HEIDELBERGCEMENT

HeidelbergCement India Limited
CIN: L26942HR1958FLC042301
Registered Office
9th Floor, Infinity Tower "C",
DLF Cyber City, Phase-II,
Gurugram, Haryana 122002, India
Phone +91-124-4503700
Fax +91-124-4147698
Website: www.mycemco.com

HCIL:SECTL:SE:2020-21

25 August 2020

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 2019-20**

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 2019-20, inter alia containing the Notice of 61st Annual General Meeting to be held on 18 September 2020.

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

WITH **CHALLENGE** COMES **CHANGE**

ANNUAL REPORT 2019-20

HEIDELBERGCEMENT INDIA LTD.

TRANSFORMING CHALLENGES INTO OPPORTUNITIES

It is an organization's inherent ability to view 'problems' through the prism of 'progress', that differentiates good leadership from great leadership.

At HeidelbergCement India, we firmly believe in challenging the status quo, embracing continuous improvement as a way of life and welcoming constructive changes that drive excellence - be it in our products, in our processes or in our people. Such an approach reinforces your Company's readiness to thrive even in turbulent times and evolve across the triple bottom-lines.

The year under review can be best defined as a year of introspection and improvement. While 2019 remained challenged by market complexities, policy changes, and vagaries of nature, 2020 almost brought the entire world to a standstill owing to the global pandemic.

Turning the barriers to our benefit, we achieved progressive performance across our 5 fundamental Ps - Performance, Product, People, Process & Planet. Be it clocking the highest ever EBITDA per tonne, effectively increasing the life of mines or raising the bar of our environment, health & safety standards – your Company put up an excellent show on all counts.

The pages that follow provide in-depth information about the Company's performance across all the 5 Ps at the face of a seemingly challenging environment and an extremely competitive market.

Change cements the foundation of a future. Change creates new rooms for constructive ideas. Change does not rest on laurels of the past, but inspires an organisation to break it's own records. Excellence is therefore as much a journey as it is a milestone at HeidelbergCement India.

To Our Shareholders

Statutory Reports

Financial Statements

PERFORMANCE EXCELLENCE

FROM BARRIERS TO BENCHMARKS

Overview

Excellence is viewing challenges as windows of opportunities. Excellence is finding scope for improvement in best practices. Excellence is converting risks into competitive advantage.

Adopting such a holistic approach to deliver business excellence ensures that a Company continues to thrive on all fronts - be it reliability of the product or sustainability of its operations.

It is the consistent assurance of our products coupled with a relentless pursuit of excellence that has earned us a good reputation in the industry. Over the years, HeidelbergCement India has remained successful in improving its leadership position, retaining gold standards of quality and maximizing value for all stakeholders.

While sustained growth remains a key driving force, the Company's business conduct rests on the strong foundation of ethical business practices and compliance of sustainability standards. Be it the culture at the boardroom or at the operational level – our best practices remain benchmarked with the global standards.

Such a holistic operational approach adds value to each transaction, empowers the workforce, sustains the quality of our products, ensures enduring relationships with customers, investors and all other stakeholders.

The financial year 2019-20 was yet another year of reinforcing the market reputation, bolstering relationship with channel partners, and maximizing value for the shareholders. The Company reported its highest ever profitability, proposed higher dividend, witnessed an encouraging increase in capacity utilisation as well as reaffirmed its credit rating at AA+ with a stable outlook.

The Company has performed positively across all the key sustainability parameters. Remaining net water positive for 7th year in a row, ensuring zero fatality as well as investing in CSR projects / activities beyond the mandated spend to name a few.

The greater goal of HeidelbergCement is to enhance stakeholders' value in the long term through sustainable and result-oriented growth. The aim is to continue providing our discerning customers superior quality products that translate into value for money, opening up prospects for our shareholders, and provide employees equal opportunities with utmost transparent work culture.

We incorporate economic, ecological, and social targets in our business strategy.

FY 2019-20: The Year of Standing Strong

Notwithstanding the decline in volumes, we ensured a positive momentum in EBITDA and Net Profit. PAT was higher on a per tonne basis, the company optimised its variable and fixed costs through various concentered measures.

These numbers become encouraging, especially when viewed against the backdrop of decelerated economy, sluggish cement market demand, as well as the emergence of the pandemic which struck the business during the end of the last quarter.

The Company also maintained a sharp focus on cost management and debottlenecking endeavours during FY 2019-20.

Glimpse of FY 2019-20

Q1 June'19

- Landmark quarter in the Company's history as it achieved the highest ever Revenue, EBITDA and Net Profit.
- Project launched for development of 20 Model Aaganwadi Centers near our plants.
- The Company got "ISO 50001– ENERGY MANAGEMENT SYSTEM" certificate.
- Launched "Yammer", an Enterprise Social Media platform, for communication among the employees.

Q2 Sep'19

- Higher Final Dividend of 30% for FY 2018-19 to the Shareholders.
- Narsingarh plant was awarded Safety Award Gold by FICCI.
- Patharia Mines received Subh Karan Sarawagi Environment Award by FIMI.
- Launched "friends of Earth" programme for plantation of Neem Trees by the Business Associates.

Q3 Dec'19

- Higher interim dividend of 15% to the Shareholders.
- Repayment of first tranche of NCD of MINR 1,250.
- Launched its Health and Safety Excellence Journey Book.
- Cement produced at Damoh and Jhansi was certified GreenPro Ecolabel by CII Green Products and Services Council.

Q4 Mar'20

- Cement grinding Capacity enhanced to 6.26 million tonnes.
- Company changed its compliance hotline system from "My Safe Workplace (MSW)" to "SpeakUp".
- Activated its "Contingency Management and Business Continuity Plan" to mitigate Covid-19 risks.
- Contributed to environment as water positive by ~ 4.6 times for FY20.

It is important to note that the Company suspended manufacturing operations in its plants during the last week of March 2020 due to the lockdown directives of the Government to combat the spread of the novel corona virus. This lockdown marginally impacted the performance during the quarter and financial year ended 31 March 2020. The operations resumed in a phased manner with effect from 20 April 2020.

Financial Highlights

Particulars	FY 16	FY 17 #	FY 18	**FY 19**	**FY 20**
Sales Volumes (KT)	4,443	4,474	4,653	4,897	4,706
Total Revenue (Net of Excise Duty / GST) (Rs. million)	16,708	17,412	19,094	21,682	22,224
EBITDA (Rs. million) (including Other income)	2,536	3,026	3,833	5,182	5,805
EBITDA Margin (%)	15.2%	17.4%	20.1%	23.9%	26.1%
EBT (Rs. million)	454	1,136	2,077	3,416	3,981
EBT Margin (%)	2.7%	6.5%	10.9%	15.8%	17.9%
PAT (Rs. million)	354	762.1	1,331.8	2,206.6	2,680.6
PAT Margin (%)	2.1%	4.4%	7.0%	10.2%	12.1%
EPS (Rs./Share)	1.6	3.4	5.9	9.7	11.8
Shareholders Fund (Rs. million)	8,949	9,670	10,464	11,712	13,146
Long Term Borrowings (Rs. million)	8,603	6,846	6,192	5,168	4,051
Short Term Borrowings (Rs. million)	700	-	-	-	-
Debt Equity Ratio	0.96:1	0.71:1	0.59:1	0.44:1	0.31:1
Cash and Cash Equivalents (Rs. million)	78	142	2,122	3,371	4,697

Note:

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

Company Profile

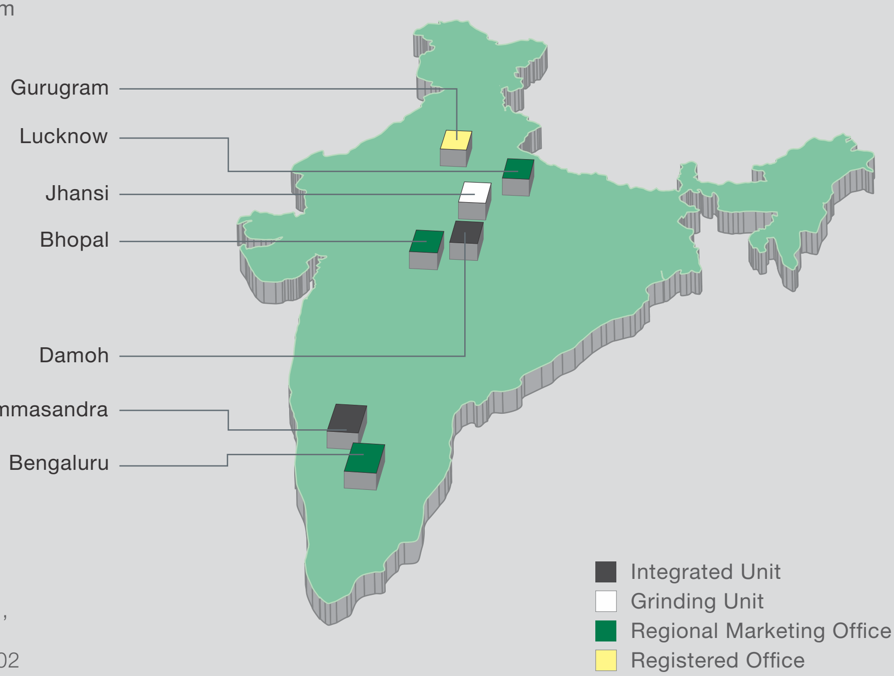
HeidelbergCement India

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 market of developing countries. As a part of its growth strategy, the Group acquired controlling stake in Mysore Cements Limited as well as the 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 HeidelbergCement India Ltd. Since then there has been no looking back. In 2009, the Company undertook a brownfield capacity expansion in Central India to increase its cement manufacturing capacity from 2.1 million tonnes per annum to 5.4 million tonnes per annum. Through completion of debottlenecking projects in FY2019-20 the grinding capacity of Imlai and Jhansi plants have been enhanced by 0.5 Million Tonnes Per Annum (MTPA) and 0.55 MTPA respectively during the FY20. The aggregate cement grinding capacity of the Company now stands enhanced to 6.26 MTPA, the benefits of which will be reaped in the coming years. Going forward, the Company would also consider the possibility of debottlenecking its clinker manufacturing capacity at Narsingarh plant.

LOCATION OF PLANTS AND MAIN OFFICES

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



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

Chief Financial Officer
Mr. Anil Kumar Sharma

Legal Head & Company Secretary
Mr. Rajesh Relan

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

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

HeidelbergCement Group

HeidelbergCement is one of the world's largest building materials companies. With the takeover of the Italian cement producer Italcementi, HeidelbergCement became the number 1 in aggregates production, number 2 in cement, and number 3 in ready-mixed concrete. Both companies complement each other perfectly: on the one hand due to major similarities in product areas and organisation structures, and on the other hand due to their different geographical footprints without major overlaps. In the significantly expanded HeidelbergCement Group, around 55,000 employees work at more than 3,000 production sites in more than 50 countries.

The core activities of HeidelbergCement include the production and distribution of cement and aggregates, the two essential raw materials for producing concrete.

1 Number 1 in aggregates production

2 Number 2 in cement

3 Number 3 in ready-mixed concrete

Alignment with the UN Sustainable Development Goals (SDGs)

For HeidelbergCement, supporting the SDGs means fulfilling its share of the global responsibility to address the world's most pressing social, economic, and environmental challenges.

We have aligned our Sustainability Commitments 2030 with the UN Sustainable Development Goals (SDGs) enacted in 2015 by the UN General Assembly, which have been adopted by all the 193 member states. The SDGs aim to end extreme poverty, fight injustice and protect our planet with 17 goals set out for 2030.

PROCESS EXCELLENCE

FROM STATUS QUO TO CONTINUOUS IMPROVEMENT

Status quo is considered as a sign of stagnancy at HeidelbergCement. The basis and prerequisite for operational excellence emanates from a culture of continuous improvement. Be it the culture at the boardroom or at the operational level – our emphasis on producing high-quality cement within the cost-time-resource remains unflinching so as to ensure customer satisfaction making operations sustainable.

We constantly challenge our best practices, find rooms of improvement in seemingly perfect processes, and expand the horizons for resource optimization, operational efficiencies & digitization.

In a market that has largely standardised products, customer focus and service quality become important to be able to realise their full potential. Across our plants, mines & offices, our people remain in constant search of ways by which we can keep our operations sustainable: efficient, low cost, high on productivity, margin growth, and value creation.

At HeidelbergCement, we remain in constant search for improvements and this keeps us in a state of continuous change thus making it a way of life. We firmly believe that 'excellence is as much a journey as it is a milestone' and therefore encourage even the smallest acts of improvement across departments and organization hierarchy.

All our operations are supported by central competence centers for technology and through local shared service centers in countries and regions.

OpEx Highlights

The Company has well-structured and effective internal controls and SOPs that are periodically reviewed and strengthened. From Quarries to the Shop Floor, throughout the production cycle, operational performance was enhanced leading to enhanced productivity, sustainability and competitiveness.

PRODUCTIVITY

The capacity utilization of our plants in Central India had crossed 90%. To further augment the production capabilities and step-up operational efficiencies we embarked on carrying out a debottlenecking plan. During the quarter ending March 31, 2020, the Company completed debottlenecking of its cement grinding capacities in Imlai (Madhya Pradesh) and Jhansi (Uttar Pradesh). The grinding capacity of Imlai and Jhansi plants was enhanced by 0.5 Million Tonnes Per Annum (MTPA) and 0.55 MTPA respectively. Going forward, we are would be exploring possibilities to debottleneck the clinker manufacturing capacity at Narsingarh plant.

Our aggregate cement grinding capacity now stands enhanced to 6.26 MTPA, the benefits of which will be reaped in the coming years. This is a testament of our positive long term outlook despite the pandemic.

SUSTAINABILITY

Our emphasis remains on continuously making our operations increasingly sustainable across parameters – business, social and environment. In this financial year as well, we continued to undertake various initiatives aimed at promoting a greener and cleaner environment.

All our plants are ISO 14001 (Environment Management System) certified.

- **Water:** We remained net water positive for seventh consecutive year.
- **Emissions:** Our Carbon footprint remains slower than the industry average.
- **Energy:** We generated 66,524 MW of power from Waste Heat Recovery Power Plant – replacing about 34% of grid power for our clinker plant in Narsingarh, Damoh (MP).
- We achieved a Clinker incorporation factor of 63% by maximising incorporation of fly ash and other additives; a big step towards preserving natural limestone reserves for generations to come.

Lower clinker incorporation factor reduces:

1. energy consumption and CO_2 emissions in cement clinker production.
2. environmental impact of industrial wastes such as flyash, slag and silica fumes.

COMPETITIVENESS

In an uncertain and volatile business environment, revenue streams could be projected and worked upon but cost rationalizations need to be dredged. The Company continued to maintain a sharp focus on effective cost management through various proactive initiatives across its facilities and operations.

During FY20 the key cost elements viz., fuels, raw materials and packaging witnessed price reduction due to fall in global crude oil and commodity prices.

- Fall of almost 14% in pet coke price was fully captured through adoption of right fuel mix.
- The softening in price of crude oil led to reduction in Indian Polypropylene granule prices, which was translated into ~8% reduction in price of packing bags given the purchase contracts that link the price of bags with the changes in price of Polypropylene granules.

Debottlenecking of Clinker Transport from Narsingarh Plant to Imlai Plant

Success Story

CHALLENGE:

It is vital that infrastructure remains in sync with the changing business requirements. The clinker transportation from Narsingarh plant to Imlai grinding plant via existing ropeway was identified as a bottleneck that limited its running hours to 12-14 hours per day i.e. 2,700 to 3,200 MT of clinker transportation per day.

CHANGE:

Ropeway is a relatively economical mode for transporting clinker as compared to road transport. The technical team at the plant undertook several modifications at feeding and discharge ends to improve the performance of ropeway transportation. After these interventions the average clinker transportation ranges between 3600 to 4100 MT per day i.e. an increase of ~900 MT per day. Increase in capacity has led to improved efficiency and cost savings.

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, they lead to a prosperous future.

Below is a snapshot of some of the continuous improvement projects undertaken at various locations during the year:

IMLAI PLANT

- The existing separator system of Cement Mill 1 in Imlai Plant which was established in 1981 was upgraded with third generation, latest model separator having better efficiency and particle size distribution. With this upgradation, the production rate increased by 20 tons per hour and specific power consumption decreased by 0.95 unit/tonne.
- The existing feeding arrangement of Cement Mill No. 1 & 2 at Imlai was upgraded from manual diverting gates to a Stone box arrangement with Central Control Room (CCR) operated diverting gates installed for ease in material feeding. This resulted in elimination of manual interventions for changing the path of material flow. Also, resulting in lesser wear rate of complete feeding system.
- Installation of mechanized hoist and trolley arrangement to replace manual handling and eliminate the associated safety risks.

JHANSI PLANT

- The existing Deep Bucket Conveyor (DBC) system in operation for past 30 years @ 250 ton per hour (tph) rated capacity was not sufficient to fulfil clinker transport requirement of Jhansi plant. The new design Apron Belt Conveyor (ABC) of 400 tph was installed to increase the material feed rate in loading hoppers. With the increased feed rate, more quantity can be loaded and engagement of payloaders minimized. Auxiliary system was also upgraded to contain fugitive dust emissions.

PAT cycles at Narsingarh Plant

PAT (Perform, Achieve & Trade) Scheme is an initiative of Government of India to promote energy efficiency in energy intensive sectors. The scheme under National Mission for Enhanced Energy Efficiency (NMEEE) is a regulatory instrument, which provides an innovative market based mechanism to reduce the energy footprint of the industrial sector. Designated Consumers (Energy intensive industries) are selected and assigned targets for reduction in specific energy consumption to be achieved within three years' cycle, with a provision of getting Energy Saving Certificates (ESCerts) which can be traded.

Narsingarh plant has successfully completed first and recently, second PAT cycle with achieving improvement more than the notified target. On completion of first PAT cycle, the Plant was issued 18,697 ESCerts and is now slated to receive 14,424 ESCerts from the second PAT cycle.

The improvement in energy efficiency has been achieved over the past few years through various small and big initiatives such as:

- Addition of new efficient production line.
- Installation of Waste Heat Recovery Power Plant.
- Minimizing deviation in raw mix through control by QC department.
- Reducing idling hours, improving production efficiency by exercising rigorous process controls.
- Adopting new energy efficient technology e.g. LED lights, Energy efficient Air Conditioners.
- Other measures to increase reliability, process stability and energy efficiency of equipment / process.

Digitisation & Automation

HCIL continues to be at the forefront when it comes to automation and digitisation of its processes. Considering the tumultuous times and the challenges in the visible horizon, digitisation and automation projects have come under sharp focus as they provide a definite competitive edge.

The benefits of digitisation and automation span from efficiency improvement, minimising potential human errors, optimising processes, provide safety, facilitate failure analysis planning and cost controls.

Digitisation provides real time information for quick analysis and facilitates exception reporting that allows management to focus on relevant improvement areas. Their significance and effectiveness have been demonstrated adequately during the present challenging times where remote monitoring of operations is becoming a compulsion.

During FY2019-20, HCIL implemented these digitisation and automation processes:

EMPOWER: A tool which empowers our sales officers in the field to transact business while on the move. It provides real-time sales, collections, outstanding, and order tracking information that facilitates faster resolution of issues / concerns of channel partners.

MAGMA (Management Application of Group Minerals and Assets): Maintenance of land inventory (Free-hold and Lease hold) has traditionally been a complex and cumbersome issue. Often the challenge is in getting land related information with all its history. We have implemented a platform that now maintains land records / information in digitised form including the archiving of the documents.

Furthermore, here are some projects that we aim to execute in FY21:

GST (Input Tax Credit Automation): The Government has built a digital platform to file GST Return (GSTR) and requires manual intervention to reconcile Input Tax credit on material / service purchased based on Return filed by the vendors. The new system will allow the Company to avail input tax credit if the vendor has filed outward tax return. Automatic filing of GSTR 1 has already gone live in past while automation of GSTR 2 reconciliation is in progress.

HRIS Integration: This is a process to standardize Human Resource processes across the board i.e. a one-stop application to cover Hire to Retire (H2R), bring uniformity in time & attendance across all locations which will improve employee satisfaction.

Supply Chain Automation: A project to shorten the turnaround time, error-free process at weigh bridges, competitive freight auctioning and to eliminate manual intervention at critical points.

Dealer Portal: To provide an online portal to our Dealers for order management & tracking, goods receipt & in-transit status, downloading all relevant documents like ledgers, invoices, credit notes etc., hassle free accounts reconciliation, targets and incentive scheme achievement tracking and facilitating direct interaction with the Shared Services Centre.

PRODUCT EXCELLENCE

FROM PUSH TO PULL

Overview

The customer of today is discerning enough to differentiate the wheat from the chaff. In an extremely competitive industry like ours where most rely on Price, Promotion, and Placement to lure the customers, our Company takes pride in relying on its Products and Services as a major distinguisher.

'Mycem' and 'Mycem Power' - our two brands - have become synonymous with 'quality' and 'reliability' the two factors that distinguish good and great cement.

Thanks to the positive growth trajectory of our products, the Company has been witnessing a natural transition from sales push to a consumer pull scenario.

As one of India's preferred cement manufacturers, we have deep understanding of the consumer needs and the cement we produce that go into enhancing the quality of living – be it roads, buildings or bridges and therefore we remain responsible and ensure that every bag of cement we produce, its quality surpasses the expectations of our customers.

Our focus on product reliability via continuous innovation and adoption of latest technology has helped us strengthen our brand equity. With ease of access to information, we expect consumers to be relatively better informed in the future and we eagerly await this since we believe that it will help us most in securing customer preference. FY2019-20 witnessed a host of factors impacting cement demand; from slowdown in government expenditure and heavy monsoon to the COVID19 outbreak towards the very end of the financial year. Despite these factors, the capacity utilization of the Company's plants in Central India stood at ~96%. It is too early to comment as to how severe will be the impact of the pandemic on domestic and global trade, however we remain optimistic about the Government of India's continued focus on infrastructure development, the economic rebuilding efforts for a self-reliant India that bode well with the cement demand.

At HeidelbergCement, the quality of the products is so good that the customers can't help but praise it and become our brand ambassadors.

Quality First & Always

Trust develops from sustained demonstrated reliability. 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 now a well recognised figure in Central India markets.

Quality is not by chance, it is an outcome of a concerted act that has now become a habit at HeidelbergCement India. Putting quality first, has always been our motto as we converged our energy to deliver value for money for the customers. While striving for optimizing the input costs, we never compromised on quality of raw materials in the manufacturing process nor on their consumption parameters. We use 100% mineral gypsum and high-grade bauxite to sustain the quality and strength of cement.

HeidelbergCement India complies with the standards set by the Group. Quality assurance controls are checked by independent experts as part of the extensive quality assurance programmes.

During the financial year, our technical mobile vans continued to demonstrate best construction practices to the ultimate consumers. These are also 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.

We are in the processes to introduce a Vendor Evaluation System in the near future. As per this system, all vendors will be ranked on various parameters like trustworthiness, dependability, quality, and compliance. Basis their ratings, vendors will be preferred for giving business. This exercise will serve twin objectives – ensure best quality sourcing and achieve better negotiations.

Customer Satisfaction

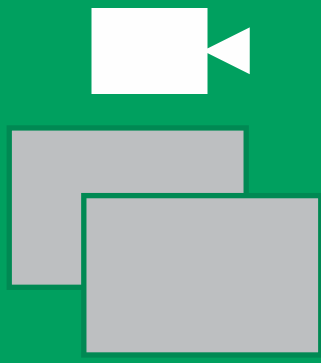
Our long-lasting relationship with our customers is one of the key testament of our consistent quality, service, innovation and manufacturing standards. We are always exploring better ways to connect with our customers, understand their needs and collaborate with them using our capabilities to address their challenges.

Customer centricity is a strategic priority put into action through a slew of measures such as a dedicated customer support services department, training of employees and sensitising them towards customers' needs.

- Our technical mobile vans continue to demonstrate best construction practices to the end consumers. These mobile vans 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 also circulated using social media platforms.

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



During the lockdown period the frequency and quality of our communication with customers and business associates was noteworthy.

As the world transforms digitally, we too are maintaining a good pace in this area. We have leveraged digital media platforms and technology to ensure that every employee is adequately trained to use it and remain connected. With "work from home" becoming the new normal, we have cascaded MS Teams across our organisation. This year, we have enhanced our digital presence:

The Facebook follower base increased from

6.5K to 12.5K

LinkedIn base also doubled from

1.6K followers to 3.3K

We instituted Yammer – the internal media communication platform for improved communication and sharing of information. We used YouTube to cascade Managing Director's messages to the employees.

OTHER INTERACTION INITIATIVES:

Mason Meets	**Plant Visits**	**Concrete Solutions managed by Mobile Lab Engineers**
Engineer Meets	**Retailer Meets**	**Interaction with Influencers**
Contractor Meets	**Special Events**	**Customer Relation Management**

Mason Meets

Engineer Meets

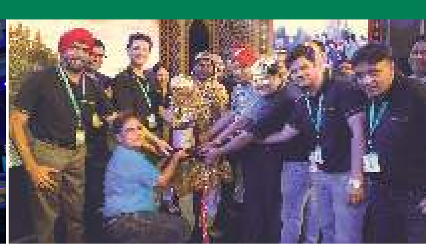
Engineer Meets

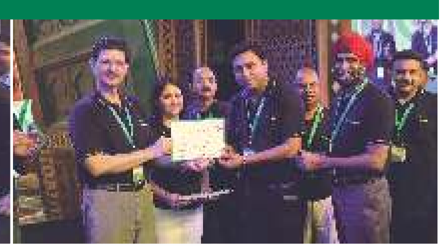
Contractor Meets

Retailer Meets

Interaction with Customers

Annual Dealer Conference, Agra





PLANET EXCELLENCE

FROM RESTORATION TO REJUVENATION

Overview

HeidelbergCement recognizes the challenges and importance of containing the impact of the manufacturing process on the environment. Hence, our commitment to the Mother Earth extends beyond conserving and restoration of ecology to that of exploring options for rejuvenation.

Reclaiming land for agriculture post mining of the limestone has helped us improve upon our environmental performance. We also have assumed equal responsibility towards reduction of our carbon footprint, remaining net water positive, increase the green cover and maximise use of low carbon alternative fuels.

HeidelbergCement India is a member of Global Cement and Concrete Association to drive the SDGs.

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

We follow a three-pronged approach to fulfill our commitment towards sustainability: Prevention, Mitigation and Compensation.

Key intervention areas:

- Water Management
- Energy Efficiency & Emission Reduction
- Waste Heat Recovery Power Generation
- Green Belt Development
- Enriching Biodiversity
- Alternative Fuel & Raw Material

Sustainable Mining

The importance of sustainability in mining operations cannot be undermined. Ecological stewardship is the right thing to do that allows us the social license to operate. 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 area at Diamond Patharia Limestone Mines have been developed into large water reservoirs that support the communities living in close vicinity.

Our interventions range from soil management, pollution control, biodiversity conservation, maintaining water balance, and promotion of safe mining practices. Post mining, the land is reclaimed through back-filling and afforestation. In FY 2019-20, 87.64 Hectares in Patharia mines were afforested by planting around 78,000 plants of various species such as Bel, Rain Tree, Bargad, Arjun, Golden Bamboo, Pilkhan, Neem and Shisham.

The water reservoirs have become a blessing as the water they store has been recharging the ground water reserves and has improved the water table in the area.

We strive to preserve and enhance the biodiversity across all 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 that grace the greenbelt. In FY2019-20, Dr. Carolyn Jewell, Senior Expert Biodiversity from Global Environmental Sustainability wing of HC Group visited our Patharia Mines. After witnessing the rehabilitation work she expressed immense satisfaction for the work done by us.

Concurrent backfilling- the need of the hour

Success Story

CHALLENGE:
Mines backfilling is an important constituent of mining process. At our Patharia Limestone Mines, the challenge was to maintain the natural landscaping and biodiversity with minimum usage of virgin land for waste dumps.

CHANGE:
Concurrent backfilling was the only solution to meet this challenge. Due to the limestone deposits being shallow, the mining operations were organized to excavate complete limestone in one go and make available sufficient mined out pit area for backfilling. This method of operation at Patharia mines has prevented the building up of monstrous dumps on the land.

Every year about 15 hectares of mined out pits are backfilled and made ready for plantation by overlaying it with fertile black cotton soil. About 10000 saplings of native species are planted on matured backfilled area. The locals are engaged for plantation activities as well as safeguarding of the planted areas thus generating direct livelihood for them. As a result of these plantation activities cattle fodder is available to villagers throughout the year.

Sustainable Operations

To ensure long term sustainablity 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.

Our Group's Sustainability Strategy focuses on climate protection. The goal is clear - reducing specific CO_2 emissions per tonne of cement by 40% as compared to emission levels of 1990. HeidelbergCement India stands committed to achieve this target through a slew of unfailing measures.

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.

Net Water Positive for the 7th year in a row

CO_2

The Company's carbon footprint during FY2019-20 reduced to 578.6 kg of CO_2/ton of cement as against 585 kg of CO_2/ton of cement in FY2018-19. This is lower compared to the industry average.

Limestone

Achieved 63% Clinker incorporation factor by maximizing utilization of fly ash and other additives; a big step towards preserving natural limestone reserves for generations to come.

Waste

Generated 66,524 Mega Watt of power from the Waste Heat Recovery Power Plant at Narsingarh, meeting 34% power requirement of the unit's clinkerization plant.

Our target to achieve a $2^{\circ}C$ lower ambient temperature inside the plant premises as compared to that prevailing a Kilometer away has recorded good progress as we have been able to clock a difference of $1.2^{\circ}C$ with remaining $0.8^{\circ}C$ to be covered up in the following year.

Incinerated 81.3 MT of plastic waste in our Clinkerisation unit at the Narsingarh plant.

Consumption of Low Grade Limestone to enhance Life of Mines

Low grade limestone (<38% Cao) comprises around 30% of the total deposit in Patharia Mines. By consuming maximum part of this deposit, we would be enhancing the life of mines. Using about 3 to 4% of high grade limestone (Sweetener) having Cao > 50 %, during FY 2019-20, a total of 1.70 million tonnes of low grade limestone was consumed.

During FY 2019-20, a total of 1.70 MioT of low grade limestone was consumed.

Patharia Mines bagged FIMI award

Patharia Mines was presented with Subh Karan Sarawagi Environment Award for its efforts towards environmental protection and management for the year 2018-19 by Mr. Pralhad Joshi, Hon'ble Minister of Mines, Coal & Parliamentary Affairs at the 53rd Annual General Meeting (AGM) of FIMI held on 24th September 2019 at New Delhi.

FROM COMPLIANCE TO EXCELLENCE

Overview

We continue to nurture a people-first culture at HeidelbergCement India. 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 action, intention and interaction of ours for the wellbeing of employees and the communities.

In our pursuit to remain a good neighbour and a responsible corporate citizen, we champion the cause of inclusive growth and equal opportunity.

Committed teams execute a steady stream of interventions in the focus areas as defined 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

We cement win-win relationships with our employees. Our talented workforce is our greatest strength and hence responsibility too. Our culture emphasises the need to stimulate a sense of sharing, learning and growing together as a team.

Our human resources policy facilitates us to identify promising employees, nurture their professional growth, and secure their commitment towards the organization.

Our talent management strategy incorporates all the key parameters of talent attraction, motivation and retention:

Engagement channels	Health & Wellness
Talent Appreciation	Training & Development
Reviews	Rewards
Recreation	Recognition

Health & Safety

Employee safety is accorded foremost priority and is an integral part of our corporate values.

We deploy proven measures to improve our operational safety standards as well as reinforce organisational safety-first behaviour. From proactive interaction 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 is the first to wear the safety helmet and other PPE and follow the cardinal rules. All employees, contractors, vendors or visitors follow suit in assuming accountability towards adhering to the occupational safety regulations.

Our workforce is well equipped to adhere to the cardinal norms, guidelines, standards and legal requirements. The day must begin with a safety prayer, safety pledge during the plant gate meeting. This applies to contractual workforce as well who are formally trained on safety standard before being allowed to work inside our plants.

We remain committed to achieve “zero-harm”. In the year under review, we stood on a firm ground and achieved yet another safe business year with no fatality.

A host of safety leadership training programs were conducted for top management, plant heads and departments covering topics relating to: Group’s clean site and safe site initiatives, safety conversations and safety zone concepts. Employees were imparted safety induction trainings, refresher courses and job specific trainings like scaffolding safety, working at height and in confined space etc. The Company received several accolades for its impeccable safety performance.

- FICCI Safety Systems Excellence Award 2019 in Large Manufacturing Sector (Hazardous) category.
- Platinum Award in H&S 2019 by National Safety Council, M.P. Chapter
- ‘Unnatha Suraksha Puraskara’ – Safety Award by National Safety Council, Karnataka Chapter
- Appreciation by Directorate of Industrial Safety and Health (DISH) for best safety practices

“Every employee must return to his home smiling.” This philosophy drives all our policies, processes and practices.

Occupational Health & Safety is one of the cornerstones of our Company, the accountability of this area rests across all management levels.

Below is a glimpse of OHS policies, practises & protocols followed by all our plants & premises:

Compliance
All plants are ISO 45001:2018 certified for Occupational Health and Safety Management System. The plants also remain in compliance with ISO-14001:2015, ISO-9001:2015, and ISO-50001:2011.

Committees
Occupation Health & Safety is governed by a systemic accountability approach:

- Plant Safety Committee
- Mines Pit Safety Committee
- Apex Safety Committee

The safety measures are reviewed on daily basis by concerned HODs, followed by monthly reviews by the Unit head and visits by Technical Director.

Competency:
Through intensive training, we ensure that everyone within the premises remain fully aware of safety risks and preventive measures. It is mandatory for new employees to undergo safety trainings, including fire-fighting training as part of their induction process. Shop floor workers undergo periodic safety trainings which are organised throughout the year.

Fully equipped Safety Training Centers are in place for imparting training about workplace hazards and the significance of safety controls. We also have well-equipped labs with simulators for providing job-specific training to engineers and trainees.

Occupational safety topics are accorded utmost focus. Drivers and helpers were imparted training on defensive driving techniques. Apart from the workforce, their family members, nearby villagers and school children were also imparted safety training.

Combatting COVID-19 with Compassion

Success Story

CHALLENGE:

Year 2020 will be remembered for the sudden advent of a pandemic that challenged the entire world population with a health crisis of unprecedented magnitude. 25 March 2020 saw the imposition of a nation-wide lockdown, a step to arrest the spread of coronavirus. Prior to the said lockdown, various State Governments already were issuing directions to stop manufacturing operations. Complying with the government's directives, the Company suspended manufacturing operations in its plants on 24 March 2020.

CHANGE:

To counter the impending risk 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 issued and awareness sessions were conducted.

Resuming the operations in a phased manner with effect from 20 April 2020, utmost caution was exercised through a slew of mandates.

- Thermal scanning of individuals made mandatory at entry gates of all plants.
- Sanitizer dispensing machines & hand washing facilities provided.
- Adherence to maintain Social distance was ensured for employees and workmen.
- Wearing masks made mandatory for all those working in plant premises, in addition to usual Personal Protective Equipment (PPE).

Employees working at corporate office and those in sales, were advised in the 3rd week of March 2020 to Work from Home.

Beyond the factory gates, we engaged in a constant dialogue with local panchayats and village representatives to assess their needs and provide necessary support to the extent possible.

- We distributed face masks, sanitizer dispensers, grocery items, food packets etc. to the needy.
- Sanitization drive was also carried out in close coordination with district administration in some villages that were identified as high-risk areas.

A New Normal has been created that will change the way we live and work. But we remain steadfast in our commitment to support the society in these trying times.





People Around Our Plants

Inclusivity is a challenge faced by number of economies today. There is a vast chasm between the haves and the have-nots. We challenge this incongruence by building bridges of knowledge, skills and access.

Our CSR initiatives have wide coverage encompassing:

Education	Skill Development	Health & Hygiene	Infrastructure Development

We are directly supporting thirty villages at three locations viz., Damoh, Jhansi and Ammasandra. During FY20 the Company has spent INR 44.7 million on various CSR projects / programmes exceeding the obligations pursuant to Section 135 of the Companies Act, 2013.

Education

What doesn't begin, will never flourish. We understand that the education deficit in the society begins from a very early age. So, our interventions start from pre-primary stage of education and go further.

- We have developed 20 Model Aanganwadi centres in Damoh & Jhansi in association with the concerned District Women & Child Development Departments. These Aanganwadi centres are equipped with basic furniture and age-appropriate toys and games for children in the age group of 3 to 6 years. About 1,000 children regularly attend classes organised in these centres.
- We have also strengthened basic infrastructure of 45 government schools benefitting more than 7000 students and 120 teachers.
- We have renovated 11 government school buildings in surrounding areas which involved extensive repairing of classrooms, boundary walls, flooring, roof and toilets thus giving a complete new look to these schools.
- Our scholarship schemes facilitate higher education to meritorious students. As a development partner of Gyanodaya Vidhya Mandir School, Damoh we are providing financial support to educate children from nearby areas.

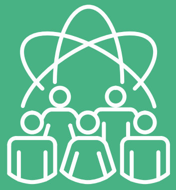
Skill

In a fast-changing world, skill is required to augment education and make people financially independent.

- Enthused by the success of Sakshamta Vikas Kendra (SVK) - a skill development centre near our Jhansi Plant, this year we developed a new SVK at Narsingarh staff colony.
- We have tied up with Usha International Ltd. and developed a “Silai School” in Damoh which provides a wide range of sewing and tailoring courses. 50 ladies shall be trained for a period of 1-year association and 20 ladies will be finalized for production training.
- India continues to reside in its villages. To equip farmers with modern agricultural techniques and practices, we have associated with ‘Krishi Vigyan Kendra’ of Damoh. A new 5-year project “Livestock Development Centre” has also commenced operations in Damoh in partnership with BAIF Research Development Foundation. This centre strives to improve cattle breed for enhancing income of rural families.
- In Damoh, we partnered with State Bank of India for running a Rural Entrepreneur Development Training Institute (RSETI) through which we provided 6 days training to 39 rural youths on ‘Self-Entrepreneur Development’.

Across all our facilities, dedicated volunteers ensure fulfilment of our Corporate Social Responsibilities (CSR).

We have adopted a comprehensive approach by encouraging community participation at all levels from planning and implementation to monitoring and maintenance of assets created under CSR projects.



Silai School

Health & Hygiene

In the last few years, the Government of India has focussed extensively on overhauling the health and hygiene infrastructure of the country. We are playing an active role in supporting these initiatives.

- This year, 68 health check-up camps were organized by our medical team at Damoh; benefitting 4,220 community members from 17 villages.
- Under health programme, our experienced team of doctors and nursing staff regularly organizes rural health check-up camps for the aged, the pregnant, the children and the economically marginalized families in nearby villages.
- To meet requirement of potable water, we supplied water through tankers in summer season in villages near our mines in Damoh. Under 'Nal-Jal' scheme water supply has become operational in one of the villages near our mines in Damoh and the work of laying down water pipelines is in progress in some other villages.

This year, 68 health check-up camps were organized by our medical team at Damoh; benefitting 4,220 community members from 17 villages.

Infrastructure

We are in the business of building, and we understand the importance of infrastructure in strengthening the society. Through our infrastructure development projects, we develop roads, drainage lines, community halls, water tanks, crematorium etc., in the nearby villages.

Pond deepening

Youth Training

Music Class

Ghat at Imlai

Rural Health Check-up

School Infrastructure

Scholarship

Farmer's Training

Primary School, Imlai

Model Aanganwadi, Narsingarh

SVK Training Centre

Drinking water supply to villages

From the Desk of the Managing Director

Dear Shareholders,

"Bigger the challenge, bigger is the opportunity to usher in disruptive changes."

HeidelbergCement Group is one of the world's largest manufacturers of building materials with a reputation of building long-term success based on sustainable business practices. The Group's legacy of quality, reliability and integrity remains deeply entrenched in the operating philosophy of HeidelbergCement India. It provides us the direction to maximise value for our stakeholders and build operational resilience to thrive despite the unprecedented challenging times.

Over the years, the company has emerged stronger, but the journey of excellence will continue unrelenting as ever. The financial year under review was clouded by uncertainties of epic proportions. The declining GDP growth got mirrored by our industry and the same was visible as the volumes declined across regions. Growing liquidity crunch, tough economic conditions, slowdown in capital formation and extended monsoons posed challenges as we traversed through the year.

To top it all, lockdown announced by the government towards the end of the financial year further added resistance to the business. Given the impact of pandemic on human life, there was no option but to declare a lockdown bringing lives and businesses to a standstill.

Irrespective of all the challenges, FY2019-20 has been a year of learning both personally and professionally. The circumstances tested your Company's readiness to adapt, evolve, sustain and progress including our agility quotient in the face of fast changing scenarios.

I am pleased to share with you that despite all odds, your Company has registered a strong performance. I am proud of our CSR & OHS teams for the slew of precautionary measures initiated by them with profound agility to protect our people and our assets. To mitigate the impact of the pandemic, a 'Contingency Management and Business Continuity Plan' was put into place. A robust risk management process in a state of high alertness, helped us respond to the fast-changing environment.

I place before you the following highlights that represent your Company's capabilities on key parameters: operational and financial performance, social responsibility, governance and sustainability.

- **Recorded highest ever profitability despite decline of 3.9% in cement sales.**

  Highest ever net profit of INR 2,680.6 million in FY20 compared to INR 2,206.6 million in FY19.

  EBITDA margin of 24.46% of revenue, an increase of 155 bps compared to FY19.

- **Announcement of higher dividend**

  Total dividend proposed for FY2019-20 is INR 7.5 per equity share, as compared to INR 4.0 per share paid for FY2018-19.

- **High capacity utilization**

  The Company's capacity utilization stood at 86.9% in FY2019-20, as against the industry average of 67%.

- **Credit rating reaffirmed at AA+ with stable outlook.**

- **Remained net water positive for 7th year in a row and ensured zero fatality.**

HeidelbergCement is driven by the pursuit of excellence - be it our products, our processes or our people.

This performance has been possible due to improvement in operational efficiencies, premiumization of the brand, improvement in consumption factors, cost control, and repayment of debt resulting in higher EBITDA and profitability. Accelerated efforts to increase the share of renewable and alternate energy added a feather in our cap helping us reduce our power cost. Product excellence being the key, technical team delivered consistent high quality cement. A well-coordinated teamwork of Sales and Logistics ensured superior service for which our discerning customers gladly paid a premium for our cement.

It is my belief that an outstanding organization is known not only because of its size and market position but also by its stance on the larger narrative. We leave no stone unturned when it comes to our commitment to the community and the environment. We have aligned our Sustainability Commitments 2030 with the UN Sustainable Development Goals (SDGs) which we will deliver for sure and not limit ourselves if we are in a position to exceed the same. Undeterred, we pursue operational excellence harnessing the power of automation and digitisation.

Be it better productivity, better logistics, better people performance or better resource utilisation – this year as well we continued to lead the excellence narrative by example right from the quarries into the hands of the users.

"friends of Earth", an initiative that reaffirms our commitment to make the world a better place to live for generations to come.

Continuing our ecological stewardship, we planted and nurtured over 78,000 saplings of various species on reclaimed land at Patharia mines. This exemplary act on our part caught the attention of Federation of Indian Mineral Industries (FIMI) who awarded us for our environment protection approach. To increase the green cover of our planet, we motivated our business associates to plant trees under "friends of Earth" programme launched on 15th August 2019. It was a reaffirmation of our commitment to "making the world a better place to live for our generations to come".

Riding the wave of digitization, we launched "EMPOWER", a software that is empowering our field sales team by making online data available to them. We implemented "MAGMA"software to digitize our land records. With many more projects in hand, we forge ahead to digitize processes for improved control and accountability.

During the year, we successfully managed to de-bottleneck our cement grinding mills at Imlai and Jhansi plants thus adding close to a million tonne of grinding capacity at marginal cost. Now the total cement grinding capacity of your company stands at 6.26 million tonnes per annum.

Customer Centricity being a part of our business philosophy, all teams across the organization orchestrated and delighted our discerning customers. This has helped your company to successfully build long-lasting bonds with customers and business associates. Going beyond delivering "value for money", our customer service team helped our customers and applicators to optimize the full potential of our cement by training them on use of best construction practices.

Our belief in inclusive growth led us to invest INR 44.7 million in CSR activities during FY20 which exceeded the mandate provided under Section 135 of the Companies Act, 2013. In order to mitigate the adversities being faced in these challenging times by the underprivileged section of the society, the Company has recently launched a scheme whereby it is contributing @ Re. 1 for each bag of cement sold towards the cause of feeding the underprivileged. Serving the society – we also made cement and cemented relationships.

Amongst the various recognitions and accolades received during the year, Construction World Magazine awarded your company as one of the fastest growing cement company in the medium category. These accolades stand testimony to the talent and commitment of our people who relentlessly have put in efforts to propel our company from "good to great". I place on record my sincere appreciation for the contributions made by them.

Most businesses survive but only a few thrive. It does not matter if the growth numbers are big or small. What matters is how consistent they are and the direction they are heading to. All these years, we have tried to bring in consistency in our results and that makes me hopeful of a sustainable growth trajectory in the future too. Although uncertainties cloud the business environment and economic outlook looks hazy, I believe that your company is intrinsically strong enough to take on the challenges and usher in the desired change.

I thank the Board of Directors, Top Management of HeidelbergCement Group for their unwavering vision for excellence. I also thank our employees, Channel Partners and Investors for bestowing their trust in us and our principles.

Yours sincerely,

Jamshed Naval Cooper
Managing Director

Board of Directors

Ms. Akila Krishnakumar
Chairperson (Independent Director)

Ms. Akila Krishnakumar, aged 58 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 68 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.

Mr. Kevin Gerard Gluskie
Non-executive Director

Mr. Kevin Gerard Gluskie, aged 53 years, completed his Bachelor of Engineering (Honours) with a major in Civil Engineering from the University of Tasmania in 1988 and an Executive Master of Business Administration from the Australian Graduate School of Management in 2001. He had also completed an Advanced Leadership Program in 2007 conducted by McGill University, the Indian Institute of Management, and Lancaster University.

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

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

Ms. Soek Peng Sim
Non-executive Director

Ms. Soek Peng Sim, aged 51 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 63 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 35 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 Ltd. (which is also a part of the HeidelbergCement Group).

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

Traversing his professional career, Mr. Cooper has gained experience in Corporate Management, Cost Leader-ship, 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
Wholetime Director

Mr. Sushil Kumar Tiwari, aged 65 years, holds degree in Engineering in two streams - Electrical and Electronics & Communication - from the Institute of Engineers, Kolkata. In his career spanning over 39 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. S.K. Tiwari,
Wholetime Director

The pandemic caused by COVID-19 has been changing the landscape of the economy with uncertainties abound. With things changing faster than we ever thought, challenges surface each passing day and so do the opportunities. We at HeidelbergCement have always believed in being agile and have focused on continuous improvement. This has been aptly demonstrated by our Company's historical performance.

Every obstacle challenges the status quo and makes us wiser and more capable. We understand the humungous challenge this pandemic has created. It has reinforced the beliefs and priorities we have been pursuing all these years. "Our people" are our asset and we have focused on keeping them safe across locations. Regular health monitoring and community awareness programs have facilitated us in containing the spread of the disease in our plant locations. Our strong culture of "safety first" has been instrumental in building a framework that values life and dignity of the workforce.

Our company has traversed the path of transformation from the beginning of this century to where it stands today. From being a loss making one to a highly profitable one by year 2020. All these years, on the technical front we have focused on improving the reliability of machines, reducing heat and power consumption, reducing clinker incorporation, improving product quality and modernizing the plants. During this year, we converge our efforts to optimize production and plant utilization across all locations. Our commitment towards sustainability is adequately amplified by the projects we successfully implemented. In a water scarce region of Damoh, we managed to become a water positive plant.

Backed by over 147 years of experience, we at HeidelbergCement are confident of meeting the challenges and bring about the change in everything we think and do. I thank all employees in the technical function who have been the backbone for the changes we made in our plants adapting as we embraced new technologies. Yet another step to enhance stakeholders' value and make our organization future ready.

Mr. Anil Kumar Sharma,
CFO

As I stay committed to the values and culture of HeidelbergCement India Limited, it has been my endeavor to serve the stakeholders to the best of my ability. I like challenges and am always ready to find optimum solutions to problems within the available resources.

COVID-19 is an unprecedented situation and has posed challenges we had never expected. Together, we are facing a truly tough time. The global corona virus pandemic is affecting all our families, businesses, communities and our way of life. In these trying times with frequent lockdowns and lot of restrictions, impact on the core industries has been severe including our cement industry. To mitigate the same, our strategy has been to maintain customer relations, optimize capex & opex and prudent financial management. Our Business Continuity and Risk Mitigation Plans have helped us to bounce back no sooner the lockdown was withdrawn. With our plant / marketing personnel operating at varied locations and others working from home, we put in place a system that ensured seamless communication between plants, Sales Offices and Head office. Frequency of management meetings has increased and so is the agility and speed of our decisions. Despite all odds, we have performed well keeping the morale of our team high giving foremost priority to the safety of our employees & other stakeholders including vendors and channel partners. Though there are various impediments in terms of movement of materials, availability of manpower, liquidity crunch etc., our highly motivated team is confident of taking on every challenge that await us.

"With Challenge Comes Change" is aptly exemplified in today's scenario. Change is inevitable in life and it is calling upon us to embrace it for a better tomorrow. The challenges demand improved controls given the compulsion of remote monitoring of operations with reduced supervision. At the same time, Digitization no longer remain an option– which anyway has always been our focus area and now pursued with greater impetus. Our digitization initiatives have enhanced efficiency & productivity as they provide realtime information facilitating quick analysis and support 'Management by Exception'. With these initiatives, quite a few activities and workflows have undergone change and now become a 'new normal'.

The coming years are likely to be full of challenges and loaded with opportunities that will test our limits and unlock our true potential. As per my assessment, outlook of cement industry appears to be very promising.

I am thankful to our stakeholders who have reposed confidence in us and have given support in these times and look forward to delivering even stronger performance in the years to come. I also hope that you all are doing good in these difficult times.

Stay Safe Stay Healthy!

Messages from the Management Team

Ms. Poonam Sharma
Human Resources
Director

As the Fiscal year 2019-20 dawned, no one would have imagined that it would end up proving many forecasts and predictions hollow. The adage "Man proposes, god disposes" never seemed wiser than what it did now.

The year saw many initiatives like training, Employee Satisfaction survey action planning and Employee engagement in full swing. The ESS action plan is now ready for 2020-21. What had started 2018-19 reached its fruitful culmination in streamlining of systems and data for standardized functioning of entities involved. This we hope, will go a long way in enhancing employee experience and satisfaction as well as help in managing task automation and process improvement. It will also be the focus for the next few years, moving from prejudices and biases in absence of dependable data analytics to evidence based working, building more transparent and network kind of organization.

Although, keeping pace with the global advanced technologies is imperative for our Organization, technology will take on the repetitive and routine tasks to help us equally focus on being human centric, with more time in hand to be more creative and impactful. Based on our philosophy of internal talent promotion, a number of key positions were filled through internal selection process.

The year end, however saw the focus change to a completely unpredictable scenario globally, challenging the thinking that human race now was in decent control of the planet. All the conventional five year plan, in fact even one year plan came tumbling down crashing the myths and perceptions of yore with Covid 19 taking over. From "man is a social animal" we moved to the era of "social distancing". The rules of how the business runs changed dramatically as we quickly adapted to the culture of working from home. Many new rules regarding compensating the white collar employees and blue collar employees mushroomed overnight. There was a struggle from compensating employees with no means to earn profits as the factories needed to go under lockdown to keeping them safe and healthy as we geared up to record their health statistics at all locations on daily basis, be it plants or the sales locations. Ensuring that the employees managed to work without the risks to their lives needed a new way of working and quick thinking on feet. The Company stood by its workforce in times of crisis, providing support in healthcare, compensation despite lockdown, even giving normal increments during the increment cycle, as against many Organizations, which deferred or decided to completely forego the same. This helped us safeguard the company from the impact of the migratory labor movement as well as employee attrition which fell down drastically, also perhaps partly due to the economic challenges posed by Covid 19.

We are geared up now to ensure that our digital transformation drive continues in 2020-21 and we can keep the Organization nimble and flexible to surmount the current challenges and move from collective to personalized approach to help employees engaged and productive.

Mr. M. Purnachander,
Procurement Director

We believe 'If it challenges you, it will change you to grow and sustain'.

The same change has helped us to remain strong, sustain and move ahead.

With ever growing business and pursuit of perfection, we have fine-tuned the Procurement IT infrastructure and enhanced the systems towards fair, transparent, quick and efficient sourcing. We have implemented 'Easy Supply' e-procurement portal that covered 90% of our spend managing online tenders and e-auctions. Our Parent Company HeidelbergCement has implemented HANA (High Performance Analytic Appliance) to track, measure savings and Procurement's Financial reporting. We have tested the feasibility and successful in implementing in India.

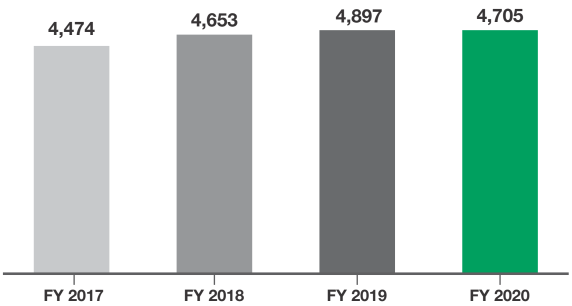
Our highly trained and skilled professionals are constantly monitoring the global commodities to quickly adopt to change and grab the best available materials at best lowest prices while ensuring minimum inventories to reduce exposure during this downtrend scenario. During the year, International fuel prices spiked while rupee lost by 2.5% vs US dollar. We managed fuels with optimum costs, efficient fuel mix of Local coal, Local Petcoke from refineries and imported coal even though International and local pet coke prices gone up.

We have ensured uninterrupted availability of Fly ash despite less Fly ash from thermal plants due to 'reserve shutdown' following dip in demand for Power. We have constantly strived for sourcing of alternative materials for 100% blended cement towards our goal of sustainable products and minimizing impact on environment. We have secured sustainable alternative materials with long-term contracts with our esteemed suppliers. We have focused on packaging front also and improved visibility and well accepted in the market as a premium product.

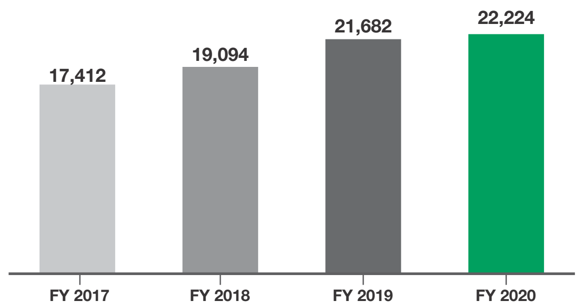
With dynamic changes in technology and e-procurement tools, we are proud to be always ahead of peers in adopting to change and implementation. We are confident that we will remain focused to enrich the overall procurement experience to bring the best possible results.

Operational Highlights

Sales Volume ('000 Tonnes)

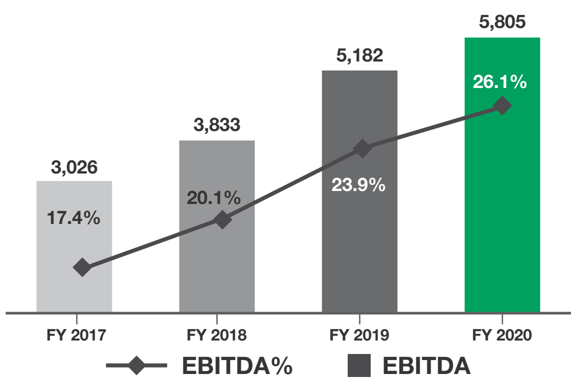


Total Revenue (Rs. Million)



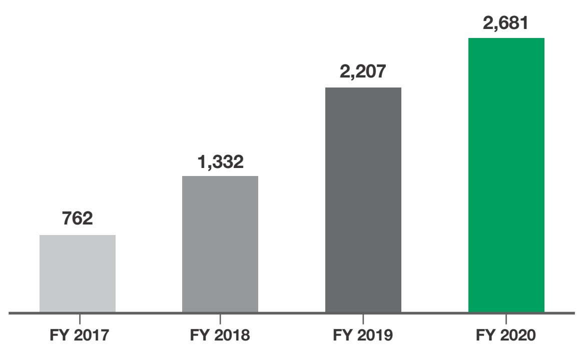
Revenue includes other operating income and other income

EBITDA (Rs. Million and % of Total Revenue)

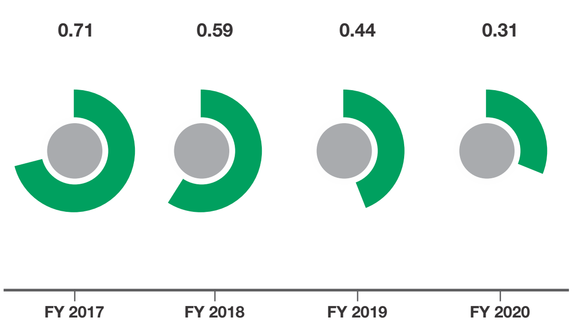


EBITDA includes other income

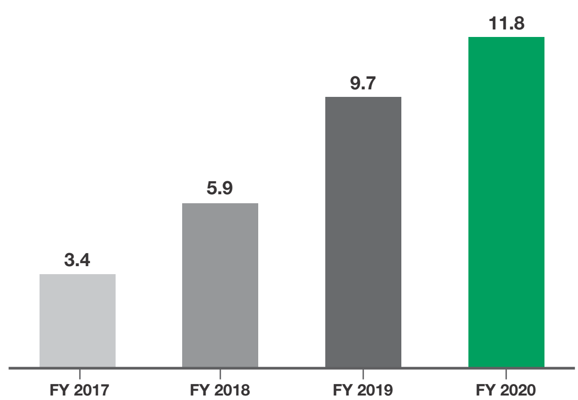
PAT (Rs. Million)

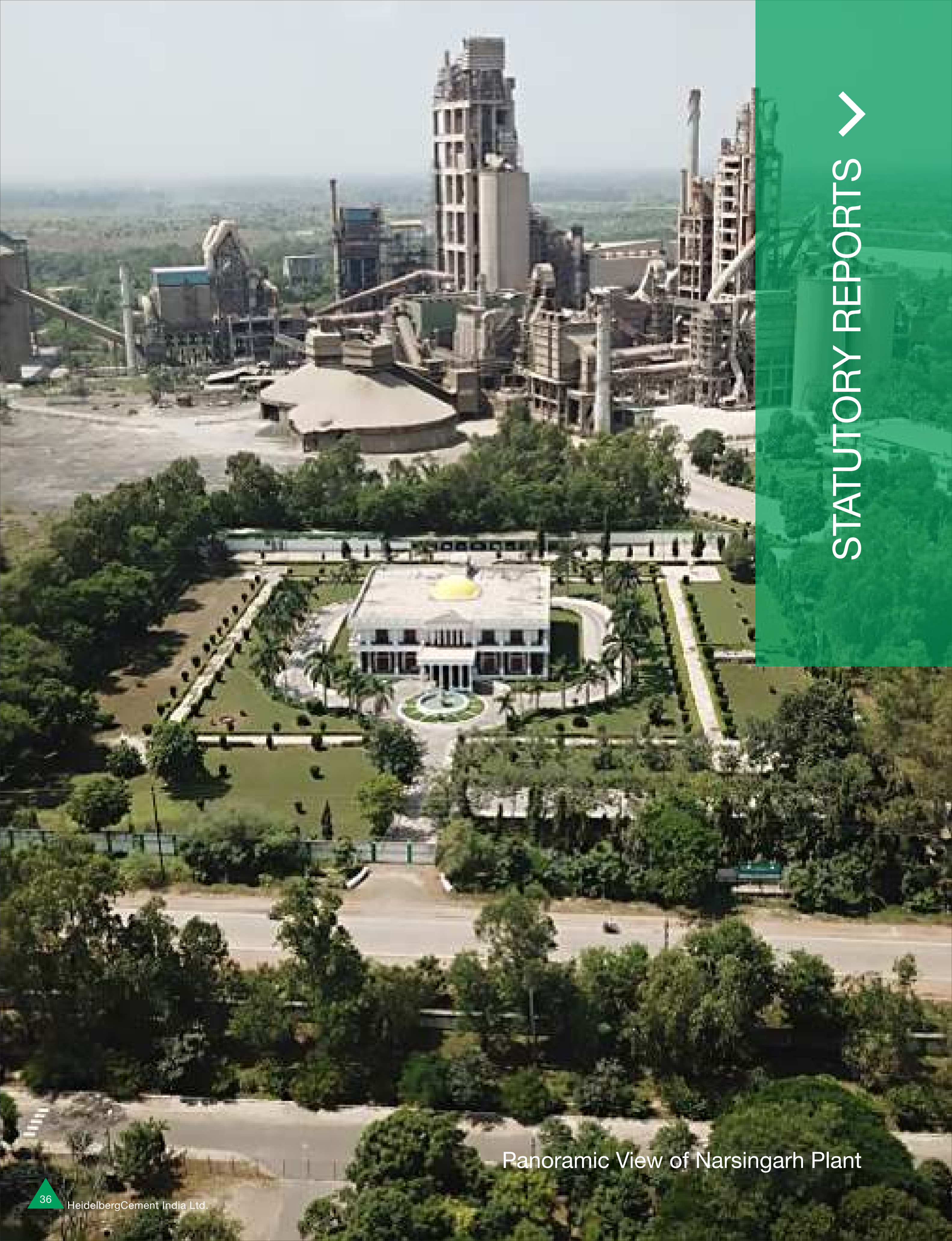


Debt Equity Ratio



EPS (Rs. per Share)





Panoramic View of Narsingarh Plant

BOARD'S REPORT

To the Members,

The Directors are pleased to present the 61st Annual Report together with the audited accounts of HeidelbergCement India Ltd. (the Company) for the financial year ended 31st March 2020 (FY20).

THE YEAR IN RETROSPECT

The Indian economy witnessed slowdown during FY20, with the GDP growth falling from 6.8% in FY19 to 5.6% in 1st quarter of FY20 and further to 5.1% and 4.7% in 2nd and 3rd quarters respectively. A weak rural demand and stress in financial sector were cited as the key contributory factors for this sluggish growth. The year saw Central Government take a slew of measures to revamp the financial sector, address NBFC crisis, merge state-run banks, reduce stress in real estate sector and speed-up resolution process under Insolvency and Bankruptcy Code (IBC). These measures were aptly supported by RBI through its accommodative monetary policy, frequently cutting repo rates to ease the credit flow in the economy. However slow pace of transmission of rates from banks to the borrowers led to some discontentment.

India's eight core industries grew by just 0.6% in FY20 as against growth of 4.4% in FY19. A record low growth of core industries had a cascading effect on industrial output growth (as eight-core industries carry ~40% weight in the Index of Industrial Production) and consequently the GDP growth. India's Wholesale Price Index based inflation eased to 1% during FY20 compared to 3.1% during FY19 primarily on account of weakening demand.

During FY20, cement production registered decline of 0.8 percent (as against growth of ~13 percent in FY19) which is only second such instance of a decline in the past 15 years, after the demonetization effected in FY17. The cement demand was impacted by a host of factors including slowdown in government expenditure post the general elections, changes in state governments which triggered reviews of existing projects and delays in clearing new projects, heavy monsoons and risk of spread of COVID-19 followed by nation-wide lockdown from last week of March 2020. India's cement manufacturing capacity stood at 505 million tonnes as at March 2020, an increase of about 20 million tonnes over last year. The capacity utilization has fallen from 70% in FY19 to 67% in FY20.

National Infrastructure Pipeline (NIP) of INR 102 trillion announced by the Government is being projected as a key for achieving vision of making India a USD 5 trillion economy by FY25. The pace of execution of infrastructure projects constituting NIP holds lot of promise for the Indian cement industry.

FINANCIAL HIGHLIGHTS / REVIEW OF OPERATIONS

During FY20, the Company produced 4.69 million tonnes of cement compared to 4.82 million tonnes during the financial year ended 31st March 2019 (FY19), a decrease of 2.5%. Cement sales during the year were 4.71million tonnes compared to 4.90 million tonnes in FY19, a decrease of 3.9%. Net sales in FY20 were INR 21,696.2 million compared to INR 21,333.5 million in FY19, an increase of 1.7%. The Company achieved highest ever net profit of INR 2,680.6 million in FY20 compared to INR 2,206.6 million in FY19.

A snapshot of the Company's financial performance for FY20 vis-à-vis performance for FY19 is as under: -

(Rs. in million)

Particulars	Financial Year ended 31 March 2020	Financial Year ended 31 March 2019
Income		
Revenue from Operations (Net of GST)	21,696.2	21,333.5
Other Income	527.3	348.2
Total Revenue	22,223.5	21,681.7
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)- Including other income	5,805.2	5,181.6
Depreciation and Amortization	1,086.1	1,017.7
Finance Cost	738.5	747.8
Profit before Tax	3,980.6	3,416.1
Total Tax expense	1,300.0	1,209.5
Net Profit for the year	2,680.6	2,206.6

The Company maintains a sharp focus for achieving effective cost management through various proactive initiatives across its facilities and operations. During FY20 the key cost elements viz., fuels, raw materials and packaging witnessed price reduction on account of fall in global crude oil and commodity prices. Fall of ~14% in pet coke price was fully captured through adoption of right fuel mix. The fall in price of crude oil led to reduction in Indian Polypropylene granule prices, which got translated into ~8% reduction in price of packing bags purchased by the Company as our procurement mechanism links the price of bags with the changes in price of Polypropylene granules.

Despite shortage of flyash in the regions where the Company operates, our continuous improvement strategies enabled us to effectively source the same through alternate sources with an eye on the landed cost. Deterioration in quality of Indian coal was another concern, however our continuous liaison helped us to overcome these limitations.

"Quality is not an act, it is a habit" - We truly believe in this statement and therefore while striving for optimizing the input costs, we have never lost focus on quality of raw materials consumed in the manufacturing process. We use 100% mineral gypsum and high grade bauxite to sustain the quality and strength of cement. We have also improved the visibility and durability of our packing bags resulting in minimal bag bursting during handling.

For a cement consumer, more than quality, it's the consistency that matters. Our flagship brand -'mycem' - is known for its unparalleled consistent high quality. Appropriate brand acceptance and visibility has enabled the Company to expand its sales network. The Company organized events, training programs and conferences for its channel partners to foster a stronger bond with them. The efforts of the sales team were backed with additional support from teams of production, quality control and logistics.

During FY19 capacity utilization of the Company's plants in Central India was ~97%. With an aim to achieve better operational efficiency and increase production capacity to cater to the growing demand, the Company had rolled out debottlenecking projects for increasing capacities of its grinding plants in Imlai and Jhansi. The debottlenecking projects were financed through internal accruals and were completed within the scheduled timelines. The grinding capacity of Imlai and Jhansi plants have got enhanced by 0.5 Million Tonnes Per Annum (MTPA) and 0.55 MTPA respectively by end of FY20. The aggregate cement grinding capacity of the Company now stands enhanced to 6.26 MTPA, the benefits of which will be reaped in the coming years. The Company is also considering the possibility of debottlenecking its clinker manufacturing capacity at Narsingarh plant.

The unprecedented spread of COVID-19 across the globe has impacted almost every business and your Company is no exception to this. 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. The operations were partially resumed with effect from 20th April 2020 with reduced staff and under strict observance of guidelines to mitigate the risk of COVID-19. Given such challenging situations for the entire humanity across the globe, 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 in its capacity to support the Government in overcoming the challenge faced by the Nation.

DEBENTURE REDEMPTION RESERVE

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 redemption instalment of INR 1250 million was repaid on 16th December 2019 through internal accruals. The Company has adequate bank balance to repay the remaining instalments also.

The Debenture Redemption Reserve (DRR) stood at INR 710.1 million as on 31st March 2019. 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 FY20. Accordingly the DRR remains unchanged at INR 710.1 million as on 31st March 2020. 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.

DIVIDEND

During FY20, the Company has already paid an interim dividend of INR 1.5 per share (15%). The Board has recommended a final dividend of INR 6.0 per share (60%), subject to the approval of the shareholders in the ensuing AGM. Thus the total dividend for FY20, including the proposed Final Dividend, amounts to INR 7.5 per equity share (INR 4.0 per share for FY19) and the same will absorb INR 1,769.5 million, including Dividend Tax of 69.9 million already paid on interim dividend in December 2019. Due to amendments in the Income Tax Act, 1961 that have become effective from 1st April 2020, the proposed final dividend will be taxable in the hands of shareholders, however the Company will deduct tax at source at the applicable rates.

Dividend Distribution Policy

Regulation 43A of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, requires top 500 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 will be transferred to 'Investor Education and Protection Fund' (IEPF) 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

ENVIRONMENTAL SUSTAINABILITY

Committed to deliver on our Sustainability Goals 2030, we strive to excel in environment protection by reducing our footprints on water, air, land and CO_2 emissions, thus facilitating a circular economy of recycle and reuse of 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

It gives us immense satisfaction to report that our operations have been net water positive for seventh consecutive year. The Company's carbon footprint was 578.6 kg of CO2/ton of cement produced as against 585 kg of CO2/ton of cement during the previous year and it is also lower than the industry average. Clinker incorporation factor of 63% was achieved by maximising utilisation of fly ash and other additives; a big step towards preserving natural limestone reserves for generations to come. During FY20 the Company generated 66,524 Mega Watt of power from Waste Heat Recovery Power Plant at Narsingarh, which was about 34% of its total power requirement. Various initiatives of the Company aimed at promoting green and clean environment were carried out. All the plants of the Company are ISO 14001 (Environment Management System) certified.

ENRICHING BIODIVERSITY

The green cover extends to about 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 bio diversity provides shelter to numerous animal and bird species.

We strive to preserve and enhance the biodiversity across all plants and mines. The Company has taken several measures for improving air quality, prevention of soil erosion and conservation of flora and fauna. The residents in colonies across all plants have also developed small home gardens.

MAKING A DIFFERENCE THROUGH CSR

HeidelbergCement Group having obligated itself to build on the three pillars of Ecology, Economy and Social Responsibility has earned reputation of being a responsible Corporate Citizen. In our stride to make the world a better place to live, we have relentlessly contributed for the benefit of people living around our plants and mines. Our CSR initiatives have wide coverage encompassing education, skill development, health & hygiene and infrastructure development. We have adopted a comprehensive approach by encouraging community participation at all levels from planning and implementation to monitoring and maintenance of assets created under CSR projects.

We are directly supporting thirty villages at three locations viz., Damoh, Jhansi and Ammasandra. During FY20 the Company has spent INR 44.7 million on various CSR projects / programmes exceeding the obligations pursuant to Section 135 of the Companies Act, 2013.

We have developed 20 Model Aanganwadi centres in Damoh & Jhansi in association with the concerned District Women & Child Development Departments. These Aanganwadi centres are equipped with decent furniture and playing items that are appropriate for children in the age group of 3 to 6 years. About 1,000 children regularly attend classes organised in these centres. We have also strengthened basic infrastructure of 45 government schools benefitting more than 7000 students and 120 teachers.

The Company has renovated 11 government school buildings in surrounding areas which involved extensive repairing of classrooms, boundary walls, flooring, roof and toilets thus giving a complete new look to these schools. Our scholarship schemes facilitate higher education to meritorious students. As a development partner of Gyanodaya Vidhya Mandir School, Damoh we are providing financial support to educate160 students.

Under health programme, our experienced team of doctors and nursing staff regularly organizes rural health check-up camps in nearby villages. This doorstep medical check-up along with provision for free medicines is a great relief for old people, expecting mothers, children, women and poor families. Many initiatives are also directed towards meeting elementary health-related needs with focus on treating common local ailments.

To meet requirement of potable water, we supplied water through tankers in summer season in villages near our mines in Damoh. Under 'Nal-Jal' scheme water supply has become operational in one of the villages near our mines in Damoh and the work of laying down water pipelines is in progress in some other villages.

Complementing the Government's Skill India Mission, we had set up a skill development centre known as "Sakshamta Vikas Kendra" adjoining our Jhansi Plant which continues to make its contributions for enhancing vocational skills of the rural youth. Enthused by the success of centre in Jhansi we have now developed a centre in Damoh too. We have tied up with Usha International Ltd. and started a sewing "Silai School" in Damoh with a view to enhancing the quality of training cum supporting livelihood. In order to give training to farmers on modern agricultural techniques and practices we have associated with "Krishi Vigyan Kendra" of Damoh. A new 5 year project "Livestock Development Centre" has also commenced operations in Damoh in partnership with BAIF Research Development Foundation which strives to improve cattle breed for enhancing income of rural families.

Through infrastructure development projects, the Company is developing basic infrastructure like roads, drainage lines, community halls, water tanks, crematorium etc., in the nearby villages.

In view of the onslaught of COVID-19 pandemic, the Company is maintaining constant dialogue with local panchayat and village representatives to assess their needs and provide them necessary support to the extent possible.

The Company has distributed face masks, sanitizer dispensers, grocery items, food packets etc. to the local people in need. Sanitization drive was also carried out in some villages with high-risk profile. All these tasks were executed in close coordination with the officials of district administration.

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

OCCUPATIONAL HEALTH & SAFETY

Besides our business priorities, the Occupational Health and Safety (OH&S) has remained our Company's foremost priority. "Every employee must return home smiling to his family". Driven by this philosophy, we endeavor to provide a safe and healthy working environment.

The day at the plants begins with safety gate meetings wherein important safety aspects are discussed along with safety prayer and pledge. To improve the Happiness Quotient among the workmen, people are encouraged to share jokes during their daily gate meeting and enter plant after having taken the safety pledge. We believe that it's the "Smiles that will take you Miles".

Safety conversations and safety zones are effectively used for employee engagement and nurturing safety culture in all aspects of operations. Safety zones have been created at all plants with cross functional teams including contractual employees.

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. Safety Leadership training programs were conducted for top management, plant heads and department heads at all plants for implementing group's clean site and safe site initiatives, safety conversations and safety zone concepts. Employees were imparted safety induction trainings, refresher courses and job specific trainings like scaffolding safety, working at height and in confined space etc.

A schedule of twenty four most critical safety hazards relevant to the cement industry has been compiled. These Safety themes are announced every month and key aspects relating to the theme are dwelt upon throughout the month so as to firmly instill the safety culture in the organization. Drivers and helpers were also imparted training on defensive driving techniques. Monitoring of the workplace for noise, particulate matter, free silica and illumination level is being done as per the regulatory norms. All plants are ISO 45001 certified.

During March 2020, the management activated its "Contingency Management and Business Continuity Plan" to counter the impending risk of COVID-19 pandemic. The first priority that was envisaged by the business continuity team was to create awareness amongst the employees about this disease and the means to safeguard against it. Therefore various communications were issued, and awareness sessions were conducted to make employees aware about the impending risk. Posters in the local languages were also put at the prominent locations to educate workmen.

In order to protect against COVID-19 thermal scanning of individuals has been made mandatory at entry gates of all 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 at relevant places, and social distancing norms are being strictly followed.

We are happy to inform that the Company has achieved safe business year with no fatality and Lost Time Incidents Frequency Rate (LTIFR) was 0.1.

AWARDS AND ACCOLADES

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

- Diamond Patheria Limestone Mines was given 'Subh Karan Sarawagi' Environment Award by Mr. Pralhad Joshi, Hon'ble Minister of Mines, Coal & Parliamentary Affairs at the 53rd AGM of Federation of Indian Mineral Industries (FIMI).
- Jhansi Plant was given 'Excellent Energy Efficient Unit' award by Confederation of Indian Industry (CII) at the 20th National Awards for Excellence in Energy Management.
- Narsingarh Plant was given Safety Systems Excellence Award (Gold) in Large Manufacturing Sector (Hazardous) category by Federation of Indian Chambers of Commerce and Industry (FICCI).
- Narsingarh Plant was given Platinum Award in Health and Safety category by National Safety Council, MP Chapter.
- Ammasandra Plant was given 'Unnatha Suraksha Puraskara'– Safety Award by National Safety Council, Karnataka Chapter.

CORPORATE GOVERNANCE

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

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

A certificate furnished by Mr. Jamshed Naval Cooper, Managing Director and Mr. Anil Kumar Sharma, Chief

Financial Officer in respect of the financial statements and the cash flow statement for the financial year ended 31st March 2020 is annexed as Annexure 'B' to this Report.

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

BUSINESS RESPONSIBILITY REPORT

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

DIRECTORS

There was no change in the Board of Directors during the financial year ended 31st March 2020.

Retirement by rotation

Ms. Soek Peng Sim retires by rotation at the ensuing AGM and being eligible has offered herself for reappointment. Her brief profile is given in the Notice of AGM. The Board hereby recommends her reappointment.

Reappointment of Managing Director

The members of the Company at the AGM held on 22nd September 2017 had reappointed Mr. Jamshed Naval Cooper as Managing Director of the Company for a period of three years from 1st July 2017 till 30th June 2020. The Board at its meeting held on 28th May 2020 has reappointed Mr. Jamshed Naval Cooper as Managing Director for a further period of three years from 1st July 2020 until 30th June 2023 subject to the approval of the members in the ensuing AGM. The Board hereby recommends the resolution for reappointment of Mr. Cooper as provided at Item No. 4 of the Notice of AGM.

Declaration of Independent Directors

Ms. Akila Krishnakumar and Mr. Ramakrishnan Ramamurthy, 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, have verified the veracity of such declarations and confirm that the Independent Directors fulfill the conditions of independence specified in the Listing Regulations and are independent of the management of the Company.

DISCLOSURES UNDER COMPANIES ACT, 2013

Number of Board Meetings: During FY20, five 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 comprises 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, CSR 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 web link to access the said policy is as follows:

http://www.mycemco.com/sites/default/files/2020/aug/Nomination%20and%20Remuneration%20Policy.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 extract of the Annual Return in the prescribed form, MGT – 9 is annexed herewith as Annexure 'C'.

Key Managerial Personnel: No changes took place in the Key Managerial Personnel (KMP) during FY20. 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 KumarSharma, Chief Financial Officer; and
- Mr. Rajesh Relan, Legal Head & Company Secretary.

General: The Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions with respect to these items during FY20:

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

INTERNAL FINANCIAL CONTROLS

The Company has in place 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 all critical processes across its operations. The internal financial controls are tested for operating effectiveness through management's ongoing monitoring and review processes, and independently by the internal auditors. In our view the internal financial controls are adequate and are operating effectively.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them and based on the assessment of the management, the Board of Directors makes the following statements in terms of Section134 of the Companies Act, 2013:

(a) that in the preparation of the annual accounts for the financial year ended 31st March 2020 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 2020 and of the profit of the Company for the financial year ended on that date;

(c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) that the financial statements for the financial year ended 31st March 2020 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 into between the Company and its related parties during the financial year ended 31st March 2020 were in the ordinary course of business and on an arm's length basis. The particulars of such transactions have been disclosed in the notes to accounts of the Balance Sheet presented in the Annual Report. During the year under review, the Company has not entered into any related party transaction exceeding the threshold limit provided under the Companies Act, 2013/Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A statement of all the related party transactions is placed before the Audit Committee on a quarterly basis, specifying the nature and value of the transactions.

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

http://www.mycemco.com/sites/default/files/March-2019/RPT%20Policy%20w.e.f.%201.4.2019%20.pdf

RISK MANAGEMENT

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

The amended Regulation 21 of the SEBI Listing Regulations requires the top 500 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/ WHISTLE BLOWER POLICY

The Company has established a vigil mechanism / whistle blower policy to deal with the instances of unethical behaviour, fraud, conflict of interest, mismanagement and violation of the Code of Conduct. During FY20 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/W.e.f.%201.4.2019%20HCIL%20Whistle%20Blower%20Policy.pdf

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE

The Company continues to remain compliant with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, which aims to protect women at workplace against any form of sexual harassment and prompt redressal of any complaint. During FY20, 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 63rd 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 63rdAGM i.e., for conducting statutory audits commencing from FY2017-18 until FY2021-22.

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

COST AUDIT

The Company is maintaining cost records in accordance with provisions of Section 148 of the Companies Act, 2013 and the Rules made thereunder. The Cost Audit for FY19 was conducted by M/s R. J. Goel & Co., Cost Accountants, Delhi and as required Cost Audit Report was duly filed with the Ministry of Corporate Affairs, Government of India. The Audit of the cost accounts of the Company for FY20 is also being conducted by the said firm and the Report will be filed within the stipulated time.

In accordance with Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 the Board of Directors has on the recommendation of the Audit Committee, appointed M/s. R.J. Goel & Co., Cost Accountants as Cost Auditor of the Company for FY21 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 FY21 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 2020 in accordance with the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Report of the Secretarial Auditor is annexed herewith as Annexure 'D'. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

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 FY20. The said Report does not contain any qualification, reservation or adverse remark. The said Report has been placed on website of the Company and the web link to access the same is as under:

http://www.mycemco.com/sites/default/files/SESecretarialComplianceReportFY20.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 'E'. 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 2020 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 'F'.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Place: Gurugram — Akila Krishnakumar

Date: 28th May 2020 — Chairperson

ANNEXURE - A TO THE BOARD'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1 A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

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

Brief outline of the said Policy is given below:

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

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

  http://mycemco.com/sites/all/modules/custom/shareholdingpattern/HCIL-CSR-Policy.pdf

2 Composition of the CSR Committee:

The composition of the CSR Committee is as under:

a) Ms. Akila Krishnakumar,

   Chairperson of the Committee

b) Mr. Jamshed Naval Cooper; and

c) Mr. Sushil Kumar Tiwari.

Note: The Board had appointed Mr. Jamshed Naval Cooper, Managing Director as a member of Corporate Social Responsibility Committee in place of Mr. Kevin Gerard Gluskie w.e.f. 24th May 2019.

3 Average net profit of the Company for last three financial years (FY2016-17 FY2017-18 and FY2018-19):

INR 2,206 million

4 Prescribed CSR Expenditure (two percent of the amount as in item 3 above): INR 44.1 million

5 Details of CSR spent for the financial year 2019-20:

(a) Total amount spent for the financial year ended 31st March 2020: INR 44.7 million

(b) Amount unspent, if any: NIL

(c) Manner in which the amount has been spent on CSR activities during the financial year ended 31st March 2020 is detailed below:

(Rs. in million)

S. No.	CSR project / activity	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs were undertaken	Amount Outlay (budget) project or programwise (Apr 2019 - Mar 2020)	Amount spent on the project or programs	Cumulative expenditure up to the reporting period (i.e. March 31, 2020)	Amount spent: Direct or through implementing agency
1	Expenditure towards students coming from nearby villages in schools sponsored by the Company.	Education	Damoh, Ammasandra	5.00	5.04	5.04	5.04
2	Distribution of notebooks, scholarship schemes, and conducting classes for arts and music and various education awareness programs.	Education	Damoh, Jhansi, Ammasandra	3.16	2.54	2.54	2.54
3	Upgrading infrastructure of other schools by providing desks & benches, computers, projector, lab equipment etc.	Education	Damoh, Jhansi, Ammasandra	4.50	6.29	6.29	6.29
4	Providing infrastructure support to schools through rehabilitation, construction of rooms, boundary walls, toilets etc.	Education	Damoh, Jhansi, Ammasandra	6.22	8.67	8.67	8.67
5	Development of Infrastructure for Aanganwadi centres in nearby villages.	Education	Damoh, Jhansi	4.00	3.68	3.68	3.68
6	Promotion of Sports in Schools and for Youth in nearby villages.	Education	Damoh, Jhansi, Ammasandra	0.50	0.32	0.32	0.32
7	Operation and maintenance of Sakshamta Vikas Kendra for enhancement of vocational skills.	Rural Development	Damoh, Jhansi	2.80	2.38	2.38	2.38
8	Development of Infrastructure of Sakshamta Vikas Kendra for enhancement of vocational skills.	Rural Development	Damoh, Jhansi	4.26	3.31	10.84	10.84
9	Support to villagers for improvement in cattle breed, orchard development.	Rural Development	Damoh	1.50	1.96	1.96	1.96
10	Development of infrastructure in villages like roads, solar lights, cremation shed etc.	Rural Development	Damoh, Jhansi, Ammasandra	8.46	7.57	7.57	7.57
11	Drinking Water facilities.	Rural Development	Damoh	3.20	0.68	0.68	0.68

(Rs. in million)

S. No.	CSR project / activity	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs were undertaken	Amount Outlay (budget) project or programwise (Apr 2019 - Mar 2020)	Amount spent on the project or programs	Cumulative expenditure up to the reporting period (i.e. March 31, 2020)	Amount spent: Direct or through implementing agency
12	Carrying out base line survey of CSR Activities at Damoh & Jhansi and preparation of brochures etc.	Rural Development	Damoh	0.75	0.50	0.50	0.50
13	Contribution towards Flood Relief, Rehabilitation and Reconstruction activities.*	Rural Development	Ammasandra	1.00	1.00	1.00	1.00
14	Organising Health check-up camps in nearby villages, deployment of mobile medical vans and distribution of medicines.	Healthcare	Damoh, Jhansi, Ammasandra	1.20	0.81	0.81	0.81
15	Providing Sanitary Napkins making machine to improve hygiene condition for Women.	Healthcare	Damoh	0.45	-	-	-
	Total			47.00	44.74	52.27	52.27

* Contribution made to State Government of Karnataka.

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

7. RESPONSIBILITY STATEMENT

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

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

Place: Gurugram	Jamshed Naval Cooper	Akila Krishnakumar
Date: 28 May 2020	Managing Director	Chairperson - CSR Committee

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 2020 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 2020 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 2020;
   (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	Jamshed Naval Cooper	Anil Kumar Sharma
Date : 28 May, 2020	Managing Director	Chief Financial Officer

ANNEXURE - C TO THE BOARD'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN: L26942HR1958FLC042301

ii) Registration Date: 13th May 1958

iii) Name of the Company: HeidelbergCement India Limited

iv) Category/Sub-Category of the Company: Company having Share Capital

v) Address of the Registered office and contact details:

HeidelbergCement India Ltd., 9th Floor, Tower C, Infinity Towers, DLF Cyber City, Phase II,

Gurugram, Haryana – 122002.

Phone No. : 0124 – 4503700

vi) Whether listed company: Yes

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:

Integrated Registry Management Services Private Limited

(Unit: HeidelbergCement India Ltd.)

30, Ramana Residency, 4th Cross, Sampige Road,

Malleswaram, Bengaluru - 560 003, Karnataka

Phone Nos.: 080-23460815 to 23460818

Fax No.: 080-23460819

Email ID: irg@integratedindia.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Cement	23941	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

I) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year [as on 01 April 2019]				No. of Shares held at the end of the year [as on 31 March 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1)Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) (1)	-	-	-	-	-	-	-	-	-
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	15,72,44,693	-	15,72,44,693	69.39	15,72,44,693	-	15,72,44,693	69.39	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other….	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) (2)	15,72,44,693	-	15,72,44,693	69.39	15,72,44,693	-	15,72,44,693	69.39	-
Total Shareholding Promoter & Promoter Group (A)=(A)(1)+(A)(2)	15,72,44,693	-	15,72,44,693	69.39	15,72,44,693	-	15,72,44,693	69.39	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	85,28,557	3,925	85,32,482	3.77	13,172,923	3,935	13,176,858	5.81	2.05
b) Banks / FI	1,29,544	1,442	1,30,986	0.06	115,997	3,542	119,539	0.05	-0.01
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	328440	3,28,440	0.14	328440	-	328,440	0.14	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies-	58,43,555	1,400	58,44,955	2.58	3,347,220	1,400	3,348,620	1.48	-1.10
g) FIIs	2,65,66,041	132	2,65,66,173	11.72	23,600,077	132	23,600,209	10.41	-1.31
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Alternate Investment Funds	11,09,014	-	11,09,014	0.49	2,252,552	-	2,252,552	0.99	0.49
j) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	4,25,05,151	6,899	4,25,12,050	18.76	42,817,209	9,009	42,826,218	18.90	0.14
2. Non-Institutions									
a) Bodies Corp.									-
i) Indian	54,95,139	18,059	55,13,198	2.43	5,441,581	17,534	5,459,115	2.41	-0.02
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									-
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	1,41,82,136	9,82,516	1,51,64,652	6.69	15,326,836	955,317	16,282,153	7.19	0.49
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	39,77,384	1,57,000	41,34,384	1.82	2,401,587	130,000	2,531,587	1.12	-0.71
c) Others (specify)									
Non Resident Indians	10,09,385	52,915	10,62,300	0.47	1,036,163	50,728	1,086,891	0.48	0.01
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	1,000	-	1,000	-	1,000	-	1,000	-	-
Clearing Members	3,88,631	-	3,88,631	0.17	571,379	-	571,379	0.25	0.08
Trusts	16,600	40,027	56,627	0.02	45,077	-	45,077	0.02	-
LLP	3,710	-	3,710	-	-	-	-	-	-
HUF	5,31,871	-	5,31,871	0.23	565,003	-	565,003	0.25	0.25
Foreign Bodies -D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	2,56,05,856	12,50,517	2,68,56,373	11.85	25,388,626	1,153,579	26,542,205	11.71	-0.14
Total Public Shareholding (B)=(B)(1)+ (B)(2)	6,81,11,007	12,57,416	6,93,68,423	30.61	68,205,835	1,162,588	69,368,423	30.61	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	
Grand Total (A+B+C)	22,53,55,700	12,57,416	22,66,13,116	100	225,450,528	1,162,588	226,613,116	100	-

(ii) Share holding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01-04-2019			Shareholding at the end of the year 31-03-2020			% Change in Shareholding during the year
		No. of Shares	% to total Shares of the company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% to total Shares of the company	% of Shares Pledged / encumbered to total Shares	
1	Cementrum I B.V.	157,244,693	69.39	Nil	157,244,693	69.39	Nil	-
	Total	157,244,693	69.39	Nil	157,244,693	69.39	Nil	-

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

Sr. No.	Name of the Share holder	Shareholding at the beginning of the year 01-04-2019					Cumulative shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares	% of total Shares of the company	Date	Increase / Decrease in shareholding	Reason	No. of Shares	% to total Shares of the company
1	CEMENTRUM I B.V.	157244693	69.39	NO MOVEMENT DURING THE YEAR				
				31.03.2020	-	-	157244693	69.39

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

Sr. No.	Name of the Share holder	Shareholding at the beginning of the year 01-04-2019					Cumulative shareholding during the year 31.03.2020	
		No. of Shares	% of total Shares of the company	Date	Increase / Decrease in share holding	Reason	No. of Shares	% to Total Shares of the company
1	FIRST STATE INDIAN SUBCONTINENT FUND	6248739	2.76	01.04.2019			6248739	2.76
				05.04.2019	-138902	TRANSFER	6109837	2.70
				12.04.2019	-38289	TRANSFER	6071548	2.68
				19.04.2019	-8438	TRANSFER	6063110	2.68
				31.05.2019	-192771	TRANSFER	5870339	2.59
				12.07.2019	-18555	TRANSFER	5851784	2.58
				02.08.2019	-9373	TRANSFER	5842411	2.58
				23.08.2019	-147112	TRANSFER	5695299	2.51
				20.09.2019	-79942	TRANSFER	5615357	2.48
				27.09.2019	-809175	TRANSFER	4806182	2.12
				30.09.2019	-40130	TRANSFER	4766052	2.10
				04.10.2019	-25414	TRANSFER	4740638	2.09
				11.10.2019	-139461	TRANSFER	4601177	2.03
				18.10.2019	-58741	TRANSFER	4542436	2.00
				25.10.2019	-3910	TRANSFER	4538526	2.00
				31.03.2020			**4538526**	**2.00**
2	CAISSE DE DEPOT ET PLACEMENT DU QUEBEC-FIRST STATE	3359782	1.48	01.04.2019			3359782	1.48
				05.04.2019	-81297	TRANSFER	3278485	1.45
				12.04.2019	-22410	TRANSFER	3256075	1.44
				19.04.2019	-4938	TRANSFER	3251137	1.43
				31.05.2019	-103502	TRANSFER	3147635	1.39
				12.07.2019	-9962	TRANSFER	3137673	1.38
				02.08.2019	-5032	TRANSFER	3132641	1.38
				23.08.2019	-78988	TRANSFER	3053653	1.35
				20.09.2019	-37948	TRANSFER	3015705	1.33
				27.09.2019	-384109	TRANSFER	2631596	1.16
				30.09.2019	-19050	TRANSFER	2612546	1.15
				04.10.2019	-12064	TRANSFER	2600482	1.15
				11.10.2019	-66199	TRANSFER	2534283	1.12
				18.10.2019	-27884	TRANSFER	2506399	1.11
				25.10.2019	-1856	TRANSFER	2504543	1.11

Sr. No.	Name of the Share holder	Shareholding at the beginning of the year 01-04-2019					Cumulative shareholding during the year 31.03.2020	
		No. of Shares	% of total Shares of the company	Date	Increase / Decrease in share holding	Reason	No. of Shares	% to Total Shares of the company
				20.03.2020	110452	TRANSFER	2614995	1.15
				27.03.2020	234198	TRANSFER	2849193	1.26
				31.03.2020			**2849193**	**1.26**
3	THE SCOTTISH ORIENTAL SMALLER COMPANIES TRUST PLC	3136048	1.38	01.04.2019			3136048	1.38
				05.04.2019	-121876	TRANSFER	3014172	1.33
				12.04.2019	-33596	TRANSFER	2980576	1.32
				19.04.2019	-7403	TRANSFER	2973173	1.31
				20.09.2019	-41970	TRANSFER	2931203	1.29
				27.09.2019	-424813	TRANSFER	2506390	1.11
				30.09.2019	-21068	TRANSFER	2485322	1.10
				04.10.2019	-13342	TRANSFER	2471980	1.09
				11.10.2019	-73216	TRANSFER	2398764	1.06
				18.10.2019	-30839	TRANSFER	2367925	1.04
				25.10.2019	-2053	TRANSFER	2365872	1.04
				31.03.2020			**2365872**	**1.04**
4	JP MORGAN INDIAN INVESTMENT COMPANY (MAURITIUS) LIMITED	2975000	1.31	01.04.2019			2975000	1.31
				30.08.2019	-1111203	TRANSFER	1863797	0.82
				06.09.2019	-418937	TRANSFER	1444860	0.64
				13.09.2019	-526507	TRANSFER	918353	0.41
				20.09.2019	-270198	TRANSFER	648155	0.29
				27.09.2019	-648155	TRANSFER	0	0.00
				31.03.2020			**0**	**0.00**
5	BAJAJ HOLDINGS AND INVESTMENT LTD	2947326	1.30	01.04.2019			2947326	1.30
				19.07.2019	93739	TRANSFER	3041065	1.34
				26.07.2019	115255	TRANSFER	3156320	1.39
				23.08.2019	40000	TRANSFER	3196320	1.41
				30.08.2019	50000	TRANSFER	3246320	1.43
				29.11.2019	160288	TRANSFER	3406608	1.50
				06.12.2019	100000	TRANSFER	3506608	1.55
				31.03.2020			**3506608**	**1.55**
6	LIFE INSURANCE CORPORATION OF INDIA	2628840	1.16	01.04.2019			2628840	1.16
				05.04.2019	-74527	TRANSFER	2554313	1.13
				13.09.2019	-65990	TRANSFER	2488323	1.10
				20.09.2019	-57250	TRANSFER	2431073	1.07
				04.10.2019	-33547	TRANSFER	2397526	1.06
				11.10.2019	-55885	TRANSFER	2341641	1.03
				18.10.2019	-80991	TRANSFER	2260650	1.00
				25.10.2019	-63124	TRANSFER	2197526	0.97
				06.12.2019	-284128	TRANSFER	1913398	0.84
				13.12.2019	-41970	TRANSFER	1871428	0.83
				27.12.2019	-15000	TRANSFER	1856428	0.82
				31.12.2019	-219027	TRANSFER	1637401	0.72
				03.01.2020	-458821	TRANSFER	1178580	0.52
				10.01.2020	-709941	TRANSFER	468639	0.21
				17.01.2020	-205658	TRANSFER	262981	0.12
				24.01.2020	-169985	TRANSFER	92996	0.04
				07.02.2020	-91696	TRANSFER	1300	0.00
				31.03.2020			**1300**	**0.00**
7	HDFC LIFE INSURANCE COMPANY LIMITED	2409014	1.06	01.04.2019			2409014	1.06
				13.04.2018	-5451	TRANSFER	2682042	1.18
				19.04.2019	-16022	TRANSFER	2392992	1.06
				26.04.2029	-19758	TRANSFER	2373234	1.05
				10.05.2019	28102	TRANSFER	2401336	1.06
				31.05.2019	-27295	TRANSFER	2374041	1.05
				07.06.2019	-47000	TRANSFER	2327041	1.03
				14.06.2019	-29083	TRANSFER	2297958	1.01
				21.06.2019	-106918	TRANSFER	2191040	0.97
				29.06.2019	-127723	TRANSFER	2063317	0.91

Sr. No.	Name of the Share holder	Shareholding at the beginning of the year 01-04-2019					Cumulative shareholding during the year 31.03.2020	
		No. of Shares	% of total Shares of the company	Date	Increase / Decrease in share holding	Reason	No. of Shares	% to Total Shares of the company
				05.07.2019	-167779	TRANSFER	1895538	0.84
				19.07.2019	-14444	TRANSFER	1881094	0.83
				26.07.2019	-49779	TRANSFER	1831315	0.81
				02.08.2019	-10618	TRANSFER	1820697	0.80
				09.08.2019	-4901	TRANSFER	1815796	0.80
				23.08.2019	276	TRANSFER	1816072	0.80
				06.09.2019	-12834	TRANSFER	1803238	0.80
				13.09.2019	-9935	TRANSFER	1793303	0.79
				20.09.2019	11326	TRANSFER	1804629	0.80
				27.09.2019	75925	TRANSFER	1880554	0.83
				11.10.2019	15135	TRANSFER	1895689	0.84
				15.11.2019	-5302	TRANSFER	1890387	0.83
				22.11.2019	6172	TRANSFER	1896559	0.84
				06.12.2019	35629	TRANSFER	1932188	0.85
				27.12.2019	17143	TRANSFER	1949331	0.86
				10.01.2020	-42421	TRANSFER	1906910	0.84
				17.01.2020	-17634	TRANSFER	1889276	0.83
				24.01.2020	7829	TRANSFER	1897105	0.84
				07.02.2020	-28532	TRANSFER	1868573	0.82
				14.02.2020	-77694	TRANSFER	1790879	0.79
				21.02.2020	26904	TRANSFER	1817783	0.80
				28.02.2020	-21327	TRANSFER	1796456	0.79
				20.03.2020	20022	TRANSFER	1816478	0.80
				31.03.2020			**1816478**	**0.80**
8	SUNDARAM MUTUAL FUND A/C SUNDARAM SMILE FUND	2081000	0.92	01.04.2019			2081000	0.92
				12.04.2019	-31873	TRANSFER	2049127	0.90
				18.10.2019	-10000	TRANSFER	2039127	0.90
				20.12.2019	-9127	TRANSFER	2030000	0.90
				28.02.2020	-5000	TRANSFER	2025000	0.89
				20.03.2020	-65000	TRANSFER	1960000	0.86
				31.03.2020			**1960000**	**0.86**
9	ALQUITY SICAV - ALQUITY INDIAN SUBCONTINENT FUND	1368075	0.60	01.04.2019			1368075	0.60
				05.04.2019	-65237	TRANSFER	1302838	0.57
				31.05.2019	-54038	TRANSFER	1248800	0.55
				07.06.2019	-36886	TRANSFER	1211914	0.53
				09.08.2019	-55000	TRANSFER	1156914	0.51
				16.08.2019	-8018	TRANSFER	1148896	0.51
				06.09.2019	-41520	TRANSFER	1107376	0.49
				17.01.2020	-29796	TRANSFER	1077580	0.48
				31.01.2020	-180707	TRANSFER	896873	0.40
				28.02.2020	-184385	TRANSFER	712488	0.31
				06.03.2020	-83203	TRANSFER	629285	0.28
				13.03.2020	-49756	TRANSFER	579529	0.26
				31.03.2020	**-579529**	**TRANSFER**	**0**	**0.00**
10	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE	1200000	0.53	01.04.2019			1200000	0.53
				20.12.2019	-17000	TRANSFER	1183000	0.52
				27.12.2019	-10810	TRANSFER	1172190	0.52
				31.03.2020			**1172190**	**0.52**
11	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS SMALL CAP FUND*	708062	0.31	01.04.2019			708062	0.31
				05.04.2019	59996	TRANSFER	768058	0.34
				14.06.2019	-424	TRANSFER	767634	0.34
				21.06.2019	-1237	TRANSFER	766397	0.34
				09.08.2019	55770	TRANSFER	822167	0.36
				16.08.2019	10	TRANSFER	822177	0.36
				23.08.2019	136990	TRANSFER	959167	0.42
				30.08.2019	1010000	TRANSFER	1969167	0.87
				06.09.2019	200000	TRANSFER	2169167	0.96

Sr. No.	Name of the Share holder	Shareholding at the beginning of the year 01-04-2019					Cumulative shareholding during the year 31.03.2020	
		No. of Shares	% of total Shares of the company	Date	Increase / Decrease in share holding	Reason	No. of Shares	% to Total Shares of the company
				20.09.2019	224686	TRANSFER	2393853	1.06
				27.09.2019	351231	TRANSFER	2745084	1.21
				25.10.2019	188900	TRANSFER	2933984	1.29
				08.11.2019	160625	TRANSFER	3094609	1.37
				20.03.2020	468274	TRANSFER	3562883	1.57
				27.03.2020	161992	TRANSFER	3724875	1.64
				31.03.2020			**3724875**	**1.64**
12	PINEBRIDGE GLOBAL FUNDS - PINEBRIDGE INDIA EQUITY FUND*	0	0.00	01.04.2019			0	0.00
				13.12.2019	400000	TRANSFER	400000	0.18
				20.12.2019	646681	TRANSFER	1046681	0.46
				03.01.2020	334662	TRANSFER	1381343	0.61
				10.01.2020	616132	TRANSFER	1997475	0.88
				31.01.2020	29384	TRANSFER	2026859	0.89
				07.02.2020	263574	TRANSFER	2290433	1.01
				21.02.2020	300000	TRANSFER	2590433	1.14
				31.03.2020			**2590433**	**1.14**
13	ICICI PRUDENTIAL SMALLCAP FUND*	0	0.00	01.04.2019			0	0.00
				21.02.2020	57789	TRANSFER	57789	0.03
				28.02.2020	522777	TRANSFER	580566	0.26
				06.03.2020	529897	TRANSFER	1110463	0.49
				13.03.2020	404836	TRANSFER	1515299	0.67
				20.03.2020	359610	TRANSFER	1874909	0.83
				27.03.2020	156654	TRANSFER	2031563	0.90
				31.03.2020			**2031563**	**0.90**
14	ADITYA BIRLA SUN LIFE INSURANCE COMPANY LIMITED*	562314	0.25	01.04.2019			562314	0.25
				05.04.2019	5218	TRANSFER	567532	0.25
				12.04.2019	15811	TRANSFER	583343	0.26
				31.05.2019	-133690	TRANSFER	449653	0.20
				30.08.2019	196356	TRANSFER	646009	0.29
				06.09.2019	161034	TRANSFER	807043	0.36
				27.09.2019	314560	TRANSFER	1121603	0.49
				11.10.2019	179550	TRANSFER	1301153	0.57
				10.01.2020	160020	TRANSFER	1461173	0.64
				17.01.2020	45470	TRANSFER	1506643	0.66
				28.02.2020	-76587	TRANSFER	1430056	0.63
				06.03.2020	-115193	TRANSFER	1314863	0.58
				20.03.2020	59200	TRANSFER	1374063	0.61
				31.03.2020			**1374063**	**0.61**

Note: * Not in the list of top 10 shareholders as on 01.04.2019. The same is mentioned above since the shareholder was one of the top 10 shareholders as on 31.03.2020.

(v) Shareholding of Directors and Key Managerial Personnel:

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

V. INDEBTEDNESS

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

(Rs. in million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i.e., as on 01-04-2019				
i) Principal Amount	1,468.2	3,700.0	-	5,168.2
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	103.7	-	103.7
Total (i+ii+iii)	**1,468.2**	**3,803.7**	**-**	**5,271.9**
Change in Indebtedness during the financial year ended 31-03-2020				
- Addition	132.4	-	-	132.4
- Reduction	-	-1,283.9	-	-1,283.9
Net Change	**132.4**	**-1,283.9**	**-**	**-1,151.5**
Indebtedness at the end of the financial year i.e., as on 31-03-2020				
i) Principal Amount	1600.6	2450.0	-	4050.6
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	69.8	-	69.8
Total (i+ii+iii)	**1,600.6**	**2,519.8**	**-**	**4,120.4**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Director and/or Manager during the financial year ended 31-03-2020:

(Rs. in million)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager Mr. Sushil Kumar Tiwari, Wholetime Director	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act,1961	27.3	27.3
	(b) Value of perquisites u/s 17(2) of Income Tax Act,1961	-	-
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act,1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- others	-	-
5	Others, (Contribution to Provident Fund and Superannuation Fund)	1.7	1.7
	Total(A)	**29.0**	**29.0**
Overall ceiling as per the Act for payment of managerial remuneration to Whole-time Director			200.5*

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

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

B. Remuneration of other directors during the financial year ended 31-03-2020:

1. Independent Directors **(Rs. in million)**

Particulars of Remuneration	Name of Director		Total Amount
	Ms. Akila Krishna kumar	Mr. Ramakrishnan Ramamurthy	
Fee for attending board /committee meetings	1.3	1.2	2.5
Commission	-	-	-
Others	-	-	-
Total(1)	**1.3**	**1.2**	**2.5**

2. Other Non-Executive Directors **(Rs. in million)**

Particulars of Remuneration	Name of Director		Total Amount
	Ms. Soek Peng Sim	Mr. Kevin Gerard Gluskie	
Fee for attending board /committee meetings	-	-	-
Commission	-	-	-
Others	-	-	-
Total(2)	-	-	-
Total(B)=(1+2)	**-**	**-**	**2.5**
Overall ceiling as per the Act for payment of remuneration to Independent Directors and other Non-Executive Directors:			40.1*
Total Managerial Remuneration (A+B)			31.5#
The overall ceiling on remuneration for Executive and Non-Executive Directors:			240.6

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

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

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

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel		
		Mr. Rajesh Relan Legal Head & Company Secretary	Mr. Anil Kumar Sharma CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act,1961	7.75	31.98	39.73
	(b) Value of perquisites u/s 17(2) of Income Tax Act,1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income Tax Act,1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others	-	-	-
5	Others,	0.26	1.62	1.88
	(Contribution to Provident Fund and Superannuation Fund)			
	Total	**8.01**	**33.60**	**41.61**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

ANNEXURE - D TO THE BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2020

[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, 2020, 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, 2020, 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, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time ;

   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 (Listing Obligations and Disclosure Requirements) Regulations, 2015.

VI. Other Laws which are applicable to the Company:

- The Employees' Provident Fund & Miscellaneous Provisions Act, 1952.
- The Employees State Insurance Act, 1948.
- The Payment of Gratuity Act, 1972.
- The Labour Laws and Law relating to Payment of Wages.
- Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013.
- 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 Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. During the period, all the decisions in the Board meetings were carried out unanimously.

We further report that, 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.

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 redemption instalment of INR 1250 million was repaid on 16th December 2019 through internal accruals. Presently, the Company has adequate bank balance to repay the remaining instalments also.

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

Place: New Delhi
Date: 28 May, 2020

Nityanand Singh (Prop.)
FCS No.: 2668/ CP No. : 2388
UDIN: F002668B000292727

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.

To,

The Members of **HeidelbergCement India Limited**

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

ANNEXURE – 1

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.

For Nityanand Singh & Co.,
Company Secretaries

Place: New Delhi
Date: 28 May, 2020

Nityanand Singh (Prop.)
FCS No. : 2668/ CP No. : 2388
UDIN: F002668B000292727

ANNEXURE - E TO THE 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 2020

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 2019-20:	The ratio of the remuneration of Whole-time Director to the remuneration of median employee is 26.6:1
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 2019-20:	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. Increase in remuneration of Whole-time Director, Chief Financial Officer and Legal Head & Company Secretary on Cost- to-Company (CTC) basis is given below: Mr. S. K. Tiwari, Whole-time Director – 8.0% Mr. Anil Kumar Sharma, Chief Financial Officer – 8.0% Mr. Rajesh Relan, Legal Head &Company Secretary – 9.0%
3	The percentage increase in the median remuneration of employees in the financial year 2019-20;	6.0%
4	The number of permanent employees on the rolls of Company as on 31st March 2020;	1187
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 8.4%. Increase in managerial remuneration was also 8.1% on CTC basis. The overall increase is 8.4%.
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 the website of the Company.

ANNEXURE - F TO THE BOARD'S REPORT

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

A. Conservation Of Energy

(I). Energy conservation measures taken during the financial year ended 31st March 2020:

Reduction in specific power consumption through following initiatives:

- Installation of high efficiency separator at Jhansi Plant.
- Optimisation of clinker and cement processes.
- Optimised power supply from waste heat recovery system.
- Increase in output of mills through various initiatives.
- Implementation of best practices under continuous improvement program (CIP)

(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.

Signed long term PPA for sourcing 5 MW solar power from 3rd party installation at Patharia under BOO system.

(iii) Capital investment on energy conservation equipment:

The Company has invested ~ INR 133.9 million in FY2019-20 on installation of separator listed at A(i) above.

B. Technology Absorption

(i) Efforts made towards Technology Absorption:

a. Installation of high efficiency Separator at Jhansi Plant.

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. Reduction in specific power consumption for Ball mill at Jhansi Plant by replacement of mill separator by installation of energy efficient separator.

c. Reduction of per unit cost of power by use of renewable and IEX power.

d. Reduction of specific consumption per unit of clinker or cement produced thus reduction in cement cost.

e. Adaptation of best practices and processes of HeidelbergCement Group under CIP enabled the Company to carry out in-house modifications and improvements in pyro processes and milling operation resulting in reduction in thermal and electrical energy consumption leading to reduction in energy costs.

f. Optimization of the process fans in the kiln and other areas in order to reduce the specific Power consumption.

(iii) Information regarding technology imported during last 3 years: Nil

(iv) The expenditure incurred on Research and Development: Nil

C. Foreign Exchange Earnings & Outgo

Total foreign exchange used and earned: Rs. in Million

		Financial Year ended 31.03.2020	Previous Financial Year ended 31.03.2019
Foreign exchange used:	- Imports	48.4	51.0
	- Expenditure	587.7	645.3
Total		**636.1**	**696.3**
Foreign exchange earnings:		Nil	Nil

Management Discussion and Analysis

Global & Indian Economy at a glance

Particulars	2012	2013	2014	2015	2016	2017	2018	2019	2020e	2021e
									Projections	
A. World Output / Real GDP (Annual percent change)										
World	3.5	3.5	3.6	3.5	3.4	3.9	3.6	2.9	-3.0	5.8
- Advanced Economies	1.2	1.4	2.1	2.3	1.7	2.5	2.2	1.7	-6.1	4.5
- Emerging Market & Developing Economies	5.3	5.1	4.7	4.3	4.6	4.8	4.5	3.7	-1.1	6.6
• India	5.5	6.4	7.4	8.0	8.3	7.0	6.1	4.2	1.9	7.4
B. Inflation: Consumer Prices (Annual Percent change)										
- World	4.1	3.7	3.2	2.8	2.8	3.2	3.6	3.6	3.0	3.3
- Advanced Economies	2.0	1.4	1.4	0.3	0.8	1.7	2.0	1.4	0.5	1.5
- Emerging Market & Developing Economies	5.8	5.5	4.7	4.7	4.3	4.3	4.8	5.0	4.6	4.5
• India	10	9.4	5.8	4.9	4.5	3.6	3.4	4.5	3.3	3.6
C. Current Account Balances (Percent of GDP)										
- Advanced Economies	0.1	0.5	0.5	0.7	0.8	0.8	0.7	0.7	0.1	0.1
- Emerging Market and Developing Economies	1.2	0.6	0.6	-0.2	-0.3	0.0	-0.1	0.1	-0.9	-0.6
• India	-4.8	-1.7	-1.3	-1.1	-0.6	-1.8	-2.1	-1.1	-0.6	-1.4
D. World Trade Volume (Annual percent change)	3.0	3.6	3.9	2.8	2.3	5.4	3.8	0.9	-11.0	8.4
E. Commodity Prices (Annual percent change)										
- Oil	0.9	-0.9	-7.5	-47.2	-15.7	23.3	29.4	-10.2	-42.0	6.3
- Non-fuel (Primary Commodities)	-7.8	-5.4	-5.4	-17.1	-1	6.4	1.3	1.0	-1.0	-1.0

Source : World Economic Outlook(April 2020) published by International Monetary Fund (IMF) and Website of Reserve Bank of India

Note : For India, data and forecasts are presented on a fiscal year basis. India's GDP from 2011 onwards is based on GDP at market prices with fiscal year2011/12 as base year.

A. Global Economy

IMF projections for global economy were 3.3 percent for CY2019 and at 3.6 percent for CY2020 as the economic activity was stabilizing in most regions of the world. Although trade policy uncertainty and geopolitical tensions in key emerging market economies continued to weigh on global economic activity these were to some extent neutralized by monetary policy easing in several economies. Many countries are witnessing unrest due to new challenges from social, economic and natural disasters such as hurricanes in the Caribbean, drought and bush fires in Australia, floods in eastern Africa and drought in Southern Africa. All these factors adversely affected the global economic activity resulting in real growth of 2.9 percent in CY2019, lower than projected.

The unprecedented sharp wave of COVID-19 pandemic has lowered the expectations of improvement in business sentiment envisaged from the strong monetary policy support provided by many central banks. In order to protect lives and to provide a breather to the healthcare systems, isolations, lockdowns and widespread closures were enabled across the globe. This is adversely impacting the global economy and the scenario is expected to mirror 2008-09 financial crisis. The impact of pandemic on the global economy may further intensify depending upon the time taken to control it and development of a preventive vaccine.

The economic bailout, necessitated due to uncertainty, is complex as it depends on a number of unpredictable factors, including pathway of the pandemic, shifts in spending patterns, behavioral changes, sentiments and confidence shift, volatility in price of crude oil and other commodities. The significant monetary actions of large central banks in recent weeks are anticipated to reduce economic stress, although risks of unforeseen fallouts remain.

In a baseline scenario which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound, the global economy is projected to grow by 5.8 percent in 2021 as the economic activity normalizes.

B. Indian Economy

The deceleration of Indian economy was exacerbated by weakness in the non-banking financial institutions, reduced demand owing to weak income growth especially in the rural sector and increase in current account deficit exerting pressure on the Indian Rupee.

Due to the onslaught of COVID-19 pandemic most of the rating agencies and analysts have already initiated downward revisions in their projections for the Indian economy aligned to the global trends. The support measures announced by the government and RBI in response to COVID-19 pandemic, including fiscal package for supporting low income workers and households, monetary easing, liquidity and regulatory measures for the financial sector, MSMEs etc., would aid in softening the blow to the vulnerable sections of the society. The sharp reduction in crude oil prices, if sustained, could also improve the country's terms of trade.

Revival of economy depends on how and by when the pandemic is brought under control thereby helping in restoration of consumer and investor confidence.

C. Indian Cement Industry

C.1. Capacity and Demand

India's cement manufacturing capacity was about 505 million tons as at the end of March 2020, an increase of about 20 million tons or a ~4 percent 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.

With capacity expansion being, a multi-year low, was expected to be a harbinger of improvements in capacity utilization rate. Due to unfolding of COVID-19 crisis in the beginning of March 2020 and economic engines coming to a complete halt in last week of March 2020, the capacity utilization levels stood at ~67 percent i.e. a decline by 3 percent. During FY20, cement production registered a decline of 0.8 percent (as against growth of ~13 percent in FY19) which is the second instance of a decline in the last 15 years, after the demonetization effected in FY17. The cement demand in FY20 was impacted by a host of factors including slowdown in government expenditures post the general elections, changes in state governments which triggered reviews of existing projects and delays in clearing new projects, heavy monsoons, and risk of spread of COVID-19 followed by nation-wide lockdown from last week of March 20.

Migration of construction workers to their native places has caused labour shortages in the construction sector and is expected to continue for a few weeks even after the lockdown is completely lifted. However, increased focus on infrastructure spending by 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 have witnessed reduction in prices due to fall in global crude oil prices easing inflationary and its snowballing effect. FY20 witnessed considerable reduction in petcoke prices since the beginning of the year falling by ~14%.The drop in global crude prices has also led to reduction in Indian Polypropylene granule prices, which in turn has reduced price of HDPE bags used for packing cement.

Availability of competitive and attractive renewable power has resulted into sporadic operation of thermal power plants. This has led to shortage of fly ash, compelling many cement players to source fly ash from distant sources thus ensuing 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 the region. During the year, retail prices saw a single digit growth on an all India basis with majority of price hikes coming from Central and Eastern regions. The prices in Southern region remained flattish.

The cement demand declined in FY 20 due to natural and global upheavals thus hampering the construction activity to operate in full swing. Starting from general assembly elections which kept government projects under hold, extended monsoons, restrictions imposed by NGT in NCR region to control air pollution followed by onslaught of COVID19 towards the end of the fiscal year.

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 time when COVID-19 pandemic is brought under control.

C.4. Opportunities

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

- Housing & Real Estate: Construction of 20 million urban homes under Pradhan Mantri Awas Yojna Scheme by March 2022. Government's initiatives to double farmer's income by 2022. INR 2,830 billion allocation for agriculture and irrigation facilities combined with a healthy rabi crop should assist demand from rural housing. Extension of credit link subsidy scheme till 31st March 2021 will further add to the demand from affordable housing segment.
- Public Infrastructure: INR 102 trillion of National Infrastructure pipeline, 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 should also provide a boost to cement industry.

- 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 being provided by 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 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 can extend. The measures necessary to contain the virus have already triggered economic downturn 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 recently touched an all-time low, petcoke prices are also on a downward trajectory and there seems to be no worry at the moment with respect to input prices but any sudden spike in input prices once the global economy regains the lost ground, after the pandemic recedes, may significantly impact the margins.

Supply & pricing of key cementitious materials like Slag and Fly Ash too continue to be a challenge.

C.6. Outlook

To summarise the lockdown imposed to contain the spread of COVID-19 has put brakes on economic activity and has dispelled workforce thereby clouding the near-term outlook for the industry. However, the medium-term outlook could turn positive by revival of demand from stalled projects and a strong likelihood of resurgence through pent-up demand.

To lift the economic sentiments, stimulus measures from government in the form of additional spending on infrastructure projects etc., are expected to fructify, further boosting the demand for construction materials.

Utilisation levels might remain flattish forcing the companies to postpone their expansion plans, thus paving the way for stable prices.

Cost pressures are expected to ease with reduction in crude oil and petcoke prices. The availability of green power at attractive costs would also assist in curtailing the operating costs.

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 the most optimal cost. For that to happen we run a Continuous Improvement Program (CIP) which is dedicated to achieving continuous improvement in costs by consistent upgradation of obsolete technology. It is due to the same eye for perfection that your company was able to debottleneck some of its processes and hence increase its grinding capacity by ~20% at a very marginal cost. This had become necessary as the capacity utilization of the Company's grinding plants in Central India was ~97%. Thus, with an aim to achieve better operational efficiency and increase production capacity to cater to the growing demand, the Company had rolled out debottlenecking projects for increasing capacity of its grinding plants in Imlai and Jhansi. The debottlenecking projects were financed through internal accruals and were completed within the scheduled timelines. The grinding capacity of Imlai and Jhansi plants have got enhanced by 0.5 Million Tonnes Per Annum (MTPA) and 0.55 MTPA respectively in the end of FY20. The aggregate cement grinding capacity of the Company stands enhanced to 6.26 MTPA, the benefits of which will be reaped in the coming years. The Company is also considering the possibility of debottlenecking its clinker manufacturing capacity at Narsingarh plant.

During FY20, the Company produced 4.69 million tons of cement registering a decline of 2.5 percent over FY19. The decline in production was primarily due to nation-wide lockdown from last week of March 2020 which resulted in complete halt in production and dispatches. The capacity utilization stood at 86.9 percent in FY20 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 FY20 the Company reported highest ever profitability. Snapshot of some of the key financial figures is given below:

(INR in million)

Particulars	FY20	FY19
Revenue (Net of Excise Duty / GST)	21,696.2	21,333.5
Power & Fuel Cost	4,736.0	5,049.3
Freight and forwarding expenses	2,879.0	3,079.3
EBITDA (including Other income)	5,805.2	5,181.6
EBIT	4,719.1	4,163.9
Finance Cost	738.5	747.8
Net Profit after Tax	2,680.6	2,206.6
Earnings Per Share (EPS) – INR	11.8	9.7
Book Value Per Share – INR	58.0	51.7

In FY20, price of petcoke and coal decline. Better consumption parameters, efficient rejigging of fuel mix and savings from WHRPP helped in keeping operational costs under control. The company's EBITDA margin stood at 26.1% in FY20 as compared to 23.9% in the previous year. The PAT of the Company was INR 2,680.6 million in FY20 compared to INR 2,206.6 million in FY19. During FY20, the Company has already paid an interim dividend of INR 1.5 per share (15%). The Board has now recommended a final dividend of INR 6.0 per share (60%) for FY20, subject to the approval of the shareholders at the ensuing AGM. Thus, the total dividend for FY20 is INR 7.5 per share (75%) compared to dividend payment of INR 4.0 per share (40%) for FY19.

The gross long-term debt, which includes interest-free loan received from Government of Uttar Pradesh, stands reduced to INR 4,051 million at the end of FY20 compared to INR 5,168 million at the end of FY19. The figure of interest-free loan remains unchanged at INR 2346.0 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 redemption installment of INR 1250 million which became due on 16th December 2019 has been paid through internal accruals. The second installment of an amount INR 1250 million will become due for repayment on 16th December 2020 and the Company has adequate liquidity for its payment. The Debt-Equity ratio at the end of FY20 stood at 0.31:1 compared to 0.44:1 at the end of FY19.

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

Particulars	FY20	FY19	Change
Debtor Turnover (Days)	3.37	2.98	13.00%
Inventory Turnover (Days)	6.49	7.69	-15.51%
Interest Coverage Ratio	12.09	9.85	22.72%
Current Ratio	1.10	0.97	13.45%
Debt Equity Ratio	0.31	0.44	-30.18%
Operating Profit Margin (%)	24.46	22.91	1.55
Net Profit Margin (%)	12.42	10.46	1.96
Return on Net Worth (%)	22.89	21.09	1.80

The changes in above mentioned ratios are primarily from the improvements in operational efficiencies, repayment of debt, higher net sales realization and cost optimization resulting in higher EBDITA and profitability.

Digitization initiatives :The unanticipated wave of COVID 19 has put brakes on the economic engines, however, it has accelerated the digitalization of organizations and economies, by multifold. With consistent support of HeidelbergCement AG your company has always been abreast with the advanced techniques. At current scenario wherein agility rather than size is the key to win the race, digital turnaround has been given the topmost priority in the form of support to 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 with entire team and business associates, transformation of entire record keeping on secured e-locked servers and many more. Thus, this wave of COVID19 is expected e-reform the processes for greater good.

E. Product Performance and Customer Relations

Your Company's consistent endeavor on high quality and focus on service has won the trust of customers and we proudly report that "mycem" is amongst the premium brands of Central India. HeidelbergCement team, has consistently delivered "value for money", earning an ever-strengthening customer trust and a bond. Our brand mascot "Chutkoo" is now extensively recognized and identified in the Central India markets.

The technical mobile vans continue to demonstrate best construction practices to the end consumers, which are also 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. With "work from home" becoming the new normal your company has ensured digital connectivity not only with its employees but even with the channel partners and business associates to ensure that business continues as usual.

F. Business Risks and Concerns

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

Major business risks and their mitigation strategies are as follows:

I. Economic Risk: 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 of pandemic on business.

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 commodity; therefore, logistics become a significant component of the total 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 50:50. 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 enough quantities from various sources thus ensuring uninterrupted operations.

V. Competition Risk: With pandemic creating a strong grip on the economy, the cement demand has become unprecedented. Hence far off brands penetrating our markets seems to be an ordeal.

Mitigation Measure: Further focus on increasing trade mix despite being at 81% level by strengthening the channel network.

G. Internal Control Systems

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

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

H. Human Resources

H.1 Employee Engagement and Talent Management

HCIL's focus on promoting fresh talent has continued in FY20 too with 120 young people joining the organization. One-fourth of them came from the campuses across India from both engineering and management streams. We have been able to build a critical mass of the campus talent, helping better retention of young talent. A few students were also imparted short term trainings keeping the campus relationship live with the Organization.

Our managers have shown exemplary dedication to create a learning environment by imparting as many as 380 odd internal trainings to colleagues in areas of safety, technical skills and behavioral skills. We also had about sixty external trainings to add to this in the areas that required subject matter expertise as we clocked in forty-three thousand training hours. The workmen received special attention with close to 90% of them undergoing one or the other shop floor training. This would go a long way in capability building and contribute to a healthy employee relationship and retention as well.

There were several training programs conducted for the workmen to help them build their skill levels and further enhance safety awareness.

Employees were kept engaged through various location driven activities in the areas of sports, education, art & craft and personal day celebrations apart from the festival celebrations and get-togethers.

The employee satisfaction survey has shown a pegged us index of being a satisfied Organization. Through a dialogue with the employees in the plants and sales offices, an action plan has been drawn, which would be implemented in the next two years with a view to understand the issues and address them.

H.2 Industrial Relations

The Company had 1187 employees on its rolls as on 31st March 2020. Employee relations remained cordial through the year with Industrial Relations environment largely amicable throughout the year across all the plants.

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 FY2019-20:

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

S. No	Particulars	Remarks			
1.	Corporate Identification Number	L26942HR1958FLC042301			
2.	Name of the Company	HeidelbergCement India limited			
3.	Registered Address	9th Floor, Tower C, Infinity Towers, Phase II, Gurugram, Haryana -122002. Phone No. : 0124-4503700			
4.	Website	www.mycemco.com			
5.	E-mail id	investors.mcl@mycem.in			
6.	Financial year reported	1st April 2019 to 31st March 2020			
7.	Sector(s) that the company is engaged in (industrial activity code wise): (Source: National Industrial Classification Code (NIC)	**Group**	**Class**	**Sub-class**	**Description**
		239	2394	23941 23942	Manufacture of clinker and cement
8.	List three key products/services that the company is manufacturing/ provides (as in balance sheet)	The Company manufactures only two kinds of cement:- Portland Pozzolana Cement; and Portland Slag Cement.			
9.	Total no. of locations where business activity is undertaken by the Company.	National locations: Two Integrated Cement Units, One Grinding Unit, Registered Office and Regional Marketing Offices and Sales Offices spread in the States of Madhya Pradesh, Uttar Pradesh, Bihar, Uttarakhand, Karnataka and Kerala.			
		International locations : Nil			
10.	Markets served by the Company	**Local**	**State**	**National**	**International**
		✓	✓	-	-

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	₹ 2,266.2 million
2.	Total turnover (INR)	₹ 21,696.2 million
3.	Total profit after tax (INR)	₹ 2,680.6 million
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after tax (%)	₹ 44.7 million (More than 2% of average net profit of last three financial years)
5.	List of activities in which expenditure in 4 above has been incurred	a) Education b) Healthcare c) Rural Development

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	NA1	Y	NA2
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	NA
		The relevant policies have evolved over a period of time with inputs from the concerned internal stakeholders and representatives of external stakeholders, wherever relevant.								
3	Does the policy conform to any national / international standards? If yes, specify?	The spirit of the Code of Conduct and the applicable laws and standards are captured in the policies formulated by the Company. The policies are based on and are in compliance with the applicable regulatory requirements.								
4	Has the policy been approved by the Board?	Y	Y3	Y3	Y3	Y3	Y3	NA	Y	NA
	If yes, has it been signed by MD/ Owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	NA	Y	NA
5	Does the company have a specified Committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	NA
6	Indicate the link for the policy to be viewed online?	Y4	Y5	Y5	Y5	Y5	Y5	NA	Y4	NA
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to the key internal stakeholders of the Company. The communication is an on-going process.								
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	NA	Y	NA
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	NA	Y	NA
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	As part of compliance with the ISO standards adopted by the Company, an external agency evaluates the implementation of the ISO standards on annual basis. Apart from this, the Company also undertakes periodical reviews to ensure adherence to various policies.								

1. Public Policy: The Company doesn't have a separate policy for dealing with policy advocacy. For advocacy on matters relating to the cement industry, the Company works through various trade/industry associations such as CII, CMA and GCCA.
2. Customer relations: The Company doesn't have a standalone policy on customer relations. It has a customer centric approach which leads to high level of customer satisfaction. The Company stands fully committed to supply technically superior products to its customers as well as provide integrated solutions through its technical services team for sustainable construction practices. The Company also has a customer complaint redressal system.
3. The Board has taken note of the Policy in this regard.
4. These Policies are available on the website of the Company at the following links:-

   http://www.mycemco.com/sites/default/files/Code%20of%20Conduct.pdf

   http://mycemco.com/sites/all/modules/custom/shareholdingpattern/HCIL-CSR-Policy-11082014.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 of the Board 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.

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 sensitise them about the Company's expectations on ethical conduct.

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

   The Code relating to ethics, bribery and corruption covers the Company only. The Company does not have any joint ventures in India. The Company encourages its affiliates operating in India to follow the principles envisaged in the Code. The Company also has a Suppliers' Code of Conduct which must be signed by each supplier as part of the 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 FY20, three 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 lifecycle.

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 under this aspect.

   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	Current Year (FY 2019-20)	Previous Year (FY 2018-19)
Electrical Energy (kwh)/ Tonne of Cement)	72.46	73.74
Coal and other Fuels (k Cal/Tonne of Clinker)	721.40	710.46

   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 capital intensive, OLBC has been helping reduce our carbon footprint and also the transportation cost. In order to optimise and thereby conserve Limestone, the Company has been producing blended cement only, thus producing more cement from every ton of clinker. Consequently, the life of the mines is also getting extended.

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

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

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

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

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

   The Company efficiently uses industrial waste such as flyash, blast furnace slag, ink sludge, chemical gypsum, etc. as well as solid municipal waste to substitute the raw materials and fuel required for producing cement. Additionally, the Company utilizes the waste heat generated by the 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 2020 1187.

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

   Total number of employees hired on temporary/ contract/casual basis was 3340.

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

   The Company had 30 permanent women employees as on 31st March 2020.

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 (497 numbers) comprising 41.87% 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 FY20.

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 under go safety trainings, including fire fighting training as part of their induction process. For shop floor workers, periodic safety trainings are organised throughout the year. The Company strives to cover majority of its employees under various training programmes. The coverage of the Company's training programmes is given below:

a)	Permanent Employees	85%
b)	Permanent Women Employees	75%
c)	Casual/Temporary/Contract Employees	60-70%
d)	Employees with Disabilities	NA

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

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

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

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

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

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

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

   The Company contributes to the economic and social development of the local 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 work place. The Company does not have any joint venture in India. However the Company encourages its affiliates operating in India as well as its suppliers and contractors to follow the same.

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

   The Company did not receive any stakeholder complaint relating to human rights in FY20.

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 FY20 was 578.6 kg of CO_2/ton of cement produced as against 585 kg of CO_2/ton of cement in FY19, the same is also lower than the industry average. Clinker incorporation factor of 63% was achieved by maximizing utilization of fly ash and other additives; a big step towards preserving natural limestone reserves for generations to come.

   The Company is a member of the Global Cement and Concrete Association (GCCA) earlier known as Cement Sustainability Initiative ("CSI") of the World Business Council for Sustainable Development ("WBCSD"). This engagement has given better understanding of the environmental and climate change initiatives. The Company has addressed environment and climate change issues with clear goals, targets and achievements. The Company proactively measures carbon footprint as per GCCA - CO_2 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 Programmes (EMPs) which are biannually reviewed by the management. The periodic audits conducted as part of these management systems help the Company in identifying potential risks and take suitable actions to mitigate the risks. For new projects, potential environmental risks are identified while preparing Environment Impact Assessment and Risk Assessment reports which are addressed at the design stage itself.

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

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

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

   The Company generated 66,524 Mega Watt of power from the Waste Heat Recovery Power Plant at Narsingarh, which was about 34% of the total power requirement of Narsingarh clinkerization plant during FY2020.

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

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

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

   Nil.

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

The Company provides its suggestions on public or regulatory aspects, as and when necessary, through the trade associations and chambers of commerce, of which the Company is a member. The Company also articulates the larger interest of the industry and the community at the aforesaid forums. All this is 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) earlier known as Cement Sustainability Initiative ("CSI") of the World Business Council for Sustainable Development

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

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

   1. Use of Alternative Fuels
   2. Sustainable Mining Practices
   3. Waste Management
   4. Energy Conservation 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 stake holders 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 44.7 million on various CSR activities/projects during FY20. 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 2020.

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 2020, are as follows:-

BOARD OF DIRECTORS

Composition of the Board

As on 31st March 2020, 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 2020 conforms to Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 2020, the Board of Directors met five times on 24th May 2019, 30th July 2019, 25th October 2019, 23rd November 2019and 11th February 2020. The maximum time gap between any two consecutive board meetings was less than120 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 2020 is given below:

Sr. No.	Name of the Director	Category / Status of Directorship	No. of Board Meetings attended during the period 01.04.2019 to 31.03.2020	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	5	3	3	1	-
2.	Mr. Ramakrishnan Ramamurthy DIN: 00680202	Independent	5	-	-	-	-
3.	Mr. Kevin Gerard Gluskie DIN: 07413549	Non-Executive	4	2	-	-	-
4.	Ms. Soek Peng Sim DIN: 06958955	Non-Executive	4	3	-	-	-
5.	Mr. Jamshed Naval Cooper DIN: 01527371	Executive	5	3	-	-	-
6.	Mr. Sushil Kumar Tiwari DIN: 03265246	Executive	4	1	-	-	-

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 two 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.

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 2020 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 2020, the Audit Committee met four times on 24th May 2019, 30th July 2019, 25th October 2019 and 11th February 2020. 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 Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The Terms of Reference of the Committee are available on the website of the Company, www.mycemco.com.

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

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee as on 31st March 2020 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 2020, the Committee met four times on 24th May 2019, 30th July 2019, 25th October 2019 and 11th February 2020 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 three complaints were received and resolved. There were no pending investor complaints as on 31st March 2020.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee as on 31st March 2020 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 2020 the Committee met twice on 24th May 2019 and 25th October 2019. The terms of reference of the Committee are in line with the provisions of the Companies Act, 2013 and the Rules made thereunder. The terms of reference of the Committee are available on website of the Company, www.mycemco.com. The details of attendance of the members of the Corporate Social Responsibility Committee are given below:

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

* The Board has appointed Mr. Jamshed Naval Cooper, Managing Director as a member of Corporate Social Responsibility Committee in place of Mr. Kevin Gerard Gluskie w.e.f. 24th May 2019.

Risk Management Committee

The Risk Management Committee as on 31st March 2020 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. During the financial year ended 31st March 2020, the Committee met on 25th October 2019 wherein all the aforesaid members of the Committee were present.

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

Nomination and Remuneration Committee

The Nomination and Remuneration Committee as on 31st March 2020 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 2020, the Committee met twice on 24th May 2019 and 11th February 2020. The terms of reference of the Committee are in line with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013 and the Rules made thereunder. The terms of reference of the Committee are available on website of the Company, www.mycemco.com. The details of attendance of the members of the Nomination and Remuneration Committee are given below:

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

Nomination and Remuneration Policy

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

The sitting fee payable to Non-Executive Independent Directors was revised during FY2019-20.The revised sitting fee structure 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 FY2019-20

Name of the Director	No. of meetings attended							Sitting fees paid from 1.4.2019 to 31.03.2020*
	Board Meetings	Audit Committee Meetings	Stakeholders' Relationship Committee Meetings	Nomination and Remuneration Committee Meetings	Corporate Social Responsibility Committee Meetings	Risk Management Committee	Meeting of Independent Directors	
Ms. Akila Krishnakumar	5	4	4	2	2	1	1	1,320,000
Mr. Ramakrishnan Ramamurthy	5	4	4	2	N.A.	1	1	1,220,000

* 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 2020.

Remuneration of Whole-time Director

The details of the Remuneration paid to Mr. Sushil Kumar Tiwari, Whole-time Director, during FY2019-20 are given below:-

	(₹)
Basic Salary	6,314,730
Perquisites & Allowances	13,527,345
Variable Pay #	7,504,298
Contribution to PF and Superannuation Fund	1,704,978
Total	29,051,351

\# 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, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations. The Managing Director also has a one-to-one discussion with the newly appointed Director which helps the newly appointed Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him/her to effectively fulfil his/her role as a Director of the Company.

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

http://www.mycemco.com/policies-under-companies-act-securities-laws

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 Listing Regulations, 2015 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.

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

The performance evaluation of the 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 2020, the independent directors of the Company met on 11th February 2020 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 2020 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 thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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:

http://www.mycemco.com/sites/default/files/March-2019/RPT%20Policy%20w.e.f.%201.4.2019%20.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 Obligations and Disclosure Requirements) Regulations, 2015.

Vigil Mechanism/Whistle Blower Policy

The Company is committed to develop a culture where it is safe for employees to raise genuine concerns or grievances about unethical behaviour, conflict of interest, 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 FY2019-20 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 FY20, 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 2020 as well as for 31st March 2019 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 Obligations and Disclosure Requirements) Regulations, 2015. No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority in connection with violation of capital market norms, rules, regulations, etc. in the last three years.

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 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 by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any other such statutory authority 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 and the same can be accessed thereat.

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

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

Recommendations made to the Board of Directors by its Committees

There was no instance during the financial year 2019-20, 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 5.8 million, comprising audit fee of INR 5.5 million and reimbursement of expenses of INR0.3 million, to its statutory auditor, S. N. Dhawan & Co. LLP for carrying-out statutory audit for the financial year 2019-20 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 2020.

Retirement by rotation

Ms. Soek Peng Sim retires by rotation at the ensuing AGM and being eligible has offered herself for reappointment. Her brief profile is given in the Notice of AGM. The Board has recommended her reappointment.

Reappointment of Managing Director

The members of the Company at the AGM held on 22nd September 2017 had reappointed Mr. Jamshed Naval Cooper as Managing Director of the Company for a period of three years from 1st July 2017 till 30th June 2020. The Board at its meeting held on 28th May 2020 has reappointed Mr. Jamshed Naval Cooper as Managing Director for a further period of three years from 1st July 2020 until 30th June 2023 subject to the approval of the members in the ensuing AGM. The Board has recommended the resolution for reappointment of Mr. Cooper as provided at Item No. 4 of the Notice of AGM.

Declaration of Independent Directors

Ms. Akila Krishnakumar and Mr. Ramakrishnan Ramamurthy, 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, have verified the veracity of such declarations and confirm that the Independent Directors fulfill the conditions of independence specified in the 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
31.3.2019	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.
31.3.2017	22.09.2017, 9.30 A.M.	Auditorium in Apparel House Building, Sector 44, Institutional Area, Gurugram, Haryana.	For Re-appointment of Mr. Sushil Kumar Tiwari (holding DIN 03265246) as Whole-time Director of the Company from 10th June 2017 till 9th June 2019.

Ms. Akila Krishnakumar, Chairperson of the Board of Directors, CSR Committee and Stakeholders' Relationship Committee; Mr. Ramakrishnan Ramamurthy, Chairman of the Audit Committee and Nomination and Remuneration Committee; Mr. Jamshed Naval Cooper, Managing Director and Chairman of Risk Management Committee and Mr. Sushil Kumar Tiwari, Whole-time Director of the Company were present at the last AGM held on 19thSeptember 2019.

Postal Ballot

The Company has neither passed any Resolution through Postal Ballot during the financial year ended 31st March 2020 nor there is any proposal to circulate any resolution through Postal Ballot for approval of members before the ensuing AGM.

Annual General Meeting

Date : 18th September 2020

Day : Friday

Time : 10.00 A.M.

Venue : In view of potential risk of spread of COVID-19 through public gatherings, ensuing AGM is 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 2020-21

Proposed Board Meetings for approving quarterly financial results for the financial year 2020-21 are as under:

Approval of the financial results for the quarter ending 30th June 2020, 30th September 2020 and 31st December 2020.	Within 45 days from the end of the respective quarter
Audited financial results for financial year ending 31st March 2021.	Within 60 days from the end of the financial year
AGM for the financial year ending 31st March 2021.	August / September 2021.

Dividend: During FY20, the Company has already paid an interim dividend of INR 1.50 per share (15%). The Board has recommended final dividend of INR 6.00 per share (60%), subject to the approval of the shareholders at the ensuing AGM. Thus the total dividend for FY20 including the proposed Final Dividend, amounts to INR 7.50 per equity share (INR 4.00 per share for FY19).The final dividend, after declaration in AGM, will be paid to the shareholders within 30 days from the date of AGM.

Record date: 11th September 2020 for the purpose of AGM and Final Dividend.

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

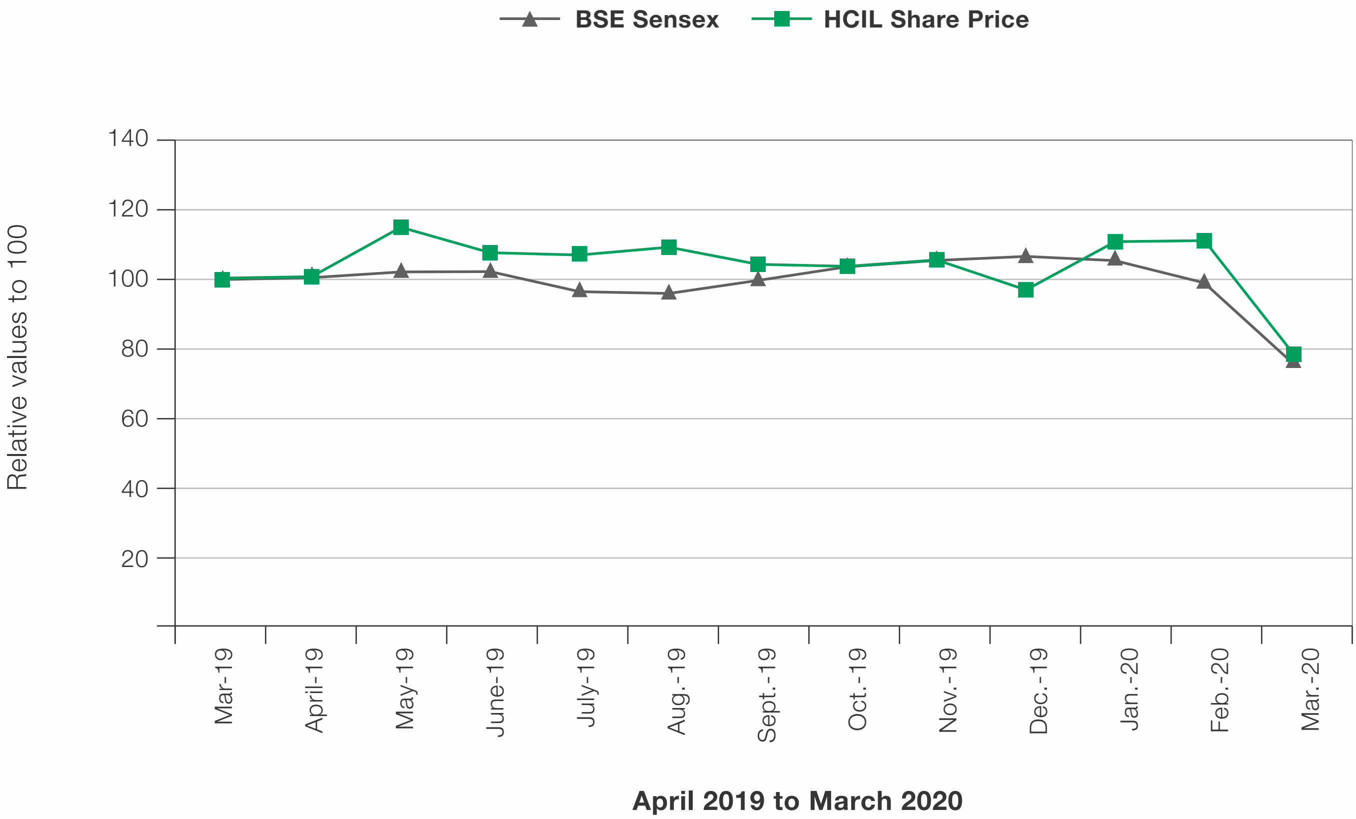
There are no arrears of listing fees to be paid to BSE and NSE.

Share Price Data

Share Price of HeidelbergCement India Ltd. at BSE & NSE during the financial year ended 31st March 2020 is given below:

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 19	191.65	173.75	192.00	173.35
May 19	217.60	173.00	215.00	171.50
June 19	214.70	181.60	213.75	181.15
July 19	210.60	185.20	210.50	185.00
August19	204.60	180.20	204.75	182.00
September 19	201.65	184.00	201.95	184.35
October 19	196.00	174.00	196.05	180.30
November19	204.85	184.80	204.90	184.65
December 19	196.65	172.65	194.00	172.55
January 20	207.65	174.50	207.85	174.50
February 20	217.80	191.30	217.75	191.20
March 20	206.50	120.00	207.00	122.00

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



Shareholding Pattern as on 31st March 2020

Category	No. of Equity Shares	% of Equity shareholding
Promoters (Foreign Body Corporate)	157,244,693	69.39
Mutual Funds	13,176,858	5.81
Financial Institutions & Banks	119,539	0.05
Central /State Government	328,440	0.15
Insurance Companies	3,348,620	1.48
Foreign Portfolio Investors	23,600,209	10.41
Alternative Investment Funds	2,252,552	0.99
NRIs and Foreign National	1,087,891	0.48
Bodies Corporate	5,459,115	2.41
Trusts	45,077	0.02
Resident Individuals	18,813,740	8.31
Clearing members	571,379	0.25
HUFs	565,003	0.25
Total	**226,613,116**	**100.00**

Distribution Schedule of Equity Shares as on 31st March 2020

No. of equity shares of Rs. 10 each	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1-500	55,876	89.02	6,525,134	2.88
501-1000	3,660	5.83	2,942,937	1.30
1001-2000	1,643	2.62	2,500,603	1.10
2001-3000	523	0.83	1,343,566	0.59
3001-4000	223	0.36	809,989	0.36
4001-5000	205	0.33	976,701	0.43
5001-10000	292	0.47	2,217,082	0.98
10001 and above	344	0.55	209,297,104	92.36
Total	**62,766**	**100.00**	**226,613,116**	**100.00**

Dematerialisation of shares/liquidity/unclaimed shares

The Equity Shares of the Company are actively traded at BSE and NSE in dematerialised form only. International Securities Identification Number (ISIN) for both the depositories, viz.,NSDL and CDSL is INE578A01017. As on 31st March 2020, 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. These debentures are redeemable in three instalments at the end 6th, 7th and 8th year from the date of allotment.

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

During FY20 the Company has through its internal accruals repaid 1st 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 2019. After the aforesaid repayment the face value of each NCD stands reduced to Rs. 66,21,621.62 per NCD aggregating to Rs. 2,450 million for 370 NCDs.

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 time line up to 31st March 2019.

SEBI has 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 can approach RTA for transfer of shares. Some of such shareholders furnished requisite documents after rectification of defects and accordingly shares have been transferred in their favour and share certificates duly endorsed were dispatched to them within a period of fifteen days from the date of receipt of duly rectified documents. Except the above, the Company has not entertained any request for transfer of shares during FY20.

In view of the abovementioned amendment, transfer of shares is possible only in dematerialized form with effect from 1st April 2019. 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.

The Company had also sent letters to the shareholders holding shares in physical form requesting them to get their shares dematerialized. 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 obtains from a Practising Company Secretary a half-yearly certificate regarding compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the said certificate with the Stock Exchanges.

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 FY20.

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 Annual Accounts.

Addresses for correspondence

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

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

Debenture Trustee:

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

Plant Locations

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

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

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

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

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

I declare that the Company has received affirmation of compliance with the "Code of Conduct for Board Members and Senior Management Personnel" laid down by the Board of Directors, from all the Directors and Senior Management Personnel of the Company, for the financial year ended 31st March2020.

Place: Gurugram
Date: 28th May 2020

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, 2020, 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

Nityanand Singh (Prop.)
FCS No. 2668/ CP No. 2388
UDIN: F002668B000292694

Place: New Delhi
Date: 28th May, 2020

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 9th Floor, Tower - C, Infinity Towers, DLF Cyber City, Phase - II, 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) 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 2020 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 any such other Statutory Authority.

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

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

Nityanand Singh (Prop.)
FCS No. 2668/ CP No. 2388
UDIN: F002668B000292694

Place: New Delhi
Date: 28th May, 2020

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

Promoters and persons acting in concert: Cementrum I B.V., HeidelbergCement AG, HeidelbergCement Asia Pte Ltd, CBR International Services S.A., Castle Cement Ltd., CBR Baltic B.V., CBR Portland B.V., Civil and Marine Slag Cement Ltd., 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., HeidelbergCementDanmark 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 HeidelbergCement Sdn. 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., TPCC Tanzania Portland Cement Company Ltd., 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 2020, 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 2020, 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 2020 the company held provision for litigations of MINR 2,548.0 against which a sum of MINR 1,946.6 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 noncompliance 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 auditors' 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)(i) 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 K Saxena

Partner

Membership No.: 077974

UDIN No.: 20077974AAAABK6030

Place: Noida

Date: 28 May 2020

(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 2020)

(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 2020 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 statue	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	40.4	2000-01 to 2004-05 and 2009-2010	High Court
		25.8	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 to 2002-03	Assessing Officer, Sales Tax
Various State Entry Tax Act	Entry Tax	373.4	2003-04 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)

Name of statue	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	2000-01	High court
		2.1	2003-04 to 2008-09	Central Excise and Service Tax Appellate Tribunal (CESTAT)
Finance Act 1994 (Amended 2009)	Service Tax	10.8	2008-10 to 2011-13	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 clause3 (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 K Saxena

Partner

Membership No.: 077974

UDIN No.: 20077974AAAABK6030

Place: Noida

Date: 28 May 2020

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 2020 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.

Auditors' 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 anunderstanding 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 2020, 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 K Saxena

Partner

Membership No.: 077974

UDIN No.: 20077974AAAABK6030

Place: Noida

Date: 28 May 2020

Balance sheet as at 31 March 2020

Particulars	Notes	31 March 2020 Rs in Million	31 March 2019 Rs in Million
Assets			
Non-current assets			
Property, plant and equipment	3	16,808.7	17,362.7
Right of Use of Asset	40	119.3	-
Capital work-in-progress	3	159.9	172.4
Intangible assets	4	2.3	5.7
Financial assets			
Security deposits	5	287.7	285.3
Other non-current assets	6	309.1	254.9
		17,687.0	18,081.0
Current assets			
Inventories	7	1,457.6	1,674.2
Financial assets			
Security deposits	5	138.2	145.3
Trade receivables	8	256.7	253.2
Cash and bank balances	9	4,697.4	3,370.7
Bank Balances other than Cash and cash equivalents	9	8.8	6.0
Other financial assets	5	670.9	657.6
Other current assets	10	3,011.7	2,767.3
		10,241.3	8,874.3
Total assets		**27,928.3**	**26,955.3**
Equity and liabilities			
Equity			
Equity share capital	11	2,266.2	2,266.2
Other equity	12	10,880.2	9,445.7
		13,146.4	11,711.9
Non-current liabilities			
Financial liabilities			
Borrowings	13	2,800.6	3,918.2
Other financial liabilities	14	39.7	41.2
Lease Liability	40	76.7	-
Provisions	15	167.2	197.3
Government grants	16	504.7	650.0
Deferred tax liabilities (net)	17	1,902.6	1,303.3
		5,491.5	6,110.0
Current liabilities			
Financial liabilities			
Trade payables	18		
- Total outstanding dues of micro enterprises and small enterprises		4.2	1.1
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,580.0	2,777.1
Other current financial liabilities	19	3,270.2	3,045.4
Other current liabilities	20	618.7	822.3
Government grants	16	145.3	145.3
Provisions	15	2,672.0	2,342.2
		9,290.4	9,133.4
Total liabilities		**14,781.9**	**15,243.4**
Total equity and liabilities		**27,928.3**	**26,955.3**
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 2020

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 2020

Particulars	Notes	31 March 2020 Rs in Million	31 March 2019 Rs in Million
Revenue from operations	21	21,696.2	21,333.5
Other income	22	527.3	348.2
Total Income (I)		**22,223.5**	**21,681.7**
Expenses			
Cost of raw material consumed	23	3,835.9	3,915.2
(Increase)/decrease in inventories of finished goods and work-in-progress	24	50.6	(51.8)
Employee benefits expense	25	1,311.9	1,239.0
Depreciation and amortization expense	26	1,086.1	1,017.7
Finance costs	27	738.5	747.8
Other expenses	28	11,219.9	11,397.7
Total Expense (II)		**18,242.9**	**18,265.6**
Profit before tax (I) - (II)		**3,980.6**	**3,416.1**
Tax expenses			
Current tax		691.7	737.5
Current tax related to earlier years		-	2.4
Net current tax expense		**691.7**	**739.9**
Deferred tax charge		608.3	469.6
Total tax expense		**1,300.0**	**1,209.5**
Profit for the year (III)		**2,680.6**	**2,206.6**
Other comprehensive income			
Remeasurement gain/(losses) of net defined benefit plans		(25.7)	(3.9)
Income tax effect		9.0	1.3
Other comprehensive income for the year, net of tax (IV)		**(16.7)**	**(2.6)**
Total comprehensive income for the year, net of tax (III) + (IV)		**2,663.9**	**2,204.0**
Earnings per share [nominal value of share Rs 10]			
Basic and diluted	**29**	11.83	9.74
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 2020

Rajesh Relan
Legal Head &
Company Secretary

Sushil Kumar Tiwari
Whole-time Director
DIN:03265246

Statement of change in equity for the year ended 31 March 2020

a. Equity Share Capital:

Equity shares of Rs. 10 each issued, subscribed and fully paid	**Numbers**	**Rs. in million**
At 31 March 2020	**226,613,116**	**2,266.1**
At 31 March 2019	226,613,116	2,266.1
At 31 March 2018	226,613,116	2,266.1

Equity shares of Rs. 10 each issued, subscribed and partly paid	**Numbers**	**Rs. in million**
At 31 March 2020	**18,193**	**0.1**
At 31 March 2019	18,193	0.1
At 31 March 2018	18,193	0.1

b. Other equity:

For the year ended 31 March 2020 **(Rs in Million)**

	Other Equity (Refer - Note 12)							**Total**
	Reserves and Surplus							
Particulars	**Capital Reserve**	**Capital Subsidy reserve**	**Capital redemption reserve**	**Securities Premium**	**Debenture redemption reserve**	**Retained earnings**	**Other item of OCI**	
As at 1 April 2019	**672.8**	**6.4**	**159.9**	**3,707.1**	**710.1**	**4,205.4**	**(16.0)**	**9,445.7**
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**

For the year ended 31 March 2019

	Other Equity (Refer -Note 12)							**Total**
	Reserves and Surplus							
Particulars	**Capital Reserve**	**Capital Subsidy reserve**	**Capital redemption reserve**	**Securities Premium**	**Debenture redemption reserve**	**Retained earnings**	**Other item of OCI**	
As at 1 April 2018	**672.8**	**6.4**	**159.9**	**3,707.1**	**575.8**	**3,089.2**	**(13.4)**	**8,197.8**
Profit for the year	-	-	-	-	-	2,206.6	-	2,206.6
Dividend on equity shares	-	-	-	-	-	(793.1)	-	(793.1)
Dividend distribution tax on dividend	-	-	-	-	-	(163.0)	-	(163.0)
Other comprehensive income	-	-	-	-	-	-	(2.6)	(2.6)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**1,250.5**	**(2.6)**	**1,247.9**
Transfer from retained earning	-	-	-	-	134.3	(134.3)	-	-
At 31 March 2019	**672.8**	**6.4**	**159.9**	**3,707.1**	**710.1**	**4,205.4**	**(16.0)**	**9,445.7**

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 2020

Rajesh Relan
Legal Head &
Company Secretary

Sushil Kumar Tiwari
Whole-time Director
DIN:03265246

Cash flow statement for the year ended 31 March 2020

Particulars	Notes	31 March 2020 Rs in Million	31 March 2019 Rs in Million
Cash flow from operating activities			
Profit before tax		3,980.6	3,416.1
Non-cash adjustment to reconcile profit before tax to net cash flows:			
Depreciation and amortization expense		1,086.1	1,017.7
Property, plant and equipment written off		17.7	9.1
Profit on sale of property, plant and equipment (net)		-	(0.6)
Unrealized foreign exchange loss/ (gain)		6.7	(4.0)
Provision/ liabilities no longer required written back		(84.2)	(47.3)
Government grants		(145.3)	(116.9)
Interest expenses		689.9	720.9
Interest income		(296.1)	(177.1)
Operating profit before working capital changes		**5,255.4**	**4,817.9**
Movements in working capital :			
Increase/ (decrease) in trade payables and other payables		(177.8)	659.9
Increase / (decrease) in provisions and gratuity		274.0	151.0
Decrease / (increase) in trade receivables		(3.5)	(65.2)
Decrease / (increase) in inventories		216.6	(405.3)
Decrease / (increase) in other current and non-current assets		(241.8)	(514.7)
Cash generated from operations		**5,322.9**	**4,643.6**
Direct taxes paid (net of refunds)		(750.6)	(712.6)
Net cash flow from operating activities (A)		**4,572.3**	**3,931.0**
Cash flows from investing activities			
Purchase of property, plant and equipment including capital work in progress and capital advances		(435.4)	(426.6)
Proceeds from sale of property, plant and equipment		0.1	6.9
Increase in other bank balances		(2.8)	(3.7)
Interest received		297.1	160.1
Net cash flow used in investing activities (B)		**(141.0)**	**(263.3)**
Cash flows from financing activities			
Proceeds from borrowings and government grants		-	672.8
Repayments of borrowings		(1,250.0)	(1,500.0)
Dividend Paid (including Dividend Distribution Tax)		(1,226.6)	(952.4)
Lease repayment		(70.3)	-
Interest paid		(576.2)	(639.2)
Net cash flow used in financing activities (C)		**(3,123.1)**	**(2,418.8)**
Net increase/ (decrease) in cash and cash equivalents (A + B + C)		**1,308.2**	**1,248.9**
Cash and cash equivalents at the beginning of the year		3,370.7	2,121.8
Cash and cash equivalents at the end of the year		**4,678.9**	**3,370.7**
Components of cash and cash equivalents			
Cash on hand		1.1	0.4
Cheques on hand		-	7.2
Balance with banks- on current accounts		51.2	85.1
- on deposit accounts		4,645.1	3,278.0
- Book overdraft		(18.5)	-
Cash and cash equivalents	**9**	**4,678.9**	**3,370.7**
Summary of significant accounting policies	**2.1**		

As per our report of even date

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

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

Rajeev K Saxena
Partner
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DIN:01527371

Place: Gurugram
Date: 28 May 2020

Rajesh Relan
Legal Head &
Company Secretary

Sushil Kumar Tiwari
Whole-time Director
DIN:03265246

Notes to financial statements for the year ended 31 March 2020

1. CORPORATE INFORMATION

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

The Company is engaged in the manufacturing and selling of Cement 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 2020.

2.1 Summary of significant accounting policies

a) Change in Accounting policy

New and amended standards

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases, including Appendix A of Ind AS 17 Operating Leases-Incentives, Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and Appendix C of Ind AS 17, determining whether an Arrangement contains a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019.

This has resulted in recognizing a right of use assets at an amount equal to the lease liability on transition date. In the Statement of profit and loss for the year, operating lease expenses has been changed from Rent (included in other Expenses) to depreciation cost for right of use assets and finance cost for interest accrued on lease liability (refer note 40)

The adoption of this standard did not have significant impact on the profit and earning per share of the current year.

b) 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: 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.

c) 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.

d) 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.

e) 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.

f) 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.

g) 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.

h) 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.

i) 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.

j) 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

k) 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.

l) 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.

m) 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.

n) 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.

o) 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.

p) 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.

r) 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.

s) 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.

t) 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.

u) 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
Cost or valuation											
At 1 April 2018	129.6	382.8	1,260.2	251.0	18,750.1	78.8	130.7	80.7	21,063.9	53.9	53.9
Additions	0.1	63.5	36.8	36.6	148.1	5.8	50.3	369.3	710.5	-	-
Disposals	-	-	(0.1)	(0.5)	(32.8)	(0.2)	-	-	(33.6)	-	-
Capitalised during the year	-	-	-	-	-	-	-	(277.6)	(277.6)	-	-
At 31 March 2019	**129.7**	**446.3**	**1,296.9**	**287.1**	**18,865.4**	**84.4**	**181.0**	**172.4**	**21,463.2**	**53.9**	**53.9**
Additions	-	2.5	63.2	7.2	397.6	9.7	3.1	469.2	952.5	0.9	0.9
Disposals	-	-	(2.1)	(0.2)	(60.9)	(0.9)	(0.1)	-	(64.2)	-	-
Capitalised during the year	-	-	-	-	-	-	-	(481.7)	(481.7)	-	-
At 31 March 2020	**129.7**	**448.8**	**1,358.0**	**294.1**	**19,202.1**	**93.2**	**184.0**	**159.9**	**21,869.8**	**54.8**	**54.8**
Depreciation/ Amortization											
At 1 April 2018	-	47.2	297.6	45.1	2,487.8	30.4	31.3	-	2,939.4	37.4	37.4
Charge for the year	-	19.7	88.8	17.3	859.2	8.9	13.0	-	1,006.9	10.8	10.8
Disposals	-	-	-	(0.2)	(17.9)	(0.1)	-	-	(18.2)	-	-
At 31 March 2019	**-**	**66.9**	**386.4**	**62.2**	**3,329.1**	**39.2**	**44.3**	**-**	**3,928.1**	**48.2**	**48.2**
Charge for the year	-	19.7	91.4	18.9	862.3	10.1	17.1	-	1,019.5	4.3	4.3
Disposals	-	-	(0.3)	-	(45.5)	(0.6)	-	-	(46.4)	-	-
At 31 March 2020	**-**	**86.6**	**477.5**	**81.1**	**4,145.9**	**48.7**	**61.4**	**-**	**4,901.2**	**52.5**	**52.5**
Net book value											
At 31 March 2020	**129.7**	**362.2**	**880.5**	**213.0**	**15,056.2**	**44.5**	**122.6**	**159.9**	**16,968.6**	**2.3**	**2.3**
At 31 March 2019	**129.7**	**379.4**	**910.5**	**224.9**	**15,536.3**	**45.2**	**136.7**	**172.4**	**17,535.1**	**5.7**	**5.7**

Net book value	**31 March 2020**	**31 March 2019**
Property, plant and equipment	16,808.7	17,362.7
Capital work-in-progress	159.9	172.4
Intangible assets	2.3	5.7

5. FINANCIAL ASSETS

	31 March 2020 Rs in Million	31 March 2019 Rs in Million
Security deposits		
Unsecured, considered good	425.9	430.6
Total	**425.9**	**430.6**
Current	138.2	145.3
Non-current	287.7	285.3
Other financial assets		
Interest accrued on bank deposits	21.8	19.2
Interest accrued on other deposits	4.2	7.8
Other accrued income	644.9	630.6
Total	**670.9**	**657.6**
Current	670.9	657.6
Non-current	-	-
Break up of financial assets carried at amortised cost		
Security deposits	425.9	430.6
Other financial assets	670.9	657.6
Trade receivables (note 8)	256.7	253.2
Cash and bank balances (note 9)	4,706.2	3,376.7
Total financial assets carried at amortised cost	**6,059.7**	**4,718.1**

6 OTHER NON-CURRENT ASSETS

	31 March 2020 Rs in Million	31 March 2019 Rs in Million
Capital advances	11.6	4.1
Advance income-tax (net of provision for taxation)	110.2	51.3
Prepaid expenses	187.3	199.5
Total	**309.1**	**254.9**

7. INVENTORIES

	31 March 2020 Rs in Million	31 March 2019 Rs in Million
Raw materials (includes in transit Rs. Nil) (31 March 2019: Rs. 45.7 million)	229.8	229.7
Work-in-progress	484.1	482.2
Finished goods	188.4	240.9
Stores and spares (includes in transit Rs. Nil) (31 March 2019: Rs. 133.2 million)	555.3	721.4
Total inventories valued at lower of cost and net realizable value	**1,457.6**	**1,674.2**

8. TRADE RECEIVABLES

	31 March 2020 Rs in Million	31 March 2019 Rs in Million
Trade receivables	242.7	241.7
Receivables from related parties	14.0	11.5
Total Trade receivables	**256.7**	**253.2**
Break-up for security details:		
Unsecured, considered good	256.7	253.2
Doubtful	23.4	23.4
	280.1	**276.6**
Allowances for doubtful debts	(23.4)	(23.4)
Total trade receivables	**256.7**	**253.2**

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 2020 Rs in Million	31 March 2019 Rs in Million
Cash and cash equivalents		
Balances with banks:		
On current accounts	51.2	85.1
Deposits with original maturity of less than three months	4645.1	3278.0
Cheques on hand	-	7.2
Cash on hand	1.1	0.4
	4697.4	**3370.7**
Bank balances other than Cash and cash equivalents		
Balances with banks:		
On unpaid dividend accounts*	8.8	6.0
	8.8	**6.0**
	4706.2	**3376.7**

* 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 2020 Rs in Million	31 March 2019 Rs in Million
Cash and cash equivalents		
Balances with banks:		
On current accounts	51.2	85.1
Deposits with original maturity of less than three months	4645.1	3278.0
Cheques on hand	-	7.2
Cash on hand	1.1	0.4
	4697.4	**3370.7**
Less: Book overdraft (note 19)	(18.5)	-
	4,678.9	**3,370.7**

10. OTHER CURRENT ASSETS

	31 March 2020 Rs in Million	31 March 2019 Rs in Million
Advances other than capital advances*	325.6	388.7
Prepaid expenses	72.1	79.3
Balances with statutory/ government authorities and Others		
- Considered good	2,570.8	2,258.3
- Doubtful	8.2	8.2
GST/CENVAT Receivable	43.2	41.0
	3019.9	**2775.5**
Allowances for doubtful advance and deposits	(8.2)	(8.2)
Total	**3,011.7**	**2,767.3**

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

11. SHARE CAPITAL

	Equity Shares		Preference Shares	
	Numbers	Rs in Million	Numbers	Rs in Million
Authorized Share Capital				
At 31 March 2020	230,000,000	2,300.0	5,000,000	500.0
At 31 March 2019	230,000,000	2,300.0	5,000,000	500.0
At 31 March 2018	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 2020	226,613,116	2,266.1
At 31 March 2019	226,613,116	2,266.1
At 31 March 2018	226,613,116	2,266.1
Equity shares of Rs 10 each issued, subscribed and partly paid	**Numbers**	**Rs in Million**
At 31 March 2020	18,193	0.1
At 31 March 2019	18,193	0.1
At 31 March 2018	18,193	0.1
Total	**226,631,309**	**2,266.2**

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

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

Equity shares of Rs.10/- each fully paid

Cementrum I B V, the holding company	Numbers	Rs in Million
At 31 March 2020	157,244,693	1,572.4
At 31 March 2019	157,244,693	1,572.4
At 31 March 2018	157,244,693	1,572.4

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

Name of the Shareholder	Numbers	% holding in the class
Equity shares of Rs.10/- each fully paid		
Cementrum I B V, the holding company		
At 31 March 2020	157,244,693	69.39%
At 31 March 2019	157,244,693	69.39%
At 31 March 2018	157,244,693	69.39%

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

12. OTHER EQUITY

	31 March 2020 Rs in Million	31 March 2019 Rs in Million
A) Retained earnings		
Balance as per last financial statements	4,205.4	3,089.2
Profit for the year	2,680.6	2,206.6
Less: Appropriations		
Transfer to debenture redemption reserve	-	(134.3)
Dividend on equity shares	(1,019.8)	(793.1)
Dividend Distribution tax	(209.6)	(163.0)
Closing balance	**5,656.6**	**4,205.4**
B) Remeasurement gain/ (losses) of net defined benefit plans, net of tax		
Balance as per last financial statements	(16.0)	(13.4)
Additions during the year	(16.7)	(2.6)
Closing balance	**(32.7)**	**(16.0)**
C) Debenture redemption reserve		
Balance as per the last financial statements	710.1	575.8
Add: amount transferred from retained earnings	-	134.3
Closing balance	**710.1**	**710.1**

	31 March 2020 Rs in Million	31 March 2019 Rs in Million
D) Other reserves		
Capital reserve (including opening revaluation reserve)	672.8	672.8
Capital subsidy reserve	6.4	6.4
Capital redemption reserve	159.9	159.9
Securities premium	3,707.1	3,707.1
Closing balance	**4,546.2**	**4,546.2**
Total (A+B+C+D)	**10,880.2**	**9,445.7**

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.

(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 2020 Rs in Million	31 March 2019 Rs in Million
Non-current borrowings			
From related parties			
Debentures			
370 (31 March 2019: 370) 10.4% redeemable, listed, non-convertible debentures of Rs.10,000,000/- each (unsecured)	2021-2022	1,200.0	2,450.0
From other parties			
Indian rupee loan from a party other than banks (secured)	2023-2025	1,600.6	1,468.2
Total non-current borrowings		**2,800.6**	**3,918.2**
Current borrowings			
Current maturity of Debenture			
10.4% redeemable, listed, non-convertible debentures of Rs.10,000,000/- each (unsecured)	2020-2021	1,250.0	-
10.4% redeemable, listed, non-convertible debentures of Rs.10,000,000/- each (unsecured)	2019-2020	-	1,250.0
Total current borrowings		**1,250.0**	**1,250.0**
Less : Amount disclosed under the head "Other current financial liabilities" (refer note 19)		(1,250.0)	(1,250.0)
Net current borrowings		**-**	**-**
The above amount includes			
Aggregated secured borrowings		1,600.6	1,468.2
Aggregated unsecured borrowings		2,450.0	3,700.0
Net amount		**4,050.6**	**5,168.2**

(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. First tranch was repaid on 16 December 2019 of Rs. 1,250.0 million. 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 2020 and 31 March 2019. As on 31 March 2020 principal amount of such loan is MINR 2,345.8 (31 March 2019: MINR 2,345.8).

14. OTHER NON-CURRENT FINANCIAL LIABILITIES

	31 March 2020 Rs in Million	31 March 2019 Rs in Million
Trade payables	39.7	41.2
	37.7	**41.2**

15. PROVISIONS

	31 March 2020 Rs in Million	31 March 2019 Rs in Million
Non-current provisions		
Provision for gratuity (refer note 33)	167.2	197.3
	167.2	**197.3**
Current provisions		
Provision for litigations (refer note 32 (b) (ii))	2,548.0	2,238.2
Provision for leave benefits	59.0	66.2
Provision for gratuity (refer note 33)	62.2	35.0
Provision for mine reclamation expenses (refer note 32 (b) (iii))	2.8	2.8
	2,672.0	**2,342.2**

16. GOVERNMENT GRANTS

	31 March 2020 Rs in Million	31 March 2019 Rs in Million
At 1 April	795.3	614.6
Received during the year	-	297.6
Released to statement of profit and loss	(145.3)	(116.9)
At 31 March	**650.0**	**795.3**
Current	145.3	145.3
Non-current	504.7	650.0

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 2020 and 31 March 2019 are:

Statement of Profit or loss :	31 March 2020 Rs in Million	31 March 2019 Rs in Million
Current income tax:		
Current income tax charge	691.7	737.5
Adjustments in respect of current income tax of previous year	-	2.4
Deferred tax:		
Relating to origination and reversal of temporary differences	608.3	469.6
Income tax expense reported in the statement of profit or loss	**1300.0**	**1,209.5**
Other comprehensive income:		
Deferred tax related to items recognised in OCI during the year:		
Net loss/(gain) on remeasurements of defined benefit plans	(9.0)	(1.3)
Income tax charged to OCI	**(9.0)**	**(1.3)**

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate for 31 March 2020 and 31 March 2019:	31 March 2020 Rs in Million	31 March 2019 Rs in Million
Accounting profit before income tax	**3,980.6**	**3,416.1**
At India's statutory income tax rate of 34.94% (31 March 2019: 34.94%)	1,391.0	1,193.7
Adjustments of tax of previous years	-	(2.6)
Effect of allowances / tax holidays for tax purpose	(114.6)	-
Non-deductible expenses for tax purposes:		
Corporate social responsibility expenditure	15.6	10.2
Other non-deductible expenses	8.0	8.2
At the effective income tax rate of 32.66% (31 March 2019: 35.41%)	**1,300.0**	**1,209.5**
Income tax expense reported in the statement of profit and loss	**1,300.0**	**1,209.5**

The tax rate used for reconciliation above is the corporate tax rate payable by corporate entities in India on taxable profits under Indian tax law.

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 provision/condition defined in the said section. The Company is in process of evaluating the impact of this ordinance.

Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	3.140.8	3,083.2
Impact of expenditure allowed for tax purposes on payment basis but not charged to statement of profit & loss	175.2	170.7
Gross deferred tax liabilities	**3,316.0**	**3,253.9**
Deferred tax asset		
Unused tax credits (MAT credit entitlement)	1,094.7	1,619.6
Impact of expenditure charged to statement of profit and loss but allowable for tax purposes on payment basis	301.0	314.9
Provision for doubtful debts and advances	11.0	11.0
Others	6.7	5.1
Gross deferred tax asset	**1,413.4**	**1,950.6**
Net deferred tax liability	**1,902.6**	**1,303.3**

Deferred Tax benefits are recognised on assets to the extent that it is probable that taxable profit will be available against which the deductible temporary differences will be utilised.

Reconciliation of deferred tax liabilities (net):	31 March 2020 Rs in Million	31 March 2019 Rs in Million
Opening balance as of 1 April	**1,303.3**	**835.0**
Tax (income)/expense during the year recognised in profit or loss	608.3	469.6
Tax (income)/expense during the year recognised in OCI	(9.0)	(1.3)
Closing balance as at 31 March	**1,902.6**	**1,303.3**

18. TRADE PAYABLES

	31 March 2020 Rs in Million	31 March 2019 Rs in Million
Trade payables (refer note a)		
- Total outstanding dues of micro enterprises and small enterprises (refer note 41)	4.2	1.1
-Total outstanding dues of creditors other than micro enterprises and small enterprises	2,291.9	2,523.8
Trade payables to related parties (refer note d)	288.1	253.3
	2,584.2	**2,778.2**

19. OTHER CURRENT FINANCIAL LIABILITIES

	31 March 2020 Rs in Million	31 March 2019 Rs in Million
Current maturities of long-term borrowings (refer note b)	1,250.0	1,250.0
Interest accrued but not due on borrowings (refer note b)	69.8	103.7
Trade and other deposits (refer note b & c)	1,791.5	1,647.7
Unpaid Dividend	8.8	6.0
Interest accrued on security deposits (refer note b & c)	22.6	22.5
Payable against purchase of property, plant and equipment	59.1	15.5
Lease Liability	49.9	-
Book overdraft	18.5	-
	3,270.2	**3,045.4**

Terms and conditions of the above financial liabilities:

a) Trade payables are non-interest bearing and are normally settled within 0 to 60 day terms.

b) Other current financial liabilities are generally interest bearing and have an average term of six months for borrowings and one year for deposits.

c) Interest payable is normally settled quarterly/half yearly/yearly throughout the financial year.

d) For terms and conditions with related parties, refer to Note 31

Break up of financial liabilities carried at amortised cost

	31 March 2020 Rs in Million	31 March 2019 Rs in Million
Borrowings (non-current) (note 13)	1,200.0	2,450.0
Trade payables (note 18)	2,584.2	2,778.2
Trade payables (note 14)	39.7	41.2
Current maturity of long term borrowings (note 19)	1,250.0	1,250.0
Other current financial liabilities (note 19)	2,020.2	1,795.4
	7,094.1	**8,314.8**
Break up of financial liabilities carried at fair value through profit or loss		
Borrowings (non-current) (note 13)	1,600.6	1,468.2
	1,600.6	**1,468.2**

20. OTHER CURRENT LIABILITIES

	31 March 2020 Rs in Million	31 March 2019 Rs in Million
Contract Liability		
Advance from customers	306.6	318.8
Withholding income tax (TDS) payable	89.4	81.6
Goods and Service tax payable	211.4	410.7
Other statutory dues	11.3	11.2
	618.7	**822.3**

21. REVENUE FROM OPERATIONS

	31 March 2020 Rs in Million	31 March 2019 Rs in Million
Sale of products		
Cement	21,531.6	20,806.1
Clinker	-	243.1
	21,531.6	**21,049.2**
Sale of Services	**44.8**	**45.2**
Other operating revenue		
VAT/SGST incentive (refer note 34)	64.3	155.1
Scrap sales	46.2	43.7
Miscellaneous income	9.3	40.3
	119.8	**239.1**
	21,696.2	**21,333.5**

21.1 Revenue recognised from Contract liability (Advances from Customers):

	31 March 2020 Rs in Million	31 March 2019 Rs in Million
Closing Contract liability	306.6	318.8
	306.6	**318.8**

The Contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended March 31, 2020.

21.2 Sale of products is net of Rs. 1,482.3 million (31 March 2019 : Rs. 1,444.3 million) on account of cash discount, rebates and incentives given to customers.

22. OTHER INCOME

	31 March 2020 Rs in Million	31 March 2019 Rs in Million
Interest income on bank deposits	278.0	155.4
Interest income on other	18.1	21.7
Government grants	145.3	116.9
Rent	1.7	2.3
Provisions/ liabilities no longer required written back	84.2	47.3
Profit on sale of property, plant and equipment (net)	-	0.6
Exchange differences (net)	-	4.0
	527.3	**348.2**

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 2020 Rs in Million	31 March 2019 Rs in Million
Inventory at the beginning of the year	229.7	188.8
Add: Purchases	3,836.0	3,956.1
	4,065.7	**4,144.9**
Less: inventory at the end of the year	(229.8)	(229.7)
Cost of raw material consumed	**3,835.9**	**3,915.2**

24. (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	31 March 2020 Rs in Million	31 March 2019 Rs in Million
Inventories at the end of the year		
Work-in-progress	484.1	482.2
Finished goods	188.4	240.9
	672.5	**723.1**
Less: Inventories at the beginning of the year		
Work-in-progress	482.2	397.2
Finished goods	240.9	274.1
	723.1	**671.3**
	50.6	**(51.8)**

25. EMPLOYEE BENEFIT EXPENSE

	31 March 2020 Rs in Million	31 March 2019 Rs in Million
Salary, wages and bonus	1,153.2	1,089.0
Contribution to provident and other funds	60.2	59.3
Gratuity expense (refer note 33)	33.5	34.2
Staff welfare expenses	65.0	56.5
	1,311.9	**1,239.0**

26. DEPRECIATION AND AMORTIZATION EXPENSE

	31 March 2020 Rs in Million	31 March 2019 Rs in Million
Depreciation of Property, plant and equipment (note 3)	1,019.5	1,006.9
Amortization of intangible assets (note 4)	4.3	10.8
Depreciation of Right-of-use assets (note 40)	62.3	-
	1,086.1	**1,017.7**

27. FINANCE COSTS

	31 March 2020 Rs in Million	31 March 2019 Rs in Million
Interest:		
On borrowings	480.3	525.9
On lease liability (refer note 40)	15.1	-
Others	209.6	195.0
Bank charges	33.5	26.9
	738.5	**747.8**

28. OTHER EXPENSES

	31 March 2020 Rs in Million	31 March 2019 Rs in Million
Consumption of stores and spares	756.7	700.4
Freight and forwarding	2,879.0	3,079.3
Power & fuel	4,736.0	5,049.3
Rent	3.1	44.5
Repairs and maintenance		
- Buildings	97.7	76.6
- Plant and machinery	213.7	218.6
- Others	9.4	7.6
Insurance	26.6	27.3
Rates and taxes	518.9	493.4
Travelling expenses	63.6	93.9
Directors fees	2.5	2.9
Payment to auditor		
As auditor:		
Audit fees	4.0	3.0
Tax audit fees	0.3	0.3
Limited reviews	1.2	1.2
Reimbursement of expenses	0.3	0.5
Legal and professional expenses	40.7	43.0
License fees	125.2	108.2
Printing and stationery	8.3	11.3
Communication expenses	136.5	130.5
Advertisement and publicity expenses	233.4	192.7
Cement handling expenses	1,017.3	941.8
Property, plant and equipment written off	17.7	9.1
Sundry balances written off	6.7	-
Corporate social responsibility expenses (refer note 36)	44.7	29.1
Miscellaneous expenses	276.4	133.2
	11,219.9	**11,397.7**

29. EARNINGS PER SHARE (EPS)

	31 March 2020 Rs in Million	31 March 2019 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	2,680.6	2,206.6
Net profit for calculation of basic/ Diluted EPS	**2,680.6**	**2,206.6**
	No in Million	**No in Million**
Weighted average number of equity shares in calculating Basic/ Diluted EPS	**226.6**	**226.6**
Basic and diluted EPS	**11.83**	**9.74**

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	Cementrum I.B.V

II. Related Parties with whom transaction have taken place

Fellow subsidiaries	HeidelbergCement Asia Pte Ltd
	Zuari Cement Limited
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 (With effect from 12.02.2019)
	Mrs. Akila Krishnakumar,Independent Director (With effect from 25.10.2018)
	Mr. Anil Kumar Sharma , Chief Financial Officer
	Mr. Rajesh Relan, Company Secretary
	Mr. P.G. Mankad, Independent Director (Upto 31.03.2019)
	Dr. Albert Scheuer, Non-Executive Director (Upto 31.03.2019)
	Mr. S. Krishna Kumar, Independent Director (Upto 31.03.2019)
	Mr. Pradeep V. Bhide, Independent Director (Upto 31.03.2019)
	Mr. Juan-Francisco, Non-Executive Director (Upto 11.03.2019)

(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 2020	31 March 2019	**31 March 2020**	31 March 2019
Transactions with Cementrum I B.V.:				
- Dividend paid	**707.6**	550.4	**-**	-
Transactions with HeidelbergCement AG:				
- License Fee	**125.2**	108.2	**-**	-
- Group Overhead Recharge	**42.6**	47.4	**-**	-
- End-user workstation charges	**70.8**	63.0	**-**	-
- Interest on ECB & Debentures	**347.9**	425.4	**-**	-
- ECB repaid	**-**	1,500.0	**-**	-
- NCD repaid	**1,250.0**	-	-	-
- Assignment Cost	-	0.1	**-**	-
Transactions with Zuari Cement Limited				
- Purchase of Clinker	**-**	-	**287.9**	383.8
- Service Income	**-**	-	**44.8**	45.2
- Retirement obligation for transferred employees	-	-	**1.7**	-

Particulars	Enterprises where controls exists		Fellow Subsidiaries	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019
Payable				
- HeidelbergCement AG	**228.6**	167.6	**-**	-
- Zuari Cement Limited	**-**	-	**59.6**	85.7
Receivable				
- Zuari Cement Limited	**-**	-	**14.0**	11.5
Issue of debenture				
- HeidelbergCement AG	**2,450.0**	3,700.0	**-**	-
Interest accrued but not due on debenture				
- HeidelbergCement AG	**69.8**	103.7	**-**	-

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 2020 Rs in Million	31 March 2019 Rs in Million
Short-term employee benefits	67.1	59.3
Termination benefits	3.6	3.3
Total compensation paid to key management personnel	**70.7**	**62.6**

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. First tranch was repaid on 16 December 2019 of Rs.1,250.0 million.The Company has the option on or prior to the redemption date to buy-back, purchase, redeem, re-sell and/or re-issue all or part of debentures from the debenture holders, subject to such debenture holders having the discretion to offer its debentures in response to the Company exercising such an option.All outstanding balances are unsecured and are repayable in cash and cash equivalents.

32. COMMITMENTS AND CONTINGENCIES

a) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 164.8 million (31 March 2019: Rs. 65.2 million).

b) Contingencies and Provision for litigations

i) Contingent liabilities not provided for

(Rs. in million)

	Particulars	31 March 2020 Rs in Million	31 March 2019 Rs in Million
(a)	Claims against the company not acknowledged as debt	**138.9**	131.0
(b)	Other money for which the company is contingently liable:		
	-Excise Duty/ Service Tax/ CENVAT Credit	**43.8**	64.8
	-Sales Tax/ Trade Tax/ Entry Tax	**132.5**	294.8
	-Income Tax	-	46.4
	Total	**315.2**	537.0

In respect of above cases based on the favourable decisions in similar cases/ legal opinions taken by the Company/ discussions with the solicitors etc., the management is of the opinion that it is possible, but not probable, that the action will succeed and accordingly no provision for any liability has been made in these financial statements.

ii) **Provision for litigations**

(Rs. in million)

Particulars	Balance as at 1 April 2019	Addition / reclassification during the year	Amounts reversed during the year	Balance as on 31 March 2020
Trade Tax/Sales Tax/VAT	**19.7**	**25.3**	**-**	**45.0**
	(19.7)	(-)	(-)	(19.7)
Entry Tax	**1,897.4**	**127.2**	**0.4**	**2,024.2**
	(1,767.6)	(129.8)	(-)	(1,897.4)
Provision taken for Cess on Captive Power	**86.8**	**-**	**-**	**86.8**
	(86.8)	(-)	(-)	(86.8)
Rural Infrastructure and Road Development tax, Madhya Pradesh	**192.4**	**22.6**	**-**	**215.0**
	(169.1)	(23.3)	(-)	(192.4)
Environment protection fees, Karnataka	**14.5**	**-**	**-**	**14.5**
	(14.5)	(-)	(-)	(14.5)
Other Litigations	**27.4**	**135.1**	**-**	**162.5**
	(26.8)	(0.6)	(-)	(27.4)
TOTAL	**2,238.2**	**310.2**	**0.4**	**2.548.0**
	(2,084.5)	(153.7)	(-)	(2,238.2)

Note: Figures in brackets are for the previous year.

Above provisions have been made against demands raised by various authorities. All these cases are under litigation and are pending with various authorities; expected timing of resulting outflow of economic benefits cannot be specified. Amount deposited under protest against these provisions are shown under other current assets in note no.10.

iii) **Movement of provision for Mine reclamation expenses during the year as required by Ind AS 37:**

Mine reclamation expenses

(Rs. in million)

Particulars	31 March 2020 Rs in Million	31 March 2019 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 confirm 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 2020	31 March 2019
Current service cost	**19.7**	19.3
Interest cost on benefit obligation	**22.5**	23.2
Expected return on plan assets	**(8.7)**	(8.3)
Defined benefit cost included in Statement of Profit & Loss	**33.5**	34.2

(Rs. in million)

Particulars	31 March 2020	31 March 2019
Remeasurement recognised in other comprehensive income		
- changes in financial assumptions	**14.6**	3.4
- change in experience adjustments	**7.7**	1.3
- (Return) on plan asset (excluding interest income)	**3.3**	(0.8)
Amount recognised in OCI	**25.7**	3.9

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 2020	31 March 2019
Balance at the beginning of the year	**347.2**	351.9
Current service cost	**19.7**	19.3
Interest cost on benefit obligation	**22.5**	23.2
Actuarial (gains) losses recognised in other comprehensive income		
- changes in financial assumptions	**14.6**	3.4
- experience adjustments	**7.7**	1.3
- decrease due to effect of transfers	**(1.3)**	-
Benefit paid	**(44.4)**	(51.9)
Balance at the end of the year	**366.0**	347.2

Reconciliation of the present value of plan assets

(Rs. in million)

Particulars	Gratuity	
	31 March 2020	31 March 2019
Balance at the beginning of the year	**114.9**	121.9
Expected return	**8.7**	8.3
Contribution by employer	**60.7**	35.8
Return on plan assets recognised in other comprehensive income	**(3.3)**	0.8
Benefits paid	**(44.4)**	(51.9)
Balance at the end of the year	**136.6**	114.9

Details of Provision for gratuity

(Rs. in million)

Particulars	Gratuity	
	31 March 2020	31 March 2019
Present value of defined benefit obligation	**366.0**	347.2
Present value of plan assets	**(136.6)**	(114.9)
Net defined benefit liability	**229.4**	232.3

(iii) Plan assets

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

Particulars	31 March 2020 %	31 March 2019 %
Investments with insurer	**96.10**	95.99
Investments in government bonds	**0.07**	0.08
Bank balance	**3.83**	3.93
Total	**100.00**	100.00

The principal plan asset consists of a scheme of insurance taken by the Trust, which is a qualifying insurance policy.

(iv) Defined benefit obligation

- **Actuarial assumptions**

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

Particulars	31 March 2020	31 March 2019
Discount rate	**6.30%**	7.10%
Salary increase rate	**7.50%**	7.50%
Attrition rate	**5.00%**	5.00%

Note:

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Assumptions regarding future mortality are based on published statistics and mortality tables.

- **Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(Rs. in million)

Gratuity Plan	Sensitivity level		Impact on DBO	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Assumptions				
Discount rate	**0.5%**	0.5%	**(9.3)**	(8.5)
	-0.5%	-0.5%	**9.8**	8.8
Future salary increases	**0.5%**	0.5%	**8.8**	7.9
	-0.5%	-0.5%	**(8.4)**	(7.7)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The following payments are expected contributions to the defined benefit plan in future years:

(Rs. in million)

Particulars	31 March 2020	31 March 2019
Within the next 12 months (next annual reporting period)	**62.2**	59.4
Between 2 and 5 years	**202.5**	199.9
Beyond 5 years	**216.2**	221.0

The average duration of the defined benefit plan obligation at the end of the reporting period is 5 years (31 March 2019: 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, 2020 and 31 March, 2019 respectively.

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

(Rs. in million)

Particulars	31 March 2020	31 March 2019
Plan assets at year end, at fair value	**290.6**	270.2
Present value of defined obligation at year end	**210.1**	198.7
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 2020	31 March 2019
Discount rate	**6.30%**	7.10%
Expected guaranteed interest rate	**8.50%**	8.55%
Expected Rate of Return on Asset	**8.85%**	8.96%

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 2020	31 March 2019
Provident Fund	**49.3**	48.4
Other Post Employment Funds	**4.5**	4.9
Total	**53.8**	53.3

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.

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 time lines 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 has initiated arbitration proceeding against the said supplier to claim the advance amount given as per the terms of the supply contract, interest on advance amount given and compensation in terms of risk purchase clause of the contract for loss incurred in respect of work completed through other third parties, which is currently pending. The 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 has been filed before Delhi High Court which shall be heard by the Division Bench.

36. DETAIL OF CSR EXPENDITURE:

a.) Gross amount required to be spent by the company during the year:

During the year, the gross amount required to be spent by the Company on activities related to Corporate Social Responsibility (CSR) amounted to Rs. 44.1 million (31 March 2019: Rs. 24.3 million).

b.) 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	**29.5**	-	**29.5**
(ii) On purposes other than (i) above	**15.2**	-	**15.2**
Total	**44.7**	-	**44.7**

c). Amount spent during the year ended on 31 March 2019

(Rs. in million)

S. N. Particulars	Amount incurred	Amount yet to be paid	Total
(i) Construction/acquisition of any asset	**6.5**	-	**6.5**
(ii) On purposes other than (i) above	**22.6**	-	**22.6**
Total	**29.1**	-	**29.1**

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company has eto 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 counterparty and current economic/market trends. Individual credit limits are thus defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by advances, security deposits, bank guarantees etc.

Trade receivables are consisting of a large number of customers. The Company does not have higher concentration of credit risks to a single customer. Single largest customer has total exposure in sales 0.11% (31 March 2019:0.13%) and in receivables 9.39% (31 March 2019: 10.69%).

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made with approved counterparties only.

Credit Risk on cash and cash equivalent, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments are generally low as Company enters into the Derivative Contracts with the reputed Banks and Financial Institutions.

(iii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's treasury department monitors liquidity on an ongoing basis through rolling cash flow forecasts. The Company's objective is to maintain timely and adequate funding for its operations via multiple sources including but not limited to bank overdrafts, bank loans, debentures, preference shares etc. Approximately 26% of the Company's debt will mature in less than one year at 31 March 2020 (31 March 2019: 21%) 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
Year ended				
31 March 2020				
Borrowings*	-	2,859.2	686.6	3,545.8
Other financial liabilities	3,220.3	39.7	-	3,260.0
Lease liability	49.9	51.7	25.0	126.6
Trade and other payables	2,584.2	-	-	2,584.2
	5,854.4	**2,950.6**	**711.5**	**9,516.6**
Year ended				
31 March 2019				
Borrowings *	-	3,415.3	1,380.5	4,795.8
Other financial liabilities	3,045.4	41.2	-	3,086.6
Trade and other payables	2,778.2	-	-	2,778.2
	5,823.6	**3,456.5**	**1,380.5**	**10,660.6**

*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 2020 and 31 March 2019, 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 currecy 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 2020			31 March 2019		
		Amount in foreign currency	**Exchange Rate**	**Rs. in million**	Amount in foreign currency	Exchange Rate	Rs. in million
Trade Payables	USD	**-**	**-**	**-**	14,216.0	69.2	1.0
	EUR	**2,365,916.6**	**82.8**	**195.9**	1,843,236.1	77.7	143.2

Foreign currency sensitivity on unhedged exposure:

1% increase in foreign exchange rates will have the following impact on profit before tax:

Particulars	31 March 2020	31 March 2019
USD	-	(0.0)
EUR	(2.0)	(1.4)

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.

(Rs. in million)

Particulars		31 March 2020	31 March 2019
Borrowings (Non-current)		**2,800.6**	3,918.2
Government grants (Non-current and Current)		**650.0**	795.3
Current maturity of long term borrowings		**1,250.0**	1,250.0
Less: Cash and cash equivalents		**(4,697.4)**	(3,370.7)
Net debt	(A)	**3.2**	2,592.8
Equity	(B)	**13,146.4**	11,711.9
Capital and net debt	(C)=(A+B)	**13,149.6**	14,304.7
Gearing ratio	(D)=(A)/(C)	**0.02**	18.1

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 2020 and 31 March 2019.

39. Dividend Paid and Proposed

(Rs. in million)

Particulars	31 March 2020	31 March 2019
Dividend declared and paid during the year:		
Final Dividend for the year ended on 31 March 2019: Rs 3.00 per share	679.8	566.4
(31 March 2018: Rs 2.50 per share)		
Dividend Distribution Tax (DDT) on final dividend	139.7	116.5
Interim dividend for the year ended on 31 March 2020: Rs 1.50 per share	340.0	226.6
(31 March 2019: Rs 1.00 per share)		
Dividend Distribution Tax (DDT) on Interim dividend	69.9	46.6
	1,229.4	**956.1**
Proposed Dividends on equity shares:		
Proposed dividend for the year ended on 31 March 2020		
Rs. 6.00 per share (31 March 2019: Rs 3.00 per share)	1,359.7	679.8
Dividend Distribution Tax (DDT) on proposed dividend	-	139.7
	1,359.7	**819.5**

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 2020.

40. LEASES

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective methods. Consequently, the Company recorded the lease liability at the present value of the lease payment discounted at the incremental borrowing rate and the right of use asset equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our financial statement for the year ended March 31, 2019. The effect of this adoption is insignificant on the profit before tax and earning per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payment.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	Land & Buildings	Vehicles	Total (Rs. in million)
Right of Use			
At 31 March 2019	**-**	**-**	**-**
Initial recognition	112.7	61.5	174.2
Additions	0.6	6.8	7.4
Disposals	-	-	-
At 31 March 2020	**113.3**	**68.3**	**181.6**
Depreciation/ Amortization			
At 31 March 2019	**-**	**-**	**-**
Depreciation Expenses	35.4	26.9	62.3
Disposals	-	-	-
At 31 March 2020	**35.4**	**26.9**	**62.3**
Net book value			
At 31 March 2020	**77.9**	**41.4**	**119.3**

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

Particulars	Amount (Rs. in million)
At 31 March 2019	**-**
Initial recognition	174.2
Additions	7.4
Accretion of interest	15.1
Payments	(70.3)
At 31 March 2020	**126.6**
Current	49.9
Non-Current	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 6.04% to 8.82%, with maturity between 2021-2087.

The following are the amounts recognized in profit or loss:

(Rs. in million)

Particulars	31 March 2020
Depreciation expense of right-of-use assets	62.3
Interest expense on lease liabilities	15.1
Variable lease payments (included in other expenses)	120.8
Total	**198.2**

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 2020	31 March 2019
(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)	4.2	1.1
	- 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 COVID-19 pandemic has impacted the global population in a significant way. This has increase Company focus on health and safety of our employees, local communities near our manufacturing locations and business associates as well. In compliance with the directions issued by the Central and State Governments to contain the spread of COVID-19 pandemic, the Company suspended manufacturing operations in its plants in last week of March 2020 which has marginally impacted the performance of the Company during the quarter and financial year ended 31 March 2020. The operations were partially resumed with effect from 20 April 2020 with reduced manpower and under strict observance of guidelines issued by respective district administrations to mitigate the risk of COVID-19. The suspension of operations until 19 April 2020 followed by the ongoing restrictions have led to substantial drop in production and sales volumes, which will impact the operational and financial performance of the Company during the current quarter ending 30 June 2020. The Company is taking all possible steps to mitigate the effect of COVID-19 on its business and operations to the extent possible.

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

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 2020

Rajesh Relan
Legal Head &
Company Secretary

Sushil Kumar Tiwari
Whole-time Director
DIN:03265246

HeidelbergCement India Limited

CIN: L26942HR1958FLC042301
Regd. Office: 9th Floor, Tower 'C', Infinity Towers, DLF Cyber City,
Phase II, Gurugram, Haryana -122002
Ph. +91 0124-4503700, Fax +91 0124-4147699, Email Id: investors.mcl@mycem.in; Website: www.mycemco.com

NOTICE
of the Annual General Meeting

NOTICE is hereby given that the 61st Annual General Meeting of the Members of the Company will be held at10.00 A.M. on Friday, the 18th September 2020 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 2020, 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 final dividend on Equity Shares and ratify the Interim Dividend already paid and in this regard pass the following resolution as an Ordinary Resolution:

   "RESOLVED that final dividend at the rate of Rs. 6 per Equity Share of Rs. 10 each (i.e., 60 %) for the Financial Year 2019-20, as recommended by the Board of Directors at its meeting held on 28th May 2020 be and is hereby declared.

   RESOLVED further that interim dividend at the rate of Rs. 1.50 per Equity Share of Rs. 10 each (i.e., 15%) for the Financial Year 2019-20 already paid to the shareholders pursuant to the resolution passed by the Board of Directors at its meeting held on 23rd November 2019 be and is hereby ratified and confirmed."

3. To appoint a Director in place of Ms. Soek Peng Sim, who retires by rotation and being eligible has offered herself for reappointment and in this regard pass the following resolution as an Ordinary Resolution:

   "RESOLVED that Ms. Soek Peng Sim (holding DIN 06958955) who retires in accordance with the provisions of the Companies Act, 2013 and has offered herself for reappointment be and is hereby reappointed as Director of the Company liable to retire by rotation."

SPECIAL BUSINESS:

4. To reappoint Mr. Jamshed Naval Cooper as Managing Director of the Company and in this regard pass the following resolution as an Ordinary Resolution:

   "RESOLVED that pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder including any statutory modification(s) and/or re-enactment thereof, consent of the members of the Company be and is hereby accorded to the reappointment of Mr. Jamshed Naval Cooper (holding DIN 01527371) as Managing Director of the Company for a further period of three years with effect from 1st July 2020 to 30th June 2023 upon the principal terms and conditions set out in the explanatory statement annexed hereto.

   RESOLVED FURTHER THAT the Board of Directors (or a Committee thereof constituted for this purpose) be and is hereby authorized to take all such steps as may be deemed necessary, proper, and expedient to give effect to this Resolution."

5. 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 2020-21, 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."

6. To give a term loan of INR 1500 million to Zuari Cement Limited and in this regard pass the following resolution

under Section 185 of the Companies Act, 2013 as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 185 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof), consent of the members be and is hereby accorded to give a term loan of INR 1500 million in tranches by 31st March 2021, repayable in two years from the date of draw dawn of each tranche to its group company, Zuari Cement Limited (ZCL) towards capex requirements of ZCL for setting up a Waste Heat Recovery based Power Generation Plant for captive consumption in its Yerraguntla plant in Andhra Pradesh.

RESOLVED FURTHER that the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee thereof and any person authorised by the Board in this behalf) be and is hereby authorised to give aforesaid term loan to ZCL in tranches, at a rate of interest which will be 275 bps over and above the G-Sec yield for 3 years as on the date of disbursement of the loan resulting in interest earning of around 7% p.a., and they are hereby authorised to do all such acts, deeds and things as may be considered necessary, proper and expedient or incidental for the purpose of giving effect to this resolution."

7. To give a term loan of INR 1500 million to Zuari Cement Limited and in this regard pass the following resolution under Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") consent of the members be and is hereby accorded to give a term loan of INR 1500 million in tranches by 31st March 2021, repayable in two years from the date of draw dawn of each tranche to its group company, Zuari Cement Limited (ZCL), which is a 'Related Party' of the Company as per the provisions of Regulation 2(1)(zb) of SEBI LODR, towards capex requirements of ZCL for setting up a Waste Heat Recovery based Power Generation Plant for captive consumption in its Yerraguntla plant in Andhra Pradesh.

RESOLVED FURTHER that the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee thereof and any person authorised by the Board in this behalf) be and is hereby authorised to give aforesaid term loan to ZCL in tranches, at a rate of interest which will be 275 bps over and above the G-Sec yield for 3 years as on the date of disbursement of the loan resulting in interest earning of around 7% p.a., and they are hereby authorised to do all such acts, deeds and things as may be considered necessary, proper and expedient or incidental for the purpose of giving effect to this resolution."

By Order of the Board

Date : 22nd July, 2020 — Rajesh Relan
Place : Gurugram — Legal Head & Company Secretary

Regd. Office: 9th Floor, Tower 'C',
Infinity Towers, DLF Cyber City,
Phase II, 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 May 5, 2020 read with circulars dated April 8, 2020 and April 13, 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 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 8th April, 2020, 13th April, 2020 and 5th May, 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 and 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.

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 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/re-appointed 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. Voting through electronic means

    I. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014; Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 61st 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 15th September 2020 (9:00 A.M.) and ends on 17th September 2020 (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 11th September 2020, 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: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

    1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL:

https://www.evoting.nsdl.com/either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who 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 enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

   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'.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

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 with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer 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 or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

V. The voting rights shall be as per the number of equity shares held by the members as on the cut-off date of 11th September 2020.

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.,11th September 2020, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or contact NSDL at toll free no.: 1800-222-990.

However, if you are already registered with NSDL for remote e-voting then you can use your existing User ID and password for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at toll free no.: 1800-222-990.

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 Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner. Mr. Harish Damani, Company Secretary in Whole-time Practice (ACS No. 37635, CP No. 14471) has been appointed as an alternate scrutinizer.

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 Chairman or a person authorized by him.

XI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company (www.mycemco.com) and on the website of NSDL immediately after the declaration of result by the 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.

11. (a) The final 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., 11th September 2020. 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., 11th September 2020. 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:

(a) Change in their residential status on return to India for permanent settlement.

(b) 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, the details of unclaimed dividends for FY2016-17, FY2017-18, FY2018-19 (both Interim and Final) and FY2019-20 (Interim Dividend). 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.

12. 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.

13. 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.

14. 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 transfer/ transmission/transposition, is mandatory.

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 May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 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 2019-20 are also available on the Company's website www.mycemco.com, websites of

the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and 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 with 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 by 11:59 p.m. IST on 11th September, 2020. 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 and copy marked to investors.mcl@mycem.in. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on 11th September 2020.

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	Send a request to the RTA at irg@integratedindia.in 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. Following additional details need to be provided in case of updating Bank Account Details: a) Name and Branch of the Bank in which you wish to receive the dividend, b) the Bank Account type, c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions d) 9 digit MICR Code Number, and e) 11 digit IFSC Code f) a scanned copy of the cancelled cheque bearing the name of the first shareholder.
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.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/ members 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.

   Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/1800-222-990 or contact Ms. Pallavi Mhatre or Ms. Soni Singh at Phone Nos.: 022-24994360/ 022-24994545.

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 afore said 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 No.: 3

Brief resume of Ms. Soek Peng Sim, who is proposed to be reappointed as Director, is given below:

Ms. Soek Peng Sim, aged 51 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, Ho Hup Malaysia and The Lion Group, Malaysia. She has rich and vast experience in financial planning & analysis, business development and support, accounting & taxation, business process improvements and corporate structure optimisation. Other than extensive MNC experience in construction materials industry, she also possess diversified industry exposure in FMCG, manufacturing and construction & property development.

Ms. Sim joined the Board of Directors of the Company on 16th September 2014. She is a member of Audit Committee of the Board.

Ms. Sim doesn't hold directorship in any other listed company in India. She is a director in two Indian unlisted public limited companies namely, Zuari Cement Limited and Gulbarga Cement Limited. She is not related to any of the directors of the Company. She does not hold any Equity Shares in the Company. The Board of Directors has recommended the reappointment of Ms. Sim by the members at the ensuing AGM.

Except Ms. Sim, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financial or otherwise, in the proposed appointment. This explanatory statement may also be regarded as a disclosure pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item No.: 4

The members of the Company at the Annual General Meetingheld on 22nd September 2017 had approved reappointment of Mr. Jamshed Naval Cooper as Managing Director of HeidelbergCement India Limited ("the Company" / "HCIL") from 1st July 2017 till 30th June 2020.

The steps taken by Mr. Cooper during the last six years as Managing Director of HCIL have led to marked increase in productivity and profitability of the Company. He got the organization's focus on achieving cost leadership, continuous productivity optimization, operational excellence, health & safety–"Zero Harm", customer centric approach, clean and green workplace, people empowerment and development, environment consciousness (water security and zero waste discharge), brand positioning and premium creation, CADS (Channel Authorization Digital Signage – innovative concept first of its kind in the industry), launch of 'Empower' a digital mobile platform for field personnel to receive real time sales data, gather market information and customer complaint redressal. All of which are visible in the improvement of HCIL's operational and financial performance and employee commitment as well. He has innovatively deployed CSR activities that have helped in creating sustainable relationship with the rural community. He has to his credit seamless integration of Zuari Cement Ltd with the Group and harnessing the underlying synergies for the organization.

In view of this, the Board of Directors on the recommendation of the Nomination and Remuneration Committee at its meeting held on 28th May 2020 has unanimously decided to re-appoint Mr. Cooper for a further term of three years from 1st July 2020 to 30th June 2023.

In accordance with the provisions of Section 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 it is proposed to obtain approval of the members in this regard through resolution set out at Item No. 4 of the Notice.

Brief resume of Mr. Cooper is given below:

Mr. Jamshed Naval Cooper, aged 63 years, is a Science Graduate with Post-Graduation in Management from Institute of Management Studies, Indore University. During his professional career he has gained rich experience spanning over 35 years in the Cement Industry. He has also worked for consumer durables industry in the past.

Mr. Cooper joined HeidelbergCement India Limited as Director 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.

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 Leader-ship, Strategy Building, Brand Management, Logistics, Channel Management, Rural Marketing, Feasibility Studies & Project Implementation, Human Resource Management, IT Systems and Procurement, 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. Cooper looks after the day-to-day management and administration of the affairs of the Company, subject to the overall superintendence, control and directions of the Board of Directors. In accordance with the terms mutually agreed upon between HeidelbergCement AG of Germany and Mr. Cooper, the remuneration of Mr. Cooper shall continue to be borne and directly paid by HeidelbergCement AG to Mr. Cooper as a nominee of the ultimate shareholder. HeidelbergCement India Limited shall continue to provide chauffeur driven car to Mr. Cooper and reimburse the expenses incurred towards mobile phone, broadband connection, landline phone at his residence and club/chambers' membership fee.

Mr. Cooper doesn't hold directorship in any other listed company in India. He holds directorship in two unlisted public limited companies - Managing Director of Zuari Cement Limited and Director of Gulbarga Cement Limited (both these companies are part of HeidelbergCement Group). He is not related to any of the other directors of the Company. Mr. Cooper is Chairman of Risk Management Committee and member of Stakeholders' Relationship Committee and CSR Committee of the Company. Mr. Cooper does not hold any Equity Shares in the Company. The Board of Directors has recommended the resolution set out at Item No. 4 of the Notice for approval of the members at the ensuing AGM.

Except Mr. Cooper, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financial or otherwise, in the proposed resolution. This explanatory statement may also be regarded as a disclosure pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item No. : 5

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 2020-21.

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 2020-21 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. 5 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 afore said resolution.

Item Nos. : 6 and 7

There has been considerable improvement in the operational and financial performance of HeidelbergCement India Limited ("HCIL"/"Company") over the last couple of years on the back of cost optimisation measures and pickup in cement prices, which has led to the improvement in margins of the Company. The financial parameters like EBITDA, net profit and cash profit have also shown significant improvement. The Company's bank balance as on 30th June 2020 stood at INR 6,387 million, of which 99.5% has been placed in fixed deposits with banks. The Company is earning an average pre-tax interest of around 3.5% p.a. on the fixed deposits placed with banks.

Zuari Cement Limited (ZCL), which is also part of HeidelbergCement Group, is 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 2000 million. The power generated by the power plant will be captively consumed by Yerraguntla plant, thus reducing the power cost as well as the dependence of ZCL on grid power. ZCL has requested the Company to provide it with a term loan for the capital expenditure required for the aforesaid project.

The income derived by HeidelbergCement India Limited from the funds lying in fixed deposits with banks has fallen drastically due to reduction in the rate of interest on bank deposits on account of successive reductions in Repo rate by RBI. The rate of interest to be charged by HCIL from ZCL, in compliance with section 186 of Companies Act, 2013, on each tranche of the term loan will be 275 bps over and above the prevailing yield on government securities of three years on the date of disbursement of the loan, resulting in interest rate of around 7% p.a., which is significantly higher than the present return of around 3.5% p.a. on bank deposits. Moreover, the Company has no major capital expenditure plans lined up for the next couple of years. Against this backdrop, it is proposed to deploy part of the surplus funds of the Company by giving term loan of INR 1500 million for two years to ZCL. The other terms and conditions of the proposed term loan are given below:

- The entire loan amount will be disbursed to ZCL in tranches on or before 31st March 2021.
- The tenure will be two years from the date of draw dawn of each tranche;
- The interest rate will be 275 bps over and above the G-Sec yield for 3 years as on the date of disbursement of the loan.

  (Note : 3 years G-Sec yield as on 21 July 2020 was 4.36% p.a.. Thus, the expected rate of interest to be charged from ZCL for each tranche of the term loan, depending upon the G-Sec yield as on the date of disbursement of the loan, will be around 7% p.a.).

- Rate of Interest will remain fixed for two years;
- Interest will be payable at quarterly intervals;
- There will be no option for rollover of loan.

ZCL is a fellow subsidiary of the Company by virtue of it being a subsidiaryof the Company's ultimate holding company viz., HeidelbergCement AG of Germany. ZCL is a profit-making and dividend-paying company with a strong brand image in markets of Southern India. It enjoys a credit rating of AA+ (with stable outlook) indicating a high level of safety regarding timely servicing of financial obligations. Therefore, the proposed loan not only offers higher returns but also assures a high level of safety.

HeidelbergCement AG, through its subsidiaries, holds 69.39% of the equity share capital of HeidelbergCement India Limited and 100% of the equity share capital of ZCL. Section 185 of the Companies Act, 2013 provides that a company may provide a loan to another body corporate, which has certain common directors with the lending company, only if the proposed transaction is approved by the shareholders of the lending Company through a special resolution passed at a general meeting. The proposed transaction requires the approval of the members of the Company in the following manner:

- Approval of members by way of a Special Resolution pursuant to section 185 of the Companies Act, 2013.
- Approval of members under Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 through an Ordinary Resolution because HeidelbergCement India Limited and Zuari Cement Limited are related parties as per the provisions of Regulation 2(1)(zb) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Against this backdrop, two separate resolutions are set out at Item Nos. 6 and 7 respectively in this Notice of Annual General Meeting. For the purpose of Special Resolution as set out at Item No. 6, under section 185 of the Companies Act, 2013, votes of all members will be taken into account for deciding the outcome. The proposed transaction does not require the approval of the members under Section 186 of the Act, as the quantum of the proposed loan is well within the prescribed threshold limit. In compliance with the provisions of SEBI Listing Regulations, the promoter group (Cementrum I B.V.) and other related parties holding shares of the Company as on the cut-off date will abstain from voting on the resolution set out at Item No. 7 of this Notice.

The proposed transaction is in the best interest of the Company and as such the Board of Directors of the Company, on the recommendation of Audit Committee, has recommended the resolutions set out at Item Nos. 6 and 7 for approval of the members at the ensuing AGM.

Mr. Jamshed Naval Cooper being Managing Director of both HCIL and ZCL may be deemed to be concerned or interested in the resolutions described above. Mr. Kevin Gerard Gluskie and Ms. Soek Peng Sim are Non-Executive Directors in both HCIL and ZCL. Mr. Sushil Kumar Tiwari, Whole-time Director of HCIL holds a position of Non-Executive Director in ZCL also. None of the other Directors and Key Managerial Personnel of the Company and their relatives may be deemed to be concerned or interested, financial or otherwise, in the resolutions set out at Item Nos. 6 and 7 of this Notice. None of the Directors and Key Managerial Personnel of HCIL hold any equity shares in ZCL.

By Order of the Board

Date : 22nd July, 2020 Rajesh Relan

Place : Gurugram Legal Head & Company Secretary

Regd. Office: 9th Floor, Tower 'C',
Infinity Towers, DLF Cyber City,
Phase II, Gurugram, Haryana -122002
CIN: L26942HR1958FLC042301

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A Creative Division of Metieta Advertising Pvt. Ltd.

ping@marshmallow.in

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HEIDELBERGCEMENT
INDIA

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