

HEIDELBERGCEMENT

TOWARDS A GREENER FUTURE



HEIDELBERGCEMENT INDIA LTD.

ANNUAL REPORT 2022-23



A | GENERAL INFORMATION

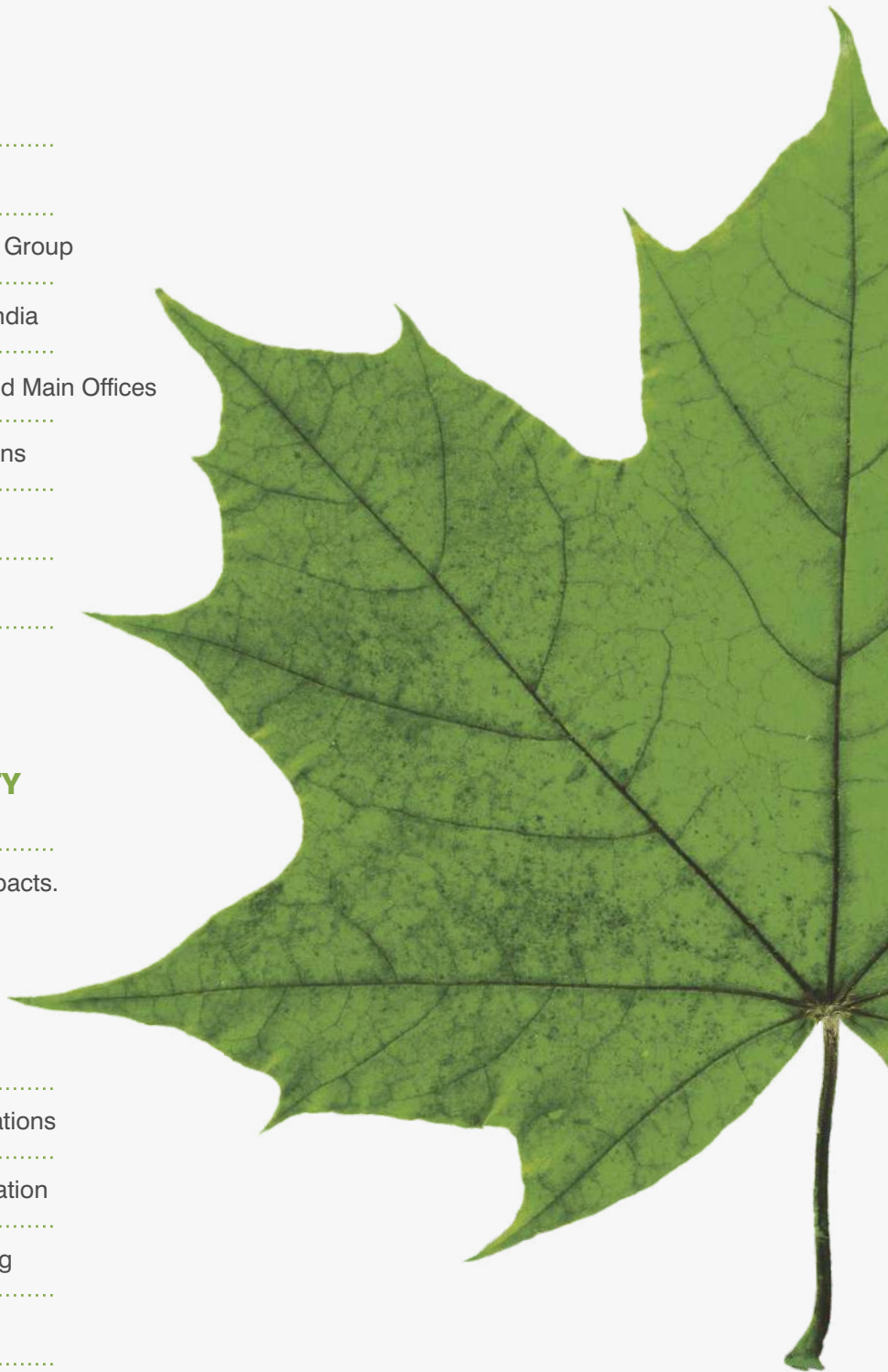
- 02 Concept Note
- 04 Heidelberg Materials Group
- 06 HeidelbergCement India
- 07 Location of Plants and Main Offices
- 08 Awards & Recognitions
- 10 Products & Services
- 12 HCIL Journey
- 14 Financial Highlights

B | SUSTAINABILITY AT ITS CORE

- 16 Lean Acts. Green Impacts.

C | SPOKES OF THE CORE

- 26 Manufacturing Operations
- 28 Automation & Digitisation
- 30 Community Wellbeing
- 32 Human Capital
- 37 Marketing & Branding





D | MANAGEMENT MESSAGES AND PROFILE OF DIRECTORS

- 40** MD's Message
- 42** Profile of Board of Directors
- 45** Messages from the Management

E | STATUTORY REPORTS

- 49** Board's Reports
- 67** Management Discussion & Analysis
- 72** Business Responsibility & Sustainability Report
- 95** Report on Corporate Governance

F | FINANCIAL STATEMENTS

- 112** Independent Auditors' Report
- 120** Balance Sheet
- 121** Statement of Profit and Loss
- 122** Statement of Change in Equity
- 123** Cash Flow Statement
- 124** Notes to Financial Statements
- 160** Notice of AGM



TOWARDS A GREENER FUTURE

Mankind, in its quest for progress, new inventions, health, infrastructure, food security, transportation, and a general increase in population, started consuming fossil fuels at a faster rate since the mid-nineteenth century. The burning of fossil fuels (coal, lignite, natural gas, petroleum products) is the main cause of climate change through emission of greenhouse gases as its residue. These gases act as a blanket around earth, trapping heat causing global warming. The average Earth surface temperature is now about 1.1°C higher than the late 1800s, warming the sole habitable planet in the solar system at an unprecedented rate. The consequences of climate change are catastrophic - intense droughts, water scarcity, severe fires, flooding, polar ice melting, rising sea levels, extreme storms, loss of species, and declining biodiversity.

It is thus the onus on human race - the most intelligent - to reverse the climate change through solutions that improve our habitat and protect the environment without an impact on economic benefits. To combat climate change, global frameworks and agreements such as the Sustainable Development Goals, the UN Framework Convention on Climate Change, and the Paris Agreement guide us to drive sustainable progress.

The Paris Agreement signed by 196 UN member countries sets out a global framework to limit the global temperature rise to below 2°C, and preferably limit the increase to 1.5°C. It further aims to strengthen ability to deal with the impacts of climate change and support countries in their efforts.

While a growing number of countries are making commitments to move towards net zero emissions by 2050, emissions must be cut to half by 2030 to keep the warming below 1.5°C. Achieving such targets means massive declines in the usage of coal, oil and gas or to put it succinctly - over two-thirds of today's proven reserves of fossil fuels must be left underground by 2050.

Pursuant to the 2015 Paris Agreement, India submitted its Nationally Determined Contributions (NDCs), outlining goals to cut carbon emissions and adapt to climate impacts. The updated NDCs include increasing emission intensity reduction to 45% by 2030 (from 2005 levels), and

aiming for 50% renewable electricity (up from 40% in the original agreement).

To walk on the roadmap of achieving a greener future, every individual and every business must push forward the concept of 'LiFE' - Lifestyle for Environment – introduced by our country's honourable Prime Minister in COP26 2021. The aim is to promote and foster sustainable lifestyles and consumption patterns.

At the Heidelberg Materials Group level, we commit to achieve these sustainable objectives. With the right ambition, pace, knowledge, and partnerships, we are leading the transformative process in our industry. Our primary focus involves expanding our range of sustainable products, rapidly reducing CO₂ emissions, demonstrating large-scale viability of carbon-neutral production, and implementing circularity principles for a circular economy. We take pride in our ongoing pursuit of emerging technologies and solutions, playing a crucial role in the path to net zero. The Sustainability Commitments 2030 serve as guiding principles for our sustainability strategy, encompassing four key areas: Net Zero, Circular and Resilient, Safe and Inclusive, and Nature Positive.

In line with the Group's direction, HeidelbergCement India Ltd. is actively embracing a sustainable approach across its operations. From mining to delivery, sustainability guides our actions. Our mines prioritize eco-friendly techniques and land restoration. We're enhancing circular practices, utilizing materials like low-grade limestone, quarry rejects, synthetic gypsum, and biomass for energy, bolstering our product quantity without compromising on quality. Solar, bio-mass fuels, and Waste Heat Recovery enhance our green energy mix. Responsible procurement and supplier sustainability are also paramount.

At HeidelbergCement India Ltd. sustainability is a way of doing business, a way of life. Our responsibility towards a greener future is unwavering and all our business and strategic interventions are based on achieving a long-term goal of contributing towards a healthy planet.





Founded in 1873 in Heidelberg, a small town in Germany, Heidelberg Materials Group has grown consistently spreading its footprint across the globe. Every goal it set-out for itself, has been achieved without compromising on values and focusing persistently on research and innovation. Inclusive and sustainable growth have been the driving forces of our business model as we continue to strive and improve our products, services and business processes to attain the global standards of efficiency. As we continue to traverse through this journey of growth, high product standards, vast reserves of quality raw material at strategic locations, excellent customer relationships and uncompromising approach to ecological sustainability have been our core strengths.

**In this 150-year journey, a lot has changed in the world around us.
However, our core values remain unmoved.**

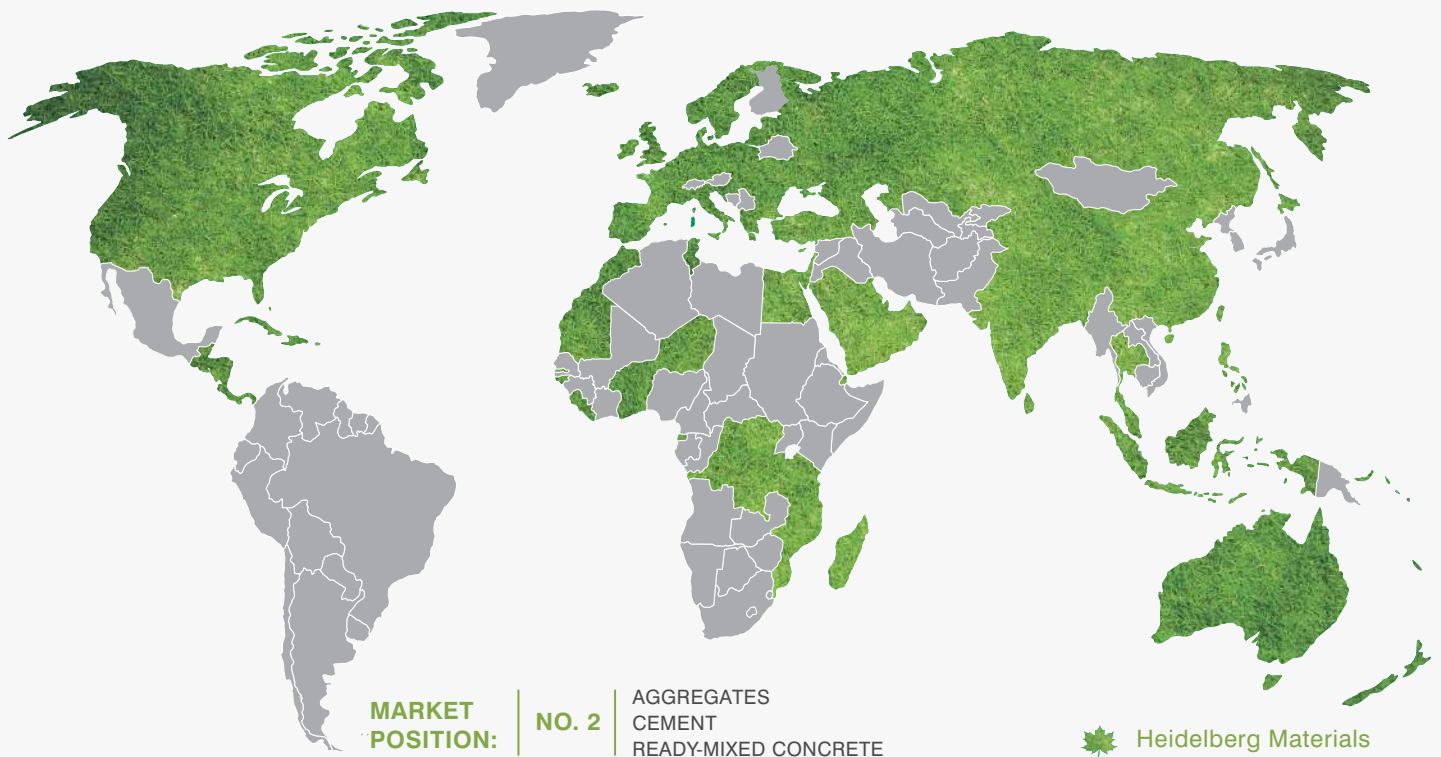
**Quality and Reliability -
That is Heidelberg Materials**



HEIDELBERG MATERIALS: A GLIMPSE



With a Group revenue of Euro 21.1 billion in 2022, Heidelberg Materials Group is among the world's largest building material companies. The Group's core activities include the production and distribution of cement and aggregates, the two essential raw materials for manufacturing concrete. The product range is substantially complemented by downstream ready-mixed concrete and asphalt. Furthermore, the Group offers services such as worldwide trading in cement and coal by sea.



51,000

GROUP EMPLOYEES



3,000

LOCATIONS



50

COUNTRIES



HEIDELBERGCEMENT INDIA LTD. (HCIL) AT A GLANCE



Heidelberg Materials Group made its foray into India in early 2006. The move was motivated by its pursuit for growth which emanated from the opportunities available in the growing markets of developing countries. The Group acquired controlling stake in Mysore Cements Limited and formed a joint venture with Indorama Cement Limited, which in 2008 was converted into a complete acquisition.

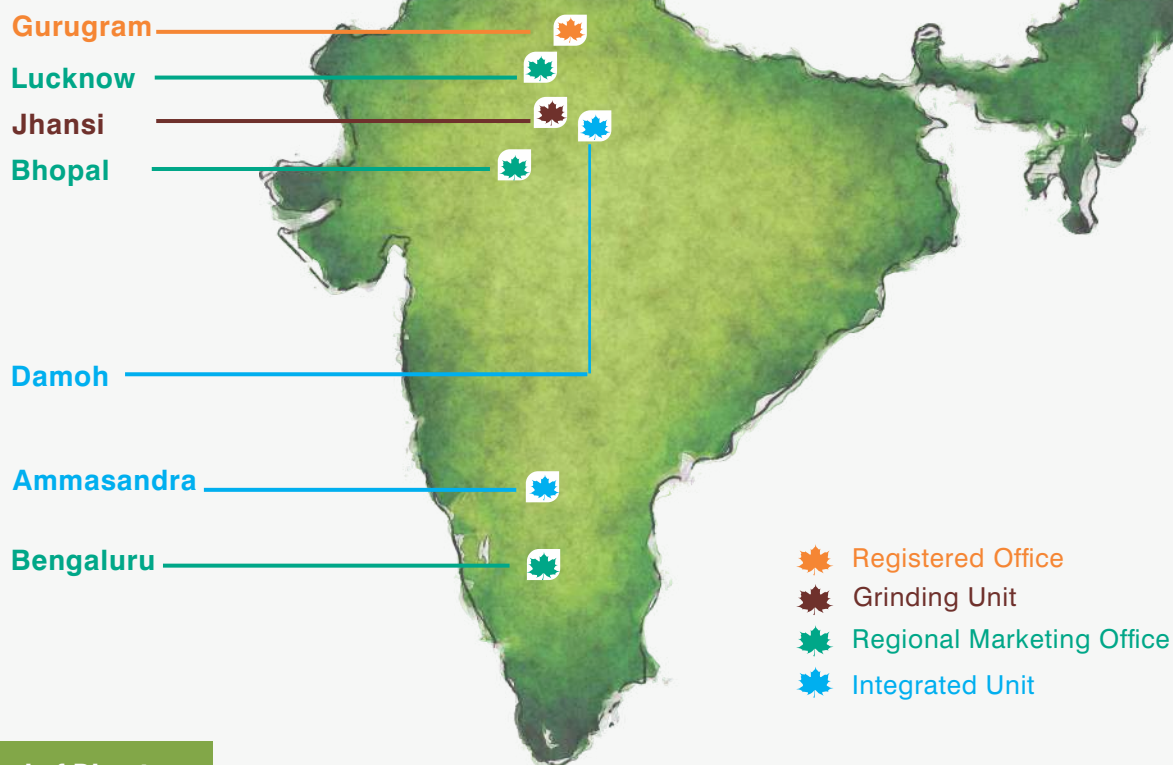
After the merger of Indorama Cement with Mysore Cements, in 2009, Mysore Cements was renamed as HeidelbergCement India Ltd. Since then, there has been no looking back. In 2009, the Company undertook a brownfield capacity expansion in Central India to increase its cement manufacturing capacity from 2.1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



LOCATION OF PLANTS AND MAIN OFFICES



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



Board of Directors

Mr. Ramakrishnan Ramamurthy
(Chairman & Independent Director)

Ms. Jyoti Narang
(Independent Director)

Mr. Kevin Gluskie
(Non-Executive Director)

Ms. Soek Peng Sim
(Non-Executive Director)

Mr. Joydeep Mukherjee
(Managing Director)

Mr. Vimal Kumar Jain
(Whole-time Director)

Mr. Anil Kumar Sharma
Chief Financial Officer

Mr. Rajesh Relan
Sr. Vice President
Corporate Affairs & Company Secretary

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

Registered Office: 2nd Floor, Plot No. 68, Sector 44, Gurugram - 122 002, Haryana



AWARDS AND RECOGNITIONS



The Apex India Foundation recognised our Jhansi plant with the Safety Award 2022. This award acknowledges our plant's exceptional leadership in implementing occupational health & safety practices and policies.



Leading in Environmental Conservation

Diamond Patharia Mines received the 'Amrit Kalash Puraskar' at the 32nd Mines Environment & Mineral Conservation Week, hosted by the Indian Bureau of Mines



CII National Energy Management Award for Jhansi Plant for the 7th Consecutive Year





Setting the Benchmark for Sustainability since Inception

Diamond Patharia Limestone Mines received a Five-Star Rating by the Indian Bureau of Mines for its sustainable mining practices in FY23, maintaining this distinction for seven consecutive years.



Garnering dual honours for safety excellence

Diamond Patharia Limestone Mines secured 1st position for their safety management plan and 2nd position for outstanding swachhata awareness & supervision during the 34th Metalliferous Mines Safety Week under the Directorate General of Mines Safety.

Jhansi Plant was conferred with a certificate of appreciation for demonstrating commitment to communities through pioneering implementation of CSR activities such as introduction of smart classes in primary schools.

रविन्द्र कुमार
आई.ए.एस.
जिला मजिस्ट्रेट एवं कलेक्टर



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दिनांक : अप्रैल 27, 2022

प्रशंसा-पत्र

एक आदर्श समाज को स्थापित करने के लिए सामाजिक दायित्वों का निर्वहन प्रत्येक व्यक्ति तथा सामाजिक संस्था की सामुदायिक जवाबदेही है, जिससे समाज का उत्कृष्ट विकास हो सके। जलपद झोंसी जै इस दायित्व का निर्वहन कॉरपोरेट सोशल रिस्पॉन्सिबिलिटी के तहत "हायमण्ड सीमेण्ट (Heidelberg Cement) इण्डिया लिमिटेड, झोंसी" द्वारा संवेदनशील होकर किया जा रहा है।

"हायमण्ड सीमेण्ट, प्रो. हाईडेलबर्ग सीमेण्ट इण्डिया लिमिटेड, मझोरा झोंसी" द्वारा जलपद में वैश्विक महामारी कोविड-19 के दौरान तहसील गटौल में एक ऑक्सीजन प्लांट का निर्माण, महारानी लक्ष्मीबाई मेडिकल कालेज में 10 ऑक्सीजन कॉन्सन्ट्रैटर की व्यवस्था, हाजीपुरा गाँव के प्राइमरी स्कूल का जीर्णोद्धार कर तमाम क्लास का बनाया जाना, 04 ट्यूबवेलों में सोलर सिस्टम, मझोरा गाँव के पंचायत भवन में सोलर सिस्टम की व्यवस्था, कस्तूरबा गाँधी वालिका विद्यालय, गुरुराराव का जीर्णोद्धार तथा प्राइमरी हेल्थ सेण्टर, बड़गाँव में एक्सरे मशीन की व्यवस्था आदि कार्य कर अपने सामाजिक दायित्वों की पूर्ति का प्रमाण दिया है, जो सराहनीय कार्य है।

हायमण्ड सीमेण्ट इण्डिया लिमिटेड, झोंसी द्वारा कॉरपोरेट सोशल रिस्पॉन्सिबिलिटी के अन्तर्गत किए गए उक्त कार्य "प्रशंसीय" हैं। इस हेतु मैं आपके उज्जवल भविष्य की कामना करता हूँ। साथ ही आपसे अपेक्षा की जाती है कि भविष्य में भी इसी प्रकार उत्कृष्ट कार्य जारी रखेंगे।

(रविन्द्र कुमार)
जिलाधिकारी/जिला मजिस्ट्रेट,
झोंसी।

श्री सुनील कुमार,
कारखाना प्रबन्धक,
हायमण्ड सीमेण्ट (Heidelberg Cement) इण्डिया लिमिटेड,
झोंसी।

श्री अनूप सिंह घटेल,
एच.आर.प्रमुख,
हायमण्ड सीमेण्ट (Heidelberg Cement) इण्डिया लिमिटेड,
झोंसी।



PRODUCTS

Mycem Portland Pozzolana Cement:

It is a blended cement made by grinding portland clinker with gypsum and highly reactive pozzolanic ingredients in defined proportions.

Mycem Power:

It is a superior quality blended cement with laminated packaging that prevents cement from hydration due to ambient moisture and keeps its quality intact until it is opened within the time frame specified by

BIS. It has a larger particle size distribution, with maximum particles ranging from 3 to 30 micron, which aids in the formation of a cohesive mix and a long-lasting, crack-free structure.

Mycem Primo:

It is a blended cement with water-proof packaging that prevents cement from hydration due to ambient moisture and keeps its quality intact until it is opened within the time frame specified by BIS.

It has a larger particle size distribution, with maximum particles ranging from 3 to 30 micron, which aids in the formation of a cohesive mix and a long-lasting, crack-free structure.

SERVICES

We have a team of skilled and trained Civil Engineers who visit IHB sites to assist customers in building long-lasting homes. We not only help customers select high-quality building materials but also provide guidance to masons and contractors on optimal construction procedures.

At HCIL, we have implemented number of steps, including the establishment of a dedicated Customer Service Department, the sensitisation and training of personnel for a better understanding of dealers, retailers, and customers needs.

Our sales team is constantly working to train our channel partners to exceed client expectations. HCIL's mobile technical labs continue to demonstrate the best construction practices.



HEIDELBERGCEMENT INDIA LTD. JOURNEY



2006

Entered India

(Cement Cap. < 3 Mn T)

2008

**Merger of Mysore Cements
and Indorama Cement Limited**

(Cement Cap. 3.2 Mn T)

2009

**Expansion
Announcement**

2013

Expansion Completion

(Cement Cap. 6.1 Mn T)

2014

**Divestment of
Raigad Plant**





2023

1. Enhancement of AFR Handling System
2. Project RISE

2022

Commissioning of 5.5 MW
Solar Power Project in
Damoh Mines Area

2020

Cement Capacity
Increase in Central India
(Cement Cap. 6.26 Mn T)

2021

AFR Project in
Damoh and
Solar Power
in Jhansi

2016

12 MW Waste Heat
Recovery Project Completed



FINANCIAL HIGHLIGHTS



Particulars	UoM	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Sales Volume	KT	4,474	4,653	4,897	4,706	4,486	4,777	4,392
Total Revenue (including other income)	MINR	17,412	19,094	21,682	22,224	21,631	23,460	22,834
EBITDA (including other income)	MINR	3,026	3,833	5,182	5,805	5,531	4,836	2,941
EBITDA	Margin(%)	17.4%	20.1%	23.9%	26.1%	25.6%	20.6%	12.9%
EBT	MINR	1,136	2,077	3,416	3,981	3,912	3,351	1,358
EBT	Margin(%)	6.5%	10.9%	15.8%	17.9%	18.1%	14.3%	5.9%
PAT	MINR	762.1	1,331.8	2,206.6	2,680.6	3,149.5	2,522.6	991.7
PAT	Margin(%)	4.4%	7.0%	10.2%	12.1%	14.6%	10.8%	4.3%
EPS	INR	3.4	5.9	9.7	11.8	13.9	11.1	4.4
Shareholders Funds	MINR	9,670	10,464	11,712	13,146	14,939	15,652	14,614
Long Term Borrowings	MINR	6,846	6,192	5,168	4,051	1,745	1,566	1,108
Short Term Borrowings	MINR	-	-	-	-	1,200	336	630
Debt Equity Ratio	In times	0.71:1	0.59:1	0.44:1	0.31:1	0.20:1	0.12:1	0.12:1
Cash and Cash Equivalents	MINR	142	2,122	3,371	4,697	4,303	3,690	4,729





SUSTAINABILITY AT ITS CORE LEAN ACTS. GREEN IMPACTS.



B

Cement, a cornerstone of our lives, shapes the structures we call home, the cities we marvel at, and the fortresses that safeguard us. Yet, beneath its essential role lies a pressing challenge: the cement manufacturing industry has the largest share of CO₂ emissions per dollar of revenue among all the industries. About two-thirds of the total emissions from cement manufacturing result from calcination, the chemical reaction that occurs when raw materials such as limestone are exposed to high temperatures. As climate change looms large, a clarion call for stringent GHG targets resonates worldwide. The moment to act is now.



The Group's primary environmental protection objectives are to:



Protect the climate

Preserve resources



Reduce emissions



Have the lowest possible impact on the environment at quarry and production facilities

Approach and Action

Sustainability at Heidelberg Materials Group:

Leading by green actions:

Heidelberg Materials Group considers sustainability to be the ability to not just stand the test of time but also thrive through it. Integral to this ability is nature. After all, natural resources form the input for any cement business.



“ We drive the transition to sustainable construction. Modern society needs resilient, smart and liveable buildings and infrastructure.”

Dr. Nicola Kimm, Chief Sustainability Officer and Member of the Managing Board, Heidelberg Materials

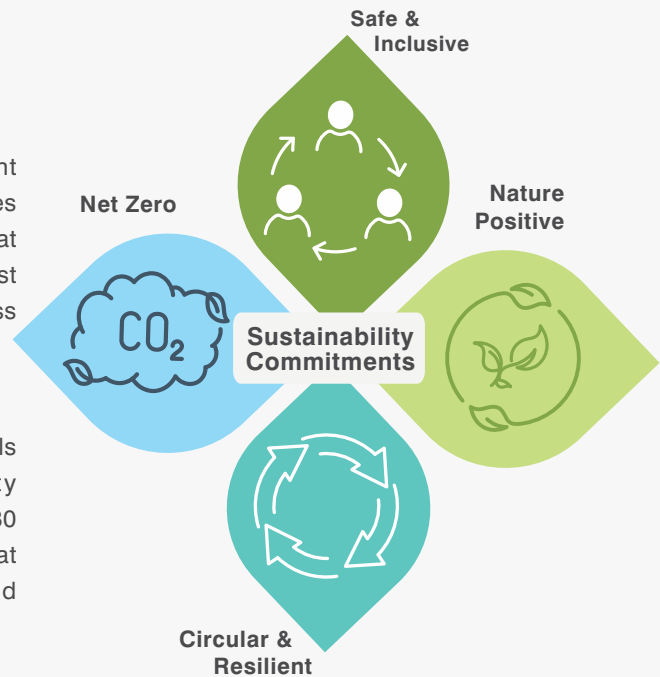
Sustainability Commitments

Building A More Sustainable Future

The world needs smart, sustainable, and resilient infrastructure, buildings, and public spaces. Challenges like climate change and resource limitations mean that the production and use of heavy building materials must evolve. Heidelberg Materials is transforming to address these challenges, and placing sustainability at the core.

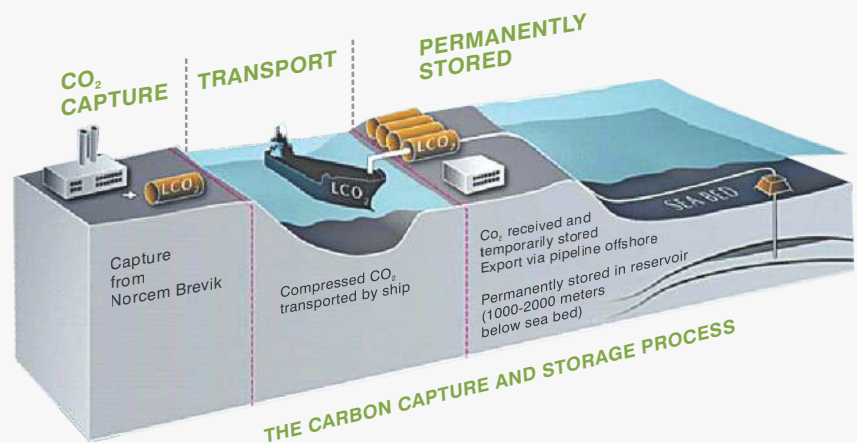
Our Sustainability Commitments 2030

The United Nations Sustainable Development Goals (SDGs) shape our strategy and sustainability commitments. Our Sustainability Commitments 2030 support our vision to build a more sustainable future that is net zero, safe and inclusive, nature positive, and circular and resilient.



World's first cement carbon capture facility at NorcemBrevik being established by Heidelberg Materials Group

Carbon capture is the process of removing CO₂ from large emission sources. The purpose of carbon capture is to limit the release of CO₂ emissions into the atmosphere by capturing it and then storing it safely, for instance in underground geological formations. The whole process of capturing, transporting and storing CO₂ is referred to as carbon capture and storage, or CCS.



In the quest towards climate-neutrality, CCUS - carbon capture, utilization, and storage is an indispensable tool that promises to give the Group a sustainability edge. As one of the world's largest building materials manufacturers, Heidelberg Materials Group embraces this technology to tackle the unavoidable process emissions tied to raw materials. Testament to this endeavor is the launch of the world's first industrial-scale carbon capture facility at a cement plant in Brevik, Norway, as early as 2024.



Sustainability at HeidelbergCement India

Transitioning Grey to Green:

HeidelbergCement India Limited (HCIL) believes cement as the building blocks of the future and is thus, transitioning it from grey to green. Our goals and objectives of operating sustainably are aligned with Heidelberg Materials. The dual objective is not only to mitigate climate change impacts, but also to create opportunities towards future carbon neutrality goals through interventions in energy, raw materials, waste management etc.

Through climate protection and greener operations, we ensure long-term environmental, social, and economic sustainability for the company, delivering sustainable value to our stakeholders and ensuring the availability of resources for generations to come.

Going Beyond Conservation:

In our commitment to creating greener cement, we have extended our initiatives beyond conservation and restoration of ecology to include options for rejuvenation. We have assumed responsibility towards reducing our carbon footprint, water positivity, increasing the green cover and maximising usage of alternative fuels. We also promote circular economy by using waste materials and by-products from other industries as alternative raw materials and fuels.

As one of the largest building materials groups in the world, our Group endeavours to deliver carbon-neutral cement and concrete in the future. The Group is currently exploring possibilities of decarbonisation, including capturing and utilising CO₂ emissions in the product life cycle over the long term. We strongly believe that if developed, produced and deployed correctly, the cement used in concrete can become the most sustainable building material.



Recognising the profound environmental impact of manufacturing, we embrace a comprehensive three-pronged strategy: **Prevention | Mitigation | Compensation.**



Sustainable Growth Strategy

Nature Measurement empowers informed decisions, ensures accountability, and provides a roadmap guiding actions systematically; leading the business towards a defined direction.

At HCIL, we continually integrate sustainability principles throughout the entire cement manufacturing process.

To accelerate our environmental stewardship efforts, we have defined specific operational goals outlined below with a target to attain them by 2030.

Emission Reduction:

- Reduction of carbon footprint by 30% compared to 1990 levels
- Reduction of cement production-related sulphur oxides (SOx) and nitrogen oxides (NOx) emissions by 40% and fugitive dust emissions by 80% compared to 2008 levels
- Reduction of all other air emissions below the average set for Indian cement industry

Circular Economy:

- Continuously increase the substitution rate of natural raw materials by use of by-products or recycled materials

The Sustainable Development Targets for 2030 exemplify Heidelberg Materials Group's resolute commitment to sustainable cement production. This is achieved through cutting-edge technology, inventive production methods, resource optimisation, and responsible mining practices.



Seeding Accountability across The Value Chain

Embedding eco-efficiency across the cement manufacturing value chain is pivotal. It ensures sustainable resource utilisation, minimises environmental impact, and safeguards both business growth and planet's health.

Our Value Chain

01 | Responsible Mining:

The limestone for producing cement is extracted from our own mines. We are committed to use environmentally-friendly mining techniques, and recultivation of the mined out land. Empty pits are converted into rain water harvesting ponds to recharge the groundwater table.

02 | Cascading Sustainability Across the Supply Chain

Emphasising responsible procurement, we aim to build a transparent, sustainable, and future-oriented supply chain in close cooperation with our qualified suppliers.

03 | Integrating Sustainability

Integrating sustainability across our value chain, we expand our range of eco-friendly products, develop digital solutions and provide customer-centric solutions.

04 | Promoting Material Efficiency

Driving innovative products and processes for energy and CO₂ reduction. We promote material efficiency and reduce the usage of fossil fuels by partly substituting traditional fuels with alternative fuels.

05 | Expanding the Green Portfolio

We produce 100% blended cement - Portland Pozzolana Cement (PPC) which utilises fly ash, and Portland Slag Cement (PSC) which incorporates slag. Both fly ash and slag are industrial waste materials hazardous to the environment. By grinding them with clinker, we contribute to preservation of environment via recycling of waste materials.

06 | Creating Synergies of Change

Our work does not end with the production and dispatch of cement. Close collaboration with customers allows us to offer expert advice on product usage, ensuring lasting positive impact.



Circular Economy

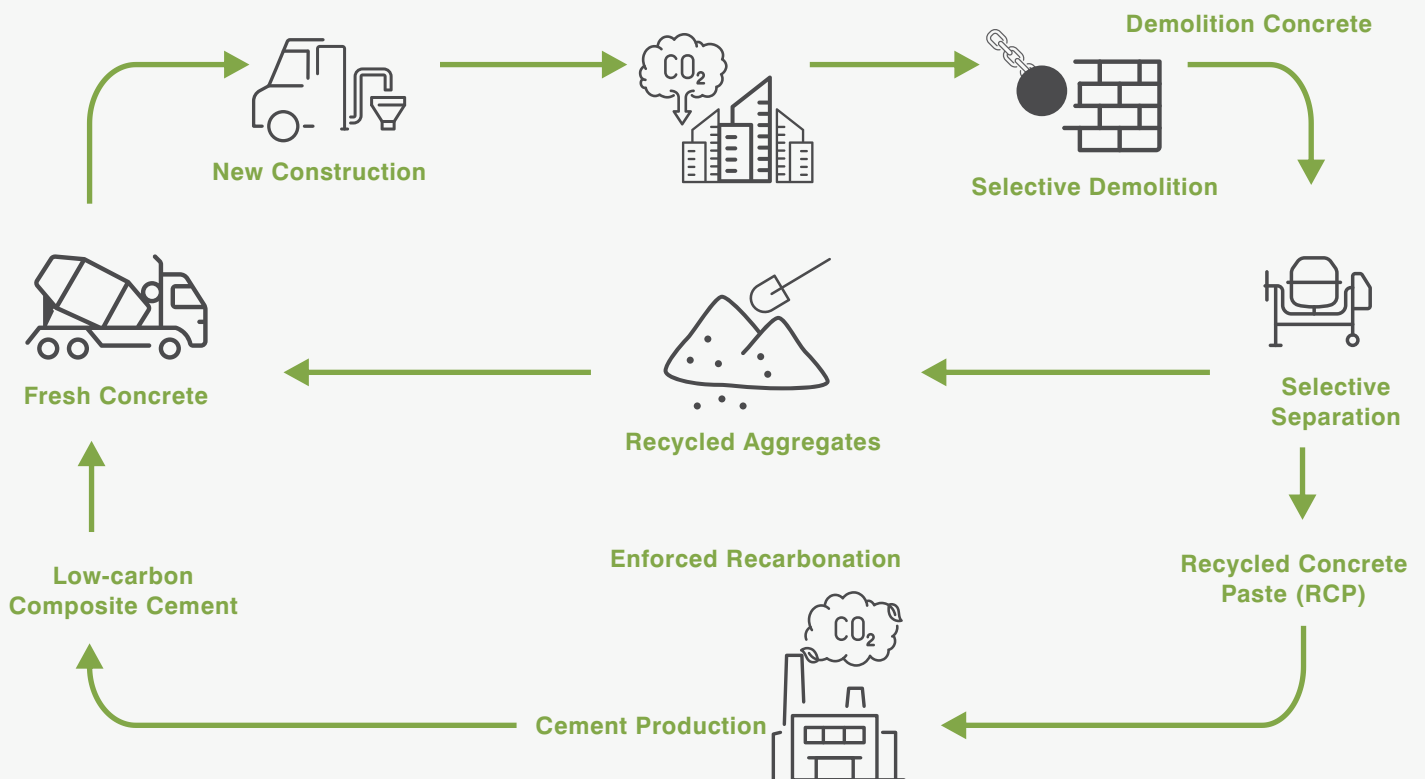
Increasing the circularity of our products is a key component of our sustainability strategy and an imperative given the increasing demand for housing and infrastructure, coupled with the limited availability of raw materials. Concrete is fully recyclable - which means our industry can have a big impact. Through resource efficiency, co-processing of waste materials, and concrete recycling, we want to contribute to a functioning circular economy.

Leading the way in the circular economy

Heidelberg Materials is strengthening circularity along the entire value chain. We also see the increasing importance of resource efficiency and closed material cycles as an opportunity to develop new business models and drive sales of sustainable products. Through our subsidiaries, we are already active in the recycling business in several countries and are working on the targeted processing of concrete components, as well as their recarbonation and reuse in concrete as a building material.

By 2030, we want to offer circular alternatives for 50% of our concrete products. This will allow us to conserve primary resources and meet our customers' increasing demand for sustainable building materials in the future. Building material recovery and concrete recycling will make a significant contribution here and are crucial to us in achieving our sustainability targets.

Transforming demolition material into a raw material source



Mining Mindfully

Responsible mining ensures sustainable resource utilisation, mitigates environmental impacts, aligns with ethical practices, and fosters resilience. In the resource-intensive realm of cement manufacturing, securing mineral resources takes on strategic significance for sustainability.

Our commitment to responsible cement production drives us to meticulously manage resource consumption. We optimise extraction from our captive mines, extending their longevity, while adhering to the laws of the land.

Embracing responsible production and consumption, we employ innovative approaches, such as repurposing low-grade limestone and quarry rejects, to amplify the use of alternative raw materials. These initiatives notably curtail environmental repercussions and financial outlays, upholding product excellence and output.



Practicing Circularity

Our commitment to circularity encompasses proper storage, reuse, recycling, and disposal of waste generated in the production process. By utilising low-grade limestone, synthetic gypsum, waste from other industries, agricultural biomass, and alternative fuels (AFR) in cement production, we reduce reliance on naturally extracted resources thereby promoting material circularity. Our strategy, practiced since the time Heidelberg Group entered India, has enabled to re-purpose and re-use industrial waste effectively, fostering sustainability. The practice conserves resources, curtails waste, reduces clinker content in cement, and reduces CO₂ emissions.

In FY23, we achieved zero liquid discharge (ZLD) and experienced no incidents of significant spills in our plant premises.

Effective Waste Management Practices:

We have adopted a framework for managing the wastes. Our operations at various plants generate different types of hazardous and non-hazardous waste, including used oil, biomedical waste, e-waste, and battery waste. Appropriate systems are in place at each site to safely handle, collect, and store different types of waste generated, until sold to registered Central Pollution Control Board (CPCB) / State Pollution Control Board (SPCB) vendors and recyclers.

At the plant and township, we collect the waste through colour-coded collection bins. Waste collected across our integrated plants and grinding units is either burnt in the kilns or sold to empaneled vendors capable of end-to-end handling, transportation, and disposal. In the reporting year, we significantly reduced our waste generation of used oil.



Accelerating Alternatives

In an era marked by climate change, the resource-intensive cement production industry stands at a crucial juncture. Enhancing reliance on alternative resources has become an imperative to mitigate resource depletion and curtail environmental impact. We continue to choose eco-friendly sources to conserve finite resources, reduce waste, and reduction in both the clinker factor and CO₂ emissions.

Alternative Raw Materials

We use substitute resources like low-grade limestone, quarry rejects and chemical gypsum, while ensuring that there is no compromise in cement quality. Our blended cement incorporates industrial residuals such as fly ash, slag, gypsum and red mud. These substitute materials effectively take the place of naturally-sourced limestone in the manufacturing process, contributing to an elevated utilisation of these elements.

Alternate Fuel

Given the energy-intensive nature of cement manufacturing, it requires high temperature of above 1000°C to facilitate the calcination of limestone. Cement manufacturing faces emission challenges from burning of fossil fuels and process-driven CO₂ emissions.

Our enduring commitment to sustainability is directly proportional to our management of energy consumption and emission impact.

- Alternative fuels are used in kilns and heat loss is plugged at every possible stage, thus conserving coal, a depleting resource.
- Alternative fuels, such as refuse-derived waste, municipal waste, rice husks, pharmaceutical waste, and discarded carbon black, are also utilised to reduce coal consumption.

Relying on Renewables

To mitigate the climate impact of operations, HCIL has adopted renewable energy. Use of solar energy and biomass-based fuels have expanded our renewable energy footprint. The Narsingarh plant is equipped with a waste heat recovery system, enabling the company to generate electricity for captive consumption. During FY23, 59,064 MWh electricity was generated from the Waste Heat Recovery (WHR) power plant at Narsingarh Clinkerisation Plant.

- As part of our ongoing efforts to achieve carbon neutrality and add power to our green energy mix, we have successfully implemented a Long-Term Open Access (LTOA) power purchase agreement for 15 MW DC (10.6 MW AC) of solar power at the Jhansi Plant. Commenced in April 2022, it will provide a total of 22,000 MWh per annum, with the estimated CO₂ savings standing at ~400,000 tonnes over the lifespan of the contract. Additionally, our Jhansi Plant has also entered into a power purchase agreement for 0.6 MW of hydro power.
- The company has commissioned a 5.5 MW solar power plant situated in its mining area in Damoh, Madhya Pradesh. With an estimated annual generation of 10 Gigawatt hours, the solar power plant serves as a sustainable alternative to the electricity previously sourced through short term open access and/or from the state electricity supply company.
- The Company also has in place a solar power purchase agreement for its Ammasandra Unit, which fulfils nearly 50% of its electricity requirements.



Greenhouse Gas (GHG) Emissions and Carbon Footprint

To pave the way for environmentally responsible practices, it is imperative to lower air pollutant levels beyond the cement industry average. This pivotal shift will steer us from a conventional to an ecologically conscious operational approach.



Air Emissions

Beyond greenhouse gas emissions, we have set a target to reduce cement production-related SO_x and NO_x emissions as well as fugitive dust emissions. Selective Non-Catalytic Reduction (SNCR) systems are installed in the Kilns of Narsingarh plant to reduce NO_x emissions.

Ambient Temperature Reduction

Our drive to reduce ambient temperature by 2 degrees across all production sites is underway, achieving a 1.8 degree drop till date at Narsingarh plant. Over the next six years, tree planting will be accelerated at all locations to achieve this goal, lowering the factory / township temperature by two degrees compared to the temperature 1 km away. The dedication to greening and temperature monitoring has already led to 2° drop at Jhansi plant.

Being Water Wise

Water Management

Water plays a vital role in smooth operation of our plants, offices, and communities. Even though our manufacturing process consumes minimal water, our sustainability strategy encompasses water conservation as a crucial parameter.

Our operations do not significantly affect water withdrawal sources or lie in protected areas. Strict adherence to regulations ensures our quarrying activities don't jeopardise local water bodies or groundwater table.

Our water management cell oversees real-time data tracking with installed meters. Interventions include

installation of air cooled condensers and sewage treatment plants. Committed to minimal impact, we practice zero-liquid discharge and use recycled water for landscaping. Rainwater harvesters are also built on-site to recharge aquifers.

Our goal is a smaller water footprint, contributing to eco-friendly cement production.

The total volume of water withdrawn from various sources for all operations (including plants, green belt, and colonies) during FY23 was 573,964 kilolitres. None of our plants discharge water into natural reservoirs. Hence, no water bodies and related habitats were affected by our manufacturing operations.



Reinforcing Rejuvenation

Biodiversity

Biodiversity, the wide spectrum of life forms on Earth, is pivotal in upholding our planet's health. As a cement manufacturing company, safeguarding biodiversity is both an ethical duty and a strategic necessity. At HCIL, we have long embraced an active stance in conserving biodiversity, with the aim of mitigating any potential adverse effects of mining. Mined out areas are back filled simultaneously by using the topsoil from the new mining pits. The afforestation drive undertaken by us on reclaimed mining land has helped us in increasing the green cover.



Recognising the vulnerability of biodiversity in mining areas and its surroundings, we've proactively expanded natural habitats through reclamation and plantations. Employing the miyawaki technique, we've created self-sustaining plantations with a diverse array of native species such as Neem, Jamun, Karanj, Sheesham, Mango, and Teak.

Our 'friends of Earth' initiative champions biodiversity preservation beyond the mines. A green endeavour aimed at enhancing our planet's green footprint by planting Neem trees. We inspire our employees and associates to partake in tree planting, making occasions like birthdays and anniversaries special moments for plantation. Our business associates have also been inducted into the 'friends of Earth' club.



SMART ACTIONS. SUSTAINABLE TRANSFORMATION. SPOKES OF THE CORE



In an era characterised by rapid evolution and global challenges, our company stands resolute in its commitment to drive purposeful change across multiple fronts. With steadfast dedication to sustainable operations, automation, digitalisation, employee welfare, and community engagement, we serve as catalysts for driving transformative actions that pave the way for a more progressive, inclusive, and sustainable future.



Operational Excellence

Nurturing a people-centric culture, prioritising their well-being, celebrating diversity, fostering transparency, and providing equal opportunities have become the ethos of HeidelbergCement India. Our foundations are built upon the pillars of operational prowess, processes, people, performance, and deliverables. This comprehensive approach keeps us ahead in achieving excellence.

The core of our belief is the conviction that 'excellence is not just a destination, but an ongoing journey'. It has been brought to life through the seamless integration of Continuous Improvement Programme (CIP). Our determined workforce is free to question conventions, suggest innovations, participate in, and catalyse impactful transformations, regardless of scale. This commitment is evident in production processes as well as in performance metrics.

In the current financial year, focused training programmes continue across hierarchies and locations

to ensure that every employee is a potential CIP Idea Initiator.

The momentum of the Star Employee Award, which applauds and rewards exceptional talents and ideas across our operations, gained popularity. The projects stemming from CIP implementation resulted in notable savings across diverse domains including energy conservation, cost optimisation, digitisation, and controls.

The comprehensive approach towards achieving business excellence reflects our dedication to multifaceted growth, encompassing product reliability and operational sustainability.

The sensitivity to tread a sustainable growth path is evident in the boardroom culture permeating throughout operational levels. Our practices are in line with global benchmarks.





Driving Power Cost Efficiency:

Power costs have a notable impact on cement companies. Over the years, the Company has implemented several initiatives leading to substantial reductions in power costs. The most noticeable is reducing the reliance on grid power through Waste Heat Recovery (WHR) power generation plant. WHR fulfills nearly 40% of Narsingarh Plant's power demands, ensuring cost optimisation and contributing to our greener footprint.

The other impactful measure of reducing power costs is reduction in the contract demand from state electricity supply companies across all plants. Additionally, we have also procured cost-effective power through open-access and economical green power from solar and renewable energy generating companies.

In the financial year, HeidelbergCement India successfully commissioned a 5.5 MW Solar Power Plant in Damoh, Madhya Pradesh.



Solar Power at Damoh



WHR at Narsingarh Plant



WHR Control Room

Ensuring Fuel Cost Efficiency:

Given that fuel constitutes a sizable portion of cement production expenses, we have reduced fuel consumption. During periods of escalated pet coke and coal prices, we adeptly adjusted our fuel mix continuously. We monitored fluctuating freight rates and adjusted Rail and Road mix to reduce freight costs.



Automation and Digitalisation

The rapid integration of automation and digitalisation leads to consistent production, high quality standards, waste reduction, and increased human productivity.

Our focus remains on top-tier cement production within the constraints of time and resources. Extending digital practices upstream, we employ cutting-edge mining methods to preserve resources and strive for increased cement yield per reserve.

Cascading The Digital Wave Across Processes:

We have successfully automated and digitalised our manufacturing processes under the guidance of our Group. Some of the major initiatives are:

Provide end-to-end experience to customers through real-time information for feedback and business development as well as reducing back-office workload.

HConnect

Enable real-time insights and advanced analytics optimisers resulting in higher production efficiency and lower production and maintenance costs.

HProduce

Power seamless connection with partners through digitalisation of repetitive processes and automation through robotics.

HService

Advanced Technologies to Advance Productivity:

We have integrated numerous cutting-edge technologies to revolutionise Control, Maintenance, Monitoring and Customer Services.

Control

Remote Operations, Absolute Control: Imlai unit is now remotely operated from the Narsingarh plant through a fully-equipped Central Control Room (CCR). This innovative setup integrates operating stations at Narsingarh CCR, CCTV with the Imlai plant, via network.

Precision in Motion: Expert System, our optimisation tool, is a cutting-edge, self-learning computer-based system that revolutionises the control, stabilisation, and optimisation of our cement manufacturing processes. The system functions in autopilot mode, enabling precise and consistent operational decisions. Through synchronised adjustments of process stages and real-time detection of operational deviations, Expert System keeps the plant's sustainability objectives on track.



Monitoring

Real-time Insights for Precise

Management: Px Trend, a Process Data Acquisition and Information System (PDIS), establishes real-time monitoring and process data archiving. Leveraging data from the main Process Control System Server, Px Trend serves as a vital managerial and supervisory tool and empowers timely analysis of historical and real-time process data, production values, environmental metrics, and more.

Remote Efficiency, Anywhere: Simple Help provides a seamless remote desktop experience and enhances

operational flexibility by allowing secure management from any location. It empowers plant operators to efficiently manage operations and address challenges in real-time.

Proactive Gearbox Health Monitoring: The Dalog System ensures seamless gear functioning by actively monitoring long-term trends and flagging critical parameters for pre-emptive corrective actions. By predicting failures and analysing operational and mechanical parameters, Dalog minimises unexpected down times at plants.

Maintenance

Elevated Equipment Reliability with Enhanced MTBF: Achieving peak performance in cement

production relies on technology-driven preventive maintenance. The remarkable rise in Mean Time Between Failures (MTBF) stands as a testament to this effectiveness. Vigilantly tracking MTBF and implementing targeted enhancements translates to sidestepping costly breakdowns and unplanned downtimes.

Transforming Maintenance Strategy with Equip Check: This SAP-powered predictive maintenance system swiftly analyses machinery health in real-time and optimises maintenance strategy through predictive insights. Equip Check's user-friendly operation involves QR code scanning via tablets or smartphones, instantly capturing equipment information.

Dashboard



Customer Services

Masterful Automatic Master Data Integration: Our SAP-driven system guarantees

round-the-clock on-boarding, swiftly eliminating manual processes through auto scanning, archiving, and validation of documents, complemented by interactive email-based requests and error handling.

No More Follow-ups: #MyRobby, the intuitive robotic assistant facilitates back-office productivity, and makes order processing efficient through 'Auto Release of Blocked Orders.' With zero manual intervention, it releases blocked orders upon payment or credit receipt, thus preventing follow-ups.

These RPA initiatives elevate customer satisfaction and streamline supply-chain management, sparing unnecessary hassles.



Community Well-being

Our CSR approach is collaborative. We engage constructively with communities, government bodies, and NGOs and harness efforts to drive impactful change in the society. Our approach is to harmonise, initiatives with stakeholders like Panchayati Raj Institutions (PRI) and local government bodies to create outcomes that fulfil the needs of the community and improve their living conditions.

A structured process is used to identify community needs and implement suitable initiatives to address them. Our in-house teams periodically conduct assessments of the baseline and effects of CSR interventions in their respective operational regions.



Education | Healthcare | Livelihood Enhancement | Infrastructure Development | Social Engagement

CSR Focus Areas:

We empower local residents with the freedom to conceptualise meaningful projects. By backing the developmental endeavours of the local community, we address their identified requirements, fostering a heightened sense of ownership and engagement.

The Company's CSR programmes extend beyond the mandated minimum allocation of 2% of the net profits of the preceding three years, as stipulated by the Companies Act, 2013. Our dedication surpasses the aforesaid threshold, as we actively spend in diverse community development projects to expedite sustainable progress.



CSR spending during last three financial years:

Year	CSR - Statutory Obligation (MINR)	CSR - Expenditure (MINR)
2020-21	63.1	66.0
2021-22	75.3	80.5
2022-23	75.0	78.5

Training Rural Youth:

We commit time and resources to harness the entrepreneurial potential of rural youth and empower them with the skills to become self-reliant. We have partnered with the Centre for Entrepreneurship Development (CEDMAP) supported by Madhya Pradesh Government. The courses are designed to cultivate expertise in trades such as beautician, sewing and stitching, computer operations, and motor driving. These three months courses are run on a regular basis, and participants receive a certificate of completion. These courses are being conducted at our skill development centres known as 'Sakshamta Vikas Kendras' in Jhansi and Damoh. During FY23, training was imparted to 240 rural youths.

Strengthening the Foundation:

Central to our educational endeavours is the transformation journey of rural schools in Damoh, Jhansi, and Ammasandra. Conducted in association with the Education Department, we have enhanced the fundamental infrastructure of 10 government schools, benefiting more than 3,000 students and 95 educators. New classrooms incorporating digital learning facilities, substantial repairs and libraries are the result of our efforts. Availability of potable water and provision for toilets for boys and girls has also been ensured in many schools. Scholarships were given to meritorious students to facilitate their higher education. Educational kits and uniforms were also distributed to students.

We are working in close coordination with the District Women and Child Development Departments of Damoh and Ammasandra to develop Anganwadi centres into model Anganwadi centres.

Advancing Healthcare Awareness:

We organised health check-up camps at regular intervals to meet communities' general and specific needs.

Turning Livestock into Livelihoods:

Livestock and agriculture stand as primary source of income for farmers. Unfortunately, due to inadequate livestock care infrastructure and limited financial gains, villagers show minimal enthusiasm towards cattle rearing. To transform livestock into a viable income stream for families and reshape cattle care norms within villages, a collaborative project was launched in conjunction with the BAIF Development Research Foundation. This livestock initiative, spanning across 10 villages in Damoh, has yielded positive outcomes for over 600 families and their 1,000 cattle. The project's impact has garnered strong recognition and appreciation from local communities.

Ensuring Infrastructure Development:

Key objective of CSR efforts is to enhance essential amenities and drive developmental progress in rural regions in the plant's vicinity. Elevating the standard of living necessitates the provision of crucial amenities such as - well-constructed roads, efficient drainage systems, access to clean drinking water, solar-powered street lighting, designated cremation grounds and a commitment to cleanliness.



Human Capital

At HeidelbergCement India, our people are the custodians of our core values and champions of our sustainability goals. Together, they drive productivity, innovation, and quality of our operations and offices; transforming policies into practices and roadmaps into milestones. Naturally, the Company holds itself accountable for their welfare, development, and work contentment. This is achieved by nurturing an inclusive working environment offering growth and learning opportunities.

We prioritise our employees' overall well-being through holistic care, covering physical, emotional, financial, social, and career aspects. We embrace diversity and firmly reject any form of discrimination based on race, gender, ethnicity, nationality, religion, or sexual orientation.



**“All employees must return
to their homes smiling.”**

By investing in our people and promoting sustainability within our workforce, we remain committed to creating a greener future for generations to come.



Thriving Together: Nurturing a Culture of Diversity & Inclusion

Diversity at the Helm:

Embracing diversity at the highest echelons catalyses empowerment across our operations. Our Board, composed of capable directors with diverse and relevant experiences, plays a pivotal role in positioning businesses for sustainable growth and long-term shareholder value; while also fulfilling accountability to all stakeholders.

Our Board of Directors consists of 6 members, including 2 female directors. Embracing the Group's philosophy, at HeidelbergCement India, our leadership shapes the culture for the entire team.

Inclusion at the Core:

Valuing diversity and inclusivity fortifies our success. Our offices and plants are a witness to workforce brimming with individuals possessing distinct backgrounds and

perspectives fuelling innovation, creativity, and smart choices. Our approach to hiring, talent management, employee development processes and programmes is guided by caring for People.

Well-being at Work:

We believe that employee well-being is crucial for the individual's health and happiness for the overall success of our business. The Company strives to promote physical, mental and emotional well-being of employees.

Our employee engagement programmes are driven by a commitment to sustainability, aiming to motivate employees, boost corporate success, contribute to national development, and nurture a passion for work. The environment at workplace maximises employee productivity, satisfaction and pleasure, leading to effective performance.

Our robust employee engagement initiatives are based on the following key areas:



**Employee,
Family & Society**



**Health &
Sports**



**Art &
Craft**



**Knowledge
Sharing**



**Cultural
Activities**



Within the scope of these key areas, a variety of actions are undertaken. These include outbound training programmes, monthly birthday celebrations, informative visits to plants combined with sessions to raise awareness about our products, sports events integrated with a day for families, quiz competitions, as well as monthly and annual reward & recognition initiatives for

exceptional individuals and teams. Additionally, a range of festivals are collectively celebrated. These initiatives serve as platforms to connect, engage, and establish rapport with one another. They also provide a platform to showcase their skills, fostering an atmosphere of enjoyment within the workplace and contributing to heightened productivity and happiness.



Learning, Development & Training:

Elevating Competencies across Functions:

In today's ever-evolving landscape, continuous unlearning, relearning and adaptability are paramount. People prowess being the key catalyst for organisational progress, our approach to learning, development, and training is strategically designed to sharpen and upgrade skills, knowledge, and productivity of our employees. The aim is to build a resilient, agile, and ever-improving workforce that stands ready to embrace the challenges and opportunities of the future.



Training Needs, Assessment and Alignment:

To provide workers with the opportunity to identify their training needs, we conduct Training Needs Identification (TNI) at the beginning of each fiscal year. TNI helps our personnel to be better prepared and aligned with their primary duties and necessary functional abilities. We have identified various training requirements throughout the reporting year relating to technical, cross-functional, compliance, and behavioural training.

Career Growth Opportunities:

Through our robust learning and development processes, we provide opportunities to individuals to elevate their competencies and broaden their awareness across domains including safety, technology, compliance, functional, behavioural, and soft skills.





Human Rights:

Upholding Ethical Practices:

We stand by the rights of our employees, to ensure fair labour practices, non-discrimination, and freedom of association.

We have developed and implemented a Human Rights policy, and all the stakeholders (including suppliers) must abide by its principles and objectives. We comply with the ILO's labour standards at all our plants and offices. These include preventing child and forced labour, adhering to the concept of non-discrimination at work, and upholding the right to collective bargaining and freedom of association.

A strong monitoring and reporting system has been established to ensure the organisation's adherence to globally-recognised work and social standards. This includes:

- Conversation with the employees' representatives
- A private, anonymous compliance hotline where all employees can report infractions of social and professional norms



Occupational Health and Safety:

Prioritising Employee Wellness and Well-being:

Our approach encompasses proven safety measures, best practices, and awareness efforts aimed at enhancing operational safety standards and fostering a safety-conscious mindset. We actively promote initiative taking, encourage employee engagement, and provide specific safety training to continuously enhance our safety management system in alignment with global standards and practices.



HeidelbergCement India leads the Occupational Health and Safety drive from the front



Zero Harm Goal:

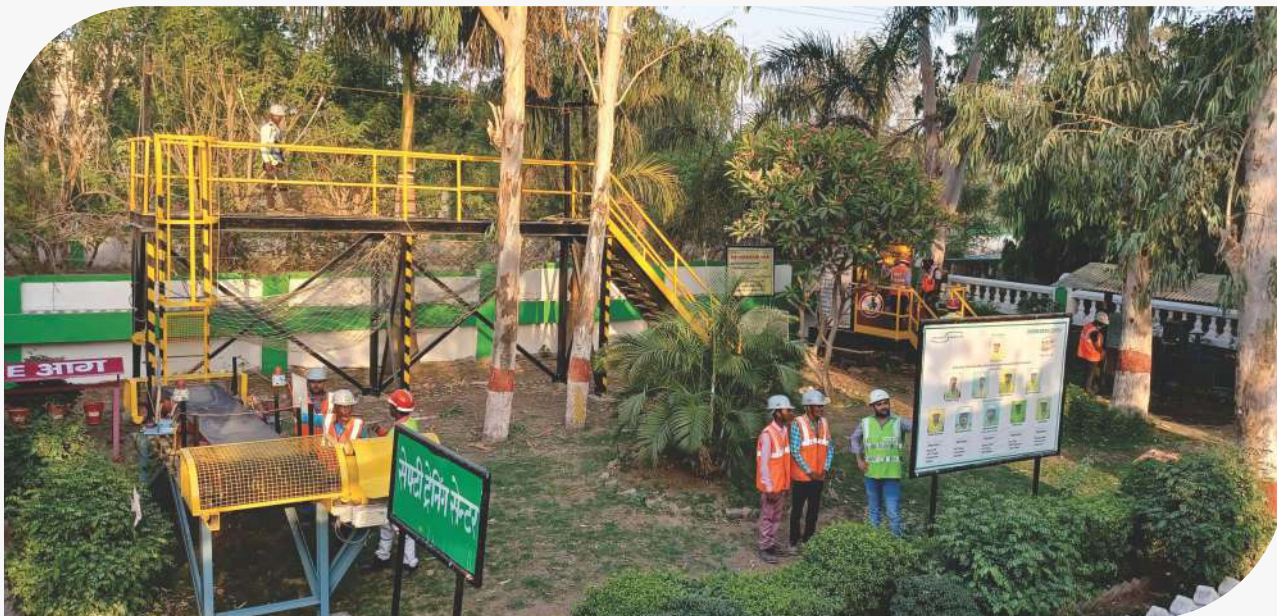
We conduct our business with a 'Zero Harm' approach in an established healthy and safe working environment for all our employees, contractors, and stakeholders.

Safety First & Always:

Our commitment to safety extends to comprehensive training, ensuring that all individuals within our premises are well-informed about potential risks and the corresponding mitigation measures. For new employees, safety training is mandatory, encompassing

vital aspects like fire-fighting as an integral component of their induction process. Additionally, regular safety training sessions are conducted for shop floor personnel to ensure ongoing preparedness.

Apart from training and mentorship, spreading awareness about occupational health and safety practices is critical to minimising the risks of accidents at the plants.



HeidelbergCement India stands for trust and excellence. We don't just sell cement; we foster long-lasting relationships. We don't just deliver on time; we uphold a time-tested legacy of trust. We don't just provide materials to shape skylines and fortify foundations; we assume a pivotal role in constructing a sustainable future for our nation.

Customer Satisfaction:

Customer delight is built into our business DNA. Strengthening bonds with both our channel partners and customers, is the cornerstone of our approach. We are committed to deliver top-tier product quality, harnessing innovation, enhancing proximity to customers, and offering unparalleled customer support service.

Positioning customers at the heart of our business galaxy, we cultivate a pervasive culture of customer-centricity. This encompasses the establishment of a dedicated customer support services division, sensitising and empowering our workforce to intuitively understand and address customer needs.

Furthermore, we foster engagement through a spectrum of initiatives such as Customer Meets, imparting knowledge on best construction practices and addressing the needs of our customers.



Brand Refresh Exercise:

The cement industry is highly competitive, with companies constantly seeking ways to differentiate themselves and grab the attention of customers. In this backdrop, we recognised the need for establishing sharper identity and effectively communicating our values and strengths to the customers.

The Genesis:

While our 'mycem' cement brand holds a valued reputation, there existed an opportunity to amplify its resonance with customers, accentuating its distinct selling points more effectively. We are presently working on a brand refresh programme, driven by rigorous market research and expert insights.



The Outcome:

Our new brand identity will allow us to take full advantage of organisation's inherent strengths.

Reinforced Identity:

Ensuring elevated perception of 'German Quality and Rich Legacy' of 150 years for a stronger market presence

Best-in-class Positioning:

Effectively communicating a compelling 'reason to buy and believe'

Distinctive Uniqueness:

Differentiating our value proposition in the eyes of consumers and ensuring that our brands achieve prominent top-of-mind recall among customers

Wall Painting



Point of Sale



Project RISE: Return Improvement through Sales Excellence

Alongside the brand refresh, we have also launched a new sales and marketing excellence project with the aim of revamping our marketing setup. This project aims to improve market reach, counter market share loss, enhance service excellence, generate demand, and increase sales force effectiveness.

The Roadmap:

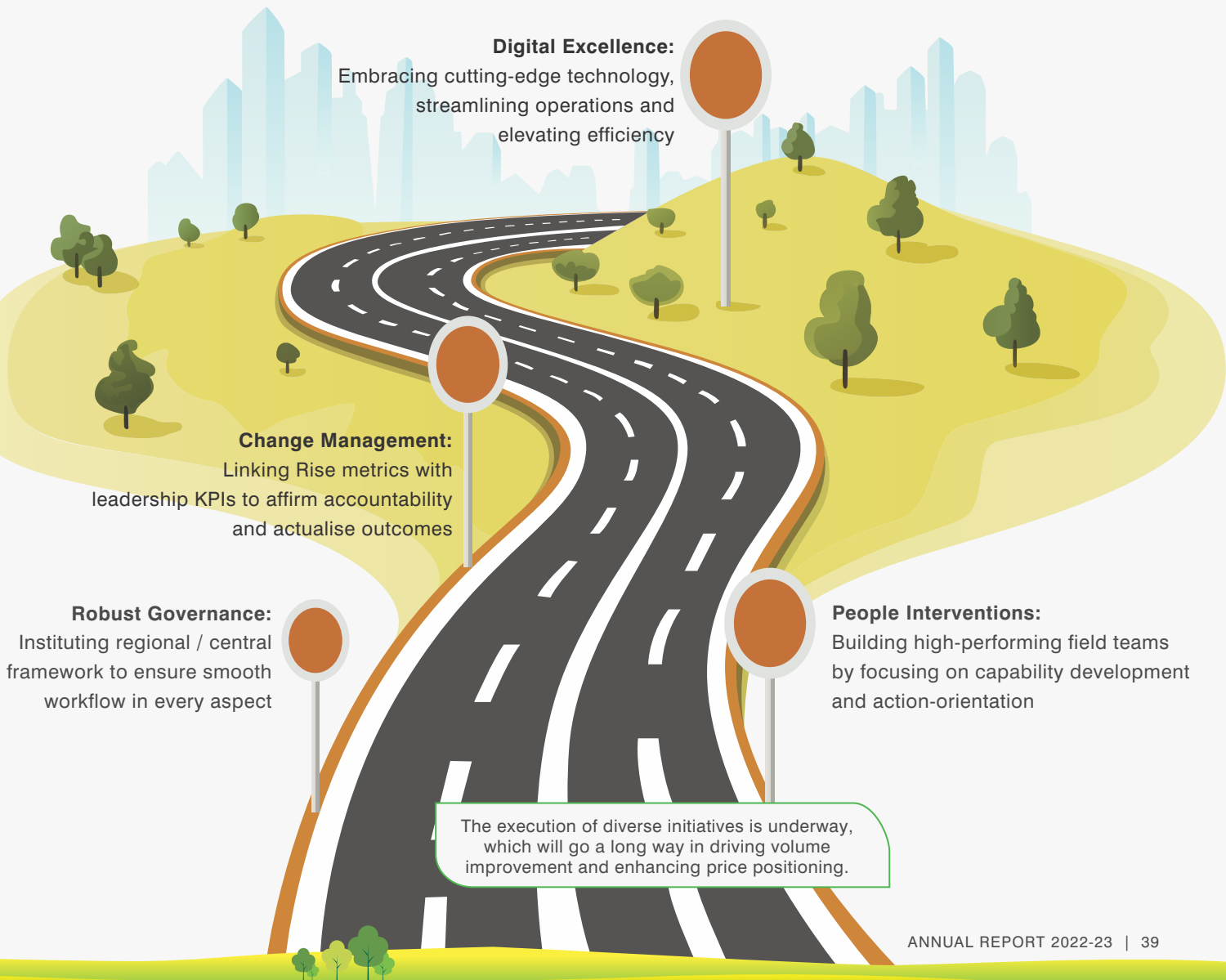
HCIL has embarked on an inspiring journey called 'Project Rise' - a progressive initiative aimed at achieving volume improvement and price positioning improvement through sales excellence.

Total **15** Initiatives | **7** Enabler Initiatives

10 Initiatives are in various stages of implementation; with balance to commence shortly

The Journey:

At the heart of this project are four pivotal catalysts for implementation.



FROM THE DESK OF THE MANAGING DIRECTOR



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Dear Shareholders,

It gives me immense pleasure to write to you for the first time since assuming the role of Managing Director of the Company and apprise you about the year gone by and the way forward.

As we reflect upon the global landscape, the year under review began amidst uncertainties. The aftermath of the pandemic was met with the outbreak of the Russia-Ukraine war that has radically changed the geo-political scenario. The resulting energy crisis and disruptions in supply-chains coupled with rising raw material prices fuelled global inflation impacting industries, investor confidence and monetary policies. The events of the past year have once again reminded us that 'change' is the new normal.

In stark contrast to the uncertain global landscape, India stands steadfast, emerging as a beacon of resilience. The 75th year of India's independence has marked a turning point in the nation's economic journey. GDP growth of 7% achieved in FY23 is a testament to our nation's unwavering commitment. We owe this development to key drivers of growth such as structural reforms, formalisation of the economy, manufacturing revolution through focus on indigenous industry (Atmanirbhar Bharat), massive boost to infrastructure sector, green energy reforms, ease of doing business, rise of EVs and robust private consumption.

Today, India has proudly emerged as the world's fifth-largest economy, with an estimated GDP of ₹272 trillion. Balancing the books of economics with the books of ecology, we are also leading by example in preserving and restoring our natural resources. India has committed to reduce emissions of greenhouse gases (GHG) across the economy to between 40 and 45 percent by 2030 compared to 2005 levels and achieve about 50% cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030. Achieving such an ambitious target calls for significant contributions from all quarters and your Company stands committed to making a meaningful contribution towards a sustainable future.

At HeidelbergCement India, we are placing sustainability at the core of everything.

The Group is making great progress in the area of climate protection and is playing a pioneering role in decarbonisation of the building materials industry through cutting-edge technology such as implementation of carbon capture, usage and storage projects.

The cement industry, though indispensable for infrastructure development, has traditionally faced scrutiny for its carbon-intensive processes; however, your Company has



seized this challenge as an opportunity to lead the way in sustainable operations. Over the years, we have been benefited by research and development initiatives at Heidelberg Materials Group, which have resulted in carbon footprint reduction and product quality enhancement. Our commitment towards circular economy principles has led us to optimise resource utilisation and minimise wastages; thus minimising our ecological impact.

Financial figures and ratios shouldn't be the only yardstick to measure the company's performance, as achievements on other fronts, including sustainability, are also equally important for long-term value creation for all stakeholders. Never the less, I take this opportunity to highlight that during the year cost of production increased significantly due to higher fuel prices which were partially offset by us through optimisation of fuel and power mix. The cost increases could not be fully passed on to the consumers due to intense competition in Central India market as certain new capacities were also commissioned.

During FY23, your Company commissioned 5.5 MW captive solar power plant in Damoh, Madhya Pradesh. This is one of the several interventions that has contributed to increase the share of green power in our operations from 24% in FY22 to 32% in FY23.

“A commitment to sustainability should not be viewed solely through the lens of responsibility; it should also be seen as an opportunity to introspect, innovate and transform. It is time to look beyond short-term gains and invest in a greener future that's resilient, inclusive and sustainable.”

The Company continues to sell 100% blended cement with low carbon content and with start of Alternative Fuel (AF) consumption in kiln, we could reduce our CO₂ emissions to 504 kg / tonne of cement in FY23 compared to the Indian Cement Industry's average of 580 kg / tonne of cement. In order to reduce it further, we have allocated additional capex for AF handling system / storage capacity during the current year.

Digitalisation, productivity, and sustainability go hand-in-hand. With this approach at the core, your Company also continuously focuses on using the power of digital tools and advanced analytics to make processes more intelligent and eco-efficient. A string of cutting-edge technologies is revolutionising the procurement, control, maintenance, monitoring, customer service and many other functions.

Guided by our Group's ethos of 'building a more sustainable future' and 'sustainability commitments 2030', which are aligned with the United Nations Sustainable Development Goals, we continue to ensure long-term environmental, social and economic sustainability for your Company and deliver value to our stakeholders through a wide range of practices, policies and programmes.

Being part of Heidelberg Materials Group, having a legacy of 150 years, customer delight is paramount for us. Given that

branding plays an important role in the success of any product, we have recently invested a lot of time and effort in a brand refresh strategy, so that our brands enjoy top-of-mind recall among customers. Our new brand identity will allow us to take full advantage of our organisation's inherent strengths. We have also embarked upon a new sales and marketing excellence project with an aim to revamp our marketing setup, to improve market reach, counter share, service excellence, demand generation and sales force effectiveness. We sincerely believe that these above-mentioned strategic initiatives will reap decent rewards in the future.

Our definition of nurturing a sustainable tomorrow entails our responsibility towards all our stakeholders, including the workforce that converts our plans into actions. Your Company is taking a slew of measures to boost employee morale, productivity, and well-being.

Our human resources and occupational health & safety initiatives are completely aligned with the company's belief that 'our employees are our most valuable asset'. Talent development and workforce safety programmes are organised throughout the year, fostering a culture of continuous improvement and well-being. We operate by the 'Zero Harm' principle; relentlessly creating a secure and wholesome workplace for our employees.

Our corporate social responsibility initiatives continue to amplify our impact beyond business. We are actively engaged in initiatives that touch lives and uplift communities, reaffirming our role as a responsible corporate citizen. We meticulously identify community needs and implement targeted initiatives that address them. Over the years, our CSR spending has continued to exceed the statutory obligations. In FY23, our CSR initiatives in the areas of education, healthcare and rural infrastructure development benefited over 35,000 people.

We strive to uphold stakeholder interests through ethical performance and responsible business behaviour. Your Company has a robust philosophy, ethical principles, well-defined policies, and a set of core values that serve as the compass guiding our every action. Our established comprehensive framework enables us to uphold the highest standards of governance across our operations. Our Board of Directors and its committees, supported by strong executive leadership, work diligently to ensure adherence to established principles, policies, and regulations.

It is with great humility and a strong sense of purpose that I pledge to lead our esteemed company with integrity, transparency, and a commitment to create value for all stakeholders. I am confident that with clear focus and unwavering determination, we as an organisation shall continue to progress towards a greener future.

I extend my sincere gratitude to our board of directors, top management of Heidelberg Materials Group, resilient employees, esteemed customers, channel partners, suppliers and our valued shareholders for their continued support and confidence.

Yours Sincerely,

Joydeep Mukherjee
Managing Director



PROFILE OF BOARD OF DIRECTORS



Mr. Ramakrishnan Ramamurthy
Chairman (Independent Director)

Mr. Ramakrishnan Ramamurthy, aged 71 years, is a graduate in Commerce, holds a Diploma in Mechanical Engineering and Postgraduate Diploma in Business Management. He is also a 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 a good track record of strategising and driving successful projects and developing businesses from ground zero both in India and abroad. He demonstrated ability to plan turnaround of loss-making unit by empowering it with an 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 the 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 organisation), Managing Director of GMR Industries Ltd. and Chief Executive of Sanmar Engineering.



Ms. Jyoti Narang
Independent Director

Ms. Jyoti Narang, aged 65 years, holds a Bachelor's Degree in BA Economics (Honours) from Lady Shriram College for Women, University of Delhi and an MBA in Finance from the University of Delhi. She has also completed her executive education in Advanced Management Programme from Harvard Business School, Strategic Marketing from International Institute for Management Development (IMD), Lausanne and Brand Management from Wharton University of Pennsylvania.

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

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



PROFILE OF BOARD OF DIRECTORS



Mr. Kevin Gerard Gluskie
Non-Executive Director



Ms. Soek Peng Sim
Non-Executive Director

Mr. Kevin Gerard Gluskie, aged 56 years, completed his Bachelor of Engineering (Honours) with a major in Civil Engineering from the University of Tasmania in 1988 and an Executive Master of Business Administration from the Australian Graduate School of Management in 2001. He had also completed an Advanced Leadership Program in 2007 conducted by McGill University, the Indian Institute of Management, and Lancaster University.

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

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

Ms. Soek Peng Sim, aged 54 years, is presently Finance Director for HeidelbergCement Asia Pacific. She holds a Bachelor's 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 Heidelberg Materials Group, she worked with Reckitt Benckiser Group, Philips Malaysia, HoHup Malaysia and The Lion Group, Malaysia. She has a 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 possesses diversified industry exposure in FMCG, manufacturing and construction & property development.



PROFILE OF BOARD OF DIRECTORS



Mr. Joydeep Mukherjee
Managing Director

Mr. Joydeep Mukherjee, aged 56 years, holds a Master's Degree in International Business and Marketing (E.M.I.B) from Indian Institute of Foreign Trade and a Bachelor's Degree (Honours) from Calcutta University. He has also undergone several top management level Executive Education programs in IMD Lausanne, CH and ISB Hyderabad. Mr. Mukherjee has over 32 years of experience in leading large teams and delivering results across various industries. Prior to joining HeidelbergCement India, Mr. Mukherjee was working as Chief Operating Officer at RR Kabel, a leading wires and cable manufacturer in India.

He was also associated with H&R Johnson as Chief Executive Officer and Executive Director, leading the business of ceramic tiles, bath products and kitchens, other than being on the Board of Prism Johnson Limited.

Mr. Mukherjee has also spent 8 years at ACC Limited and held senior leadership roles including Chief Executive for South & West Business, Head of Logistics, RMC and B2B sales and Director Sales for North & Central India. In this role, he has been credited with launch of two highly successful premium products of ACC and delivering impactful results on both top line as well as plant efficiencies in his region. He has been a managing committee member of ACC Limited from June 2013 to December 2015 and on the Board of two joint ventures of ACC.

Prior to joining ACC, Mr. Mukherjee held the position of National Sales Manager of the foil and packaging business of Hindalco Limited. In his last three professional endeavours, Mr. Mukherjee led several highly successful transformation projects in logistics, HR, sales and manufacturing.



Mr. Vimal Kumar Jain
Whole-time Director

Mr. Vimal Kumar Jain, aged 55 years, has done B.E. - Mechanical Engineering from Madhav Institute of Technology & Sciences, Gwalior (M.P) and has also completed Post Graduate Diplomas in Business Management and Projects Management from IGNOU. In his career spanning over 31 years, consisting of 19 years abroad and 12 years in India, he has acquired rich and vast experience of over three decades in the Cement sector in Operations & Maintenance and Project Management from concept to commissioning. He has a successful track record for developing strategic initiatives, organisational improvements, capacity expansions, de-bottlenecking, production and quality improvements, adoption of new technologies, overall cost reductions, waste processing, and working with diverse cultures & challenging environments.

He is working with Heidelberg Materials Group since 2007. He has worked as Project Manager with Heidelberg Technology Centre handling projects in Indonesia and Thailand. He joined HeidelbergCement India Limited on 03 January, 2022 as a Technical Director. Prior to joining Heidelberg Materials Group, he has worked with RAK Cement of U.A.E., Prism Cements and Raymond Cement in various capacities in projects and technical functions.





Mr. Vimal Kumar Jain
Whole-time Director

Since the last few decades, our ecological footprint has exceeded what the planet can regenerate, resulting in several environmental problems. Overusing environmental resources causes environmental degradation. Letting out waste materials into the environment beyond its capacity to degenerate them causes environmental pollution.

Our current problems are complex extending beyond climate change. Pollution, deforestation, loss of biodiversity, the ozone hole, global warming, are just some of the environmental problems that we are facing today. The number of climate disasters are increasing. About 70% of natural calamities are now climate related. These result in a higher human toll and a higher price tag. It's high time now to think about nature and move towards a greener future for the welfare of human race.

It requires getting everyone on board with sustainable practices, for making the planet cleaner & greener for future generations to come. We need to build ecological, environmental, and social resilience against climate change and human impacts, paving the way for a more sustainable society.

Meaningful actions toward sustainability and efforts such as the zero-waste movement and the drive towards circular economy have the power to save the planet. At an individual level, one can make lifestyle choices aligned with green values.

It is necessary to maintain a balance between the protection of the environment and the growth of the economy. With the collective partnership of stakeholders, mainstreaming the essence of sustainable development and environmental protection is possible.

In order to support the initiatives towards a greener future, HeidelbergCement is aggressively working on reducing its carbon footprint, preserving natural resources, enhancing the use of renewable power, waste reduction, water harvesting, plantation etc.

Achieving a greener future requires collaboration on multiple fronts such as the involvement and collaboration of government agencies, industries, local communities, self-help groups and individuals. By working together, we can amplify our impact and accelerate the transition towards more sustainable and environment-friendly practices.

**The choices we make today will shape our future.
We all have a role to play in creating a greener future.**





Mr. Anil Kumar Sharma
Chief Financial Officer

The FY23 started with high inflation and uncertainties caused by the spill over of past year. The main impediments were the worldwide energy price surge, supply chain issues, pressure on debt servicing due to high inflation and high interest rates. There is still no let-up in these worldly happenings.

The Company was not untouched by these events. During the year, cost of production has increased significantly due to higher fuel prices partially offset by optimisation of fuel and power mix. These cost hikes could not be passed on fully to the customers because of high intensity of competition in view of new capacities came into our core markets.

During the year, the Company has repaid first tranche of interest free loan from internal accruals. Year-end bank balance exceeds debt outstanding and net debt to equity stood at 0.12 only. Our days sales outstanding has also improved to 5 days though days inventory outstanding has increased slightly because of higher fuel prices. Likewise in the past, the Company continues to operate on a negative net operating working capital. The Board has recommended a dividend of 70% for the FY23.

We believe that the cement demand will grow by 7-8% annually in the short to medium term and hence we will be able to increase our capacity utilisation in coming years.

Sustainability is the only way to inch towards a greener future, and we are continuously working on it. With a series of initiatives taken in the recent past, we have increased the share of green power to 32% of our total power requirement, and our target is to reach 40% within the next two years. The Company continues to sell blended cement with low carbon content and with start of Alternative Fuel (AF) consumption in Kiln, we could reduce our CO₂ emission to 504 kg per tonne of cement in FY23. In order to reduce it further, we have allocated additional capex for AF handling system / storage capacity during the current year.

Digitalisation has always been one of our focus areas. In our endeavour to support greener future, we experimented a novel concept of paperless office. One of the successful examples is the implementation of digital signatures on documents for outward movement of materials. Not only it saves a considerable quantity of paper but also makes their retrieval easy. Advancement of technology and digitalisation brings higher productivity, efficiency, and cost saving.

**We thank all our stakeholders for their support during this challenging time
and are confident to have inclusive growth towards a greener future.**





Ms. Poonam Sharma
Human Resource-Director

The FY23 was a year of beginning of many changes in the Company. The business stayed challenging while the Company geared up to take the competition head on. Many capacities are building up in the cement sector and the biggest challenge was to keep the workforce motivated, upskilled, challenged and happy in order to promote stickiness with the Company. There was a felt need to transform the HR processes of the organisation, which would prepare the Company to not only retain and grow the market share as well as the employees but also further strengthen the brand of the Company.

A total of over 150 new talent, including the campus hires joined our workforce, not only from within the sector but also from outside, at all levels of hierarchy. Charity begins at home and so does transformation. We embarked upon the journey of transformation by revamping the way HR is structured, focusing now more on the talent management, organisation development and employee development. A Group-led talent management program was piloted. With our resolve to have the ears on the ground, the HR business partnering concept was initiated for the sales team. The focus on supporting our sales team in

resolving their day to day hygiene issue, handholding them to maximise their potential and performance, customising solutions to cater to their development needs is at the heart of this program. We also introduced the sales excellence program, putting the right people in place who will be able to have an eagle's eye view of the market, support the sales leadership in formulating the sales strategy and drive the same in the market.

We have been focusing on digitalization in HR function. 'Workday', a new HRIS platform has been launched in 2022. This will provide harmonized data management solution to the company across the country. While AI has reached another level in the world, amidst fears of plagiarism, safety and security challenges, we feel that this is going to be the order of the day. We will go by the belief that things always get better after they have gone worst. We hope that digitization will help employees access information better and precious employee time will be saved.

The focus on Employee development continued. Nearly 160 trainings, both technical and soft skills were delivered covering nearly 17000 manhours. Almost 3500 mandays of training was imparted by our internal and external trainers.

The employee relation scenario stayed favourable.





Mr. Purnachander Molugu
Procurement-Director

After couple of years of disruptions, post COVID the demand supply gap widened due to various external factors that strongly impacted commodities giving rise to abnormal price increases and limited availability. We had to think differently and work innovatively to overcome these challenges. We continued our efforts to control cost through various measures including supplier engagement & rotation and spot purchases.

Cement industry accounts for 7% of total CO_2 emissions globally and as such it requires collaborative efforts of all stakeholders to progress on the path of sustainability. In order to reduce our carbon footprint, we have increased the usage of alternative fuels to substitute the fossil fuels in the manufacturing process. We have started using biomass (rice husk, soya husk and other agricultural waste) as well as Refuse Derived Fuel (RDF). Using biomass and RDF as fuel offers several advantages that align with sustainability goals and also enables us to achieve stable fuel supply, renewable energy source, reduced greenhouse gas emissions, waste utilisation, cost savings and carbon neutrality. We have successfully achieved 7% Thermal Substitute Rate (TSR) and aim to achieve the goal of 39% by 2030.

We are also sourcing by-products of other industries such as flyash, petcoke, slag, and red mud to minimise the usage of natural resources.

Towards automation, Procurement function has migrated to SAP Ariba. It empowers the users by making navigation easier and issuance of POs directly on the basis of the uploaded Ariba contracts that are pre-negotiated, reduces PR to PO process cycle, digitisation of documents and eliminates manual intervention.

Our Group is in the process of continuous process automation towards sustainability. We are catching up with them in implementing the same here to reap the best possible benefits. We have also tightened our grip by proactively engaging with our stakeholders and suppliers to ensure uninterrupted supply of materials and services at best possible price and complete adherence to quality standards.

We assure that we are working towards achieving sustainable future to ensure overall development and ensure peace and prosperity for our people and the planet.



BOARD'S REPORT

To the Members,

The Directors are pleased to present the 64th Annual Report together with the audited financial statements of HeidelbergCement India Ltd. (the Company) for the financial year ended 31 March 2023 (FY23).

THE YEAR IN RETROSPECT

The year started when global uncertainties were rife. Barely had the pandemic receded, and the war between Russia and Ukraine broke out in February 2022 leading to a worldwide surge in inflation. Consequently, the central banks across economies led by the US Federal Reserve responded with synchronized interest rate hikes to curb inflation. The rate hike by the US Fed drove capital into the US markets causing the US Dollar to appreciate against most of the currencies. This led to the widening of the Current Account Deficits and increased inflationary pressures in net importing economies. Prices of food products, fuels and fertilizers rose sharply. Many developing countries are under severe economic stress on account of combination of multiple factors such as weaker currencies, higher import prices, rising cost of living and a stronger dollar making debt service obligations more expensive.

For India, 2022 marked the 75th year of India's Independence. Despite facing formidable challenges, India stands tall and steadfast, emerging as a beacon of resilience in the global economy. The Indian economy after its encounter with the pandemic not only staged a full recovery but also marched ahead and became the world's fifth-largest economy. India's GDP grew by 7% in FY23

compared to revised estimate of 9.1% for the previous financial year. India's economic growth in FY23 was led by private consumption and capital formation which has led to employment generation as can be witnessed from declining urban unemployment rate and faster net registrations with Employees' Provident Fund Organization. Foreign exchange reserve levels are comfortable and external debt is low. Yet in FY23, India also faced the challenge of reining in inflation. Measures taken by the Central Government and RBI, along with declining trend in global commodity prices, have finally brought the retail inflation within RBI's tolerance limit. Further support to economic growth will come from the expansion of public digital platforms and path-breaking measures such as PM GatiShakti, the National Logistics Policy, and the Production-Linked Incentive schemes to boost manufacturing output. The fundamentals of the Indian economy are sound as it enters its 'Amrit Kaal', the 25-year journey towards its centenary as a modern, independent nation.

FINANCIAL HIGHLIGHTS / REVIEW OF OPERATIONS

During FY23, the Company produced 4.32 million tonnes of cement compared to 4.75 million tonnes during the financial year ended 31 March 2022 (FY22), a decrease of 9.0%. Cement sales during the year were 4.39 million tonnes compared to 4.78 million tonnes in FY22, a decrease of 8.1%.

A snapshot of the Company's financial performance for FY23 vis-à-vis FY22 is as under:

(INR in Millions)		
Particulars	FY23	FY22
Revenue from Operations	22,381.0	22,969.6
Other Income	452.9	490.7
Total Revenue	22,833.9	23,460.3
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)- Including other income	2,941.4	4,836.2
Depreciation and Amortization	1,123.1	1,120.5
Finance Cost	460.6	364.4
Profit before Tax	1,357.7	3,351.3
Total Tax expense	366.0	828.7
Net Profit for the year	991.7	2,522.6

After brief slowdown in economy there has been unprecedented revival of growth across all sectors. Demand and consumption have gone up increasing the inflation that has impacted raw materials, fuels and packaging costs. In line with the global indexes and owing to demand and production mismatch, domestic prices of various commodities have also shot up. For cement industry, Coal is a major fuel. The supply constraints in coal

led to its significantly reduced availability, decline in quality and sudden surge in prices. Your Company has mitigated quality risk by constantly changing its fuel mix and the supply risks by entering into long term contracts with local companies exploring new mines, continuous participation in e-auctions etc. Despite intermittent stoppages of power plants due to lack of demand, your Company was able to source adequate quantity of flyash to ensure continuity of operations.



Following the increasing trend in commodity prices, crude oil was no exception. Consequently, diesel prices soared to new heights which had cascading effect on logistics and packaging costs. Outbound and Inbound movement of cement and raw materials also posed a challenge on account of shortage of trucks. Your Company managed the situation by inducting new transporters and managing its Rail-road mix.

Your Company has put in place a robust Supplier's Code of Conduct that is being strictly adhered to while scouting and registering new suppliers. We have in place strong annual supplier evaluation and feedback process for major suppliers to ensure continuous improvement. The Company continues to focus on improving its operating efficiencies and minimising costs to improve overall operational and financial performance.

Your Company relentlessly strives to transit from grey to green by reducing the carbon footprint. As a proponent of sustainability, we ensured uninterrupted supply of Flyash, Red mud and various other by-products of other industries to reduce usage of natural resources. A state-of-the-art Alternate Fuels project, which was commissioned in the last quarter of FY22, stabilised during the year and made its contribution towards sustainable operations. The Company has also commissioned 5.5 MW Solar Power Plant in its mining area at Damoh, Madhya Pradesh during FY23.

DIVIDEND

The Board has recommended dividend of INR 7 per share (70%) for FY23, subject to the approval of the shareholders in the ensuing AGM (Dividend paid during FY22 was INR 9 per share). The proposed dividend for FY23 will absorb INR 1586.3 million. Therefore, in accordance with the provisions of Companies (Declaration and Payment of Dividend) Rules, 2014, the Board has proposed to withdraw an amount of INR 594.6 million from the accumulated profits of the past financial years.

In accordance with the provisions of the Income Tax Act, 1961 the aforesaid dividend will be taxable in the hands of shareholders but liable for Tax Deduction at Source (TDS) by the Company at the applicable rates.

Dividend Distribution Policy

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

https://www.mycemco.com/sites/default/files/PDF/Policies/HCIL_Dividend_Distribution_Policy.pdf

Unclaimed Dividends

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

Sr. No.	Financial Year	Dividend Per Share (INR)	Date of declaration	Date of transfer to IEPF
1	FY2016-17	2.00	22 September 2017	28 October 2024
2	FY2017-18	2.50	21 September 2018	27 October 2025
3	FY2018-19	1.00 (Interim)	25 October 2018	30 November 2025
4	FY2018-19	3.00 (Final)	19 September 2019	24 October 2026
5	FY2019-20	1.50 (Interim)	23 November 2019	28 December 2026
6	FY 2019-20	6.00 (Final)	18 September 2020	21 October 2027
7	FY 2020-21	8.00	27 September 2021	01 November 2028
8	FY2021-22	9.00	08 September 2022	12 October 2029

ENVIRONMENTAL SUSTAINABILITY

Natural resources have been the foundation of every modern-day progress and are critical for our manufacturing processes as well. We are conscious that containing the environmental impact of manufacturing processes needs significant and systemic measures. We, therefore, follow a three-pronged approach to fulfil our commitment towards sustainability: Prevention, Mitigation and Compensation. Committed to deliver on our Sustainability Goals 2030, we strive to excel in environment protection by reducing our footprints on water, air and land, and simultaneously drive a circular economy by reducing waste, recycling and reusing the materials. We remain committed to engage and deliver in the following key domain areas:

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

All plants of the Company are ISO 14001 (Environment Management System) certified. The Company consumed ~34.95% of fly ash in producing PPC cement and ~53.33% of slag in producing PSC cement thus reducing limestone consumption, preserving limestone reserves for posterity. During FY23 the Company generated 59064 Mega Watt



(MW) of power from Waste Heat Recovery Power Plant at Narsingarh. During FY23, the Company commissioned 5.5 MW Solar Power Plant in its mining area at Damoh, Madhya Pradesh and generated 9419 Mega Watt (MW) of power. We have also invested in alternative fuels feeding system, another green initiative which has increased the usage of alternative fuels in kiln.

We have embraced a culture of conservation, and integrated environmental parameters into our growth aspirations by adopting state-of-the-art technological interventions, innovative production techniques, resource optimization measures and sustainable mining practices. 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. In our mining operations we lay special emphasis on soil management, pollution control, biodiversity conservation, maintaining water balance, and promoting safe mining practices. Post mining, the land is reclaimed through back-filling and afforestation by planting trees like Rain Tree, Baniyan, Arjun, Golden Bamboo, Pilkhan (timber), Neem, Indian Rosewood etc. Some of the mined areas have been developed into large water reservoirs that have become a boon for the villagers since the harvested rainwater not only recharges the ground water leading to significant improvement in water table of the area but also serves their irrigation needs. As a result of these actions, Patharia limestone mines is consistently getting five Star Rating from Indian Bureau of Mines (IBM) ever since the concept of five Star Rating was introduced by IBM.

ENRICHING BIODIVERSITY

Development of green belt in the plants and mines provides several benefits to the environment and the society at large in terms of release of oxygen, absorption of carbon dioxide and prevention of soil erosion. The green cover extends to over 38% of the factory area. Water bodies too have been developed to support plantation. These water bodies and trees are home to a variety of flora and fauna. The enriched biodiversity provides shelter to numerous species of animals and birds indirectly helping in improving the happiness quotient of our employees.

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

MAKING A DIFFERENCE THROUGH CSR

The Company continued to contribute to the economic and social development of the local communities, in the regions where it has presence by focusing on education, rural infrastructure development and healthcare facilities. By promoting local participation, the company strengthens its bond with local communities. During FY23 the Company has spent INR 78.50 million on various CSR activities / projects exceeding the obligations pursuant to Section 135 of the Companies Act, 2013.

The transformation of rural schools in Damoh, Jhansi and Ammasandra in association with the Education Department has always been a top priority. Through this initiative, the basic infrastructure of 10 government schools was upgraded, benefiting over 3,000 students and 95 teachers. Extensive repair and renovation work was carried out in some schools while in few others existing classrooms were upgraded into digital classrooms. Scholarships were given to meritorious students to facilitate their higher education. Educational kits and uniforms were also distributed to students. We are working in close coordination with the District Women and Child Development Departments of Damoh and Ammasandra to transform Anganwadi centers into model Anganwadi centers.

We believe in entrepreneurial ability of rural youth and endeavor to make them self-reliant by developing their skills. Quality training that covers various areas of trade is tremendously beneficial. To guarantee this, we have partnered with the "Centre for Entrepreneurship Development (CEDMAP)," supported by the Madhya Pradesh Government. These courses build skills in many trades, like beautician, sewing and stitching, computer operations, motor driving etc. These courses are run on a regular basis, and participants are enrolled for three-months course. A certificate of completion is also provided to all the students. These courses are being conducted at our skill development centers known as "Sakshamta Vikas Kendras" in Jhansi and Damoh. During FY23, training was imparted to 240 rural youth.

We organize health check-up camps at regular intervals to meet communities' general and specific needs. Under our healthcare program, our mobile medical van team has regularly organized rural healthcare camps.

To promote cattle farming as an additional source of rural livelihood, the Company has engaged BAIF Institute to provide facilities such as cattle rearing, vaccination, artificial insemination etc., to the villagers in Damoh. The Company has also taken steps for upgradation of rural veterinary hospitals.

The Company continued to extend its support towards development of infrastructure in the vicinity of its plants and mines viz., construction of concrete roads, drainage facilities, availability of potable water, solar lights, cremation grounds, public toilets, bus stand shelters etc.

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

OCCUPATIONAL HEALTH & SAFETY

Occupational health and safety is a core value for our Company and safety is at the center of everything that we do. We strive to create a healthy and safe working environment for our employees, contractors and other stakeholders.

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 us 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.

The Heidelberg Materials 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. Employees were imparted safety induction trainings, refresher courses and job specific trainings like scaffolding safety, working at height and in confined space etc.

National Safety week was celebrated from 4th -11th March 2023 in a grand manner across all plants to improve the safety awareness. A schedule of twenty-four most critical safety hazards relevant to the cement industry has been compiled. Each month, a safety theme is taken up and its key aspects are deliberated so as to firmly ingrain the importance of the activity and build a conscious driven safety culture in the organization. Truck Drivers 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.

AWARDS AND ACCOLADES

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

- Jhansi Plant received "Safe Workplace Gold Award 2022" from Apex India Foundation.
- Jhansi Plant received 'Energy Efficient Unit' award by Confederation of Indian Industry.
- Diamond Patharia Limestone Mines received "Amrit Kalash Puraskar" from Indian Bureau of Mines, Jabalpur.
- Diamond Patharia Limestone Mines received 1st prize in Safety Management Plan and 2nd prize in Awareness of Swachhata and Supervision from Directorate General Of Mines Safety, Jabalpur.

CORPORATE GOVERNANCE

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

The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have reinforced the governance regime in India. The Company is

compliant with the corporate governance requirements as prescribed under the said Regulations. The Company has also ensured compliance with applicable Secretarial Standards issued by the Institute of Company Secretaries of India pursuant to Section 118(10) of the Companies Act, 2013.

In terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Corporate Governance Report pertaining to FY23 forms part of this Annual Report. Pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate from M/s. Nityanand Singh & Co., a firm of Company Secretaries in Practice, confirming compliance with the conditions of Corporate Governance is also annexed to the Corporate Governance Report.

A certificate furnished by Mr. Joydeep Mukherjee, 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 31 March 2023 is annexed as 'Annexure-B' to this Report.

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

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The maiden Business Responsibility and Sustainability Report (BRSR), as stipulated under Regulation 34(2)(f) of SEBI Listing Regulations, describing the initiatives taken by the Company from Environment, Social and Governance (ESG) perspective forms part of this Annual Report.

DIRECTORS

Change of Whole-time Director

Mr. Sushil Kumar Tiwari retired from the position of Whole-time Director of the Company with effect from close of business hours on 09 June 2022. The Board places on record its appreciation for the valuable services rendered by Mr. Tiwari during his tenure as Whole-time Director of the Company.

Based on the recommendation of Nomination and Remuneration Committee, the Board of the Directors had approved the appointment of Mr. Vimal Kumar Jain (DIN: 09561918) as Whole-time Director of the Company for a term of three years from 10 June 2022 to 09 June 2025 in place of Mr. Sushil Kumar Tiwari. The shareholders of the Company at the last AGM held on 08 September 2022 had also approved the appointment Mr. Vimal Kumar Jain as Whole-time Director of the Company.

Change of Managing Director

The Board of Directors of the Company at its meeting held on 13 February 2023 deliberated on the request of Mr. Jamshed Naval Cooper (DIN-01527371) with respect to his retirement from the position of Managing Director and relieving him prior to the end of his third term. The Board after considering the request of Mr. Cooper, accepted his resignation and decided to relieve him from the position of



Managing Director with effect from close of business hours on 31 March 2023. The Board has placed on record its appreciation for the valuable services and support provided by Mr. Cooper as Managing Director of the Company.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors had approved the appointment of Mr. Joydeep Mukherjee (DIN-06648469) as new Managing Director for a term of three years from 01 April 2023 to 31 March 2026 in place of Mr. Jamshed Naval Cooper.

The Board also recommended the resolutions to be passed by the shareholders for appointment of Mr. Joydeep Mukherjee as Managing Director of the Company, which were duly passed by the shareholders through postal ballot on 27 April 2023.

Retirement by rotation

Ms. Soek Peng Sim, Director 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.

Declaration of Independent Directors

Mr. Ramakrishnan Ramamurthy and Ms. Jyoti Narang, Independent Directors on the 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 after duly verifying the veracity of such declarations, hereby confirms that the Independent Directors fulfill the conditions of independence specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management of the Company.

DISCLOSURES UNDER COMPANIES ACT, 2013

Number of Board Meetings: During FY23, four Board Meetings were held. The details of the same are given in the Corporate Governance Report.

Composition of Audit Committee: The Audit Committee of the Company as on 31 March 2023 comprised three members namely, Ms. Jyoti Narang (Chairperson of the Committee), Mr. Ramakrishnan Ramamurthy and Ms. Soek Peng Sim.

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

Policy for appointment and remuneration of directors:

The Board has on the recommendation of the Nomination and Remuneration Committee, formulated 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 salient features of the Policy have been provided in Corporate Governance Report. The said Policy has been posted on website of the Company and the weblink to access the said policy is as follows:

https://www.mycemco.com/sites/default/files/PDF/Policies/Nomination_and_Remuneration_Policy.pdf

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

Annual Return: The Annual Return of the Company for FY22 already filed with the Ministry of Corporate Affairs (MCA) and the draft Annual Return for FY23 are available on the website of the Company and the weblink to access the same is as follows:

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

After the filing of Annual Return for FY23 with MCA, the aforesaid draft version of the Return will be replaced with the final version.

Key Managerial Personnel: Details of Key Managerial Personnel of the Company are given below:

- Mr. Joydeep Mukherjee, Managing Director (with effect from 01 April 2023);
- Mr. Jamshed Naval Cooper, Managing Director (up to 31 March 2023);
- Mr. Vimal Kumar Jain, Whole-time Director (with effect from 10 June 2022);
- Mr. Sushil Kumar Tiwari, Whole-time Director (up to 09 June 2022);
- Mr. Anil Kumar Sharma, Chief Financial Officer; and
- Mr. Rajesh Relan, Sr. Vice President- Corporate Affairs & Company Secretary.

LOANS, GUARANTEES, SECURITY, AND INVESTMENTS

During FY23, the Company has not given any loan, guarantee or security pursuant to the provisions of section 186 of the Companies Act, 2013.

The Loan of INR 1500 million which was given to Zuari Cement Limited (a fellow subsidiary) in FY21 was fully repaid by Zuari Cement Limited on the respective due dates in FY23. As on 31 March 2023, there is no outstanding loan appearing in the Financial Statements of the Company.

During FY23, the Company has not made any investment or issued any guarantee or provided any security.

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 FY23:



- 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 impacting the going concern status and the Company's operations in future.

INTERNAL FINANCIAL CONTROLS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- that in the preparation of the annual accounts for the financial year ended 31 March 2023 the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 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 31 March 2023 and of the profit of the Company for the financial year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the financial statements for the financial year ended 31 March 2023 have been prepared on a 'going concern' basis;
- that proper internal financial controls were in place and that such internal financial controls were adequate and were operating effectively; and
- that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

RELATED PARTY TRANSACTIONS

All transactions entered between the Company and its related parties during the financial year ended 31 March 2023 were in the ordinary course of business and on an

arm's length basis. The particulars of such transactions have been disclosed in notes to the financial statements for FY23. During the year under review, the Company has not entered in any related party transaction exceeding the threshold limit provided under the Companies Act, 2013 / Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Omnibus approvals are obtained for the transactions which are foreseeable and are repetitive in nature. 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 reviewed by the Audit Committee and the Board of Directors from time to time. The same have been posted on the Company's website. The web-link to access the said policy and framework is as follows:

https://www.mycemco.com/sites/default/files/PDF/Policies/Related_Party_Transaction_Policy.pdf

RISK MANAGEMENT

The Board of Directors of the Company has constituted a Risk Management Committee for reviewing and monitoring the risk management plan of the Company and ensuring its effectiveness. 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. The Chief Risk Officer and the Risk owners identify and analyse risks in their area of operations. The risks faced by the Company, their impact and the mitigation measures are categorised as high, medium and low risks which are then reviewed by the Senior Management and the critical ones are placed before the Risk Management Committee / Board of Directors for review.

The Board provides oversight and reviews the Risk Management Policy. The Board along with Risk Management Committee is responsible for framing, implementing and monitoring the risk management plan of the Company. During the year under review, Internal auditors, had also tested the Risk & Control Matrices for various processes as a part of Internal financial control framework.

The details of the functioning of the Risk Management Committee and frequency of its meetings are provided in Report on Corporate Governance forming part of this Annual 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 FY23 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 same has been posted on the Company's website. The weblink to access the same is as follows:

https://www.mycemco.com/sites/default/files/PDF/Policies/W.e.f.19.10.2021_HCIL_Whistle_Blower_Policy_English.pdf

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE

The Company is compliant with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, which aims to protect women at workplace against any form of sexual harassment and prompt redressal of any complaint. During FY23, 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 08 September 2022 had reappointed M/s. S.N. Dhawan & Co. LLP., Chartered Accountants, as statutory auditors of the Company for second term to hold office up to the conclusion of the 68th AGM i.e., for conducting statutory audits commencing from FY 2022-23 until FY 2026-27.

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

COST AUDIT

The Company is maintaining cost records in accordance with the provisions of Section 148 of the Companies Act, 2013 and the Rules made thereunder. The Cost Audit for FY22 was conducted by M/s. R.J. Goel & Co., Cost Accountants, Delhi. The Cost Audit Report was duly filed with the Ministry of Corporate Affairs, Government of India. The Audit of the cost accounts of the Company for FY23 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 FY24 on a remuneration of INR 2,75,000. 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 FY24 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 31 March 2023 in accordance with the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Report of the

Secretarial Auditor is annexed herewith as 'Annexure-C'. The Secretarial Audit Report does not contain any qualification, reservation, or adverse remarks.

Secretarial Compliance Report: Under Regulation 24A of SEBI Listing Regulations it is 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 FY23. The said Report does not contain any qualification, reservation, or adverse remarks. The said Report has been filed with Stock Exchanges and has also been placed on website of the Company. The web link to access the same is as under:

https://www.mycemco.com/sites/default/files/PDF/Secretarial_Compliance_Report/Financial_Year_2022-2023.pdf

PARTICULARS OF EMPLOYEES

The particulars of employees required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this Report and are annexed as 'Annexure-D'. In accordance with the provisions of Section 136 of the Act, the Board's Report and the financial statements for the financial year ended 31 March 2023 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. However, the information required under aforesaid rule 5(2) is available for inspection by the members at the Registered Office of the Company during business hours on all working days up to the date of the ensuing Annual General Meeting. If any member desires to have a copy of the same, he may write to the Company Secretary in this regard.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules 2014, form part of this Report and are annexed as 'Annexure-E'.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Place: Bengaluru
Date: 29 May 2023

Ramakrishnan Ramamurthy
Chairman



ANNEXURE - A TO THE BOARD'S REPORT

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

1 Brief outline of CSR policy of the Company.

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

Brief outline of the said Policy is given below:

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

The Policy is placed on the Company's website and the web link to access the same is: https://www.mycemco.com/sites/default/files/PDF/Policies/CSR_Policy.pdf

2 Composition of CSR Committee and details of meetings attended by members during FY23:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Ramakrishnan Ramamurthy	Chairman & Independent Director	2	2
2	Ms. Jyoti Narang	Member & Independent Director	2	2
3	Mr. Sushil Kumar Tiwari@	Member & Whole time Director	1	1
4	Mr. Vimal Kumar Jain ^	Member & Whole time Director	1	1
5	Mr. Jamshed Naval Cooper#	Member & Managing Director	2	2

@ Retired from the services of the Company with effect from 09 June 2022

^ Appointed as a member of CSR Committee with effect from 10 June 2022

Resigned with effect from 31 March 2023. The Board of Directors appointed Mr. Joydeep Mukherjee as new Managing Director and Member of CSR Committee with effect from 01 April 2023 in place of Mr. Cooper

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

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

Composition of CSR Committee:

https://www.mycemco.com/sites/default/files/PDF/ListofDirectorsandMembersofCommitteesoftheBoard_0.pdf

CSR Policy:

https://www.mycemco.com/sites/default/files/PDF/Policies/CSR_Policy.pdf

CSR Projects:

https://www.mycemco.com/sites/default/files/PDF/CSR_Reports/HCIL_CSR_Report_FY_2022_2023.pdf



- 4 Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable. Not Applicable
- 5 Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any. INR 8.1 Million
- 6 Average net profit of the Company as per section 135(5) i.e., for last three financial years (FY2019-20, FY2020-21 and FY2021-22). INR 3748 Million
- 7 (a) Two percent of average net profit of the company as per section 135(5) INR 75 Million
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years Not Applicable
- (c) Amount required to be set off for the financial year, if any -
- (d) Total CSR obligation for the financial year (7a+7b-7c). INR 75 Million
- 8 (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (INR in Million)		Amount Unspent (INR in Million)			
		Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)	
		Amount	Date of transfer	Name of the Fund	Amount
78.5		-	-	-	-

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



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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (INR in Million)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Expenditure towards Outside Students studying in our schools coming from Nearby Villages.	II	Yes	Madhya Pradesh and Karnataka	Damoh and Tumkur	5.29	Yes	-	-
2.	Scholarship to students and distribution of educational kits	II	Yes	Madhya Pradesh, Karnataka and Uttar Pradesh	Damoh, Tumkur and Jhansi	3.07	Yes	-	-
3.	Providing support to other schools infrastructure such as Desks & Benches, rehabilitation of schools, construction of rooms, boundary walls, toilets, development of Digital Classroom & Cold drinking water facility etc.	II	Yes	Madhya Pradesh, Uttar Pradesh and Karnataka	Damoh, Jhansi and Tumkur	18.47	Yes	-	-
4.	Development of Infrastructure for Anganwadi centres in nearby villages	II	Yes	Madhya Pradesh and Karnataka	Damoh and Tumkur	1.09	Yes	-	-
5.	Organizing Health checkup camps including deployment of mobile vans and provision of medicines	I	Yes	Madhya Pradesh, Uttar Pradesh and Karnataka	Damoh, Jhansi and Tumkur	0.44	Yes	-	-



6. Healthcare facilities improvement in Govt. Hospitals	I	Yes	Madhya Pradesh and Uttar Pradesh	Damoh and Jhansi	2.99	Yes	-	-
7. Community Health Support as per needs of Local community, Administration, and other stakeholders	I	Yes	Madhya Pradesh	Damoh	0.08	Yes	-	-
8. Operation of Sakshamta Vikas Kendras for skill development trainings	II	Yes	Madhya Pradesh and Uttar Pradesh	Damoh and Jhansi	4.46	Yes	-	-
9. Support to villagers in cattle breed improvement & upgradation of Veterinary Hospitals & irrigation project for improving livelihood	IV	Yes	Madhya Pradesh and Karnataka	Damoh and Tumkur	0.96	No	BAIF Development Research Foundation	CSR00000259
10. Developing infrastructure like construction of roads, cremation sheds, public toilets and bus stand shelters etc.	X	Yes	Madhya Pradesh, Uttar Pradesh and Karnataka	Damoh, Jhansi and Tumkur	41.03	Yes	-	-
11. Providing Drinking Water facilities.	X	Yes	Madhya Pradesh and Uttar Pradesh	Damoh and Jhansi	0.52	Yes	-	-
12. Other miscellaneous CSR Activities.	X	Yes	Madhya Pradesh and Uttar Pradesh	Damoh and Jhansi	0.15	Yes	-	-
Total					78.5			



(d) Amount spent in Administrative Overheads	Nil
(e) Amount spent on Impact Assessment, if applicable	Not Applicable
(f) Total amount spent for the Financial Year (8b + 8c + 8d + 8e) (INR in million)	78.5
(g) Excess amount for set off, if any:	

Sr. No.	Particulars	Amount (INR in Million)
(i)	Two percent of average net profit of the company as per section 135(5)	75.0
(ii)	Total amount spent for the Financial Year	78.5
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3.5
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	3.5*

*In addition to the excess spending of INR 3.5 million during FY23, the Company also has carried forward amount of excess spending of INR 2.9 million in respect of FY21 and INR 5.2 million in respect of FY22. Thus, the aggregate amount available for setoff during FY24 is INR 11.6 million.

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

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

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

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

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

Date: 29 May 2023

Joydeep Mukherjee
Managing Director
Place: Gurugram

Ramakrishnan Ramamurthy
Chairman - CSR Committee
Place: Bengaluru



ANNEXURE - B TO THE BOARD'S REPORT

The Board of Directors
HeidelbergCement India Limited

Dear Sirs,

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 31 March 2023 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 31 March 2023 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 31 March 2023;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) there are no instances of fraud of which we have become aware.

Place: Gurugram
Date: 29 May 2023

Joydeep Mukherjee
Managing Director

Anil Kumar Sharma
Chief Financial Officer



ANNEXURE - C TO THE BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2023

[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, 2023, 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, 2023, in accordance to the provisions of:

- I. The Companies Act, 2013 ('the Act') and the Rules made thereunder to the extent applicable;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations as amended from time to time and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The Memorandum and Articles of Association of the Company;
- VI. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not Applicable to the Company during the review period);
 - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the review period);
 - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
 - f. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
 - g. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - h. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable to the Company during the review period);
 - i. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not Applicable to the Company during the review period);
 - j. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not Applicable to the Company during the review period);
 - k. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the review period).
- VII. 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) The Mines Act, 1952.
 - i) Acts and Laws relating to carrying out Mining Activities.

VIII. 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

- i. Mandatory Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. Listing Agreements entered into by the Company with Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

We further report that during the review period, the Company had declared a dividend of INR 9 per Equity Share of INR 10 each fully paid up (i.e., 90% of the face value) for the Financial Year 2021-22 at 63rd AGM of the company amounting to INR 2,039,518,044.

Adequate notice is given to all the Directors or the members of the respective Committees to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent in compliance with the provision of the Act & SS-1, 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 and Committee meetings were carried out unanimously as recorded in the minutes of the respective meetings.

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.

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

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

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

**Nityanand Singh (Prop.)
FCS No.: 2668 / CP No.: 2388
UDIN: F002668E000403035
Peer Review Certificate No.: 1188/2021**

**Place: New Delhi
Date: 29 May 2023**

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**

ANNEXURE – 1

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

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

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

**Nityanand Singh (Prop.)
FCS No.: 2668 / CP No.: 2388
UDIN: F002668E000403035**

Peer Review Certificate No.: 1188/2021

**Place: New Delhi
Date: 29 May 2023**



ANNEXURE - D 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 2023

Sr. No.	Disclosure requirement	Particulars
1	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for FY23:	The ratio of the remuneration of Whole-time Director to the remuneration of median employee is 21.3 : 1
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in FY23:	The Non-Executive Directors of the Company including Independent Directors (IDs) are not paid any remuneration. IDs are paid only sitting fee 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 until 31 March 2023 was borne and directly paid by Heidelberg Materials AG. The Company had not paid any sitting fee/commission/remuneration to Mr. Cooper. Increase in remuneration of Whole-time Director, Chief Financial Officer and Company Secretary w.e.f. 01 January 2023 on Cost-to-Company (CTC) basis is given below: Mr. Vimal Kumar Jain, Whole-time Director = 8% Mr. Anil Kumar Sharma, Chief Financial Officer = 8% Mr. Rajesh Relan, Sr. Vice President- Corporate Affairs & Company Secretary = 8%
3	The percentage increase in the median remuneration of employees in FY23:	8.56% (Only Staff Appraisal till 31 st March 23)
4	The number of permanent employees on the rolls of Company as on 31 st March 2023:	1002 (Staff and Wage board)
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 8.62%. Increase in managerial remuneration on CTC basis was 8%.
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 - E TO THE BOARD'S REPORT

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

A. Conservation of Energy

(i) Energy conservation measures taken during the financial year ended 31 March 2023:

Reduction in specific power consumption through following initiatives:

- Optimisation of clinker and cement processes
- Optimised power supply from waste heat recovery system
- Installation of AFR system at Narsingarh, Damoh
- Replacement of traditional luminaries with energy efficient LED lights
- Installation of Motion Sensors in the main Store Room, Imlai
- Installation of Expert system

(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.

- Installation of 5.5 MW solar power system (aggregating approx. 10 Gwh pa) at Patharia, Damoh.
- Sourcing ~ 15 MW Solar power (aggregate approx 22 Gwh pa) for Jhansi plant.
- Sourcing solar power at Ammasandra aggregating approx 10 Gwh pa.

Installation of AFR system at Narsingarh, Damoh to utilise waste from municipalities / agriculture and industries in kilns thus saving fossil fuels and reduce CO₂ emission.

(iii) Capital investment on energy conservation equipment:

The Company has invested ~ INR 6.64 million in FY23 towards installation of AFR system and sourcing renewable power at Narsingarh and Jhansi. These initiatives are listed at A(i) above.

B. Technology Absorption

(i) Efforts made towards Technology Absorption:

- Use of alternative fuels by installation of AFR system.
- Adaptation to best practices and processes of Heidelberg Materials Group under WOK / CIP, thus reaping the benefits of their global expertise.

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

- Power generated by the WHR plant was optimized.
- Reduction of per unit cost of power by use of renewable and IEX power.
- Optimization of the process fans in the kiln and other areas in order to reduce the specific Power consumption.
- Reduction of specific consumption per unit of clinker or cement produced thus reduction in cement cost.
- Adaptation of best practices and processes of Heidelberg Materials Group under WOK / CIP enabled the Company to carry out in-house modifications and improvements.

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

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

C. Foreign Exchange Earnings & Outgo

Total foreign exchange used and earned:

(INR in Million)

	FY23	FY22
Foreign exchange used:		
- Imports	61.2	68.5
- Expenditure	334.2	390.4
Total	395.4	458.9
Foreign exchange earnings:	2.8	2.6



MANAGEMENT DISCUSSION AND ANALYSIS

Global & Indian Economy at a glance

Particulars	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 Est.	2024 Est.
A. World Output / Real GDP (Annual percent change)											
World	3.5	3.4	3.3	3.8	3.6	2.8	-2.8	6.3	3.4	2.8	3.0
- Advanced Economies	2.0	2.3	1.8	2.5	2.3	1.7	-4.2	5.4	2.7	1.3	1.4
- Emerging Market & Developing Economies	4.7	4.4	4.4	4.7	4.7	3.6	-1.8	6.9	4.0	3.9	4.2
India	7.4	8.0	8.3	6.8	6.5	3.9	-5.8	9.1	6.8	5.9	6.3
B. Inflation: Consumer Prices (Annual Percent change)											
World	3.2	2.7	2.7	3.2	3.6	3.5	3.2	4.7	8.7	7.0	4.9
- Advanced Economies	1.4	0.3	0.7	1.7	2.0	1.4	0.7	3.1	7.3	4.7	2.6
- Emerging Market & Developing Economies	4.7	4.8	4.4	4.5	4.9	5.1	5.2	5.9	9.8	8.6	6.5
India	5.8	4.9	4.5	3.6	3.4	4.8	6.2	5.5	6.7	4.9	4.4
C. Current Account Balances (Percent of GDP)											
- Advanced Economies	0.5	0.6	0.8	1.0	0.7	0.7	0.2	0.8	-0.5	0.0	0.3
- Emerging Market and Developing Economies	0.5	-0.3	-0.4	-0.1	-0.2	0.0	0.5	0.8	1.4	0.3	0.0
India	-1.3	-1.1	-0.6	-1.8	-2.1	-0.9	0.9	-1.2	-2.6	-2.2	-2.2
D. World Trade Volume (Annual percent change)											
	3.9	2.9	2.2	5.6	4.0	1.0	-7.8	10.6	5.1	2.4	3.5
E. Commodity Prices (Annual percent change)											
- Oil		Base	22.5	29.4	-10.3	-32.0	65.8	39.1	-24.1	-5.8	-2.8
- Non-fuel (Primary Commodities)		Base	3.8	-1.2	-3.1	1.7	26.1	14.1	-5.6	-2.8	-2.2

Source: World Economic Outlook (April 2023) published by International Monetary Fund (IMF)

A. Global Economy

World economy made a strong comeback clocking 6.3% growth in 2021 compared to a contraction of -2.8% a year ago due to the Covid-19 pandemic. Demand that shrunk in the Covid years, swelled in the late and early quarters of 2021 and 2022 respectively. However, the ongoing Russia - Ukraine war, which had begun in Feb 2022 has led to various sanctions on Russia. These sanctions coupled with the release of pent-up demand spurred world inflation to 8.7% in 2022 that was more than twice that of pre-pandemic levels. Increase in demand and fear of supply disruptions exerted upward pressure on oil and gas prices. The high inflation triggered reactions from global central banks who started tweaking interest rates to curtail inflation. The surge in interest rates by the Federal Reserve of US caused the US Dollar to appreciate against Euro, UK Pound Sterling,

and many other currencies. The high US Dollar further led to huge current account deficits in the net importing economies of the world hampering their growth. This high interest rate in US, triggered flight of investments, even from the European markets, into US. Adding to the woes, China's zero Covid tolerance policy after the evolution of new variants of Corona virus caused widespread lockdowns there. Three major banks – 2 in the US and one in Europe collapsed, sending shockwaves in the financial markets. The overall impact of these events has led to low investor confidence, high demand, high inflation, tight monetary policies of central banks causing decline in the global output which is likely to continue. Global banks have reported weaker earnings and many technology companies have announced layoffs. The global economic outlook is thus predicted to be of low to moderate growth.



B. Indian Economy

Fy23 marked the 75th year of Indian independence. In this “Amrit Kal” the economy showed signs of recovery having clocked a growth of 7.0% compared to revised estimate of 9.1% for the previous financial year. The estimated GDP for FY 23 is Rupees 272 trillion or around USD 3.4 trillion at current prices becoming the fifth largest economy of the world. The key factors contributing were high private consumption, capital formation, universal coverage of Covid vaccination, surge in exports, increase in housing and construction sectors and recovery of Micro Small and Medium Enterprises to name a few.

The high paced recovery and GDP growth is expected to slow down in FY24 owing to global inflation rate, worldwide monetary policies, geo-political conflict including ongoing sanctions, climatic conditions etc. The rays of hope are the relatively stable oil prices, and performance of export-focused sectors that will ease Current Account Deficit. There will be some benefits arising from the slowdown in advanced economies and China that will yield capital inflows back into India. Since our estimated inflation rate has fallen, the RBI's monetary policy is expected to be dovish.

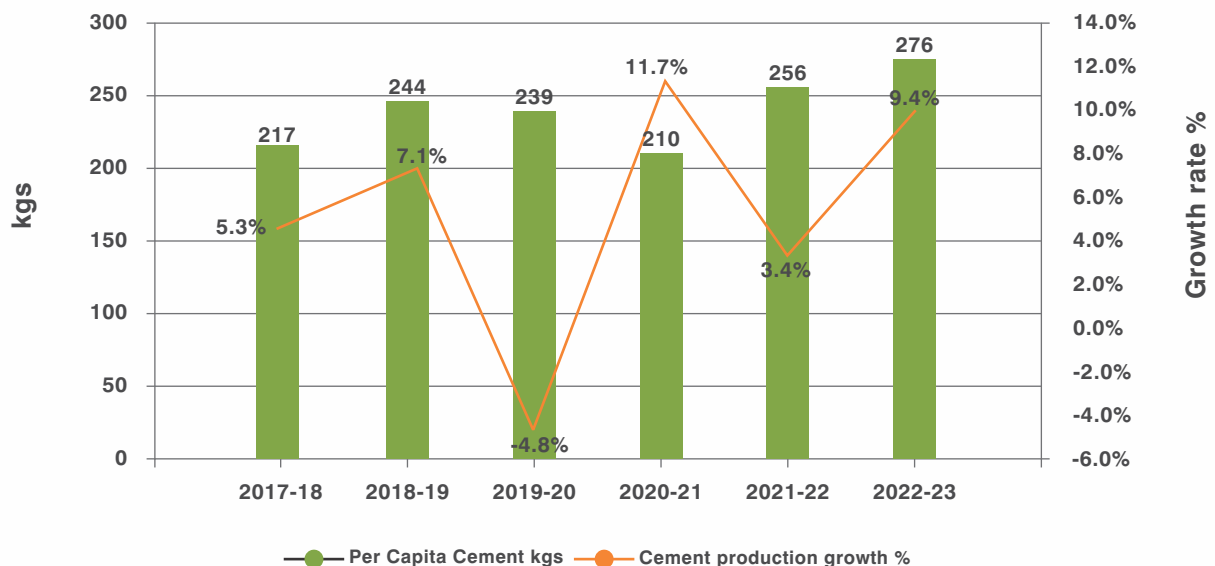
C. Indian Cement Industry

C.1. Capacity and Demand

Installed cement capacity in India in FY23 was around 570 MnT and the demand / production was 390 MnT yielding a capacity utilization of 68% - an improvement of 2% over FY22. The demand growth is in the region of 8% over FY22. A brief overview of per capita consumption of cement vs cement production rate shows that barring Covid year the per capita consumption has grown indicating healthy state of economy. In the union budget for FY24 new schemes and infrastructure projects have been announced:

- The outlay for PM Awas Yojana is BNR 790.
- Capital outlay of INR 2.4 trillion has been provided for the Railways.
- Priority investments of BNR 750 in critical transport infrastructure projects for last and first mile connectivity for ports, coal, steel, fertilizer, and food grains sectors.
- Fifty (50) airports, heliports, water aerodromes and advance landing grounds will be revived for improving regional air connectivity.
- Urban Infrastructure Development Fund (UIDF) to be established to create urban infrastructure in Tier 2 and Tier 3 cities with an outlay of BNR 100 per annum.

Cement Production Growth and Per Capita Consumption



SOURCE: CMIE

C.2. Input Costs

The world has recovered to normalcy after three rapid waves of Covid-19. However, there are still many challenges such as disruption in global supply chains, the ongoing war between Russia and Ukraine, and other trade disputes affecting many countries. The Russia – Ukraine war has led to widespread sanctions on oil purchases and increase in prices of various commodities. In line with the global indexes, domestic prices of various commodities have also shot up due to demand and supply mismatch. For cement industry, Coal is a major fuel. The supply constraints in coal led to its significantly reduced availability, decline in quality and sudden surge in prices. Your Company has mitigated quality risk by constantly changing its fuel mix and the supply risks by entering into long term contracts with local companies exploring new mines, continuous participation in e-auctions.

C.3. Price and Earnings

The demand supply gap has widened close to ~ 180 MnT. Being a large-scale industry, the tendency of the producers is to maximize production. We foresee these conditions to persist in the coming years until the demand – supply gap narrows. There are also new capacities in pipeline which will take the installed capacity of India to ~ 600 MnT by next year. A supply side push has an adverse effect on the prices and margins.

The industry has been successful in passing on part of the input cost increases to the end consumers.

C.4. Opportunities

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

- **Housing & Real Estate:** Easy availability of credit from banks, higher production of rabi crop will assist in cement demand from rural housing.
- **Public Infrastructure:** Plan outlay for railways, ports and urban infrastructure fund for Tier 2 and 3 cities will bode well for cement demand.
- **Industrial Development:** 5G services, Green Hydrogen Mission, Zero Carbon emission, Renewable energy transmission and Energy Storage projects are some of the futuristic schemes that are the focus for industrial development in FY24 budget. The industrial program aims to empower states and grant relief to MSME sector that was badly hit by the COVID.

The Company foresees a healthy demand in the construction sector resulting from heightened capital spending from businesses.

C.5. Threats

World is facing inflation, food shortage, closure of businesses, appreciation of dollar against major currencies, and fuel prices surge due to ongoing Russia – Ukraine war. Due to hawkish monetary policy adopted by the Central Banks to rein in high inflation there has been a flight of capital to regions where the interest rates are high. High interest rates may dampen the demand for new houses.

Supply & pricing of key cementitious materials like Slag and Fly Ash too continues to be a challenge. The utilisation factor of coal-based thermal power plants in India is consistently falling thus impacting fly ash availability and increase in its price due to demand supply mismatch.

C.6. Outlook

Cement Industry follows the GDP growth trajectory. IMF forecast for GDP growth for FY24 is ~6%. Accordingly, we expect cement demand to grow by 7%-9% in FY24. The government's spending on major infrastructure projects is likely key driver for cement sector. The input costs are likely to soften due to reduction in prices of crude oil which will help in improving operating margins.

D. Company Review - Operational and Financial Performance

A snapshot of the Company's financial performance for FY23 compared with FY22 is as under:

(INR in million)		
Particulars	FY23	FY22
Revenue (Net of Excise Duty / GST)	22,381.0	22,969.6
Power & Fuel Cost	7,726.3	6,424.2
Freight and forwarding expenses	3,116.1	2,957.1
EBITDA (including other income)	2,941.4	4,836.2
EBIT	1,818.3	3,715.7
Finance Cost	460.6	364.4
Net Profit after Tax	991.7	2,522.6
Earnings Per Share (EPS) - INR	4.4	11.1
Book Value Per Share - INR	64.5	69.1



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

Particulars	FY23	FY22	Change
Debtors Turnover (Days)	4.59	4.66	-1.52%
Inventory Turnover (Days)	8.17	8.09	1.04%
Interest Coverage Ratio	17.15	19.64	-12.68%
Current Ratio	1.31	1.42	-7.51%
Debt Equity Ratio	0.12	0.12	-2.15%
Operating Profit Margin (%)	11.26	19.38	-8.12%
Net Profit Margin (%)	4.49	11.25	-6.76%
Return on Net Worth (%)	6.55	16.49	-9.94%

The primary reason for change in the above-mentioned ratios is drop in volume and increase in variable cost which could not be fully passed on to the consumers leading to decline in margins and earnings.

Digitization initiatives:

To boost resilience, the company is focusing on using the power of digital tools and advanced analytics. SAP Ariba technology will make business more personal, contextual, intelligent, and efficient in the years ahead and in the process, procurement will become less tactical and more strategic. Some digitization initiatives are given below:

Project	Benefits
Hdagicube	- Empowering MLE (Mobile Lab Engineers) with Mobile app instead of manual forms and certificates. - Real time status of concrete cube tests across all regional offices. - Digital Repository of all region-wise testing.
SAP ARIBA Buying	- Shorter cycle time from Purchase Requisition to Purchase Order - Catalogue items are pre-negotiated under Annual Rate Contract (ARC).
SAP ARIBA Sourcing	- Portal for Vendors to submit their quotations. - Transparency of prices as equal chance is given to each supplier to submit Request for Proposal (RFP). - RFP prices can be accessible only after due date of submission. - Bid Price Comparison can be downloaded.
WhatsApp for Business	- Direct interaction with customers for Business - Interactive content format - Opportunity to showcase brand - Improved marketing campaigns

E. Product Performance and Customer Relations

The Company has professionally managed team for providing requisite assistance and guidance at the construction sites to make the structure more robust and sustainable through Mobile Technical Lab and Concrete Solutions Lab which facilitate various kinds of tests at construction sites.

Being one of India's preferred cement manufacturers with a legacy of 150 years, we have a deep understanding of consumer needs. The cement we produce contributes towards enhancing the quality of life – be it roads, buildings, or bridges and therefore makes us conscious of the responsibility we shoulder which culminates in producing quality cement that surpasses the expectations of our customers.

F. Business Risks and Concerns

Although the world has come out from the clutches of Covid-19 but still there are many challenges such as disruption in global supply chain, the ongoing war between Russia and Ukraine and other trade disputes among countries.

The Company's management periodically meets to discuss on mitigating measures to cover major risks in operations. The Company's foreseeable risks are adequately covered through strategic planning and insurance.

Major business risks and their mitigation strategies are as follows:

- I. **Economic Risk:** The ongoing Russia-Ukraine war, tight monetary policy of central banks, surging inflation, high dollar, flight of capital from Europe to US and the recent failure of major banks has cast serious concerns over the recovery of global economy.
Mitigation Measure: We will endeavor to get best rates from our suppliers with advance contracts, maintaining inventory of essential spare parts, minimizing operational disruptions and searching for tolling arrangements.
- II. **Supply Risk:** In 2020, the COVID-19 pandemic was the primary cause of supply chain disruptions, followed by extreme weather events, transportation/logistics issues etc. and a number of organizations have been rocked by unforeseen supply-chain vulnerabilities and disruptions. Supply chain risks can be,
 - External Risks: Ex - Demand risk, Supply risk, Environmental risk and Business risk.
 - Internal Risks: Ex - Manufacturing Risks, Business Risks, Planning and Control Risks and Mitigation and Contingency Risks.

Mitigation Measure: Your Company values close and productive cooperation with its suppliers and therefore your Company has globally applicable "Supplier Code of Conduct" which acts as a shield to mitigate any Supply chain risks and also have robust Supply Chain Risk Management programs/strategies, Diversified supplier base, end-to-end supply chain visibility etc. Furthermore, your Company's Business Associates/Suppliers are required to adhere to these principles from their direct



suppliers and exercise diligence in verifying that these principles are being adhered to in their supply chains.

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

Mitigation Measure: The Company's Rail-Road mix currently stands at about 55:45. Warehouse & lead optimization and continuing measures to control logistics costs remains a focus area for the Company.

IV. **Competition Risk:** The cement demand has shown unprecedented vacillations from the industry predictions. There has been an entry of a series of new brands from distant regions and also from new plant capacities in our traditional markets.

Mitigation Measures:

- Increasing % contribution of premium products & Trade Sales.
- Balancing growth between distant and home markets.
- Aligning service team to hand hold the independent home builders during various construction phases.
- Addition of new channel partners.

G. Internal Control Systems

The Company has through its thrust on automation and digitalization, established a well-structured and effective internal control and compliance system. Audit Committee regularly discusses the risk based annual Audit Plan and approves the same. The Audit Plan evaluates internal control systems, compliance, robustness of internal procedures, sound business practices, safeguarding Company's assets, compliance with laws and regulations, accuracy in financial reporting and completeness in records.

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

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

H. Human Resources

HR Digitization initiatives: The Contract Labor Management System introduced phase-wise at all locations, continues to provide better productivity and

efficiency as well as control and compliance in Labor management and wage payments. "Workday", the new digital platform was launched as part of the group digitization and standardization initiative. This will be the single source for all employee data with many analytical tools available for more efficient and cost-effective working.

Senior Management and Middle Management Succession Planning:

With Cement sector opening, FY23 witnessed many changes such as the employee turnover and scaling of hiring. The momentum of succession planning begun in the previous year has started fructifying. Many positions were filled up internally, including some of the key ones, while we revisited our inventory of talent availability in the Organization at top, senior and middle management levels.

Learning and Development: A total of 128 internal trainings were conducted covering 2050 participants approximately, including contract labor with some employees attending multiple trainings. 26 external trainings were conducted, covering 890 employees approx. Over 65% of the employees received development focus with 115 internal and external training programs conducted during the year. Focus on workmen development continued with organization of four training initiatives, including Behavior based safety, first aid and shop floor productivity through external faculty. Compliance trainings were attended by nearly 100% of the eligible employees on e-learning platform.

Talent Acquisition and Development: Nurturing internal talent is a value the Organization espouses with great zeal. Approx. 60 vacancies were filled up through internal hiring process which makes up almost 25% of the total hiring, this being the all time high no. since inception. The Organization also sustained its drive for young talent acquisition, visiting reputed Institutes for engineering and management graduates.

Over 160 new recruits joined the Organization during the year giving impetus to renewal of resources, energizing the talent pool.

Employee Reward and Recognition: A total of 120 employees were recognized through the "Employee of the month" and "Team of the month" initiative of the Company. Sales incentive program also saw a few employees receiving due recognition during the year.

Employee engagements and Employee relations: The Company had 1002 employees on its rolls as on 31 March 2023. Many employee engagement programs were conducted during the year, including celebrations, sports activities and cultural festivities. The employee relations remained cordial across all locations throughout the year.

Cautionary Statement

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



BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

SEBI vide its circular no. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 has mandated the top 1,000 listed companies (by market capitalisation) to disclose and report the requirements under ESG (Environment, Social and Governance) parameters in the BRSR format from the financial year 2022-2023 by replacing Business Responsibility Report.

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Company	L26942HR1958FLC042301
2	Name of the Company	HeidelbergCement India Limited
3	Year of Incorporation	13 May 1958
4	Registered office address	2 nd Floor, Plot No. 68, Sector-44, Gurugram, Haryana - 122002
5	Corporate office address	2 nd Floor, Plot No. 68, Sector-44, Gurugram, Haryana - 122002
6	E-mail id	investors.mcl@mycem.in
7	Telephone	0124-4503700
8	Website	www.mycemco.com
9	Financial year for which reporting is being done	01 April 2022 to 31 March 2023
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange (NSE) and BSE Limited (BSE)
11	Paid-up capital	INR 2,266.2 million
12	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Mr. Vimal Kumar Jain, Whole-time Director Email: vimal.jain@heidelbergcement.in DIN: 09561918
13	Reporting Boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The Disclosures under this report are made on a standalone basis.

II. Products / services

14.	Details of business activities (accounting for 90% of the turnover)		
S. No	Description of main activity	Description of business activity	% of turnover
1	Manufacturing	Manufacturing and Selling of Cement	100
15.	Products / services sold by the entity (accounting for 90% of the entity's turnover)		
S. No.	Product / Service	NIC Code	% of total turnover contributed
1	Manufacture of Clinker and Cement	23941	100

III. Operations

16.	Number of locations where plants and/or operations / offices of the entity are situated		
Location	Number of plants	Number of offices	Total
National	• 2 Integrated Cement Units • 1 Grinding Unit	• 1 Registered Office • 4 Regional Marketing Offices	8
International	Nil	Nil	-



17. Markets served by the entity -

a. Number of locations

Locations	Number
National (No. of states)	6
International (No. of countries)	Nil

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Nil

c. A brief on types of customers

The company serves a diverse set of customers as mentioned below:

- **Dealers:** The Company appoints dealers in the markets and sells cement through them. Dealers further sell cement to retailers and end consumers. The dealers (wholesalers) sell cement to small retailers who thereafter service the demand of retailer customers. Dealers place orders on the warehouse / plant and supplies are made accordingly. The Company gives discounts / incentives to the dealers both monetary and in kind which are linked to their targets.
- **Retailers:** The Company appoints retailers in the market to whom dealers sell cement. The retailers operate counters (sale outlet) and they service the demand of retail customers in vicinity of their location. Majorly, dealers while placing orders on company specify the Retailer firm to whom the cement is to be delivered (*Ship-to-party*). The Company also offers incentive schemes to retailers to promote its products and create brand pull from customers.
- **As part of its institutional sales (non-trade) strategy** company directly sells to customers depending on their order, size and location. These customers can be Real Estate developers, Infrastructure companies or government departments who consume cement for civil construction activities. Such orders could either be procured directly by company officials or initiated by commission agents. In either case the billing is done by the company directly to the customers.
- **In order to support its sales & marketing activities,** the Company deploys a team of sales personnel for generating business from the dealers and direct customers and gather market information. The Company also deploys customer service executives to provide technical guidance to end users. The Company uses various modes of advertising for sales promotion and brand building.

IV. Employees

18. Details as on March 31, 2023

a. Employees and workers (including differently abled)

S. No. Particulars		Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1	Permanent (D)	667	652	98	15	2
2	Other than Permanent (E)	6	5	83	1	17
3	Total employees (D+E)	673	657	98	16	2
WORKERS						
1	Permanent (F)	329	328	100	1	0
2	Other than Permanent (G)	0	0	-	0	-
3	Total workers (F+G)	329	328	100	1	0



b. Differently abled employees and workers

S. No. Particulars		Total (A)		Male		Female	
		No. (B)		% (B/A)	No. (C)		% (C/A)
DIFFERENTLY ABLED EMPLOYEES							
1	Permanent (D)	1	1	100	0	0	
2	Other than Permanent (E)	0	0	-	0	-	
3	Total differently abled employees (D+E)	1	1	100	0	0	
DIFFERENTLY ABLED WORKERS							
1	Permanent (F)	0	0	-	0	-	
2	Other than Permanent (G)	0	0	-	0	-	
3	Total differently abled workers (F+G)	0	0	-	0	-	

19. Participation / inclusion / representation of women

	Total (A)	No. and percentage of Females	
		No.(B)	%(B/A)
Board of Directors	6	2	33.33
Key Management Personnel	4	0	0

20. Turnover rate for permanent employees and workers

	FY23			FY22			FY21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	17.7	11.76	17.59	11.1	26.3	11.5	5.47	9.52	5.60
Permanent Workers	1.13	0.0	1.13	0.99	0.0	0.99	0.43	0.0	0.43

V. Holding, subsidiary and associate companies (including joint ventures)

21. a. Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of Holding / Subsidiary / Associate Companies / Joint Venture (A)	Indicate whether Holding / Subsidiary / Associate / Joint Venture	% of shares held	Does the entity indicated in column A, participate in the Business Responsibility initiatives of listed entity? (Yes / No)
1	Cementum I B.V. (Holding Company of HCIL)	Holding	69.39	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
(ii) Turnover (in Rs.): INR 22,381 million
(iii) Net worth (in Rs.): INR 14,613.9 million



VII. Transparency and Disclosures Compliances

23. Complaints / grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC)

Complaints / Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes / No)	FY 2022-23		Remarks	FY 2021-22		Remarks
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	
Communities	Yes*	-	-		-	-	
Investors (other than shareholders)	Yes*	-	-		-	-	
Shareholders	Yes*	5	0		2	0	
Employees and workers ¹	Yes*	7	0		13	0	
Customers	Yes*	-	-		-	-	
Value Chain Partners	Yes*	-	-		2	0	
Other (please specify)	Yes*	-	-		-	-	

*The Management has implemented a robust Grievance Redressal Policy, referred to as the Vigil Mechanism / Whistle Blower Policy. This framework includes provisions for addressing various types of grievances. The policy outlines a well-defined process through which complaints can be submitted, following a predetermined methodology to ensure a systematic and fair approach to resolution. The Company has also established Prevention of Sexual Harassment Committee for the purpose of reporting incidents of sexual harassment. Further, Heidelberg Materials group has also established a compliance hotline known as "SpeakUp" which can be used by any employee / vendor of any of the subsidiaries of Heidelberg Materials group to anonymously report compliance incidents. In line with the group policy, HCIL has also extended this facility to its employees / vendors for reporting compliance incidents. The Management encourages employees to give their suggestions for improvement in work culture which fosters harmonious relations.

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Emissions management	Risk	Emissions management is a material risk for any manufacturing enterprise due to its potential impacts on regulatory compliance, reputation, financial performance, and operational continuity. Inadequate management can lead to regulatory penalties, reputational damage, increased costs, and disruptions, making it a critical concern in an environmentally conscious and regulated landscape. Limestone constitutes a primary raw material in cement production and necessitates fossil fuel for its combustion during the manufacturing process. As a result of this process, CO ₂ emissions are generated through both the calcination of limestone and the fuel combustion. Such emissions potentially contribute to global warming, thereby exerting the potential to influence business continuity and even precipitate disruptions.	The Company is meticulously planning and implementing various measures, including transitioning to renewable energy sources, increasing power generation from waste heat recovery generation system and alternative fuels handling & storage facility to increase Thermal Substitution Rate (TSR). The above measures help in reducing CO ₂ emission per tonne of cement produced by the Company.	Negative



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Green Power	Opportunity	The company has recognized opportunities for reduction in carbon footprint and operational costs. Switching over from conventional fossil fuels to green power also helps to comply with Renewable Power Purchase Obligation (RPPO) mandated by the State Governments.	Not applicable	Positive
3	Occupational health & safety	Opportunity	Prioritizing occupational health and safety measures can protect employees, reduce accidents, improve productivity, and enhance the company's reputation as a responsible employer. It also helps in attracting and retaining skilled manpower.	Not applicable	Positive
		Risk	Non-compliance with health and safety regulations can have severe consequences for a company. Furthermore, workplace incidents and illnesses can affect productivity, inflate expenses, and expose the company to legal liabilities. Moreover, such incidents can adversely affect employee morale, impact the company's culture, and make it challenging to retain skilled staff and attract new talent. The Company may also face reputational risk.	The Company is committed to conduct its operations with a "Zero Harm" approach, prioritizing the well-being of all stakeholders and maintaining a safe working environment. This commitment involves stringent safety measures, regular maintenance, and monitoring to ensure safety of workmen. The Company enforces essential "Safety Cardinal Rules," obligating all workers to adhere to safety protocols, including proper use of personal protective equipment and ensuring authorized entry to confined spaces.	Negative
4	Community development	Opportunity	Investing in community development programmes, such as rural infrastructure development, healthcare facilities and educational programs, benefits the local community and also creates a positive impact on the company's brand image. As a responsible corporate citizen, the Company strives to improve the standard of living of the beneficiaries. We are committed to support social and economic development of our neighbouring communities.	Not applicable	Positive



SECTION B: MANAGEMENT AND PROCESS DISCLOSURE

This section demonstrates the structures, policies and processes put in place by the Company towards adopting the NGRBC Principles and their Core Elements.

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

S. No.	Disclosure Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
POLICY AND MANAGEMENT PROCESSES										
1.	a. Whether your entity's policy / policies cover each principle and its core elements of the NGRBCs. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web link of the policies, if available	The Code of Conduct (P1) is available at https://www.mycemco.com/sites/default/files/PDF/Policies/Code_of_Conduct.pdf The CSR Policy (P7) is available at https://www.mycemco.com/sites/default/files/PDF/Policies/CSR_Policy.pdf The other Policies are available on internal portal, which can be easily accessed by employees of the Company.								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners? (Yes / No)	Yes. The Company recognizes the importance of maintaining ethical and sustainable practices throughout value chain, which includes suppliers, dealers, retailers and other associates involved in supporting the production and sale of its cement.								
4.	Name the national and international codes / certifications / labels / standards	The Company benchmarks its practices and processes against national and international standards laid down by the organisations such as - ISO 9000; ISO 14000; OHSAS 18000; ISO 45000; ISO 50000; SA 26000; UNGC Guidelines; GRI Standards; BIS Standards; ILO Principles; GCCA; IGBC GreenPro.								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any	In line with the practices of Heidelberg Materials Group, the Company has also established its Sustainability Commitments 2030 as the foundation of its sustainability strategy, initially introduced in 2017. These commitments have been aligned with the United Nations Sustainable Development Goals (SDGs) ratified in 2015 by the UN General Assembly and adopted by all 193 member states. The SDGs aim to eradicate extreme poverty, address inequalities and protect the planet, encompassing 17 goals to be achieved by 2030.								



S. No.	Disclosure Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
		By aligning with the SDGs, HeidelbergCement India recognizes its role in contributing to the country's efforts to address significant social, economic, and environmental challenges. The company's sustainability targets are harmonized with the group-wide strategies and outlined in its Sustainable Development (SD) Plan 2030, which sets the direction for the next decade. Through this plan, the Company aims to integrate sustainability practices and make a positive impact on society and the environment. As a responsible corporate citizen, the Company is committed to fulfil its share of the global responsibility to contain global warming and at the same time continue to reduce the impact on air, land and water. The Company has set a target to achieve 2°C lower Ambient Temperature in all plants compared to the temperature prevailing a kilometre away. Against the target of 2°C reduction, the Company has achieved a target of 1.8°C reduction. The Company also aims to reduce CO₂ to less than 500 kg per tonne of cement. For commitments, goals and targets relating to Environment, Social and Sustainability, please refer to the Sustainability section of the Company's website. The weblink for which is https://www.mycemco.com/sustainability-development-goals and https://www.mycemco.com/enviroment								
6.	Performance of the entity against	HCIL has established targets and goals to achieve a more sustainable specific commitments, goals and targets business in line with the Sustainability Commitments 2030. These targets are targets reviewed on a regular basis. Please refer to the Sustainability section of the Company at Company's website. The weblink for which is https://www.mycemco.com/enviroment								

GOVERNANCE, LEADERSHIP AND OVERSIGHT

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure).

Being a responsible cement manufacturing Company, we at HeidelbergCement India Limited are committed to the BRSR and ESG principles, inclusive growth, UN Sustainable Development Goals and other commitments of the nation. We are committed to continuously strive for improving our ESG performance by not only mitigating social, environmental negative impacts but also by creating positive externalities through our business operations.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility & Sustainability (BRSR) Policy

Name: Mr. Joydeep Mukherjee

Designation: Managing Director

DIN: 06648469

9. Does the entity have a specified committee of the board / director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details

Name: Mr. Vimal Kumar Jain

Designation: Whole-time Director



10. Details of Review of the National Guidelines on Responsible Business Conduct (NGRBC) by the company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee									Frequency: Annually (A) / Half yearly (H) / Quarterly (Q) / Any other - please specify								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies & follow up action	The Business Responsibility and Sustainability Policies are reviewed periodically on a need basis by the Senior Management of the Company. During the assessment, the efficacy of the policies is reviewed, and necessary changes are implemented wherever necessary.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company is compliant with applicable rules and regulations on an on-going basis.																	

11. Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes / No). If yes, provide name of the agency.

P1	P2	P3	P4	P5	P6	P7	P8	P9
No. The respective functional heads regularly internally evaluate the functioning of the policies based on the inputs received from concerned stakeholders.								

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes / No)								NA	
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes / No)								NA	
The entity does not have the financial or / human and technical resources available for the task (Yes / No)								NA	
It is planned to be done in the next financial year (Yes / No)								NA	
Any other reason (please specify)								NA	

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

This section demonstrates the Company's performance in integrating the Principles and their Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. The essential indicators as mandated by SEBI have been disclosed in this Report; however since the disclosures in respect of leadership indicators are voluntary, the Company has opted not to deal with the leadership indicators in this maiden report.

PRINCIPLE 1 - BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	8	Updates on Sustainability aspects and CSR initiatives undertaken	33.3
Key Managerial Personnel (KMP)	12	Updates on Whistle Blower Mechanism and Code of Conduct for Members of Board and Senior Management	100.0
Employees other than BoD and KMPs	24	Compliance Basics, Code of Conduct, Safety, Competencies, Sustainability, Whistle Blower Policy, Prevention of Sexual Harassment at Workplace	74.7
Workers	7	Skill Upgradation, Safety trainings, Emergency, Hazards, Waste Management, First Aid, Core Values and others	67.3



2. **Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators / law enforcement agencies / judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):**

NIL

3. **Of the instances disclosed in Question 2 above, details of the appeal/revision preferred in cases where monetary or non-monetary action has been appealed.**

Not Applicable

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Heidelberg Materials Group has formulated Anti-Corruption Guidelines and the Company has adopted the same. One of the goals of the Heidelberg Materials Group's compliance programme is to prevent corrupt behaviour by Group companies and employees. Sections 2.3-2.5 of the Code of Business Conduct ("Anticorruption", "Gifts, hospitality and benefits", "Conflicts of interest") set forth general anticorruption principles. This Guideline is part of the Group compliance programme and gives guidance to employees by providing additional details. The Guidelines apply to all companies of Heidelberg Materials Group. This Guideline not only prohibits corrupt practices punishable under relevant penal laws but also addresses conflict of interest issues and prohibits unethical behaviour, even if such conduct is not a punishable criminal offence. This approach is based on the principle that it is important to avoid even the suggestion that a business or governmental decision might have been influenced by the acceptance or granting of an advantage, be it personal or for any third party.

The Company has also implemented a Code of Conduct that requires the employees to act with high standards of personal and professional ethics, integrity and ensure strict compliance with the applicable laws. You can refer to the Code of Conduct - https://www.mycemco.com/sites/default/files/PDF/Policies/Code_of_Conduct.pdf

5. **Number of Directors / KMPs / employees against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption:**

	FY23 (Current Financial Year)	FY22 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. **Details of complaints about conflict of interest**

	FY23 (Current Financial Year)	FY22 (Previous Financial Year)
	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil
Number of complaints received in relation to issues of Conflict of interest of KMPs	Nil	Nil

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest.**

Not Applicable



PRINCIPLE 2 - BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2022-23FY 2021-22		Details of improvements in environmental and social impact
R&D	Nil	Nil	NA
Capex²	25.7%	26.9%	The Company has made capex investments in Alternate Fuels Project at Narsingarh clinker plant and in captive solar power project at Patheria mines. The AFR project has increased consumption of alternate fuels in Kilns and solar power has reduced the dependency on grid power.

- 2 a. **Does the entity have procedures in place for sustainable sourcing? (Yes / No): Yes**

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 proven advantage over conventional road transportation when it comes to reducing carbon footprint and at the same time it reduces logistics cost. In order to optimize and thereby conserve Limestone, the Company has been producing blended cement only, i.e. producing more cement from every ton of clinker it produces. 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 inward transported bulk material are by rail.

The Company has long term agreements with thermal power plants to ensure uninterrupted supply of fly ash. The Company ensures maximum consumption of fly ash including wet fly ash, to the extent possible within the permissible norms laid down by Bureau of Indian Standards.

- b. **If yes, what percentage of inputs were sourced sustainably?**

Yes, for all the major purchases such as coal, petcoke, gypsum, fly ash, sweetener, and equipment spares and services, 100% of the inputs are sourced sustainably. The company utilizes the SAP-Ariba platform as the guided buying, sourcing, and contracting tool, enabling stakeholders to conduct their sourcing activities digitally. Additionally, the company has implemented SAP ERP to ensure a robust procure-to-pay process for all purchases.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste**

- a. The Company produces cement, which is packed in cement bags. These bags are frequently reused to store other construction material.
- b. Our manufacturing process does not produce any e-waste, however, the e-waste produced in the office operations is sold to the registered recyclers.
- c. The Hazardous waste generated in the cement production process, is sold to the registered recyclers or disposers. The incinerable fractions of the hazardous waste are disposed off within the plant kilns itself as per the permissions from State Pollution Control Board.
- d. We are utilising hazardous waste as an alternative fuel and waste / by-products of other industries viz., fly ash, slag, pet coke and red mud as raw materials in our cement manufacturing process.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes. Extended Producer Responsibility (EPR) is applicable to the Company and followed as per the plan submitted to the Pollution Control Board.

Cement bags get recycled during use phase multiple times to store various items. In addition, the company disposes off much higher quantities of plastic wastes (from other industries and municipalities) as compared to the PP bags used by it in cement packaging.

²Efforts made towards Technology Absorption: a. Use of alternative fuels by installation of AFR system. b. Adaptation to best practices and processes of Heidelberg Materials Group under WOK / CIP, thus reaping the benefits of their global expertise.



PRINCIPLE 3 - BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators

1. a. Details of measures for the well-being of employees:

% Of employees covered by											
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
PERMANENT EMPLOYEES											
Male	652	652	100	652	100	NA	-	0	-	0	-
Female	15	15	100	15	100	15	100	NA	-	0	-
Total	667	667	100	667	100	15	100	0	-	0	-
OTHER THAN PERMANENT EMPLOYEES											
Male	NA	NA	-	NA	-	NA	-	NA	-	NA	-
Female	NA	NA	-	NA	-	NA	-	NA	-	NA	-
Total	-	-	-	-	-	-	-	-	-	-	-

b. Details of measures for the well-being of workers:

% Of workers covered by											
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
PERMANENT WORKERS											
Male	328	328	100	328	100	NA	-	0	-	0	-
Female	1	1	100	1	100	1	100	NA	-	0	-
Total	329	329	100	329	100	1	100	0	-	0	-
OTHER THAN PERMANENT WORKERS											
Male	NA	NA	-	NA	-	NA	-	NA	-	NA	-
Female	NA	NA	-	NA	-	NA	-	NA	-	NA	-
Total	-	-	-	-	-	-	-	-	-	-	-

2. Details of retirement benefits for the current and previous financial year

Benefits	FY23				FY22		
	No. of employees covered (as a % of total employee)	No. of workers covered (as a % of total workers)	Deducted & deposited with the authority (Yes / No / NA)		No. of employees covered (as a % of total employees)	No. of workers covered (as a % of total workers)	Deducted and deposited with the authority (Yes / No / NA)
PF	100	100	Yes		100	100	Yes
Gratuity	100	100	Yes		100	100	Yes
ESI	NA	NA	NA		NA	NA	NA

3 Accessibility of workplaces

Are the premises / offices accessible to differently abled employees as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes.

The facilities and premises, both operational and administrative, have been designed to ensure accessibility for employees and workers with any disability.



4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, to the extent possible, the Company strives to provide equal opportunity to persons with disability. However, there is no specific policy in this regard.

5. Return to work and retention rates of permanent employees that took parental leave.

	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	-	-
Female	-	-	-	-
Total	-	-	-	-

Note: None of the employees/workers took parental leave during FY23.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

a. Permanent Employee b. Other than Permanent Employees c. Permanent Workers b. Other than Permanent Workers

The Company has a whistle-blower policy as well as a compliance hotline accessible through Internet and Phone. In addition, there is a committee entrusted with the task of resolution of POSH complaints.

7. Membership of employees in association(s) or unions recognised by the listed entity

Category	FY23			FY22		
	Total employees/workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees/workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	667	0	0	675	0	0
- Female	15	0	0	16	0	0
- Male	652	0	0	659	0	0
Total Permanent Workers	329	329	100	382	382	100
- Female	1	1	100	3	3	100
- Male	328	328	100	379	379	100

8. Details of training given to employees and workers

Category	FY23					FY22				
	Total (A)		On health & safety / wellness measures		On skill upgradation	Total (D)		On health & safety / wellness measures		On skill upgradation
	No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. F	% (F/D)	
EMPLOYEES										
Male	652	337	52	498	76	659	123	19	479	73
Female	15	12	80	6	40	16	6	38	12	75
Total	667	349	52	504	76	675	129	19	491	73
WORKERS										
Male	328	169	52	142	43	379	56	15	188	50
Female	1	0	0	0	0	3	0	0	0	0
Total	329	169	51	142	43	382	56	15	188	49



9. Details of performance and career development reviews of employees and workers

Category	FY23			FY22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
EMPLOYEES						
Male	652	563	86	659	659	100
Female	15	15	100	16	16	100
Total	667	578	87	675	675	100
WORKERS						
Male	328	328	100	379	379	100
Female	1	1	100	3	3	100
Total	329	329	100	382	382	100

10 a. Whether an occupational health and safety management system has been implemented by the entity? (Yes / No). If yes, the coverage such system?

Yes, the Company has implemented an occupational health and safety management system. The system includes safety induction training for new employees, a safety film presentation during induction, height phobia tests for workers required to work at elevated positions, training on behaviour-based safety and specific safety requirements, and regular updates relating to operating procedures. The objectives of these measures is to ensure plant safety, promote a safe working environment, and reduce the risk of accidents and injuries.

Furthermore, all manufacturing plants are certified under ISO 45001:2018 Occupational Health and Safety Management System certified by TUV SUD South Asia Private Limited.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

For the maintenance of a secure cement plant environment, implementation of a comprehensive safety management system is pivotal. This system encompasses risk evaluation and control protocols for all processing activities, a meticulously structured permit system, the use of secure machinery, well-equipped firefighting systems, the upkeep of a clean workspace, regular safety audits, and a skilled and proficient workforce.

Additionally, the Company categorizes hazards in three forms: low hazard, medium hazard, and major hazard.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes / No)

Yes, the Company has processes in place for workers to report work-related hazards and mitigate such risks. In the event of a major hazard, the Company has a protocol where operations are halted immediately, and corrective actions are taken. The initial response involves isolating the hazard to prevent any individuals from approaching it. The area is cordoned off, and the operational team is promptly notified to assess the situation and implement remedial and preventive measures within the specified timeframe. This ensures the safety of all workers and thereby mitigates the risks associated with work-related hazards.

d. Do the employees / workers of the entity have access to non-occupational medical and healthcare services? (Yes / No)

Yes, the plants have medical center, and health services providers for non-occupational needs.

11. Details of safety related incidents

Safety Incident / Number	Category	FY23	FY22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0.2
Total recordable work-related injuries	Employees	0	0
	Workers	0	1
No. of fatalities	Employees	0	0
	Workers	1	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0



12. Describe the measures taken by the entity to ensure a safe and healthy workplace

The Company maintains an unwavering commitment to the safety of its workforce, encouraging employees to diligently adhere to health and safety programs and protocols. Each plant is equipped with a designated plant safety officer. While rare, process-related hazards may arise during operational periods, often resulting from inadvertent unsafe actions.

All manufacturing plants hold ISO 45001:2018 Occupational Health and Safety Management System certification, endorsed by TUV SUD South Asia Private Limited. External safety audits, overseen by TUV auditors, are conducted annually, supplemented by semi-annual internal audits. Furthermore, the Head of Safety conducts plant safety inspections across all facilities on quarterly basis.

For any maintenance work, authorized employees are required to obtain a 'Permit to Work'. It's imperative that all equipment guards and protective measures are in place before closing the permit, as overlooking this step could lead to potential hazards.

To maintain the safety momentum and awareness throughout the year, the Company has adopted the following health and safety initiatives:

- A monthly safety gate meeting
- A monthly safety theme and communication
- Once-a-four-month plant safety star award programme
- Strict adherence to safety cardinal rules
- Safety zone system, hazard identification and risk assessment control measures
- Work permits and procedures
- Safety inspections and audits
- Fire prevention and protection
- Accident and near-miss incident reporting
- Investigation to determine the root cause & Implementation of safety measures

If a near miss or other event occurs at any plant, the incident learnings are shared with all plants so that necessary corrective actions can be taken if a similar risky condition exists in any other plant. If any of the plant's safety cardinal rules are violated, a warning letter is given to the responsible engineer/manager to modify their behaviour and prevent the recurrence of such events.

There are "Safety Cardinal Rules" that must be followed by workers and contractors. To ensure the safety of employees, contractors and third parties, it is compulsory to wear the following Personal Protective Equipment (PPE) within the plant premises and comply with the following Cardinal Rules:

- All personal protective equipment (PPE) required for a specific task must be used correctly.
- Before performing any task, all equipment's are separated from intrinsic energy sources and inspected to verify that it cannot start or move.
- Safeguards must be put in place before the equipment is started or resumed.
- Competent people with work permit signed by the responsible superior could enter confined places.
- All workplace issues are reported and examined to determine the root cause and implement corrective actions and lessons learnt.
- All drivers must follow driving norms in strict compliance with local laws and company regulations.

Further Health & Safety requirements are laid down in the Company's Group guidelines and local documents are available at the plant which are reviewed and revised. Non-compliance with these rules is viewed seriously in all plants.

The Company conducts its business in a way that cause no harm to the people with whom they work with, and endeavours to establish a healthy and safe working.

13. Number of complaints on working conditions and health and safety made by employees and workers

Category	FY23			FY22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-	-	-	-	-
Health & Safety	-	-	-	-	-	-



14. Assessments for the year

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health and safety practices and working conditions.

The Company is implementing the following health and safety action plan to further enhance plant safety culture and ensure safe working environment -

- Inspection of work platforms, toe guards & handrails to ensure compliance with group safety standards
- Audit of process & mechanical equipment's to ensure their fit & proper working condition.
- Audit of Sub-station & Motor Control Center (MCC) Room is being carried out on safety, fire detection, earthing etc., to ensure the compliance with the electrical standards.
- Safety interlock switches (No Guard No Start) with 30KW and above to prevent machine operation without rotating parts protection guards
- Audit of Chemical Handling Safety which ensures that chemicals are labelled, availability of Material Safety Data Sheet (MSDS), Proper storage & training for authorized chemical handling personnel in the plant.
- To conduct Refresher Safety Leadership training for all frontline Engineers / Managers and Refresher "driving safety training" for all the truck drivers.

PRINCIPLE 4 - BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company's stakeholder engagement process begins with defining objectives and scope and adopting the medium for engagement. This is followed by identifying and prioritising the internal and external stakeholders and conducting interaction with various stakeholders' groups such as Employees, Dealers, Retailers, Customers, Suppliers, contractors, Regulatory Authorities, Shareholders, Investors, Analysts and Local Communities. This involvement helps us in understanding their viewpoint and put forth our perspective. On the basis of outcome of interaction, appropriate actions are taken in the interest of all the stakeholders.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Key Stakeholders	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders & Investors	No	Email, Website, Investor Conferences, General Meetings, Stock Exchange, Earnings Calls	Quarterly / Annually and as and when required	Disseminating and sharing of information with shareholders and investors with a view to update and also seek approval of shareholders as may be required from time to time.
Dealers, Retailers & Customers	No	Email, SMS, Advertisements, Social Media, Website, Dealer / Retailer Conferences	Periodic	1. New services and offerings 2. Customer Queries & feedback
Suppliers and Contractors	No	Email, Vendor Interactions, Review Meetings	Periodic	1. Product and service requirement along with commercial terms and conditions 2. Quality Check 3. Performance review of products and services 4. Vendor queries and feedback



Key Stakeholders	Whether identified as Vulnerable & Marginalized Group (Yes / No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Email, WhatsApp, Communication Meeting, Open-house meetings, performance appraisal sessions, training sessions	Periodic	1. Talent development and Training 2. Employee Engagement & Feedback 3. Performance review 4. Sharing regular updates on Company's operational and financial performance 5. Updates on Occupational Health and Safety
Regulatory Authorities / Government Agencies	No	Regulatory filings, Representations and Submissions, websites	Periodic and event-based compliances	1. Regulatory compliance 2. Environmental initiatives 3. Industry feedback and expectations 4. Good Governance Practice
Local Communities	No	Community Meetings, Surveys, Awareness campaigns	Periodic and as when required	1. Educational Initiatives 2. Vocational Courses 3. Rural Infrastructure development 4. Healthcare Facilities 5. Community engagement

PRINCIPLE 5 - BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY23			FY22		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
EMPLOYEES						
Total employees	667	355	53	675	486	72
WORKERS						
Total workers	329	178	54	382	143	37

2. Details of minimum wages paid to employees and workers:

Category	FY23					FY22				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. F	% (F/D)
EMPLOYEES										
Male	652	-	-	652	100	659	-	-	659	100
Female	15	-	-	15	100	16	-	-	16	100
WORKERS										
Male	328	-	-	328	100	379	-	-	379	100
Female	1	-	-	1	100	3	-	-	3	100



3. Details of remuneration / salary / wages, in the following format:

	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remuneration / salary / wages of respective category
Board of Directors (BoD)*	1	2,37,91,634	-	-
KMP	3**	1,18,95,817	-	-
Employees other than BOD & KMP	652	7,83,188	15	8,48,515
Workers	328	5,48,143	1	5,20,332

* Except Mr. Sushil Kumar Tiwari (Whole Time Director upto 9th June 2022) and Mr. Vimal Jain (Whole Time Director wef. 10th June 2022), none of the other Board members were paid any remuneration or salary during FY23.

** The KMPs reported here comprise Whole-time Director, Chief Financial Officer, and Company Secretary.

4. Do you have a focal point (Individual / Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes / No)

Yes, the plant head at each plant location has been assigned the responsibility of addressing human rights impacts or issues caused or contributed to by the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues?

In line with the company's Grievance Redressal Policy, a confidential and anonymous compliance hotline has been implemented for employees as well as suppliers / contractors to report breaches of both social and professional norms. This system operates in tandem with the Vigil Mechanism, designed to ensure appropriate resolution of grievances.

Ensuring an unbiased approach, the Ethics Counsellor and/or the Chairperson of the Audit Committee oversee investigations of Protected Disclosures received under Vigil Mechanism / Whistle Blower Policy. This process underscores the significance of the complainant's rights, confidentiality, cooperation, and timely completion, all while upholding fairness and thwarting any undue interference.

Furthermore, employees have the option to formally register their complaint(s) in writing with POSH committee or directly address their concerns to the chairperson of the committee in respect of sexual harassment incidents.

6. Number of complaints on the following made by employees and workers:

Category	FY23			FY22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	-	-	-	-	-
Discrimination at workplace	1	0	Closed	1	0	Closed
Child Labour	0	-	-	-	-	-
Forced or Involuntary Labour	0	-	-	-	-	-
Wages	0	-	-	-	-	-
Other issues	6	0	Closed	12	0	Closed

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

In order to prevent adverse consequences to the complainant in discrimination and harassment cases, the company has established mechanisms aimed at ensuring a fair and unbiased resolution process. One such mechanism is the inclusion of external members in the decision-making committee. These external members bring an objective unbiased perspective and help maintain the integrity of the proceedings.

In cases where the complaint remains unresolved by the internal POSH committee, the option of litigation is available. This serves as an additional safeguard to protect the rights and well-being of the complainant. Litigation provides a formal avenue for seeking legal remedies and addressing any adverse consequences that may have resulted from the discrimination or harassment.



By incorporating external members, the company demonstrates its commitment to address discrimination and harassment cases thoroughly and transparently. These measures are designed to ensure that the complainant is duly supported and protected against victimisation.

To deal with issues other than Sexual Harassment incidents, Heidelberg Materials Group has established a compliance hotline known as “SpeakUp” which can be used by any employee / vendor of any of the subsidiaries of Heidelberg Materials group to anonymously report compliance incidents. In line with the group policy, HCIL has also extended this facility to its employees / vendors for reporting compliance incidents. This platform ensures that all complaints are heard, recorded and registered with the compliance officer for appropriate action and simultaneously ensuring fairness and confidentiality are maintained. It helps in improving confidence of concerned stakeholders in the organisation and also has a deterrent effect.

8. Do human rights requirements form part of your business agreements and contracts? (Yes / No)

Yes, the Company mandates its suppliers, contractors, and business associates to ensure that they adhere to human rights best practices.

9. Assessments for the year:

	% of offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced / involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others	-

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not applicable

PRINCIPLE 6 - BUSINESS SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators

1. Details of total energy consumption (in joules or multiples) and energy intensity, in the following format:

Parameter	FY23	FY22
Total electricity consumption (A)	8,65,753.55 GJ	9,91,487.55 GJ
Total fuel consumption (B)	91,93,824.99 GJ	11080582.38 GJ
Energy consumption through other sources (C)	2,58,757.87 GJ	2,66,258.38 GJ
Total energy consumption (A+B+C)	1,03,18,336.41 GJ	1,23,38,328.31 GJ
Energy intensity per rupee of turnover (Total energy consumption / turnover in rupees)	461.03 GJ/INR	537.16 GJ/INR

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

The PAT scheme promotes using energy credit instruments through tradable excess energy saving certificates (ESCerts). The Narsingarh plant is a Designated Consumer under the PAT scheme of the government since beginning. During PAT cycle-1, i.e., from 2012 to 2015, the plant surpassed the given target of 0.1257 TOE / Ton and achieved 0.1040 TOE / Ton. This resulted in the accumulation of 18,697 ESCerts from the government. The plant also outperformed during PAT cycle-2 (2016 - 2019) and achieved 0.0855 TOE / Ton against the target of 0.0915 TOE / Ton entitling us to receive 14,424 ESCerts. Thereafter, the PAT cycles 3-6 were not applicable to Narsingarh Plant as a Designated Consumer. Currently, the Narsingarh Plant is under PAT Cycle-7 (2022-2025) with a planned target of 0.0825 TOE / Ton.

Further, our grinding units at Jhansi and Imlai have also participated for the first time in PAT Cycle-6 (2020-2023) with planned targets of 0.0089 TOE / Ton and 0.0104 TOE / Ton respectively. The cycle has recently concluded and the process of verification by the designated authority is underway.



3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY23	FY22
Water withdrawal by source (in kilolitres)		
(i) Surface water	13,15,213	11,55,655
(ii) Ground Water	1,92,971	2,07,206
(iii) Third Party Water	-	-
(iv) Seawater / Desalinated Water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	15,08,184	13,62,861
Total volume of water consumption (in kilolitres)	15,08,184	13,62,861
Water intensity per rupee of turnover (Water consumed / turnover)	67.39 ml/INR	59.33 ml/INR

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes.

Cement Manufacturing is a dry process thus there is no direct utilization of water in manufacturing process. Water is only used for industrial cooling purposes. The company is committed to minimise the impact of business operations on natural water resources through the zero-liquid discharge (ZLD) pledge.

The Company has embraced a sustainable approach by incorporating waste materials from other industries, including blast furnace slag and fly ash, as inputs in the cement manufacturing process. This conscious decision plays a vital role in reducing our dependence on naturally sourced resources and fosters material circularity by repurposing and reusing industrial waste effectively.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY23	FY22
NOx	mg/Nm3	618.30	591
Sox	mg/Nm3	22.60	24
Particulate matter (PM)	mg/Nm3	68.652	66.27
Persistent organic pollutants (POP)	mg/Nm3	4	3.7
Volatile organic compounds (VOC)	mg/Nm3	0.001	0.001
Hazardous air pollutants (HAP)	mg/Nm3	0	0

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY23	Fy22
Total Scope 1 emissions (Break-up of the GHG into CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, if available)	TCO2e	22,01,410.58	25,60,594.08
Total Scope 2 emissions (Break-up of the GHG into CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, if available)	TCO2e	1,70,745.84	1,95,543.38
Total Scope 1 and Scope 2 emissions per rupee of turnover	TCO2e / INR	0.000106	0.000120

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

³Electricity consumption does not include WHR



7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Yes.

Energy management lies at the heart of HCIL's sustainability strategy. The Company strives to reduce its reliance on fossil fuels and transition to renewable energy sources. This Commitment is crucial in minimizing greenhouse gas emissions and promoting environmentally friendly practices. The Company aims to lower air pollutants below average emissions prescribed for the cement industry.

Further, to mitigate climate impact on operations, the Company has implemented a wide range of initiatives and focuses on reduction in emission and adoption of renewable energy. The Company has significantly increased its renewable energy footprint by incorporating solar energy and biomass-based fuels in its operations to mitigate climate impact. Additionally, the plant is equipped with a waste heat recovery system, allowing the company to recover and utilize a significant portion of energy demand. Dedicated plant teams continuously monitor and work to reduce energy consumption and emissions by implementing strategic interventions such as incorporating conveyor belts in the supply chain and retrofitting existing equipment and machinery.

The company commissioned a 5.5 Mega Watt (MW) Solar Power Plant situated in its mining area at Damoh, Madhya Pradesh. This development has enabled the mining operations and clinker plant to receive a reliable supply of electricity. With an estimated annual generation of 10 Gigawatt hours, the solar plant serves as a sustainable alternative to the electricity previously procured through short term open access and from the grid. This initiative aligns with the company's commitment to reducing its carbon footprint and promoting the use of renewable energy sources.

Replacement of fossil fuels with alternative fuels (AFs) in clinker production has led to reduction of greenhouse gas emissions leading to significant expansion of renewable energy footprint. In line with these goals, AFs were introduced in Narsingarh Line 3, initially using biomass from nearby areas. The system handles up to 15t/h of AF, including biomass, RDF (Refuse Derived Fuel), and combustible components of Municipal Solid Waste. This initiative underscores the company's commitment to sustainable practices and innovative energy sourcing.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY23	FY22
Total waste generated (in metric tonnes)		
Plastic waste (A)	6,524	6,743
E-Waste (B)	3.628	6.85
Bio-Medical Waste (C)	0.1192	0.09572
Construction and demolition waste (D)	0	0
Battery Waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	41.82	51.14
Other Non-hazardous waste generated (H). Please specify, if any.	2,012.37	3,367.30
Total (A+B+C+D+E+F+G+H)	8,581.94	10,168.39

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations (safely disposed)	6,524	6,743
Total	6,524	6,743

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	2,057.94	3,425.38
Total	2,057.94	3,425.38

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No



9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company is aligned with the concept of the circular economy and prioritizes waste management by embedding circularity throughout its production processes, including storage, usage, reuse, recycling, and disposal of waste generated at its facilities.

The Company strives to replace hazardous and toxic chemicals in or products with eco-friendly alternatives. The Company utilizes waste materials from other industries, such as blast furnace slag and fly ash, as input materials for cement manufacturing, effectively reducing the reliance on naturally extracted resources and promoting material circularity.

Various types of hazardous and non-hazardous waste are generated at the company's different plants, including used oil, biomedical waste, E-waste, and battery waste. The company has implemented appropriate infrastructure at each site to safely handle, collect, and store the different types of waste until they are sold to registered Central Pollution Control Board (CPCB) / State Pollution Control Board (SPCB) vendors and recyclers.

At the plant level, waste generated at the site is collected through color-coded collection bins. Instead, the company sells its waste to outsourced vendors responsible for the end-to-end handling of the transported waste.

10. If the entity has operations / offices in / around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) Where environmental approvals / clearances are required, please specify details.

Sr. No.	Location of operations / offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
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Not applicable as there are no operations near above-mentioned zones

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in FY 2022-23

Name and brief details of project	EIA Notification Number	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web Links
NA					

12. Is the entity compliant with the applicable environmental law / regulations / guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances.

The Company has duly complied with all the applicable environmental laws / regulations / guidelines applicable from time to time such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and the rules made thereunder.

S No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
NA				

PRINCIPLE 7 - BUSINESS, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

1. a. Number of affiliations with trade and industry chambers / associations.

The company is a member of three trade and industry chambers / associations during FY23.

b. List the top 10 trade and industry chambers / associations (determined based on the total members of such body) the entity is a member of / affiliated to.

S. No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers / associations (State / National)
1	Confederation of Indian Industry (CII)	National
2	Cement Manufacturers' Association (CMA)	National
3	Global Cement and Concrete Association (GCCA), India	National



2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of the Authority	Brief of the case	Corrective Action Taken
Nil	Nil	Nil

PRINCIPLE 8 - BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
NA						

3. Describe the mechanisms to receive and redress grievances of the community.

As a part of the CSR Policy, the HR representative at each plant location meet the representatives of local communities to understand their needs and problems and extend requisite support to the extent possible.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

	FY23	FY22
Directly sourced from MSMEs / small producers	2.44%	2.56%
Sourced directly from within the district and neighbouring districts	33.66%	39.19%

PRINCIPLE 9 - BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

HCIL is a customer centric organisation and has established a highly experienced technical team and a well-defined protocol to efficiently address consumer complaints in a prompt and efficient manner - ranging from the initial receipt of a complaint to its thorough examination, resolution, and subsequent closure.

The Company has a customer service team that provides onsite support and demonstration through a mobile testing van. Additionally, the company has a specialized tool known as 'Dealer Connect', designed to facilitate seamless submission of requests from key dealers. Customers are provided with multiple channels to voice their grievances through mediums such as the official website.

The company's steadfast dedication to ensuring customer satisfaction remains resolute; each complaint is pursued until it attains the pinnacle of customer contentment. This commitment is underscored by the documentation accompanying the resolution of each complaint.

In order to directly engage with customers and gain insights for improvement, the Company has instituted a dedicated Customer Care Centre. This platform enables the Company to address the grievances of customers and provide feedback, thereby ensuring that the complaints are closed to the fullest customer satisfaction leading the Company with an invaluable opportunity to grasp customer sentiment and pinpoint areas requiring attention. This insight subsequently guides the company in devising optimal strategies for assistance and enhancement.



2. Turnover of products and / services as a percentage of turnover from all products / service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product, Safe and responsible usage, Recycling and / or safe disposal	The Company's products adhere to all applicable statutory parameters

3. Number of consumer complaints:

	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	NA		0	NA	
Advertising	0	NA		0	NA	
Cyber-security	0	NA		0	NA	
Delivery of essential services	NA	NA		NA	NA	
Restrictive Trade Practices	0	NA		0	NA	
Unfair Trade Practices	0	NA		0	NA	
Other	0	NA		0	NA	

4. Details of instances of product recalls on accounts of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

5. Does the entity have a framework / policy on cyber security and risks related to data privacy? (Yes / No) If available, provide a web-link of the policy.

Yes. The data privacy policy is available on the Company's website at <https://www.mycemco.com/data-protection>

6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Since there are no complaints, there was no need for any corrective action. However, we always strive to ensure that the best quality products are delivered to our customers and ensure all feedback from our stakeholders is considered in our business processes.



REPORT ON CORPORATE GOVERNANCE

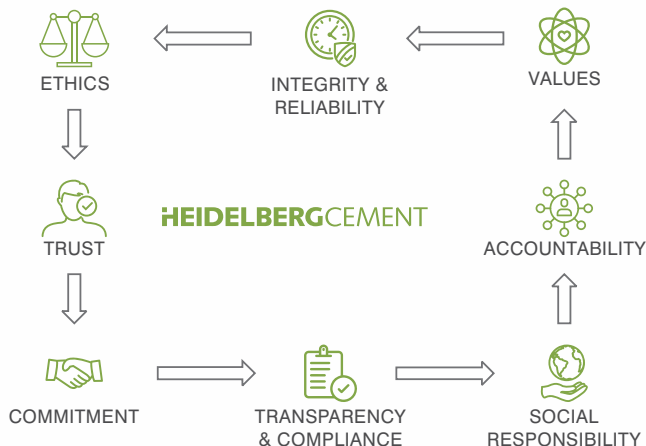
CORPORATE GOVERNANCE PHILOSOPHY

The Company believes that ethics, values, compliance and transparency are the foundation of good Corporate Governance, which earns the confidence of our stakeholders, customers and society. The Company believes in maintaining high ethical and legal standards as a part of its Corporate Governance measures and remains committed to the principles of integrity and fairness.

The Company is a part of the Heidelberg Materials Group and over the years has earned the distinction of being a good corporate citizen riding on the principles of honesty, integrity and sound governance. The Company's philosophy of Corporate Governance is to continue enhancing the satisfaction of its stakeholders and overall corporate value, while balancing economic, social, and commercial value(s).

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.

Corporate Governance at HeidelbergCement India Limited



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 31 March 2023, are as follows:

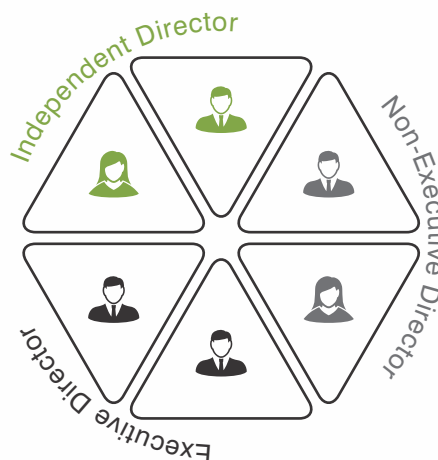
BOARD OF DIRECTORS

Size & Composition of the Board

The Board has an optimum combination of Executive and Non-Executive Directors including Independent Directors. As on 31 March 2023, the Company's Board comprised of six Directors out of which four were Non-Executive Directors (including an Independent Director and an Independent Woman Director) and two Executive Directors (a Managing Director and a Whole-time Director). None of the Directors of the Company are related to each other. The Chairman of the Board is an Independent Director. Separate persons have been appointed by the Company to the post of Chairman and Managing Director.

The composition of the Board as on 31 March 2023 is in conformity with Regulation 17 and 17A of the SEBI Listing Regulations.

Board Size & Composition



The Composition and Category of the Board of Directors and number of other directorships and committee positions held in other companies as on 31 March 2023 is given below:

Sr. No.	Name of the Director	Category of directorship in other Listed Companies	Name(s) of other Indian Listed Companies in which director holds directorship	No. of outside Directorship(s) in other Limited Companies*	No. of outside Committee positions held**	
					Membership	Chairpersonship
1	Mr. Ramakrishnan Ramamurthy DIN: 00680202 Chairman and Non-Executive Independent Director	-	-	-	-	-
2	Ms. Jyoti Narang DIN: 00351187 Non-Executive Independent Woman Director	-	-	1	1	-
3	Mr. Kevin Gerard Gluskie DIN: 07413549 Non-Executive Director	-	-	2	-	-
4	Ms. Soek Peng Sim DIN: 06958955 Non-Executive Director	-	-	2	-	-
5	Mr. Jamshed Naval Cooper® DIN: 01527371 Managing Director	-	-	2	-	-
6	Mr. Vimal Kumar Jain# DIN: 09561918 Whole-time Director	-	-	1	-	-

* Directorships in Private Limited Companies, Foreign Companies and Companies governed by section 8 of the Companies Act, 2013 are excluded for this purpose.

** Only Audit Committee and Stakeholders' Relationship Committee have been considered for the purpose of the Committee positions as per SEBI Listing Regulations.

@Mr. Jamshed Naval Cooper resigned from the position of Managing Director with effect from the close of business hours on 31 March 2023 and Mr. Joydeep Mukherjee (holding DIN: 06648469) has been appointed as new Managing Director of the Company for a term of three years with effect from 01 April 2023.

Mr. Sushil Kumar Tiwari was Whole-time Director of the Company and on his retirement on 09 June 2022, Mr. Vimal Kumar Jain was appointed as Whole-time Director with effect from 10 June 2022.

Number of Board Meetings

During the financial year ended 31 March 2023, the Board of Directors met four times i.e., on 20 May 2022, 18 July 2022,

17 October 2022 and 13 February 2023. The maximum time gap between any two consecutive board meetings was less than 120 days.

Attendance of Board of Directors at the Board Meetings and last Annual General Meeting of the Company along with number of shares/convertible instruments held by them as on 31 March 2023:

Sr. No.	Name of the Director	Dates of Board Meetings held and attended during FY23				Total Board Meetings held during their tenure	Total Board Meetings attended during their tenure	Last Annual General Meeting held on 08-09-22	Number of equity shares held in the Company
		20 May 2022	18 July 2022	17 October 2022	13 February 2023				
1	Mr. Ramakrishnan Ramamurthy	✓	✓	✓	✓	4	4	✓	Nil
2	Ms. Jyoti Narang	✓	✓	✓	✓	4	4	✓	Nil
3	Mr. Kevin Gerard Gluskie	✓	✓	✓	✓	4	4	x	Nil
4	Ms. Soek Peng Sim	✓	✓	X	✓	4	3	x	Nil
5	Mr. Jamshed Naval Cooper	✓	✓	✓	✓	4	4	✓	Nil
6	Mr. Sushil Kumar Tiwari#	✓	N.A.	N.A.	N.A.	1	1	N.A.	Nil
7	Mr. Vimal Kumar Jain@	N.A.	✓	✓	✓	3	3	✓	Nil

✓ Attended x Not Attended

Retired from the position of Whole-time Director with effect from close of business hours on 09 June 2022

@ Appointed as Whole-time Director of the Company with effect from 10 June 2022



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.

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.

Key skills, expertise and competencies of Board Members

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

Sr. No.	Areas of skills, expertise and competency	Brief Description
1	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.
2	Financial skills	Understanding the financial statements, internal financial controls, risk management, budgeting, mergers and acquisition, etc.
3	Industry / Technical Knowledge	Experience in manufacturing sector, Quality, Safety, Project Management, Technical know-how resulting in continuous improvement, knowledge of how to anticipate technological trends, adapt to the market developments etc.
4	Sales & Marketing	Experience in developing strategies to increase sales and market share, build brand awareness and enhance enterprise reputation based on the understanding of dynamics of cement industry.

Skills, expertise and competencies possessed by the Individual Directors of the Company:

Sr. No.	Name of the Director	Skills, Expertise and Competencies			
		General Management / Governance	Financial skills	Industry / Technical Knowledge	Sales & Marketing
1	Mr. Ramakrishnan Ramamurthy	√	√	√	√
2	Ms. Jyoti Narang	√	√	-	√
3	Mr. Kevin Gerard Gluskie	√	√	√	-
4	Ms. Soek Peng Sim	√	√	√	-
5	Mr. Jamshed Naval Cooper*	√	√	√	√
6	Mr. Vimal Kumar Jain	√	-	√	-
7	Mr. Joydeep Mukherjee*	√	√	√	√

*Mr. Joydeep Mukherjee appointed as Managing Director w.e.f. 01 April 2023 in place of Mr. Cooper.

Familiarisation programmes for Board Members

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

At the time of appointment, an Independent Director is given a formal letter of appointment describing the role,

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

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



Declaration of Independent Directors

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

The Board of Directors after verifying the veracity of aforesaid declarations, have confirmed that the Independent Directors fulfill the conditions of independence specified in the Companies Act, 2013, SEBI Listing

Regulations and that they are Independent of the management of the Company.

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 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.

The Composition of all Board level Committees as on 31 March 2023 was as follows:

Sr. No.	Name of the Director	Audit Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Nomination & Remuneration Committee	Risk Management Committee*
1	Mr. Ramakrishnan Ramamurthy					
2	Ms. Jyoti Narang					
3	Mr. Kevin Gerard Gluskie	-	-	-		-
4	Ms. Soek Peng Sim		-	-	-	-
5	Mr. Jamshed Naval Cooper**	-			-	
6	Mr. Vimal Kumar Jain	-	-		-	-

 Chairperson  Member

* Mr. Anil Kumar Sharma, Chief Financial Officer and Chief Risk Officer of the Company is also a member of Risk Management Committee.

** With effect from 01 April 2023, Mr. Joydeep Mukherjee has become a member of Stakeholder's Relationship Committee, Corporate Social Responsibility Committee and Chairman of Risk Management Committee in place of Mr. Jamshed Naval Cooper.

Audit Committee

The Audit Committee of the Company met four times during FY23. 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 composition as well as terms of reference of the Audit Committee are in line with the provisions of the Companies Act, 2013 and SEBI Listing Regulations.

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

Sr. No.	Name of the Member	Dates of Meeting of Audit Committee held and attended during FY23				Total Meetings held during their tenure	Total Meetings attended during their tenure
		20 May 2022	18 July 2022	17 October 2022	13 February 2023		
1	Ms. Jyoti Narang	✓	✓	✓	✓	4	4
2	Mr. Ramakrishnan Ramamurthy	✓	✓	✓	✓	4	4
3	Ms. Soek Peng Sim	✓	✓	×	✓	4	3

✓ Attended

× Not Attended

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

The Company Secretary acts as the Secretary to the Committee. The Managing Director, Chief Financial Officer and the representative(s) of the Statutory Auditors and the Internal Auditors are invited to attend the meetings of the Audit Committee. The Internal Auditors of the Company report directly to the Audit Committee on half yearly basis.

The Statutory Auditors of the Company have expressed an unmodified opinion on the financial statements of the Company for FY23.

The Chairperson and all the other members of Audit Committee possess accounting and financial management expertise.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee of the Company met four times during FY23 to take note of shareholders' grievances and to review other matters relating to investors' servicing. The terms of reference of the Committee are available on the website of the Company, www.mycemco.com.

The details of attendance of the members of the Stakeholders' Relationship Committee are given below:

Sr. No.	Name of the Member	Dates of Meeting of Stakeholders' Relationship Committee held and attended during FY23				Total Meetings held during their tenure	Total Meetings attended during their tenure
		20 May 2022	18 July 2022	17 October 2022	13 February 2023		
1	Mr. Ramakrishnan Ramamurthy	✓	✓	✓	✓	4	4
2	Ms. Jyoti Narang	✓	✓	✓	✓	4	4
3	Mr. Jamshed Naval Cooper	✓	✓	✓	✓	4	4

✓ Attended

x Not Attended

Mr. Rajesh Relan, Senior Vice President - Corporate Affairs & Company Secretary is the Compliance Officer of the Company and also acts as Secretary to the Committee. During the period under review five complaints were received and resolved. There was no pending investor complaint as on 31 March 2023.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of the Company met twice during FY23. 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:

Sr. No.	Name of the Members	Dates of Meeting of Corporate Social Responsibility Committee held and attended during FY23		Total Meetings held during their tenure	Total Meetings attended during their tenure
		20 May 2022	17 October 2022		
1	Mr. Ramakrishnan Ramamurthy	✓	✓	2	2
2	Ms. Jyoti Narang	✓	✓	2	2
3	Mr. Jamshed Naval Cooper	✓	✓	2	2
4	Mr. Sushil Kumar Tiwari#	✓	N.A.	1	1
5	Mr. Vimal Kumar Jain@	N.A.	✓	1	1

✓ Attended

x Not Attended

Retired from the position of Whole-time Director with effect from close of business hours on 09 June 2022

@ Appointed as Whole-time Director of the Company with effect from 10 June 2022

Risk Management Committee

The Risk Management Committee of the Company met thrice during FY23. 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 Risk Management Committee are given below:

Sr. No.	Name of the Member	Dates of Meeting of Risk Management Committee held and attended during FY23			Total Meetings held during their tenure	Total Meetings attended during their tenure
		18 July 2022	17 October 2022	13 February 2023		
1	Mr. Jamshed Naval Cooper	✓	✓	✓	3	3
2	Mr. Ramakrishnan Ramamurthy	✓	✓	✓	3	3
3	Ms. Jyoti Narang	✓	✓	✓	3	3
4	Mr. Anil Kumar Sharma	✓	✓	✓	3	3

✓ Attended

x Not Attended

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company met three times during FY23. The terms of reference of the Committee are in line with the provisions of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013 and the Rules made 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:

Sr. No.	Name of the Member	Dates of Meeting of Nomination and Remuneration Committee held and attended during FY23			Total Meetings held during their tenure	Total Meetings attended during their tenure
		20 May 2022	17 October 2022	13 February 2023		
1	Ms. Jyoti Narang	✓	✓	✓	3	3
2	Mr. Ramakrishnan Ramamurthy	✓	✓	✓	3	3
3	Mr. Kevin Gerard Gluskie	✓	✓	✓	3	3

✓ Attended

x Not Attended

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 linked incentives are decided through a structured performance management system, which takes into account criticality of the roles and responsibilities, employees' competencies

and performance, the Company's performance vis-à-vis the achievement of annual operating plan, individual's performance vis-à-vis Key Performance Indicators (KPIs), industry benchmark and current compensation trends in the market. The said Policy has been posted on website of the Company and the web link to access the said policy is as follows:

https://www.mycemco.com/sites/default/files/PDF/Policies/Nomination_and_Remuneration_Policy.pdf

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, a Performance Evaluation Policy has been formulated containing the criteria and methodology for facilitating performance evaluation of the Board as a whole, Committees of the Board and the directors individually. In accordance with the criteria contained in the said Policy, the Board has carried out performance evaluation of its own performance, its Committees and the Independent Directors. The Nomination and Remuneration Committee has also evaluated the performance of all the Directors.

The performance evaluation of the Chairman 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.

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

The sitting fee payable to Non-Executive Independent Directors for attending the meetings is given below: (Amount in INR)

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



Sitting fee paid to Non-Executive Independent Directors during FY23

Name of the Director	Board Meetings	Audit Committee Meetings	No. of meetings attended Stakeholders' Relationship Committee Meetings	Nomination and Remuneration Committee Meetings	Corporate Social Responsibility Committee Meetings	Risk Management Committee Meetings	Meeting of Independent Directors	Sitting fees paid from 01.04.2022 to 31.03.2023*
Mr. Ramakrishnan Ramamurthy	4	4	4	3	2	3	1	18,40,000
Ms. Jyoti Narang	4	4	4	3	2	3	1	18,40,000

*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.

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 31 March 2023.

Remuneration of Whole-time Director

The details of the Remuneration paid to Mr. Sushil Kumar Tiwari and Vimal Kumar Jain, Whole-time Director, during FY23 are given below: (INR)

Particulars	Mr. Sushil Kumar Tiwari*	Mr. Vimal Kumar Jain**
Basic Salary	14,16,478	52,44,171
Perquisites & Allowances	22,20,819	62,32,327
Variable Pay#	54,29,928	22,36,162
Contribution to PF and Superannuation Fund	3,82,449	6,29,300
Total	94,49,674	1,43,41,960

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.

*Remuneration paid from 01 April 2022 to 09 June 2022

**Remuneration paid from 10 June 2022 to 31 March 2023

The Company does not pay any sitting fee / commission / remuneration to Mr. Jamshed Naval Cooper, Managing Director. The remuneration of Mr. Cooper was directly paid by Heidelberg Materials AG, the ultimate holding company and thus it does not impact the P&L Account of the Company. The Company does not have any Stock Option Scheme.

The notice period of Whole-time Director is three months and for Managing Director is six months.

Meeting of Independent Directors

During FY23, the Independent Directors of the Company met on 13 February 2023 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 31 March 2023 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 financial statements 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 Regulations. A statement containing details of all the related party transactions is placed before the Audit Committee on a quarterly basis, specifying the nature and value of the transactions.

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

https://www.mycemco.com/sites/default/files/PDF/Policies/Related_Party_Transaction_Policy.pdf

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 financial statements presented in the Annual Report. All the Directors have disclosed their interest in Form MBP-1 pursuant to Section 184 of the Companies Act, 2013 and Rules made thereunder and as and when any changes in their interests take place, they are placed at the following Board Meeting for taking the same on record.

The Board of Directors of the Company annually review the adoption of the 'discretionary requirements' as specified in Part E of Schedule II of SEBI Listing Regulations.



Management Discussion and Analysis

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

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 FY23 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 FY23, no complaint was received by the Company in this regard.

Disclosure of Accounting Treatment in preparation of Financial Statements

The Company has adopted Indian Accounting Standards (Ind-AS) since 1st April 2016. The financial statements of the Company for the financial year ended 31 March 2023 as well as for 31 March 2022 presented in this Annual Report have been prepared in accordance with the Indian Accounting Standards.

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

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

Certificate from Practicing Company Secretary

A certificate of Mr. Nityanand Singh (CP No. 2668), Practicing Company Secretary issued in compliance with Part C of Schedule V of the SEBI Listing Regulations, certifying that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company is enclosed to this Report.

Risk Management

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

Means of Communication

The quarterly and annual financial results are usually published in the English and Hindi editions of Business Standard. The Quarterly / Annual Financial Results, Shareholding Patterns, Annual Reports, Corporate Announcements etc., are displayed on the websites of the Stock Exchanges (BSE & NSE), as well as on the Company's website - www.mycemco.com 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 and audio recordings of earnings' call and other useful information as required to be displayed pursuant to Regulation 46(2) of the SEBI Listing Regulations.

Recommendations made to the Board of Directors by its Committees

There was no instance during the financial year 2022-23, 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 6.0 million, comprising audit fee of INR 5.7 million and reimbursement of expenses of INR 0.3 million, to its statutory auditor, M/s. S.N. Dhawan & Co. LLP for carrying-out statutory audit for the financial year 2022-23 and providing related services. The Company has not engaged any other firm / entity which is part of network of M/s. S.N. Dhawan & Co. LLP.



GENERAL SHAREHOLDERS INFORMATION:

DIRECTORS

Change of Whole-time Director

Mr. Sushil Kumar Tiwari retired from the position of Whole-time Director of the Company with effect from close of business hours on 09 June 2022. The Board places on record its appreciation for the valuable services rendered by Mr. Tiwari during his tenure as Whole-time Director of the Company.

Based on the recommendation of Nomination and Remuneration Committee, the Board of the Directors had approved the appointment of Mr. Vimal Kumar Jain (DIN: 09561918) as Whole-time Director for a term of three years from 10 June 2022 to 09 June 2025 in place of Mr. Sushil Kumar Tiwari. The shareholders of the Company at the last AGM held on 08 September 2022 had also approved the appointment Mr. Vimal Kumar Jain (DIN: 09561918) as Whole-time Director of the Company.

Change of Managing Director

The Board of Directors of the Company at its meeting held on 13 February 2023 deliberated on the request of Mr. Jamshed Naval Cooper (DIN-01527371) with respect to his retirement from the position of Managing Director and relieving him prior to the end of his third term. The Board after considering the request of Mr. Cooper, accepted his resignation and decided to relieve him from the position of

Managing Director with effect from close of business hours on 31 March 2023.

The Board has placed on record its appreciation for the valuable services and support provided by Mr. Cooper as Managing Director of the Company.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors had approved the appointment of Mr. Joydeep Mukherjee (DIN-06648469) as new Managing Director for a term of three years from 01 April 2023 to 31 March 2026 in place of Mr. Jamshed Naval Cooper.

The Board also recommended the resolutions to be passed by the shareholders for appointment of Mr. Joydeep Mukherjee as Managing Director of the Company, which was duly passed by the shareholders through postal ballot on 27 April 2023.

Retirement by rotation

Ms. Soek Peng Sim, Director 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.

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 / Mode	Details of Special Resolutions passed at AGM
31.3.2022	08.09.2022, 11.00 A.M.	Through Video Conference / Other audio-visual means	For appointment of Mr. Vimal Kumar Jain (holding DIN: 09561918) as Whole-time Director of the Company from 10 June 2022 till 09 June 2025 in place of Mr. Sushil Kumar Tiwari.
31.3.2021	27.09.2021, 11.00 A.M.	Through Video Conference / Other audio-visual means	For reappointment of Mr. Sushil Kumar Tiwari (holding DIN 03265246) as Whole-time Director of the Company from 10 June 2021 till 09 June 2022.
31.3.2020	18.09.2020, 10.00 A.M.	Through Video Conference / Other audio-visual means	For giving a term Loan of INR 1500 million to Zuari Cement Limited (a fellow subsidiary) for setting-up of Waste Heat Recovery Project at its Yerreguntla Plant.

Mr. Ramakrishnan Ramamurthy (Chairman of the Board, Stakeholder's Relationship Committee and Corporate Social Responsibility Committee), Ms. Jyoti Narang (Chairperson of Audit Committee and Nomination and Remuneration Committee), Mr. Jamshed Naval Cooper, Managing Director and Mr. Vimal Kumar Jain, Whole-time Director of the Company were present at the last AGM held on 08 September 2022.

Postal Ballot

During FY23, the following two resolutions were proposed to its members by way of a Postal Ballot Notice dated 13 February 2023:

1. Ordinary resolution for appointment of Mr. Joydeep Mukherjee (DIN: 06648469) as a Director of the Company.
2. Ordinary resolution for appointment of Mr. Joydeep Mukherjee as Managing Director of the Company.



Details of the voting pattern, was as under:

Resolutions	Total No. of Votes polled	No. of Votes Cast in Favour of the Resolution	No. of Votes Cast against the Resolution	% of Votes cast in Favour on Votes polled	% of Votes cast against on Votes polled
Appointment of Mr. Joydeep Mukherjee (DIN: 06648469) as a Director of the Company	19,31,23,988	19,17,42,883	13,81,105	99.2849	0.7151
Appointment of Mr. Joydeep Mukherjee as Managing Director of the Company	18,50,29,366	17,02,68,546	1,47,60,820	92.0224	7.9776

Procedure for Postal Ballot

The postal ballot was conducted in accordance with the provisions of Section 108 and 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014, General Circular Nos. 14/2020 dated 08 April 2020, 17/2020 dated 13 April 2020, 20/2020 dated 05 May 2020, 22/2020 dated 15 June 2020, 33/2020 dated 28 September 2020, 39/2020 dated 31 December 2020, 10/2021 dated 23 June 2021, 20/2021 dated 08 December 2021, 3/2022 dated 05 May 2022 and 11/2022 dated 28 December 2022, issued by the Ministry of Corporate Affairs, Government of India (the "MCA Circulars"), Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Shareholders were provided the facility to vote through Postal Ballot only by means of remote e-voting. The Postal Ballot Notice along with the Explanatory Statement was sent through e-mail to the members whose names appeared on the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), as on the Cut-off date i.e., 17 March 2023. The Company also published a notice in the newspapers as required under the Companies Act,

2013 and MCA Circulars. Shareholders holding equity shares as on the cut-off date casted their votes through remote e-voting during the remote e-voting period. After closing of the remote e-voting period, the scrutinizer prepared a report and submitted the same to the Chairman / person authorised by the Board of Directors and the results of voting by postal ballot were announced on 28 April 2023. The results are displayed on the website of the Company (www.mycemco.com), and communicated to the Stock Exchanges, Depositories, and Registrar and Share Transfer Agents. The resolutions contained in the Notice of Postal Ballot were deemed to be passed on the last date specified for e-voting for the postal ballot voting process i.e., Thursday, 27 April 2023.

Person who conducted the Postal Ballot exercise

The Board of Directors of the Company had appointed Mr. Nityanand Singh, Company Secretary in Whole-time Practice (FCS No.: 2668, CP No.: 2388) as a Scrutinizer to scrutinize and to conduct the postal ballot e-voting process in a fair and transparent manner.

Results of the Postal Ballot were submitted to Stock Exchanges on 28 April 2023 and also posted on the website of the Company, viz. <https://www.mycemco.com/>

Whether any Special Resolution is proposed to be passed through Postal Ballot

No special resolution is proposed to be passed through Postal Ballot.

Annual General Meeting

Date : 27 September 2023

Day : Wednesday

Time : 11.00 A.M.

Venue : Through Video Conferencing Facility or Other Audio-Visual Means

Dividend: The Board of Directors has recommended Dividend of INR 7 per equity share of INR 10 each (70%) for FY23 subject to the approval of the shareholders in the ensuing AGM. The dividend, after declaration at AGM, will be paid to the shareholders within 30 days from the date of AGM.

Record date: 20 September 2023 for the purpose of AGM and 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.	

Financial Calendar for FY2023-24

Proposed Board Meetings for approving quarterly financial results for the financial year 2023-24 are as under:

Approval of the financial results for the quarter ending 30 June 2023, 30 September 2023 and 31 December 2023.	Within 45 days from the end of the respective quarter.
Audited financial results for financial year ending 31 March 2024.	Within 60 days from the end of the financial year.
AGM for the financial year ending 31 March 2024.	August / September 2024.

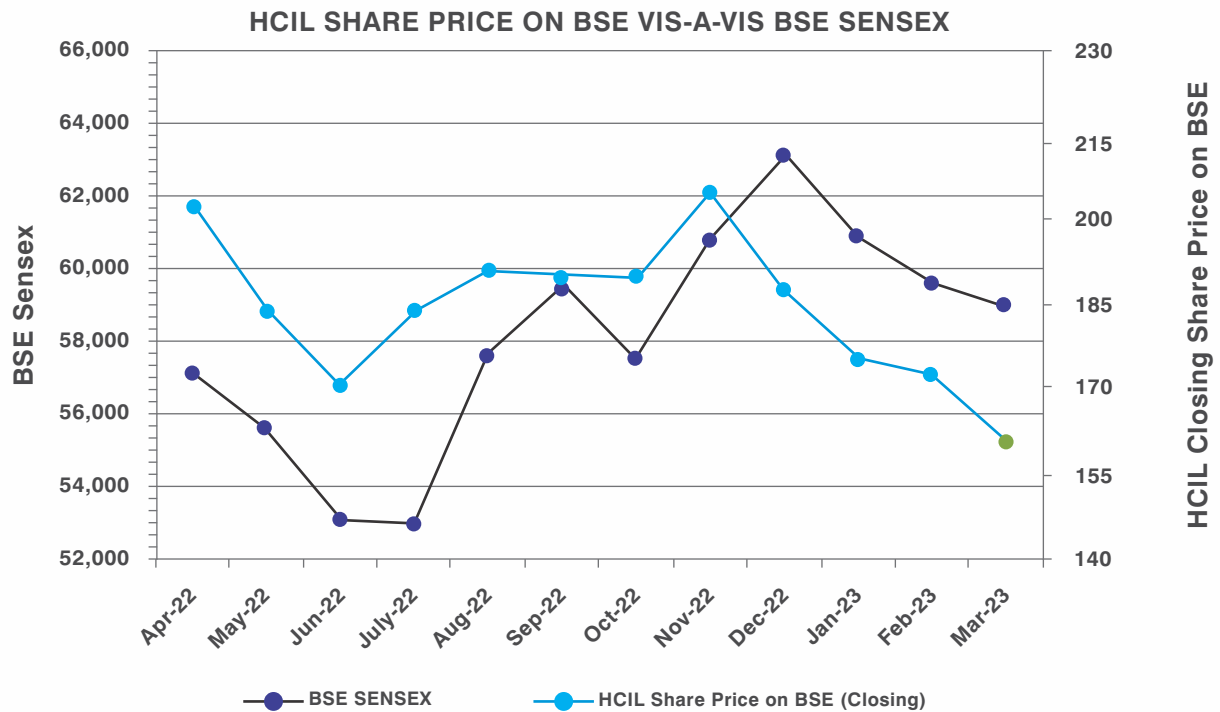
Share Price Data

Share Price of HeidelbergCement India Ltd. at BSE & NSE during the financial year ended 31 March 2023 is given below:

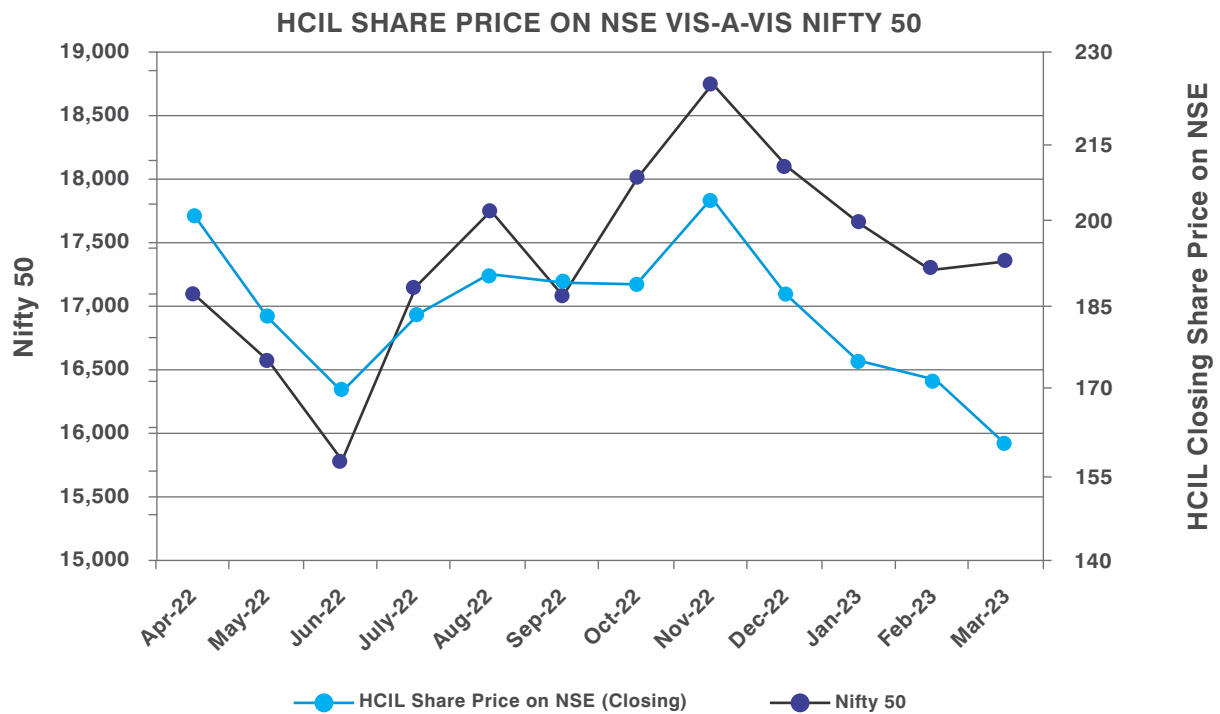
Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Close (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)
April 22	214.15	190.50	202.00	214.40	189.60	201.50
May 22	203.25	175.50	183.40	203.30	175.00	183.35
June 22	188.25	164.00	170.50	189.90	164.00	170.40
July 22	184.55	167.00	183.70	184.30	168.10	183.65
August 22	198.80	184.40	190.80	198.80	185.00	190.75
September 22	232.90	182.15	189.50	232.95	182.50	189.45
October 22	214.95	180.70	189.65	215.00	180.70	189.10
November 22	211.60	191.35	204.60	211.95	191.10	204.40
December 22	210.55	175.70	187.50	211.00	175.90	187.50
January 23	194.00	166.70	175.25	194.00	166.10	175.35
February 23	180.65	155.65	172.20	180.70	155.30	171.95
March 23	175.00	152.60	160.65	175.95	152.75	160.95



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



Comparison of Share Price of HeidelbergCement India Ltd. with Nifty 50



Shareholding Pattern as on 31 March 2023

Category	No. of Equity Shares	% of Equity shareholding
Promoters (Foreign Body Corporate)	157244693	69.39
Mutual Funds	14739443	6.50
Financial Institutions & Banks	6457	0.00
Central /State Government	328440	0.14
Insurance Companies	8589797	3.79
Foreign Portfolio Investors	10801875	4.77
Alternative Investment Funds	75000	0.03
NBFCs registered with RBI	2100000	0.93
NRIs and Foreign National	1556943	0.69
Bodies Corporate	3323521	1.47
Trusts	50504	0.02
Resident Individuals	26638635	11.76
Clearing members	23788	0.01
HUFs	1134020	0.50
Total	226,613,116	100.00

Distribution Schedule of Equity Shares as on 31 March 2023

No. of equity shares of Rs. 10 each	No. of shareholders*	% of shareholders	No. of shares held	% of shareholding
1-500	94543	92.04	8702955	3.84
501-1000	4357	4.24	3521510	1.55
1001-2000	1988	1.94	3012920	1.33
2001-3000	648	0.63	1656015	0.73
3001-4000	274	0.27	981803	0.43
4001-5000	229	0.22	1091674	0.48
5001-10000	350	0.34	2602135	1.15
10001 and above	333	0.32	205044104	90.48
Total	102722	100.00	2,26,613,116	100.00

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

Dematerialisation of shares / liquidity / unclaimed shares

The Equity Shares of the Company are actively traded at BSE and NSE in dematerialised form only. International Securities Identification Number (ISIN) for both the depositories, viz., NSDL and CDSL is INE578A01017. As on 31 March 2023, 99.53% 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.

Share Transfer System

The SEBI Listing Regulations prohibit transfer of shares in physical form and as such the Company does not entertain any request for transfer of shares. In view of the aforesaid

amendment transfer of shares is possible only in dematerialized form.

Nomination Facility

As per the provisions of Section 72 of the Companies Act, 2013 read with SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2023/37 dated 16 March 2023, facility for making nomination is available for the members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form (Form SH-13), from the Company's RTA or download the same from the Company's website through the weblink at <https://www.mycemco.com/investor-information>.

Members who still hold shares in physical form are advised that SEBI has made it mandatory for all holders and claimants of physical securities to furnish their PAN(duly linked with Aadhaar) to the Companies/RTA, failing which all such physical folios shall stand frozen with effect from the date as may be specified by SEBI.



The Company has already sent individual letters to all the members holding shares of the Company in physical form for furnishing their PAN, KYC and Nominee details. The aforesaid circular and necessary forms in this regard have been made available on the website of Company's RTA as well as on the Company's website at <https://www.mycemco.com/investor-information>. The members may update their KYC details (including PAN) by downloading Form ISR-1 from the aforesaid link.

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

Outstanding warrants and their implications on equity

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

The Company has not raised any funds through preferential allotment of shares or through qualified institutional placement during FY23.

Compliance Confirmations

- There was no non-compliance of any of the requirements prescribed under sub-paras (2) to (10) of Schedule V Part C of the SEBI Listing Regulations.
- The Company has complied with the requirements prescribed under Regulation 17 to 27 and clauses (b) to

(i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations. A certificate to this effect from M/s. Nityanand Singh & Co, Practicing Company Secretaries [FCS No. 2668 and CP No. 2388] is enclosed with this Report.

- No funds have been raised by the Company through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).
- No funds have been raised by the Company through issuance of Debt instruments and/or Fixed Deposits and as such credit rating is not required.

Loans and Advances

During FY23, the Company has not given any fresh loan to firms / companies in which directors are interested.

Compliance with mandatory requirements

The Company is compliant with all applicable mandatory requirements of the SEBI Listing Regulations. Quarterly compliance report on corporate governance, in the prescribed format is submitted to the Stock Exchanges after the end of each quarter.

Commodity price risk or foreign exchange risk and hedging activities

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

Addresses for correspondence

Registered Office:

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

Registrar & Share Transfer Agents:

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

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 31 March 2023.

Place: Gurugram
Date: 29 May 2023

Joydeep Mukherjee
Managing Director



CORPORATE GOVERNANCE CERTIFICATE

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 31st March 2023, as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

**Place: New Delhi
Date: 29 May 2023**

**Nityanand Singh (Prop.)
FCS No.: 2668 / CP No.: 2388
UDIN: F002668E000403585
Peer Review Certificate No.: 1188/2021**



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members of HEIDELBERGCEMENT INDIA LIMITED

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) 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 ending on **31st March 2023** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or by any other such Statutory Authority.

S. No.	Name of the Director	DIN	Date of appointment in the Company
1.	Mr. Ramakrishnan Ramamurthy	00680202	12/02/2019
2.	Ms. Jyoti Narang	00351187	18/08/2021
3.	Mr. Kevin Gerard Gluskie	07413549	04/02/2016
4.	Ms. Soek Peng Sim	06958955	16/09/2014
5.	Mr. Joydeep Mukherjee*	06648469	01/04/2023
6.	Mr. Jamshed Naval Cooper**	01527371	01/07/2014
7.	Mr. Vimal Kumar Jain	09561918	10/06/2022

* Appointed as Managing Director with effect from 01 April 2023.

** Resigned from the position of Managing Director from the close of business hours on 31 March 2023.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

**Place: New Delhi
Date: 29 May 2023**

**Nityanand Singh (Prop.)
FCS No.: 2668 / CP No.: 2388
UDIN: F002668E000404058
Peer Review Certificate No.: 1188/2021**



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

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



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 2023, 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 2023, 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. As at 31 March 2023, the company held provision for litigations of MINR 2,040.1 against which a sum of MINR 1,675.6 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, 2020 ("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 to the extent applicable 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.
 - (e) On the basis of the written representations received from the directors as on 31 March 2023, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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;
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement;
- v. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable for the Company only w.e.f. 01 April 2023, therefore, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, is not applicable.

For **S. N. Dhawan & Co LLP**
 Chartered Accountants
 Firm Registration No.: 000050N/N500045
Rajeev Kumar Saxena
 Partner
 Membership No.: 077974
 UDIN No.: 23077974BGXFFF7295

Place: Gurugram
 Date: 29 May 2023



Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of HeidelbergCement India Limited on the financial statements as of and for the year ended 31 March 2023)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company has maintained proper records showing full particulars of 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 immovable properties (which are included under the head 'Property, Plant and Equipment') (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable.
- (e) There are no proceedings which have been initiated or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and Rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management and in respect of goods-in-transit, the goods have been received subsequent to year end. According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the coverage and procedure of such verification by the management is appropriate and no material discrepancies of 10% or more in the

aggregate for each class of inventory between physical inventory and book records were noticed on physical verification.

- (b) According to the information and explanations given to us, during the year, the Company has not been sanctioned any working capital or working capital limits in excess of Rs. 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, the provisions of clause 3(ii) (b) of the Order are not applicable.
- (iii) (a) According to the information and explanations given to us, the Company has not granted loans, provided any guarantee or security or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year other than opening balances.
- (b) In our opinion, the investments made, are not, prima facie, prejudicial to the Company's interest.
- (c) In respect of loans granted, the schedule of repayment of principal and payment of interest has been stipulated and in our opinion the repayments/receipts of the principal amount and the interest were regular.
- (d) There is no overdue amount in respect of loan granted to such companies, firms, LLPs or any other parties.
- (e) There are no loans granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans which are either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us, the Company has not entered into any transaction covered under Sections 185 of the Act. However, the Company has complied with the provisions of Sections 186 of the Act in respect of loans, investments, guarantees, and security.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year, had no unclaimed deposits at the beginning of the year and there are no amounts which are deemed to be deposits 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) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 in respect of Company's products. 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) In our opinion and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including

goods and services tax, provident fund, income-tax, duty of customs, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, the dues outstanding in respect of income-tax, sales-tax, service tax, duty of excise, value added tax and other statutory dues on account of any dispute, are as follows:

Name of statute	Nature of dues	Amount* (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
Central Sales tax act and various state Sales tax act	Sales tax	40.4	2000-01 to 2004-05 and 2009-2010 to 2013-14	High Court
		1.0	2000-01	Assistant Commissioner
Various State Entry Tax Act	Entry Tax	237.5	2005-06 up to June 2017	High Court
		145.1	1999-2000 to 2007-08, 2009-10	Appellate Tribunal
Income Tax Act, 1961	Income Tax	4.7	2013-14	Income tax appellate tribunal (ITAT)
		11.8	2012-13, 2014-15 and 2017-18	Commissioner Income Tax (Appeal)
Central Excise Act, 1944	Excise Duty and Cenvat	11.5	2000-01	High court
Finance Act 1994 (Amended 2009)	Service Tax	8.4	2011-12 to 2012-13	Commissioner of Central Excise (Appeals)
Madhya Pradesh Rural Road Development Authority	Rural Infrastructure and Road development tax	20.4	2005-06 till date	Supreme court

*Net off of amount paid under protest

(viii) According to the information and explanations given to us, there are no such transactions which were not recorded in the books of account earlier and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by financial institution. Further, there is no loan or borrowings from any bank, government authority or government.

(c) 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.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds were raised on short-term basis by the Company.

(e) According to the information and explanations given to us, since the Company does not have subsidiaries, associates or joint ventures. Accordingly, the provisions of clause 3(ix) (e) of the Order are not applicable.

(f) According to the information and explanations given to us, since the Company does not have subsidiaries, associates or joint ventures. Accordingly, the provisions of clause 3(ix) (f) of the Order are not applicable.

(x) (a) According to the information and explanations given to us, the Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x) (a) of the Order are not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally). Accordingly, provisions of clause 3 (x) (b) of the order are not applicable.

(xi) (a) 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 has been noticed or reported during the period covered by our audit.



- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (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)(a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- (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.
- (xvi)(a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- (b) The Company has not conducted non-banking financial or housing finance activities during the year.
- (c) The Company is not a Core Investment Company ("CIC") as defined in the regulations made by the Reserve Bank of India.
- (d) Based on the information and explanations provided by the management, the Group does not have any CICs, which are part of the Group. We have not, separately evaluated whether the information provided by the management is accurate and complete.
- (xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of

the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Rajeev Kumar Saxena
Partner
Membership No.: 077974
UDIN No.: 23077974BGXFFF7295

Place: Gurugram
Date: 29 May 2023



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 2023 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 an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants

Firm's Registration No.: 000050N/N500045

Rajeev Kumar Saxena

Partner

Membership No.: 077974

UDIN No.: 23077974BGXFFF7295

Place: Gurugram

Date: 29 May 2023



Balance sheet as at 31 March 2023

Particulars	Notes	31 March 2023 Rs. in Million	31 March 2022 Rs. in Million
Assets			
Non-current assets			
Property, plant and equipment	3	14,819.3	15,533.5
Right-of-use assets	39	73.8	81.3
Capital work-in-progress	3	58.3	270.0
Intangible assets	4	11.2	3.4
Financial assets			
Investment	5	48.0	48.0
Other financial assets	5	309.9	287.8
Other non-current assets	6	198.1	172.2
		15,518.6	16,396.2
Current assets			
Inventories	7	1,752.3	1,730.5
Financial assets			
Loans	5	-	1,500.0
Trade receivables	8	311.2	399.9
Cash and cash equivalents	9	4,729.1	3,689.5
Bank balances other than Cash and cash equivalents	9	190.5	131.8
Other financial assets	5	918.1	1,295.3
Other current assets	10	3,226.8	3,095.1
		11,128.0	11,842.1
Total assets		26,646.6	28,238.3
Equity and liabilities			
Equity			
Equity share capital	11	2,266.2	2,266.2
Other equity	12	12,347.7	13,386.2
		14,613.9	15,652.4
Non-current liabilities			
Financial liabilities			
Borrowings	13	1,108.3	1,566.4
Lease liabilities	39	46.6	56.4
Other financial liabilities	14	39.4	40.4
Provisions	15	114.8	166.9
Government grants	16	89.7	214.1
Deferred tax liabilities (net)	17	2,133.7	2,175.3
		3,532.5	4,219.5
Current liabilities			
Financial liabilities			
Borrowings	13	629.5	335.8
Lease liabilities	39	32.3	28.9
Trade payables	18		
- Total outstanding dues of micro enterprises and small enterprises		11.9	15.6
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,617.7	2,628.9
Other current financial liabilities	19	2,104.9	2,152.0
Other current liabilities	20	789.6	823.6
Government grants	16	124.5	145.3
Provisions	15	2,189.8	2,236.3
		8,500.2	8,366.4
Total liabilities		12,032.7	12,585.9
Total equity and liabilities		26,646.6	28,238.3
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**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Rajeev K Saxena
Partner
Membership No.: 077974

Place: Gurugram
Date: 29 May 2023

Anil Kumar Sharma
Chief Financial Officer

Rajesh Relan
Sr. Vice President -
Corporate Affairs & Company Secretary

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

Ramakrishnan Ramamurthy
Chairman
DIN: 00680202

Joydeep Mukherjee
Managing Director
DIN: 06648469

Jyoti Narang
Director
DIN: 00351187

Vimal Kumar Jain
Whole - time Director
DIN: 095619118



Statement of profit and loss for the year ended 31 March 2023

Particulars	Notes	31 March 2023 Rs. in Million	31 March 2022 Rs. in Million
Revenue from operations	21	22,381.0	22,969.6
Other income	22	452.9	490.7
Total Income (I)		22,833.9	23,460.3
Expenses			
Cost of raw material consumed	23	4,135.8	4,503.6
(Increase)/decrease in inventories of finished goods and work-in-progress	24	(125.8)	(217.0)
Employee benefits expense	25	1,330.3	1,306.8
Depreciation and amortization expense	26	1,123.1	1,120.5
Finance costs	27	460.6	364.4
Other expenses	28	14,552.2	13,030.7
Total Expense (II)		21,476.2	20,109.0
Profit before tax (I) - (II)		1,357.7	3,351.3
Tax expenses			
Current tax		410.7	593.0
Deferred tax charge		(44.7)	235.7
Total tax expense	17	366.0	828.7
Profit for the year (III)		991.7	2,522.6
Other comprehensive income			
Remeasurement gain/(losses) of net defined benefit plans		12.4	5.9
Income tax effect		(3.1)	(2.1)
Other comprehensive income for the year, net of tax (IV)		9.3	3.8
Total comprehensive income for the year, net of tax (III) + (IV)		1,001.0	2,526.4
Earnings per share [nominal value of share Rs 10]			
Basic and diluted	29	4.38	11.13
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**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Rajeev K Saxena
Partner
Membership No.: 077974

Place: Gurugram
Date: 29 May 2023

Anil Kumar Sharma
Chief Financial Officer

Rajesh Relan
Sr. Vice President -
Corporate Affairs & Company Secretary

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

Ramakrishnan Ramamurthy
Chairman
DIN: 00680202

Joydeep Mukherjee
Managing Director
DIN: 06648469

Jyoti Narang
Director
DIN: 00351187

Vimal Kumar Jain
Whole - time Director
DIN: 095619118



Statement of change in equity for the year ended 31 March 2023

a. Equity Share Capital:

Equity shares of Rs. 10 each issued, subscribed and fully paid	Numbers	Rs. in million
At 31 March 2021	226,613,116	2,266.1
At 31 March 2022	226,613,116	2,266.1
At 31 March 2023	226,613,116	2,266.1

Equity shares of Rs. 10 each issued, subscribed and partly paid	Numbers	Rs. in million
At 31 March 2021	18,193	0.1
At 31 March 2022	18,193	0.1
At 31 March 2023	18,193	0.1

b. Other equity:

For the year ended 31 March 2023

(Rs. in million)

Particulars	Other Equity (Refer - Note 12)							Total
	Reserves and Surplus							
	Capital Reserve	Capital Subsidy reserve	Capital redemption reserve	Securities Premium	Debenture redemption reserve	Retained earnings	Other item of OCI	
As at 1 April 2022	672.8	6.4	159.9	3,707.1	-	8,866.2	(26.2)	13,386.2
Profit for the year	-	-	-	-	-	991.7	-	991.7
Dividend on equity shares	-	-	-	-	-	(2,039.5)	-	(2,039.5)
Other comprehensive income	-	-	-	-	-	-	9.3	9.3
Total comprehensive income	-	-	-	-	-	(1,047.8)	9.3	(1,038.5)
At 31 March 2023	672.8	6.4	159.9	3,707.1	-	7,818.4	(16.9)	12,347.7

For the year ended 31 March 2022

(Rs. in million)

Particulars	Other Equity (Refer - Note 12)							Total
	Reserves and Surplus							
	Capital Reserve	Capital Subsidy reserve	Capital redemption reserve	Securities Premium	Debenture redemption reserve	Retained earnings	Other item of OCI	
As at 1 April 2021	672.8	6.4	159.9	3,707.1	710.1	7,446.4	(30.0)	12,672.7
Profit for the year	-	-	-	-	-	2,522.6	-	2,522.6
Dividend on equity shares	-	-	-	-	-	(1,812.9)	-	(1,812.9)
Other comprehensive income	-	-	-	-	-	-	3.8	3.8
Total comprehensive income	-	-	-	-	-	709.7	3.8	713.5
Transfer from debenture redemption reserve	-	-	-	-	-	710.1	-	710.1
Transfer from retained earnings	-	-	-	-	(710.1)	-	-	(710.1)
At 31 March 2022	672.8	6.4	159.9	3,707.1	-	8,866.2	(26.2)	13,386.2

As per our report of even date

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

Rajeev K Saxena
Partner
Membership No.: 077974

Place: Gurugram
Date: 29 May 2023

Anil Kumar Sharma
Chief Financial Officer

Rajesh Relan
Sr. Vice President -
Corporate Affairs & Company Secretary

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

Ramakrishnan Ramamurthy
Chairman
DIN: 00680202

Joydeep Mukherjee
Managing Director
DIN: 06648469

Jyoti Narang
Director
DIN: 00351187

Vimal Kumar Jain
Whole - time Director
DIN: 095619118

Cash flow statement for the year ended 31 March 2023

Particulars	Notes	31 March 2023 Rs. in million	31 March 2022 Rs. in million
Cash flow from operating activities			
Profit before tax		1,357.7	3,351.3
Non-cash adjustment to reconcile profit before tax to net cash flows:			
Depreciation and amortization expense		1,123.1	1,120.5
Property, plant and equipment written off		4.4	32.4
Profit on sale of property, plant and equipment (net)		(1.0)	(6.2)
Unrealized foreign exchange loss/ (gain)		13.8	(5.8)
Provision/ liabilities no longer required written back		(17.5)	(52.1)
Government grants		(145.2)	(145.3)
Interest expenses		433.3	331.6
Interest income		(287.4)	(279.1)
Operating profit before working capital changes		2,481.2	4,347.3
Movements in working capital:			
Increase/ (decrease) in trade payables and other payables		(3.3)	44.8
Increase/ (decrease) in provisions and gratuity		(86.2)	36.8
Decrease/ (increase) in trade receivables		88.7	(66.7)
Decrease/ (increase) in inventories		(21.8)	(123.4)
Decrease/ (increase) in other current and non-current assets		241.8	(673.9)
Cash generated from operations		2,700.4	3,564.9
Direct taxes paid (net of refunds)		(439.3)	(546.4)
Net cash flow from operating activities (A)		2,261.1	3,018.5
Cash flows from investing activities			
Purchase of property, plant and equipment including capital work-in-progress and capital advances		(275.8)	(471.1)
Proceeds from sale of property, plant and equipment		1.3	6.7
Purchase of investments		-	(48.0)
Loan repayment from fellow subsidiary		1,500.0	-
Increase in bank balances of unpaid dividend		(6.3)	(5.7)
Increase in other bank balances		(52.4)	(112.3)
Interest received		277.1	280.4
Net cash flow from/ (used in) investing activities (B)		1,443.9	(350.0)
Cash flows from financing activities			
Repayments of borrowings		(335.8)	(1,200.0)
Dividend paid		(2,033.2)	(1,807.2)
Lease repayment		(41.5)	(53.3)
Interest paid		(254.9)	(221.2)
Net cash flow used in financing activities (C)		(2,665.4)	(3,281.7)
Net increase/ (decrease) in cash and cash equivalents (A + B + C)		1,039.6	(613.2)
Cash and cash equivalents at the beginning of the year		3,689.5	4,302.7
Cash and cash equivalents at the end of the year	9	4,729.1	3,689.5

Notes:

- The Statement of Cash flows has been prepared under the indirect method as set out in Ind AS - 7 specified under Section 133 of the Act.
- Changes in liabilities arising from financing activities:

Particulars	31 March 2022	Cash flows	Non Cash changes	31 March 2023
Non-Current Borrowing (including current maturities of Non-Current Borrowing)	1,902.2	(335.8)	171.4	1,737.8
	31 March 2021	Cash flows	Non Cash changes	31 March 2022
	2,944.9	(1,200.0)	157.3	1,902.2

Summary of significant accounting policies

Note 2.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

Chartered Accountants

Firm Registration No.: 000050N/N500045

Rajeev K Saxena

Partner

Membership No.: 077974

Anil Kumar Sharma

Chief Financial Officer

Rajesh Relan

Sr. Vice President -
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For and on behalf of the Board of Directors of
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Ramakrishnan Ramamurthy

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Jyoti Narang

Director

DIN: 00351187

Vimal Kumar Jain

Whole - time Director

DIN: 095619118

Place: Gurugram

Date: 29 May 2023

Notes to financial statements for the year ended 31 March 2023

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 2nd Floor, Plot No. 68, Sector 44, Gurugram, Haryana 122002.

The Company is engaged in the manufacturing and selling of Cement at its three locations viz. Ammasandra (Karnataka), Damoh (Madhya Pradesh) and Jhansi (Uttar Pradesh).

The financial statements were authorised for issue in accordance with a resolution of the directors on 29 May 2023.

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).

2.1 Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Foreign currency

Functional currency

The functional currency of the company is Indian rupee. These financial statements are presented in Indian rupees (rounded off to million) upto one decimal except when otherwise indicated.

Transactions and Translations

Foreign currency denominated monetary assets and liabilities are translated in to relevant functional currency at exchange rates in effect at the balance sheet date. The gain or losses resulting from such translations are included in net profit in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value is determined.

Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Transaction gain or loss realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expenses and cash flow items denominated in foreign currencies are translated in to the relevant functional currencies using the exchange rate in effect on the date of transaction.



c) Fair Value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

d) Revenue Recognition

Revenue is recognised on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Sale of goods

Revenue from sale of the Company's core products i.e 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, relates 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

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

Interest

Interest income is included under the head "Other income" in the statement of profit and loss if such interest income is recognized using the effective interest rate. The Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

e) Government grants and subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e., by equal annual instalments.

Government grants related to income under state investment promotion scheme linked with VAT/SGST payment are recognised in the Statement of Profit and Loss in the period in which they become receivable.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. Government grants is recognised in profit or loss on a systematic basis over the periods in which the entity recognises the related costs for which the grants are intended to compensate.

Expenditure on power and fuel is recorded into statement of profit and loss, net of government grants in the form of concessional tariffs available to the Company.

f) Income taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current Tax assets and Liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits (including MAT Credit) and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets (including MAT credit available) is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.



Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Company is entitled to tax holiday under the Income Tax Act, 1961 enacted in India. No deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the temporary difference originate.

g) Property, Plant and Equipment ('PPE')

The initial cost of PPE, including Capital work in progress, comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

An item of PPE and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

h) Depreciation on property, plant and equipment

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Particulars	Useful lives estimated by the management (years)
Buildings	10 - 60
Railway Siding	15
Plant and equipments	3 - 25
Furniture and fixtures	10
Vehicles	8 - 15

The Company, based on technical assessment and management estimates, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Freehold mining land is depreciated over 5 years, which is the expected period of mineral extraction.

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the month preceding the month of deduction/disposal.

i) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. The amortization period and the amortization method are reviewed at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Costs incurred on acquisition of intangible assets are capitalized and amortized on a straight-line basis over useful lives, as mentioned below:

Intangible Assets	Estimated Useful Lives (Years)
Software	5



j) Impairment of non-financial assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Right-of-use assets	Estimated Useful Lives (Years)
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 39).

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

m) Inventories

Inventories are valued as follows:

- **Raw materials, stores and spares and packing materials**

Lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost is determined on a weighted average basis and includes cost incurred in bringing the material to its present location and condition.

- **Work-in-progress and finished goods**

Lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

n) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of the past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provision for mine reclamation expenses

The company records a provision for mines reclamation. Mine reclamation costs are provided at the present value of expected costs to settle the obligation using estimated cash flows. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the reclamation liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of reclamation are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from such provision prospectively.



o) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation at the reporting date. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

p) Retirement and other employee benefits

- (i) Superannuation Fund (being administered by Trusts) is defined contribution schemes and the contributions are charged to the statement of profit and loss for the period when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
- (ii) Retirement benefits in the form of provident fund contributed to statutory provident fund is a defined contribution scheme and the payments are charged to the statement of profit and loss for the period when the payments to the respective funds are due. There are no obligations other than contribution payable to provident fund authorities.
- (iii) Retirement benefits in the form of provident fund contributed to trust set up by the employer is a defined benefit scheme and the amounts are charged to the statement of profit and loss for the period when the payments to the trust are due. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.
- (iv) Gratuity liability (being administered by a Trust) is a defined benefit obligation and is provided for on the basis of an actuarial valuation done using projected unit credit method at the end of each financial year.

Actuarial gains and losses for defined benefit plans are recognized in full in the period in which they occur in the OCI.
- (v) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

q) Financial instruments

Initial recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (that are not at fair value through profit or loss) are added to or deducted from the fair value, as appropriate, on initial recognition.

Classification and Subsequent measurement: Financial Assets

I. Non-derivative financial instruments

i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.



Classification and Subsequent Measurement: Financial liabilities:

Financial liabilities are classified as follow:

iv) Financial liability at fair value through profit or loss (FVTPL)

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

v) Other Financial Liabilities:

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Impairment of financial assets

Financial assets, other than those at Fair Value through Profit and Loss (FVTPL), are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected, or a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty;
- Breach of contract, such as a default or delinquency in interest or principal payments;
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation; or the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on individual basis.

For financial assets that are carried at cost, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognized.

De-recognition of financial assets

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

De-recognition of financial liabilities

A financial liability shall be derecognized when, and only when it is extinguished i.e when the obligation specified in the contract is discharged or cancelled or expires.

II. Derivative financial instruments and hedge accounting

The Company uses derivative financial instrument such as cross currency interest rate swaps to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.



Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss, except for the effective portion of cash flow hedge, which is recognised in OCI in the cash flow hedge reserve while any ineffective portion is recognised immediately in the statement of profit and loss.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability
- Cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedge accounting is discontinued from the last testing date when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on such hedging instrument recognised in shareholder's funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders' funds is transferred to statement of profit and loss for the period.

r) Dividend Distributions

The Company recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Company and is declared by the shareholders. A corresponding amount is recognised directly in equity.

s) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders after deducting preference dividends and attributable taxes by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

t) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.



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 2021	128.1	451.9	1,373.8	307.2	19,397.5	101.4	192.9	189.1	22,141.9	55.2	55.2
Additions	-	17.0	21.3	73.8	430.9	18.6	10.5	655.0	1,227.1	2.0	2.0
Disposals	(9.9)	-	(1.0)	(2.1)	(110.6)	(9.3)	-	-	(132.9)	-	-
Capitalised during the year	-	-	-	-	-	-	-	(574.1)	(574.1)	-	-
At 31 March 2022	118.2	468.9	1,394.1	378.9	19,717.8	110.7	203.4	270.0	22,662.0	57.2	57.2
Additions	-	8.5	1.8	13.7	336.1	4.0	12.4	173.8	550.3	9.0	9.0
Disposals	(0.0)	-	(0.1)	-	(37.0)	(0.1)	(4.6)	-	(41.8)	-	-
Capitalised during the year	-	-	-	-	-	-	-	(385.5)	(385.5)	-	-
At 31 March 2023	118.2	477.4	1,395.8	392.6	20,016.9	114.6	211.2	58.3	22,785.0	66.2	66.2
Depreciation/ Amortization											
At 1 April 2021	-	106.3	561.1	100.6	4,981.8	56.7	77.6	-	5,884.1	53.1	53.1
Charge for the year	-	19.7	80.8	21.6	924.3	10.7	17.3	-	1,074.4	0.7	0.7
Disposals	-	-	(0.4)	(0.3)	(92.0)	(7.3)	-	-	(100.0)	-	-
At 31 March 2022	-	126.0	641.5	121.9	5,814.1	60.1	94.9	-	6,858.5	53.8	53.8
Charge for the year	-	18.3	74.6	25.0	943.6	6.4	18.1	-	1,086.0	1.2	1.2
Disposals	-	-	-	-	(32.8)	(0.1)	(4.2)	-	(37.1)	-	-
At 31 March 2023	-	144.3	716.1	146.9	6,724.9	66.4	108.8	-	7,907.4	55.0	55.0
Net book value											
At 31 March 2022	118.2	342.9	752.6	257.0	13,903.7	50.6	108.5	270.0	15,803.5	3.4	3.4
At 31 March 2023	118.2	333.1	679.7	245.7	13,292.0	48.2	102.4	58.3	14,877.6	11.2	11.2

Net book value	31 March 2023	31 March 2022
Property, plant and equipment	14,819.3	15,533.5
Capital work-in-progress	58.3	270.0
Intangible assets	11.2	3.4

Capital work in progress ('CWIP') Ageing Schedule

Projects in progress	Amount of CWIP for a period of				Total (Rs. in Million)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023	25.1	13.6	9.1	10.5	58.3
As at 31 March 2022	249.5	10.0	0.8	9.7	270.0

Project execution plans are modulated as per requirement on annual basis and all the projects are executed as per rolling annual plan.



5. FINANCIAL ASSETS

	31 March 2023 Rs. in million	31 March 2022 Rs. in million
Investments in Equity Instruments (fully paid)		
Unquoted equity instruments		
36,36,364 (March 31, 2022: 36,36,364) equity shares of Rs. 10/- each fully paid up of Lalganj Power Private Limited ('LLPL') [refer note (i)]	48.0	48.0
Total	48.0	48.0
Current	-	-
Non-current	48.0	48.0
	31 March 2023 Rs. in million	31 March 2022 Rs. in million
Loans to related party		
Unsecured, considered good		
Inter corporate loan to Zuari Cement Limited (refer note (ii) and note 31)	-	1,500.0
Total	-	1,500.0
Current	-	1,500.0
Non-current	-	-

- (i) During the year 31 March 2022, the Company has entered into Power Purchase Agreement, Share Subscription Agreement and Shareholders Agreement with Lalganj Power Private Limited ("LLPL") on 10 August 2021 for subscribing to 36,36,364 equity shares of Rs. 10 each constituting 4.25% of the paid-up equity share capital at a premium of Rs. 3.2 per share aggregating to Rs. 48.0 million in order to procure around 22 Gigawatt hours per annum of solar power under captive arrangement for operating its plant located at Village Madora, District Jhansi, Uttar Pradesh, India.
- (ii) During the year ended 31 March 2021, the Company has given long term loan of Rs. 1,500.0 million to Zuari Cement Limited which is repayable after expiry of 2 years from the date of loan and carries an interest at 275 basic points (bps) over and above the prevailing yield rate on government securities of three years on the date of disbursement of loan. The rate of interest so determined will remain fixed for 2 years and will be payable at quarterly intervals. During the year, Zuari Cement limited repaid the entire loan taken from the Company within the due dates.

	31 March 2023 Rs. in million	31 March 2022 Rs. in million
Other financial assets		
Interest accrued on bank deposits	22.1	10.6
Interest accrued on other deposits	2.3	3.5
VAT/SGST incentive receivable (refer note 34)	795.6	1,188.2
Security Deposit	408.0	380.8
Total	1,228.0	1,583.1
Current	918.1	1,295.3
Non-current	309.9	287.8
Break up of financial assets carried at fair value through profit or loss		
Investment	48.0	48.0
	48.0	48.0
Break up of financial assets carried at amortised cost		
Loans	-	1,500.0
Other financial assets	1,228.0	1,583.1
Trade receivables (note 8)	311.2	399.9
Cash and bank balances (note 9)	4,919.6	3,821.3
Total financial assets carried at amortised cost	6,458.8	7,304.3

6. OTHER NON-CURRENT ASSETS

	31 March 2023 Rs. in million	31 March 2022 Rs. in million
Capital advances	10.8	5.0
Advance income-tax (net of provision for taxation)	31.3	3.1
Non Current bank balance	0.4	-
Prepaid expenses	155.6	164.1
Total	198.1	172.2



7. INVENTORIES

	31 March 2023 Rs. in million	31 March 2022 Rs. in million
Raw materials (includes in transit Rs. 0.5 million) (31 March 2022: Rs. 20.4 million)	219.2	287.0
Work-in-progress	570.2	563.2
Finished goods	405.9	287.1
Stores and spares (includes in transit Rs. 0.9 million (31 March 2022: Rs. 69.3 million)	557.0	593.2
Total inventories valued at lower of cost and net realizable value	1,752.3	1,730.5

8. TRADE RECEIVABLES

	31 March 2023 Rs. in million	31 March 2022 Rs. in million
Trade receivables	289.4	379.8
Receivables from related parties (refer note 31)	21.8	20.1
Total Trade receivables	311.2	399.9
Break-up for security details:		
Unsecured, considered good	311.2	399.9
Trade receivables - credit impaired	23.4	23.4
	334.6	423.3
Impairment Allowance (allowance for bad and doubtful debts)		
Trade receivables - credit impaired	(23.4)	(23.4)
Total trade receivables	311.2	399.9

Trade receivables ageing schedule

As at 31 March 2023

(Rs. in million)

	Outstanding for following periods from due date of payment						Total
	Current but not due	Less than 6 months	6months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	242.3	68.9	-	-	-	-	311.2
Disputed Trade receivables - credit impaired	-	-	-	-	-	23.4	23.4
	242.3	68.9	-	-	-	23.4	334.6

As at 31 March 2022

(Rs. in million)

	Outstanding for following periods from due date of payment						Total
	Current but not due	Less than 6 months	6months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	288.6	95.6	14.8	0.9	-	-	399.9
Disputed Trade receivables - credit impaired	-	-	-	-	-	23.4	23.4
	288.6	95.6	14.8	0.9	-	23.4	423.3

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 2023 Rs. in million	31 March 2022 Rs. in million
Cash and cash equivalents		
Balances with banks:		
- on current accounts	89.9	232.0
- deposits with original maturity of less than three months	4,612.4	3,457.1
Cheques on hand	26.6	-
Cash on hand	0.2	0.4
	4,729.1	3,689.5
Bank balances other than Cash and cash equivalents		
Balances with banks:		
- on unpaid dividend accounts*	25.8	19.5
- as margin money deposits against guarantees	164.7	112.3
	190.5	131.8
	4,919.6	3,821.3

* 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.

10. OTHER CURRENT ASSETS

	31 March 2023 Rs. in million	31 March 2022 Rs. in million
Advances other than capital advances*	710.9	507.1
Prepaid expenses	104.5	98.3
Balances with statutory/ government authorities and Others		
- Considered good	2,367.9	2,386.2
- Doubtful	8.2	8.2
GST receivables	43.5	103.5
	3,235.0	3,103.3
Allowances for doubtful advance and deposits	(8.2)	(8.2)
Total	3,226.8	3,095.1

*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 2021	230,000,000	2,300.0	5,000,000	500.0
At 31 March 2022	230,000,000	2,300.0	5,000,000	500.0
At 31 March 2023	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 2021	226,613,116	2,266.1
At 31 March 2022	226,613,116	2,266.1
At 31 March 2023	226,613,116	2,266.1
Equity shares of Rs. 10 each issued, subscribed and partly paid	Numbers	Rs. in Million
At 31 March 2021	18,193	0.1
At 31 March 2022	18,193	0.1
At 31 March 2023	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

Cementum I B V, the holding company	Numbers	Rs. in million
At 31 March 2021	157,244,693	1,572.4
At 31 March 2022	157,244,693	1,572.4
At 31 March 2023	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		
Cementum I B V, the holding company		
At 31 March 2021	157,244,693	69.39%
At 31 March 2022	157,244,693	69.39%
At 31 March 2023	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.

c. Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters as at 31 March 2023 is as follows:

Promoter name	As at 31 March 2023		As at 31 March 2022		% Change during the Year
	No. of shares	% of total shares	No. of shares	% of total shares	
Cementum I B V	157,244,693	69.39%	157,244,693	69.39%	-
Total	157,244,693	69.39%	157,244,693	69.39%	-

Disclosure of shareholding of promoters as at 31 March 2022 is as follows:

Promoter name	As at 31 March 2022		As at 31 March 2021		% Change during the Year
	No. of shares	% of total shares	No. of shares	% of total shares	
Cementum I B V	157,244,693	69.39%	157,244,693	69.39%	-
Total	157,244,693	69.39%	157,244,693	69.39%	-



12. OTHER EQUITY

	31 March 2023 Rs. in million	31 March 2022 Rs. in million
A) Retained earnings		
Balance as per last financial statements	8,866.2	7,446.4
Profit for the year	991.7	2,522.6
Add: Amount transfer from debenture redemption reserve	-	710.1
Less: Appropriations		
Dividend on equity shares (refer note 38)	(2,039.5)	(1,812.9)
Closing balance	7,818.4	8,866.2
B) Remeasurement gain/ (losses) of net defined benefit plans, net of tax		
Balance as per last financial statements	(26.2)	(30.0)
Additions during the year	9.3	3.8
Closing balance	(16.9)	(26.2)
C) Debenture redemption reserve ('DRR')		
Balance as per the last financial statements	-	710.1
Add: Amount transferred to retained earnings	-	(710.1)
Closing balance	-	-
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)	12,347.7	13,386.2

Nature and purpose of reserves:

(i) Debenture redemption reserve ('DRR')

The Company had issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the company to create DRR out of profits of the company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued. As per Share Capital and Debentures amendment rules, 2019, as notified on August 16, 2019, no further DRR has been created during the year ended 31 March 2020 and 31 March 2021. Further, the company has fully repaid these non-convertible debentures during the previous year, therefore balance in DRR transferred to retained earnings.

(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 2023 Rs. in million	31 March 2022 Rs. in million
Non-current borrowings			
From other parties			
Indian rupee loan from a party other than banks (secured) (refer note (a))	2024-2025	1,108.3	1,566.4
Total non-current borrowings		1,108.3	1,566.4
Current borrowings			
Indian rupee loan from a party other than banks (secured) (refer note (a))	2023-2024	629.5	335.8
Total current borrowings		629.5	335.8
The above amount includes			
Aggregated secured borrowings		1,737.8	1,902.2
Aggregated unsecured borrowings		-	-
Net amount		1,737.8	1,902.2

(a) 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 2023 and 31 March 2022. As on 31 March 2023, principal amount of such loan is Rs. 2,010.0 million (31 March 2022: Rs. 2,345.8 million).

14. OTHER NON-CURRENT FINANCIAL LIABILITIES

	31 March 2023 Rs. in million	31 March 2022 Rs. in million
Trade payables	39.4	40.4
	39.4	40.4

15. PROVISIONS

	31 March 2023 Rs. in million	31 March 2022 Rs. in million
Non-current provisions		
Provision for gratuity (refer note 33)	114.8	166.9
	114.8	166.9
Current provisions		
Provision for litigations (refer note 32 (b) (ii))	2,040.1	2,101.9
Provision for leave benefits	63.8	62.0
Provision for gratuity (refer note 33)	65.1	63.6
Provision for mine reclamation expenses (refer note 32 (b) (iii))	20.8	8.8
	2,189.8	2,236.3



16. GOVERNMENT GRANTS

	31 March 2023 Rs. in million	31 March 2022 Rs. in million
At 1 April	359.4	504.7
Received during the year	-	-
Released to statement of profit & loss	(145.2)	(145.3)
At 31 March	214.2	359.4
Current	124.5	145.3
Non-current	89.7	214.1

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 AND DEFERRED TAX LIABILITY

The major components of income tax expense for the years ended 31 March 2023 and 31 March 2022 are:

Statement of Profit or loss	31 March 2023 Rs. in million	31 March 2022 Rs. in million
Current income tax:		
Current income tax charge	410.7	593.0
Deferred tax:		
Relating to origination and reversal of temporary differences	(44.7)	235.7
Income tax expense reported in the statement of profit or loss	366.0	828.7
Other comprehensive income ('OCI'):		
Deferred tax related to items recognised in OCI during the year:		
Net loss/(gain) on remeasurements of defined benefit plans	3.1	2.1
Income tax charged to OCI	3.1	2.1
Reconciliation of tax expense and the accounting profit multiplied by India's tax rate for 31 March 2023 and 31 March 2022	31 March 2023 Rs. in million	31 March 2022 Rs. in million
Accounting profit before income tax	1,357.7	3,351.3
At India's statutory income tax rate of 25.17% (31 March 2022: 34.94%)	341.7	1,171.1
Adjustments in respect of change in tax rate (refer note below)	-	(303.8)
Adjustments in respect of unused tax credit written off	-	4.1
Effect of allowances / tax holidays for tax purpose	-	(84.5)
Non-deductible expenses for tax purposes:		
Corporate social responsibility expenditure	19.8	28.1
Other non-deductible expenses	4.5	13.7
At the effective income tax rate of 26.96% (31 March 2022: 24.73%)	366.0	828.7
Income tax expense reported in the statement of profit and loss	366.0	828.7

The Government of India on 20 September 2019 vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in the Income Tax Act, 1961, which provides an option to the Company for paying Income Tax at reduced rates as per the provisions / conditions defined in the said section. The Company, up to financial year 2021-22, is continuing to provide for income tax at the old rates, based on the available outstanding MAT credit entitlement and various exemptions and deductions available to the Company under the Income Tax Act, 1961. However, the Company has applied the lower income tax rates on the deferred tax assets / liabilities to the extent these are expected to be realised or settled in the future period when the Company may be subjected to lower tax rate and accordingly reversed net deferred tax liability of Rs. 541.1 million and Rs. 303.8 million during the year ended 31 March 2021 and 31 March 2022 respectively. During the financial year 2022-23, the Company has adopted reduced income tax rate as per section 115BAA of Income Tax Act, 1961.



	31 March 2023 Rs. in million	31 March 2022 Rs. in million
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	2,195.5	2,236.2
Impact of expenditure allowed for tax purposes on payment basis but not charged to statement of profit & loss	88.2	102.4
Gross deferred tax liabilities	2,283.7	2,338.6
Deferred tax asset		
Impact of expenditure charged to statement of profit and loss but allowable for tax purposes on payment basis	140.7	154.3
Provision for doubtful debts and advances	8.0	8.0
Others	1.3	1.0
Gross deferred tax asset	150.0	163.3
Net deferred tax liability	2,133.7	2,175.3

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 2023 Rs. in million	31 March 2022 Rs. in million
Opening balance as of 1 April	2,175.3	1,937.5
Tax (income) / expense during the year recognised in profit or loss	(44.7)	235.7
Tax (income)/ expense during the year recognised in OCI	3.1	2.1
Closing balance as at 31 March	2,133.7	2,175.3

18. TRADE PAYABLES

	31 March 2023 Rs. in million	31 March 2022 Rs. in million
Trade payables (refer note a)		
- Total outstanding dues of micro enterprises and small enterprises (refer note 40)	11.9	15.6
- Total outstanding dues of creditors other than micro enterprises and small enterprises	2,617.7	2,628.9
	2,629.6	2,644.5
Trade payables	2,368.9	2,556.6
Trade payables to related parties (refer note 31 and note d below)	260.7	87.9
	2,629.6	2,644.5

Trade payables Ageing Schedule As at 31 March 2023

	Outstanding for following periods from due date of payment				Total Rs. in million
	Less than 1 year Rs. in million	1-2 years Rs. in million	2-3 years Rs. in million	More than 3 years Rs. in million	
Total outstanding dues of micro enterprises and small enterprises	11.9	-	-	-	11.9
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,287.7	250.3	23.8	55.9	2,617.7
	2,299.6	250.3	23.8	55.9	2,629.6



	Outstanding for following periods from due date of payment				Total Rs. in million
	Less than 1 year Rs. in million	1-2 years Rs. in million	2-3 years Rs. in million	More than 3 years Rs. in million	
Total outstanding dues of micro enterprises and small enterprises	15.6	-	-	-	15.6
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,347.5	203.3	12.6	65.5	2,628.9
	2,363.1	203.3	12.6	65.5	2,644.5

19. OTHER CURRENT FINANCIAL LIABILITIES

	31 March 2023 Rs. in million	31 March 2022 Rs. in million
Trade and other deposits (refer note b and note c)	2,054.8	2,011.9
Unpaid Dividend	25.8	19.5
Payable against purchase of property, plant and equipment	24.3	120.6
	2,104.9	2,152.0

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled within 0 to 60 days terms.
- Other current financial liabilities are generally interest bearing and have an average term of six months for borrowings and one year for deposits.
- Interest payable is normally settled quarterly/half yearly/yearly throughout the financial year.
- For terms and conditions with related parties, refer to note 31.

Break up of financial liabilities carried at amortised cost

	31 March 2023 Rs. in million	31 March 2022 Rs. in million
Lease liabilities (non-current) (note 39)	46.6	56.4
Trade payables (note 18)	2,629.6	2,644.5
Trade payables (note 14)	39.4	40.4
Borrowings (current) (note 13)	629.5	335.8
Lease liabilities (current) (note 39)	32.3	28.9
Other current financial liabilities (note 19)	2,104.9	2,152.0
	5,482.3	5,258.0

Break up of financial liabilities carried at fair value through profit or loss

Borrowings (note 13)	1,737.8	1,566.4
	1,737.8	1,566.4

20. OTHER CURRENT LIABILITIES

	31 March 2023 Rs. in million	31 March 2022 Rs. in million
Contract liabilities		
Advance from customers	282.2	342.0
Withholding income tax (TDS) payable	91.4	82.0
Goods and Service tax payable	403.7	386.6
Other statutory dues	12.3	13.0
	789.6	823.6



21. REVENUE FROM OPERATIONS

	31 March 2023 Rs. in million	31 March 2022 Rs. in million
Sale of products		
Cement	21,570.1	22,360.4
Clinker	439.4	-
	22,009.5	22,360.4
Sale of Services	81.6	65.9
Other operating revenue		
VAT / SGST incentive (refer note 34)	190.8	424.6
Scrap sales	88.0	112.5
Miscellaneous income	11.1	6.2
	289.9	543.3
	22,381.0	22,969.6

21.1 Disaggregated Revenue Information

	31 March 2023 Rs. in million	31 March 2022 Rs. in million
Set out below is the disaggregation of the Company's revenue from contract with customers:		
India	22,378.7	22,967.4
Outside India	2.3	2.2
Total Revenue from operations	22,381.0	22,969.6

21.2 Contract Balances

	31 March 2023 Rs. in million	31 March 2022 Rs. in million
Trade receivables (refer Note 8)	311.2	399.9
Contract liabilities (refer Note 20)	282.2	342.0

The Contract liability outstanding at the beginning of the year has been recognised as revenue during the respective years.

21.3 The performance obligation is satisfied upon supply of goods as and when delivered and accordingly, there is no outstanding performance obligation as on 31 March 2023 and 31 March 2022.

21.4 Sale of products is net of Rs. 1,538.0 million (31 March 2022: Rs. 1,448.8 million) on account of cash discount, rebates and incentives given to customers.

22. OTHER INCOME

	31 March 2023 Rs. in million	31 March 2022 Rs. in million
Interest income		
On bank deposits	169.0	146.9
On inter-corporate loan (refer note 31)	107.4	114.6
Others	11.0	17.6
Government grants	145.2	145.3
Rent	1.8	2.2
Provisions / liabilities no longer required written back	17.5	52.1
Profit on sale of property, plant and equipment (net)	1.0	6.2
Exchange differences (net)	-	5.8
	452.9	490.7

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 2023 Rs. in million	31 March 2022 Rs. in million
Inventory at the beginning of the year	287.0	247.3
Add: Purchases during the year	4,068.0	4,543.3
	4,355.0	4,790.6
Less: Inventory at the end of the year	(219.2)	(287.0)
Cost of raw material consumed	4,135.8	4,503.6

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

	31 March 2023 Rs. in million	31 March 2022 Rs. in million
Inventories at the end of the year		
Work-in-progress	570.2	563.2
Finished goods	405.9	287.1
	976.1	850.3
Less: Inventories at the beginning of the year		
Work-in-progress	563.2	283.8
Finished goods	287.1	349.5
	850.3	633.3
	(125.8)	(217.0)

25. EMPLOYEE BENEFIT EXPENSE

	31 March 2023 Rs. in million	31 March 2022 Rs. in million
Salary, wages and bonus	1,153.8	1,145.2
Contribution to provident and other funds	67.4	65.8
Gratuity expense (refer note 33)	33.6	34.8
Staff welfare expenses	75.5	61.0
	1,330.3	1,306.8

26. DEPRECIATION AND AMORTIZATION EXPENSE

	31 March 2023 Rs. in million	31 March 2022 Rs. in million
Depreciation of Property, plant and equipment (note 3)	1,086.0	1,074.4
Amortization of intangible assets (note 4)	1.2	0.7
Depreciation of Right-of-use assets (note 39)	35.9	45.4
	1,123.1	1,120.5

27. FINANCE COSTS

	31 March 2023 Rs. in million	31 March 2022 Rs. in million
Interest:		
On borrowings from related party (refer note 31)	-	88.9
On borrowings from others	171.4	157.3
On lease liabilities (refer note 39)	6.7	7.1
Others	255.2	78.3
Bank charges	27.3	32.8
	460.6	364.4



28. OTHER EXPENSES

	31 March 2023 Rs. in million	31 March 2022 Rs. in million
Consumption of stores and spares	957.2	879.8
Freight and forwarding	3,116.1	2,957.1
Power & fuel	7,726.3	6,424.2
Rent	28.5	18.8
Repairs and maintenance		
Buildings	102.9	121.4
Plant and machinery	244.6	243.8
Others	5.5	8.6
Insurance	62.9	62.5
Rates and taxes	448.8	475.3
Travelling expenses	78.3	58.9
Directors fees	3.7	4.1
Payment to auditor		
As auditor:		
Audit fees	4.2	4.2
Tax audit fees	0.3	0.3
Limited reviews	1.2	1.2
Reimbursement of expenses	0.3	0.1
Legal and professional expenses	39.4	28.6
License fees	176.0	163.6
Printing and stationery	6.4	6.9
IT and Business Support charges	168.7	153.1
Advertisement and publicity expenses	231.6	153.0
Cement handling expenses	897.4	1,000.0
Property, plant and equipment written off	4.4	32.4
Loss on foreign currency transactions	15.0	-
Corporate social responsibility expenses (note 35)	78.5	80.5
Miscellaneous expenses	154.0	152.3
	14,552.2	13,030.7

29. EARNINGS PER SHARE (EPS)

	31 March 2023 Rs. in million	31 March 2022 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	991.7	2,522.6
Net profit for calculation of basic/ Diluted EPS	991.7	2,522.6
	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	4.38	11.13



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 36 of the financials.

(iv) Mines reclamation expenses

In determining the fair value of the Mines Restoration Obligation, assumptions and estimates are made in relation to discount rates, the expected cost of mines restoration and the expected timing of those costs.

(v) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.



31. RELATED PARTY DISCLOSURE

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

I. Names of related parties where control exists irrespective of whether transactions have occurred or not:	
Ultimate holding company	HeidelbergCement AG
Holding company	Cementum I.B.V.
II. Related Parties with whom transaction have taken place	
Fellow subsidiary	Zuari Cement Limited
Key management personnel	Mr. Joydeep Mukherjee (w.e.f. 1 April 2023)
	Mr. Jamshed Naval Cooper, Managing Director (until 31 March 2023)
	Mr. Vimal Kumar Jain, Whole Time Director (w.e.f 10 June 2022)
	Mr. Sushil Kumar Tiwari, Whole Time Director (until 09 June 2022)
	Ms. Soek Peng Sim, Non-Executive Director
	Mr. Kevin Gerard Gluskie, Non-Executive Director
	Mr. Ramakrishnan Ramamurthy, Independent Director
	Mrs. Akila Krishnakumar, Independent Director (until 19 October 2021)
	Mrs. Jyoti Narang, Independent Director (w.e.f 18 August 2021)
	Mr. Anil Kumar Sharma , Chief Financial Officer
	Mr. Rajesh Relan, Company Secretary

(b) Related party transactions

Note 31 (a) provides the information about the company's structure including the details of the fellow subsidiary 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 Subsidiary	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Transactions with Cementum I.B.V.:				
- Dividend paid	1,415.2	1,258.0	-	-
Transactions with HeidelbergCement AG:				
- License Fee	176.0	163.6	-	-
- Group Overhead Recharge	30.6	13.8	-	-
- End-user Workstation and Other IT charges	124.7	124.1	-	-
- Interest on Non-Convertible Debenture ('NCD')	-	88.9	-	-
- NCD repaid	-	1,200.0	-	-
- Support service income	2.8	2.6	-	-
Transactions with Zuari Cement Limited				
- Purchase of Clinker	-	-	210.2	325.6
- Support service income	-	-	93.6	75.2
- Interest income on Loan	-	-	107.4	114.6

- Note:** 1. All the transactions are inclusive of tax and duty, wherever applicable.
2. End-user workstation and other IT charges for the year ended 31 March 2023 includes Rs. 2.3 million capitalised in the books.



Balance outstanding at the year ended:

(Rs. in million)

Particulars	Enterprises where controls exists		Fellow Subsidiary	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Payable				
- HeidelbergCement AG	256.3	76.7	-	-
- Zuari Cement Limited	-	-	4.4	11.2
Receivable				
- Zuari Cement Limited	-	-	21.1	19.5
- HeidelbergCement AG	0.7	0.6	-	-
Loan given				
- Zuari Cement Limited	-	-	-	1,500.0

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Transactions with key management personnel

Compensation of key management personnel of the Company

	31 March 2023 Rs. in million	31 March 2022 Rs. in million
Short-term employee benefits	52.9	48.8
Post employment benefits	8.6	4.0
Director Sitting fees	3.7	4.1
Total compensation paid to key management personnel	65.2	56.9

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the key management personnel are not included above.

Loans from related parties**a. Debentures**

10.4% Debentures (listed at BSE Limited) are redeemable at par in three tranches of Rs. 1,250.0 million, Rs. 1,250.0 million and Rs. 1,200.0 million at the end of 6th, 7th and 8th year respectively from the date of allotment of 16 December, 2013. The Company has repaid all these three tranches on due dates.

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) is Rs. 40.8 million (31 March 2022: Rs. 75.6 million).

b) Contingencies and Provision for litigations**i) Contingent liabilities not provided for**

Particulars	31 March 2023 Rs. in million	31 March 2022 Rs. in million
(a) Claims against the company not acknowledged as debt	97.0	127.1
(b) Other money for which the company is contingently liable:		
- Excise Duty / Service Tax / CENVAT Credit	43.0	43.0
- Sales Tax / Trade Tax / Entry Tax	84.9	90.2
Total	224.9	260.3

In respect of above cases based on the favorable 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 2022	Additions during the year	Amounts reversed during the year	Balance as on 31 March 2023
Trade Tax/Sales Tax/VAT	45.0 (45.0)	- (-)	3.0 (-)	42.0 (45.0)
Entry Tax	1,507.7 (1,507.7)	- (-)	- (-)	1,507.7 (1,507.7)
Provision taken for Cess on Captive Power	86.8 (86.8)	- (-)	- (-)	86.8 (86.8)
Rural Infrastructure and Road Development tax, Madhya Pradesh	260.9 (238.4)	24.4 (22.5)	- (-)	285.3 (260.9)
Environment protection fees, Karnataka	14.5 (14.5)	- (-)	- (-)	14.5 (14.5)
Other Litigations	187.0 (186.4)	57.3 (0.6)	*140.5 (-)	103.8 (187.0)
TOTAL	2,101.9 (2,078.8)	81.7 (23.1)	143.5 (-)	2,040.1 (2,101.9)

Note: Figures in brackets are for the previous year.

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

*The Arbitration Tribunal pronounced an adverse award dismissing Company's claims and allowed counter-claim of Rs. 140.5 million in favour of Vendor. A provision for litigation of Rs. 140.5 million made in March 2020 and amount deposited to the Registrar under protest in April 2021. The Hon'ble High Court of Delhi has rejected Company's appeal vide order dated 28 September 2022 and special leave petition filed in this matter also not admitted by Hon'ble Supreme Court of India.

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

Particulars	31 March 2023 Rs. in million	31 March 2022 Rs. in million
Opening provision	8.8	2.8
Add: Provision made during the year	12.0	6.0
Less: Provision utilised during the year	-	-
Closing provision	20.8	8.8

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 2023	31 March 2022
Current service cost	20.7	22.0
Interest cost on benefit obligation	20.0	21.0
Expected return on plan assets	(7.1)	(8.1)
Defined benefit cost included in Statement of Profit & Loss	33.6	34.8

(Rs. in million)

Particulars	31 March 2023	31 March 2022
Remeasurement recognised in other comprehensive income		
- Change in demographic assumptions	-	(4.6)
- Changes in financial assumptions	(11.3)	(1.5)
- Change in experience adjustments	3.9	5.6
- (Return) on plan asset (excluding interest income)	(5.0)	(5.4)
Amount recognised in OCI	(12.4)	(5.9)



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 2023	31 March 2022
Balance at the beginning of the year	339.2	356.2
Current service cost	20.7	22.0
Interest cost on benefit obligation	20.0	21.0
Actuarial (gains) losses recognised in other comprehensive income		
- change in demographic assumption	-	(4.6)
- changes in financial assumptions	(11.3)	(1.5)
- experience adjustments	3.9	5.6
Benefit paid	(52.0)	(59.4)
Balance at the end of the year	320.5	339.2

Reconciliation of the present value of plan assets

(Rs. in million)

Particulars	Gratuity	
	31 March 2023	31 March 2022
Balance at the beginning of the year	108.7	126.6
Expected return	7.1	8.1
Contribution by employer	71.8	28.0
Return on plan assets recognised in other comprehensive income	5.0	5.4
Benefits paid	(52.0)	(59.4)
Balance at the end of the year	140.6	108.7

Details of Provision for gratuity

(Rs. in million)

Particulars	Gratuity	
	31 March 2023	31 March 2022
Present value of defined benefit obligation	320.5	339.2
Present value of plan assets	(140.6)	(108.7)
Net defined benefit liability	179.9	230.5

(iii) Plan assets

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

Particulars	31 March 2023	31 March 2022
	(%)	(%)
Investments with insurer	96.38	96.05
Investments in government bonds	0.06	0.08
Bank balance	3.56	3.87
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 2023	31 March 2022
Discount rate	7.30%	6.50%
Salary increase rate	7.50%	7.50%
Attrition rate	8.00%	8.00%

Note:

The estimate 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 2023	31 March 2022	31 March 2023	31 March 2022
Assumptions				
Discount rate	0.5%	0.5%	(6.6)	(7.4)
	-0.5%	-0.5%	7.0	7.8
Future salary increases	0.5%	0.5%	6.2	6.8
	-0.5%	-0.5%	(5.9)	(6.6)

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 2023	31 March 2022
Within the next 12 months (next annual reporting period)	65.1	63.6
Between 2 and 5 years	216.3	217.8
Beyond 5 years	168.0	173.3

The average duration of the defined benefit plan obligation at the end of the reporting period is 5 years (31 March 2022: 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, 2023 and 31 March, 2022 respectively.



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

(Rs. in million)

Particulars	31 March 2023	31 March 2022
Plan assets at year end, at fair value	304.4	331.3
Present value of defined obligation at year end	229.0	248.3
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 2023	31 March 2022
Discount rate	7.30%	6.50%
Expected guaranteed interest rate	8.15%	8.10%
Expected Rate of Return on Asset	8.17%	8.29%

(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 2023	31 March 2022
Provident Fund	52.2	50.8
Other Post Employment Funds	9.4	8.5
Total	61.6	59.3

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 subsumed on GST) on sales for a period of 10 years within the state of Madhya Pradesh in respect of the increased production facility. During the previous year, the Company had received approval from the State Government of Madhya Pradesh for its SGST claims pertaining to earlier years and accordingly, the SGST incentives amounting to Rs. 190.8 million and Rs. 424.6 million (including Rs. 205.9 million for earlier years) have been accrued for the period from 1 April 2022 to 17 February 2023 (i.e till the last date of entitlement) and for the year ended 31 March 2022 respectively under the head 'other operating revenue'.

35. 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. 75.0 million (31 March 2022: Rs. 75.3 million).

b) Amount spent during the year ended on 31 March 2023

(Rs. in million)

S.N.	Particulars	Amount incurred	Amount yet to be paid	Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	78.5	-	78.5
Total		78.5	-	78.5

c) Amount spent during the year ended on 31 March 2022

(Rs. in million)

S.N.	Particulars	Amount incurred	Amount yet to be paid	Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	80.5	-	80.5
Total		80.5	-	80.5



36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company has exposure to the following risks arising from financial instruments:

- credit risk (see 36(ii));
- liquidity risk (see 36 (iii)); and
- market risk (see 36(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 counterparty 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 counterparty.

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 0.02% (31 March 2022: 0.07%) and in receivables 1.25% (31 March 2022: 3.58%).

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 31% of the Company's debt will mature in less than one year at 31 March 2023 (31 March 2022: 14%) 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.



	Less than one year	1 to 5 years	> 5 years	Total
Year ended 31 March 2023				
Borrowings*	629.5	1,380.5	-	2,010.0
Other financial liabilities	2,104.9	39.4	-	2,144.3
Lease Liabilities	32.3	27.4	19.2	78.9
Trade and other payables	2,629.6	-	-	2,629.6
	5,396.3	1,447.3	19.2	6,862.8
Year ended 31 March 2022				
Borrowings*	335.8	2,010.0	-	2,345.8
Other financial liabilities	2,152.0	40.4	-	2,192.4
Lease Liabilities	28.9	37.0	19.4	85.3
Trade and other payables	2,644.5	-	-	2,644.5
	5,161.2	2,087.4	19.4	7,268.0

*This represents interest free loan without discounting.

(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.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under these swaps, the company agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Generally, the company raises long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the company borrowed at fixed rates directly.

The Company is thus not exposed to significant interest rate risks at the respective reporting dates.

II. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating or financing activities and the same are hedged in line with established risk management policies of the Company.

When a derivative is entered into for the purpose of hedging, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.



Outstanding Unhedged Foreign Currency Exposure

Particulars	Currency	31 March 2023			31 March 2022		
		Amount in foreign currency	Exchange Rate	Rs. in million	Amount in foreign currency	Exchange Rate	Rs. in million
Trade Payables	USD	13,841.3	82.55	1.1	-	-	-
	EUR	2,271,727.2	89.47	203.3	579,253.2	84.20	48.8
Trade Receivable	EUR	7,865.0	89.47	0.7	7,378.0	84.20	0.6

Foreign currency sensitivity on unhedged exposure:

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

Particulars	31 March 2023	31 March 2022
USD	(0.01)	-
EUR	(2.03)	(0.48)

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.

37. 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 2023	31 March 2022
Borrowings (Non-current and Current)	1,737.8	1,902.2
Government grants (Non-current and Current)	214.2	359.4
Less: Cash and cash equivalents	(4,729.1)	(3,689.5)
Net debt	(A) (2,777.1)	(1,427.9)
Total Equity Capital	(B) 14,613.9	15,652.4
Capital and net debt	(C) = (A) + (B) 11,836.8	14,224.5
Gearing ratio	(D) = (A)/(C) (23.46)	(10.04)

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 2023 and 31 March 2022.

38. DIVIDEND PAID AND PROPOSED

(Rs. in million)

Particulars	31 March 2023	31 March 2022
Dividend declared and paid during the year:		
Final Dividend for the year ended on 31 March 2022: Rs. 9 per share (31 March 2021: Rs. 8 per share)	2,039.5	1,812.9
	2,039.5	1,812.9
Proposed Dividends on equity shares:		
Proposed dividend for the year ended on 31 March 2023: Rs. 7 per share (31 March 2022: Rs. 9 per share)	1,586.3	2,039.5
	1,586.3	2,039.5

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.



39. LEASES

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

(Rs. in million)

Particulars	Land & Buildings	Vehicles	Total
Right-of-use Assets			
At 1 April 2021	84.8	102.5	187.3
Additions	13.1	-	13.1
Disposals	-	-	-
At 31 March 2022	97.9	102.5	200.4
Additions	3.0	25.8	28.8
Disposals	(0.9)	-	(0.9)
At 31 March 2023	100.0	128.3	228.3
Depreciation / Amortization			
At 1 April 2021	14.2	59.5	73.7
Depreciation Expenses	20.9	24.5	45.4
Disposals	-	-	-
At 31 March 2022	35.1	84.0	119.1
Depreciation Expenses	20.9	15.0	35.9
Disposals	(0.6)	-	(0.6)
At 31 March 2023	55.5	99.0	154.5
Net book value			
At 31 March 2022	62.7	18.5	81.3
At 31 March 2023	44.5	29.3	73.8

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Lease Liabilities

(Rs. in million)

Particulars	31 March 2023	31 March 2022
At 1 April	85.3	118.4
Additions	28.8	13.1
Deletion	(0.3)	0.0
Accretion of interest	6.7	7.1
Payments	(41.6)	(53.3)
At 31 March	78.9	85.3
Current	32.3	28.9
Non-Current	46.6	56.4

The maturity analysis of lease liabilities are disclosed in Note 36.

The effective interest rate for lease liabilities is in the range of 5.54% to 8.82%, with maturity between 2023-2087.

The following are the amounts recognized in profit or loss:

(Rs. in million)

Particulars	31 March 2023	31 March 2022
Depreciation expense of right-of-use assets	35.9	45.4
Interest expense on lease liabilities	6.7	7.1
Variable lease payments (included in other expenses)	28.5	18.8



40.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 2023	31 March 2022
(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)	11.9	15.6
	- 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.	-	-

41. 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.

42. STANDARDS NOTIFIED BUT NOT YET EFFECTIVE

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Company's financial statements.

43. ADDITIONAL STATUTORY INFORMATION

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.



(viii) Ratio Analysis and its elements

The following are analytical ratios for the year ended 31 March 2023 and 31 March 2022:

Ratio	Numerator	Denominator	31-Mar-23	31-Mar-22	%change
Current ratio (in times)	Current Assets	Current Liabilities	1.31	1.42	-7.5%
Debt- Equity Ratio (in times)	Total Debt	Shareholder's Equity	0.12	0.12	-2.2%
Debt Service Coverage ratio (in times)	Earnings before Depreciation, Finance cost and Tax	Interest on long term debt + Principal repayment within next 12 months	3.67	8.31	-55.8%
Return on Equity ratio (%)	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	6.6%	16.5%	-9.9%
Inventory Turnover ratio (in days)	Cost of goods sold	Average Inventory	8.17	8.09	1.0%
Trade Receivable Turnover Ratio (in days)	Revenue from operation (incl. GST)	Average Trade Receivable	4.59	4.66	-1.5%
Trade Payable Turnover Ratio (in days)	Total Operating Cost (incl. GST)	Average Trade Payables	38.24	41.46	-7.8%
Net Capital Turnover Ratio (in times)	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	8.41	6.45	30.3%
Net Profit ratio (%)	Net Profit	Net sales = Total sales - sales return	4.49%	11.25%	-6.8%
Return on Capital Employed (%)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	9.8%	18.8%	-9.0%
Return on Investment (%)	Interest (Finance Income)	Investment = Loan + Interest bearing security deposit	6.5%	7.1%	-0.5%

Notes: The Company's Debt Service Coverage ratio and Net Capital Turnover Ratio improved mainly on account of reduction in the debt repayments during the year.

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**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Rajeev K Saxena
Partner
Membership No.: 077974

Place: Gurugram
Date: 29 May 2023

Anil Kumar Sharma
Chief Financial Officer

Rajesh Relan
Sr. Vice President -
Corporate Affairs & Company Secretary

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

Ramakrishnan Ramamurthy
Chairman
DIN: 00680202

Joydeep Mukherjee
Managing Director
DIN: 06648469

Jyoti Narang
Director
DIN: 00351187

Vimal Kumar Jain
Whole - time Director
DIN: 095619118



HeidelbergCement India Limited

CIN: L26942HR1958FLC042301

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Email Id: investors.mcl@mycem.in | Website: www.mycemco.com

NOTICE

of the Annual General Meeting

NOTICE is hereby given that the 64th Annual General Meeting of the Members of the Company will be held at 11:00 A.M. on Wednesday, 27 September 2023 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 31 March 2023, Profit and Loss Account and Cash Flow Statement for the financial year ended on that date including notes thereto together with the Reports of the Board of Directors and Auditors thereon, already circulated to the members and now submitted to this meeting be and are hereby received and adopted."

2. To declare Dividend on Equity Shares and in this regard pass the following resolution as an Ordinary Resolution:

"RESOLVED that a Dividend of INR 7 per Equity Share of INR 10 each (i.e., 70%) for the financial year ended 31 March 2023, as recommended by the Board of Directors at its meeting held on 29 May 2023, be and is hereby declared.

RESOLVED FURTHER that in accordance with the provisions of Companies (Declaration and Payment of Dividend) Rules, 2014, an amount of INR 594.6 million be withdrawn from the accumulated profits / free reserves of past financial years and the same be utilised for the purpose of declaration and payment of dividend for the financial year ended 31 March 2023".

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 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 2023-24, amounting to Rs. 2,75,000 (Rupees Two Lac Seventy Five Thousand only) plus applicable taxes, reasonable out of pocket expenses and reimbursement of travelling expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

By Order of the Board

Date: 29 May 2023

Place: Gurugram

Rajesh Relan

Sr. Vice President-Corporate
Affairs & Company Secretary

Regd. Office: 2nd Floor, Plot No. 68,
Sector 44, Gurugram, Haryana - 122002
CIN: L26942HR1958FLC042301



NOTES:

1. The Ministry of Corporate Affairs ("MCA") has vide its General circular dated 28 December 2022 which is in continuation of circular dated 05 May 2022 read with circulars dated 13 January 2021, 05 May 2020, 13 April 2020 and 08 April 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the General Circular No. 14/2020 dated 08 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 05 May 2022, 13 January 2021, 05 May 2020, 13 April 2020 and 08 April 2020 and the circular issued by SEBI dated 9 December 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL), as the authorized agency, for facilitating voting through electronic means. The facility of casting votes by a member using remote e-voting system as well as e-voting on the day of the AGM will be provided by NSDL.
6. The Notice calling the AGM has been uploaded on the website of the Company in the Investor Relations Section under Financials in the Annual Reports tab. The complete Annual Report is also available in the same section. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Ltd. and National Stock Exchange of India Limited at www.bseindia.com 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. AGM has been convened through VC / OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 10/2022 dated 28 December 2022, MCA Circular No. 2/2021 dated 05 May 2022, MCA Circular No. 2/2021 dated 13 January 2021, MCA Circular No. 20/2020 dated 05 May 2020, MCA Circular No. 17/2020 dated 13 April 2020 and MCA Circular No. 14/2020 dated 08 April 2020.
8. The 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 hours prior to and during the continuance of e-AGM at the deemed venue of meeting, may also be accessed through the above-mentioned mode.
9. Pursuant to the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Corporate Governance, the information about the Directors proposed to be appointed / reappointed at the Annual General Meeting is given below as part of Notice.
10. Statement pursuant to section 102 of the Companies Act, 2013 is annexed.
11. (a) The Dividend on equity shares, if declared, at the AGM will be credited / despatched within thirty days from the date of AGM to those members whose names appear on the Company's Register of Members as on record date i.e., 20 September 2023. 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., 20 September 2023. In case of joint holders only the first holder will be entitled to receive dividend.
- (b) Members holding shares in electronic form may note that the bank particulars registered against their respective demat accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, Integrated Registry Management Services Private Limited (RTA) cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes need to be advised by the members directly to the depository participants with whom they are maintaining a demat account.



- (c) Members holding shares in physical form are requested to immediately advise any change in their address or bank particulars to the Company or its Registrars and Transfer Agents, Integrated Registry Management Services Private Limited so that the same can be updated in the Register of Members before processing of dividend payment.
- (d) Non-Resident Indian (NRI) members are requested to inform RTA (*for physical shares*) / their DPs (*for dematerialized shares*), immediately of:
- Change in their residential status on return to India for permanent settlement.
 - Particulars of their PAN and bank account maintained in India with complete name, branch, account type, account number, IFSC Code and address of the bank with pin code number, if not furnished earlier, to facilitate payment of dividend.
- (e) The Company has placed on its website www.mycemco.com, the details of unclaimed dividends for FY2016-17, FY2017-18, FY2018-19 (both Interim and Final), FY2019-20 (both Interim and Final), FY2020-21 and FY2021-22. 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 & 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 transmission / transposition, is mandatory.
15. SEBI vide its Notifications dated 8 June 2018 & 30 November 2018 amended Regulation 40 of SEBI Listing Regulations, which provides that from 01 April 2019 transfer of securities would not be processed unless the securities are held in the dematerialised form with a depository. Further, SEBI vide its circular date 07 September 2020 had fixed 31 March 2021 as cut-off date for re-lodgment of physical share transfer requests (earlier returned by RTA under objection) and has stipulated that such transferred shares shall be issued only in demat mode. In view of the above, Members are advised to dematerialize shares held by them in physical form.
16. In accordance with the provisions of Section 72 of the Companies Act and SEBI circulars, the facility for nomination is available for the members of the Company in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting the Form No. SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form No. ISR-3 or Form No. SH-14, as the case may be. The said forms are available on the Company's website at <https://www.mycemco.com/investor-information>. Members are requested to submit the said details to their respective DP, in case the shares are held by them in dematerialised form and to the Company/RTA, in case the shares are held by them in physical form.
17. Shareholders holding shares in more than one folio in the same name(s) are requested to send the details of their folios along with the share certificates so as to enable the Company to consolidate their holdings into one folio.
18. 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.
19. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 05 May 2022 read with circular dated 13 May 2022, Notice of the AGM along with the Annual Report 2022-23 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 2022-23 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>.
20. Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. 01 April 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company / RTA (in case of shares held in physical mode) and with their depository participants (in case of shares held in demat mode).



A Resident individual shareholder holding PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to irg@integratedindia.in by 11:59 P.M. IST until 20 September 2023. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at such higher rate as may be prescribed by Income Tax department.

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 until 20 September 2023.

21. Since the AGM will be held through VC / OAVM, the route map, attendance slip and proxy form are not annexed to this Notice.

22. 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 along with duly filled Form ISR-1 prescribed by SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2023/37 dated 16 March 2023. Following additional details need to be provided in case of updating Bank Account Details: - Name and Branch of the Bank in which you wish to receive the dividend, - The Bank Account type, - Bank Account Number allotted by their banks after implementation of Core Banking Solution, 9 digit MICR Code Number, 11 digit IFSC Code, and - 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.

VOTING THROUGH ELECTRONIC MEANS

I. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014; Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2), the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be considered at the 64th 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 24 September 2023 (9:00 A.M.) and ends on 26 September 2023 (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 20 September 2023, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution has been cast by a member, no change shall be allowed subsequently. A person who is not a Member on the cut-off date should treat this notice for information purpose only.

IV. The process and manner for remote e-voting are as under:

Step 1: Access to NSDL e-Voting system

A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

As per circular of SEBI on e-Voting facility provided by Listed Entities, dated 09 December 2020, all individual shareholders holding shares of the Company in demat mode can cast their vote, by way of a single login credential, through their demat account maintained with Depositories and Depository Participants in order to increase the efficiency of the voting process. Shareholders are advised to update their mobile number and e-mail ID with their Depository Participants in order to access e-voting facility.



Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website or casting your vote during the e-Voting period. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. 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. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the e-Voting period. 4. Shareholders / Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code for seamless voting experience.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi / Easiest the user will be also able to see the E-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi / Easiest, option to register is available at: https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022- 4886 7000 and 022- 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no.: 1800 22 55 33

B. Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder / Member’ section.

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

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

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical Your User ID is:

a) For Members who hold shares in demat account with NSDL.	8 Character DP-ID followed by 8 Digit Client-ID For example if your DP-ID is In300*** and Client-ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Your password details are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

- 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 'UserID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- 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.
- "Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- 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.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

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

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

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

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC / OAVM" link placed under "Join General Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- 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.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- 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:

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- 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.
- 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.) may send a 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.: 022- 4886 7000 and 022- 2499 7000 or send a request at evoting@nsdl.co.in.

Process for those shareholders whose email-ids are not registered with the depositories for procuring user-id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to irg@integratedindia.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to irg@integratedindia.in. If you are an individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. **Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode.**
3. Alternatively shareholder / members may send a request to evoting@nsdl.co.in for procuring user-id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository

Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

- V. The voting rights shall be as per the number of equity shares held by the members as on the cut-off date of 20 September 2023.

- 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., 20 September 2023, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or contact NSDL at: 022-4886 7000 and 022- 2499 7000 .

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: 022 - 4886 7000 and 022- 2499 7000.

- VII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM venue. A person who is not a member as on the cut-off date, should treat this Notice for information purpose only.

- VIII. Mr. Nityanand Singh, Company Secretary in Whole-time Practice (FCS No. 2668, CP No. 2388) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner. Mr. Ajay Kumar Prajapati, Company Secretary in Whole-time Practice (ACS No. 49295, CP No. 22365) 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 Chairman or a person authorized by the Board of Directors / Chairman. The results shall also be submitted to BSE Limited and National Stock Exchange of India Limited.



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 by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC / OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC / OAVM link placed under Join General Meeting menu. The link for VC / OAVM will be available in Shareholder / Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are requested to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their Name, DP-ID and Client-ID / Folio Number, PAN, Mobile Number at investors.mcl@mycem.in at least 72 hours before the start of the AGM. Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013

Item No.: 4

The Board of Directors of the Company on the recommendation of the Audit Committee, has 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 2023-24.

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 2023-24 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. 4 of the Notice for approval of the members at the ensuing AGM.

None of the Directors, Key Managerial Personnel of the Company and / or their relatives are concerned or interested in the aforesaid resolution.

By Order of the Board

Date: 29 May 2023
Place: Gurugram

Rajesh Relan
Sr. Vice President-Corporate
Affairs & Company Secretary

Regd. Office: 2nd Floor, Plot No. 68,
Sector 44, Gurugram, Haryana - 122002
CIN: L26942HR1958FLC042301



Name of Director	Ms. Soek Peng Sim
DIN	06958955
Brief Resume	Ms. Soek Peng Sim, aged 54 years, is presently Finance Director of HeidelbergCement Asia Pacific Ltd. She holds a bachelor's 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. Prior to joining Heidelberg Materials Group, she has 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 possesses diversified industry exposure in FMCG, manufacturing and construction & property development.
Date of Birth	22 December 1968
Date of First Appointment on the Board	16 September 2014
Expertise in specific functional area(s)	She has rich and vast experience in financial planning & analysis, business development and support, accounting & taxation, business process improvements and corporate structure optimisation.
Qualifications	Bachelor's degree in accounting from University of Malaya, Malaysia and 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).
Shareholding in the Company (including shareholding as a beneficial owner)	Nil
Terms and Conditions of Appointment	Appointed as Non-Executive Director liable to retire by rotation
Managerial Remuneration last drawn	Not Applicable
Remuneration proposed to be paid	Not Applicable
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Not related to any Director or Key Managerial Personnel of the Company
No. of Board meetings attended during FY23	Attended three out of four board meetings held during FY23
Directorships held in other Indian public limited companies	Non-Executive Director in Zuari Cement Limited and Gulbarga Cement Limited
Listed Indian companies from which the person has resigned in the past three years	Nil
Position of Chairperson / Member in the Committees of Directors of other public limited companies in which she is a Director	Member of CSR committee of Zuari Cement Limited



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