



we are **what we pursue...**



HeidelbergCement India Ltd.
Annual Report 2015-16

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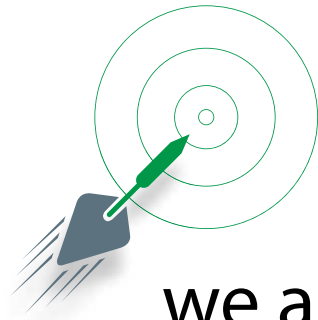
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Narsingarh Clinkerisation Plant, District Damoh, M.P.



we are what we pursue...

We also bind our stakeholders to form a great community by building on each other's strength.

The basic function of cement is to bind aggregates, sand, steel re-bars and bricks into structures which are expected to last for generations. Cement is thus an indispensable, non-substitutable, versatile commodity for nation building creating in its life of transformation fairly valued and durable structures for myriad uses be it a house, an office, a multiplex, a mall, a bridge, a highway, an airport, a canal or a stadium.

As part of the HeidelbergCement Group, renowned the world over for its engineering, manufacturing capabilities, innovations and a track record of sustainable operations, we repose great value in customers' expectations from our cement. Being the flag bearer of the Group's business ethics, at HeidelbergCement India, we are striving to raise the bar for excellence of the Indian Cement Industry.

It is with this responsibility combined with our Group's vast repository of knowledge, that we pack pure quality in every bag of cement we dispatch. We are in the pursuit to be one of the best cement makers of India. We strive to be the best in every activity that we do, be it our economic, social or environmental performance. Sustainable development, therefore, occupies a high priority in our business agenda.

We are committed to the optimal deployment of natural resources, replenishing the earth wherever it is due, the absolute compliances of regulatory as well as moral obligations, which are equally important, as is our resolve to deliver economic value. Firmly believing that 'we are what we pursue', the 1522 strong family members of HeidelbergCement India Limited, stands committed to pursue continuous improvement and sustainable development.

We are HeidelbergCement India



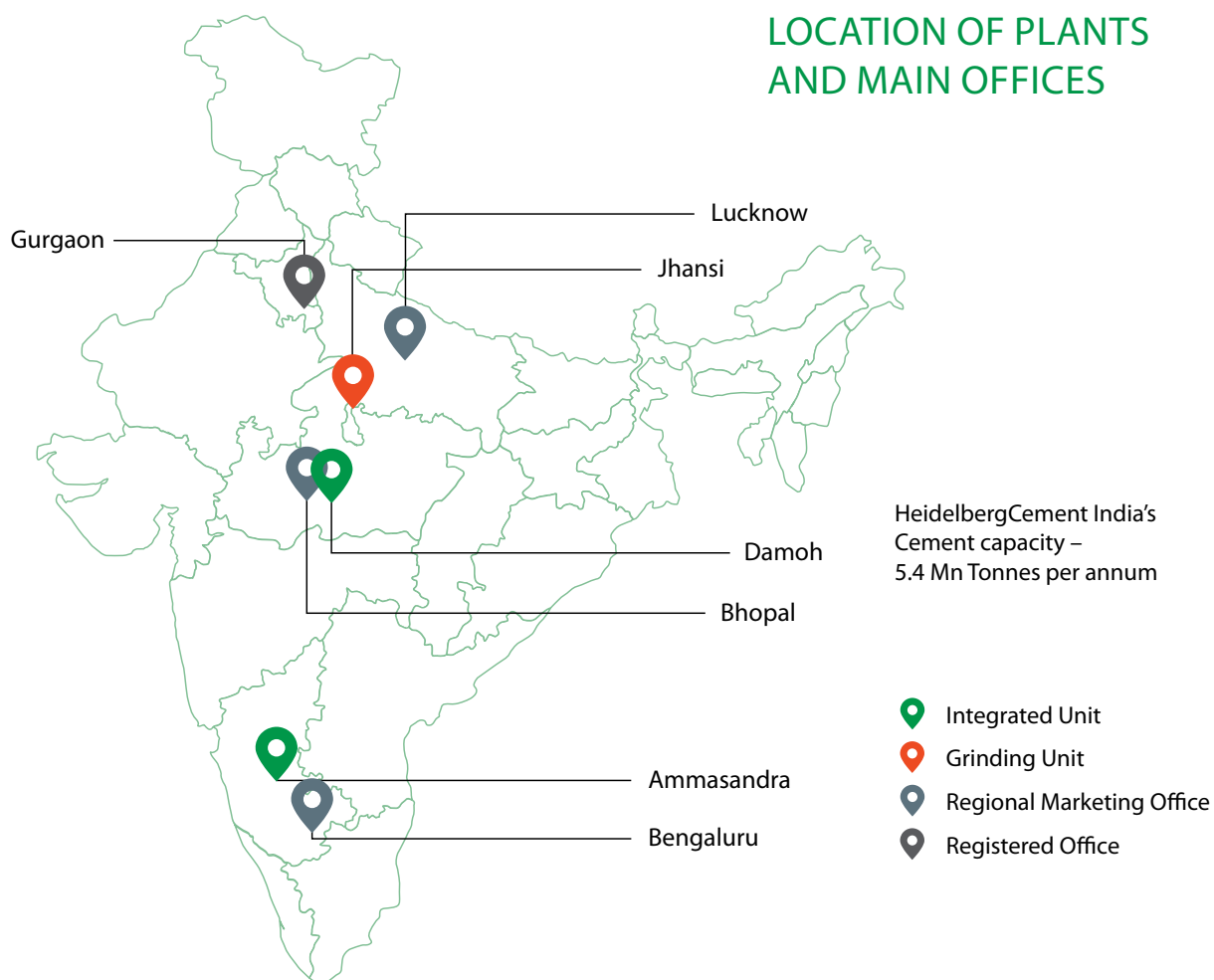
Dr. Albert Scheuer planting a sapling at Patharia Mines, District Damoh, M.P.

HeidelbergCement India Limited (HCIL), is an Indian subsidiary of the HeidelbergCement Group. HCIL is engaged in the manufacturing of cement. The product portfolio includes Portland Pozzolana Cement (PPC) and Portland Slag cement (PSC). The Company's manufacturing facilities are located in Ammasandra, Karnataka; Damoh, Madhya Pradesh (M.P.); and Jhansi, Uttar Pradesh (U.P.). HCIL's total cement manufacturing capacity stands at ~ 5.4 million tonnes per annum (MTPA), with clinker capacity of 3.4 MTPA. With the commencement

of a new Waste Heat Recovery based Power Generation Plant, the Company has added a captive power generation capacity of ~12 MW at its clinker unit in Narsingarh, Damoh (M.P.).

HCIL has carved a niche for its brand 'mycem' in its operating markets, with the aid of committed sales efforts, supported by quality products. 'mycem' has a strong brand recall value in the markets of M.P., U.P. and Bihar. From the southern plant the company commands niche markets of Karnataka and Kerala.

LOCATION OF PLANTS AND MAIN OFFICES



Imlai Grinding Plant, Damoh, M.P.



Jhansi Grinding Plant, U.P.

corporate information

Board of Directors

Mr. P.G. Mankad

Non-Executive Chairman

Dr. Albert Scheuer

Non-Executive Director

Mr. Kevin Gerard Gluskie

Non-Executive Director

Mr. S. Krishna Kumar

Independent Director

Mr. Pradeep V. Bhide

Independent Director

Mr. Juan-Francisco Defalque

Non-Executive Director

Ms. Soek Peng Sim

Non-Executive Director

Mr. Jamshed Naval Cooper

Managing Director

Mr. Sushil Kumar Tiwari

Wholetime Director

Chief Financial Officer

Mr. Anil Kumar Sharma

Legal Head & Company Secretary

Mr. Rajesh Relan

Registered Office

9th Floor, Infinity Tower C
DLF Cyber City, Phase-II
Gurgaon, Haryana-122002

Statutory Auditors






S.R. Batliboi & Co. LLP
Chartered Accountants

Registrar & Share Transfer Agents

Integrated Enterprises (India) Limited
30, Ramana Residency, 4th Cross, Sampige Road,
Malleswaram, Bengaluru - 560 003

our performance at a glance

Operational Snapshot: 2015-16

-  Waste Heat Recovery based Power Generation Plant of ~ 12 MW at Narsingarh commissioned
-  Decrease in the overall costs by 3.9% y-o-y, through concerted efforts offsets decrease of 3.2% in average gross realization, per ton
-  Cement capacity utilization > 80% stood way ahead of the estimated industry average of ~70%
-  Gross Long Term Debt reduced to ₹ 8,756 million from ₹ 11,172 million in the previous year
-  Credit rating upgraded to "Ind AA" (with stable outlook) from "IND AA-"

Financial Highlights

Particulars	FY 16	FY15*	CY 13	CY 12	CY 11
Volumes (KT)	4,443	5,289	3,626	2,886	2,900
Total Revenue (₹ million)	16,708	20,581	14,006	11,144	9,998
EBITDA (₹ million)	2,532	3,360	1,222	877	776
EBITDA Margin (%)	15.2%	16.3%	8.7%	7.8%	7.8%
EBT (₹ million)	504	1,198	-807	457	424
EBT Margin (%)	3.0%	5.8%	-5.8%	4.1%	4.2%
PAT (₹ million)	387	595	-407	308	292
PAT Margin (%)	2.3%	2.9%	-2.9%	2.8%	2.9%
EPS (₹/Share)	1.7	2.6	-1.8	1.4	1.3
Shareholders Fund (₹ million)	8,956	8,716	8,334	8,466	8,156
Long Term Borrowings (₹ million)**	8,756	11,172	11,172	11,172	11,172
Short Term Borrowings (₹ million)	700	-	642	450	-
Debt Equity Ratio	0.98: 1	1.28: 1	1.34: 1	1.06: 1	0.84: 1
Cash and Cash Equivalents (₹ million)	78	1,463	1,141	732	3,107

Notes: CY denotes Calendar Year, FY denotes Financial Year, *FY15 has 15 months results due to change in accounting year.
 CY11, CY12 and CY13 figures are inclusive of Raigad Plant

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

from the desk of the Managing Director



Our relentless pursuit for sustainable development, which comes from the HeidelbergCement Group's philosophy, distinguishes us from many of our peers in India.

Dear Shareholders,

It is with a sense of accomplishment that I connect with you through our Annual Report. In our quest to be the best, we have chosen to pursue excellence towards our economic, social and environmental goals. As a proud member of the HeidelbergCement Group, one of the foremost global players in cement, we are steadily improving our business operations, with a concurrent focus on sustainable development.

During the course of the financial year, the global macroeconomic conditions remained tepid with divergent trends across the Advanced and Developing Economies. With a GDP growth of 7.6%, India remained as the fastest growing major economy. The softening in global commodity prices and crude oil in particular, were positive factors that supported the economy.

The Cement Industry in India continues to remain competitive given the moderate demand growth and the overhang of surplus capacities. The low capacity utilization witnessed by the industry has resulted in slowing down the pace of new capacity additions. During the recent times, the cement industry has also been witnessing a consolidation phase.

At HeidelbergCement India Ltd., continuous improvement is a way of life. With a keen eye on cost reduction programs, we enhanced our efficiencies covering all facets of our operations. The commissioning of our Waste Heat Recovery based power plant at Narsingarh is a major step in the direction of reducing the power cost of the company. Taking advantage of the cost difference among various types of available fuels, we optimised the fuel-mix over time. Further, a slew of other measures to de-bottleneck the operations have supplemented our efforts to achieve cost competitiveness.

Our brand 'mycem' marched ahead winning the confidence of our customers who value its high quality and willingly pay premium for the same. During the year, we also launched a premium cement- 'mycem power' - which was received well in the markets.

In a unique and innovative move, we have rolled out the Channel Authorization Digital Signage (CADS), an electronic digital display system installed at the Dealer Shops that provides information to customers about our brands, product technical information and indicative ruling prices. CADS is providing greater transparency and has proved instrumental in strengthening our bond with the channel partners and customers. In an evolving market, we updated our understanding on our customers' needs through extensive market surveys conducted during the year. The valuable insights of how customers perceive our brand has helped us refine our marketing strategies.

Our relentless pursuit for sustainable development, which comes from the HeidelbergCement Group's philosophy, distinguishes us from many of our peers in India. Continuing our tradition of social and environmental enrichment, we carried out programs for community development, environment and water conservation. Having put in place domestic waste processing facilities at our Narsingarh and Jhansi plants, we take pride in achieving zero solid municipal discharge. The development of a self-sustainable exotic aquatic system, that provides habitat to a wide variety of bird species, is our most recent contribution towards improving biodiversity. Considering the local needs, our customized community empowerment programs are actively facilitating community bonding.

I take this opportunity to thank all the stakeholders for their continuous support and trust in HeidelbergCement India Ltd. and also to commend our employees for their unwavering efforts and contributions in strengthening our prospects on the path of sustainable development.

Best Regards,

Jamshed Naval Cooper
Managing Director

pursuing customers' trust,
every single transaction



During the year we expanded our brand bouquet with the launch of cement under the brand 'mycem power'.