

# BUILDING A BETTER FUTURE





Narsingarh Clinkerisation Plant, District Damoh, M.P.

# CONTENTS

## CORPORATE OVERVIEW

Building a better future	01
Overview of HeidelbergCement Group (HC Group)	02
Overview of HeidelbergCement India Ltd.	04
Message from the Managing Director	08
Message from Management Team	10
Environmental and CSR Initiatives	12
Performance at a Glance	20

## MANAGEMENT REPORTS

Board's Report	21
Management's Discussion & Analysis	44
Business Responsibility Report	48
Corporate Governance Report	57

## FINANCIAL STATEMENTS

Independent Auditors' Report	67
Balance Sheet	72
Profit and Loss Account	73
Cash Flow Statement	75
Notes to Financial Statements	76
Notice of AGM	119



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## EMINENT POTENTIAL

India is home to the second largest population of today's world with challenges that are unique where housing deficit dots the country's landscape both urban and rural. To fulfill this deficit, cement industry has in place 440 million tonnes (MT) of cement manufacturing capacity making it the second largest cement producer in the world. For India to accelerate its growth, there is need to upgrade and build its infrastructure for which the cement sector is fully geared up. HeidelbergCement India producing high quality cement has been actively contributing for over 10 years in delivering strong and durable structures that go to build foundations of growing India.

The country, in the next five years will require an investment of around US\$ 450 billion on infrastructure development wherein 70% of the investment will go to the power sector, development of roads and build urban infrastructure.

With an increasing GDP, the volatility in the Indian business environment is gradually ebbing out, thus, opening more avenues for HeidelbergCement. The budgetary allocation for infrastructure development, housing,

sanitation, manufacturing, urbanization and agriculture holds the potential to perk up the overall economic scenario. This provides opportunity to HCIL fortify its market presence as these structures will need quality cement.

The real estate sector has been exhibiting good growth prospects in the recent times backed by good monsoons, enactment of Real Estate Regulation Act, implementation of 7th pay commission and lower interest rates. Some of the crucial infrastructure projects like road, rail, port, metro and airport announced by the government open up good prospects for the construction industry which spells better prospects for the cement industry too. Nevertheless the success factor will depend on the Nation's capability to execute these projects with speed.

A host of projects announced by the government like Housing for All, Dedicated Freight Corridors, Make in India, Namami Gange, Smart Cities, Sagarmala, Railway Modernisation, have opened up new vistas for the industry and we stand committed to make our share to contribution to build a resilient India.





Cement plant of Gorazdze Cement S.A., Poland (HC Group)



## BRINGING GLOBAL EXPERTISE TO BUILD A BETTER INDIA

“Operating in 60 countries with over 60,000  
employees at more than 3,000 locations”

## HEIDELBERGCEMENT GROUP



R&D Laboratory of HC Group

We have a rich lineage, HeidelbergCement Group, is one of the leading cement companies in the world, headquartered at Heidelberg, Germany. Right from the year of its foundation in 1873 by Mr. Johann Philipp Schifferdecker, HeidelbergCement has woven success stories based on its farsighted global vision anticipating the needs of the evolving construction industry. In 1896 HeidelbergCement Group's capacity was 80,000 tonnes per annum of Portland cement. In 1914 it began acquiring numerous small companies to fuel its expansion plans thus achieving the million tonne milestone in 1936. Thereafter from 1972, the Group embarked on yet another expansion spree when it acquired cement companies in France, US, UK, North America, Belgium, Africa, northern and eastern Europe. Today HeidelbergCement Group is a leading global player in aggregates, cement, ready-mix concrete and asphalt. The acquisition of Italcementi in 2016 further enhanced its global position by retaining its leadership in aggregates and raising its rank to number 2 in cement and number 3 in ready-mixed concrete.

The Company's business model revolves around the tenets of sustainability as cement production involves consumption of natural resources and is energy-intensive too. The sustainable practices are the cornerstone of all the business activities, be

it securing access to raw material reserves, judicious and efficient mining or the introduction of innovative production processes, development of new products and the use of alternative fuels.

The group operates in about 60 countries having a workforce of over 60,000 employees operating 160 cement and grinding plants including joint ventures. The Company has 595 quarries and aggregate pits and 1,723 Ready Mix Concrete (RMC) production sites across the world. With the acquisition of Italcementi the group's footprint expands to 3,030 locations across five continents. The Group has become a market leader in Morocco, Egypt and Thailand and has achieved synergies in its operations in North America and India. The biodiversity measures implemented at its mining locations makes HeidelbergCement group stand out as a leader in the industry.

HeidelbergCement Group, with over 140 years of experience in the cement industry, has beyond doubt proven its capability of providing consistent high quality building materials that have responsibly assisted architects and engineers to give shape to their dream projects. The result of its experience finds its presence in every bag of cement we deliver to our discerning customers in India too.





Imlai Grinding Plant, Damoh, M.P.

**“ 12,000 ton fly-ash silo project commissioned at Imlai plant during FY17 to secure fly-ash inventory for sustained production ”**



## OVERVIEW OF HEIDELBERGCEMENT INDIA LTD.



Dr. Bernd Scheifele, Chairman of HC Group and Mr. Kevin Gluskie, Member of Managing Board of HCAG in the control room of Jhansi plant

HeidelbergCement India Limited (HCIL), is Indian subsidiary of the HeidelbergCement AG with cement manufacturing capacity of ~5.4 million tonnes per annum (MTPA) and a clinker capacity of 3.4 MTPA.

The plants located at Ammasandra, Karnataka; Damoh, Madhya Pradesh (M.P.); and Jhansi, Uttar Pradesh (UP), manufacture Portland Pozzolana Cement (PPC) and Portland Slag Cement (PSC) of the quality that surpasses the quality standards specified by the statutory regulator.

Aligning with the Group's commitment to Environment protection, the Company set up a Waste Heat Recovery based Power Generation Plant (WHRPG), with a generation capacity of ~12 MW at its clinker unit in Narsingarh, Damoh (M.P.). The WHRPG was commissioned in FY16 at Narsingarh (MP) and the power generated by this plant is substituting equivalent grid power, enabling the Company to reduce its power cost. The 12,000 ton Fly-ash Silo Project commissioned at Imlai plant during FY17 is poised to secure fly-ash inventory for

sustained production.

Its brand "mycem" has established itself as premium cement in its operating markets as a result of delivery of consistently high quality cement to its discerning customers. "mycem" has a strong brand recall value making it the preferred brand in its niche markets. With its avant-garde strategies, HeidelbergCement India remains fully committed to consistently deliver high quality cement thus bringing to life its slogan "for better building" day after day.

We consider customers as our stakeholders and stay committed to serve their requirements of quality cement providing value for money. Our persistence towards excellence has made our brand mascot, "Chutkoo" a well-known image in the Central India markets. Shareholder's value accretion is pursued with equal passion to deliver better returns.

HCIL's operations in states of MP and UP during FY 2017, achieved capacity utilization of 82.3%, outperforming the industry average of 65-70%.

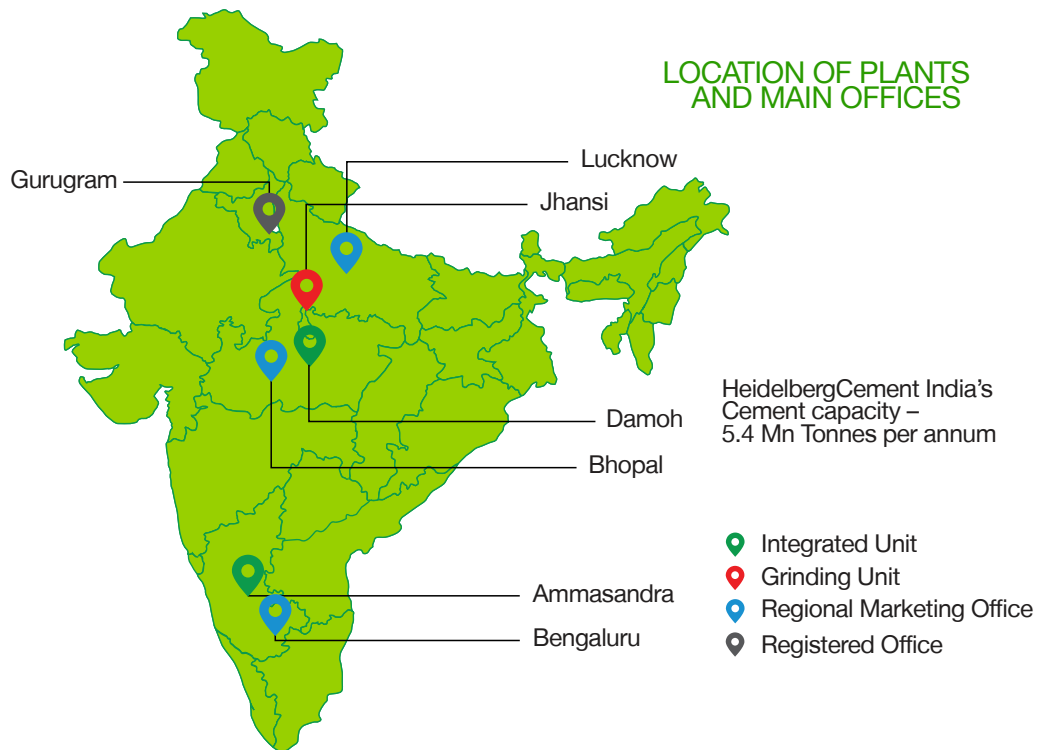




Water harvesting and plantation in the mined out pit of Patheria limestone mines

**“We take nothing from the Earth without giving something back”**





## 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**  
Whole-time 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  
Gurugram, Haryana-122002

**Statutory Auditors**  
S.R. Batliboi & Co. LLP  
Chartered Accountants

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



# FROM THE DESK OF THE MANAGING DIRECTOR

## Dear Shareholder,

It is a matter of great satisfaction for me to report yet another year of strong performance. At HeidelbergCement, continuous improvement is now a way of life; as we stand committed to better our performance year after year.

The initiatives taken by the Company in the recent past have focused on cost reduction, improvement in consumption parameters and optimization in use of natural resources, which together have contributed in delivering better results. We grew our business and increased our profitability, that enabled us enhance our competitive edge and create value for our shareholders. It is my pleasure to inform to you that the Board of Directors has recommended a dividend of Rs. 2.00 (20%) per share of Rs.10 each for FY2016-17, subject to the approval of members at the ensuing AGM.

Indian economy is currently in the midst of a recovery phase with lower fiscal and current account deficit, lower inflation, benign global commodity prices and declining interest rates. Good monsoon after two successive years of scanty rainfall came as a major respite especially for the rural economy. With a GDP growth of 7.1% in FY2016-17, India remained one of the fastest growing large economies in the world.

With the dawn of 1st July 2017, India took a giant leap to reform Indirect Taxes. 'One Nation One Tax – GST' became a reality. The Company proactively changed its systems and processes as well as provided training to its Customers and Vendors leading to smooth transition into the GST era. The price reductions arising out of reduced GST liability were passed on to the customers.