovation
- Achieving excellence in Occupational Health and Safety
- Reducing our Environment Footprint
- Enabling Circular Economy
- Being a Good Neighbour
- Ensuring Compliance and Transparency

All plants of the Company are ISO 14001 (Environment Management System) certified. The Company consumed ~34.8% of fly ash in producing cement thus reducing limestone consumption, preserving limestone reserves for posterity. During FY21 the Company generated 60,693 Mega Watt (MW) of power from Waste Heat Recovery Power Plant at Narsingarh - another green initiative. The work relating to setting up of a solar power plant of 5.5 MW at Patharia Limestone Mines is at an advanced stage and the same will be commissioned shortly. We have invested in alternative fuels feeding system which is also expected to be commissioned shortly. It will facilitate in increasing the usage of alternative fuels in kilns.

Sustainable practices form the core of our mining operations. Through a series of well-calibrated pre and post mining measures, the Company strives to reverse the operational impact and at the same time add value to the economy and community. Our mining operations include soil management, pollution control, biodiversity conservation, maintaining water balance, and promoting safe mining practices. Post mining, the land is reclaimed through back-filling and afforestation by planting trees like Rain Tree, Banyan, Arjun, Golden Bamboo, Pilkhan (timber), Neem, Indian Rosewood etc. Some of the mined areas have been developed into large water reservoirs that have become a boon for the villagers since the harvested rainwater not only recharges the groundwater leading to significant improvement in water table of the area but also serves their irrigation needs. As a result of these actions, Patharia limestone mines has been consistently winning 5 Star Rating from the Indian Bureau of Mines.

## ENRICHING BIODIVERSITY

Development of greenbelt in the plants and mines provides several benefits to the environment and the society at large in terms of release of oxygen, absorption of carbon dioxide and prevention of soil erosion. The green cover extends to over 38% of the factory area. Water bodies too have been developed to support plantation. These water bodies and

trees are home to a variety of flora and fauna. The enriched biodiversity provides shelter to numerous species of animal and birds indirectly helping in improving the happiness quotient of our employees.

To increase the green cover, we are continuously motivating our business associates to plant trees in their region under our "friends of Earth" programme. It is a step towards our commitment to make the world a better place to live for our generations to come.

## MAKING A DIFFERENCE THROUGH CSR

The Company is committed to the three pillars of ecology, economy, and social responsibility. We are working for the benefit of the communities around our plants with the spirit of being "partners in progress". We encourage community participation at all levels from planning and implementation to monitoring and maintenance of assets created under CSR projects. While discharging our responsibilities as a good corporate citizen, we are looking at all aspects of development. Our CSR initiatives have wide coverage ranging from education, skill development, health & hygiene, infrastructure development and sports. During FY21 the Company has spent INR 66.00 million on various CSR projects / programmes exceeding the obligations pursuant to Section 135 of the Companies Act, 2013.

In the wake of COVID-19 pandemic, the Company maintained continuous interaction with local panchayats and village representatives to assess their needs and provide them support to the extent possible. The Company distributed face masks and sanitizer dispensers in nearby villages to mitigate the risk of spread of COVID-19. Sanitization drive was also carried out in some villages that were identified as high-risk areas. The Company also launched 'Annam Programme' for distributing grocery items to the local people in need. All these tasks were executed in close coordination with the officials of district administration.

A new project has been initiated for upgradation of rural health sub-centres. At Damoh, three rural health sub-centres were upgraded and handed over to the District Health Department. In Jhansi District Hospital, a ward was renovated. We provided healthcare services to underserved sections of the society by organising rural health camps in the nearby villages.

In association with District Women & Child Development Department of Damoh, we have converted 15 Anganwadi centres into Model Anganwadi centres. These centres have been properly renovated and equipped with furniture and playing items to serve over 1200 children.

We are working on transformation of rural schools. In Damoh & Jhansi basic infrastructure of 16 government schools was upgraded benefitting over 5000 students and 142 teachers. In some nearby schools, new classrooms were constructed while in few others extensive repair and renovation work was undertaken. Scholarships are given to meritorious students to facilitate their higher education. Educational kits and uniforms were also distributed to students.

Complimenting Government's "Skill India" Mission, we have set up skill development centres known as "Sakshamta Vikas

Kendra” at Jhansi & Damoh. To enhance the quality of training in tailoring, we have made arrangement with Usha International Ltd, to conduct three months certificate courses. We have commenced training of rural youth in repair of domestic electrical appliances.

To make cattle farming an alternate source of rural livelihood, cattle breed improvement project has been started in Damoh through engagement of BAIF Institute. Through this project facilities such as cattle rearing, vaccination, artificial insemination are provided to villagers who have register to avail the same.

Villages require basic facilities to improve the standard of living such as good roads, proper drainage, potable water, streetlights, proper waste disposal, cleanliness etc. Therefore, we are attempting to provide these facilities and develop a few model villages.

The Report on CSR activities in the format prescribed by the Ministry of Corporate Affairs is annexed herewith as 'Annexure - A'.

### **OCCUPATIONAL HEALTH & SAFETY**

Safety of employees and all stakeholders being paramount importance to us, it has become a part of our business DNA. “Someone is waiting for you at Home” is the message that's emphasized most during meetings with workmen. Driven by this philosophy, we endeavor to provide a safe and healthy working environment. HeidelbergCement Group's cardinal norms, guidelines, standards and legal requirements along with stipulations under ISO 45001-Occupational Health and Safety Management System are being strictly adhered to at all the plants.

The management activated its “Contingency Management and Business Continuity Plan” in March 2020 to counter the onslaught of COVID-19 pandemic. The priority envisaged by the business continuity team was to create awareness amongst the employees about corona virus and the means to safeguard against it. Therefore, various communications were initiated including online awareness sessions were conducted to make employees aware about the impending risk. Posters in local languages were also put at prominent locations to educate workmen.

To protect against COVID-19, thermal scanning of employees and visitors has been made mandatory at entry gates of our plants. In addition to the usual Personal Protective Equipment (PPE), COVID-19 protection has also been made mandatory while working in the plant premises. Sanitizer dispensing machines and handwashing facilities have been provided or enhanced at relevant places and social distancing norms are being strictly followed.

Plant premises have been segmented into “Safety Zones” and headed by a Safety Champion with cross functional members. Safety conversations and safety zones are being effectively used for employee engagement and nurturing safety culture in all aspects of operations. A schedule of twenty-four most critical safety hazards relevant to the cement industry has been compiled. Each of these safety themes is adopted for each month and key aspects relating to the hazard are dwelt upon throughout the month so that the

do's and don'ts get firmly instilled in the minds of the workmen. National Safety week was observed from 4th to 11th March 2021 across all the plants. Monitoring of the workplace for noise, particulate matter, free silica, enhanced illumination levels etc. are being done as per the regulatory norms. All the plants are ISO 45001 certified.

We are happy to inform that the Company has achieved safe business year with no fatality and Lost Time Incidents Frequency Rate (LTIFR) of 0.15.

### **AWARDS AND ACCOLADES**

The Company continues to pursue excellence in all areas of its operations as evident from the recognition in the form of awards and honours.

- Jhansi Plant received 'Gold Award' in 'Cement Sector' from Apex India Foundation for its outstanding achievements in safe workplace.
- Jhansi Plant received 'National Energy Management Award 2020' from Confederation of Indian Industry for being an energy efficient unit.
- 'Golden Peacock Awards CSR 2020' for the project 'Transformation & Facility Enhancement in Rural Educational Institutions'.
- 'CSR Times Award 2020' - 'Silver Award' for being the Best Corporate in Education Category.
- 'National Award for Excellence in CSR & Sustainability' in the category 'Best Education Improvement' awarded by World CSR Day and World Sustainability.
- 'CSR Leadership Award' in the category 'Infrastructure (Community Asset)' awarded by World CSR Day.
- Certificate of Recognition awarded by 'India CSR Awards 2020' for transformation in rural education.

### **CORPORATE GOVERNANCE**

The essence of Corporate Governance lies in promoting and maintaining integrity, transparency, and accountability. The Company believes in creating and nurturing relationships based on trust and transparency with all its stakeholders. The governance framework enjoins the highest standards of ethical and responsible conduct. All Directors and employees consider governance as their personal responsibility and conduct themselves in accordance with the Code of Conduct set out by the organization.

The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have reinforced the governance regime in India. The Company is compliant with the corporate governance requirements as prescribed under the said regulations. The Company has also ensured compliance with applicable Secretarial Standards issued by the Institute of Company Secretaries of India pursuant to Section 118(10) of the Companies Act, 2013.

In terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Corporate Governance Report pertaining to FY21 forms part of this Annual Report. Pursuant to the provisions of the listing regulations, a certificate from M/s. Nityanand Singh & Co., a firm of Company Secretaries in Practice, confirming compliance with the conditions of



Corporate Governance is also annexed to the Corporate Governance Report.

A certificate furnished by Mr. Jamshed Naval Cooper, Managing Director and Mr. Anil Kumar Sharma, Chief Financial Officer in respect of the financial statements and the cash flow statement for the financial year ended 31st March 2021 is annexed as Annexure 'B' to this Report.

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

### BUSINESS RESPONSIBILITY REPORT

In terms of Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Business Responsibility Report forms part of this Annual Report.

### DIRECTORS

#### Retirement by rotation

Mr. Sushil Kumar Tiwari, Director retires by rotation at the ensuing AGM and being eligible has offered himself for reappointment. His brief profile is given in the Notice of AGM. The Board hereby recommends his reappointment.

#### Reappointment of Whole time Director

The members of the Company at the AGM held on 19th September 2019 had reappointed Mr. Sushil Kumar Tiwari as Whole time Director of the Company for a term of two years from 10th June 2019 until 09th June 2021. The Board at its meeting held on 28th May 2021 has reappointed Mr. Sushil Kumar Tiwari as Whole time Director for a further term of one year from 10th June 2021 until 09th June 2022 subject to the approval of the members in the ensuing AGM. The Board has recommended the resolution for reappointment of Mr. Tiwari as provided at Item No. 4 of the Notice of AGM for approval of the members.

#### Appointment of new Independent Director

The Board of Directors at its meeting held on 18th August 2021 has appointed Ms. Jyoti Narang as an Additional Director in the category of Non-Executive Independent Director, with effect from 18th August 2021. In the capacity of an Additional Director, she holds office up to the date of the ensuing Annual General Meeting. The Company has received notice under section 160(1) of the Companies Act, 2013 from a member proposing her candidature for the office of the Director at the ensuing AGM. The brief profile of Ms. Narang is given in the Notice of AGM. Ms. Narang has submitted declaration to the Company that she fulfils the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board recommends the appointment of Ms. Narang by the members in the ensuing AGM for a term of five years from 18th August 2021 to 17th August 2026.

#### Declaration of Independent Directors

Ms. Akila Krishnakumar, Mr. Ramakrishnan Ramamurthy and Ms. Jyoti Narang, Independent Directors on Board have submitted declarations to the Company that they fulfill the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors, based on the declarations received from the Independent Directors, has verified the veracity of such declarations and confirms that the Independent Directors fulfill the conditions of independence specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management of the Company.

### DISCLOSURES UNDER COMPANIES ACT, 2013

**Number of Board Meetings:** During FY21, four Board Meetings were held. The details of the same are given in the Corporate Governance Report.

**Composition of Audit Committee:** The Audit Committee of the Company as on 31st March 2021 comprised three members namely, Mr. Ramakrishnan Ramamurthy (Chairman of the Committee), Ms. Akila Krishnakumar and Ms. Soek Peng Sim.

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

#### Policy for appointment and remuneration of directors:

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a Nomination and Remuneration Policy. The policy inter alia lays down the criteria for determining qualifications, attributes and independence of potential candidates for appointment as directors and determining their remuneration. The brief details of the Policy have been provided in Corporate Governance Report. The said Policy has been posted on website of the Company and the weblink to access the said policy is as follows:

<http://mycemco.com/sites/default/files/2020/HCLIL-Nomination-and-Remuneration-Policy.pdf>

The Board has also adopted a 'Board Diversity Policy' which requires the Board to ensure appropriate balance of skills, experience and diversity of perspectives in its own composition.

**Annual Return:** The Annual Return of the Company for FY20 filed with the Ministry of Corporate Affairs (MCA) and the draft Annual Return for FY21 are available on the website of the Company and the weblink to access the same is as follows:

<https://www.mycemco.com/investor-relations/financial-results>

After the filing of Annual Return for FY21 with MCA, the draft will be replaced with the final version.

**Key Managerial Personnel:** No changes took place in the Key Managerial Personnel (KMP) during FY21. The following persons continue to be the KMP of the Company:

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

## LOANS, GUARANTEES, SECURITY AND INVESTMENTS

During FY21, with the prior approval of the shareholders obtained by way of a special resolution passed at the Annual General Meeting held on 18th September 2020, the Company has given a term loan of INR 1500 million to Zuari Cement Limited (a fellow subsidiary of the Company) for setting up a Waste Heat Recovery based Power Generation Plant at its Yerraguntla Plant in Andhra Pradesh. The particulars of such loan are given in the notes to financial statements.

The Company has not given any guarantee or security or made any investment pursuant to the provisions of section 186 of the Companies Act, 2013.

**General:** The Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions with respect to these items during FY21:

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

## INTERNAL FINANCIAL CONTROLS

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

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) that in the preparation of the annual accounts for the financial year ended 31st March 2021 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 2021 and of the profit of the Company for the financial year ended on that date;
- (c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (d) that the financial statements for the financial year ended 31st March 2021 have been prepared on a 'going concern' basis;
- (e) that proper internal financial controls were in place and that such internal financial controls were adequate and were operating effectively; and
- (f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## RELATED PARTY TRANSACTIONS

All transactions entered between the Company and its related parties during the financial year ended 31st March 2021 were in the ordinary course of business and on an arm's length basis. The particulars of such transactions have been disclosed in notes to the financial statements for FY21. During the year under review, the Company has not entered in any related party transaction exceeding the threshold limit provided under the Companies Act, 2013 / Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A statement of all the related party transactions is placed before the Audit Committee on a quarterly basis, specifying the nature and value of the transactions.

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

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

## RISK MANAGEMENT

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

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 the critical ones are placed before the Risk Management Committee / Board of Directors for review.

The amended Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires the top 1000 listed companies, based on market capitalization, to constitute a Risk Management Committee. Accordingly, the Board of Directors has constituted a Risk Management Committee. The details relating to composition of the Committee and its functions are provided in Corporate Governance Report.



### VIGIL MECHANISM/WHISTLEBLOWER POLICY

The Company has established a vigil mechanism / whistle blower policy to deal with the instances of unethical behaviour, fraud, conflict of interest, mis-management, and violation of the Code of Conduct. During FY21 no complaint was received under the Vigil Mechanism. The details of the vigil mechanism are given in the Corporate Governance Report and a copy of the Policy has been posted on the Company's website. The web link to access the same is as follows:

<http://www.mycemco.com/sites/default/files/Wa.f.%201.4.2019%20HCL%20Whistle%20Blower%20Policy.pdf>

### PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE

The Company is compliant with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, which aims to protect women at workplace against any form of sexual harassment and prompt redressal of any complaint. During FY21, no complaint was received by the Company in this regard.

### AUDITORS

In accordance with the provisions of Section 139(1) of the Companies Act, 2013 the members at the 58th Annual General Meeting (AGM) of the Company held on 22nd September 2017 had appointed S.N. Dhawan & Co. LLP., Chartered Accountants, as statutory auditors of the Company to hold office up to the conclusion of the 63rd AGM i.e., for conducting statutory audits commencing from FY2017-18 until FY2021-22.

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

### COST AUDIT

The Company is maintaining cost records in accordance with the provisions of Section 148 of the Companies Act, 2013 and the Rules made thereunder. The Cost Audit for FY20 was conducted by M/s. R.J. Goel & Co., Cost Accountants, Delhi. The Cost Audit Report was duly filed with the Ministry of Corporate Affairs, Government of India. The Audit of the cost accounts of the Company for FY21 was also conducted by the said firm and the Report has been filed with the Ministry of Corporate Affairs.

In accordance with Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 the Board of Directors has on the recommendation of the Audit Committee, appointed M/s. R.J. Goel & Co., Cost Accountants as Cost Auditor of the Company for FY22 on a remuneration of INR 2,50,000. Pursuant to Section 148(3) of the Companies Act, 2013, a resolution seeking member's ratification for the remuneration payable to M/s. R.J. Goel & Co., Cost Accountants for FY22 is included in the Notice convening the AGM. The Board recommends the aforesaid resolution for approval of the members.

### SECRETARIAL AUDIT

The Board had appointed M/s. Nityanand Singh & Co., a firm of Company Secretaries in Practice as Secretarial Auditor for carrying out secretarial audit of the Company for the financial year ended 31st March 2021 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 'C'. The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks.

**Secretarial Compliance Report:** SEBI had vide its circular dated 8th February 2019 made it mandatory for listed companies to annually submit a Secretarial Compliance Report to stock exchanges. M/s. Nityanand Singh & Co. has furnished Secretarial Compliance Report for FY21. The said Report does not contain any qualification, reservation, or adverse remarks. The said Report has been placed on website of the Company and the web link to access the same is as under:

<https://www.mycemco.com/sites/default/files/Secretarial%20Compliance%20Report.pdf>

### PARTICULARS OF EMPLOYEES

The particulars of employees required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this Report and are annexed as Annexure 'D'. In accordance with the provisions of Section 136 of the Act, the Board's Report and the financial statements for the financial year ended 31st March 2021 are being sent to the members and others entitled thereto, excluding the details to be furnished under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 which are 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, form part of this Report and are annexed as Annexure 'E'.

### 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: Bengaluru  
Date: 18th August 2021

Akila Krishnakumar  
Chairperson

# ANNEXURE - A TO THE BOARD'S REPORT

## ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021

### 1 Brief outline of CSR policy of the Company.

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, the Board of Directors of the Company has on recommendation of the CSR Committee approved a CSR Policy.

Brief outline of the said Policy is given below:

- The overall objective of the CSR Policy of the Company is to promote sustainable development of the local communities with set targets and time frames. The Policy focuses on mitigating the adversities faced by the communities and guiding them towards helping themselves.
- The Company takes up CSR activities in key sectors including but not limited to, healthcare, education, rural infrastructure development and environment, giving maximum freedom to the local communities and employees to evolve meaningful initiatives.
- The Company believes that supporting the development efforts of local community addresses the felt needs of the community and in return leads to greater ownership and involvement in maintaining the assets created.
- CSR initiatives are implemented through the Company's own employees. However, if required, the Company may also deploy appropriate agencies based on their proven credentials in the area of rural development to supplement its efforts.
- The CSR projects are implemented through committees comprising local Company officials at Damoh (covering Patharia, Narsingarh and Imlai), Jhansi and Ammasandra. The committees are chaired by the Plant Heads and have key officials representing Human Resources, Welfare and Administration functions at the local level as members.
- Proposals sent by the Implementation Committees are vetted by a committee at the Registered Office together with the financial allocation and thereafter the same are placed before the CSR Committee and the Board of Directors for consideration and approval.

The Policy is placed on the Company's website and the web link to access the same is:

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

### 2 Composition of CSR Committee:

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Akila Krishnakumar	Chairperson & Independent Director	2	2
2	Mr. Jamshed Naval Cooper	Member & Managing Director	2	2
3	Mr. Sushil Kumar Tiwari	Member & Whole-time Director	2	2

### 3 Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company.

The web-link to access composition of CSR committee, CSR Policy and CSR projects as approved by the Board are as under:

Composition of CSR Committee:

<https://www.mycemco.com/sites/default/files/List%20of%20Directors%20and%20Members%20of%20Committees%20of%20the%20Board-new.pdf>

CSR Policy:

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

CSR Projects:

<https://www.mycemco.com/policies-under-companies-act-securities-laws>



- 4 Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable. Not Applicable
- 5 Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any. Not Applicable
- 6 Average net profit of the Company as per section 135(5) i.e., for last three financial years (FY2017-18, FY2018-19 and FY2019-20). INR 3154.1 Million
- 7 (a) Two percent of average net profit of the company as per section 135(5) INR 63.1 Million
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years Not Applicable
- (c) Amount required to be set off for the financial year, if any Not Applicable
- (d) Total CSR obligation for the financial year (7a+7b- 7c). INR 63.1 Million
- 8 (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (INR in Millions)	Amount Unspent (in Millions)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
66.0	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year: NIL

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Project duration	Amount allocated for the project (INR in Millions)	Amount spent in the current Year (INR in Millions)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (INR in Millions)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency
				State	District				Name	CSR Registration number
NOT APPLICABLE										

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (INR in Millions)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Expenditure towards Students in our schools coming from Nearby Villages	II	Yes	Madhya Pradesh & Karnataka	Damoh & Tumkur	12.7	Direct	-	-
2.	Distribution of Note books, scholarship, classes for arts, music and various education awareness program	II	Yes	Madhya Pradesh, Uttar Pradesh and Karnataka	Damoh, Jhansi and Tumkur	1.5	Direct	-	-
3.	Support to other schools at nearby areas	II	Yes	Madhya Pradesh, Uttar Pradesh and Karnataka	Damoh, Jhansi and Tumkur	11.1	Direct	-	-
4.	Support to Anganwadi centres at nearby villages	II	Yes	Madhya Pradesh	Damoh	2.1	Direct	-	-
5.	Promotion of Sports in School and for Youth in nearby villages	VII	Yes	Madhya Pradesh and Karnataka	Damoh and Tumkur	0.9	Direct	-	-
6.	Operation of Sakshamta Vikas Kendra for skill enhancement and self-employment	II	Yes	Madhya Pradesh and Uttar Pradesh	Damoh and Jhansi	2.9	Direct	-	-
7.	Development of Women help desk Centre	II	Yes	Uttar Pradesh	Jhansi	0.7	Direct	-	-



8. Support to villagers for water harvesting	IV	Yes	Uttar Pradesh	Jhansi	0.6	Direct	-	-
9. Infrastructure support for road, cremation shed and other related work	X	Yes	Madhya Pradesh, Uttar Pradesh and Karnataka	Damoh, Jhansi and Tumkur	13.1	Direct	-	-
10. Providing Drinking Water facilities to villages	X	Yes	Madhya Pradesh and Karnataka	Damoh and Tumkur	0.2	Direct	-	-
11. Carrying out base line survey of CSR Activities	X	Yes	Uttar Pradesh and Karnataka	Jhansi and Tumkur	0.7	No	Angel Social Development and Research Association	CSR00005807
12. Wall painting & slogan writing work for mass level awareness on social issues like de-addiction, girls education, safety, cleanliness etc	II	Yes	Madhya Pradesh	Damoh	0.1	Direct	-	-
13. Community support during Covid 19 by way of providing food to needy people - ANNAM Scheme	I	Yes	Madhya Pradesh, Uttar Pradesh and Karnataka	Damoh, Jhansi and Tumkur	12.4	Direct	-	-
14. Contribution to PM Cares Fund	VIII	-	-	-	2.0	Direct	-	-

15. Organizing Health checkup camps including deployment of mobile van and provision of medicines	I	Yes	Madhya Pradesh, Uttar Pradesh and Karnataka	Damoh, Jhansi and Tumkur	0.3	Direct	-	-
16. Health facilities improvement at Primary Health Centres	I	Yes	Madhya Pradesh	Damoh	4.4	Direct	-	-
17. Livestock Development Centre Project	IV	Yes	Madhya Pradesh	Damoh	0.3	No	BAIF Institute for Sustainable Livelihoods and Development	CSR00000259

**Total** **66.0**

(d) Amount spent in Administrative Overheads	Nil
(e) Amount spent on Impact Assessment, if applicable	Not Applicable
(f) Total amount spent for the Financial Year (8b+8c+8d+8e) (INR in millions)	66.0
(g) Excess amount for set off, if any:	

Sl. No.	Particulars	Amount (INR in Millions)
(i)	Two percent of average net profit of the company as per section 135(5)	63.1
(ii)	Total amount spent for the Financial Year	66.0
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2.9
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2.9

9 (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (INR in Millions)	Amount spent in the reporting Financial Year (INR in Millions)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (INR in Millions)
				Name of the Fund	Amount (INR in Millions)	Date of transfer	
-	-	-	-	-	-	-	-

(b) Details of CSR amount spent in the financial year for ongoing projects of preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (INR in Millions)	Amount spent on the project in the reporting Financial Year (INR in Millions)	Cumulative amount spent at the end of reporting Financial Year (INR in Millions)	Status of the project - Completed / Ongoing
-	-	-	-	-	-	-	-	-



10	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (Asset-wise details):	Nil
(a)	Date of creation or acquisition of the capital asset(s).	Not applicable
(b)	Amount of CSR spent for creation or acquisition of capital asset.	Not applicable
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not applicable
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	Not applicable
11	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).	Not Applicable

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Date: 28th May 2021

Jamshed Naval Cooper  
Managing Director

Place: Gurugram

Akila Krishnakumar  
Chairperson - CSR Committee

Place: Bengaluru

# ANNEXURE - B TO THE BOARD'S REPORT

The Board of Directors  
HeidelbergCement India Limited

## Sub. : Managing Director & CFO's Certification

1. We have reviewed the financial statements and the cash flow statement of the Company for the financial year ended 31st March 2021 and to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended 31st March 2021 which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee:
  - (i) that there were no significant changes in internal control over financial reporting during the financial year ended 31st March 2021;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) there are no instances of fraud of which we have become aware.

Place : Gurugram

Date : 28th May 2021

Jamshed Naval Cooper

Managing Director

Anil Kumar Sharma

Chief Financial Officer



## ANNEXURE - C TO THE BOARD'S REPORT

Form No. MR-3

### SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members of **HeidelbergCement India Limited**

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit for the financial year ended on 31st March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2021, in accordance to the provisions of:

- I. The Companies Act, 2013 ("**the Act**") and the Rules made thereunder to the extent applicable;
- II. The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations as amended from time to time 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 Memorandum and Articles of Association of the Company;
- VI. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not Applicable to the Company during the review period);
  - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 with regard to dealing with the Company;
  - f. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  - g. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - h. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable to the Company during the review period);
  - i. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the Company during the review period);
  - j. Securities and Exchange Board of India (Issue and Listing of Non-convertible and Redeemable Preference Shares) Regulations, 2013 (Not Applicable to the Company during the review period);
- VI. Other Laws which are applicable to the Company:
  - The Employees' Provident Fund & Miscellaneous Provisions Act, 1952.
  - The Employees State Insurance Act, 1948.
  - The Payment of Gratuity Act, 1972.
  - The Labour Laws and Law relating to Payment of Wages.
  - Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013.
  - Miscellaneous Acts:
    - a) The Water (Prevention and Control of Pollution) Act, 1974.
    - b) The Air (Prevention and Control of Pollution) Act, 1981.
    - c) The Environment (Protection) Act, 1986.
    - d) The Factories Act, 1948.
    - e) The Industries (Development & Regulation) Act, 1951.
    - f) The Explosives Act, 1884.
    - g) The Electricity Act, 2003.
    - h) Acts and Laws relating to carrying out Mining Activities.
- VII. Management has represented and confirmed the applicability and compliance of all laws as being

specifically applicable to the company, relating to Labour / Pollution / Environment / Production process etc, apart from other general laws.

**We have also examined compliance with the applicable clauses of the** mandatory Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Ministry of Corporate Affairs.

**We further report that:**

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

Adequate notice is given to all the Directors or the members of the respective Committees to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. During the period, all the decisions in the Board / Committee meetings were carried out unanimously.

**We further report that,** based on review of compliance mechanism established by the Company and on the basis of compliance certificates issued by the Company's Executives and taken on record by the Board of Directors / Audit Committee at their respective meetings, there are adequate systems and processes in the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

To,

The Members of **HeidelbergCement India Limited**

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Place: New Delhi  
Date: 28th May 2021**

The Company had allotted 10.4% Non-Convertible Debentures aggregating to INR 3700 million on 16th December 2013. These debentures are redeemable in three instalments at the end of 6th, 7th and 8th year from the date of allotment. Accordingly 1st & 2nd redemption instalment of INR 1250 million each were repaid on 16th December 2019 and 16th December 2020 respectively through internal accruals. Presently, the Company has adequate bank balance to repay the last and final instalment of INR 1200 million due on 16th December 2021.

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

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

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

**Nityanand Singh (Prop.)**

**Place: New Delhi**

**FCS No.: 2668 / CP No.: 2388**

**Date: 28th May 2021**

**UDIN: F002668C000384533**

**Note:**

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

**ANNEXURE – 1**

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

**Nityanand Singh (Prop.)  
FCS No.: 2668 / CP No.: 2388  
UDIN: F002668C000384533**

## ANNEXURE - D TO BOARD'S REPORT

### DISCLOSURE PURSUANT TO RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021

S. No.	Disclosure requirement	Particulars
1	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2020-21:	The ratio of the remuneration of Whole-time Director to the remuneration of median employee is 25.7:1
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2020-21:	<p>The Non-Executive Directors of the Company including Independent Directors (IDs) are not paid any remuneration. IDs are paid only sitting fees for attending the meetings of the Board and its Committees. The details of sitting fee paid to IDs are mentioned in Corporate Governance Report. The remuneration of Mr. Jamshed Naval Cooper, Managing Director is borne and directly paid by HeidelbergCement AG. The Company does not pay any sitting fees / commission / remuneration to Mr. Cooper.</p> <p>Increase in remuneration of Whole-time Director, Chief Financial Officer and Legal Head &amp; Company Secretary on Cost- to-Company (CTC) basis is given below:</p> <p>Mr. S.K. Tiwari, Whole-time Director - 3.3%</p> <p>Mr. Anil Kumar Sharma, Chief Financial Officer - 3.5%</p> <p>Mr. Rajesh Relan, Legal Head &amp; Company Secretary - 5.4%</p>
3	The percentage increase in the median remuneration of employees in the financial year 2020-21;	7.9%
4	The number of permanent employees on the rolls of Company as on 31st March 2021;	1121
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average increase in salaries of employees (other than managerial personnel) on CTC basis was 6.7%. Increase in managerial remuneration was also 4% on CTC basis. The overall increase is 5.9%.
6	Affirmation that the remuneration is as per the remuneration policy of the company.	It is hereby affirmed that remuneration has been paid as per the Nomination and Remuneration Policy of the Company, which is available on website of the Company.



## 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 financial year ended 31st March 2021:

Reduction in specific power consumption through following initiatives:

- Optimisation of clinker and cement processes.
- Optimised power supply from waste heat recovery system.
- Installation of AFR system at Narsingarh, Damoh (at an advanced stage of commissioning).
- Installation of GRR in place of LRS at Narsingarh thus reducing power consumption.
- Installation of energy efficient compressors at Jhansi plant to reduce power consumption.
- Replacement of traditional luminaries with energy efficient LED lights.

(ii) Steps taken by the Company for utilizing alternate sources of energy:

Reaping the benefits of IEX & Renewable Wind Power at Ammasandra, Narsingarh and Jhansi Plants.

Initiated installation of 5 MW solar power system from 3rd party under long term PPA (BOO system) at Patharia, Damoh.

Initiated installation of AFR system at Narsingarh, Damoh to utilise waste from municipalities / agriculture and industries in kilns thus saving fossil fuels and reduce CO<sub>2</sub> emission.

(iii) Capital investment on energy conservation equipment:

The Company has invested ~ INR 122.67million in FY2020-21. Majority of this was towards installation of AFR system listed at A(i) above.

### B. Technology Absorption

(i) Efforts made towards Technology Absorption:

- a. Use of alternative fuels by installation of AFR system.
- b. Use of high efficiency LED in place of conventional luminaries.
- c. Adaptation to best practices and processes of HeidelbergCement Group under CIP, thus reaping the benefits of their global expertise.

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

- a. Power generated by the WHR plant was optimized.
- b. Replacement of LRS for heavy motors with GRR thus reducing power consumption.
- c. Reduction of per unit cost of power by use of renewable and IEX power.
- d. Optimization of the process fans in the kiln and other areas in order to reduce the specific Power consumption.
- e. Reduction of specific consumption per unit of clinker or cement produced thus reduction in cement cost.
- f. Adaptation of best practices and processes of HeidelbergCement Group under CIP enabled the Company to carry out in-house modifications and improvements.

(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:

(INR in Million)

	Financial Year ended 31.03.2021	Previous Financial Year ended 31.03.2020
Foreign exchange used: - Imports	65.2	48.4
- Expenditure	524.0	587.7
<b>Total</b>	<b>589.2</b>	<b>636.1</b>
Foreign exchange earnings:	0.7	Nil

# Management Discussion and Analysis

## Global & Indian Economy at a glance

Particulars	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021e	2022e
										Projections	
<b>A. World Output / Real GDP (Annual percent change)</b>											
World	3.5	3.5	3.6	3.5	3.3	3.8	3.6	2.8	-3.3	6	4.4
- Advanced Economies	1.2	1.4	2.1	2.4	1.8	2.5	2.3	1.6	-4.7	5.1	3.6
- Emerging Market & Developing Economies	5.4	5.1	4.7	4.3	4.5	4.8	4.5	3.6	-2.2	6.7	5
• India	5.5	6.4	7.4	8	8.3	6.8	6.5	4	-8.0	12.5	6.9
<b>B. Inflation: Consumer Prices (Annual Percent change)</b>											
- World	4	3.6	3.2	2.7	2.7	3.2	3.6	3.5	3.2	3.5	3.2
- Advanced Economies	2	1.4	1.4	0.3	0.7	1.7	2	1.4	0.7	1.6	1.7
- Emerging Market & Developing Economies	5.8	5.4	4.7	4.7	4.3	4.4	4.9	5.1	5.1	4.9	4.4
• India	10	9.4	5.8	4.9	4.5	3.6	3.4	4.8	6.2	4.9	4.1
<b>C. Current Account Balances (Percent of GDP)</b>											
- Advanced Economies	0.1	0.5	0.5	0.6	0.8	1	0.8	0.7	0.3	0.2	0.4
- Emerging Market and Developing Economies	1.2	0.5	0.5	-0.2	-0.3	0	-0.2	0.1	0.6	0.5	0.2
• India	-4.8	-1.7	-1.3	-1	-0.6	-1.8	-2.1	-0.9	1	-1.2	-1.6
<b>D. World Trade Volume (Annual percent change)</b>											
	3	3.6	3.8	2.9	2.3	5.6	3.9	0.9	-8.5	8.4	6.5
<b>E. Commodity Prices (Annual percent change)</b>											
- Oil	0.9	-0.9	-7.5	-47.2	-15.7	23.3	29.4	-10.2	-32.7	41.7	-6.3
- Non-fuel (Primary Commodities)	-7.8	-5.8	-5.5	-17.1	-0.4	6.4	1.3	0.8	6.7	16.1	-1.9

**Source:** World Economic Outlook (April 2021) published by International Monetary Fund (IMF) and Website of Reserve Bank of India.

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

### A. Global Economy

Global projections continue to be positive albeit some what unpredictable due to the pandemic scenario. The sharp surge in infections has led to the crumbling of the medical facilities in the developed as well as emerging nations. The mutating virus and the accumulating human toll has raised concerns, despite vaccination coverage to mitigate fatalities. Infections, through the new variants are also rising in many parts of South Asia, Africa, and Latin America where the health facilities are already stretched, thus posing a key challenge to the world.

With Global economy shrinking by more than 3% in 2020, expectations are that it will rebound in 2021 by at least 6%. This is despite the recent setbacks from the second wave in the emerging nations such as India. After a relatively slow first quarter, the global growth is expected to pick up from late

second quarter. Economists are also taking cues from the historical pandemics viz. the Influenza, the Plague etc. for economic bailouts along with the flushing-off of the COVID19 pandemic. In the current scenario the outlook is not just dependent on the battle between the virus and vaccines, but it also hinges on the efficacy of the economic policies and their timely deployment during the pandemic. Hence a continuous support from the Governments in the form of fiscal and monetary policies has become the ideal approach to generate economic tailwinds.

Demand of in-person services, which so far has been hit hardest by the pandemic, is expected to lead the way to recovery. Growth in Industrial output has remained relatively strong and is likely to retain its momentum as the investments in business rise in anticipation of a faster recovery in consumption. Therefore, the projections for 2021 and 2022

have been revised upwards reflecting additional fiscal support in few large economies and the much-expected vaccine powered recovery in the second half of 2021.

## B. Indian Economy

India was caught off-guard with the rapid spread of COVID19 second wave when the economic recovery activity had started gathering momentum, citizens demonstrating confidence through spending. In a short span of less than two months the Country's COVID positive cases more than doubled. With hardly any time for the healthcare system to prepare, the fatalities started mounting forcing another lockdown.

The State Governments having learnt lessons from nationwide lockdown of 2020 were cautiously opting for selective and less stringent lockdowns to enable the economy to jump start as soon as the infections subsided. The current forecast of India's GDP growth rate of 12% is directly dependent on the rate at which the infection is contained and the severity of a possible third wave. On the demand side the recent data suggests that capital investments have seen a strong rebound after a prolonged period of lull starting from pre-pandemic years. The momentum is expected to continue as the held-up or postponed investment decisions are likely to be implemented after a lag of almost 2 years.

## C. Indian Cement Industry

### C.1. Capacity and Demand

India's installed cement manufacturing capacity was about 535 million tons as at the end of March 2021, an increase of about 10 million tons or a ~2% capacity expansion over last year. Almost 98% of the entire country's capacity is with the private sector and rest with the public sector. Also, the top 20 companies account for more than 70% of the country's capacity/markets.

With capacity expansions at a multi-year low, predictions about improvement in capacity utilization rate are optimistic. As the cement demand was gradually picking up from the last quarter of 2020, the hard hitting second wave brought down the demand curve. During FY21, cement production registered a decline of 12 percent which is the highest ever recorded. The cement production and demand in FY21 was mostly impacted by COVID19. The good monsoon supported the demand from rural markets.

Migration of workers to their native places that caused labour shortages in the construction sector continued for weeks even after the lockdown was completely lifted. However, increased focus on infrastructure spending by the Government of India, increase in Smart cities, construction of new airports, improvement in rural income level, PMAY - rural housing, PMGSY are expected to keep the wheels of economy rolling.

### C.2. Input Costs

The main categories of input costs for cement industry viz. fuels, raw materials and packing bags witnessed only marginal reduction in prices even though global crude oil prices reduced considerably due to different challenges

locally. The year beginning, prices of crude, granules, coal, petcoke saw a fall but quickly shot up from mid-year, mitigating the price advantages gained in the short period. FY21 witnessed increase in petcoke prices since the beginning of the year by ~14% due to refineries low production, tight availability and increase in demand even though global crude prices were down by 19%. The drop in global crude prices didn't lead to reduction in Indian Polypropylene granule prices due to high demand and shortage of granules.

Availability of competitive and attractive renewable power led to sporadic operations / low capacity utilizations of thermal power plants causing shortage of fly ash, compelling many cement players to source fly ash from distant sources thus incurring higher landed prices.

The favorable rail freight concessions for the industry have once again made rail transport attractive for companies leading to change in rail-road mix.

### C.3. Price and Earnings

Cement being a region-specific business, pricing sentiments vary depending on availability and demand within that region. During the year, retail prices saw lower single digit growth on an all India basis with majority of hikes coming from Southern and Eastern regions. The prices in the Central region remained almost flat.

Since the cement demand declined in FY21 due to pandemic upheavals caused by the nationwide lockdown in the first quarter and the localized restrictions in the high alert zones where the economic activity remained low. It was only at the end of the fiscal year that the consumer sentiment recovered significantly but the same was again impacted by the sudden outbreak of the second wave.

Going forward we expect confluence of various factors affecting cement demand-supply and pace of construction activities to ease demand. The most important being the success of global vaccination programme to bring the COVID-19 pandemic under control.

### C.4. Opportunities

Demand for the industry can be attributed to three main sectors viz.

- **Housing & Real Estate:** Construction of new homes under Pradhan Mantri Awas Yojna, Government's initiatives to increase farmer's income, higher budgetary allocation for agriculture and irrigation facilities combined with a healthy rabi crop should assist demand from rural housing.
- **Public Infrastructure:** INR 102 trillion for National Infrastructure has been sanctioned, 12 lots of highway bundles and 100 more airports along with Smart cities proposed in FY21 Union budget. The proposed setting up of solar power capacities for Indian Railways and electrification of 27,000 kilometers of railway lines is expected to provide a boost to the cement industry's reach.
- **Industrial Development:** Over the last few years the contribution of industrial sector in the GDP has been by and large flat. However, this sector may pick up



momentum in medium term on the back of positive policy support and fiscal stimulus provided by the Government of India via initiatives like “Make in India”, “Aatmanirbhar Bharat” and other sector specific incentives, all of which directed to achieve the goal of making India self-reliant and a global manufacturing hub. These developments coupled with the softening of interest rates on borrowings seem to be on track for growth in capex in Industrial segment.

The Company foresees a positive scenario for the cement sector.

### C.5. Threats

Though the opportunities galore, there is still an air of uncertainty from the COVID-19 pandemic both in terms of severity and period to which it may extend. The measures necessary to contain the virus have already impacted the economic activity globally. The financial system has already felt a dramatic impact and a further intensification could affect its stability as well. Even after complete resumption of normal activities, the liquidity issues and shortage of labour could delay the construction activity, thereby impacting the cement demand.

Price of crude oil has already risen substantially from the last year's average and petcoke prices are also on an upward trajectory. This has been a cause of worry as input prices may rise further once the global economy regains the lost ground post the pandemic recedes and this may significantly impact the margins.

Supply & pricing of key cementitious materials like Slag and Fly Ash too continues to be a challenge. Slag prices are up by 25% as the input costs of steel Industry have gone up. The utilisation factor of coal-based thermal power plants in India is consistently falling thus impacting Flyash availability and increase in its price due to demand supply mismatch.

### C.6. Outlook

The domestic cement industry is expected to witness a higher single digit growth in FY22 which is again dependant on how the COVID situation pans out. The government's spending on major infrastructure projects and affordable housing schemes with enhanced budgetary allocations would be the primary growth drivers for the cement industry. With second wave having already impacted the first quarter of the current fiscal year, the demand is gradually expected to build up.

## D. Company Review - Operational and Financial Performance

The Company operates three plants situated at Damoh (MP), Jhansi (UP) and Ammasandra (Karnataka).

Your company has always been focused on consistent upgradation of technology to ensure production of end-product at optimal cost. To achieve that we run a Continuous Improvement Program (CIP) dedicated to bring in process efficiencies, savings in costs via continuous upgradation of obsolete technology.

During FY21, the Company produced 4.53 million tons of cement registering a decline of 3.4 percent over Fy20. The decline in production was primarily due to nation-wide

lockdown last year which resulted in complete halt in production and dispatches. The capacity utilization stood at 72.4 percent in FY21 against the industry average of ~67 percent. The power generated by Waste Heat Recovery Power Plant (WHRPP) substituted grid power and thus enabled the Company to reduce its power cost. During FY21 the Company reported highest ever profitability. Snapshot of some of the key financial figures is given below:

(INR in million)

Particulars	FY21	FY20
Revenue (Net of GST)	21,166.7	21,696.2
Power & Fuel Cost	4,880.2	4,736.0
Freight and forwarding expenses	2,773.7	2,879.0
EBITDA (including Other income)	5,531.0	5,805.2
EBIT	4,420.7	4,719.1
Finance Cost	508.5	738.5
Net Profit after Tax	3,149.5	2,680.6
Earnings Per Share (EPS) - INR	13.9	11.8
Book Value Per Share - INR	65.9	58.0

In FY21, the price of petcoke and coal rose significantly. Better consumption parameters, efficient rejigging of fuel mix and savings from WHRPP helped in optimizing operational costs. The company's EBITDA margin stood at 25.6% in FY21 as compared to 26.1% in the previous year. The PAT of the Company was INR 3,149.5 million in FY21 compared to INR 2,680.6 million in FY20. The Board of Directors has recommended Dividend of INR 8 per equity share of INR 10 each (80%) for FY21 (INR 7.50 per share for FY20), subject to the approval of the shareholders at the ensuing AGM.

The gross long-term debt including interest-free loan received from Government of Uttar Pradesh stands reduced to INR 2,945 million at the end of FY21 compared to INR 4,051 million at the end of FY20. The figure of interest-free loan remains unchanged at INR 2,346 million. The Company had allotted 10.4% Non-Convertible Debentures aggregating to INR 3700 million on 16 December 2013. These debentures are redeemable in three installments at the end of 6th, 7th and 8th year from the date of allotment. Accordingly, the first and second redemption installments of INR 1,250 million each which became due on 16 December 2019 and 16 December 2020 have been paid through internal accruals. The third and final installment of INR 1200 million will become due for repayment on 16 December 2021 and the Company has adequate liquidity for its payment. The Debt-Equity ratio at the end of FY21 stood at 0.20:1 compared to 0.31:1 at the end of FY20.

Snapshot of some of the key financial ratios are given below:

Particulars	FY21	FY20	Change
Debtor Turnover (Days)	4.02	3.37	19.28%
Inventory Turnover (Days)	8.08	6.49	24.34%
Interest Coverage Ratio	15.31	12.09	26.70%
Current Ratio	1.09	1.10	-1.56%
Debt Equity Ratio	0.20	0.31	-36.02%
Operating Profit Margin (%)	24.21	24.46	-1.03%
Net Profit Margin (%)	15.05	12.42	21.14%
Return on Net Worth (%)	23.96	22.89	4.67%

The changes in above mentioned ratios are primarily on account of consequential effect of COVID 19 pandemic on the Company's business and operations, measures taken for improvement in operational efficiencies, repayment of debt, higher net sales realization and cost optimization measures taken by the Company.

**Digitization initiatives:** While the pandemic remained a negating force, on the other hand it has accelerated the digitization of organizations and economies, exponentially. With continuous support of HeidelbergCement AG, your company has kept itself abreast with the advanced technologies. In the current scenario, agility has remained a key factor for success rather than the size of operations. Digitalization received topmost priority to support sales team with real time market intelligence, real time status of in-transit material, artificial intelligence to reduce human intervention in diurnal processes at plants, digital connectivity to employees and business associates, transformation of entire record keeping on secured e-locked servers and many more. Thus, this wave of COVID19 is expected to e-reform the processes.

### E. Product Performance and Customer Relations

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

Our technical mobile labs continue to support customers by disseminating best construction practices. These labs are being scaled up to further enhance customer delight. To increase awareness among cement users about best construction practices, simple to understand videos have been created and made available on YouTube and circulated using social media platforms.

With the world transforming digitally, your company has also ensured that we are not left behind, be it brand visibility on digital media platforms or well-equipped technology to ensure that everyone is digitally well connected.

### F. Business Risks and Concerns

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

Major business risks and their mitigation strategies are as follows:

I. **Economic Risk:** The spread of COVID-19 pandemic poses a significant threat on the macro-economic demand and supply patterns. A significant shift in consumption patterns is also expected.

**Mitigation Measure:** The management is continuously analyzing the impact of pandemic and is realigning its strategies to minimise the consequential adverse impact arising from it.

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

**Mitigation Measure:** The Company has entered into long term fuel supply agreements to ensure its uninterrupted availability. Besides this it has also developed capabilities to switch between various fuel mixes.

III. **Freight Cost Risk:** Cement is a low-value high-volume product; therefore, logistics becomes a significant component in its overall cost. Rail and truck availability or increase in fuel costs could swing the margins significantly.

**Mitigation Measure:** The Company strives to appropriately balance its Rail-Road mix, which currently stands at about 55:45 Optimized warehousing facilities and astute measures to control logistics costs remains the key focus area for the Company. Focus on increasing sales in the markets at shorter lead distances to contain logistic costs is a continuous process.

IV. **Key Cementitious Material Supply Risk:** Availability of cementitious materials like Fly Ash continues to pose challenge due to frequent shut down of power plants etc.

**Mitigation Measure:** The Company has made all efforts to secure adequate quantity of Fly Ash from various sources to ensure uninterrupted operations.

V. **Competition Risk:** With varying impact of the pandemic in different regions, the cement demand too has shown unprecedented alterations. This has led to new brands from distant regions entering new markets.

**Mitigation Measures:**

- Increasing % contribution of premium products & Trade Sales.
- Balancing growth between distant and Home markets.
- Improving retail selling prices; align our price position with key players in respective markets.
- Aligning service team to hand hold the independent home builder during the construction phase of their homes.

- Increase depth of distribution and market coverage through addition of new channel partners.

### G. Internal Control Systems

The Company has well-structured and effective internal controls which are periodically reviewed and strengthened through the process of internal audits.

Every year, a risk based annual audit plan is discussed and approved by the Audit Committee. The Audit Plan is aimed at evaluation of adequacy of internal control system and compliance thereof, robustness of internal processes and procedures ensuring sound business practices, safeguarding Company's assets, compliance with laws and regulations, accuracy in financial reporting and completeness in maintaining records.

Based on reports of internal audit function, process owners undertake corrective actions, while material observations, if any, are placed before the Audit Committee. Statutory auditors have also audited the internal controls over financial reporting and have opined that the same are adequate and are operating effectively.

The Company ensures that well-structured and effective controls remain in place that are commensurate with the size of its operations.

### H. Human Resources

Covid-19 prevention initiatives: Many initiatives were taken to ensure business continuity. Some of these were roster planning, staggered working hours, introduction of work from home policy, temperature monitoring of the employees and visitors, sanitization drives in the offices and plants, sanitization spots at various workstations etc. Our employees also took salary cuts for three months as a gesture of solidarity towards the Company. They also contributed their one-day salary to the 'PM CARES' fund to help the country at large. We have constantly circulated the Covid

prevention guidelines and tips. Daily Covid checklist was maintained at all locations of the Company and shared with the corporate office for monitoring and taking requisite actions. A contingency management team was created at all locations for on-site rapid action.

Employee development: Several employee development initiatives were taken respecting the pandemic restrictions such as social distancing norms, masks and sanitization in mind. There were 237 on-line external and internal training programs conducted involving over 730 employees in the white-collar category.

Talent acquisition and Retention: Approx. 150 new people joined the Organization. The hiring cost was kept under control through internal postings, giving better opportunities to in-house employees. In the interest of cost optimization, only critical vacancies were filled deferring the others until the beginning of 2021. Employee retention was high with attrition being brought down by almost 100% as compared to the previous year.

Employee compensation and benefits: The performance evaluations were done online for all employees as per schedule and increments were given as planned. All contract labourers, despite the lockdown were paid their full wages for relevant period. The contract labour invoicing was done through strengthening the SOPs, making sure that they remained motivated in accordance with the fair practices of the Company. With all the above initiatives, the employee cost to revenue reduced by 0.5 percent despite the headwinds.

Employee Relations: The Company had 1121 employees on its rolls as on 31st March 2021. Employee Relations remained cordial throughout the year.

### Cautionary Statement

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



# Business Responsibility Report

**“You cannot evade the responsibility of tomorrow by evading it today”**

**- Abraham Lincoln**

Being aware and sensitive towards the society and environment are the norms that demand responsible behavior as the world evolves. Across the globe, business ecosystems are getting aligned to deliver sustainable development with greater social accountability at the same time managing financial performance thus making the process a holistic one.

As a responsible business enterprise, HeidelbergCement India Ltd. (the “Company”) has always pursued the highest ethos of corporate responsibility and governance, often transcending the regulatory threshold. Cognizant of its responsibilities towards the society and the environment, the Company has consistently shaped its business strategies with focus on sustainability.

In line with the guidelines of the Securities and Exchange Board of India (SEBI) the Company is hereunder presenting its Business Responsibility Report for FY2020-21:

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

S.No	Particulars	Remarks			
1.	Corporate Identification Number	L26942HR1958FLC042301			
2.	Name of the Company	HeidelbergCement India limited			
3.	Registered Address	2nd Floor, Plot No. 68, Sector-44, Gurugram, Haryana - 122002. Phone No. : 0124-4503700			
4.	Website	www.mycemco.com			
5.	E-mail id	investors.mcl@mycem.in			
6.	Financial year reported	1st April 2020 to 31st March 2021			
7.	Sector(s) that the company is engaged in (industrial activity code wise):	<b>Group</b>	<b>Class</b>	<b>Sub-class</b>	<b>Description</b>
		239	2394	23941 23942	Manufacture of clinker and cement
	(Source: National Industrial Classification Code (NIC))				
8.	List three key products / services that the company is manufacturing / provides (as in balance sheet)	The Company manufactures only two kinds of cement: Portland Pozzolana Cement; and Portland Slag Cement.			
9.	Total no. of locations where business activity is undertaken by the Company.	National locations: Two Integrated Cement Units and a Grinding plant, Registered Office in Gurugram (Haryana) and Regional Marketing Offices and Sales Offices in the States of Madhya Pradesh, Uttar Pradesh, Bihar, Uttarakhand, Karnataka and Kerala. International locations: Nil			
10.	Markets served by the Company	<b>Local</b>	<b>State</b>	<b>National</b>	<b>International</b>
		✓	✓	-	-

**SECTION B: FINANCIAL DETAILS OF THE COMPANY**

1. Paid up Capital (INR)	₹ 2,266.2 million
2. Total turnover (INR)	₹ 21,166.7 million
3. Total profit after tax (INR)	₹ 3,149.5 million
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after tax (%)	₹ 66.00 million (more than 2% of the average net profits of last three financial years).
5. List of activities in which expenditure in 4 above has been incurred	a) Education b) Healthcare c) Rural Development

**SECTION C: OTHER DETAILS**

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

The Company does not have any subsidiary company.

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

Not Applicable.

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

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

**SECTION D: BUSINESS RESPONSIBILITY INFORMATION**

**1) Details of Director(s) responsible for BR**

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

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

**b). Details of BR head**

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

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

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

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

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

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



1. Public Policy: For advocacy on matters relating to the cement industry, the Company works through various trade / industry associations such as CII, CMA and GCCA.
2. Customer relations: The Company has a customer centric approach which leads to high level of customer satisfaction. The Company stands fully committed to supply technically superior products to its customers as well as provide integrated solutions through its technical services team for sustainable construction practices. The Company also has a customer complaint redressal system.
3. The Board has taken note of the Policy in this regard.
4. These Policies are available on the website of the Company at the following links:  
<http://www.mycemco.com/sites/default/files/Code%20of%20Conduct.pdf>  
<http://mycemco.com/sites/default/files/HCIL%20CSR%20Policy.pdf>
5. These Policies are available on internal portal, which can be easily accessed by employees of the Company.

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

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

**3) Governance related to BR**

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

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

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

The Business Responsibility Report of the Company is published as part of Annual Report. The report can be accessed at [www.mycemco.com](http://www.mycemco.com).

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

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

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

**1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors/NGOs/Others?**

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

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

During FY21, two complaints were received from shareholders which were satisfactorily resolved. No complaint was received under the Vigil Mechanism / Whistle Blower Policy.

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

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

1. Portland Pozzolana Cement
2. Portland Slag Cement

The Company manufactures only the above two kinds of cement, meaning thereby that 100 percent of Company's products are covered in this category.

As an active member of Global Cement and Concrete Association (GCCA) earlier known as Cement Sustainability Initiative ("CSI") of the World Business Council for Sustainable Development ("WBCSD"), the Company stands fully committed towards sustainable development of its business activities, with focus on safety, health and environment. Steps are continuously taken for reducing carbon footprint through reduction of specific power consumption and specific fuel consumption and increased usage of cementitious materials like flyash and slag.

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

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

Alternate materials like flyash, chemical gypsum, slag etc., are used during production process which help in conserving natural raw materials. Alternative fuels are used in kilns which lead to reduction in usage of coal

and other fuels. The Company also recycles waste water and has also made arrangements for rainwater harvesting and recharging of ground water. The reduction in specific power and fuel consumption is highlighted below:

Consumption per unit of production	FY (2020-21)	FY (2019-20)
Electrical Energy (kwh) / Tonne of Cement	71.98	72.46
Coal and other Fuels (k Cal / Tonne of Clinker)	749.49	721.40

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

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

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

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

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

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

The Company accords priority to local suppliers, wherever possible. Goods and services like horticulture, housekeeping, contract labour, general maintenance, canteen and other similar services are sourced locally.

The Company's contractors deploy labour from nearby communities, who are made aware and trained on Company's health and safety priorities before commencing work.

**5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

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

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

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

**1. Please indicate the Total number of employees.**

The total number of employees as on 31st March 2021 were 1121.

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

Total number of employees hired on temporary / contractual / casual basis as on 31st March 2021 were 3121.

**3. Please indicate the Number of permanent women employees.**

The Company had 28 permanent women employees as on 31st March 2021.

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

There are no employees in the Company with disabilities.

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

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

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

All the workmen (438 numbers) comprising 39.07% of the total permanent employees are members of recognized unions.

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

The Company did not receive any complaint pertaining to child labour, forced labour, involuntary labour or sexual harassment during FY 2020-21.

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

Safety of the employees is paramount to the Company. It is mandatory for new employees to undergo safety trainings, including firefighting training as part of their induction process. For shop floor workers, periodic safety trainings are organised throughout the year. The Company strives to cover majority of its employees under various training programmes. In view of the risk of COVID-19 in FY21 many trainings were conducted through video conference instead of usual classroom training sessions. The coverage of the Company's training programmes is given below:

a) Permanent Employees	68%
b) Permanent Women Employees	60%
c) Casual/Temporary/Contract Employees	45-50%
d) Employees with Disabilities	NA

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

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

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

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

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

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

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

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



### **Principle 5: Businesses should respect and promote human rights.**

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

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

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

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

The Company did not receive any stakeholder complaint relating to human rights in FY21.

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

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

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

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

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

The company's carbon footprint during FY 2020-21 was 513.1 kg of Co<sub>2</sub>/ton of cement and 840.6 kg of Co<sub>2</sub>/ton of Clinker. During FY21, we have consumed ~34.8% of Fly ash in cement manufacturing which has helped in reduction of clinker incorporation ratio in cement production.

The Company is a member of the Global Cement and Concrete Association (GCCA). This engagement has given better understanding of the environmental and climate change initiatives. The Company has addressed environment and climate change issues with clear goals, targets and achievements. The Company proactively measures carbon footprint as per GCCA - CO<sub>2</sub> protocol. The details of initiatives taken by the Company in this regard are available on the Company's website at the link: <http://mycemco.com/about-us/environment>.

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

The Company has put systems in place to ensure continuous monitoring of potential environmental risks in its operations. All the manufacturing plants are certified as per ISO-14001 environment management system and integrated with quality and occupational health and safety management systems (ISO 9001 and ISO 45001). All plants identify environment aspects and impact and maintain a register in this regard. Significant aspects are managed through Environment Management Plan (EMPs) which are biannually reviewed by the management. The periodic audits conducted as part of these management systems help the Company in identifying potential risks and take suitable actions to mitigate the risks. For new projects, potential environmental risks are identified while preparing Environment Impact Assessment and Risk Assessment reports which are addressed at the design stage itself.

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

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

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

During FY21 the Company generated 60,693 Mega Watt of power from Waste Heat Recovery Power Plant at Narsingarh.

The work relating to setting up of a solar power plant of 5.5 MW at Patharia Limestone Mines is at an advanced stage and the same will be commissioned shortly.

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

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

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

During FY21 we have not received any kind of show cause / legal notices from CPCB & SPCB.

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

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

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

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

- a) Confederation of Indian Industry(CII)
- b) Cement Manufacturers' Association (CMA)
- c) Global Cement and Concrete Association (GCCA)

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

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

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

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

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

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

The Company has formulated programs to pursue policies on inclusive growth and equitable development. These cover education, basic healthcare, women empowerment, sustainable livelihood and rural development. The details of the CSR activities undertaken by the Company are set out in the Corporate Social Responsibility section of the Board's Report.

**2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO /**

**government structures / any other organisation?**

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

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

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

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

The Company has spent INR 66.00 million on various CSR activities / projects during FY21. The details of the amount spent and areas covered are given in Annexure-A to the Board's Report.

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

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

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

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

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

Resolving the consumer complaints at the earliest is top most priority and the motto of the Company. There were 10 consumer cases pending before different Forums / Commissions / Courts as on 31st March 2021.

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

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

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

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

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

The Company periodically carries out internal studies to gauge consumer sentiments and takes appropriate measures to increase the level of customer satisfaction.



# Report on Corporate Governance

## CORPORATE GOVERNANCE PHILOSOPHY

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

The Company is in compliance with the provisions stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"). The details of compliances, for the financial year ended 31st March 2021, are as follows:

## BOARD OF DIRECTORS

### Size & Composition of the Board

As on 31st March 2021, the Company's Board comprised six Directors viz., Four Non-Executive Directors (out of which two were Independent Directors including an Independent Woman Director); a Managing Director and a Whole-time Director. The Chairperson of the Board is an Independent Director. None of the Directors of the Company are related to each other.

The composition of the Board as on 31st March 2021 conforms to Regulation 17 of the SEBI Listing Regulations, which stipulates that: (i) the Board should have at least an independent woman director; (ii) not less than 50% of the Directors should be Non-Executive Directors; and (iii) where the Chairman of the Board is a Non-Executive Director not related to the promoter group, at least one-third of the Board should comprise of independent directors.

### Number of Board Meetings

During the financial year ended 31st March 2021, the Board of Directors met four times on 28th May 2020, 22nd July 2020, 23rd October 2020 and 09th February 2021. The maximum time gap between any two consecutive board meetings was less than 120 days.

**The composition of the Board of Directors, their attendance at the Board Meetings and the number of other Directorships / Committee positions held by them as on 31st March 2021 is given below:**

Sr. No.	Name of the Director	Category / Status of Directorship	No. of Board Meetings attended during the period 01.04.2020 to 31.03.2021	No. of Directorship(s) in other Public Limited Companies*	No. of Committee positions held in other Public Limited Companies**		No. of Equity Shares held in the Company
					Member	Member and Chairman	
1.	Ms. Akila Krishnakumar, Chairperson DIN: 06629992	Independent Woman Director	4	4	1	-	-
2.	Mr. Ramakrishnan Ramamurthy DIN: 00680202	Independent	4	-	-	-	-
3.	Mr. Kevin Gerard Gluskie DIN: 07413549	Non-Executive	4	2	-	-	-
4.	Ms. Soek Peng Sim DIN: 06958955	Non-Executive	4	2	-	-	-
5.	Mr. Jamshed Naval Cooper DIN: 01527371	Executive	4	2	-	-	-
6.	Mr. Sushil Kumar Tiwari DIN: 03265246	Executive	4	1	-	-	-

\*Directorship 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 SEBI Listing Regulations.

### Directorships held in other listed companies

Ms. Akila Krishnakumar, Chairperson of the Board is an Independent Director in three other listed companies namely, Indusind Bank Limited, ABB Power Products and Systems India Limited and Matrimony.Com Limited. The other Directors of the Company namely, Mr. Ramakrishnan Ramamurthy, Mr. Kevin Gerard Gluskie, Ms. Soek Peng Sim, Mr. Jamshed Naval Cooper and Mr. Sushil Kumar Tiwari do not hold directorship in any other listed company in India. None of the Directors hold shares in any of the listed companies in which they are directors.

### Code of Conduct for Board Members and Senior Management Personnel

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

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

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

### BOARD LEVEL COMMITTEES

The Company has the following Board Level Committees:

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

The Board of the Company takes all decisions with regard to constituting/reconstituting, 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 / update.

### Audit Committee

The Audit Committee of the Company as on 31st March 2021 comprised three members namely, Mr. Ramakrishnan Ramamurthy (Chairman of the Committee), Ms. Akila Krishnakumar and Ms. Soek Peng Sim. During the financial year ended 31st March 2021, the Audit Committee met four times on 28th May 2020, 22nd July 2020, 23rd October 2020 and 09th February 2021. The time gap between any two meetings of Audit Committee was less than 120 days. The quorum for the meetings of the Audit Committee is one-third

of the members of the Committee, subject to a minimum of two independent directors present at the meeting.

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

S.No.	Name of the Member	No. of Meetings Attended
1	Ms. Akila Krishnakumar	4
2	Mr. Ramakrishnan Ramamurthy	4
3	Ms. Soek Peng Sim	4

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

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

### Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee as on 31st March 2021 comprised three members namely, Ms. Akila Krishnakumar (Chairperson of the Committee), Mr. Ramakrishnan Ramamurthy and Mr. Jamshed Naval Cooper. The terms of reference of the Committee are available on the website of the Company, www.mycemco.com. During the financial year ended 31st March 2021, the Committee met four times on 28th May 2020, 22nd July 2020, 23rd October 2020 and 09th February 2021 to take note of shareholders' grievances and to review other matters relating to investors' servicing. The details of attendance of the members of the Stakeholders' Relationship Committee are given below:

S.No.	Name of the Member	No. of Meetings Attended
1	Ms. Akila Krishnakumar	4
2	Mr. Ramakrishnan Ramamurthy	4
3	Mr. Jamshed Naval Cooper	4

Mr. Rajesh Relan, Legal Head & Company Secretary is the Compliance Officer of the Company and also acts as Secretary to the Committee. During the period under review two complaints were received and resolved. There were no pending investor complaints as on 31st March 2021.

### Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee as on 31st March 2021 comprised three members, namely, Ms. Akila Krishnakumar (Chairperson of the Committee), Mr. Jamshed Naval Cooper and Mr. Sushil Kumar Tiwari. During the financial year ended 31st March 2021 the Committee met

twice on 28th May 2020 and 23rd October 2020. The terms of reference of the Committee are in line with the provisions of the Companies Act, 2013 and the Rules made there under. The terms of reference of the Committee are available on website of the Company, [www.mycemco.com](http://www.mycemco.com). The details of attendance of the members of the Corporate Social Responsibility Committee are given below:

S.No.	Name of the Member	No. of Meetings Attended
1	Ms. Akila Krishnakumar	2
2	Mr. Sushil Kumar Tiwari	2
3	Mr. Jamshed Naval Cooper	2

### Risk Management Committee

The Risk Management Committee as on 31st March 2021 comprised four members namely, Mr. Jamshed Naval Cooper (Chairman of the Committee), Ms. Akila Krishnakumar, Mr. Ramakrishnan Ramamurthy and Mr. Anil Kumar Sharma, Chief Financial Officer of the Company. The terms of reference of the Committee are available on website of the Company, [www.mycemco.com](http://www.mycemco.com). During the financial year ended 31st March 2021, the Committee met on 22nd July 2020 wherein all the aforesaid members of the Committee were present.

### Nomination and Remuneration Committee

The Nomination and Remuneration Committee as on 31st March 2021 comprised three members, namely, Mr. Ramakrishnan Ramamurthy (Chairman of the Committee), Ms. Akila Krishnakumar and Mr. Kevin Gerard Gluskie. During the financial year ended 31st March 2021, the Committee met thrice on 28th May 2020, 22nd July 2020 and 09th February 2021. The terms of reference of the Committee are in line with the provisions of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013 and the Rules made there under. The terms of reference of the Committee are available on website of the Company, [www.mycemco.com](http://www.mycemco.com). The details of attendance of the members of the Nomination and Remuneration Committee are given below:

### Nomination and Remuneration Policy

S.No.	Name of the Member	No. of Meetings Attended
1	Mr. Ramakrishnan Ramamurthy	3
2	Ms. Akila Krishnakumar	3
3	Mr. Kevin Gerard Gluskie	3

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

considers the recommendations of NRC and takes appropriate decisions.

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

The annual increments and performance incentives are decided through a structured performance management system, which takes into account criticality of the roles and responsibilities, employees' competencies and performance, the Company's performance vis-à-vis the achievement of annual operating plan, individual's performance vis-à-vis Key Performance Indicators (KPIs), industry benchmark and current compensation trends in the market. The said Policy has been posted on website of the Company and the weblink to access the said policy is as follows:

<http://www.mycemco.com/sites/default/files/2020/aug/Nomination%20and%20Remuneration%20Policy.pdf>

### Criteria for payment of sitting fee to Non-Executive Independent Directors

The sitting fee payable to Non-Executive Independent Directors for attending the meetings is given below:

Name of Meeting	Amount payable to each director per meeting (Rs.)
Meeting of Board of Directors	100,000
Meeting of Audit Committee	80,000
Meeting of Nomination and Remuneration Committee	60,000
Meeting of Corporate Social Responsibility Committee	60,000
Meeting of Stakeholders' Relationship Committee	60,000
Meeting of Risk Management Committee	60,000
Meeting of Independent Directors	60,000



### Sitting fee paid to Non-Executive Independent Directors during FY2020-21

Name of the Director	Board Meetings	Audit Committee Meetings	Stakeholders' Relationship Committee Meetings	No. of meetings attended			Meeting of Independent Directors	Sitting fees paid from 1.4.2020 to 31.03.2021*
				Nomination and Remuneration Committee Meetings	Corporate Social Responsibility Committee Meetings	Risk Management Committee Meeting		
Ms. Akila Krishnakumar	4	4	4	3	2	1	1	1,380,000
Mr. Ramakrishnan Ramamurthy	4	4	4	3	N.A.	1	1	1,260,000

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

The Company has not paid any remuneration or sitting fees to its non-resident Directors namely, Mr. Kevin Gerard Gluskie and Ms. Soek Peng Sim during the financial year ended 31st March 2021.

### Remuneration of Whole-time Director

The details of the Remuneration paid to Mr. Sushil Kumar Tiwari, Whole-time Director, during FY2020-21 are given below:

Basic Salary	64,06,992
Perquisites & Allowances	89,31,194
Variable Pay #	62,97,400
Contribution to PF and Superannuation Fund	17,29,888
<b>Total</b>	<b>2,33,65,474</b>

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

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

### Familiarisation programmes for Board Members

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

At the time of appointment, an Independent Director is given a formal letter of appointment describing the role, functions, duties and responsibilities expected from him / her as a Director of the Company. The Director is also briefed on the compliances required from him under the Companies Act, 2013, SEBI Listing Regulations and other applicable regulations. The Managing Director also has a one-to-one discussion with the newly appointed Director which helps the newly appointed Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him / her to effectively fulfil his/her role as a Director of the Company.

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

<http://www.mycemco.com/sites/default/files/Familiarisation%20of%20programme%20of%20ID.pdf>

### Key skills, expertise and competencies of Board Members

The Company believes that collective effectiveness of the Board is a must for overall performance and progress of the Company. The members of the Board amongst themselves should have an appropriate balance of skills, experience and diversity of perspectives. In terms of requirement of SEBI Listing Regulations and given the Company's size, scale and nature of business, the Board of Directors of the Company has identified following core skills, expertise and competencies of the Directors for effective functioning and long-term value creation. The Directors on Board of the Company are professionals with extensive experience and expertise in their respective functional areas. The table given below shows the varied skills, expertise and competencies possessed by directors as on 31st March 2021.

Areas of skills, expertise and competency	Ms. Akila Krishnakumar	Mr. Ramakrishnan Ramamurthy	Mr. Kevin Gerard Gluskie	Ms. Soek Peng Sim	Mr. Jamshed Naval Cooper	Mr. Sushil Kumar Tiwari
General management / Governance: Driving corporate ethics and values, Strategic thinking, decision making, People process skills, Protecting interest of all stakeholders and understanding implications of changes in rules and regulations.	✓	✓	✓	✓	✓	✓
Financial skills: Understanding the financial statements, internal financial controls, risk management, budgeting, mergers and acquisition, etc.	✓	✓	✓	✓	✓	-
Technical Know-how: Technical knowledge, commercial acumen and professional skills and knowledge.	✓	✓	✓	✓	✓	✓
Sales & Marketing: Experience in sales and marketing management based on understanding of dynamics of cement industry.	-	✓	-	-	✓	-

### Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, 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 Chairperson and the Independent Directors was carried out by the entire Board. The performance evaluation of the Non-Independent Directors was carried out by the Independent Directors at their separate meeting. The Directors have expressed their satisfaction on the outcome of the performance evaluation.

### Meeting of Independent Directors

During the financial year ended 31st March 2021, the Independent Directors of the Company met on 09th February 2021 for performance evaluation of Non-Independent Directors and the Board as a whole; and evaluation of the quality, content and timeliness of flow of information between the Management and the Board. The said meeting was attended by both the Independent Directors. The Independent Directors have expressed satisfaction on the outcome of performance evaluation.

### Subsidiary

The Company does not have any subsidiary company.

### Related Party Transactions

All the transactions between the Company and its related parties during the financial year ended 31st March 2021 were in the ordinary course of business and on an arm's length basis. The particulars of such transactions have been disclosed in notes to accounts of the Balance Sheet presented in the Annual Report. During the year under review, the Company has not entered into any related party transaction exceeding the threshold limit provided under the Companies Act, 2013 / Rules made there under and the SEBI Listing Regulations. A statement containing details of all the related party transactions is placed before the Audit Committee on a quarterly basis, specifying the nature and value of the transactions.

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

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

### Management Discussion and Analysis

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

### Disclosures

Wherever necessary, Directors and Senior Management Personnel make disclosures to the Board relating to all the material financial and commercial transactions where they have a personal interest that may create a potential conflict with the interest of the Company at large. All the related party transactions have been disclosed in notes to accounts in 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 there under and as and when any changes in their interests take place, they are placed at the following Board Meeting for taking the same on record.

The Board of Directors of the Company annually review the adoption of the 'discretionary requirements' under SEBI Listing Regulations.

### **Vigil Mechanism / Whistle Blower Policy**

The Company is committed to develop a culture where it is safe for employees to raise genuine concerns or grievances about unethical behaviour, conflict of interest, leakage of price sensitive information, mismanagement, fraud and violation of Code of Conduct. The Company has put in place a Vigil Mechanism / Whistle Blower Policy to deal with such instances. The purpose of this policy is to provide a framework for an effective vigil mechanism and to provide protection to employees or Directors against victimization who report such genuine concerns. The Vigil Mechanism / Whistle Blower Policy is posted on the website of the Company. Under the Policy a person can raise genuine concerns either to the Ethics Counsellor or to the Chairman of Audit Committee. It is hereby affirmed that no employee was denied access to the Audit Committee. During FY2020-21 no complaint was received under the Vigil Mechanism.

### **Prevention of Sexual Harassment of Women at the Workplace**

The Company continues to remain compliant with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, which aims to protect women at workplace against any form of sexual harassment and prompt redressal of any complaint. During FY2020-21, no complaint was received by the Company in this regard.

### **Disclosure of Accounting Treatment in preparation of Financial Statements**

The Company had adopted Indian Accounting Standards (Ind-AS) since 1st April 2016. The financial statements of the Company for the financial year ended 31st March 2021 as well as for 31st March 2020 presented in this Annual Report have been prepared in accordance with the Indian Accounting Standards.

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

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

### **Certificate from Practicing Company Secretary**

A certificate of Mr. Nityanand Singh (CP No. 2668), Practicing Company Secretary issued in compliance with Part C of

Schedule V of the SEBI Listing Regulations, certifying that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company is enclosed to this Report.

### **Risk Management**

The Company has a structured Risk Management Policy. The business risks have been classified under the broad heads-strategic, operational, financial and legal & compliance risks. The Company's risk management policy lays down a bottom-up process comprising risk identification, analysis and evaluation, treatment and control. The business risks are reviewed by the Senior Management and critical risks are placed before the Risk Management Committee / Board of Directors for review.

### **Means of Communication**

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

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

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

### **Recommendations made to the Board of Directors by its Committees**

There was no instance during the financial year 2020-21, wherein the Board of Directors of the Company did not accept recommendations made to it by any of its Committees.

### **Total fees paid to Statutory Auditors of the Company**

The Company has paid aggregate amount of INR 5.3 million, comprising audit fee of INR 5.2 million and reimbursement of expenses of INR 0.1 million, to its statutory auditor, S.N. Dhawan & Co. LLP for carrying-out statutory audit for the financial year 2020-21 and providing related services. The Company has not engaged any other firm / entity which is part of network of S.N. Dhawan & Co. LLP.



## GENERAL SHAREHOLDERS INFORMATION: DIRECTORS

### Appointment / Resignation of Directors

There was no change in the Board of Directors during the financial year ended 31st March 2021.

### Retirement by rotation

Mr. Sushil Kumar Tiwari retires by rotation at the ensuing AGM and being eligible has offered himself for reappointment. His brief profile is given in the Notice of AGM. The Board has recommended his reappointment.

### Reappointment of Whole time Director

The members of the Company at the AGM held on 19th September 2019 had reappointed Mr. Sushil Kumar Tiwari as Whole-time Director of the Company for a term of two years from 10th June 2019 until 09th June 2021. The Board at its meeting held on 28th May 2021 has reappointed Mr. Sushil Kumar Tiwari as Whole time Director for a further term of one year from 10th June 2021 until 09th June 2022 subject to the approval of the members in the ensuing AGM. The Board has

recommended the special resolution for reappointment of Mr. Tiwari as provided at Item No. 4 of the Notice of AGM.

### Declaration of Independent Directors

All the Independent Directors on Board have submitted declarations to the Company that they fulfill the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16& 25(8) of the SEBI Listing Regulations. They have also confirmed that they have registered themselves with the Independent Director's database maintained by the Indian Institute of Corporate Affairs pursuant to Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014. The Board of Directors, based on the declarations received from the Independent Directors, have verified the veracity of such declarations and confirm that the Independent Directors fulfill the conditions of independence specified in the SEBI Listing Regulations and they are Independent of the management of the Company.

### General Meetings of Shareholders

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

Financial Year ended	Date & Time	Venue	Details of Special Resolutions passed at AGM
31.3.2020	18.09.2020, 10.00 A.M.	Through Video Conference / Other audio-visual means	For giving a term Loan of INR 1500 million to Zuari Cement Limited (a fellow subsidiary) for setting-up of Waste Heat Recovery Project at its Yerreguntla Plant.
31.3.2019	19.09.2019, 9.30 A.M.	Auditorium in Apparel House Building, Sector 44, Institutional Area, Gurugram, Haryana.	For Re-appointment of Mr. Sushil Kumar Tiwari (holding DIN 03265246) as Whole-time Director of the Company from 10th June 2019 till 9th June 2021.
31.3.2018	21.09.2018, 9.30 A.M.	Auditorium in Apparel House Building, Sector 44, Institutional Area, Gurugram, Haryana.	No Special Resolution was passed.

Mr. Jamshed Naval Cooper, Managing Director and Chairman of Risk Management Committee, Ms. Soek Peng Sim, Non-Executive Director, and Mr. Sushil Kumar Tiwari, Whole-time Director of the Company were present at the last AGM held on 18th September 2020. Ms. Akila Krishnakumar, Chairperson of the Board of Directors, Stakeholders Relationship Committee and CSR Committee was not able to attend the AGM due to sad demise of her father-in-law on 17th September 2020. Mr. Ramakrishnan Ramamurthy, Chairman of the Audit Committee and Nomination and Remuneration Committee also could not attend the AGM as he was hospitalized due to COVID-19.

### Postal Ballot

The Company has neither passed any Resolution through Postal Ballot during the financial year ended 31st March 2021 nor there is any proposal to circulate any resolution through Postal Ballot for approval of members before the ensuing AGM.

### Annual General Meeting

Date : 27th September 2021

Day : Monday

Time : 11:00 A.M.

Venue : In view of potential risk of spread of COVID-19 through public gatherings, ensuing AGM is also being organised through Video-Conferencing facility or other Audio-Visual means as permitted by the Ministry of Corporate Affairs. The requisite details about the same have been provided in the Notice of AGM.

### Financial Calendar for FY 2021-22

Proposed Board Meetings for approving quarterly financial results for the financial year 2021-22 are as under:

Approval of the financial results for the quarter ending 30th June 2021, 30th September 2021 and 31st December 2021.	Within 45 days from the end of the respective quarter.
Audited financial results for financial year ending 31st March 2022.	Within 60 days from the end of the financial year.
AGM for the financial year ending 31st March 2022.	August / September 2022.

**Dividend:** The Board of Directors has recommended Dividend of INR 8 per equity share of INR 10 each (80%) for FY21 (INR 7.50 per share for FY20), subject to the approval of

the shareholders in the ensuing AGM. The dividend, after declaration in AGM, will be paid to the shareholders within 30 days from the date of AGM.

**Record date:** 20th September 2021 for the purpose of AGM and Dividend.

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

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

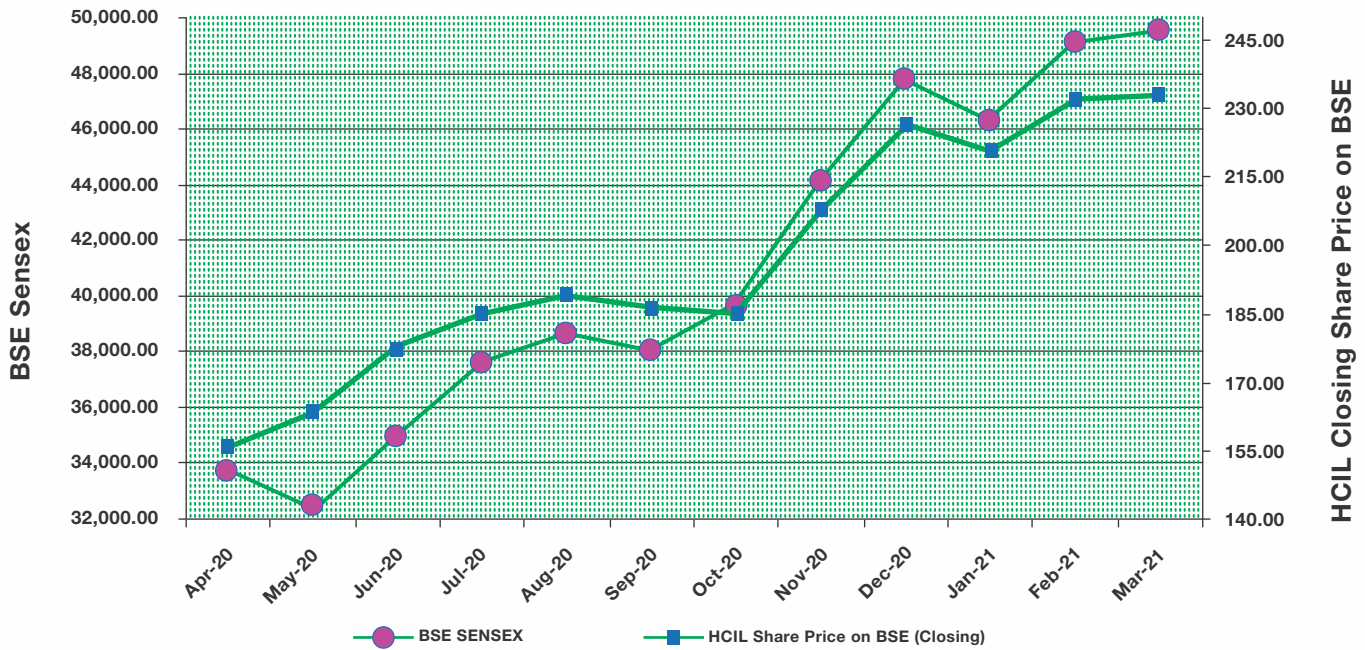
### Share Price Data

Share Price of HeidelbergCement India Ltd. at BSE & NSE during the financial year ended 31st March 2021 is given below:

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 20	168.00	132.85	168.00	133.10
May 20	167.15	140.30	167.00	140.10
June 20	193.70	161.50	193.80	161.50
July 20	189.50	171.90	189.65	171.70
August 20	205.15	178.45	205.50	178.45
September 20	192.50	174.50	193.00	174.20
October 20	200.00	178.50	200.00	181.20
November 20	209.65	182.10	209.95	182.00
December 20	235.00	200.85	234.75	195.70
January 21	243.65	212.60	243.70	213.05
February 21	245.00	217.00	243.00	217.25
March 21	238.85	212.35	239.00	212.65

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

HCIL Share Price on BSE vis a vis BSE Sensex



Shareholding Pattern as on 31st March 2021

Category	No. of Equity Shares	% of Equity shareholding
Promoters (Foreign Body Corporate)	157,244,693	69.39
Mutual Funds	11,327,993	5.00
Financial Institutions & Banks	8,553	0.00
Central / State Government	328,440	0.14
Insurance Companies	5,054,215	2.23
Foreign Portfolio Investors	20,102,199	8.87
Alternative Investment Funds	1,689,542	0.75
NBFCs registered with RBI	3,506,608	1.55
NRIs and Foreign National	1,270,245	0.56
Bodies Corporate	6,857,402	3.03
Trusts	45,639	0.02
Resident Individuals	18,490,936	8.16
Clearing members	211,852	0.09
HUFs	474,799	0.21
<b>Total</b>	<b>226,613,116</b>	<b>100.00</b>



## Distribution Schedule of Equity Shares as on 31st March 2021

No. of equity shares of Rs. 10 each	No. of shareholders*	% of shareholders	No. of shares held	% of shareholding
1-500	74,800	92.04	7,028,058	3.10
501-1000	3,468	4.27	2,830,329	1.25
1001-2000	1,509	1.86	2,305,825	1.02
2001-3000	517	0.64	1,327,441	0.59
3001-4000	208	0.26	758,025	0.33
4001-5000	194	0.24	921,596	0.41
5001-10000	268	0.33	2,054,374	0.91
10001 and above	309	0.38	209,387,468	92.40
<b>Total</b>	<b>81,273</b>	<b>100.00</b>	<b>226,613,116</b>	<b>100.00</b>

\*The number of shareholders stated above are based on number of beneficiary account(s)/Folio(s).

### Dematerialisation of shares / liquidity / unclaimed shares

The Equity Shares of the Company are actively traded at BSE and NSE in dematerialised form only. International Securities Identification Number (ISIN) for both the depositories, viz., NSDL and CDSL is INE578A01017. As on 31st March 2021, 99.49% of the Equity Shares of the Company were held in dematerialised form. The shareholders who are still holding shares in physical form and wish to get their shares dematerialised can submit the share certificates together with the Demat Request Form to the Depository Participant with whom they have opened a demat account. The Company doesn't have any unclaimed shares with respect to its past public/rights issue of shares/convertible debentures.

### Non-Convertible Debentures

The Company had on 16th December 2013 issued and allotted 370 unsecured, redeemable, non-convertible debentures ("Debentures") of face value of Rs. 10 million each, aggregating to Rs. 3,700 million to HeidelbergCement AG for the purpose of refinancing the long term loans obtained from banks. The Debentures have been issued in dematerialized form and are listed at wholesale debt segment of BSE Limited. ISIN allotted by the Depositories is INE578A08012. During the year the credit rating in respect of the aforesaid debentures has been reaffirmed as "IND AA+" (with stable outlook) by India Ratings and Research Pvt. Ltd.

These debentures are redeemable in three instalments at the end 6th, 7th and 8th year from the date of allotment. During FY21 the Company has through its internal accruals repaid 2nd redemption instalment of Rs. 33,78,378.38 per Non-Convertible Debenture (NCD) on 370 NCDs aggregating to Rs. 1,250 million on 16th December 2020. After the aforesaid repayment the face value of each NCD stands reduced to Rs. 32,43,243.24 per NCD aggregating to Rs. 1,200 million for 370 NCDs. The last and final redemption instalment is due on 16th December 2021.

### Share Transfer System

SEBI has vide notification dated 8th June 2018 amended the Listing Regulations thereby prohibiting transfer of shares in

physical form w.e.f. 5th December 2018. Vide its press release dated 3rd December 2018 SEBI had extended the said timeline up to 31st March 2019. SEBI had however permitted registration of transfer of shares for the requests which were lodged for registration of transfer prior to 31st March 2019 but the Registrar and Shares Transfer Agent had to return the request under objection to transferee for rectification of certain defects. After rectification of defects in the documents such shareholders were required to submit the documents to RTA for processing. SEBI vide its circular dated 7th September 2020 had fixed 31st March 2021 as the cut-off date for re-lodgement of aforesaid transfer deeds, after removal of all defects. Accordingly post 31st March 2021, all the rights of such investors have lapsed. Henceforth, the Company will not entertain any request for transfer of shares in physical form.

In view of the abovementioned amendment, transfer of shares is possible only in dematerialized form. However, the said amendment has no bearing on cases relating to deletion of name of deceased shareholder, transmission or transposition of names in respect of shares held in physical form. It is mandatory to submit photocopies of PAN Cards of the surviving holder(s), legal heir(s) and joint holder(s) respectively along with the request for transmission or transposition.

A brief note has been posted on the Company's website for guiding the shareholders about the benefits of holding shares in dematerialized form and the procedure for conversion of shares from physical to demat format.

The Company has obtained from a Practising Company Secretary a half-yearly certificate regarding compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and filed a copy of the said certificate with the Stock Exchanges.

### Outstanding warrants and their implications on equity

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

The Company has not raised any funds through preferential allotment of shares or through qualified institutional placement during FY21.

### Commodity price risk or foreign exchange risk and hedging activities

The foreign exchange exposure arising on account of imports are routinely managed by entering into forward contracts to the extent considered necessary. The details of foreign currency exposure are disclosed in notes to the financial statements.

### Addresses for correspondence

#### Registered Office:

HeidelbergCement India Ltd.  
2nd Floor, Plot No. 68,  
Sector-44, Gurugram  
Haryana - 122002  
Phone No. : 0124 - 4503700  
Fax No. : 0124 - 4147699  
E-mail-Ids : investors.mcl@mycem.in  
rajesh.relan@heidelbergcement.in  
bhagya.hasija@heidelbergcement.in

#### Registrar & Share Transfer Agents:

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

### 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  
MadhyaPradesh - 470675

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

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

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

I declare that the Company has received affirmation of compliance with the "Code of Conduct for Board Members and Senior Management Personnel" laid down by the Board of Directors, from all the Directors and Senior Management Personnel of the Company, for the financial year ended 31st March 2021.

Place: Gurugram  
Date: 28th May 2021

Jamshed Naval Cooper  
Managing Director

# CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,

The Members

## **HEIDELBERGCEMENT INDIA LIMITED.**

We have examined the compliance of conditions of Corporate Governance by **HEIDELBERGCEMENT INDIA LIMITED.** (“the Company”), for the financial year ended March 31, 2021, as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations.

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: 28th May 2021**

**Nityanand Singh (Prop.)  
FCS No.: 2668 / CP No.: 2388  
UDIN: F002668C000384819**



## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

**The Members of HEIDELBERGCEMENT INDIA LIMITED**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **HEIDELBERGCEMENT INDIA LIMITED** having CIN L26942HR1958FLC042301 and having registered office at 2nd Floor, Plot No. 68 Sector-44 Gurugram Haryana 122002 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended 31st March 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or by any other such Statutory Authority.

S. No.	Name of the Director	DIN	Date of appointment in the Company
1.	Ms. Akila Krishnakumar	06629992	25/10/2018
2.	Mr. Ramakrishnan Ramamurthy	00680202	12/02/2019
3.	Mr. Kevin Gerard Gluskie	07413549	04/02/2016
4.	Ms. Soek Peng Sim	06958955	16/09/2014
5.	Mr. Jamshed Naval Cooper	01527371	01/07/2014
6.	Mr. Sushil Kumar Tiwari	03265246	29/04/2011

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of 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: 28th May 2021**

**Nityanand Singh (Prop.)  
FCS No.: 2668 / CP No.: 2388  
UDIN: F002668C000384731**

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

**Promoters and persons acting in concert:** Cementum I B.V., HeidelbergCement AG, HeidelbergCement Asia Pte Ltd, Castle Cement Ltd., CBR Baltic B.V., CBR Portland B.V., Civil and Marine Slag Cement Ltd., Bukhtarma Cement Company LLP, HeidelbergCement Romania SA, Cementa AB, Ceskomoravsky Cement, a.s, Duna-Drava Cement Kft, ENCI Holding N.V., Gorazdze Cement S.A., Hanson Ltd., CaucasusCement Holding B.V., HeidelbergCement Central Europe East Holding B.V., HeidelbergCement Danmark A/S, HeidelbergCement International Holding GmbH, HeidelbergCement Netherlands Holding B.V., HeidelbergCement Northern Europe AB, HeidelbergCement Norway a.s., HeidelbergCement Sweden AB, HeidelbergCement UK Holding Ltd., HeidelbergCement Ukraine Public Joint Stock Company, Kunda NordicTsement AS, Norcem AS, S.A. Cimenteries CBR, Tvornica Cementa Kakanjd.d., Civil and Marine Inc., Lehigh Hanson, Inc., Lehigh B.V., Lehigh Hanson Materials Limited, Lehigh Southwest Cement Company, Permanente Cement Company, Butra HeidelbergCementSdn. Bhd., Cimbenin S.A., Ciments du Togo S.A., Ghacem Ltd., HeidelbergCement Bangladesh Ltd., Liberia Cement Corporation Ltd., PT IndocementTunngal Prakarsa Tbk, Scancem International DA, Sierra Leone Cement Corp. Ltd., Tanzania Portland Cement Public Limited Company, HC Trading B.V., HC Trading Malta Ltd., HC Fuels Limited, Zuari Cement Ltd., Gulbarga Cement Limited, Italcementi S.p.A. and Ciments Français S.a.s.

# INDEPENDENT AUDITOR'S REPORT

To the Members of HeidelbergCement India Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of HeidelbergCement India Limited ("the Company"), which comprise the balance sheet as at 31 March 2021, and the statement of Profit and Loss including other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

### Provisions and contingencies with respect to litigations

#### Description of the Key audit matter

The Company has been operating in multiple locations over the years and thus has been subject to variety of laws,

regulations and interpretations. There are litigations which have been pending for long and the outcome of which is not certain. In the normal course of business, provisions and contingent liabilities may arise from legal proceedings, including regulatory and other governmental proceedings, as well as audit by authorities and commercial claims. At 31 March 2021 the company held provision for litigations of MINR 2,078.8 against which a sum of MINR 1,612.7 has been deposited under protest. Given the highly complex nature of regulatory and legal cases, management applies judgement when considering whether, and how much, to provide for the potential exposure of each matter. These estimates could change over time as new facts emerge and each legal case progresses. Given the complexity and magnitude of potential exposures across the company, and the judgement necessary to determine required disclosures this is a key audit matter.

### Description of the Auditor's response

We assessed and tested the design and operating effectiveness of the controls set up to prevent or detect and correct errors relating to the recognition and measurement of provisions involving the use of judgment. We also discussed the status of significant known actual and potential litigation with the Head of Legal and Compliance and other senior management personnel who have knowledge of these matters. We challenged the decisions and rationale for provisions held or for decisions not to record provisions or make disclosures. For the most significant of the matters, we assessed relevant historical and recent judgments passed by the court authorities and considered legal opinion wherever obtained by management from external lawyers to validate the basis used for the provisions recorded and the disclosures made by the company. We also involved internal tax experts, because of the knowledge required for the respective tax regulations. We reviewed internal audit reports and met with Internal Audit team to identify actual and potential non compliance with laws and regulations, both those specific to the company's business and those relating to the conduct of business generally and corrective action taken by the management in this regard. For those matters where management concluded that no provisions should be recorded, we also considered the adequacy and completeness of the company's disclosures made in relation to contingent liabilities. Based on the procedures performed above, we obtained sufficient audit evidence to corroborate management's estimates for provisions and disclosures in Note 32 relating to contingencies.

### Information Other than the Financial Statements and Auditor's Report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditor's report thereon.



Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they

could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31 March 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial

controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 32 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Chartered Accountants

Firm Registration No.: 000050N/N500045

**Rajeev Kumar Saxena**

Partner

Membership No.: 077974

UDIN No.: 21077974AAAACM6991

Place: Noida

Date: 28 May 2021

## Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of HeidelbergCement India Limited on the financial statements as of and for the year ended 31 March 2021)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and other intangible assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and according to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the freehold immovable properties (which are included under the head 'Property plant and equipment') are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and according to the information and explanations given to us, no material discrepancies between physical inventory and book records were noticed on physical verification. Inventory lying with third parties have been confirmed by them as at 31 March 2021 and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the

register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

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

Name of statute	Nature of dues	Amount (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
Central Sales tax act and various state Sales tax act	Sales tax	46.1	2000-01 to 2004-05 and 2009-2010	High Court
		24.8	2007-08 to 2013-14	Appellate Tribunal
		3.2	2005-06 and 2006-07	Assistant Commissioner
		0.9	2011-12 and 2012-13	Additional Commissioner
		0.1	2000-01 and 2002-03	Assessing Officer, Sales Tax
Various State Entry Tax Act	Entry Tax	237.5	2005-06 to till date	High Court
		145.1	1999-2000 to 2007-08, 2009-10	Appellate Tribunal
Income Tax Act, 1961	Income Tax	22.4	2011-12 to 2014-15	Income tax appellate tribunal (ITAT)
		1.2	2017-18	Commissioner Income Tax (Appeal)



Name of statute	Nature of dues	Amount (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty and Cenvat	11.5 1.8	2000-01 2006-07 to 2008-09	High court Central Excise and Service Tax Appellate Tribunal (CESTAT)
Finance Act 1994 (Amended 2009)	Service Tax	8.4	2011-12 to 2012-13	Commissioner of Central Excise (Appeals)
Madhya Pradesh Rural Road Development Authority	Rural Infrastructure and Road development tax	20.4	2005-06 till date	Supreme court

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

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans were applied for the purposes for which the loans were obtained.

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

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

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

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

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

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

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

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

Chartered Accountants

Firm Registration No.: 000050N/N500045

**Rajeev Kumar Saxena**

Partner

Membership No.: 077974

UDIN No.: 21077974AAAACM6991

Place: Noida

Date: 28 May 2021

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

### Independent Auditor's report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls with reference to financial statements of HeidelbergCement India Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements

included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

#### Meaning of Internal Financial Controls with reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls with reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants

Firm's Registration No.: 000050N/N500045

**Rajeev Kumar Saxena**

Partner

Membership No.: 077974

UDIN No.: 21077974AAAACM6991

Place: Noida

Date: 28 May 2021



## Balance sheet as at 31 March 2021

Particulars	Notes	31 March 2021 Rs in Million	31 March 2020 Rs in Million
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	16,068.7	16,808.7
Right of Use Assets	40	113.6	119.3
Capital work-in-progress	3	189.1	159.9
Intangible assets	4	2.1	2.3
Financial assets			
Security deposits	5	287.7	287.7
Loans	5	1,500.0	-
Other non-current assets	6	331.0	309.1
		<b>18,492.2</b>	<b>17,687.0</b>
<b>Current assets</b>			
Inventories	7	1,607.1	1,457.6
Financial assets			
Security deposits	5	148.9	138.2
Trade receivables	8	333.2	256.7
Cash and bank balances	9	4,302.7	4,697.4
Bank Balances other than Cash and cash equivalents	9	13.8	8.8
Other financial assets	5	808.8	670.9
Other current assets	10	2,747.5	3,011.7
		<b>9,962.0</b>	<b>10,241.3</b>
<b>Total assets</b>		<b>28,454.2</b>	<b>27,928.3</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	11	2,266.2	2,266.2
Other equity	12	12,672.7	10,880.2
		<b>14,938.9</b>	<b>13,146.4</b>
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	13	1,744.9	2,800.6
Other financial liabilities	14	46.8	39.7
Lease Liability	40	74.5	76.7
Provisions	15	172.1	167.2
Government grants	16	359.4	504.7
Deferred tax liabilities (net)	17	1,937.5	1,902.6
		<b>4,335.2</b>	<b>5,491.5</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	18		
- Total outstanding dues of micro enterprises and small enterprises		7.8	4.2
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,698.5	2,580.0
Other current financial liabilities	19	3,253.9	3,270.2
Other current liabilities	20	874.4	618.7
Government grants	16	145.3	145.3
Provisions	15	2,200.2	2,672.0
		<b>9,180.1</b>	<b>9,290.4</b>
<b>Total liabilities</b>		<b>13,515.3</b>	<b>14,781.9</b>
<b>Total equity and liabilities</b>		<b>28,454.2</b>	<b>27,928.3</b>
Summary of significant accounting policies	2.1		

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

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

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

**Rajeev K Saxena**  
Partner  
Membership No. 077974

**Anil Kumar Sharma**  
Chief Financial Officer

**Akila Krishnakumar**  
Chairperson  
DIN:06629992

**Ramakrishnan Ramamurthy**  
Director  
DIN:00680202

**Jamshed Naval Cooper**  
Managing Director  
DIN:01527371

Place: Gurugram  
Date: 28 May 2021

**Rajesh Relan**  
Legal Head &  
Company Secretary

**Sushil Kumar Tiwari**  
Whole-time Director  
DIN:03265246

## Statement of profit and loss for the year ended 31 March 2021

Particulars	Notes	31 March 2021 Rs in Million	31 March 2020 Rs in Million
Revenue from operations	21	21,166.7	21,696.2
Other income	22	464.6	527.3
<b>Total Income (I)</b>		<b>21,631.3</b>	<b>22,223.5</b>
<b>Expenses</b>			
Cost of raw material consumed	23	3,685.5	3,835.9
(Increase) / decrease in inventories of finished goods and work-in-progress	24	39.2	50.6
Employee benefits expense	25	1,273.4	1,311.9
Depreciation and amortization expense	26	1,110.3	1,086.1
Finance costs	27	508.5	738.5
Other expenses	28	11,102.2	11,219.9
<b>Total Expense (II)</b>		<b>17,719.1</b>	<b>18,242.9</b>
<b>Profit before tax (I) - (II)</b>		<b>3,912.2</b>	<b>3,980.6</b>
<b>Tax expenses</b>			
Current tax		729.3	691.7
Deferred tax charge		33.4	608.3
<b>Total tax expense</b>		<b>762.7</b>	<b>1,300.0</b>
<b>Profit for the year (III)</b>		<b>3,149.5</b>	<b>2,680.6</b>
<b>Other comprehensive income</b>			
Remeasurement gain / (losses) of net defined benefit plans		4.2	(25.7)
Income tax effect		(1.5)	9.0
<b>Other comprehensive income for the year, net of tax (IV)</b>		<b>2.7</b>	<b>(16.7)</b>
<b>Total comprehensive income for the year, net of tax (III) + (IV)</b>		<b>3,152.2</b>	<b>2,663.9</b>
<b>Earnings per share [nominal value of share Rs 10]</b>			
Basic and diluted	29	13.90	11.83
Summary of significant accounting policies	2.1		

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

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

**Rajeev K Saxena**  
Partner  
Membership No. 077974

Place: Gurugram  
Date: 28 May 2021

**Anil Kumar Sharma**  
Chief Financial Officer

**Rajesh Relan**  
Legal Head &  
Company Secretary

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

**Akila Krishnakumar**  
Chairperson  
DIN:06629992

**Sushil Kumar Tiwari**  
Whole-time Director  
DIN:03265246

**Ramakrishnan Ramamurthy**  
Director  
DIN:00680202

**Jamshed Naval Cooper**  
Managing Director  
DIN:01527371

# Statement of change in equity for the year ended 31 March 2021

## a. Equity Share Capital:

Equity shares of Rs. 10 each issued, subscribed and fully paid	Numbers	Rs. in million
At 31 March 2019	226,613,116	2,266.1
At 31 March 2020	226,613,116	2,266.1
<b>At 31 March 2021</b>	<b>226,613,116</b>	<b>2,266.1</b>

Equity shares of Rs. 10 each issued, subscribed and partly paid	Numbers	Rs. in million
At 31 March 2019	18,193	0.1
At 31 March 2020	18,193	0.1
<b>At 31 March 2021</b>	<b>18,193</b>	<b>0.1</b>

## b. Other equity:

For the year ended 31 March 2021

Particulars	Other Equity (Refer - Note 12)							(Rs in Million)
	Reserves and Surplus							Total
	Capital Reserve	Capital Subsidy reserve	Capital redemption reserve	Securities Premium	Debenture redemption reserve	Retained earnings	Other item of OCI	
<b>As at 1 April 2020</b>	<b>672.8</b>	<b>6.4</b>	<b>159.9</b>	<b>3,707.1</b>	<b>710.1</b>	<b>5,656.6</b>	<b>(32.7)</b>	<b>10,880.2</b>
Profit for the year	-	-	-	-	-	3,149.5	-	3,149.5
Dividend on equity shares	-	-	-	-	-	(1,359.7)	-	(1,359.7)
Other comprehensive income	-	-	-	-	-	-	2.7	2.7
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,789.8</b>	<b>2.7</b>	<b>1,792.5</b>
Transfer from retained earning	-	-	-	-	-	-	-	-
<b>At 31 March 2021</b>	<b>672.8</b>	<b>6.4</b>	<b>159.9</b>	<b>3,707.1</b>	<b>710.1</b>	<b>7,446.4</b>	<b>(30.0)</b>	<b>12,672.7</b>

For the year ended 31 March 2020

Particulars	Other Equity (Refer -Note 12)							Total
	Reserves and Surplus							
	Capital Reserve	Capital Subsidy reserve	Capital redemption reserve	Securities Premium	Debenture redemption reserve	Retained earnings	Other item of OCI	
<b>As at 1 April 2019</b>	<b>672.8</b>	<b>6.4</b>	<b>159.9</b>	<b>3,707.1</b>	<b>710.1</b>	<b>4,205.4</b>	<b>(16.0)</b>	<b>9,445.7</b>
Profit for the year	-	-	-	-	-	2,680.6	-	2,680.6
Dividend on equity shares	-	-	-	-	-	(1,019.8)	-	(1,019.8)
Dividend distribution tax on dividend	-	-	-	-	-	(209.6)	-	(209.6)
Other comprehensive income	-	-	-	-	-	-	(16.7)	(16.7)
Total comprehensive income	-	-	-	-	-	1,451.2	(16.7)	1,434.5
Transfer from retained earning	-	-	-	-	-	-	-	-
At 31 March 2020	672.8	6.4	159.9	3,707.1	710.1	5,656.6	(32.7)	10,880.2

As per our report of even date

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

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

**Rajeev K Saxena**  
Partner  
Membership No. 077974

**Anil Kumar Sharma**  
Chief Financial Officer

**Akila Krishnakumar**  
Chairperson  
DIN:06629992

**Ramakrishnan Ramamurthy**  
Director  
DIN:00680202

**Jamshed Naval Cooper**  
Managing Director  
DIN:01527371

Place: Gurugram  
Date: 28 May 2021

**Rajesh Relan**  
Legal Head &  
Company Secretary

**Sushil Kumar Tiwari**  
Whole-time Director  
DIN:03265246



## Cash flow statement for the year ended 31 March 2021

Particulars	Notes	31 March 2021 Rs in Million	31 March 2020 Rs in Million
<b>Cash flow from operating activities</b>			
Profit before tax		3,912.2	3,980.6
<b>Non-cash adjustment to reconcile profit before tax to net cash flows:</b>			
Depreciation and amortization expense		1,110.3	1,086.1
Property, plant and equipment written off		27.8	17.7
Profit on sale of property, plant and equipment (net)		(27.6)	-
Unrealized foreign exchange loss / (gain)		4.1	6.7
Provision / liabilities no longer required written back		(72.3)	(84.2)
Government grants		(145.3)	(145.3)
Interest expenses		483.2	705.0
Interest income		(218.0)	(296.1)
<b>Operating profit before working capital changes</b>		<b>5,074.4</b>	<b>5,270.5</b>
Movements in working capital:			
Increase / (decrease) in trade payables and other payables		565.4	(177.8)
Increase / (decrease) in provisions and gratuity		(462.7)	274.0
Decrease / (increase) in trade receivables		(76.5)	(3.5)
Decrease / (increase) in inventories		(149.5)	216.6
Decrease / (increase) in other current and non-current assets		115.5	(241.8)
<b>Cash generated from operations</b>		<b>5,066.6</b>	<b>5,338.0</b>
Direct taxes paid (net of refunds)		(672.1)	(750.6)
<b>Net cash flow from operating activities (A)</b>		<b>4,394.5</b>	<b>4,587.4</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment including capital work-in-progress and capital advances		(484.6)	(435.4)
Proceeds from sale of property, plant and equipment		29.1	0.1
Loan to fellow subsidiary		(1,500.0)	-
Increase in other bank balances (unpaid dividend)		(5.0)	(2.8)
Interest received		228.6	297.1
<b>Net cash flow used in investing activities (B)</b>		<b>(1,731.9)</b>	<b>(141.0)</b>
<b>Cash flows from financing activities</b>			
Repayments of borrowings		(1,250.0)	(1,250.0)
Dividend and Tax Paid there on		(1,354.7)	(1,226.6)
Lease repayment		(70.8)	(70.3)
Interest paid		(363.3)	(591.3)
<b>Net cash flow used in financing activities (C)</b>		<b>(3,038.8)</b>	<b>(3,138.2)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>		<b>(376.2)</b>	<b>1,308.2</b>
Cash and cash equivalents at the beginning of the year		4,678.9	3,370.7
<b>Cash and cash equivalents at the end of the year</b>	<b>9</b>	<b>4,302.7</b>	<b>4,678.9</b>

### Notes:

- The Statement of Cash flows has been prepared under the indirect method as set out in Ind AS-7 specified under Section 133 of the Act.
- Changes in liabilities arising from financing activities:

Particulars	31 March 2020	Cash flows	Non Cash changes	31 March 2021
Non-Current Borrowing (including current maturities of Non-Current Borrowing)	4,050.6	(1,250.0)	144.3	2,944.9
	31 March 2019	Cash flows	Non Cash changes	31 March 2020
	5,168.2	(1,250.0)	132.4	4,050.6

Summary of significant accounting policies

### Note 2.1

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

As per our report of even date

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

**Rajeev K Saxena**  
Partner  
Membership No. 077974

**Anil Kumar Sharma**  
Chief Financial Officer

**Rajesh Relan**  
Legal Head &  
Company Secretary

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

**Akila Krishnakumar**  
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**Sushil Kumar Tiwari**  
Whole-time Director  
DIN:03265246

**Ramakrishnan Ramamurthy**  
Director  
DIN:00680202

**Jamshed Naval Cooper**  
Managing Director  
DIN:01527371

Place: Gurugram  
Date: 28 May 2021

# Notes to financial statements for the year ended 31 March 2021

## 1. CORPORATE INFORMATION

HeidelbergCement India Limited (hereinafter referred to as “HCIL” or “the Company”) is a public company domiciled in India and is incorporated on 13 May 1958 under the provisions of the Companies Act, 1956. The Company's equity is listed on BSE Limited and National Stock Exchange of India Limited. The registered office of the Company is changed from 9th floor, Infinity Tower 'C', DLF Cyber City, Gurugram, Haryana 122002 to 2nd Floor, Plot No. 68, Sector 44, Gurugram, Haryana 122002.

The Company is engaged in the manufacturing and selling of 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 Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 (“the Act”), amendment thereto and other relevant provision of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI) as applicable.

The financial statements have been prepared on historical cost basis except certain items which need to be stated at fair value (refer accounting policy regarding financial instruments).

The financial statements were authorised for issue in accordance with a resolution of the directors on 28 May 2021.

### 2.1 Summary of significant accounting policies

#### a) Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

#### b) Foreign currency

##### Functional currency

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

##### Transactions and Translations

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

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

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

### c) Fair Value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

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

### d) Revenue Recognition

Revenue is recognised on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

#### Sale of goods

Revenue from the sale of the Company's core products Cement is recognised when delivery has taken place and control of the goods has been transferred to the customer, and when there are no longer any unfulfilled obligations.

The customer obtains control of the goods when the significant risks and rewards of products sold are transferred to the customer, being at the point the goods are delivered to and accepted by the customer, according to the specific delivery terms that have been agreed with the customer.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any discounts, price concessions, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts, price concessions and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

No element of financing is deemed present as the sales are made with credit terms largely ranging between 30 days and 60 days depending on the specific terms agreed to with the customer concerned, which is consistent with market practice.

#### Contract Balances

##### Trade receivables

A trade receivable is recognised when the products are delivered to a customer as this is the point in time that the consideration becomes unconditional because only a passage of time is required before the payment is due.

**Contract assets**, which is a company's right to consideration that is conditional on something other than the passage of time. Currently there are no contract assets.

##### Contract liabilities

Contract liabilities, which is a company's obligation to transfer goods or services to a customer for which the entity has already received consideration, relate mainly to advance payments from customers which are disclosed in Note no.20. Contract liabilities are recognised as revenue when the Company performs under the contract.



## **Sale of Services**

Rendering of services Income from services rendered is recognised based on agreements / arrangements with the customers as the service is performed and there are no unfulfilled obligations.

## **Interest**

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

## **e) Government grants and subsidies**

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

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

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

Government grants related to income under state investment promotion scheme linked with VAT / SGST payment are recognised in the Statement of Profit and Loss in the period in which they become receivable.

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

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

## **f) Income taxes**

### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

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

### **Deferred tax**

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

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

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

The Company is entitled to tax holiday under the Income Tax Act, 1961 enacted in India. No deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the temporary difference originate.

#### g) Property, Plant and Equipment ('PPE')

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

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

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

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

#### h) Depreciation on property, plant and equipment

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

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

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

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

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

#### i) Intangible assets

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

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

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

Intangible Assets	Estimated Useful Lives (Years)
Software	5

#### j) Impairment of non-financial assets

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

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

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

#### k) Borrowing costs

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

#### l) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land and Building	3 to 99 years
Motor vehicles and other equipments	3 to 7 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (j) Impairment of non-financial assets.

##### ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance



fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in Interest-bearing loans and borrowings (refer note 40).

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## m) Inventories

Inventories are valued as follows:

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

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

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

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

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

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

## n) Provisions

### General

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

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

### Provision for mine reclamation expenses

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

## **o) Contingent liabilities**

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

## **p) Retirement and other employee benefits**

- (i) Superannuation Fund (being administered by Trusts) is defined contribution schemes and the contributions are charged to the statement of profit and loss for the period when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
- (ii) Retirement benefits in the form of provident fund contributed to statutory provident fund is a defined contribution scheme and the payments are charged to the statement of profit and loss for the period when the payments to the respective funds are due. There are no obligations other than contribution payable to provident fund authorities.
- (iii) Retirement benefits in the form of provident fund contributed to trust set up by the employer is a defined benefit scheme and the amounts are charged to the statement of profit and loss for the period when the payments to the trust are due. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.
- (iv) Gratuity liability (being administered by a Trust) is a defined benefit obligation and is provided for on the basis of an actuarial valuation done using projected unit credit method at the end of each financial year.  
Actuarial gains and losses for defined benefit plans are recognized in full in the period in which they occur in the OCI.
- (v) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

## **q) Financial instruments**

### **Initial recognition**

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

### **Classification and Subsequent measurement: Financial Assets**

#### **I. Non-derivative financial instruments**

##### **i) Financial assets carried at amortised cost**

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

##### **ii) Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **iii) Financial assets at fair value through profit or loss**

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

**Classification and Subsequent Measurement: Financial liabilities:**

Financial liabilities are classified as follow:

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

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

**v) Other Financial Liabilities:**

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

**Impairment of financial assets**

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

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

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

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

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

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

**De-recognition of financial assets**

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

**De-recognition of financial liabilities**

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

**II. Derivative financial instruments and hedge accounting**

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



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

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

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

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

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

#### **r) Dividend Distributions**

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

#### **s) Earnings per share**

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

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

#### **t) Cash and cash equivalents**

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

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

(Rs. in million)

**3. PROPERTY, PLANT AND EQUIPMENT**
**4. INTANGIBLE ASSETS**

Particulars	Freehold non mining Land	Freehold mining Land	Buildings	Railway Siding	Plant and equipment	Furniture and fixtures	Vehicles	Capital work in progress	Total	Computer Software	Total
<b>Cost or valuation</b>											
At 1 April 2019	129.7	446.3	1,296.9	287.1	18,865.4	84.4	181.0	172.4	<b>21,463.2</b>	53.9	<b>53.9</b>
Additions	-	2.5	63.2	7.2	397.6	9.7	3.1	469.2	<b>952.5</b>	0.9	<b>0.9</b>
Disposals	-	-	(2.1)	(0.2)	(60.9)	(0.9)	(0.1)	-	<b>(64.2)</b>	-	-
Capitalised during the year	-	-	-	-	-	-	-	(481.7)	<b>(481.7)</b>	-	-
<b>At 31 March 2020</b>	<b>129.7</b>	<b>448.8</b>	<b>1,358.0</b>	<b>294.1</b>	<b>19,202.1</b>	<b>93.2</b>	<b>184.0</b>	<b>159.9</b>	<b>21,869.8</b>	<b>54.8</b>	<b>54.8</b>
Additions	-	3.1	15.9	13.1	287.2	10.5	9.5	365.8	<b>705.1</b>	0.4	<b>0.4</b>
Disposals	-	(1.6)	(0.1)	-	(91.8)	(2.3)	(0.6)	-	<b>(96.4)</b>	-	-
Capitalised during the year	-	-	-	-	-	-	-	(336.6)	<b>(336.6)</b>	-	-
<b>At 31 March 2021</b>	<b>129.7</b>	<b>450.3</b>	<b>1,373.8</b>	<b>307.2</b>	<b>19,397.5</b>	<b>101.4</b>	<b>192.9</b>	<b>189.1</b>	<b>22,141.9</b>	<b>55.2</b>	<b>55.2</b>
<b>Depreciation / Amortization</b>											
At 1 April 2019	-	66.9	386.4	62.2	3,329.1	39.2	44.3	-	<b>3,928.1</b>	48.2	<b>48.2</b>
Charge for the year	-	19.7	91.4	18.9	862.3	10.1	17.1	-	<b>1,019.5</b>	4.3	<b>4.3</b>
Disposals	-	-	(0.3)	-	(45.5)	(0.6)	-	-	<b>(46.4)</b>	-	-
<b>At 31 March 2020</b>	<b>-</b>	<b>86.6</b>	<b>477.5</b>	<b>81.1</b>	<b>4,145.9</b>	<b>48.7</b>	<b>61.4</b>	<b>-</b>	<b>4,901.2</b>	<b>52.5</b>	<b>52.5</b>
Charge for the year	-	19.7	83.7	19.5	900.4	10.0	16.7	-	<b>1,050.0</b>	0.6	<b>0.6</b>
Disposals	-	-	(0.1)	-	(64.5)	(2.0)	(0.5)	-	<b>(67.1)</b>	-	-
<b>At 31 March 2021</b>	<b>-</b>	<b>106.3</b>	<b>561.1</b>	<b>100.6</b>	<b>4,981.8</b>	<b>56.7</b>	<b>77.6</b>	<b>-</b>	<b>5,884.1</b>	<b>53.1</b>	<b>53.1</b>
<b>Net book value</b>											
<b>At 31 March 2021</b>	<b>129.7</b>	<b>344.0</b>	<b>812.7</b>	<b>206.6</b>	<b>14,415.7</b>	<b>44.7</b>	<b>115.3</b>	<b>189.1</b>	<b>16,257.8</b>	<b>2.1</b>	<b>2.1</b>
<b>At 31 March 2020</b>	<b>129.7</b>	<b>362.2</b>	<b>880.5</b>	<b>213.0</b>	<b>15,056.2</b>	<b>44.5</b>	<b>122.6</b>	<b>159.9</b>	<b>16,968.6</b>	<b>2.3</b>	<b>2.3</b>

Net book value	31 March 2021	31 March 2020
Property, plant and equipment	16,068.7	16,808.7
Capital work-in-progress	189.1	159.9
Intangible assets	2.1	2.3

## 5. FINANCIAL ASSETS

	31 March 2021 Rs in Million	31 March 2020 Rs in Million
<b>Security deposits</b>		
Unsecured, considered good	436.6	425.9
<b>Total</b>	<b>436.6</b>	<b>425.9</b>
Current	148.9	138.2
Non-current	287.7	287.7
<b>Loans to related party</b>		
Unsecured, considered good		
Inter corporate loan to Zuari Cement Limited* (refer note 31)	1,500.0	-
<b>Total</b>	<b>1,500.0</b>	<b>-</b>
Current	-	-
Non-current	1,500.0	-

\* The Company has given long term loan of Rs. 1,500 million to Zuari Cement Limited which is repayable after expiry of 2 years from the date of loan and carries an interest at 275 basic points (bps) over and above the prevailing yield rate on government securities of three years on the date of disbursement of loan. The rate of interest so determined will remain fixed for 2 years and will be payable at quarterly intervals.

	31 March 2021 Rs in Million	31 March 2020 Rs in Million
<b>Other financial assets</b>		
Interest accrued on bank deposits	11.1	21.8
Interest accrued on other deposits	4.3	4.2
VAT / SGST incentive receivable (refer note 34)	793.4	644.9
<b>Total</b>	<b>808.8</b>	<b>670.9</b>
Current	808.8	670.9
Non-current	-	-
<b>Break up of financial assets carried at amortised cost</b>		
Loans and Deposits	1,936.6	425.9
Other financial assets	808.8	670.9
Trade receivables (note 8)	333.2	256.7
Cash and bank balances (note 9)	4,316.5	4,706.2
<b>Total financial assets carried at amortised cost</b>	<b>7,395.1</b>	<b>6,059.7</b>

## 6 OTHER NON-CURRENT ASSETS

	31 March 2021 Rs in Million	31 March 2020 Rs in Million
Capital advances	102.3	11.6
Advance income-tax (net of provision for taxation)	51.9	110.2
Prepaid expenses	176.8	187.3
<b>Total</b>	<b>331.0</b>	<b>309.1</b>

## 7. INVENTORIES

	31 March 2021 Rs in Million	31 March 2020 Rs in Million
Raw materials (includes in transit Rs. 21.5 million) (31 March 2020: Rs. Nil)	247.3	229.8
Work-in-progress	283.8	484.1
Finished goods	349.5	188.4
Stores and spares (includes in transit Rs. 0.5 million) (31 March 2020: Rs. Nil)	726.5	555.3
<b>Total inventories valued at lower of cost and net realizable value</b>	<b>1,607.1</b>	<b>1,457.6</b>

## 8. TRADE RECEIVABLES

	31 March 2021 Rs in Million	31 March 2020 Rs in Million
Trade receivables	315.3	242.7
Receivables from related parties	17.9	14.0
<b>Total Trade receivables</b>	<b>333.2</b>	<b>256.7</b>
<b>Break-up for security details:</b>		
Unsecured, considered good	333.2	256.7
Doubtful	23.4	23.4
	<b>356.6</b>	<b>280.1</b>
Allowances for doubtful debts	(23.4)	(23.4)
<b>Total trade receivables</b>	<b>333.2</b>	<b>256.7</b>

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Trade receivables are non-interest bearing and are generally on terms of 0 to 60 days.

## 9. CASH AND BANK BALANCES

	31 March 2021 Rs in Million	31 March 2020 Rs in Million
<b>Cash and cash equivalents</b>		
Balances with banks:		
On current accounts	37.3	51.2
Deposits with original maturity of less than three months	4,264.0	4,645.1
Cash on hand	1.4	1.1
	<b>4,302.7</b>	<b>4,697.4</b>
<b>Bank balances other than Cash and cash equivalents</b>		
Balances with banks:		
On unpaid dividend accounts*	13.8	8.8
	<b>13.8</b>	<b>8.8</b>
	<b>4,316.5</b>	<b>4,706.2</b>

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

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

**For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:**

	31 March 2021 Rs in Million	31 March 2020 Rs in Million
Balances with banks:		
On current accounts	37.3	51.2
Deposits with original maturity of less than three months	4,264.0	4,645.1
Cash on hand	1.4	1.1
	<b>4,302.7</b>	<b>4,697.4</b>
Less: Book overdraft (note 19)	-	(18.5)
	<b>4,302.7</b>	<b>4,678.9</b>



## 10. OTHER CURRENT ASSETS

	31 March 2021 Rs in Million	31 March 2020 Rs in Million
Advances other than capital advances*	289.1	325.6
Prepaid expenses	90.1	72.1
Balances with statutory / government authorities and Others		
- Considered good	2,238.6	2,570.8
- Doubtful	8.2	8.2
GST / CENVAT receivable	129.7	43.2
	<b>2,755.7</b>	<b>3,019.9</b>
Allowances for doubtful advance and deposits	(8.2)	8.2)
<b>Total</b>	<b>2,747.5</b>	<b>3,011.7</b>

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

## 11. SHARE CAPITAL

	Equity Shares		Preference Shares	
	Numbers	Rs in Million	Numbers	Rs in Million
<b>Authorized Share Capital</b>				
At 31 March 2019	230,000,000	2,300.0	5,000,000	500.0
At 31 March 2020	230,000,000	2,300.0	5,000,000	500.0
At 31 March 2021	230,000,000	2,300.0	5,000,000	500.0

### Terms / rights attached to equity shares

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

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

### Issued equity capital

Equity shares of Rs. 10 each issued, subscribed and fully paid	Numbers	Rs in Million
At 31 March 2019	226,613,116	2,266.1
At 31 March 2020	226,613,116	2,266.1
At 31 March 2021	226,613,116	2,266.1
<b>Equity shares of Rs 10 each issued, subscribed and partly paid</b>	<b>Numbers</b>	<b>Rs in Million</b>
At 31 March 2019	18,193	0.1
At 31 March 2020	18,193	0.1
At 31 March 2021	18,193	0.1
<b>Total</b>	<b>226,631,309</b>	<b>2,266.2</b>

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

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

**Equity shares of Rs.10/- each fully paid**

<b>Cementrum I B V, the holding company</b>	<b>Numbers</b>	<b>Rs in Million</b>
At 31 March 2019	157,244,693	1,572.4
At 31 March 2020	157,244,693	1,572.4
At 31 March 2021	157,244,693	1,572.4

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

<b>Name of the Shareholder</b>	<b>Numbers</b>	<b>% holding in the class</b>
<b>Equity shares of Rs.10/- each fully paid</b>		
Cementrum I B V, the holding company		
At 31 March 2019	157,244,693	69.39%
At 31 March 2020	157,244,693	69.39%
At 31 March 2021	157,244,693	69.39%

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

**12. OTHER EQUITY**

	<b>31 March 2021 Rs in Million</b>	<b>31 March 2020 Rs in Million</b>
<b>A) Retained earnings</b>		
Balance as per last financial statements	5,656.6	4,205.4
Profit for the year	3,149.5	2,680.6
Less: Appropriations		
Dividend on equity shares	(1,359.7)	(1,019.8)
Dividend Distribution tax	-	(209.6)
<b>Closing balance</b>	<b>7,446.4</b>	<b>5,656.6</b>
<b>B) Remeasurement gain / (losses) of net defined benefit plans, net of tax</b>		
Balance as per last financial statements	(32.7)	(16.0)
Additions during the year	2.7	(16.7)
<b>Closing balance</b>	<b>(30.0)</b>	<b>(32.7)</b>
<b>C) Debenture redemption reserve</b>		
Balance as per the last financial statements	710.1	710.1
Add: amount transferred from retained earnings	-	-
<b>Closing balance</b>	<b>710.1</b>	<b>710.1</b>

	31 March 2021 Rs in Million	31 March 2020 Rs in Million
<b>D) Other reserves</b>		
Capital reserve (including opening revaluation reserve)	672.8	672.8
Capital subsidy reserve	6.4	6.4
Capital redemption reserve	159.9	159.9
Securities premium	3,707.1	3,707.1
<b>Closing balance</b>	<b>4,546.2</b>	<b>4,546.2</b>
<b>Total (A+B+C+D)</b>	<b>12,672.7</b>	<b>10,880.2</b>

#### Nature and purpose of reserves:

##### (i) Debenture redemption reserve ('DRR')

The Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the company to create DRR out of profits of the company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued. As per Share Capital and Debentures amendment rules, 2019, as notified on August 16, 2019, no further DRR has been created during the year ended 31 March 2020 and 31 March 2021.

##### (ii) Capital reserve

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

##### (iii) Capital redemption reserve

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

##### (iv) Securities premium

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

**13. BORROWINGS**

	Maturity	31 March 2021 Rs in Million	31 March 2020 Rs in Million
<b>Non-current borrowings</b>			
<b>From related parties</b>			
<b>Debentures</b>			
10.4% redeemable, listed, non-convertible debentures of Rs.10,000,000/- each (unsecured)	2021-2022	-	1,200.0
<b>From other parties</b>			
Indian rupee loan from a party other than banks (secured)	2023-2025	1,744.9	1,600.6
<b>Total non-current borrowings</b>		<b>1,744.9</b>	<b>2,800.6</b>
<b>Current borrowings</b>			
<b>Current maturity of Debentures</b>			
10.4% redeemable, listed, non-convertible debentures of Rs. 10,000,000/- each (unsecured)	2021-2022	1,200.0	-
10.4% redeemable, listed, non-convertible debentures of Rs. 10,000,000/- each (unsecured)	2020-2021	-	1,250.0
<b>Total current borrowings</b>		<b>1,200.0</b>	<b>1,250.0</b>
Less: Amount disclosed under the head "Other current financial liabilities" (refer note 19)		(1,200.0)	(1,250.0)
<b>Net current borrowings</b>		<b>-</b>	<b>-</b>
<b>The above amount includes</b>			
Aggregated secured borrowings		1,744.9	1,600.6
Aggregated unsecured borrowings		1,200.0	2,450.0
<b>Net amount</b>		<b>2,944.9</b>	<b>4,050.6</b>

**(a) Debentures**

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

**(b) India rupee loan from a party other than banks :**

The Company has availed the facility of interest free loan from 'The Pradeshiya Industrial and Investment Corporation of U.P. Ltd.' ('PICUP), Lucknow in accordance with the 'Industrial Investment Promotion Scheme-2012', Uttar Pradesh. This loan is secured by bank guarantee and repayable after expiry of 7 (Seven) years from the date of disbursement of loan. Effective interest rate in respect of this borrowing is 9.01% p.a for the year ended 31 March 2021 and 31 March 2020. As on 31 March 2021 principal amount of such loan is Rs. 2,345.8 million (31 March 2020: Rs. 2,345.8 million).



#### 14. OTHER NON-CURRENT FINANCIAL LIABILITIES

	31 March 2021 Rs in Million	31 March 2020 Rs in Million
Trade payables	46.8	39.7
	<b>46.8</b>	<b>39.7</b>

#### 15. PROVISIONS

	31 March 2021 Rs in Million	31 March 2020 Rs in Million
<b>Non-current provisions</b>		
Provision for gratuity (refer note 33)	172.1	167.2
	<b>172.1</b>	<b>167.2</b>
<b>Current provisions</b>		
Provision for litigations (refer note 32 (b) (ii))	2,078.8	2,548.0
Provision for leave benefits	61.2	59.0
Provision for gratuity (refer note 33)	57.4	62.2
Provision for mine reclamation expenses (refer note 32 (b) (iii))	2.8	2.8
	<b>2,200.2</b>	<b>2,672.0</b>

#### 16. GOVERNMENT GRANTS

	31 March 2021 Rs in Million	31 March 2020 Rs in Million
<b>At 1 April</b>	650.0	795.3
Received during the year	-	-
Released to statement of profit & loss	(145.3)	(145.3)
<b>At 31 March</b>	<b>504.7</b>	<b>650.0</b>
Current	145.3	145.3
Non-current	359.4	504.7

The benefit of a government loan at below current market rate of interest is treated as a government grant. The loan is recognised and measured in accordance with Ind AS 109. The benefit of the below market rate of interest is measured as the difference between the initial carrying value of the loan determined in accordance with Ind AS 109 (at Fair value) and the proceeds received. Government grant is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

## 17. INCOME TAX & DEFERRED TAX LIABILITY

The major components of income tax expense for the years ended 31 March 2021 and 31 March 2020 are:

Statement of Profit or loss:	31 March 2021 Rs in Million	31 March 2020 Rs in Million
<b>Current income tax:</b>		
Current income tax charge	729.3	691.7
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	33.4	608.3
<b>Income tax expense reported in the statement of profit or loss</b>	<b>762.7</b>	<b>1,300.0</b>

### Other comprehensive income:

#### Deferred tax related to items recognised in OCI during the year:

Net loss / (gain) on remeasurements of defined benefit plans	1.5	(9.0)
<b>Income tax charged to OCI</b>	<b>1.5</b>	<b>(9.0)</b>

#### Reconciliation of tax expense and the accounting profit multiplied by India's tax rate for 31 March 2021 and 31 March 2020:

	31 March 2021 Rs in Million	31 March 2020 Rs in Million
<b>Accounting profit before income tax</b>	<b>3,912.2</b>	<b>3,980.6</b>
At India's statutory income tax rate of 34.94% (31 March 2020: 34.94%)	1,367.1	1,391.0
Adjustments in respect of change in tax rate (refer note below)	(541.1)	-
Effect of allowances / tax holidays for tax purpose	(94.2)	(114.6)
<b>Non-deductible expenses for tax purposes:</b>		
Corporate social responsibility expenditure	23.7	15.6
Other non-deductible expenses	7.2	8.0
<b>At the effective income tax rate of 19.50% (31 March 2020: 32.66%)</b>	<b>762.7</b>	<b>1,300.0</b>
Income tax expense reported in the statement of profit and loss	<b>762.7</b>	<b>1,300.0</b>

The Government of India on 20 September, 2019 vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in the Income Tax Act, 1961, which provides an option to the Company for paying Income Tax at reduced rates as per the provisions / conditions defined in the said section. The Company is continuing to provide for income tax at the old rates, based on the available outstanding MAT credit entitlement and various exemptions and deductions available to the Company under the Income Tax Act, 1961. However, the Company has applied the lower income tax rates on the deferred tax assets / liabilities to the extent these are expected to be realised or settled in the future period when the Company may be subjected to lower tax rate and accordingly reversed the net deferred tax liability of Rs. 541.1 million during the year ended 31 March 2021.

	31 March 2021 Rs in Million	31 March 2020 Rs in Million
<b>Deferred tax liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	2,270.5	3,140.8
Impact of expenditure allowed for tax purposes on payment basis but not charged to statement of profit & loss	111.1	175.2
<b>Gross deferred tax liabilities</b>	<b>2,381.6</b>	<b>3,316.0</b>
<b>Deferred tax asset</b>		
Unused tax credits (MAT credit entitlement)	217.1	1,094.7
Impact of expenditure charged to statement of profit and loss but allowable for tax purposes on payment basis	217.3	305.2
Provision for doubtful debts and advances	7.9	11.0
Others	1.8	2.5
<b>Gross deferred tax asset</b>	<b>444.1</b>	<b>1,413.4</b>
<b>Net deferred tax liability</b>	<b>1,937.5</b>	<b>1,902.6</b>

Deferred Tax benefits are recognised on assets to the extent that it is probable that taxable profit will be available against which the deductible temporary differences will be utilised.

<b>Reconciliation of deferred tax liabilities (net)</b>	<b>31 March 2021</b> Rs in Million	<b>31 March 2020</b> Rs in Million
<b>Opening balance as of 1 April</b>	<b>1,902.6</b>	<b>1,303.3</b>
Tax (income) / expense during the year recognised in profit or loss	33.4	608.3
Tax (income) / expense during the year recognised in OCI	1.5	(9.0)
<b>Closing balance as at 31 March</b>	<b>1,937.5</b>	<b>1,902.6</b>

## 18. TRADE PAYABLES

	<b>31 March 2021</b> Rs in Million	<b>31 March 2020</b> Rs in Million
Trade payables (refer note a)		
- Total outstanding dues of micro enterprises and small enterprises (refer note 41)	7.8	4.2
- Total outstanding dues of creditors other than micro enterprises and small enterprises	2,582.4	2,291.9
Trade payables to related parties (refer note d)	116.1	288.1
	<b>2,706.3</b>	<b>2,584.2</b>

## 19. OTHER CURRENT FINANCIAL LIABILITIES

	<b>31 March 2021</b> Rs in Million	<b>31 March 2020</b> Rs in Million
Current maturities of long-term borrowings (refer note b)	1,200.0	1,250.0
Interest accrued but not due on borrowings (refer note b)	33.9	69.8
Trade and other deposits (refer note b & c)	1,906.0	1,791.5
Unpaid Dividend	13.8	8.8
Interest accrued on security deposits (refer note b & c)	22.2	22.6
Payable against purchase of property, plant and equipment	34.1	59.1
Lease Liability	43.9	49.9
Book overdraft	-	18.5
<b>Terms and conditions of the above financial liabilities:</b>	<b>3,253.9</b>	<b>3,270.2</b>

- Trade payables are non-interest bearing and are normally settled within 0 to 60 day terms.
- Other current financial liabilities are generally interest bearing and have an average term of six months for borrowings and one year for deposits.
- Interest payable is normally settled quarterly / half yearly / yearly throughout the financial year.
- For terms and conditions with related parties, refer to Note 31

## Break up of financial liabilities carried at amortised cost

	<b>31 March 2021</b> Rs in Million	<b>31 March 2020</b> Rs in Million
Borrowings (non-current) (note 13)	-	1,200.0
Trade payables (note 18)	2,706.3	2,584.2
Trade payables (note 14)	46.8	39.7
Current maturity of long term borrowings (note 19)	1,200.0	1,250.0
Other current financial liabilities (note 19)	2,053.9	2,020.2
	<b>6,007.0</b>	<b>7,094.1</b>

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

Borrowings (non-current) (note 13)	1,744.9	1,600.6
	<b>1,744.9</b>	<b>1,600.6</b>

**20. OTHER CURRENT LIABILITIES**

	31 March 2021 Rs in Million	31 March 2020 Rs in Million
Contract Liability		
Advance from customers	285.1	306.6
Withholding income tax (TDS) payable	84.6	89.4
Goods and Service tax payable	493.4	211.4
Other statutory dues	11.3	11.3
	<b>874.4</b>	<b>618.7</b>

**21. REVENUE FROM OPERATIONS**

	31 March 2021 Rs in Million	31 March 2020 Rs in Million
<b>Sale of products</b>		
Cement	20,856.0	21,531.6
Clinker	13.2	-
	<b>20,869.2</b>	<b>21,531.6</b>
<b>Sale of Services</b>	<b>57.4</b>	<b>44.8</b>
<b>Other operating revenue</b>		
VAT / SGST incentive (refer note 34)	148.5	64.3
Scrap sales	66.8	46.2
Miscellaneous income	24.8	9.3
	<b>240.1</b>	<b>119.8</b>
	<b>21,166.7</b>	<b>21,696.2</b>

**21.1 Revenue recognised from Contract liability (Advances from Customers):**

	31 March 2021 Rs in Million	31 March 2020 Rs in Million
Closing Contract liability	285.1	306.6
	<b>285.1</b>	<b>306.6</b>

The Contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended March 31, 2021.

**21.2** Sale of products is net of Rs. 1,406.6 million (31 March 2020: Rs. 1,482.3 million) on account of cash discount, rebates and incentives given to customers.

**22. OTHER INCOME**

	31 March 2021 Rs in Million	31 March 2020 Rs in Million
Interest income		
On bank deposits	195.4	278.0
On inter-corporate loan (refer note 31)	7.8	-
Others	14.8	18.1
Government grants	145.3	145.3
Rent	1.4	1.7
Provisions / liabilities no longer required written back	72.3	84.2
Profit on sale of property, plant and equipment (net)	27.6	-
	<b>464.6</b>	<b>527.3</b>

**Government Grants**

The benefit of a government loan at below current market rate of interest is treated as a government grant. The loan is recognised and measured in accordance with Ind AS 109. The benefit of the below market rate of interest is measured as the difference between the initial carrying value of the loan determined in accordance with Ind AS 109 (at Fair value) and the proceeds received. Government grants is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.



### 23. COST OF RAW MATERIAL CONSUMED

	31 March 2021 Rs in Million	31 March 2020 Rs in Million
Inventory at the beginning of the year	229.8	229.7
Add: Purchases	3,703.0	3,836.0
	<b>3,932.8</b>	<b>4,065.7</b>
Less: inventory at the end of the year	(247.3)	(229.8)
Cost of raw material consumed	<b>3,685.5</b>	<b>3,835.9</b>

### 24. (INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	31 March 2021 Rs in Million	31 March 2020 Rs in Million
<b>Inventories at the end of the year</b>		
Work-in-progress	283.8	484.1
Finished goods	349.5	188.4
	<b>633.3</b>	<b>672.5</b>
<b>Less: Inventories at the beginning of the year</b>		
Work-in-progress	484.1	482.2
Finished goods	188.4	240.9
	<b>672.5</b>	<b>723.1</b>
	<b>39.2</b>	<b>50.6</b>

### 25. EMPLOYEE BENEFIT EXPENSE

	31 March 2021 Rs in Million	31 March 2020 Rs in Million
Salary, wages and bonus	1,132.7	1,153.2
Contribution to provident and other funds	60.5	60.2
Gratuity expense (refer note 33)	34.7	33.5
Staff welfare expenses	45.5	65.0
	<b>1,273.4</b>	<b>1,311.9</b>

### 26. DEPRECIATION AND AMORTIZATION EXPENSE

	31 March 2021 Rs in Million	31 March 2020 Rs in Million
Depreciation of Property, plant and equipment (note 3)	1,050.0	1,019.5
Amortization of intangible assets (note 4)	0.6	4.3
Depreciation of Right-of-use assets (note 40)	59.7	62.3
	<b>1,110.3</b>	<b>1,086.1</b>

### 27. FINANCE COSTS

	31 March 2021 Rs in Million	31 March 2020 Rs in Million
Interest:		
On borrowings from related party (refer note 31)	216.9	347.9
On borrowings from others	144.3	132.4
On lease liability (refer note 40)	10.8	15.1
Others	111.2	209.6
Bank charges	25.3	33.5
	<b>508.5</b>	<b>738.5</b>

**28. OTHER EXPENSES**

	31 March 2021 Rs in Million	31 March 2020 Rs in Million
Consumption of stores and spares	786.5	756.7
Freight and forwarding	2,773.7	2,879.0
Power & fuel	4,880.2	4,736.0
Rent	5.7	3.1
Repairs and maintenance		
- Buildings	87.3	97.7
- Plant and machinery	238.8	213.7
- Others	7.6	9.4
Insurance	36.4	26.6
Rates and taxes	522.4	518.9
Travelling expenses	37.7	63.6
Directors fees	2.6	2.5
Payment to auditor		
As auditor:		
- Audit fees	3.7	4.0
- Tax audit fees	0.3	0.3
- Limited reviews	1.2	1.2
- Reimbursement of expenses	0.1	0.3
Legal and professional expenses	32.2	40.7
License fees	145.1	125.2
Printing and stationery	6.9	8.3
IT and Business Support charges	185.0	136.5
Advertisement and publicity expenses	150.8	233.4
Cement handling expenses	965.0	1,017.3
Property, plant and equipment written off	27.8	17.7
Loss on foreign currency transactions	4.1	6.7
Corporate social responsibility expenses (note 36)	66.0	44.7
Miscellaneous expenses	135.2	276.4
	<b>11,102.2</b>	<b>11,219.9</b>

**29. EARNINGS PER SHARE (EPS)**

	31 March 2021 Rs in Million	31 March 2020 Rs in Million
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Profit after tax available to equity shareholders	3,149.5	2,680.6
<b>Net profit for calculation of basic / Diluted EPS</b>	<b>3,149.5</b>	<b>2,680.6</b>
	<b>No in Million</b>	<b>No in Million</b>
<b>Weighted average number of equity shares in calculating Basic / Diluted EPS</b>	<b>226.6</b>	<b>226.6</b>
<b>Basic and diluted EPS</b>	<b>13.90</b>	<b>11.83</b>

### 30. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

#### Contingent liabilities

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

#### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### (i) Useful Lives of Property, Plant & Equipment:

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset / component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

#### (ii) Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment defined benefits are determined using actuarial valuations. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Further details about gratuity obligations are given in Note 33.

#### (iii) Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 37 of the financials.

#### (iv) Mines reclamation expenses:

In determining the fair value of the Mines Restoration Obligation, assumptions and estimates are made in relation to discount rates, the expected cost of mines restoration and the expected timing of those costs.

#### (v) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

### 31. RELATED PARTY DISCLOSURE

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

##### I. Names of related parties where control exists irrespective of whether transactions have occurred or not:

Ultimate holding company	HeidelbergCement AG
Holding company	Cementum I.B.V.

##### II. Related Parties with whom transaction have taken place

Fellow subsidiaries	Zuari Cement Limited
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##### Key management personnel

Mr. Jamshed Naval Cooper, Managing Director  
 Mr. Sushil Kumar Tiwari, Whole Time Director  
 Ms. Soek Peng Sim, Non-Executive Director  
 Mr. Kevin Gerard Gluskie, Non-Executive Director  
 Mr. Ramakrishnan Ramamurthy, Independent Director  
 Mrs. Akila Krishnakumar, Independent Director  
 Mr. Anil Kumar Sharma, Chief Financial Officer  
 Mr. Rajesh Relan, Company Secretary



## (b) Related party transactions

Note 31 (a) provides the information about the company's structure including the details of the fellow subsidiaries and the holding company. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

(Rs. in million)

Particulars	Enterprises where controls exists		Fellow Subsidiaries	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>Transactions with Cementum I.B.V.:</b>				
- Dividend paid	943.5	707.6	-	-
<b>Transactions with HeidelbergCement AG:</b>				
- License Fee	145.1	125.2	-	-
- Group Overhead Recharge	37.1	42.6	-	-
- End-user workstation charges	124.9	70.8	-	-
- Interest on Non-Convertible Debenture ('NCD')	216.9	347.9	-	-
- NCD repaid	1,250.0	1,250.0	-	-
- Support service income	0.7	-	-	-
<b>Transactions with Zuari Cement Limited</b>				
- Purchase of Clinker	-	-	323.2	287.9
- Sale of Clinker	-	-	16.9	-
- Support service income	-	-	67.1	52.9
- Retirement obligation for transferred employees	-	-	5.3	1.7
- Loan Given	-	-	1,500.0	-
- Interest income on Loan	-	-	7.8	-

Note: All the transactions are inclusive of tax and duty, wherever applicable.

(Rs. in million)

Particulars	Enterprises where controls exists		Fellow Subsidiaries	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>Payable</b>				
- HeidelbergCement AG	76.4	228.6	-	-
- Zuari Cement Limited	-	-	39.7	59.6
<b>10.4% Non-convertible debenture</b>				
- HeidelbergCement AG	1,200.0	2,450.0	-	-
<b>Interest accrued but not due on debenture</b>				
- HeidelbergCement AG	33.9	69.8	-	-
<b>Receivable</b>				
- Zuari Cement Limited	-	-	17.2	14.0
- HeidelbergCement AG	0.7	-	-	-
<b>Loan given</b>				
- Zuari Cement Limited	-	-	1,500.0	-

### Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

### Transactions with key management personnel

Compensation of key management personnel of the Company

	31 March 2021 Rs in Million	31 March 2020 Rs in Million
Short-term employee benefits	50.1	67.1
Termination benefits	3.6	3.6
<b>Total compensation paid to key management personnel</b>	<b>53.7</b>	<b>70.7</b>

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the key management personnel are not included above.

### Loans from related parties

#### a. Debentures

10.4% Debentures (listed at BSE Limited) are redeemable at par in three tranches of Rs. 1,250.0 million, Rs. 1,250.0 million and Rs. 1,200.0 million at the end of 6th, 7th and 8th year respectively from the date of allotment of 16 December, 2013. The Company has repaid first two tranches on due dates. 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.

## 32. COMMITMENTS AND CONTINGENCIES

### a) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 131.0 million (31 March 2020: Rs. 164.8 million).

### b) Contingencies and Provision for litigations

#### i) Contingent liabilities not provided for

Particulars	(Rs. in million)	
	31 March 2021 Rs in Million	31 March 2020 Rs in Million
(a) Claims against the company not acknowledged as debt	118.7	138.9
(b) Other money for which the company is contingently liable:		
- Excise Duty / Service Tax / CENVAT Credit	43.0	43.8
- Sales Tax / Trade Tax / Entry Tax	100.3	132.5
<b>Total</b>	<b>262.0</b>	<b>315.2</b>

In respect of above cases based on the favourable decisions in similar cases / legal opinions taken by the Company / discussions with the solicitors etc., the management is of the opinion that it is possible, but not probable, that the action will succeed and accordingly no provision for any liability has been made in these financial statements.

ii) Provision for litigations

(Rs. in million)

Particulars	Balance as at 1 April 2020	Addition/ reclassification during the year	Amounts reversed during the year	Balance as on 31 March 2021
Trade Tax / Sales Tax / VAT	45.0	-	-	45.0
	(19.7)	(25.3)	(-)	(45.0)
Entry Tax*	2,024.2	9.9	526.4	1,507.8
	(1,897.4)	(127.2)	(0.4)	(2,024.2)
Provision taken for Cess on Captive Power	86.8	-	-	86.8
	(86.8)	(-)	(-)	(86.8)
Rural Infrastructure and Road Development tax, Madhya Pradesh	215.0	23.4	-	238.4
	(192.4)	(22.6)	(-)	(215.0)
Environment protection fees, Karnataka	14.5	-	-	14.5
	(14.5)	(-)	(-)	(14.5)
Other Litigations	162.5	23.9	-	186.4
	(27.4)	(135.1)	(-)	(162.5)
<b>TOTAL</b>	<b>2,548.0</b>	<b>57.2</b>	<b>526.4</b>	<b>2,078.8</b>
	(2,238.2)	(310.2)	(0.4)	(2,548.0)

**Note:** Figures in brackets are for the previous year.

\* Provision for Entry tax set off with deposit under protest by MINR 526.4 under UP Amnesty scheme.

Above provisions have been made against demands raised by various authorities. All these cases are under litigation and are pending with various authorities; expected timing of resulting outflow of economic benefits cannot be specified. Amount deposited under protest against these provisions are shown under other current assets in note no.10.

iii) Movement of provision for Mine reclamation expenses during the year as required by Ind AS 37:

(Rs. in million)

Particulars	31 March 2021 Rs in Million	31 March 2020 Rs in Million
Opening provision	2.8	2.8
Add: Provision made during the year	-	-
Less: Provision utilised during the year	-	-
Closing provision	2.8	2.8

Mine reclamation expense is incurred on an ongoing basis and until the closure of mines. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenses.

**33.A) GRATUITY AND OTHER EMPLOYMENT BENEFIT PLANS**

The Company has three post-employment funded plans, namely Gratuity, Superannuation and Provident Fund.

Gratuity being administered by a Trust is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement / termination / resignation. The benefit vests on the employee after completing 5 years of service. The Gratuity plan for the Company is a defined benefit scheme where annual contributions as demanded by the insurer are deposited to a Gratuity Trust Fund established to provide gratuity benefits. The Trust Fund has taken a Scheme of Insurance, whereby these contributions are transferred to the insurer. The Company makes provision of such gratuity asset / liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments

in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Plan assets also include investments and bank balances used to deposit premiums until due to the insurance company.

Retirement benefits in the form of Superannuation Fund (being administered by Trusts) are funded defined contribution schemes and the contributions are charged to the Statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable.

The Provident Fund being administered by a Trust is a defined benefit scheme whereby the Company deposits an amount determined as a fixed percentage of basic pay to the fund every month. The benefit vests upon commencement of employment. The interest credited to the accounts of the employees is adjusted on an annual basis to conform to the interest rate declared by the Government for the Employees Provident Fund. Based on latest actuarial valuation of the said trust, there is no deficit in the fund.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the amounts recognized in the balance sheet for the Gratuity.

### Statement of profit and loss

#### (i) Net employees benefit expense recognized in employee cost:

(Rs. in million)

Particulars	31 March 2021	31 March 2020
Current service cost	22.2	19.7
Interest cost on benefit obligation	21.1	22.5
Expected return on plan assets	(8.6)	(8.7)
Defined benefit cost included in Statement of Profit & Loss	34.7	33.5

(Rs. in million)

Particulars	31 March 2021	31 March 2020
Remeasurement recognised in other comprehensive income		
- Changes in financial assumptions	(1.9)	14.6
- Change in experience adjustments	(3.7)	7.7
- (Return) on plan asset (excluding interest income)	1.4	3.3
Amount recognised in OCI	(4.2)	25.7



## Balance Sheet

### (ii) Reconciliation of the net defined benefit (asset) liability

The following table shows reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components.

Reconciliation of present value of defined benefit obligation

(Rs. in million)

Particulars	Gratuity	
	31 March 2021	31 March 2020
Balance at the beginning of the year	366.0	347.2
Current service cost	22.2	19.7
Interest cost on benefit obligation	21.1	22.5
Actuarial (gains) losses recognised in other comprehensive income		
- changes in financial assumptions	(1.9)	14.6
- experience adjustments	(3.7)	7.7
- decrease due to effect of transfers	(4.5)	(1.3)
Benefit paid	(43.0)	(44.4)
Balance at the end of the year	356.2	366.0

Reconciliation of the present value of plan assets

(Rs. in million)

Particulars	Gratuity	
	31 March 2021	31 March 2020
Balance at the beginning of the year	136.6	114.9
Expected return	8.6	8.7
Contribution by employer	25.8	60.7
Return on plan assets recognised in other comprehensive income	(1.4)	(3.3)
Benefits paid	(43.0)	(44.4)
Balance at the end of the year	126.6	136.6

Details of Provision for gratuity

(Rs. in million)

Particulars	Gratuity	
	31 March 2021	31 March 2020
Present value of defined benefit obligation	356.2	366.0
Present value of plan assets	(126.6)	(136.6)
Net defined benefit liability	229.6	229.4

### (iii) Plan assets

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

Particulars	31 March 2021	31 March 2020
	%	%
Investments with insurer	96.41	96.10
Investments in government bonds	0.07	0.07
Bank balance	3.52	3.83
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

The principal plan asset consists of a scheme of insurance taken by the Trust, which is a qualifying insurance policy.

**(iv) Defined benefit obligation**
**- Actuarial assumptions**

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

Particulars	31 March 2021	31 March 2020
Discount rate	6.40%	6.30%
Salary increase rate	7.50%	7.50%
Attrition rate	5.00%	5.00%

**Note:**

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Assumptions regarding future mortality are based on published statistics and mortality tables.

**- Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Gratuity Plan	(Rs. in million)			
	Sensitivity level		Impact on DBO	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>Assumptions</b>				
Discount rate	0.5%	0.5%	(9.1)	(9.3)
	-0.5%	-0.5%	9.6	9.8
Future salary increases	0.5%	0.5%	8.6	8.8
	-0.5%	-0.5%	(8.2)	(8.4)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	(Rs. in million)	
	31 March 2021	31 March 2020
Within the next 12 months (next annual reporting period)	57.4	62.2
Between 2 and 5 years	201.7	202.5
Beyond 5 years	200.3	216.2

The average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (31 March 2020: 5 years).

**B) PROVIDENT FUND**

Provident fund for certain eligible employees is managed by the Company through trust "Mysore Cement Limited officers' and staff provident fund trust", in line with the Provident Fund and Miscellaneous Provision Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee.

In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumption provided below there is no shortfall as at 31 March, 2021 and 31 March, 2020 respectively.

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

(Rs. in million)

Particulars	31 March 2021	31 March 2020
Plan assets at year end, at fair value	317.1	290.6
Present value of defined obligation at year end	229.8	210.1
Assets recognised in Balance Sheet	-	-

The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

Particulars	31 March 2021	31 March 2020
Discount rate	6.40%	6.30%
Expected guaranteed interest rate	8.50%	8.50%
Expected Rate of Return on Asset	8.45%	8.85%

### C) Contribution to defined contribution plans included under head 'contribution to pf and other funds' under note 25 'employee benefit expenses'

(Rs. in million)

Particulars	31 March 2021	31 March 2020
Provident Fund	49.8	49.3
Other Post Employment Funds	4.2	4.5
Total	54.0	53.8

### 34. Tax incentive

The Company is entitled to benefits under the Madhya Pradesh State Industrial Promotion Policy, 2004 and 2010 for the increased cement production facility at Damoh, Madhya Pradesh w.e.f. 18 February 2013. Under the said policy, the Company has been exempted from payment of Entry Tax on input materials for a period of 7 years and also claim refund upto 75% of VAT / CST paid (which is now subsumed on GST) on sales for a period of 10 years within the state of Madhya Pradesh in respect of the increased production facility. In pursuance of order issued by the Government of Madhya Pradesh dated 15 March 2021, the Company has accrued SGST incentive of Rs. 148.5 million under head 'other operating revenue' during the year ended 31 March 2021.

35. Capital advances included an amount of Rs. 150.6 million paid during an earlier year to the supplier against a bank guarantee for setting up a Waste Heat Recovery based Power Generation Plant at the Company's clinkerisation unit at Narsingarh in Madhya Pradesh. A dispute arose with the supplier as they failed to adhere to the agreed timelines and insisted for enhancement of the contract price in view of depreciation of Rupee against US dollars, despite the contract being for a fixed price. The supplier offered the Company to renegotiate and agree with its sub-contractors for settlement of the aforesaid advance. Due to continuous breach of the terms of the Contract by the supplier the Company was compelled to terminate the contract and invoke the advance bank guarantee to recover the advances paid to the said supplier. The Hon'ble High Court of Delhi had on 19 October 2013 granted an ad interim ex-parte injunction against the invocation of aforesaid Bank Guarantee, against which the Company had filed an application for vacation of stay. The Hon'ble High court of Delhi vide its order dated 23 May 2018 vacated the aforesaid stay / injunction and the company invoked the bank guarantee and recovered the entire advance of Rs. 150.6 million.

Further, the Company also initiated arbitration proceeding against the said supplier to claim the advance amount given as per the terms of the supply contract, interest on advance amount given and compensation in terms of risk purchase clause of the contract for loss incurred in respect of work completed through other third parties, which is currently pending. The Arbitration Tribunal passed an adverse award against Company and allowed certain counter claim of the supplier amounting MINR 140.5 alongwith interest @ of 9%. Company challenged the perverse award before the Single Judge of Delhi High Court which was rejected by the single Judge vide its order dated 29.01.2020. An application challenging the Arbitration Award and the order of the Single Judge was filed before Delhi High Court which granted a stay against the execution of the Arbitration Award till final disposal of the application subject to payment of principal amount of the award to the Registrar of the Delhi High Court by the Company. As per the order, the principal amount has been paid to the Registrar of the Delhi High Court subsequent to year ended 31 March 2021.

**36. DETAIL OF CSREXPENDITURE:**

a.) Gross amount required to be spent by the company during the year:

During the year, the gross amount required to be spent by the Company on activities related to Corporate Social Responsibility (CSR) amounted to Rs. 63.1 million (31 March 2020: Rs. 44.1 million).

b). Amount spent during the year ended on 31 March 2021

(Rs. in million)

S. N.	Particulars	Amount incurred	Amount yet to be paid	Total
(i)	Construction / acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	66.0	-	66.0
	<b>Total</b>	<b>66.0</b>	<b>-</b>	<b>66.0</b>

c). Amount spent during the year ended on 31 March 2020

(Rs. in million)

S. N.	Particulars	Amount incurred	Amount yet to be paid	Total
(i)	Construction / acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	44.7	-	44.7
	<b>Total</b>	<b>44.7</b>	<b>-</b>	<b>44.7</b>

**37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company has exposure to the following risks arising from financial instruments:

- credit risk (see 37(ii));
- liquidity risk (see 37 (iii)); and
- market risk (see 37(iv)).

**(i) Risk management framework**

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed periodically to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how Management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The Audit Committee is assisted in its oversight role by the senior management of the Company and through the periodical internal audits carried out by the Internal Auditors.

**(ii) Credit risk**

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Company has no significant concentration of credit risk with any counter party.

**Trade receivables**

Customer credit risk is managed in line with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed through internal evaluation which takes into account the financial parameters, past experience with the counter party and current economic/market trends. Individual credit limits are thus defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by advances, security deposits, bank guarantees etc.

Trade receivables are consisting of a large number of customers. The Company does not have higher concentration of credit risks to a single customer. Single largest customer has total exposure in sales 0.10% (31 March 2020: 0.11%) and in receivables 5.96% (31 March 2020: 8.60%)..



### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made with approved counter parties only.

Credit Risk on cash and cash equivalent, deposits with the banks / financial institutions is generally low as the said deposits have been made with the banks / financial institutions who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments are generally low as Company enters into the Derivative Contracts with the reputed Banks and Financial Institutions.

### (iii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's treasury department monitors liquidity on an ongoing basis through rolling cash flow forecasts. The Company's objective is to maintain timely and adequate funding for its operations via multiple sources including but not limited to bank overdrafts, bank loans, debentures, preference shares etc. Approximately 34% of the Company's debt will mature in less than one year at 31 March 2021 (31 March 2020: 26%) based on the carrying value of borrowings reflected in the financial statements.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

### Maturities of financial liabilities

The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments.

	(Rs. in million)			
	Less than one year	1 to 5 years	> 5 years	Total
<b>Year ended</b>				
<b>31 March 2021</b>				
Borrowings*	1,200.0	2,345.8	-	3,545.8
Other financial liabilities	2,010.0	46.8	-	2,056.8
Lease Liability	43.9	53.7	20.8	118.4
Trade and other payables	2,706.3	-	-	2,706.3
	<b>5,960.2</b>	<b>2,446.3</b>	<b>20.8</b>	<b>8,427.3</b>
<b>Year ended</b>				
<b>31 March 2020</b>				
Borrowings*	1,250.0	2,859.2	686.6	4,795.8
Other financial liabilities	1,970.3	39.7	-	2,010.0
Lease Liability	49.9	51.7	25.0	126.6
Trade and other payables	2,584.2	-	-	2,584.2
	<b>5,854.4</b>	<b>2,950.6</b>	<b>711.5</b>	<b>9,516.6</b>

\*Borrowings are shown excluding of interest cost.

### (iv) Market risk

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

The Company's treasury department is entrusted with managing the overall market risks in line with the company's established risk management policies which are approved by the Senior Management and Audit Committee.

#### I. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest risk arises from the long-term borrowings with variable rates, which exposes the Company to cash flow interest rate risk. Company's policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. During 31 March 2021 and 31 March 2020, the company's borrowings at variable rate were mainly denominated in INR and USD.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under these swaps, the company agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Generally, the company raises long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the company borrowed at fixed rates directly.

The Company is thus not exposed to significant interest rate risks at the respective reporting dates.

## II. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating or financing activities and the same are hedged in line with established risk management policies of the Company.

When a derivative is entered into for the purpose of hedging, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

### Outstanding Unhedged Foreign Currency Exposure

Particulars	Currency	31 March 2021			31 March 2020		
		Amount in foreign currency	Exchange Rate	Rs. in million	Amount in foreign currency	Exchange Rate	Rs. in million
Trade Payables	USD	22,500.0	73.13	1.6	-	-	-
	EUR	990,299.3	85.78	84.9	2,365,916.6	82.8	195.9

### Foreign currency sensitivity on unhedged exposure:

1% increase in foreign exchange rates will have the following impact on profit before tax:

Particulars	31 March 2021	31 March 2020
USD	(0.02)	-
EUR	(0.76)	(2.0)

**Note:** If the rate is decreased by 100 bps, profit will increase by an equal amount.

The Company is thus not exposed to significant foreign currency risks at the respective reporting dates.

### 38. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

The Company includes within net debt, interest bearing loans and borrowings (including government grants) less cash and cash equivalents.

Particulars	(Rs. in million)	
	31 March 2021	31 March 2020
Borrowings (Non-current)	1,744.9	2,800.6
Government grants (Non-current and Current)	504.7	650.0
Current maturity of long term borrowings	1,200.0	1,250.0
Less: Cash and cash equivalents	(4,302.7)	(4,697.4)
<b>Net debt</b> (A)	<b>(853.1)</b>	3.2
Equity (B)	14,938.9	13,146.4
<b>Capital and net debt</b> (C)=(A+B)	<b>14,085.8</b>	13,149.6
Gearing ratio (D)=(A)/(C)	<b>(6.06)</b>	0.02

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

### 39. Dividend Paid and Proposed

Particulars	(Rs. in million)	
	31 March 2021	31 March 2020
<b>Dividend declared and paid during the year:</b>		
Final Dividend for the year ended on 31 March 2020: Rs 6 per share (31 March 2019: Rs 3 per share)	1,359.7	679.8
Dividend Distribution Tax (DDT) on final dividend	-	139.7
Interim dividend for the year ended on 31 March 2020: Rs Nil (31 March 2019: Rs 1.50 per share)	-	340.0
Dividend Distribution Tax (DDT) on Interim dividend	-	69.9
	<b>1,359.7</b>	<b>1,229.4</b>
<b>Proposed Dividends on equity shares:</b>		
Proposed dividend for the year ended on 31 March 2021 Rs. 8 per share (31 March 2020: Rs 6 per share)	1812.9	1,359.7
	<b>1812.9</b>	<b>1,359.7</b>

Dividend Distribution Tax is abolished with effect from April 01, 2020.

Proposed dividends on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability as at 31 March 2021.

#### 40. LEASES

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

(Rs. in million)			
Particulars	Land & Buildings	Vehicles	Total
<b>Right of Use of assets</b>			
<b>At 1 April 2019</b>	112.7	61.5	174.2
Additions	0.6	6.8	7.4
Disposals	-	-	-
<b>At 31 March 2020</b>	<b>113.3</b>	<b>68.3</b>	<b>181.6</b>
Additions	39.1	34.2	73.3
Disposals	67.6	-	67.6
<b>At 31 March 2021</b>	<b>84.8</b>	<b>102.5</b>	<b>187.3</b>
Depreciation / Amortization			
<b>At 1 April 2019</b>	-	-	-
Depreciation Expenses	35.4	26.9	62.3
Disposals	-	-	-
<b>At 31 March 2020</b>	<b>35.4</b>	<b>26.9</b>	<b>62.3</b>
Depreciation Expenses	27.1	32.6	59.7
Disposals	48.3	-	48.3
<b>At 31 March 2021</b>	<b>14.2</b>	<b>59.5</b>	<b>73.7</b>
<b>Net book value</b>			
<b>At 31 March 2021</b>	<b>70.6</b>	<b>43.0</b>	<b>113.6</b>
<b>At 31 March 2020</b>	<b>77.9</b>	<b>41.4</b>	<b>119.3</b>

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

(Rs. in million)		
Particulars	31 March 2021	31 March 2020
<b>At 1 April</b>	<b>126.6</b>	174.2
Additions	51.8	7.4
Accretion of interest	10.8	15.1
Payments	-70.8	-70.3
<b>At 31 March</b>	<b>118.4</b>	<b>126.6</b>
Current	43.9	49.9
Non-Current	74.5	76.7

The maturity analysis of lease liabilities are disclosed in Note 37.

The effective interest rate for lease liabilities is in the range of 5.93% to 8.82%, with maturity between 2021-2087.

The following are the amounts recognized in profit or loss:

(Rs. in million)		
Particulars	31 March 2021	31 March 2020
Depreciation expense of right-of-use assets	59.7	62.3
Interest expense on lease liabilities	10.8	15.1
Variable lease payments (included in other expenses)	5.7	3.1



**41. Details of dues to micro and small enterprises as defined under the micro, small and medium enterprises development act, 2006** (Rs. in million)

S.N	Particulars	31 March 2021	31 March 2020
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	- Principal amount due to micro and small enterprises (Not overdue)	7.8	4.2
	- Interest due on above	-	-
(ii)	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	-	-

**42.** The Company is primarily engaged in the manufacturing of cement and hence entire operation represents a single primary segment. The company operates within India only and hence geographical segment is also not applicable to the company.

**43.** The Company is taking all possible steps to mitigate the effect of COVID-19 on its business and operations to the extent possible and has considered all possible effects from COVID-19 in the preparation of these financial results. The management has also evaluated the possible impact of the pandemic on the business operations and based on its assessment of the current Indicators of the future economic conditions, it is expected that the carrying amount of assets will be recovered.

**44.** Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

As per our report of even date

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

**Rajeev K Saxena**  
Partner  
Membership No. 077974

**Anil Kumar Sharma**  
Chief Financial Officer

**Rajesh Relan**  
Legal Head &  
Company Secretary

Place: Gurugram  
Date: 28 May 2021

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

**Akila Krishnakumar**  
Chairperson  
DIN:06629992

**Sushil Kumar Tiwari**  
Whole-time Director  
DIN:03265246

**Ramakrishnan Ramamurthy**  
Director  
DIN:00680202

**Jamshed Naval Cooper**  
Managing Director  
DIN:01527371

# HeidelbergCement India Limited

CIN:L26942HR1958FLC042301

Regd. Office: 2nd Floor, Plot No. 68, Sector 44, Gurugram, Haryana -122002

Ph. +91 0124-4503700, Fax +91 0124-4147698

Email Id: investors.mcl@mycem.in; Website: www.mycemco.com

## NOTICE

### of the Annual General Meeting

NOTICE is hereby given that the 62nd Annual General Meeting of the Members of the Company will be held at 11.00 A.M. on Monday, the 27th September 2021 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company and in this regard pass the following resolution as an Ordinary Resolution:

"RESOLVED that the Audited Financial Statements of the Company consisting of Balance Sheet as at 31st March 2021, Profit and Loss Account and Cash Flow Statement for the financial year ended on that date including notes thereto together with the Reports of the Board of Directors and Auditors thereon, already circulated to the members and now submitted to this meeting be and are hereby received and adopted."

2. To declare Dividend on Equity Shares and in this regard pass the following resolution as an Ordinary Resolution:

"RESOLVED that a Dividend of Rs. 8 per Equity Share of Rs. 10 each (i.e., 80%) for the Financial Year 2020-21, as recommended by the Board of Directors at its meeting held on 28th May 2021 be and is hereby declared."

3. To appoint a Director in place of Mr. Sushil Kumar Tiwari, who retires by rotation and being eligible has offered himself for reappointment and in this regard pass the following resolution as an Ordinary Resolution:

"RESOLVED that Mr. Sushil Kumar Tiwari (holding DIN 03265246) who retires in accordance with the provisions of the Companies Act, 2013 and has offered himself for reappointment be and is hereby reappointed as Director of the Company liable to retire by rotation."

#### SPECIAL BUSINESS:

4. To reappoint Mr. Sushil Kumar Tiwari as Whole-time Director and in this regard pass the following resolution 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 reappointment of Mr. Sushil Kumar Tiwari (holding DIN 03265246) as Whole-time Director of the Company, from 10th June 2021 till 9th June 2022, on the terms and conditions as detailed in Statement pursuant to Section 102 of the Act annexed hereto.

RESOLVED FURTHER that pursuant to Section 152 of the Companies Act, 2013 Mr. Sushil Kumar Tiwari shall be liable to retire by rotation.

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 2021 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 Nomination and Remuneration Committee and the Board of Directors of the Company 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 of Mr. Tiwari from time to time as may be deemed appropriate."

5. To appoint Ms. Jyoti Narang as an Independent Director and in this regard pass the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152, 161 and any 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) read with Schedule IV to the Companies Act, 2013 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms. Jyoti Narang (holding DIN 00351187), who was appointed by the Board of Directors, as an Additional Director in the category "Non-Executive Independent Director" with effect from 18 August 2021 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 an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five years from 18th August 2021 until 17 August 2026."

6. To ratify the remuneration payable to M/s. R.J. Goel & Co., Cost Accountants as Cost Auditors and in this regard pass the following resolution 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 2021-22, amounting to Rs. 2,50,000 (Rupees Two Lac Fifty Thousand only) plus applicable taxes, reasonable out of pocket expenses and reimbursement of travelling expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

**By Order of the Board**

Date : 18th August 2021 Rajesh Relan  
Place : Gurugram Legal Head & Company Secretary

Regd. Office: 2nd Floor, Plot No. 68,  
Sector 44, Gurugram, Haryana -122002  
CIN: L26942HR1958FLC042301

**NOTES:**

1. In view of the continuing COVID-19 pandemic and social distancing norms to be followed, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 13 January 2021 read with circulars dated 5 May 2020, 13 April 2020 and 8 April 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC/OAVM.
2. Pursuant to the General Circular No. 14/2020 dated 8th April, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. However, this number does not include the large Shareholders i.e. Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013 and the Registered Office of the Company will be deemed to be venue for the purpose of this meeting.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 13 January 2021, 5 May 2020, 13 April 2020 and 8 April 2020 and the

circular issued by SEBI dated 9 December 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL), as the authorized agency, for facilitating voting through electronic means. The facility of casting votes by a member using remote e-voting system as well as e-voting on the day of the AGM will be provided by NSDL.

6. The Notice calling the AGM has been uploaded on the website of the Company in the Investor Relations Section under Financials in the Annual Reports tab. The complete Annual Report is also available in the same section. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Ltd and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. All documents referred to in the accompanying Notice and the Explanatory Statement can be obtained for inspection by writing to the Company at the Email-ID [investors.mcl@mycemco.com](mailto:investors.mcl@mycemco.com) till the date of AGM. Similarly, statutory registers that are available for inspection at the registered office of the Company in the normal course of business prior to and during the continuance of AGM at the venue of meeting, may also be accessed through the above mentioned mode.
8. Pursuant to the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Corporate Governance, the information about the Directors proposed to be appointed / reappointed at the Annual General Meeting is given below as part of Notice.
9. Statement pursuant to section 102 of the Companies Act, 2013 is annexed.
10. (a) The Dividend on equity shares, if declared, at the AGM will be credited / despatched within thirty days from the date of AGM to those members whose names appear on the Company's Register of Members as on record date i.e., 20th September 2021. In respect of the shares held in dematerialised form the dividend will be paid to the members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on record date i.e., 20th September 2021. In case of joint holders only the first holder will be entitled to receive dividend.  
(b) Members holding shares in electronic form may note that the bank particulars registered against their respective demat accounts will be used by the

Company for payment of dividend. The Company or its Registrars and Transfer Agents, Integrated Registry Management Services Private Limited (RTA) cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes need to be advised by the members directly to the depository participants with whom they are maintaining a demat account.

- (c) Members holding shares in physical form are requested to immediately advise any change in their address or bank particulars to the Company or its Registrars and Transfer Agents, Integrated Registry Management Services Private Limited so that the same can be updated in the Register of Members before processing of dividend payment.
- (d) Non-Resident Indian (NRI) members are requested to inform RTA (for physical shares) / their DPs (for dematerialized shares), immediately of:
  - Change in their residential status on return to India for permanent settlement.
  - Particulars of their PAN and bank account maintained in India with complete name, branch, account type, account number, IFSC Code and address of the bank with pin code number, if not furnished earlier, to facilitate payment of dividend.
- (e) The Company has placed on its website [www.mycemco.com](http://www.mycemco.com), the details of unclaimed dividends for FY2016-17, FY2017-18, FY2018-19 (both Interim and Final) and FY2019-20 (both Interim and Final). The concerned shareholders may approach Registrars and Transfer Agents, Integrated Registry Management Services Private Limited to claim the same. **The members may note that in case their dividend payments for seven consecutive years remain unclaimed then not only such unclaimed / unpaid dividend amount but also the underlying shares will be liable for transfer to Investor Education and Protection Fund constituted by Government of India in this regard.**
11. 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.
12. **In accordance with the directions issued by SEBI, it is mandatory for the members holding shares in physical mode to submit their Permanent Account Number (PAN) and Bank Account Details to the Company / RTA, in case they have not yet submitted the same.**



13. Members are requested to note that in case of 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 transmission / transposition, is mandatory.
14. SEBI vide its Notifications dated 8 June 2018 & 30 November 2018 amended Regulation 40 of SEBI Listing Regulations, which provides that from 1 April 2019 transfer of securities would not be processed unless the securities are held in the dematerialised form with a depository. Further, SEBI vide its circular dated 7 September 2020 had fixed 31 March 2021 as cut-off date for re-lodgment of physical share transfer requests (earlier returned by RTA under objection) and has stipulated that such transferred shares shall be issued only in demat mode. In view of the above, Members are advised to dematerialize shares held by them in physical form.
15. 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.
16. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorised under the said resolution to attend the meeting and vote on their behalf.
17. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 15 January 2021 read with circular dated 12 May 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2020-21 are

also available on the Company's website [www.mycemco.com](http://www.mycemco.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL <https://www.evoting.nsdl.com>

18. Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company / RTA (in case of shares held in physical mode) and with their depository participants (in case of shares held in demat mode).

A Resident individual shareholder holding PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G / 15H, to avail the benefit of non-deduction of tax at source by email to [irg@integratedindia.in](mailto:irg@integratedindia.in) by 11:59 P.M. IST until 20th September 2021. **Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.**

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to [irg@integratedindia.in](mailto:irg@integratedindia.in) and copy marked to [investors.mcl@mycem.in](mailto:investors.mcl@mycem.in). The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 P.M. IST until 20th September 2021.

19. Since the AGM will be held through VC / OAVM, the route map, attendance slip and proxy form are not annexed to this Notice.
20. Process for registration of email-id for obtaining Annual Report and user-id / password for e-voting and updation of bank account mandate for receipt of dividend:

Physical Holding	<p>Send a request to the RTA at <a href="mailto:irg@integratedindia.in">irg@integratedindia.in</a> providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) for registering email address.</p> <p>Following additional details need to be provided in case of updating Bank Account Details:</p> <ol style="list-style-type: none"> <li>a) Name and Branch of the Bank in which you wish to receive the dividend,</li> <li>b) the Bank Account type,</li> <li>c) Bank Account Number allotted by their banks after implementation of Core Banking Solution</li> <li>d) 9 digit MICR Code Number, and</li> <li>e) 11 digit IFSC Code</li> <li>f) Scanned copy of the cancelled cheque bearing the name of the first shareholder.</li> </ol>
Demat Holding	Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.

## 21. VOTING THROUGH ELECTRONIC MEANS

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014; Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2), the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be considered at the 62nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting System. 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. A member may exercise his / her vote at the General Meeting by electronic means and the Company may pass any resolution by electronic voting system in accordance with the provisions of the aforesaid Rule.

For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency.

The facility of casting votes by a member using remote e-voting system as well as e-voting on the day of the AGM will be provided by NSDL.

The Members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

The Members who have cast their vote by remote e-voting

prior to the Meeting may also attend the AGM but shall not be entitled to cast their vote again. If a member casts vote(s) by both the modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as invalid.

- III. The remote e-voting period commences on 24th September 2021 (9:00 A.M.) and ends on 26th September 2021 (5:00 P.M.). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20th September 2021, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution has been cast by a member, no change shall be allowed subsequently. A person who is not a Member on the cut-off date should treat this notice for information purpose only.
- IV. The process and manner for remote e-voting are as under:

### **Step 1: Access to NSDL e-Voting system**

#### **A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

As per circular of SEBI on e-Voting facility provided by Listed Entities, dated 09 December 2020, all individual shareholders holding shares of the Company in demat mode can cast their vote, by way of a single login credential, through their demat account maintained with Depositories and Depository Participants in order to increase the efficiency of the voting process. Shareholders are advised to update their mobile number and e-mail ID with their Depository Participants in order to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
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Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> </ol>

2. After successful login of Easi / Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.
3. If the user is not registered for Easi / Easiest, option to register is available at: <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>
4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.

Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

**Helpdesk** for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**B. Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section.

3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is
a) For Members who hold shares in demat account with NSDL.	8 Character DP-ID followed by 8 Digit Client-ID For example if your DP-ID is IN300*** and Client-ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a pdf file. Open the pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in

physical form. The pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details / Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number / folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

### **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

#### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members / shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same persons as are mentioned for Remote e-voting.

#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [officenns@gmail.com](mailto:officenns@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

#### **Process for those shareholders whose email-ids are not registered with the depositories for procuring user-id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [irg@integratedindia.in](mailto:irg@integratedindia.in).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account



statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [irg@integratedindia.in](mailto:irg@integratedindia.in). If you are an individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder / members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user-id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
- V. The voting rights shall be as per the number of equity shares held by the members as on the cut-off date of 20th September 2021.
- VI. Any person, who acquires shares of the Company and becomes a member after dispatch of the Notice of AGM and holds shares as of the cut-off date i.e., 20th September 2021, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact NSDL at toll free no.: 1800-222-990.  
  
However, if you are already registered with NSDL for remote e-voting then you can use your existing User ID and password for casting your vote. If you have forgotten your password, you can reset your password by using “Forgot User Details / Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at toll free no.: 1800-222-990.
- VII. 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 venue. A person who is not a member as on the cut-off date, should treat this Notice for information purpose only.
- VIII. Mr. Nityanand Singh, Company Secretary in Whole-time Practice (FCS No. 2668, CP No. 2388) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner. Mr. Harish Damani, Company Secretary in Whole-time Practice (FCS No. 10714, CP No. 14471) has been appointed as an alternate scrutinizer.
- IX. The Chairman of the AGM, at the end of discussion on the resolutions on which voting is to be held, allow e-voting on the day of AGM for all those members who are present at

the AGM but have not cast their votes by availing the remote e-voting facility.

- X. The Scrutinizer / alternate scrutinizer shall after the conclusion of voting at the AGM, shall access NSDL's e-voting portal and unblock the votes cast through remote e-voting as well as through e-voting on AGM day in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairperson or a person authorized by him.
  - XI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company ([www.mycemco.com](http://www.mycemco.com)) and on the website of NSDL immediately after the declaration of result by the Chairperson or a person authorized by the Board of Directors / Chairperson. The results shall also be submitted to BSE Limited and National Stock Exchange of India Limited.
22. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:
1. Member will be provided with a facility to attend the EGM / AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of “VC/OAVM link” placed under “Join General Meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder / Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
  2. Members are requested to join the Meeting through Laptops for better experience.
  3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their Name, DP-ID and Client-

ID / Folio Number, PAN, Mobile Number at investors.mcl@mycem.in at least 72 hours before the start of the AGM. Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

## **STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013**

### **Item Nos.: 3 and 4**

The members of the Company at the Annual General Meeting held on 19th September 2019 had approved the reappointment of Mr. Sushil Kumar Tiwari as Whole-time Director of the Company for a term of two years from 10th June 2019 till 9th June 2021.

In his career spanning over 41 years, Mr. Tiwari has rich and vast experience of over 35 years in the cement industry. During his 14 years of association with the Company, he has undertaken multifarious assignments which have led to increase in operational efficiencies and improvement of consumption parameters. Mr. Tiwari holds the position of "Occupier" of all the factories of the Company under the Factories Act and is also designated as "Owner" of the Company's mines under the Mines Act. After the expansion of capacity of Damoh and Jhansi Units and commencement of power generation from waste heat recovery based power plant, the scale and complexity of operations has increased considerably. It is therefore necessary to have a seasoned professional to lead the technical team. He plays a crucial role in managing the operations of the plants and mines of the Company. Mr. Tiwari is presently also a Non-Executive Director of Zuari Cement Limited, which is also part of HeidelbergCement Group.

In view of the aforesaid facts the Board of Directors, on the recommendation of Nomination and Remuneration Committee, at its meeting held on 28th May 2021 has reappointed Mr. Sushil Kumar Tiwari as Whole-time Director of the Company for a further term of one year from 10th June 2021 to 9th June 2022.

The terms and conditions of Mr. Tiwari's remuneration effective from 1st January 2021 in accordance with the Nomination and Remuneration Policy of the Company are as under:

- i) Basic Salary: Rs. 69,06,720 per annum. The annual increment, in accordance with the Nomination and Remuneration Policy of the Company, will be effective from 01 January 2022.
- ii) House Rent Allowance: 50% of the basic salary.
- iii) Variable Pay: Variable Pay shall be equivalent to Rs. 48,11,448 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

Rs. 48,11,448 depending upon results of evaluation of individual's and Company's performance. The annual increment in variable pay will also be effective from 01 January 2022.

- iv) Long Term Incentive Plan (LTIP): LTIP shall be equivalent to Rs. 43,33,661 on 100% achievement of the targets set by HeidelbergCement AG (ultimate holding company) at the global level. It can vary between 0% to 200% of the base amount of Rs. 43,33,661 depending upon achievement of the set targets. The annual increment in LTIP will also be effective from 01 January 2022.
- v) Car Allowance: Rs. 612,000 per annum.
- vi) Perquisites & Allowances: Medical Reimbursement, Mediclaim Premium, Special Allowance, Leave Travel Allowance, Ex-gratia etc., as per the applicable policies or as may be agreed to between the Company and Mr. Tiwari. 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.
- vii) Retirement benefits: Contribution to Provident Fund and Superannuation Fund as per the Company's policy. Gratuity to be paid in accordance with Payment of Gratuity Act, 1972 and encashment of leave at the end of tenure.

The annual increment is effective from 1st January every year as per the provisions of the Nomination and Remuneration Policy of the Company. The Board shall be entitled to add, alter or vary any of the foregoing terms of remuneration, benefits or perquisites of the Whole-time Director within the overall ceiling on managerial remuneration prescribed under the Companies Act, 2013, or any statutory modification or re-enactment thereof.

Minimum Remuneration: Where in any financial year during the tenure of the Whole-time 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.

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 (Rs. in million)

Particulars	For the financial year ended 31st March 2021	For the financial year ended 31st March 2020	For the financial year ended 31st March 2019
Revenue from Operations (Net of GST)	21,166.7	21,696.2	21,333.5
EBITDA (Earnings before interest, tax, depreciation and amortization) - Including other income	5,531.0	5,805.2	5,181.6
Profit before tax	3,912.2	3,980.6	3,416.1
Net Profit	3,149.5	2,680.6	2,206.6

- (5) Foreign investments or collaborations, if any The foreign holding in the share capital of the Company as on 31st March 2021 was as under:

Foreign holding	No. of shares	Percentage of holding
Promoter (Cementum I B.V.)	15,72,44,693	69.39%
Foreign Institutional Investors	2,01,02,199	8.87%
Non-Resident Indians and Foreign Nationals	12,70,245	0.56

## II. Information about the appointee:

- (1) Background details : Mr. Sushil Kumar Tiwari, aged 66 years, is Engineer in Electrical as well as Electronics and Communication from the Institute of Engineers, Kolkata. In his career spanning over 41 years, Mr. Tiwari has rich and vast experience of over 35 years in the cement industry. Before joining the Company, Mr. Tiwari worked with Raymond Limited (Cement Division) and thereafter with Lafarge India Private Limited after Lafarge's takeover of Cement Division of Raymond Limited.
- Mr. Tiwari joined HeidelbergCement India Limited in April 2007 as Unit Head of Company's Ammasandra Unit. 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 Whole-time 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 in Zuari Cement Limited.
- (2) Past remuneration : The details of remuneration paid to Mr. Tiwari during the last three financial years are as under:
- Year 2018-19: Rs. 2,67,17,561
- Year 2019-20: Rs. 2,90,51,351
- Year 2020-21: Rs. 2,33,65,474
- (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 Whole-time 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 the Managing Director of the Company. In view of Mr. Tiwari's rich and vast experience of over 35 years in the cement industry and considering his past achievements during his association with the Company, the Board of Directors is of the opinion that he is competent to discharge the functions and tasks associated with the position of Whole-time 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 : Details are 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 28th May 2021.
- (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 the 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 in 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 over the past years and is expected to consistently earn profits in the coming years also, it is proposed to pass the resolution given at Item No. 4 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 during his term 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 Reports of the subsequent years.

Mr. Sushil Kumar Tiwari is liable to retire by rotation at the ensuing AGM in terms of the provisions of Section 152 of the Companies Act, 2013 and accordingly it is proposed at Item No. 3 to reappoint him as a Director liable to retire by rotation.

The Board of Directors has accordingly recommended the resolutions set out at Item Nos. 3 and 4 of the Notice for approval of the members by way of an Ordinary Resolution and Special Resolution respectively at the ensuing AGM.

Except Mr. Tiwari, 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 resolutions. This explanatory statement may also be regarded as a disclosure pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The brief profile as required under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 on General Meetings is set out at Annexure to this notice.

### Item No. 5

The Board of Directors on the recommendation of Nomination and Remuneration Committee at its meeting held on 18 August 2021 has appointed Ms. Jyoti Narang as an Additional Director in the category "Non-Executive Independent Director" with effect from 18 August 2021. Ms. Jyoti Narang holds office upto the date of forthcoming Annual General Meeting and is eligible to be appointed as an Independent Director by the shareholders for a term of five years from 18 August 2021 to 17 August 2026. Brief profile of Ms. Jyoti Narang, is given below:

Ms. Jyoti Narang holds a Bachelor's Degree in BA Economics (Honours) from Lady Shriram College for Women, University of Delhi and an MBA in Finance from the University of Delhi. She has also completed her executive education in Advanced Management Programme from Harvard Business School, Strategic Marketing from International Institute for Management Development (IMD), Lausanne and Brand Management from Wharton University of Pennsylvania.

She is a business leader with extensive experience in the service industry. She has a strong strategic perspective, works well with a diversity of styles and has experience in crisis management. Her domain expertise lies in building consumer brands, management of human capital and the impact of technology on both distribution and operations. Till recently, she led a group of luxury hotels that attract an annual footfall of five million and cater to the most discerning clientele in the world. She was also the founding member of the Experience India Society that created the first global campaign for marketing India.



Additionally, being a part of the Tata Group with a combined revenue of over \$100 billion and a significant presence across industries and geographies, she gained expertise in global business practices. Strategic risk, corporate sustainability and technology-led innovation are focus areas.

Her breadth of experience in marketing and operations combined with her early stint in manufacturing has enabled her to add value across multiple sectors.

She currently serves on the Board of AU Small Finance Bank Limited, Calderys India Refractories Limited, Niraamaya Retreats Private Limited, Avana Health Private Limited and Disha Medical Services Private Limited. She is also a Board member of Harvard Club of India and a Partner of Wayfare Ventures.

The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Ms. Jyoti Narang, for the office of Director of the Company.

Ms. Jyoti Narang has given her consent to act as an Independent Director of the Company and has also furnished a declaration to the Board of Directors that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further as per her declaration, she is not disqualified to be appointed as a Director under Section 164 of the Companies Act, 2013.

In the opinion of the Board, Ms. Jyoti Narang is independent of the management of the Company and she also fulfils the conditions specified under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for her appointment as an Independent Director.

Copy of the letter of appointment issued to her setting out the terms and conditions of appointment is available for inspection at the Registered Office of the Company by any member during normal business hours of the Company on any working day. The same has also been posted on the website of the Company.

The Board at its meeting held on 18th August 2021 has appointed Ms. Jyoti Narang as a member of all the Board level committees namely, Audit Committee, Nomination and Remuneration Committee, CSR Committee, Risk Management Committee and Stakeholders' Relationship Committee. She does not hold any equity shares in the Company. The Board of Directors has recommended the appointment of Ms. Jyoti Narang as an Independent Director of the Company by the members at the ensuing AGM.

She is not related to any Director or Key Managerial Personnel of the Company or their relatives.

Except Ms. Jyoti Narang, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the proposed appointment. This explanatory statement may also

be regarded as a disclosure pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The brief profile as required under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 on General Meeting is set out at annexure in this notice.

#### **Item No. 6**

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. R.J. Goel & Co., Cost Accountants, for conducting the audit of cost records of the Company for the financial year 2021-22.

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 2021-22 as set out in the Resolution for the aforesaid services to be rendered by them. The Board of Directors has recommended the resolution set out at Item No. 6 of the Notice for approval of the members at the ensuing AGM.

None of the Directors, Key Managerial Personnel of the Company and/or their relatives are concerned or interested in the aforesaid resolution.

#### **By Order of the Board**

Date: 18 August 2021

Place: Gurugram

Rajesh Relan

Legal Head & Company Secretary

Regd. Office: 2nd Floor, Plot No. 68,  
Sector 44, Gurugram, Haryana - 122002  
CIN: L26942HR1958FLC042301

## ANNEXURE TO ITEM NOS. 3, 4 AND 5

Details of Directors seeking appointment and reappointment at the ensuing Annual General Meeting (Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings)

Name of Director	Mr. Sushil Kumar Tiwari	Ms. Jyoti Narang
DIN	03265246	00351187
Brief Resume	Refer explanatory statement of Item No. 3 and 4	Refer explanatory statement of item No. 5
Date of Birth	20 June 1955	15 February 1958
Date of First Appointment on the Board	29 April 2011	18 August 2021
Expertise in specific functional area(s)	Refer explanatory statement of Item No. 3 and 4	Refer explanatory statement of item No. 5
Qualifications	Refer explanatory statement of Item No. 3 and 4	Refer explanatory statement of item No. 5
Shareholding in the Company	Nil	Nil
Terms and Conditions of Appointment	As per the resolution at Item No. 3 and 4 of the Notice convening this Meeting read with explanatory statement thereto.	As per the resolution at Item No. 5 of the Notice convening this Meeting read with explanatory statement thereto.
Remuneration last drawn	Refer explanatory statement of Item No. 3 and 4	Nil
Remuneration proposed to be paid	As per the resolution at Item No. 4 of the Notice convening this Meeting read with explanatory statement thereto.	Ms. Narang will be eligible to receive sitting fees for attending the meetings of Board of Directors and its Committees.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None	None
No. of Board meetings attended during FY21	4	Not Applicable
Directorships held in other public limited companies	• Zuari Cement Limited	• AU Small Finance Bank Limited; and • Calderys India Refractories Limited
Position of Chairperson / Member in the Committees of Directors of other public limited companies in which he/she is a Director	Nil	<b>AU Small Finance Bank Limited</b> <ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• Nomination &amp; Remuneration Committee</li> <li>• Risk Management Committee</li> <li>• Corporate Social Responsibility Committee</li> <li>• Customer Service Committee (Chairperson)</li> <li>• Disciplinary Committee (Chairperson)</li> <li>• Capital Raising Committee</li> </ul> <b>Calderys India Refractories Limited</b> <ul style="list-style-type: none"> <li>• Audit Committee</li> </ul>

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