

ANNUAL REPORT - 2010



conserve water



preserve air



secure our planet for
generations to come

HEIDELBERGCEMENT
INDIA Ltd.

BOARD OF DIRECTORS

(As on 29th April 2011)

Mr. P.G. Mankad

Chairman

Dr. Bernd Scheifele

Dr. Lorenz Naeger

Dr. Albert Scheuer

Mr. Amitabha Ghosh

Mr. S. Krishna Kumar

Mr. Pradeep V. Bhide

Mr. Daniel R. Fritz

Mr. Ashish Guha

Managing Director

Mr. Sushil Kumar Tiwari

Wholetime Director

CHIEF FINANCIAL OFFICER

Mr. Anil Kumar Sharma

COMPANY SECRETARY

Mr. Rajesh Relan

REGISTERED OFFICE

9th Floor, Tower 'C',

Infinity Towers

DLF Cyber City, Phase-II

Gurgaon, Haryana – 122 002

PLANTS

Ammasandra (Karnataka)

Damoh (Madhya Pradesh)

Jhansi (Uttar Pradesh)

Raigad (Maharashtra)

AUDITORS

M/s. S. R. Batliboi & Co.,

Chartered Accountants

REGISTRARS & SHARE TRANSFER AGENTS

M/s. Integrated Enterprises (India) Ltd.

30, Ramana Residency,

4th Cross, Sampige Road,

Malleswaram,

Bangalore – 560 003

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HeidelbergCement India Limited

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

NOTICE TO MEMBERS

NOTICE is hereby given that the 52nd Annual General Meeting of the Members of the Company will be held at 9.30 A.M. on Friday, the 10th June 2011 at Epicentre, Apparel House, Sector 44, Institutional Area, Gurgaon, Haryana to transact the following business: -

1. To receive, consider and adopt the Audited Accounts of the Company consisting of the Balance Sheet as at 31st December 2010 and the Profit and Loss Account for the financial year ended on that date including notes thereto together with the Reports of the Directors and Auditors thereon.
2. To confirm the interim dividend paid @ 9% per annum on 13,49,336 9% Cumulative Redeemable Preference Shares of Rs. 100 each, for the period from 1st January 2010 till 11th May 2010 (date of redemption of preference shares).
3. To appoint a Director in place of Dr. Bernd Scheifele who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Lorenz Naeger who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and if thought fit to pass, with or without modification(s) the following as an Ordinary Resolution:
“RESOLVED that M/s. S.R. Batliboi & Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of the 52nd Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be agreed upon between the Board of Directors and the Auditors, in addition to reimbursement of service tax and all out of pocket expenses in connection with Audit of the accounts of the Company.”
6. To consider and if thought fit to pass, with or without modification(s) the following as an Ordinary Resolution:
“RESOLVED that pursuant to the provisions of Section 269 read with Schedule XIII and other applicable provisions, if any, of the Companies Act 1956 or any statutory modification thereof, the appointment of Mr. Ashish Guha as “CEO and Managing Director” of the Company without any remuneration for a period of five years w.e.f. 23rd August 2011 be and is hereby approved.”
7. To consider and if thought fit to pass, with or without modification(s) the following as an Ordinary Resolution:
“RESOLVED that Mr. Sushil Kumar Tiwari who was appointed by the Board of Directors, as an Additional Director of the Company with effect from 29th April 2011 and who holds office upto the date of this Annual General Meeting of the Company under Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing under section 257 of the Companies Act, 1956 from a Member proposing his candidature for the office of the Director, be and is hereby appointed as a Director not liable to retire by rotation.”
8. To consider and if thought fit to pass, with or without modification(s) the following as an Ordinary Resolution:
“RESOLVED that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions if any, of the Companies Act, 1956 (the Act), read with Schedule XIII to the Act, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force and all other applicable guidelines relating to managerial remuneration issued by the Ministry of Corporate Affairs from time to time or any other law and subject to such other approvals, as may be necessary, and as are agreed to by the Board of Directors (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee thereof and any person authorised by the Board in this behalf), consent of the members be and is hereby accorded to the appointment of Mr. Sushil Kumar Tiwari as Wholtime Director of the Company for period of three years with effect from 29th April 2011 at the remuneration and upon the terms and conditions as are set out in the Explanatory Statement annexed hereto.

RESOLVED FURTHER that the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee thereof and any person authorised by the Board in this behalf) shall, in accordance with the statutory limits/approvals as may be applicable for the time being in force, be at full liberty to revise/ alter/modify/amend/change the terms and conditions of the appointment and remuneration from time to time as may be agreed to by the Board and Mr. Sushil Kumar Tiwari.”

9. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:
- “RESOLVED that Mr. Pradeep V. Bhide, who was appointed by the Board of Directors, as an Additional Director of the Company with effect from 29th April 2011 and who holds office upto the date of this Annual General Meeting of the Company under Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing under section 257 of the Companies Act, 1956 from a Member proposing his candidature for the office of the Director, be and is hereby appointed as a Director liable to retire by rotation.”
10. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:
- “RESOLVED that Mr. Daniel Robert Fritz, who was appointed by the Board of Directors, as an Additional Director of the Company with effect from 29th April 2011 and who holds office upto the date of this Annual General Meeting of the Company under Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing under section 257 of the Companies Act, 1956 from a Member proposing his candidature for the office of the Director, be and is hereby appointed as a Director liable to retire by rotation.”

By Order of the Board

Place : Gurgaon
Date : 29th April 2011

Sd/-
Rajesh Relan
Company Secretary

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY HAS TO BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act 1956 is annexed.
3. The Directors of the Company on 11th May 2010 passed a Resolution by Circulation to exercise the Call Option for redemption of 13,49,336 9% Cumulative Redeemable Preference Shares of Rs. 100 each aggregating to Rs. 13,49,33,600. Since these Preference Shares were Cumulative in nature, it was obligatory for the Company to pay the accumulated dividend i.e, dividend @ 9% per annum on 13,49,336 9% Cumulative Redeemable Preference Shares of Rs. 100 each for the period from 1st January 2010 till 11th May 2010 (being the date of redemption of preference shares).

The Company has already paid the dividend amounting to Rs. 43,58,540 as interim dividend along with the redemption proceeds. Hence, confirmation of the shareholders has been sought at Item No. 2 of the Notice.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 6th June 2011 to 10th June 2011 (both days inclusive).
5. The share transfer instruments, complete in all respects, should be sent to the Registrars & Share Transfer Agents, M/s. Integrated Enterprises (India) Limited, 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore - 560003 well in advance so as to reach the Registrars & Share Transfer Agents prior to the book closure.
6. Members who continue to hold the shares in physical form are requested to inform any change in their address, bank particulars, nominee etc., to the Registrars & Share Transfer Agents. Members holding shares in dematerialized form are requested to approach their Depository Participant for change of address, bank particulars, nominee etc.
7. (a) Members attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall. Attendance at the Annual General Meeting shall not be allowed without production of the attendance slip duly signed.

(b) Members are requested to bring their copies of the Annual Report as additional copies of the same will not be distributed at the meeting.

Explanatory Statement pursuant to Section 173(2) of the Companies Act 1956 / Code for Corporate Governance

Item No. 3:

Brief resume of Dr. Bernd Scheifele, who is proposed to be re-appointed as Director, is given below:

Dr. Bernd Scheifele, aged 52 years completed his Masters and Doctorate in Law from the Universities of Freiburg (Germany), Dijon (France) and Illinois (USA). Dr. Scheifele has more than 24 years of rich and varied experience. He is Chairman of the Managing Board of group's flagship company, HeidelbergCement AG since 1st February 2005. He is also member of the managing board of some other leading companies of HeidelbergCement group.

Dr. Scheifele does not hold directorship in any other company in India. Dr. Scheifele does not hold any Equity Shares in the Company.

Except Dr. Scheifele, none of the other Directors may be deemed to be concerned or interested in the proposed Resolution. The Board of Directors recommends the re-appointment of Dr. Scheifele, by the shareholders.

Item No. 4:

Brief resume of Dr. Lorenz Naeger, who is proposed to be re-appointed as Director, is given below:

Dr. Lorenz Naeger, aged 50 years, holds a degree and doctorate in Business Administration from Regensburg and Mannheim (Germany) and Swansea (U.K.) besides qualification as Tax Advisor. Dr. Naeger has over 24 years of rich experience as a corporate executive. Since 1st October 2004, he is member of the Managing Board of HeidelbergCement AG in charge of Finance, Group Accounting, Controlling, Taxes, Insurance & Corporate Risk Management and IT. He is also member of the managing board of some other leading companies of HeidelbergCement group.

Dr. Naeger does not hold directorship in any other company in India. Dr. Naeger does not hold any Equity Shares in the Company.

Except Dr. Naeger, none of the other Directors may be deemed to be concerned or interested in the proposed Resolution. The Board of Directors recommends the re-appointment of Dr. Naeger, by the shareholders.

Item No. 6:

The Board of Directors of the Company at its meeting held on 29th April 2011 has re-appointed Mr. Ashish Guha as CEO and Managing Director of the Company without any remuneration for further period of five years w.e.f. 23rd August 2011. Mr. Guha would look after the day-to-day management and administration of the affairs of the Company, subject to the overall superintendence, control and directions of the Board of Directors.

Mr. Guha is Managing Director of the Company since 23rd August 2006. The Company has immensely benefitted from his rich and vast experience. The steps taken by him have resulted in the successful turnaround of the Company, after HeidelbergCement group of Germany took controlling stake in the Company in August 2006. In view of this the Board has unanimously decided to re-appoint Mr. Guha for further tenure of five years.

Mr. Ashish Guha, aged 54 years holds Bachelor's degree in Economics (Hons.). Mr. Guha is an alumnus of London Business School. He has rich experience of 28 years as consultant in Investment Banking and Merchant Banking including three years as a CEO of a leading International Investment Bank. Mr. Guha has the experience of advising & implementing large number of merger & acquisition transactions in India with the distinction of leading several landmark transactions including over a half a dozen in the cement sector.

He is Chairman of the Board of Directors of Cochin Cements Ltd. and also a Director on the Board of Ballarpur Industries Limited (BILT) and Bharat Sanchar Nigam Limited (BSNL).

He is Chairman of the Finance Committee of BSNL, Member of Risk Management Committee of BILT and Member of Audit Committee of Cochin Cements Limited. He is also a member of the Audit Committee and the Share Transfer and Shareholders' / Investors' Grievance Committee of the Company. Mr. Guha does not hold any Equity Shares in the Company.

The Explanatory Statement together with the accompanying notice may also be regarded as an abstract of the terms of appointment of Mr. Guha, Managing Director of the Company and Memorandum of interest of Director pursuant to section 302 of the Companies Act, 1956.

Except Mr. Guha, none of the other Directors may be deemed to be concerned or interested in the proposed resolution. The Board of Directors recommends the re-appointment of Mr. Ashish Guha as CEO and Managing Director, by the shareholders.

Item Nos. 7 and 8:

Mr. Sushil Kumar Tiwari, aged 55, is Engineer in Electrical as well as in Electronics and Communication from the Institute of Engineers, Kolkata. In his career spanning over 32 years he has vast experience of more than 25 years in the Cement Sector. He has been associated with Raymond Limited (Cement Division) which was taken over by Lafarge India Private Limited in the year 2001.

Mr. Tiwari has been associated with the Company for the past 4 years and undertaken multifarious assignments in the areas of production and has been leading the team as Technical Head. Mr. Tiwari joined the Company in April 2007 as Unit Head of our Ammasandra Plant. He has vast knowledge and experience in operation of cement plants and matters pertaining to the Cement Industry. In August 2008 he was appointed as Unit Head of the Company's Damoh and Jhansi units. In view of the valuable contribution of Mr. Tiwari, he was elevated to the position of Technical Head of the Company w.e.f. 1st September 2010.

Mr. Sushil Kumar Tiwari was appointed as an Additional Director and Wholetime Director of the Company with effect from 29th April 2011. A notice pursuant to Section 257 of the Companies Act, 1956 ("the Act"), has been received from a member signifying his intention to propose the appointment of Mr. Tiwari as Director of the Company not liable to retire by rotation.

The main terms and conditions of Mr. Tiwari's appointment are as under:

1. The appointment shall be for a period of 3 years commencing from 29th April 2011 as Wholetime Director.
2. As Wholetime Director, Mr. Tiwari shall perform such duties and exercise such powers as are entrusted to him from time to time by the Managing Director and/or the Board of Directors.
3. In consideration of the performance of his duties to the Company, Mr. Tiwari shall be entitled to the following remuneration:
 - i) Basic Salary : Rs. 37,15,000 per annum. The annual increment will be effective from January 1, each year and shall be decided by the Board of Directors based on the merits and taking into account the Company's performance and market parity.
 - ii) House Rent Allowance : 40% of the basic salary.
 - iii) Performance Incentive : Such remuneration by way of Performance Incentive payment at an amount equivalent to Rs. 21,46,200 @100 % achievement of the Company's and individual targets. Performance Incentive can vary between 0% to 200% based on the individual and company performance. The annual increment in performance incentive will also be effective from January 1, each year.
 - iv) Car Allowance : Rs. 6,12,000 per annum.
 - v) Perquisites & Allowances : In addition to the salary, allowances and performance incentive as outlined above, Mr. Tiwari shall also be entitled to perquisites and allowances like Medical reimbursement, Mediclaim premium, Special Allowance and Leave Travel Allowance etc., in accordance with the Rules of the Company or as may be agreed to between the Board of Directors and Mr. Tiwari.

Perquisites and allowances shall be evaluated as per the Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost. Provision for use of telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the remuneration.
 - vi) Provident Fund, Superannuation / Annuity Fund : Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the Company's policy. Gratuity to be paid in accordance with the Payment of Gratuity Act, 1972 and encashment of leave at the end of the tenure. All these payments / contributions shall not be included in the computation of limits for the remuneration or perquisites aforesaid.
4. Minimum Remuneration: Notwithstanding anything herein contained, where in any financial year during the currency of the tenure of office of the Wholetime Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above, subject to the requisite approvals being obtained.
5. Within the overall ceiling on managerial remuneration prescribed under the Companies Act, 1956, or any statutory modification or re-enactment thereof the Board shall be entitled to add to, alter or vary any of the foregoing terms of remuneration, benefits or perquisites to which Mr. Tiwari may be entitled as aforesaid.

The Explanatory Statement together with the accompanying notice may also be regarded as an abstract of the terms of appointment of Mr. Tiwari, Wholetime Director of the Company and Memorandum of interest of Director pursuant to section 302 of the Companies Act, 1956.

Mr. Tiwari is a Director of Cochin Cements Limited. He does not hold any Equity Shares in the Company.

The Board recommends the appointment of Mr. Tiwari as Wholetime Director of the Company. None of the Directors, except Mr. Tiwari is concerned or interested in the resolutions at Item Nos. 7 & 8 of the accompanying Notice.

Item No. 9:

Brief resume of Mr. Pradeep V. Bhide, who is proposed to be appointed as Director, is given below:

Mr. Pradeep V. Bhide, aged 61, is a retired IAS Officer and holds degrees in MBA, LL.B. and B.Sc. During his career spanning about four decades he held various positions at senior level, including the Secretary, Department of Revenue, Ministry of Finance, Government of India; Secretary and Joint Secretary, Department of Disinvestment, Ministry of Finance, Government of India; Additional Secretary / Spl. Secretary, Ministry of Home Affairs, Government of India; Deputy Secretary/Director in the Department of Economic Affairs, Ministry of Finance, Government of India; Director Fund-Bank Division of the Department and Advisor to India's Executive Director to the International Board for Reconstruction and Development, Washington D.C; Secretary, Department of Finance, Government of Andhra Pradesh; Secretary, Department of Energy, Government of Andhra Pradesh and Managing Director of Godavari Fertilisers and Chemicals Limited.

During his tenure as Secretary, Department of Revenue, Ministry of Finance he was involved in formulation of the Direct and Indirect Taxation Policies including the Direct Taxes Code and the proposed roll out of the Goods and Services Tax.

Mr. Bhide holds directorships in L&T Finance Ltd., GlaxoSmithkline Pharmaceuticals Ltd., NOCIL Ltd. and Tube Investments of India Ltd. He is a member of Shareholders' / Investors' Grievance Committee of GlaxoSmithkline Pharmaceuticals Ltd.

Mr. Bhide does not hold any Equity Shares in the Company.

Except Mr. Bhide, none of the other Directors may be deemed to be concerned or interested in the proposed Resolution. The Board of Directors recommends the appointment of Mr. Bhide, by the shareholders.

Item No. 10:

Brief resume of Mr. Daniel Robert Fritz, who is proposed to be appointed as Director, is given below:

Mr. Fritz, aged 56, completed his Bachelor of Science degree in Civil Engineering Technology from the University of Massachusetts at Dartmouth (USA) in the year 1977. He also completed the AMP/ISMP Executive Education Program from Harvard University in the year 1996.

Mr. Fritz started his professional career in 1977 with the Willis & Paul Group, a heavy industrial engineering and construction firm engaged in civil design and construction of Aggregates, Cement, Pulp & Paper and Power Plants through out North America. From 1977-1991 he held several management positions including Division President for their southern US operations. In 1991 he joined Polysius Corporation located in Atlanta Georgia as its President. Polysius Corporation is a group Company of Krupp Polysius a global design, equipment supplier and builder of cement and mining manufacturing facilities.

In 2004 Mr. Fritz joined the Brazilian industrial conglomerate Votorantim Cimentos North America responsible for their Southeast US vertically integrated operations including cement, ready mix and aggregates holding the position of Chief Operating Officer.

In 2008 he joined HeidelbergCement Asia Pte. Ltd. as Director HTC Asia-Oceania responsible for managing the technical centres in this Area, which not only provides technical support to all the cement manufacturing facilities of HeidelbergCement group in this region but also takes care of the new projects.

Mr. Fritz does not hold directorship in any other company in India. Mr. Fritz does not hold any Equity Shares in the Company.

Except Mr. Fritz, none of the other Directors may be deemed to be concerned or interested in the proposed Resolution. The Board of Directors recommends the appointment of Mr. Fritz, by the shareholders.

By Order of the Board

Place : Gurgaon
Date : 29th April 2011

Sd/-
Rajesh Relan
Company Secretary

Directors' Report

TO THE MEMBERS,

The Directors of your Company are pleased to present the 52nd Annual Report together with the audited accounts of the Company for the financial year ended 31st December 2010.

REVIEW OF OPERATIONS

Production and Sales figures of the Company in quantitative terms are as under:

	Financial year ended 31 st December 2010	Financial year ended 31 st December 2009
Production (in tonnes)		
-Clinker	13,36,805	13,53,951
-Cement	26,45,725	26,60,674
-GGBS	15,993	5,026
Sales (in tonnes)		
-Clinker	81,449	55,479
-Cement	26,09,254	26,54,767
-GGBS	17,151	5,376

India is the world's second largest producer of cement. The main characteristics of this industry is that it is highly fragmented, regional, cyclical and capital intensive.

In the first half of the year 2010 the demand for cement was buoyant which resulted in higher volume and price realisation. However during the second half of the year additional capacities became operational which resulted in oversupply situation. Further, during the second half of the year the demand for cement also declined due to heavy rains in most parts of the Country resulting in subdued construction activity. The oversupply coupled with the poor off take of cement created demand supply mismatch putting pressure on prices. This lead to decline in the capacity utilization throughout the industry. Significant rise in costs, especially the price of coal, petroleum products, power and freight cost further eroded the profitability.

Financial year 2011-12 is the terminal year of the 11th Five year plan of the Government of India. Therefore we expect that the Government spending will be relatively higher during the aforesaid period. This will also help in increasing the demand of cement during the current year.

Mycem is now a well established brand with high degree of customer acceptance, which is the result of the Company's constant endeavour to give its customers the best possible product. The Company has also started marketing its cement in Bihar to expand its market reach. In order to foster better channel – Company Partnership, a dealer training program was initiated, a first for the Company.

FINANCIAL HIGHLIGHTS

The Company achieved gross sales of Rs. 98,537.07 lacs during the financial year ended 31st December, 2010, against Rs. 1,04,023.92 lacs during the financial year ended 31st December 2009. The net profit of the Company during the financial year ended 31st December 2010 was Rs. 6,329.95 lacs as compared to the net profit of Rs. 13,403.91 lacs during the financial year ended 31st December 2009.

The snapshot of your Company's performance for the financial year ended 31st December, 2010 vis-à-vis its performance in the previous year ended 31st December, 2009 is as under:-

	Financial year ended 31 st December 2010	(Rs. in lacs) Financial year ended 31 st December 2009
Earnings before Interest, Depreciation and Taxes (EBIDTA)	12,900.82	20,495.46
Less :		
- Finance Charges	(421.31)	(439.90)
- Depreciation / Amortization	(2884.88)	(2,580.69)
	(3,306.19)	(3,020.59)
Earnings before taxes (EBT)	9,594.63	17474.87
Less:		
- Deferred Tax Credit	(1365.12)	(1,646.90)
- Provision for Income Tax	(1899.56)	(2,408.60)
- Fringe Benefit Tax	- (3264.68)	(15.46) (4,070.96)
Net Profit	6,329.95	13,403.91
Less: Dividend on 9% Cumulative Redeemable Preference Shares (including Corporate Dividend Tax of Rs. 7.24 lacs).	(50.83)	(434.03)
Add: Balance b/f from the previous year	4,777.75	(8,192.13)
Less: Amount Transferred to Capital Redemption Reserve	(1,349.34)	-
Profit / (Loss) carried to Balance Sheet	9,707.53	4,777.75

CAPACITY EXPANSION

The Company's present installed capacity is 3.07 MTPA. The Company has embarked upon expansion projects at Damoh & Jhansi units, which will double its cement production capacity.

On 4th August 2010, the Hon'ble Chief Minister of Madhya Pradesh, Mr. Shivraj Singh Chauhan, performed a Bhoomi Poojan and unveiled a plaque at the Narsingarh Unit for the said expansion project.

The work on the aforesaid expansion projects is in full swing and it is expected that the commercial production will commence in the first quarter of the year 2012. The total cost of the expansion project will be funded through a mix of internal accruals, External Commercial Borrowings (ECB) from the promoter group and borrowings from Indian Banks and Financial Institutions.

DIVIDEND

The Directors of the Company had passed a Resolution by Circulation on 11th May 2010 to exercise the Call Option for redemption of 13,49,336 9% Cumulative Redeemable Preference Shares of Rs. 100 each aggregating to Rs. 13,49,33,600. Since these Preference Shares were Cumulative in nature, it was obligatory for the Company to pay the accumulated dividend i.e., dividend @ 9% per annum on 13,49,336 Preference Shares for the period from 1st January 2010 till 11th May 2010 (being the date of redemption of preference shares).

The Company has already paid the dividend amounting to Rs. 43.59 lacs as interim dividend along with the redemption proceeds for which the Board seeks the confirmation of the shareholders at Item No. 2 of the Notice of Annual General Meeting.

Further, in view of the requirement of funds for the aforesaid expansion projects, your Directors have decided not to recommend any Dividend on the equity shares for the financial year ended 31st December, 2010.

APPOINTMENT / RE-APPOINTMENT OF DIRECTORS

Dr. Bernd Scheifele and Dr. Lorenz Naeger, Directors of the Company retire by rotation at the ensuing Annual General Meeting (AGM) of the Company. The retiring Directors being eligible have offered themselves for re-election at the said AGM.

Mr. Pradeep V. Bhide, Mr. Daniel R. Fritz and Mr. Sushil Kumar Tiwari were appointed as Additional Directors on the Board w.e.f. 29th April 2011. Pursuant to section 260 of the Companies Act, 1956 the aforesaid Additional Directors shall hold office up to the date of the ensuing AGM. The Company has received notices under section 257 of the Companies Act, 1956 from some members proposing the names of the aforesaid persons for appointment as Directors.

The Board has appointed Mr. Sushil Kumar Tiwari as Wholetime Director for tenure of 3 years w.e.f. 29th April 2011, subject to the approval of the shareholders at the ensuing AGM.

The Board at its meeting held on 29th April 2011 has re-appointed Mr. Ashish Guha as Managing Director of the Company, without any remuneration, for a further term of five years w.e.f. 23rd August 2011, subject to the approval of the shareholders at the ensuing AGM.

The Board recommends the appointment / re-appointment of the aforesaid Directors.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, the Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them, confirm & declare that they have taken all reasonable steps, as are required, to ensure that :

- (a) The applicable accounting standards have been followed in the preparation of the annual accounts for the financial year ended 31st December 2010 and no departures have been made there from;
- (b) They have selected such accounting policies and applied them consistently and they have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st December, 2010 and of the profit of your Company for the year ended on that date;
- (c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting frauds and other irregularities; and
- (d) The annual accounts for the financial year ended 31st December, 2010 are prepared on a going concern basis.

AUDITORS

The Statutory Auditors, M/s. S.R. Batliboi & Co., Chartered Accountants, who were appointed at the last Annual General Meeting held on 11th May 2010, hold office up to the conclusion of the ensuing AGM and are eligible for re-appointment. The said Auditors have confirmed that their re-appointment, if made, shall be within the limit laid down under Section 224(1B) of the Companies Act, 1956. The Auditors' observations in their Report and the relevant notes to the accounts are self-explanatory.

COST AUDIT

Pursuant to the directives of the Central Government, your Company has appointed M/s. A. Nagaraja, Cost Accountants as Cost Auditors of the Company under Section 233B of the Companies Act, 1956 for the year 2011.

CORPORATE GOVERNANCE REPORT

In terms of Clause 49 of the Listing Agreement with the Stock Exchanges a report on Corporate Governance is included in the Annual Report. A Certificate from a Practising Company Secretary on compliance of conditions of Corporate Governance is also annexed to the Corporate Governance Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to clause 49 of the Listing Agreement, Management Discussion and Analysis Report is given as addition to this Report.

REGISTERED OFFICE

The Registered Office of the Company has been shifted from the plant at Ammasandra (Karnataka) to Gurgaon (Haryana) w.e.f. 8th March 2011.

HUMAN RESOURCES

During the year under review the Industrial Relations remained cordial and there was all round cooperation. Employees at all levels demonstrated high degree of commitment for achieving the Company's goals.

The Company focused on Employee Development, Retention, Recognition, Performance Management & Communication. Initiatives like Hi-Potential scheme and Star Employee of the month/quarter have been implemented with the objective of retention & recognition and also to encourage innovative ideas.

Various training programs focusing on the soft skills like Communication & Leadership skills were conducted. The key programs focusing on soft skills and managerial skills conducted were Business Communication, Breakthrough in Effectiveness, Performance Management Process, Team Bonding & Jagriti (Workmen Training).

Quarterly communication meetings, Directors' Feedback Sessions and open house sessions were also introduced to share the business performance vis-à-vis market scenario, new market place challenges and also to address the concerns of employees.

Employees at all levels continue to put in their best in the service of the Company and your Directors place on record sincere appreciation of their dedication and loyalty.

OCCUPATIONAL HEALTH & SAFETY

The Company has continued to focus on embedding strong safety culture top-down and bottom-up. "Nothing is more important to us at Heidelberg than the safety of our workers, our subcontractors, and the communities in and near which we operate," says Dr. Scheifele, Chairman of HeidelbergCement Group.

'Safety Topic of the Month' program is designed to educate the employees about why safety is so important, and to remind our employees and subcontractors about ways to maximize their own safety, on the job, in and around the plant, and in their own homes and communities. During the month, each site is organizing events, open house sessions to increase awareness and communication campaigns on the theme of occupational health and safety for employees and subcontractors.

Every Operational Unit and Project Site conducts Daily Safety Meeting to communicate the previous day safety observations & incident information of all the sites for taking immediate corrective & preventive actions at their respective sites. This has improved the Safety performance drastically at Shop floor. This meeting is headed by Plant Head and the presence of all Officers & Contractor Employees has been made mandatory.

The Lost Time Injury frequency Rate drastically decreased from the year 2007 to 2010 as a result of the company's comprehensive safety program. Damoh Limestone Mine has been selected for the National Safety Award under the category of "Lowest Injury Frequency Rate" by the Ministry of Labour & Employment.

The Company has set up Corporate Health & Safety function to lead these efforts to facilitate design and implementation of H&S Management System. The Company has also implemented the Contractor Safety Management System, which helps to ensure that proper processes are in place for the safety of Contract Employees. We have embarked on the journey of changing behaviors across all functions. We continue to lead our efforts for enforcement of H&S norms at all our brown field projects.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company is actively contributing to the economic and social development of the surrounding communities as part of its corporate social responsibility by focusing on Healthcare, Education and improvement of the surroundings. During the year under review, your Company continued to co-ordinate with local communities, in the regions where it has presence, to facilitate development and welfare activities. These included medical assistance and organising medical camps for the residents of the surrounding villages. Every Plant has a medical centre along with Ambulance to provide timely medical help and treatment.

In the area of Education, your Company's schools provide high standard of education not only to the children of its employees but also to the children from the surrounding rural areas. Sports meets with various events were conducted at schools

which also attracted participation of other schools from the surrounding areas. With the help of social clubs, the Company has initiated various training programs for women and unemployed youth.

There is scarcity of water in the vicinity of some of the Company's plants. Therefore the Company has made necessary arrangements to provide treated water from its plants to the villagers. In addition, the Company also engaged manpower for cleaning and renovation of old wells and ponds in surrounding areas to ensure that water is easily available to the villagers.

PARTICULARS OF EMPLOYEES

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended upto date are given in the enclosed statement forming part of this Report as Annexure 'A'.

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 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, forming part of this Report are annexed as Annexure 'B'.

MD / CHIEF FINANCIAL OFFICER'S CERTIFICATION

Pursuant to Clause 49 of the Listing Agreement, a certificate furnished by Mr. Ashish Guha, Managing Director and Mr. Anil Sharma, Chief Financial Officer in respect of the financial statements and the cash flow statement for the financial year ended 31st December 2010 is annexed as Annexure 'C'.

ACKNOWLEDGEMENTS

We deeply acknowledge the continued support and co-operation received from the State and Central Government Authorities and other regulatory agencies. We also take this opportunity to thank all the valued customers who have appreciated and patronised the company's brand "*mycem*".

Your directors are thankful to all stakeholders including Shareholders, Bankers, Suppliers, Distributors, Dealers and Contractors for their continued assistance, co-operation and support.

For and on behalf of the Board

Place : Gurgaon
Date : 29th April 2011

Sd/-
P.G. Mankad
Chairman

ANNEXURE – ‘A’ TO THE DIRECTORS’ REPORT

Statement pursuant to Section 217(2A) of Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors’ Report for the financial year ended 31st December, 2010

Employed throughout the period under review and were in receipt of remuneration for the year, in aggregate not less than Rs. 60,00,000/-

Sl. No.	Name	Designation/ Nature of Duties	Total Remuneration (Rs.)	Qualifications	Experience in years	Age in Years	Date of Commencement of Employment	Last Employment
1.	Mr. Jamshed N. Cooper	Director - Sales & Marketing	13,092,830	MBA	33	54	14.12.2006	ACC Ltd.
2.	Mr. S.K. Tiwari	Wholetime Director	7,376,702	Graduation (AIME)- Electrical & Electronics Communication Eng.	32	55	16.04.2007	Lafarge India Pvt. Ltd.
3.	Mr. Anil Kumar Sharma	Chief Financial Officer	64,95,377	B.Com., ACA, ACS	16	38	18.03.2002	Bhaskar Tea & Industries Limited

Employed for part of the year 2010 and were in receipt of remuneration at the rate of not less than Rs. 5,00,000/- per month in terms of Section 217 (2A) (ii)

Sl. No.	Name	Designation/ Nature of Duties	Total Remuneration (Rs.)	Qualifications	Experience in years	Age in Years	Date of Commencement of Employment	Last Employment
1.	Mr. Giv K. Brantenberg [^]	Director - Technical	14,550,729	M.Sc (Mechanical)	19	40	28.09.2007	Aker Group
2.	Mr. Pritpal Singh Kular [#]	Director - Human Resources	3,887,596	B.Com., MBA	20	44	15.05.2008	GlaxoSmithkline Consumer Health Care Ltd.

[^] Expatriate- Deputation completed on 20.08.2010

[#] Resigned w.e.f. 21.05.2010

Notes:

- (i) Remuneration here includes salary, allowances, values of perquisites and Company’s contribution towards provident and superannuation funds.
- (ii) In addition to the above remuneration, employees are entitled to gratuity in accordance with the Company’s rules.
- (iii) All the employees have adequate experience to discharge the responsibilities assigned to them.

ANNEXURE – “B” TO THE DIRECTORS’ REPORT

STATEMENT PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

A CONSERVATION OF ENERGY

a) Energy conservation and efficiency measures taken:

1. Installation of high efficiency separator in CM-4 circuit at Ammasandra Plant.
2. Installation of static grate in grate cooler of line – II at Narsingarh plant.
3. Replacement of kiln burners with high momentum burners of Line I & II at Narsingarh Plants.
4. Calcliner modification to convert SLC (separate line calciner) into ILC (in-line calciner) of line – II at Narsingarh plant.
5. Installation of kiln inlet seal in line – II at Narsingarh plant.
6. Installation of New coal metering & firing system in line – I of Narsingarh plant.

b) Additional Proposals for the year 2011

1. Replacement of WG fan 2 with new high efficiency fan at Ammasandra Plant.
2. Replacement of air lifts of silo feeding and kiln feed circuits with Belt bucket elevators in Line – I & II of Narsingarh plant.
3. Replacement of cement silo feeding air lifts with Belt bucket elevators in Cement mill – I & II at Imlai Grinding unit.

c) Impact of above measures for reduction of energy consumption and consequent impact on cost of production:-

The measures stated in point (a) above have already brought some savings in cost of production. Measures stated in point (b) above are expected to reduce electrical and thermal energy consumption further.

I POWER AND FUEL CONSUMPTION

	Units		Total Amount		Avg. Rate/unit	
	Current Year ended 31.12.2010	Previous Year ended 31.12.2009	Current Year ended 31.12.2010	Previous Year ended 31.12.2009	Current Year ended 31.12.2010	Previous Year ended 31.12.2009
	(Lac Units)		(Lac Rs)		Rs. /Unit	
1 Electricity						
a. Purchased	1817.06	1642.36	8855.43	7528.44	4.87	4.58
b. Own generation						
i. Through Diesel Generators	11.87	78.86	-	-	15.84	9.39
Units per Litre of diesel/furnace oil	2.88	3.19	-	-	-	-
ii. Through Steam Turbine/Generator	363.26	388.75	-	-	4.32	3.53
Units per Kg. of coal	0.89	0.98	-	-	-	-
	(Million K. Cal)				(Rs. /Million K. Cal)	
2 Coal						
In process (Cement)	1084319	1091990	8532.97	7404.59	786.94	678.08
In Thermal Power Plant	188933	193961	1386.51	1206.52	733.86	622.04
	(K. Ltrs)				(Rs. / Ltr)	
3 Furnace Oil						
In Generators	244	2397	71.03	502.40	29.13	20.96
In Kilns	-	-	-	-	-	-
4 Diesel						
In Generators	218	283	82.23	93.50	37.67	33.23
In Kilns	31	27	11.91	9.62	39.06	35.39
5 Light Diesel	724	2,006	311.62	621.58	43.02	30.99
	(Cubic Mtrs)					
6 Blast Furance gas	238	253	202.31	214.88	0.85	0.85
	(Lac Units)				(Rs. / Unit)	
7 Waste heat recovery	-	-	-	-	-	-

II CONSUMPTION PER UNIT OF PRODUCTION

		Standard (if any)	Current Period	Previous Period
Product - Cement				
Electricity	Units/t of Cement	-	84	83
Diesel Oil	Ltr/t of clinker	-	0.02	0.02
Coal	%/t of clinker	-	16.27	15.87
Light Diesel oil	ltr/mt			
- GGBS			1.95	6.05
- PSC			1.38	3.45
Blast Furance gas	Nm3/t			
- GGBS			88.30	73.62
- PSC			44.69	43.56

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief, made towards technology absorption, adaptation and Innovation:-
 - (a) Installation of imported refractory bricks at our kiln, Narsingarh line – II to achieve better life and for the clinker reactivity improvement.
 - (b) Installation of modified high momentum burners at Narsingarh lines I & II for quality up gradation.
 - (c) Automation of Narsingarh line II operation to have better control.
 - (d) Automation of both cement grinding circuits at Imlai grinding unit to have better control.
 - (e) Installation of improved fine coal feeding system for very accurate control of kiln system was done at Narsingarh line – I.
2. Benefits derived as a result of above efforts:-
 - (a) Because of automation operational efficiency has improved.
 - (b) The consistency in product quality has improved.
 - (c) Equipment reliability and productivity, has improved.
3. Information regarding Technology imported during last 5 years:-
NIL

C. FOREIGN EXCHANGE EARNINGS & OUTGO

Total foreign exchange used and earned:

	Current Year ended 31.12.2010	Previous Year ended 31.12.2009
Foreign exchange used	Lac Rs.	Lac Rs.
- Imports	3238.41	3324.53
- Expenditure	1564.19	1876.72
Total	4802.60	5201.25
Foreign exchange earning		
FOB value of Exports realised in Rupees	Nil	22.25

ANNEXURE – C TO THE DIRECTORS' REPORT

The Board of Directors
HeidelbergCement India Limited

Dear Sirs,

Sub. : MD & CFO's Certification

- (a) We have reviewed the financial statements and the cash flow statement of the Company for the financial year ended 31st December 2010 and that 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.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee :
- (i) significant changes in internal control over financial reporting during the year;
 - (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 significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Gurgaon
Date : 11th February 2011

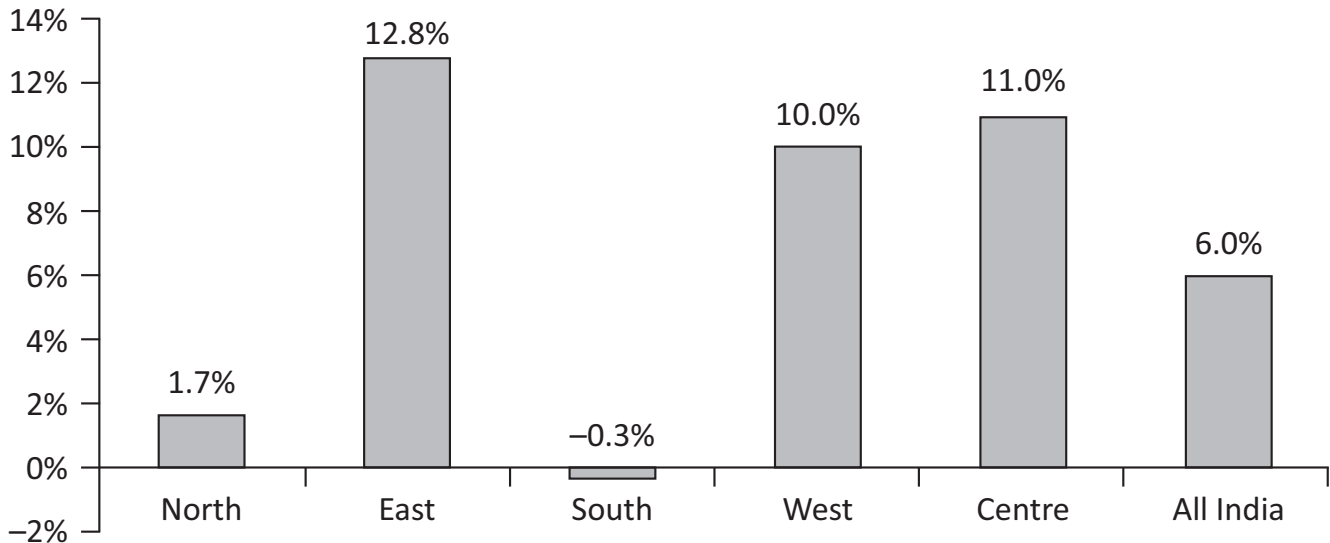
Sd/-
Ashish Guha
Managing Director

Sd/-
Anil Kumar Sharma
Chief Financial Officer

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Developments

Cement consumption % inc/dec: 2010 vs 2009

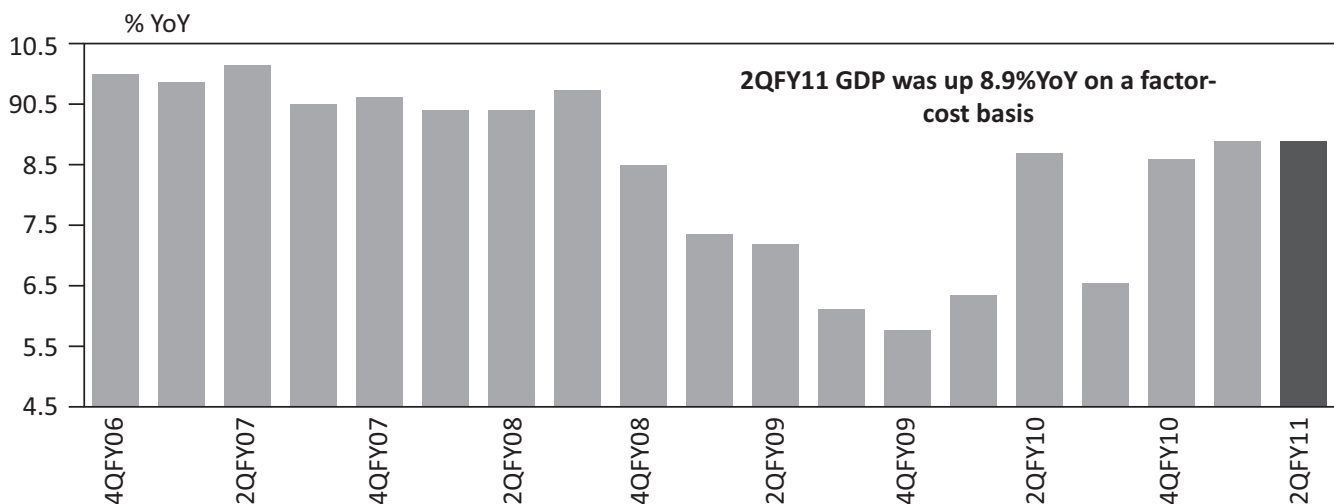


Source: CMA

- During CY 2010 a total of approx. 27 Million t of cement capacity was added taking the overall installed cement capacity to approx. 276 Million t as on 31st December 2010. (Source: CMA/Industry Estimates)
- However, considering the fact that 12 - 15 Million t of cement capacity was added in the second half of 2009 which actually started supplying to the markets during CY 2010, the effective cement capacity available in CY 2010 was higher by approx. 21 - 25 Million t over CY 2009. (Source: CMA/Industry Estimates).
- On the other hand demand growth slowed in the second half and on a y-o-y basis grew by 6% p.a. in CY 2010 (Source: CMA/Industry Estimates)
- This resulted in overall lower effective capacity utilisation of approx. 80-82% which impacted prices adversely across the country.

Opportunities and Threats

Opportunities



- Reserve Bank of India in its Quarterly Review of Monetary Policy in January 2011 has retained the GDP growth projection of 8.5% for Financial Year 2010-11 with an upward bias, citing key factors contributing to the growth momentum as:
 - improved kharif production and healthy trends in rabi production
 - rising tax revenues
 - strong growth in corporate sales and earnings
 - pick up in private consumption and
 - strong credit growth.
- The Government's advance GDP estimate for FY 2010-11 too has pegged growth at 8.6%
- Consumption trends continue to be strong, due to positive demographic story.
- Good agricultural production is expected to help sustain the rural demand. Trends in rural consumption could also get a boost following the proposal to link wages under the National Rural Employment Guarantee Act (NREGA) to inflation.
- On the urban side, in addition to strong service sector growth, consumer confidence will too support consumption.
- With the impetus on infrastructure and rural housing, the company has already commenced the expansion of its facilities at Damoh and Jhansi in the states of Madhya Pradesh and Uttar Pradesh respectively. The project is on schedule and we expect commercial production to commence by First Quarter of CY 2012. Post expansion, the total capacity of the company would double to 6 Million t.p.a.

Threats

- Inflation remains the key concern. Rising input costs continue to be a serious threat to the industry. Reserve Bank too has raised its March 2011 WPI forecast from 5.5% to 7%. Prices of all key raw materials, fuel and power have increased substantially over the last year and have adversely impacted the margins.
- With the Reserve Bank of India raising rates for 7 consecutive times since March 2010 to rein inflation, the interest costs too have risen steeply further impacting the profitability of the corporate sector.
- Key threats to the industry are :-
 - Excess capacity build up, which may impact prices in the short run.
 - Delays in execution of infrastructure projects can adversely impact the demand growth.
 - Rising interest rates may also impact the demand for housing.
 - Rising Fuel prices : Higher international coal prices coupled with rising crude prices are likely to result in higher domestic petcoke prices.
 - Over the last 2 years the domestic supply of natural gypsum has shown marked deterioration in quality. Availability of sufficient quantity is also doubtful due to mining related issues.
 - Steel for expansion project : Shortage of metallurgical grade coke coupled with rise in prices will result in higher domestic steel prices.
 - Restricted availability of wagons may lead to congestion in despatches.

Outlook

- Approx. 30-35 Million t of capacity is expected to be added during CY 2011 (Source : Industry estimates)
- We expect cement demand to grow by 8-10% during CY 2011 considering the following factors :
 - GDP growth of 8-9%
 - Good monsoons in FY 2010-11 will boost agricultural output and thus the rural economy.
 - Impetus on infrastructure spending and rural housing.
 - Since FY 2011-12 is the terminal year of the 11th Five Year Plan of the Government of India, we expect Government spending to be relatively higher than in the past years.

Company's Operational and Financial Performance

- The cement sales of the Company were 2.61 million tonnes during the financial year ended 31st December 2010 against 2.66 million tonnes during the previous financial year ended 31st December 2009.
- The Company achieved gross sales of Rs. 98537.07 lacs during the financial year ended 31st December, 2010, against Rs. 104023.92 lacs during the financial year ended 31st December 2009. The net profit of the Company during the financial year ended 31st December 2010 was Rs. 6,329.95 lacs as compared to the net profit of Rs. 13403.91 lacs during the financial year ended 31st December 2009.

Unit-wise Performance

The company has four manufacturing units namely Ammasandra (Karnataka), Damoh (M.P.), Jhansi (U.P.) and Raigad (Maharashtra). The unit-wise performance is given below:-

Units	2010 (Jan-Dec)		2009 (Jan-Dec)		Change in %	
	Sales Qty.	Gross Sales Value	Sales Qty.	Gross Sales Value	Sales Qty.	Gross Sales Value
	(Lac MTs)	(Lac Rs.)	(Lac MTs)	(Lac Rs.)		
CEMENT						
Ammasandra	2.01	6477.60	1.81	6347.60	11.05	2.05
Damoh	10.92	38917.21	11.74	44088.74	-6.98	-11.73
Jhansi	8.10	30252.78	7.36	28859.81	10.05	4.83
Raigad	5.07	20114.35	5.64	23262.84	-10.11	-13.53
Sub Total	26.10	95761.94	26.55	102558.99	-1.69	-6.63
Clinker Sold						
Ammasandra	0.58	1544.08	0.29	689.97	100.00	123.79
Damoh	0.23	655.71	0.26	584.29	-11.54	12.22
Sub Total	0.81	2199.79	0.55	1274.26	47.27	72.63
# GGBS Sold						
Raigad	0.17	575.34	0.05	191.67	240.00	200.17
Grand Total	27.08	98537.07	27.15	104023.92	-0.26	-5.27

"GGBS" means Ground Granulated Blast Furnace Slag.

Product Performance

- HCIL continues to be committed to its customers and every endeavor is made to create and maintain unmatched customer satisfaction by delivering quality product at competitive price.
- The Company has also introduced an efficient and speedy customer support and logistics system to further support its dealer network and the customer base.
- In Central India, our brand "mycem" has achieved excellent customer acceptability. Ever since the launch of "mycem", emphasis was laid on delivering superior quality product and this has led to consistent improvement in the brand's quality perception.
- "mycem" is gaining market acceptance in Southern markets and now all efforts are being made to position it as a premium brand.
- The Company has also introduced "mycem" as a premium quality product in the Western India markets of Mumbai and Pune.

Environment

- To further the environmental safety, steps have been taken and reviewed by the Management to watch the trend in consumption of power, fuel, paper, water etc.
- Energy Conservation measures have been taken by the Company to conserve energy and protect environment.
- In addition, the Company has taken certain initiatives to further reduce emissions such as fugitive emissions by installing additional dust collectors at the Plants.

Risks and Concerns

- Top management reviews the risks associated with the business of the Company with respect to Production, Operation, Marketing, Regulatory Affairs, Finance, Information Technology and Human Resources. Suitable steps are taken to mitigate such risks.
- Sufficient resources have been deployed in terms of experienced professionals, technology and processes to monitor, evaluate and manage the principal risks.
- While systematic risk identification and mitigation framework is in place, the Company has little or virtually no control over certain business risks, which are external to the Company such as general down turn in market-demand due to adverse economic or political conditions, volatility in interest rates, new Regulations and Government policies.

Internal Control Systems and their Adequacy

- The Company has appointed Internal Auditors to look into the Internal Control System and their Reports are reviewed by Management and also by the Audit Committee.
- Internal Audit team of HeidelbergCement Group, Germany also documents and reviews the internal controls.
- Internal Control System is reviewed from time to time for its adequacy and effectiveness and suggestions of Internal Auditors are implemented.
- Existing audit and inspection procedures are reviewed to enhance their effectiveness, usefulness and timeliness.
- In addition, the Company reports at the end of each quarter the critical issues that are required to be reported pursuant to the Risk Management Guidelines of HeidelbergCement Group.

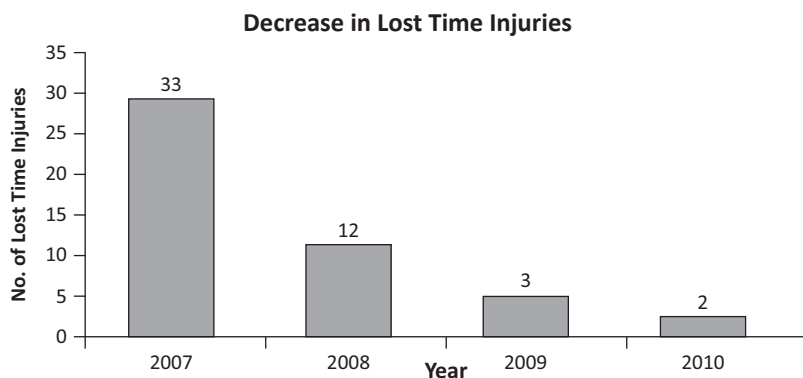
Human Resources

The company recorded 1608 officers and workmen on its rolls as on 31st December 2010. As a step in the direction of making HCIL an employer of choice, following initiatives were focused upon:-

- Talent Engagement & Retention :
 - Reward & Recognition – Star Performer of the month /quarter /year Scheme
 - Career & Succession Planning – Identification of high potential employees under Hi-Pot Scheme, who will be groomed to take on critical roles in the organisation.
 - Market aligned compensation
 - More effective Performance Management System
 - Strengthening Employee communication & feedback
- Training & Development:
 - Workmen Training
 - Dealers' Training
 - Top Management Training
 - Soft Skill Training for personal effectiveness
 - Team Building workshop
- Review of the existing policies to keep up with the Industry & Market trends.

Occupational Health & Safety

- Increasing Safety Communication among workforce through Daily Safety Meetings.
- Implementation of Standard Operating Procedures & Working Instructions for all critical operations such as Working at Height, Cyclone Jam Removal, Silo Cleaning, Electrical Isolation etc.
- Training for Job Specific Significant Activities such as Working on Conveyor Belts, Kiln Brick Lining, Working on Energy Lines etc.
- Daily Safety Inspections & immediate corrective actions
- Safety Cardinal Norms Implementation – A system developed to change Unsafe Behaviors of employees detection of Violation on Work Permits & Risk Assessment control measures.
- Implementation of Group guidelines on Contractor Management System & Working at Height
- More emphasis on Vehicle Safety & Driving Guidelines by checking vehicles while they enter into plants & ensuring compliance of mandatory requirements
- Safety Topic of month (Electrical Safety, Working at Height, Machine Guarding, Defensive Driving etc.) and Conducting Specific Inspections, Trainings, Competitions and corrective actions.



“Lost Time Injury” means work related injury which causes the absence of an employee for one or more workdays

Narsingarh Limestone Mine selected by the Ministry of Labour & Employment for the **National Safety Award - “Lowest Injury Frequency Rate”**.

Corporate Social Responsibility

- The Company actively pursued the Corporate Social Responsibilities with focus on Education, Healthcare and improvement of surroundings. The Company has specifically earmarked funds towards the CSR activities.
 - Company’s schools provide high quality education to the children from surrounding rural areas.
 - Medical centres at the plants provide treatment to the villagers. In addition medical camps are also organised from time to time which have been highly appreciated by the people.
 - In order to tackle the problem of water scarcity, treated water is provided to the villagers of surrounding areas from the company’ plants.
 - With the help of social clubs, the Company has initiated various training programs for women and unemployed youth.



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 & demand-supply conditions, finished goods prices, raw materials cost & 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 the strategies.

REPORT ON CORPORATE GOVERNANCE

Corporate Governance Philosophy

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

In terms of clause 49 of the Listing Agreement executed with the stock exchanges, the details of compliances, for the year ended 31st December 2010, are as follows :-

BOARD OF DIRECTORS

Composition of the Board

As on 31st December 2010, the Company's Board comprised of seven Directors viz., six Non-Executive Directors (out of which three are Independent Directors) and a Managing Director.

On 29th April 2011, the Board appointed Mr. P.V. Bhide, Mr. Daniel Robert Fritz and Mr. Sushil Kumar Tiwari as Additional Directors. Further, Mr. Sushil Kumar Tiwari has been appointed as Wholetime Director of the Company for period of three years w.e.f. 29th April 2011.

The Chairman of the Board is a Non-Executive Director. The composition of the Board is in conformity with Clause 49 of the Listing Agreement which stipulates that: (i) not less than 50% of the Board of Directors should comprise of Non-Executive Directors; and (ii) where the Chairman of the Board is a Non-Executive Director not related to the promoter group, at least one third of the Board should comprise of independent directors.

Number of Board Meetings

During the financial year ended 31st December 2010, the Board of Directors met five times on 24th February 2010, 28th April 2010, 4th June 2010, 28th July 2010 and 15th October 2010. The maximum time gap between any two consecutive board meetings was less than four months.

Directors' Attendance Record and Directorships held

COMPOSITION AND OTHER DETAILS OF THE BOARD OF DIRECTORS:

S.No.	Name of the Director	Category/ status of Directorship	No. of Board Meetings attended during the period 1.1.2010 to 31.12.2010	No. of Directorship (s) in other Public Limited Companies*	No. of Committee positions held in other Public Limited Companies**		No. of Equity Shares held in the Company	Sitting Fees paid during the period 1.1.2010 to 31.12.2010 (Rs.)
					Chairman	Member		
1.	Mr. P.G. Mankad, Chairman	Independent	5	12	1	6	—	1,00,000
2.	Dr. Bernd Scheifele	Non-Executive	NIL	NIL	—	—	—	—
3.	Dr. Lorenz Naeger	Non-Executive	NIL	NIL	—	—	—	—
4.	Mr. Amitabha Ghosh	Independent	4	13	4	4	—	80,000
5.	Mr. S. Krishna Kumar	Independent	5	—	—	—	—	1,00,000
6.	Dr. Albert Scheuer	Non-Executive	3	1	—	1	—	—
7.	Mr. Pradeep V. Bhide ^	Independent	NA	4	—	1	—	NA
8.	Mr. Daniel Robert Fritz ^	Non-Executive	NA	—	—	—	—	NA
9.	Mr. Sushil Kumar Tiwari @	Wholetime Director	NA	1	—	—	—	NA
10.	Mr. Ashish Guha	Managing Director	5	3	—	1	—	—

^ Appointed as Additional Director w.e.f. 29th April 2011.

@ Appointed as Wholetime Director w.e.f. 29th April 2011.

Dr. Bernd Scheifele, Dr. Lorenz Naeger, Dr. Albert Scheuer, Mr. Ashish Guha, Mr. Daniel Robert Fritz and Mr. Sushil Kumar Tiwari have been nominated on the Board of Directors of the Company by Cementum I B.V., the sole promoter of the Company.

- * Directorships in Private Limited Companies, Foreign Companies and companies under section 25 of the Companies Act, 1956 are excluded for this purpose.
- ** Only Audit Committee and Shareholders' / Investors' Grievance Committee have been considered for the purpose of the Committee positions as per listing agreement.

The Non-Executive Directors are paid sitting fees of Rs. 20,000 for attending each meeting of the Board of Directors as well as meetings of the Committees of the Board. The Company does not pay any remuneration or sitting fees to the Non-resident Directors namely, Dr. Bernd Scheifele, Dr. Lorenz Naeger, Dr. Albert Scheuer and Mr. Daniel Robert Fritz. The Company has not paid any sitting fees / remuneration to Mr. Ashish Guha, Managing Director.

The Company does not have any Stock Option Scheme or Fixed / Performance Linked Incentive Scheme for its Non-Executive Directors.

Code of Conduct for Directors and Senior Management Personnel

The Board had approved a Code of Conduct for Directors and Senior Management Personnel of the Company. 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 is attached and forms part of this Report.

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

The Company does not have any pecuniary relationship with any of the Directors nor has entered into any transaction, material or otherwise, with them except the sitting fee and payment / reimbursement of travelling expenses.

Board Level Committees

The Company has two Board Level Committees within the meaning of clause 49 of the Listing Agreement – Audit Committee and Share Transfer and Shareholders' / Investors' Grievance Committee. The Board of the Company takes all decisions with regard to constituting, 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 / information.

Audit Committee

The Audit Committee of the Company as on 31st December 2010, comprised of four members namely Mr. Amitabha Ghosh (Chairman of the Committee), Mr. P.G. Mankad, Mr. S. Krishna Kumar and Mr. Ashish Guha. During the period 1st January 2010 to 31st December 2010, the Audit Committee met four times on 24th February, 2010, 28th April, 2010, 28th July, 2010, and 15th October, 2010. The time gap between any two meetings of the Audit Committee was less than four months. 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 members present at the meeting.

The attendance of the members at the meetings of the Audit Committee is given below :

S.No.	Name of the Member	No. of Meetings Attended	Sitting Fees paid (Rs.)
1	Mr. Amitabha Ghosh	4	80,000
2	Mr. P.G. Mankad	4	80,000
3	Mr. S. Krishna Kumar	4	80,000
4	Mr. Ashish Guha	4	Nil

The terms of reference and the role of the Audit Committee is to overview the accounting systems, financial reporting and internal controls of the Company. The powers and role of the Audit Committee are as set out in the Listing Agreement and Section 292A of the Companies Act, 1956.

Company Secretary is the Secretary to the Committee. The Chief Financial Officer and the representative(s) of the Statutory Auditors are regularly invited to attend the meetings of the Audit Committee. Mr. Amitabha Ghosh, Chairman of the Audit Committee, possesses accounting and financial management expertise and all members of the Committee have accounting and financial knowledge.

Share Transfer and Shareholders' / Investors' Grievance Committee

Share Transfer and Shareholders' / Investors' Grievance Committee of the Company as on 31st December 2010 comprises of three members namely Mr. P.G. Mankad (Chairman of the Committee), Mr. Amitabha Ghosh and Mr. Ashish Guha. During the year, the Committee met 20 times to approve the share transfer requests and other related matters. The attendance of the members at the meetings of the Share Transfer and Shareholders' / Investors' Grievance Committee is given below :

S.No.	Name of the Member	No. of Meetings Attended	Sitting Fees paid (Rs.)
1	Mr. P.G. Mankad	18	3,60,000
2	Mr. Amitabha Ghosh	5	1,00,000
3	Mr. Ashish Guha	20	Nil

Mr. Rajesh Relan, Company Secretary is the Compliance Officer of the Company. During the year no complaint was received from any shareholder and there is no pending investor complaint.

Remuneration Committee

The Company does not have any Remuneration Committee.

Subsidiary

The Company does not have any subsidiary company.

Management Discussion and Analysis

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

Disclosures

Wherever necessary, Senior Management makes disclosures to the Board relating to all the material financial and commercial transactions where they have a personal interest that may have a potential conflict with the interest of the Company at large. All the related party transactions have been disclosed in the notes to the accounts of the Balance Sheet presented in the Annual Report. All the Directors have disclosed their interest in Form No. 24AA pursuant to Section 299 of the Companies Act, 1956 and as and when any changes in their interests take place, they are placed at the Board Meetings for taking the same on record.

The Senior Management and the Board of Directors of the Company review the adoption of the non-mandatory requirements under Clause 49 of the Listing Agreement, from time to time.

Disclosure of Accounting Treatment in preparation of Financial Statements

The Company has followed the accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

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

Your Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges, SEBI Regulations and other Statutory Authorities. No penalties or strictures have been imposed on your 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.

Risk Management

The Board is apprised of the matters with regard to Risk Management & Assessment. The Board has also constituted a Committee of Directors known as "Finance and Risk Management Committee" comprising of four members namely, Mr. Amitabha Ghosh (Chairman of the Committee), Mr. P.G. Mankad, Mr. S. Krishna Kumar and Mr. Ashish Guha. The risk minimisation procedures have been put in place and are reviewed from time to time to ensure that the executive management controls risk through means of a properly defined framework.

GENERAL SHAREHOLDERS INFORMATION:

Appointment / Re-appointment of Directors

At the ensuing 52nd Annual General Meeting (AGM) of the Company, Dr. Bernd Scheifele and Dr. Lorenz Naeger shall be retiring by rotation and being eligible they have offered themselves for re-election by the shareholders at the said AGM.

The Board of Directors at its meeting held on 29th April 2011 has appointed Mr. Pradeep V. Bhide, Mr. Daniel R. Fritz and Mr. Sushil Kumar Tiwari as Additional Directors. Pursuant to section 260 of the Companies Act, 1956 the aforesaid Additional Directors shall hold office up to the date of the ensuing AGM. The Company has received notices under section 257 of the Companies Act, 1956 from some members proposing the names of the aforesaid persons for appointment as Directors by the shareholders of the Company.

The Board has appointed Mr. Sushil Kumar Tiwari as Wholetime Director for a period of three years w.e.f. 29th April 2011, subject to the approval of the shareholders at the ensuing AGM.

The Board at its meeting held on 29th April 2011 has re-appointed Mr. Ashish Guha as Managing Director of the Company, without any remuneration, for a further term of five years w.e.f. 23rd August 2011, subject to the approval of the shareholders at the ensuing AGM.

The brief particulars of the aforesaid Directors are given in the Notice of AGM.

Means of Communication

The quarterly and annual financial results are published in English and Hindi editions of Business Standard.

The Quarterly / Annual Financial Results, Shareholding Patterns, Annual Reports 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.

Presentations were made to the Institutional Investors/Analysts twice during the year under review and the same can be accessed at the Company's website.

General Meetings of Shareholders

The details of the General Meetings of the shareholders of the Company viz., Annual General Meeting (AGM) and Extra-ordinary General Meeting (EGM) held during the last 3 years are given below:

(a) Annual General Meetings :-

Financial Year ended	Date & Time	Venue
31.12.2009	11.05.2010, 9.00 A.M.	HeidelbergCement Employees Staff Club Auditorium, P.O. Ammasandra, Taluk Turuvekere, District Tumkur, Karnataka – 572 211.
31.12.2008	29.05.2009, 9.00 A.M.	HeidelbergCement Employees Staff Club Auditorium, P.O. Ammasandra, Taluk Turuvekere, District Tumkur, Karnataka – 572 211.
31.12.2007	24.06.2008, 1.30 P.M.	Mysore Cements Employees Staff Club Auditorium, P.O. Ammasandra, Taluk Turuvekere, District Tumkur, Karnataka – 572 211.

Mr. Ashish Guha, Managing Director and Mr. Amitabha Ghosh, Director of the Company and Chairman of the Audit Committee were present at the last AGM held on 11th May 2010.

(b) Other meetings of shareholders :-

Particulars	Date & Time	Venue
EGM	19-03-2009, 9.00 A.M.	Mysore Cements Employees Staff Club Auditorium, P.O. Ammasandra, Taluk Turuvekere, District Tumkur, Karnataka – 572 211.
Meeting convened by Hon'ble High Court of Karnataka for approving Scheme of Amalgamation.	06.08.2008, 9.30 A.M.	Mysore Cements Employees Staff Club Auditorium, P.O. Ammasandra, Taluk Turuvekere, District Tumkur, Karnataka – 572 211.

No Special Resolution was passed at any of the last three AGMs. However, at the EGM held on 19th March 2009 the shareholders had passed a Special Resolution for increase of the Authorised Share Capital by Rs. 9 crores i.e, from Rs. 271 crores to Rs. 280 crores.

Postal Ballot

During the year under review the Company passed the following Resolutions through Postal Ballot:

- Two separate Ordinary Resolutions were passed for borrowing funds upto Rs. 1200 crores i.e, in excess of the limit provided under Section 293(1)(d) of the Companies Act, 1956 and for creation of charge or mortgage on the Company's properties in terms of Section 293(1)(a) of the Companies Act, 1956 for securing the aforesaid borrowings.
- A Special Resolution was passed for shifting of the Registered Office from Ammasandra (Karnataka) to Gurgaon (Haryana), subject to the confirmation of the Hon'ble Company Law Board.

To enable the members to cast their votes by post on the aforesaid resolutions, serially numbered Postal Ballot Forms along with the self-addressed envelopes for which the postage was borne by the Company were sent to all the members. The Postal Ballot voting process was conducted in a fair and transparent manner in accordance with the provisions of Section 192A of the Companies Act, 1956 and the rules framed there under. Mr. P. K. Pande, Practising Company Secretary acted as scrutinizer for the Postal Ballot voting process. The voting pattern in respect of aforesaid resolutions is given below:

Resolution at Item No.	No. of postal ballots in favour	Votes cast in favour of Resolution	No. of postal ballots against	Votes cast against the Resolution	Percentage of votes in favour to total votes
1.	1973	157182430	146	802831	99.49
2.	1942	157177404	177	807857	99.49
3.	1882	157927081	237	58180	99.96

The result of the Postal Ballot was announced at the 51st Annual General Meeting of the Company held on 11th May 2010. After declaration, the result was communicated to the stock exchanges and also posted on the Company's website.

Annual General Meeting

Date : 10th June 2011
 Day : Friday
 Time : 9.30 A.M.
 Venue : Epicentre, Apparel House,
 Sector 44, Institutional Area, Gurgaon, Haryana

Financial Calendar for 2011

The Company follows the calendar year for the preparation of its accounts. Proposed Board Meetings for taking on record quarterly financial results for the accounting year 2011 are as under:

Approval of the financial results for the quarter ending 31 st March 2011, 30 th June 2011 and 30 th September 2011.	Within 45 days from the end of the respective quarter.
Audited annual financial results for financial year ending 31 st December 2011.	On or before 29 th February 2012.
AGM for the financial year ending 31 st December 2011	: May / June 2012

Book Closure

Pursuant to Clause 16 of the listing agreement, the Register of Members and Share Transfer Books of the Company will remain closed from 6th June 2011 to 10th June 2011 (both days inclusive) for the purpose of registration of transfer of equity shares in physical form.

Dividend

Preference Shares: The Board of Directors of the Company on 11th May 2010 passed a Resolution by Circulation to exercise the Call Option for redemption of 13,49,336 9% Cumulative Redeemable Preference Shares of Rs. 100 each

aggregating to Rs. 13,49,33,600. Since the Preference Shares were cumulative in nature, it was obligatory for the Company to pay the accumulated dividend i.e. from 1st January 2010 to 11th May 2010 (being the date of redemption) amounting to Rs. 43,58,540. Hence the Company paid the same as interim dividend along with the redemption proceeds for which the Board seeks the confirmation of the shareholders at Item No. 2 of the Notice of Annual General Meeting.

Equity Shares : Nil

Stock Exchanges where shares are listed

Bombay Stock Exchange Ltd. (BSE)

National Stock Exchange of India Ltd. (NSE)

Stock Code / Trading Symbol

500292

Heidelberg

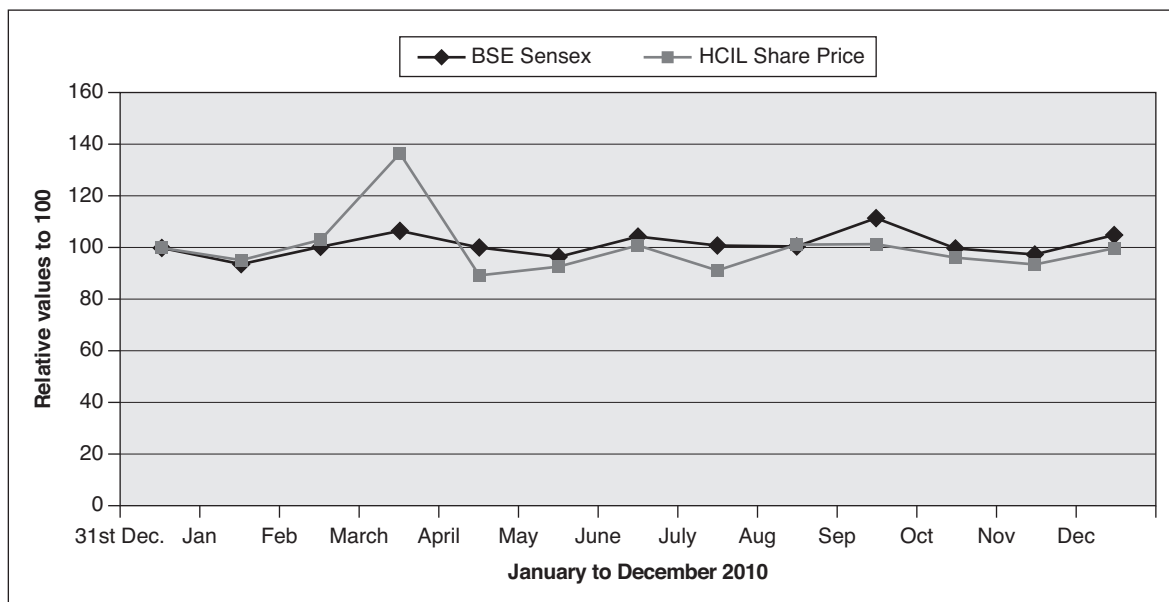
There are no arrears of listing fees to be paid to the Stock Exchanges.

Share Price Data

Share Price of HeidelbergCement India Ltd. at BSE & NSE during the financial year ended 31st December 2010.

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
January	51.90	41.50	51.80	41.55
February	46.35	42.05	46.55	41.55
March	63.10	40.90	63.15	45.50
April	64.95	52.60	65.00	52.40
May	55.70	44.50	55.70	44.60
June	58.00	48.25	54.90	48.25
July	54.80	45.20	50.90	45.15
August	52.80	45.25	52.90	45.40
September	55.80	47.10	60.00	47.10
October	53.00	45.55	53.05	45.65
November	52.40	42.15	52.10	42.00
December	48.00	40.65	48.00	40.50

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



Shareholding Pattern as on 31st December 2010

Category	No. of Equity Shares	% of Equity share holding
Promoters	15,53,40,196	68.55
Mutual Funds & UTI	48,13,076	2.12
Financial Institutions & Banks	21,174	0.01
Central /State Government	3,28,440	0.14
Insurance Companies	36,08,864	1.59
FII's	1,28,52,448	5.67
NRIs & OCBs	16,15,525	0.72
Bodies Corporate	1,34,39,822	5.93
Trusts	8,83,688	0.39
Resident Individuals	3,37,09,883	14.88
Total	22,66,13,116	100.00

Distribution Schedule of Equity Shares as on 31st December 2010

No. of equity shares of Rs. 10 each	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1-500	50475	82.92	8904576	3.93
501-1000	5478	9.00	4696820	2.07
1001-2000	2357	3.87	3784884	1.67
2001-3000	838	1.38	2210736	0.97
3001-4000	329	0.54	1200290	0.53
4001-5000	394	0.65	1900536	0.84
5001-10000	503	0.83	3887932	1.72
10001 and above	497	0.81	200027342	88.27
Total	60871	100.00	226613116	100.00

Dematerialisation of shares and liquidity

The Equity Shares of the Company are actively traded at BSE and NSE in dematerialised form. 98.80 % of the Equity Shares of the Company have already been dematerialised. International Securities Identification Number (ISIN) for both the depositories, viz., NSDL and CDSL is INE578A01017. The shareholders who 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.

Share Transfer System

Alpha Systems Pvt. Ltd., the Registrar & Share Transfer Agent of the Company, has been merged with its group company Integrated Enterprises (India) Limited. The aforesaid merger will not affect the Company or its shareholders since there has not been any change in the existing set up.

The shareholders who wish to transfer their shares held in physical form can lodge the duly completed request for registration of transfer of shares with M/s. Integrated Enterprises (India) Ltd., Bangalore.

The duly transferred Share Certificates are normally returned to the shareholders within a period of 20 to 25 days from the date of lodgement.

Outstanding warrants and their implications on equity

As on 31st December 2010, there are no outstanding GDRs, ADRs, convertible warrants or any other instruments convertible into equity shares, issued by the Company.

Addresses for correspondence

Registered Office:

Mr. Rajesh Relan
Company Secretary
HeidelbergCement India Ltd.
9th Floor, Tower 'C', Infinity Towers
DLF Cyber City, Phase II
Gurgaon, Haryana - 122002
Phone Nos. : 0124 – 4503700
Fax No : 0124 – 4147698
E-mail-Ids : investors.mcl@mycem.in
rajesh.relan@heidelbergcement.in

Registrar & Share Transfer Agents:

Integrated Enterprises (India) Ltd.
(Unit: HeidelbergCement India Ltd.)
30, Ramana Residency,
4th Cross, Sampige Road,
Malleshwaram,
Bangalore - 560 003, Karnataka
Phone Nos. : 080-23460815 to 23460818
Fax No : 080-23460819
Email-Ids: svijayagopal@iepindia.com and alfint@vsnl.com

Plant Locations

- | | |
|--|--|
| (a) HeidelbergCement India Ltd.
P.O. Ammasandra
Distt. 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 |
| (e) HeidelbergCement India Ltd.
Village Khar Karavi, P.O. Gadab,
Taluka Pen, District Raigad,
Maharashtra – 402 107 | |

Affirmation of Compliance with the Code of Business Conduct for Directors and Senior Executives

I declare that the Company has received affirmation of compliance with the “Code of Business Conduct for Directors and Senior Executives” laid down by the Board of Directors, from all the Directors and Senior Management Personnel of the Company, to whom the same is applicable, for the financial year ended 31st December 2010.

Place: Gurgaon
Date: 29th April 2011

Sd/-
Ashish Guha
Managing Director

CERTIFICATE OF COMPLIANCE WITH CLAUSE 49 OF LISTING AGREEMENT

To

The Members of HeidelbergCement India Ltd.

We have examined the compliance of conditions of Corporate Governance by HeidelbergCement India Ltd. for the financial year ended 31st December 2010, as stipulated in the Listing Agreement of the said Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the 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 in the above mentioned Listing Agreements.

We state that no investor grievance was received during the year under review.

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

Sd/-
Nityanand Singh
Proprietor

FCS No. 2668 CP No. 2388

Place: New Delhi

Date : 29th April 2011

Disclosure pursuant to Regulation 3 (1) (e) (i) of the SEBI(Substantial Acquisition of Shares and Takeovers) Regulations, 1997 of persons constituting 'Group' include the following:-

Foreign promoters and persons acting in concert: Cementum 1 B.V., HeidelbergCement AG., HeidelbergCement Asia Pte Ltd., CBR International Services S.A., Castle Cement Ltd., CBR Baltic B.V., CBR Portland B.V., Civil and Marine Slag Cement Ltd., Amvroziyske open Joint Stock Company, Bukhtarmipskaya Cement Company, Carpatcement Holding S.A., Cementa AB, Ceskomoravsky Cement, a.s, Duna-Drava Cement Kft, Ekocem Sp., ENCI Holding N.V., Gorazdze Cement S.A., Hanson Ltd., HC CAUCAS Holding, HeidelbergCement Central Europe East Holding B.V., HeidelbergCement Denmark A/S, HeidelbergCement International Holding GmbH, HeidelbergCement Netherlands Holding B.V., HeidelbergCement Northern Europe AB, HeidelbergCement Norway AS, HeidelbergCement Sweden AS, HeidelbergCement UK Holding Ltd., Huttenzement GmbH, Kunda Nordic Cement Corp., Nederlandse Cement Deelnemingsmaatschappij B.V., Norcem AS, Kryvyi Rih Cement, S.A. Cimenteries CBR, Teutonia Zementwerk AG, Tvornica Cementa Kakanj d.d., Civil and Marine Inc., HeidelbergCement Inc., Lehigh B.V., Lehigh Cement Company, Lehigh Cement Limited, Lehigh Southwest Cement Company, Permanente Cement Company, Butra HeidelbergCement Sdn. Bhd., Cimbenin S.A., Ciments du Togo S.A., Cochin Cements Ltd., Endocement Ltd., Ghacem Ltd., HeidelbergCement Bangladesh Ltd., Liberia Cement Corporation Ltd., PT Indocement Tunggul Prakarsa Tbk, Scancem International ANS, Sierra Leone Cement Corp. Ltd., Societe des Ciments du Gabon, Tanzania Portland Cement Company Ltd., HC Trading B.V., HC Trading Malta Ltd. and HC Fuels Limited.

Auditors' Report

To

The Members of HeidelbergCement India Limited

1. We have audited the attached Balance Sheet of HeidelbergCement India Limited ('the Company') as at December 31, 2010 and also the Profit and Loss account and the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the directors, as on December 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on December 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the balance sheet, of the state of affairs of the Company as at December 31, 2010;
 - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.R. Batliboi & Co.

Firm registration number: 301003E

Chartered Accountants

Sd/-

per Manoj Gupta

Partner

Membership No.: 83906

Place: Gurgaon

Date: February 11, 2011

Annexure referred to in paragraph 3 of our report of even date

Re: HeidelbergCement India Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed Assets have been physically verified by the management during the year in accordance with a planned programme of verifying them in a phased manner so as to cover all assets once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed in respect of assets verified during the year.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The inventory of the Company have been physically verified by the management during the year at reasonable intervals.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) As informed, the Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraphs 4 (iii) (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 (as amended), are not applicable.
- (b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraphs 4 (iii) (f) and (g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.
- (v) According to the information and explanations provided by the management, we are of the opinion that there is no contracts or arrangements referred to in section 301 of the Act that needs to be entered into the register maintained under section 301. Therefore, provision of clause 4(v) (b) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
- (vi) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal, Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) 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 section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it. Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of Statute	Nature of dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act and Various State Sales Tax Act	Sales Tax	623.89	1998-99 to 2004-05	Supreme Court
		7,531.49	1994-95 to 2009-10	High Court
		25.97	1995-98 to 2007-08	Tribunal
		45.07	1989-90 to 1992-93 and 2000-03	Deputy Commissioner (Appeals)
		447.80	1984-85 and 2007-08	Deputy Commissioner
		0.11	2000-01	Additional Commissioner
		57.00	1999-00 to 2002-03	Joint Commissioner
		1.27	1997-98, 2002-03 and 2003-04	Assessing Officer, Sales Tax
		5.84	2004-05	Trade Tax Department
Income Tax Act	Income Tax	33.92	2003-04	Income Tax Commissioner (Appeal)
Central Excise Act	Excise Duty and Cenvat	218.66	1995-96 to 2000-01	High Court
		374.97	1992-93, 1996-97 and 1999-2000 to 2007-08	Central Excise and Service Tax Tribunal
		1,593.74	2007-08 and 2008-09	Commissioner of Central Excise
Finance Act 1994 (Amended - 2009)	Service Tax	37.46	2004-05, 2005-06, 2007-08 and 2009-10	Commissioner of Central Excise
M.P. Irrigation Act	Water Cess	8.77	1999-2000	High Court

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to bank and financial institution. The Company has no outstanding dues in respect of debenture holder.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S. R. BATLIBOI & CO.
Firm Registration No. 301003E
Chartered Accountants

Sd/-
per Manoj Gupta
Partner
Membership No.: 83906

Place: Gurgaon
Date: February 11, 2011

Balance Sheet

HeidelbergCement India Limited

as at December 31, 2010

	Schedules	December 31, 2010 Rs. in Lacs	December 31, 2009 Rs. in Lacs
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	22,662.21	24,011.55
Reserves and Surplus	B	55,663.42	49,610.31
Loan Funds			
Secured Loans	C	-	200.00
Deferred Tax Liability (net)	D	3,012.02	1,646.90
Total		<u>81,337.65</u>	<u>75,468.76</u>
APPLICATION OF FUNDS			
Fixed Assets	E		
Gross Block		94,945.81	91,318.66
Less: Accumulated Depreciation		<u>62,213.70</u>	<u>59,960.68</u>
Net Block		32,732.11	31,357.98
Capital Work-in-Progress including Capital Advances (Note 3 of Schedule T)		42,796.60	5,758.54
		<u>75,528.71</u>	<u>37,116.52</u>
Intangible Assets	E		
Net Block		312.75	267.87
Capital Work-in-Progress		19.42	121.47
		<u>332.17</u>	<u>389.34</u>
Investments	F	-	12.10
Current Assets, Loans and Advances			
Inventories	G	7,115.42	6,454.04
Sundry Debtors	H	2,428.27	2,215.50
Cash and Bank Balances	I	21,948.78	49,539.36
Other Current Assets	J	156.09	371.42
Loans and Advances	K	14,678.30	11,488.31
	(I)	<u>46,326.86</u>	<u>70,068.63</u>
Less: Current Liabilities and Provisions			
Current Liabilities	L	30,014.25	21,377.28
Provisions	M	10,835.84	10,740.55
	(II)	<u>40,850.09</u>	<u>32,117.83</u>
Net Current Assets	(I-II)	5,476.77	37,950.80
Total		<u>81,337.65</u>	<u>75,468.76</u>
Notes to Accounts	T		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet

As per our report of even date
For S R Batliboi & Co.
Firm Registration No. 301003E
Chartered Accountants

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

Sd/-
Per Manoj Gupta
Partner
Membership No. 83906

Sd/-
Anil Kumar Sharma
Chief Financial Officer

Sd/-
P G Mankad
Chairman

Sd/-
Ashish Guha
Managing Director

Sd/-
Dr. Albert Scheuer
Director

Place: Gurgaon
Date: February 11, 2011

Sd/-
Rajesh Relan
Company Secretary

Sd/-
S.Krishna Kumar
Director

Sd/-
Amitabha Ghosh
Director

Profit and Loss Account

HeidelbergCement India Limited

for the Year ended December 31, 2010

	Schedules	December 31, 2010 Rs. in Lacs	December 31, 2009 Rs. in Lacs
INCOME			
Gross Sales		98,537.07	104,023.92
Less: Excise Duty		(11,983.21)	(10,384.63)
Net Sales		86,553.86	93,639.29
Other Income	N	3,008.30	4,545.25
Total		89,562.16	98,184.54
EXPENDITURE			
Raw Materials Consumed	O	21,037.85	22,098.93
Decrease/ (Increase) in Inventories	P	102.21	(26.08)
Personnel Expenses	Q	6,467.20	6,968.43
Operating and Other Expenses	R	49,054.08	48,647.80
Depreciation/amortization		3,110.89	2,922.08
Less: Transferred from Revaluation Reserve		226.01	341.39
Net Depreciation/amortization		2,884.88	2,580.69
Financial Expenses	S	421.31	439.90
Total		79,967.53	80,709.67
Profit for the year before Tax		9,594.63	17,474.87
Provision for Tax			
Current tax (Net of MAT Credit utilized during the period Rs. 79.47 Lacs (Previous year Rs. Nil))		(1,899.56)	(2,408.60)
Deferred Tax Charge		(1,365.12)	(1,646.90)
Fringe Benefit Tax		-	(15.46)
Total Tax Expenses		(3,264.68)	(4,070.96)
Net Profit for the Year after tax		6,329.95	13,403.91
Balance brought forward from last year		4,777.75	(8,192.13)
Profit available for appropriation		11,107.70	5,211.78
Appropriations:			
Proposed Dividend on Preference Shares (Refer note 9 of Schedule T)		-	(370.98)
Tax on Proposed Dividend on Preference Shares		-	(63.05)
Interim Dividend on Preference Shares (Refer note 9 of Schedule T)		(43.59)	-
Tax on Interim Dividend on Preference Shares		(7.24)	-
Transfer to Capital Redemption Reserve		(1,349.34)	-
Profit carried to Balance Sheet		9,707.53	4,777.75
Earnings Per Share (Refer Note No. 13 of Schedule T)			
Basic and Diluted [Nominal value of shares Rs. 10/- (Previous Year Rs. 10/-)]		2.77	5.85

Notes to Accounts

T

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss account

As per our report of even date
For S R Batliboi & Co.
Firm Registration No. 301003E
Chartered Accountants

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

Sd/-
Per Manoj Gupta
Partner
 Membership No. 83906

Sd/-
Anil Kumar Sharma
Chief Financial Officer

Sd/-
P G Mankad
Chairman

Sd/-
Ashish Guha
Managing Director

Sd/-
Dr. Albert Scheuer
Director

Place: Gurgaon
 Date: February 11, 2011

Sd/-
Rajesh Relan
Company Secretary

Sd/-
S.Krishna Kumar
Director

Sd/-
Amitabha Ghosh
Director

Schedules

HeidelbergCement India Limited

to the Accounts

Schedule A: Share Capital

December 31, 2010 December 31, 2009
Rs. in Lacs Rs. in Lacs

Authorised

230,000,000	(Previous year: 230,000,000) equity shares of Rs. 10/- each	23,000.00	23,000.00
5,000,000	(Previous year: 5,000,000) preference shares of Rs. 100/- each	5,000.00	5,000.00
		<u>28,000.00</u>	<u>28,000.00</u>

Issued

226,631,309	(Previous year: 226,631,309) equity shares of Rs. 10/- each	22,663.13	22,663.13
-	(Previous Year: 1,349,336) 9% cumulative redeemable preference shares of Rs. 100/- each	-	1,349.34
		<u>22,663.13</u>	<u>24,012.47</u>

Subscribed and Paid-Up

226,613,116	(Previous year: 226,613,116) equity shares of Rs. 10/- each	22,661.31	22,661.31
18,193	Amount paid-up on 18,193 Shares Forfeited	0.90	0.90
-	(Previous Year: 1,349,336) 9% cumulative redeemable preference shares of Rs. 100/- each	-	1,349.34
		<u>22,662.21</u>	<u>24,011.55</u>

- Of the above 155,340,196 (Previous Year: 155,340,196) equity shares of Rs. 10/- each are held by Cementrum I B.V, the holding company. The ultimate holding company is HeidelbergCement AG.
- Equity Shares include 1,422,235 (Previous Year: 1,422,235) shares of Rs. 10/- each allotted as fully paid-up Bonus Shares by capitalisation of General Reserve.
- 1,349,336 9% Cumulative Redeemable Preference Shares of Rs. 100/- each were issued at par on December 12, 2006 to Cementrum I B.V. As per the terms of issue, these shares have been redeemed on May 11, 2010 at par.
- Equity shares include 67,721,681 (Previous Year: 67,721,681) equity shares of Rs. 10/- each issued as fully paid up to the shareholders of erstwhile Indorama Cement Ltd. and 881,670 (Previous Year: 881,670) equity shares of Rs. 10/- each issued as fully paid to the shareholders of erstwhile HeidelbergCement India Pvt. Ltd. pursuant to the scheme of amalgamation for consideration other than cash.

Schedule B: Reserves and Surplus

Capital Reserve

As per Last Accounts	5,496.92	5,496.92
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Capital Subsidy Reserve

As per Last Accounts	64.25	64.25
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Securities Premium

As per Last Accounts	37,071.23	37,071.23
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Revaluation Reserve

Opening Balance	1,950.16	2,291.55
Less: Adjustment on account of depreciation on revalued amount of assets	<u>226.01</u>	<u>341.39</u>
	1,724.15	1,950.16

Capital Redemption Reserve

Opening Balance	250.00	250.00
Additions during the year	<u>1,349.34</u>	<u>-</u>
	1,599.34	250.00

Profit and Loss Account

	9,707.53	4,777.75
	<u>55,663.42</u>	<u>49,610.31</u>

Schedules

HeidelbergCement India Limited

to the Accounts

Schedule C: Secured Loans

December 31, 2010
Rs. in Lacs

December 31, 2009
Rs. in Lacs

Loans from Bank		
Term loans	-	100.00
Other Loans		
Term loans	-	100.00
	<u>-</u>	<u>200.00*</u>

Term Loans from bank of Rs. Nil (previous year: Rs. 100 lacs) and Other Term Loans of Rs. Nil (previous year: Rs. 100 lacs) were secured by Joint Equitable Mortgage ranking pari-passu interse, by deposit of title deeds of the Company's immovable properties situated at Village Khar Karavi, Dist. Raigad, Maharashtra and hypothecation of all moveable assets (including Book Debts), both present & future of Raigad Unit of the Company.

* Repayable within one year.

Schedule D: Deferred Tax Liability (net)

Deferred Tax Liabilities

Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	4,310.34	4,196.51
Effect of expenditure allowed for tax purposes in the current year/ earlier years but will be debited to profit and loss account in the following years	773.63	664.33
	<u>5,083.97</u>	<u>4,860.84</u>

Gross Deferred Tax Liabilities

Deferred Tax Assets

Carry forward of unabsorbed depreciation	-	605.93
Effect of expenditure debited to profit and loss account in the current year but allowable for tax purposes in following years	1,934.74	2,485.10
Provision for doubtful debts	137.21	122.91
	<u>2,071.95</u>	<u>3,213.94</u>

Gross Deferred Tax Assets

Net Deferred Tax Liability

	<u>3,012.02</u>	<u>1,646.90</u>
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Schedule E. Fixed Assets

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.01.2010	Additions/ Adjustments	Sales/ Adjustments	As at 31.12.2010	At 01.01.2010	Sales/ Adjustments	For the Year *	At 31.12.2010	As at 31.12.2010	As at 31.12.2009
Tangible Assets- (A)										
Freehold Land	1,807.78	269.64	-	2,077.42	-	-	-	-	2,077.42	1,807.78
Leasehold Land	171.16	3.15	20.80	153.51	135.76	13.45	9.05	131.36	22.15	35.40
Buildings	7,939.91	1,171.04	51.58	9,059.37	2,948.04	27.21	186.61	3,107.44	5,951.93	4,991.87
Railway Siding	1,241.21	-	-	1,241.21	949.82	-	51.01	1,000.83	240.38	291.39
Plant and Machinery	78,455.42	2,394.26	685.87	80,163.81	55,010.38	653.52	2,575.59	56,932.45	23,231.36	23,445.04
Furniture, Fittings and Equipments	984.08	410.23	24.19	1,370.12	495.53	19.64	170.33	646.22	723.90	488.55
Vehicles	719.10	296.05	134.78	880.37	421.15	111.59	85.84	395.40	484.97	297.95
Sub Total	91,318.66	4,544.37	917.22	94,945.81	59,960.68	825.41	3,078.43	62,213.70	32,732.11	31,357.98
Previous Year	85,158.46	7,111.97	951.77	91,318.66	57,904.66	820.27	2,876.29	59,960.68	31,357.98	27,253.80
Intangible Assets- (B)										
Acquired Computer Software	353.86	116.77	-	470.63	85.99	-	71.89	157.88	312.75	267.87
Sub Total	353.86	116.77	-	470.63	85.99	-	71.89	157.88	312.75	267.87
Previous Year	184.40	169.46	-	353.86	40.20	-	45.79	85.99	267.87	144.20
TOTAL (A+B)	91,672.52	4,661.14	917.22	95,416.44	60,046.67	825.41	3,150.32	62,371.58	33,044.86	31,625.85
Previous Year	85,342.86	7,281.43	951.77	91,672.52	57,944.86	820.27	2,922.08	60,046.67	31,625.85	-

Notes:

(a) Certain Fixed Assets were revalued based on current replacement cost by approved valuers on 1.7.1981, 31.3.1990 and 31.3.1992. These had resulted in increase in book value of fixed assets by Rs. 26,330.06 lacs (gross) and accumulated depreciation by Rs. 4,752.78 lacs resulting in net increase of Rs. 21,577.28 lacs which were credited to Revaluation Reserve.

(b) Gross Block of Freehold Land, Building, Railway Siding and Plant and Machinery include Rs. 288.68 lacs (Previous Year Rs. 288.68 lacs), Rs. 2,297.92 lacs (Previous Year Rs. 2,297.92 lacs), Rs. 175.66 lacs (Previous Year Rs. 175.66 lacs) and Rs. 15,906.88 lacs (Previous Year Rs. 16,140.68 lacs) respectively on account of revaluation. Further Accumulated Depreciation of Building, Railway Siding and Plant and Machinery include Rs. 1,297.20 Lacs (Previous Year Rs. 1,256.64 lacs), Rs. 166.90 lacs (Previous Year Rs. 159.88 lacs) and Rs. 15,480.89 lacs (Previous Year Rs. 15,536.27 lacs) respectively on account of revaluation.

(c) Depreciation for the year includes Rs. 226.01 lacs (Previous year: Rs. 341.39 lacs) in respect of increased value of Fixed Assets due to revaluation and an equivalent amount has been transferred from Revaluation Reserve.

* Depreciation of Rs. 39.43 lacs (Previous Year: Rs. Nil) has been transferred to expenditure during construction period. Refer Note No.3 of Schedule T.

Schedules

HeidelbergCement India Limited

to the Accounts

Schedule F:

Investments

December 31, 2010

Rs. in Lacs

December 31, 2009

Rs. in Lacs

Long Term Investments (At cost)

Other than Trade

A In Government Securities Unquoted

Six year National Savings Certificates*

-

0.10

B Quoted - Equity Shares

Nil (Previous year 1,200,000) Fully Paid-up Equity

Shares of Rs. 10 each of Cimmco Birla Limited

-

12.00

-

12.10

Aggregate Value of:

Quoted Investments

-

12.00

(Market value Rs. Nil, Previous year: Rs. 96.60 lacs)

Unquoted Investments

-

0.10

-

12.10

*Pledged with local authorities

Schedule G:

Inventories (at lower of cost and net realisable value except scrap stock which is valued at NRV)

Raw Materials (including Stock in Transit Rs. 54.26 lacs
(Previous year: Rs. 5.81 lacs))

1,402.41

839.23

Stores and Spares (including Stock in Transit Rs. Nil
(Previous year: Rs. 82.74 lacs))

2,717.13

2,495.02

Packing Materials

52.00

73.70

Stock in Process

1,257.16

2,149.12

Scrap Stock

173.38

61.29

Finished Goods (including Stock in Transit Rs. 233.88 lacs
(Previous year: Rs. 78.93 lacs))

1,513.34

835.68

7,115.42

6,454.04

Schedule H:

Sundry Debtors

Unsecured

Debts outstanding for a period exceeding six months

Considered good

566.01

192.46

Considered Doubtful

366.22

361.57

Other Debts

Considered good

1,862.26

2,023.04

2,794.49

2,577.07

Less: Provision for Doubtful Debts

366.22

361.57

2,428.27

2,215.50

Schedules

HeidelbergCement India Limited

to the Accounts

Schedule I:

Cash and Bank

Balances

	December 31, 2010 Rs. in Lacs	December 31, 2009 Rs. in Lacs
Cash in hand	7.04	4.17
Cheques in hand	82.92	159.71
Balances with Scheduled Banks:		
On Current Accounts	1,359.59	1,254.48
On Deposit Accounts	20,499.23	48,121.00
	<u>21,948.78</u>	<u>49,539.36</u>

Schedule J: Other

Current Assets

Interest accrued on deposits and others	136.73	370.60
Unamortised Premium on Forward Contracts	19.36	0.82
	<u>156.09</u>	<u>371.42</u>

Schedule K:

Loans &

Advances

Unsecured

Considered good

Loan to Fellow Subsidiary	-	315.13
Advances recoverable in cash or in kind or for value to be received	837.80	1,144.06
VAT credit (Input) receivable	47.54	9.52
Balances with customs, excise, etc.	779.82	589.84
Deposits with Government Departments and Others	11,696.69	8,631.87
Advance Income Tax/ Tax Deducted at Source (Net of Provision Rs. 3,903.27 lacs (Previous year: Rs. 3,302.47 lacs))	785.13	187.10
MAT Credit Entitlement	531.32	610.79

Considered Doubtful

Advances recoverable in cash or in kind or for value to be received	46.35	46.35
Deposits with Government Departments and Others	0.52	0.52
	<u>14,725.17</u>	<u>11,535.18</u>
Less: Provision for Doubtful Advances	46.87	46.87
	<u>14,678.30</u>	<u>11,488.31</u>

Included in Loans and Advances are:

- Dues from the Company under the Same Management:
 - Cochin Cements Limited
 - (Maximum amount outstanding during the year Rs. 331.30 lacs (Previous year: Rs. 1,066.72 Lacs))

	-	331.30
--	---	--------

Schedule L:

Current

Liabilities

Sundry Creditors		
a) Dues of Micro and Small Enterprises*	193.88	68.36
b) Dues of Creditors other than Micro and Small Enterprises	19,570.52	11,830.97
Advance from Customers	2,056.58	1,997.38
Trade and Other Deposits	5,626.17	4,998.17
Book Overdraft from Banks	305.16	313.31
Investor Education and Protection Fund shall be credited by the following amounts, as and when due		
a) Unclaimed Matured Deposits	-	0.04
b) Interest Accrued on above	-	0.08
Forward Contracts	70.58	12.25
Interest Accrued but not due on Loans from Banks	-	1.16
Other Liabilities	2,191.36	2,155.56
	<u>30,014.25</u>	<u>21,377.28</u>

* Refer Note No.15 of Schedule T

Schedules

HeidelbergCement India Limited

to the Accounts

Schedule M:

Provisions

	December 31, 2010 Rs. in Lacs	December 31, 2009 Rs. in Lacs
Provision for Wealth Tax	1.05	1.16
Provision for Leave Encashment	496.44	459.04
Provision for Gratuity	1,174.90	1,092.89
Provision for Litigations*	9,163.45	8,753.43
Proposed Dividend	-	370.98
Tax on Proposed Dividend	-	63.05
	<u>10,835.84</u>	<u>10,740.55</u>

* Refer Note No. 8 (b) of Schedule T

Schedule N:

Other Income

Interest (gross)		
Bank Deposits (TDS Rs. 154.93 lacs (Previous year: Rs. 407.87 lacs))	1,670.45	2,596.14
Others (TDS Rs. 9.70 lacs (Previous year: Rs. 19.17 lacs))	91.68	96.49
Rent	24.61	24.72
Profit on sale of Long Term Non Trade Investement	108.00	-
Scrap Sale	391.23	465.61
Profit on Sale of Fixed Assets	22.43	24.11
Provision for Doubtful Debts and Advances written back	-	59.77
Provision/Liabilities no longer required written back	440.63	1,179.77
Exchange Rate Difference (net)	33.90	-
Miscellaneous Income	225.37	98.64
	<u>3,008.30</u>	<u>4,545.25</u>

Schedule O:

Raw Materials Consumed

Opening Inventories	839.23	929.19
Add: Purchases and Lime stone raising cost	21,601.03	22,008.97
	<u>22,440.26</u>	<u>22,938.16</u>
Less: Closing Inventories	1,402.41	839.23
	<u>21,037.85</u>	<u>22,098.93</u>

Schedule P:

Decrease/ (Increase) in Inventories

Closing Inventories		
Finished Goods	1,513.34	835.68
Stock-in-Process	1,257.16	2,149.12
Scrap	173.38	61.29
	<u>2,943.88</u>	<u>3,046.09</u>
Opening Inventories		
Finished Goods	835.68	749.74
Stock-in-Process	2,149.12	2,093.15
Scrap	61.29	177.12
	<u>3,046.09</u>	<u>3,020.01</u>
Decrease/(Increase) in Inventories	<u>102.21</u>	<u>(26.08)</u>

Schedules

HeidelbergCement India Limited

to the Accounts

Schedule Q:

Personnel

Expenses

	December 31, 2010 Rs. in Lacs	December 31, 2009 Rs. in Lacs
Salaries, Wages, Bonus and Allowances **	5,592.98	5,419.56
Payments on account of Voluntary Retirement Scheme	-	594.84
Contribution to Provident Fund **	357.40	343.97
Gratuity Expenses (Refer note 12 of Schedule T)	210.30	341.47
Other Post Employment Funds	40.80	43.45
Workmen & Staff Welfare Expenses **	265.72	225.14
	<u>6,467.20</u>	<u>6,968.43</u>

** Net of expenditure during construction period. Refer Note No.3 of Schedule T

Schedule R:

Operating and

Other Expenses

Stores and Spares **	3,578.50	3,648.07
Packing Materials Consumed	3,286.64	3,040.53
Increase of Excise duty on Inventories	129.29	25.95
Power and Fuel	19,462.37	17,654.22
Freight and Forwarding	11,542.31	11,357.24
Rent **	218.21	223.99
Rates and Taxes **	2,852.69	5,042.78
Insurance **	93.94	89.49
Repairs and Maintenance		
- Plant and Machinery	821.44	823.63
- Buildings	244.39	152.40
- Others	59.07	86.33
Commission on Sales	2,418.89	2331.54
Other Selling Expenses	491.31	425.42
Advertisements	711.71	672.31
Travelling & Conveyance **	363.78	281.86
Communication Cost **	193.37	203.21
Legal & Professional Fees **	161.45	174.02
Technical Knowhow Fees	1,385.42	1590.87
Directors' Fees	9.80	11.00
Auditor's remuneration *	109.42	112.23
Exchange Rate Difference (net)	-	20.97
Provision for Doubtful Debts and Advances	4.65	-
Loss on Fixed Asset Sold	76.07	68.62
Provision for Wealth Tax	0.96	1.93
Sundry Balances written off	3.65	-
Miscellaneous Expenses **	834.75	609.20
	<u>49,054.08</u>	<u>48,647.81</u>

* Refer Note No. 14 of Schedule T

** Net of expenditure during construction period. Refer Note No.3 of Schedule T

Schedule S:

Financial

Expenses

Interest		
- on Term Loans	6.95	80.51
- on Others	279.75	184.03
Bank Charges & Guarantee Commission **	134.61	175.36
	<u>421.31</u>	<u>439.90</u>

** Net of expenditure during construction period. Refer Note No.3 of Schedule T

Schedule T: Notes to Accounts

1. NATURE OF OPERATIONS

HeidelbergCement India Limited (hereinafter referred to as "HCIL" or "the company") is a Company formed and registered under the Companies Act, 1956. The principal activity of HCIL is the manufacture of Portland cement at its four locations viz. Ammasandra (Karnataka), Damoh (Madhya Pradesh), Jhansi (Uttar Pradesh) and Raigad (Maharashtra).

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements have been prepared to comply in all material respects with the Notified Accounting Standard by the Companies Accounting Standards Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies are consistent with those used in the previous year.

(b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) Fixed Assets

Fixed assets are stated at cost or revalued amounts, as the case may be, less accumulated depreciation and impairment losses (if any). Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

(d) Depreciation on fixed assets

- (i) Depreciation on all fixed assets except for motor cars is provided on Straight Line Method as per Schedule XIV of the Companies Act, 1956 on pro-rata basis with reference to the month of addition/ sale. The management of the Company is of the view that this depreciation rate fairly represents the useful life of the assets. Most of the Plant and Machinery have been considered as continuous process plant based on technical evaluation and reports.
- (ii) Motor Cars are depreciated over an estimated useful life of 5 years.
- (iii) Assets costing less than Rs. 5,000 are fully depreciated in the year of purchase.
- (iv) In respect of the revalued assets, the difference between the depreciation calculated on the revalued amount and that calculated on the original cost is recouped from the Revaluation Reserve Account.
- (v) Leasehold Land is amortized over the period of initial lease term ranging from 5 to 20 years.

(e) Intangibles

Costs incurred on acquisition of intangible assets are capitalized and amortized on a straight-line basis over their technically assessed useful lives, as mentioned below:

Intangible Assets	Estimated Useful Life (Years)
IT Software	5

(f) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. For the purpose of accounting of impairment, due consideration is given to revaluation reserve, if any.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

(g) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

(h) 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.
Stock-in-process 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 of finished goods includes excise duty. Cost is determined on a weighted average basis.
Scrap	Net realizable value.

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.

(i) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(i) Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods is passed to the buyer. Excise Duty deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability arose during the year. Sales are reported net of sales tax, incentives and rebates.

(ii) Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(j) 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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(k) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as Operating Leases. Operating Lease payments are recognised as an expense in the Profit & Loss Account on a straight line basis over the lease period.

(l) Foreign Currency Transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the

date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) **Exchange Differences**

Exchange differences arising on settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

(iv) **Forward Exchange Contracts not intended for trading or speculation purposes**

The premium or discount arising at the inception of forward exchange contracts (not for hedging firm commitment/highly probable forecast transactions) is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

(m) Employee Benefits

- (i) Superannuation Fund (being administered by Trusts) and Employees' State Insurance Corporation (ESIC) are defined contribution schemes and the contributions are charged to the Profit and Loss Account of the year 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 Profit and Loss Account of the year 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 payments are charged to the Profit and Loss Account of the year when the payments to the Trust are due. Shortfall in the funds, if any, is adequately provided for by the Company.
- (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.
- (v) Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation using projected unit credit method at the end of each financial year.
- (vi) Actuarial gains/ losses are immediately taken to Profit and Loss Account and are not deferred.
- (vii) Expenses incurred under Voluntary Retirement Scheme are charged to Profit & Loss account immediately.

(n) Income Taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. 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 tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date, the Company re-assesses unrecognised deferred tax assets. It recognizes unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

(o) Segment Reporting Policies

(i) Identification of segments:

The Company's operating businesses are organized and managed according to the nature of products and predominant source of the risk for the Company is business product, therefore business segment has been considered as primary segment. The analysis of geographical segments is based on the areas in which the Company operates.

(ii) Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(p) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

(q) 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.

(r) Cash and Cash Equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

3. The Capital Work-in-progress relating to tangible fixed assets includes capital advances amounting to Rs. 15,077.68 lacs (Previous year: Rs. 1,026.10 lacs) and inventory of capital items in transit amounting to Rs. 2,089.73 lacs (Previous Year: Rs. 1,587.64 lacs).

Capital work-in-progress includes expenditure during construction period on substantial expansion of existing units of the Company. There was no such expenditure in the previous year.

Particulars	2010	2009
Opening Balance	-	-
Add: Expenses incurred during the year		
Salaries, Wages, Bonus and Allowances	428.50	-
Contribution to Provident Fund	21.75	-
Workmen & Staff Welfare Expenses	13.84	-
Stores and Spares	5.04	-
Rent	57.79	-
Rates and Taxes	7.50	-
Insurance	74.62	-
Travelling & Conveyance	81.17	-
Communication Cost	5.81	-

Particulars	2010	2009
Legal & Professional expenses	605.34	-
Bank Charges & Guarantee Commission	32.08	-
Miscellaneous Expenses	73.55	-
Depreciation	39.43	-
Closing Balance	1,446.42	-

4. SEGMENTAL INFORMATION:

(a) Business Segment

The Company primarily deals in only one business segment i.e, "Cement".

(b) Geographical Segment

The Company primarily operates into two geographical segments i.e. within India and outside India which are based on the location of the customers.

Geographical Segment

	(Rs. in lacs)	
Particulars	2010	2009
Segment Revenue		
Within India	85,664.20	93,032.75
Outside India	889.66	606.54
Total	86,553.86	93,639.29
Segment Debtors		
Within India	2,428.27	2,215.50
Outside India	-	-
Total	2,428.27	2,215.50

Notes:

All the assets including additions made in the current year are located in India.

5. RELATED PARTY DISCLOSURE

(a) Names of related parties:

Names of related parties where control exists irrespective of whether transactions have occurred or not:

Ultimate Holding Company
Holding Company

HeidelbergCement AG
Cementum I.B.V

Names of other related parties with whom transactions have taken place during the year:

Fellow Subsidiaries

HeidelbergCement Technology Center
Scancem International Ans
HeidelbergCement Asia Pte Ltd
Cochin Cements Limited
HC Fuels Limited
PT Indocement Tunggul Prakarsa Tbk
HC Trading Malta Limited

(b) Transactions with related parties

(Rs. in lacs)

Particulars	Enterprises where controls exists		Fellow Subsidiary		Total	
	2010	2009	2010	2009	2010	2009
Transactions with Cementum I B.V.:						
- Redemption of Preference Shares	1,349.34	-	-	-	1,349.34	-
- Dividend on Preference Shares	414.57	-	-	-	414.57	-
Transactions with HeidelbergCement AG:						
- Corporate Guarantee Charges paid	57.47	42.98	-	-	57.47	42.98
- Assignment Cost paid	35.05	9.72	-	-	35.05	9.72
- WAN Charges paid	70.75	79.24	-	-	70.75	79.24
- Guarantees Given in the Company's favour	3,985.45	-	-	-	3,985.45	-
Transactions with HeidelbergCement Technology Center:						
- Expenses Recovered	-	-	-	2.29	-	2.29
Transactions with Cochin Cements Limited:						
- Expenses Recovered	-	-	399.18	34.22	399.18	34.22
- Sale	-	-	1,383.53	-	1,383.53	-
- Loan Given	-	-	-	750.00	-	750.00
- Loan Repaid	-	-	315.13	835.00	315.13	835.00
- Interest Income	-	-	20.83	41.15	20.83	41.15
Transactions with HeidelbergCement Asia Pte Limited:						
- Technical Know How Fee paid	-	-	1,385.42	1,590.87	1,385.42	1,590.87
Transactions with PT Indocement Tunggal Prakarsa Tbk						
- ERP Development Charges paid	-	-	-	128.91	-	128.91
- Purchase of Refractories	-	-	-	89.19	-	89.19
Transactions with Scancem International Ans						
- Expenses Reimbursed	-	-	11.60	22.71	11.60	22.71
Transactions with HC Trading Malta Limited						
- Purchase of Material	-	-	1,235.81	1,097.49	1,235.81	1,097.49
- Sale of GGBS	-	-	-	22.25	-	22.25
Balance outstanding at the year end						
Receivable						
- Cochin Cements Limited	-	-	-	16.17	-	16.17
Payable						
- HeidelbergCement AG	119.00	95.09	-	-	119.00	95.09
- HeidelbergCement Technology Center	-	-	24.00	26.65	24.00	26.65
- PT Indocement Tunggal Prakarsa Tbk	-	-	-	104.42	-	104.42
- Scancem International	-	-	2.99	3.36	2.99	3.36
- HeidelbergCement Asia Pte Limited	-	-	275.15	299.47	275.15	299.47
Loan Given						
- Cochin Cements Limited	-	-	-	315.13	-	315.13
Guarantees Outstanding						
- HeidelbergCement AG	15,085.45	11,100.00	-	-	15,085.45	11,100.00

6. The Company has taken various residential premises, office premises and warehouses under operating lease agreements. These are generally cancellable and are renewable by mutual consent on mutually agreed terms except for one office premises which is taken on a non-cancellable lease. The Company has recognized Rs. 209.60 lacs (Previous year: Rs. 219.03 lacs) in respect of cancellable operating leases and Rs. 34.07 lacs (Previous year: Rs. 36.56 lacs) in respect of non-cancellable operating leases.

Operating Lease (Non Cancellable)

The total of future minimum lease payments under non- cancellable operating leases for each of the following periods:

		(Rs. in Lacs)	
S. No.	Particulars	2010	2009
(i)	Not later than one year;	34.07	34.07
(ii)	Later than one year and not later than five years;	34.07	68.14
(iii)	Later than five years;	-	-

Out of the total rent recognised, Rs. 25.46 lacs (Previous year Rs. 31.60 lacs) relating to residential accommodation provided to the employees has been shown under Personnel Expenses.

7. CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 84,109.97 lacs (Previous year: Rs. 5,135.52 lacs).

8. CONTINGENCIES

(a) Contingent Liabilities not provided for

		(Rs. in Lacs)	
Particulars	December 31, 2010	December 31, 2009	
A. Disputed Statutory claims / levies:			
Excise Duty / Service Tax	636.35	270.98	
Sales Tax/ Trade Tax	8,565.64	7,657.25	
Entry Tax	605.18	593.97	
Differential Royalty on Limestone	13,999.51	12,098.38	
B. Claims against the Company not acknowledged as Debts			
Claims by various Suppliers of goods and Services	132.35	248.81	
Electricity charges	786.80	532.77	
Claims by customers and others	250.71	593.51	
C. Show cause notices for levy			
Excise Duty / Service Tax	508.80	649.76	
Sales Tax	54.00	54.00	

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.

(b) Provision for Litigation

		(Rs. in Lacs)		
Particulars	Balance as at January 1, 2010	Additions during the period	Amounts reversed during the period	Balance as at December 31, 2010
Trade Tax Uttranchal, Jhansi (UP)	217.26	-	-	217.26
Turnover Tax, Jhansi (UP)	5.84	-	-	5.84
Entry Tax, Jhansi (UP)-Cement	2,676.30	104.66	-	2,780.96
Entry Tax, Jhansi (UP)-Clinker	693.37	-	-	693.37
M.P.Commercial Tax, Damoh (MP)	0.53	-	-	0.53

Particulars	Balance as at January 1, 2010	Additions during the period	Amounts reversed during the period	Balance as at December 31, 2010
Haryana Sales Tax, Damoh (MP)	0.79	-	-	0.79
Provision taken for Cess on Captive Power, Damoh (MP)	867.52	-	-	867.52
9% Entry Tax on HSD & LDO, Damoh (MP)	357.82	-	-	357.82
Railway Demurrage, Damoh (MP)	7.98	-	7.98	-
UP- Entry Tax (Cement), Damoh (MP)	1,373.63	47.42	-	1,421.05
Service Tax (GTO), Damoh & Jhansi	34.62	-	-	34.62
Power Deficit Bill –MPSEB, Damoh (MP)	142.10	5.90	-	148.00
Entry Tax on R.M, Damoh (MP)	642.10	159.22	-	801.32
Entry Tax on HDEP Bags (3%), Damoh (MP)	94.64	-	-	94.64
Entry Tax on Limestone (9%), Damoh (MP)	38.75	-	-	38.75
Entry Tax on Limestone (Differential), Damoh (MP)	1,014.92	-	-	1,014.92
Bihar Sales Tax, Damoh (MP)	38.69	-	-	38.69
Rural Infrastructure and Road development tax, Damoh (MP)	294.01	74.47	-	368.48
Service Tax on outward freight, Raigad (Maharashtra)	107.95	-	-	107.95
Environment protection fees, Ammasandra (Karnataka)	144.61	-	-	144.61
Input reversal on hiring of equipments, Damoh (MP)	-	26.33	-	26.33
TOTAL	8,753.43	418.00	7.98	9,163.45

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.

9. During the current year, the Company has exercised call option on May 11, 2010 to redeem 9% Cumulative Redeemable Preference Shares of Rs. 100 each aggregating to Rs. 1,349.34 lacs. The accumulated dividend amounting to Rs. 414.57 lacs, which includes dividend Rs. 370.98 lacs for the period December 12, 2006 to December 31, 2009 and Rs. 43.59 lacs for the period January 1, 2010 to May 11, 2010 (being the date of redemption), has also been paid on such redemption alongwith the redemption proceeds.

10. Derivative instruments and Unhedged Foreign Currency Exposure

Forward contracts outstanding as at Balance Sheet Date

Particulars	Currency	2010	2009	Purpose
Forward Exchange contract	Euro	5,829,600	1,250,000	For hedging future payments to be made to creditors

Unhedged Foreign Currency Exposure

Particulars	Currency	2010			2009		
		Amount in Foreign currency	Exchange Rate	Rs. in lacs	Amount in Foreign currency	Exchange Rate	Rs. in lacs
Creditors for	USD	622,094.33	44.71	278.14	877,683.77	46.40	407.25
Imports	Euro	239,058.38	59.82	143.00	714,599.99	66.43	596.42

11. Excise duty on sales amounting to Rs. 11,983.21 lacs (Previous Year Rs. 10,384.63 lacs) has been reduced from sales and increase in the excise duty on closing inventories amounting to Rs. 129.29 lacs (Previous Year Rs. 25.95 lacs) has been considered as an expense in the Profit & Loss account.

12. 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 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. 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 Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable.

The Provident Fund being administered by a Trust is a defined benefit scheme whereby the Company deposits an amount determined as a fixed percentage of basic pay to the fund every month. The benefit vests upon commencement of employment. The interest credited to the accounts of the employees is adjusted on an annual basis to conform to the interest rate declared by the Government for the Employees Provident Fund. The Guidance Note on implementing AS-15, Employee Benefits (Revised 2005) issued by the Accounting Standard Board (ASB) states that provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. Based on certificate issued by the Actuary, there is no deficit in the fund.

The following tables summarize the components of net benefit expense recognised in the Profit and Loss Account and the amounts recognised in the balance sheet for the Gratuity.

Profit and Loss Account

Net employee benefit expense (recognised in Employee Cost)

Particulars	(Rs. in Lacs)	
	Gratuity	
	2010	2009
Current service cost	107.86	101.30
Interest cost on benefit obligation	123.76	110.14
Expected return on plan assets	(40.39)	(49.29)
Net actuarial (gain)/ loss recognized	26.28	179.32
Past service cost / (credit) recognized	(7.21)	-
Net benefit expense	210.30	341.47
Actual Return on plan assets	81.79	5.54

Balance Sheet

Details of Provision for gratuity

Particulars	(Rs. in lacs)	
	Gratuity	
	2010	2009
Defined benefit obligation	1,828.82	1,605.26
Fair value of plan assets	(653.92)	(512.37)
	1,174.90	1,092.89
Less: Unrecognised past service cost	-	-
Plan liability	1,174.90	1,092.89

Changes in the present value of the defined benefit obligation are as follows:

Particulars	(Rs. in lacs)	
	Gratuity	
	2010	2009
Opening defined benefit obligation	1,605.26	1,546.00
Current service cost	107.86	101.30
Interest cost on benefit obligation	123.76	110.14
Actuarial (gain)/ loss recognized	67.68	135.56
Past service cost / (credit) recognized	(7.21)	-
Benefits paid	(68.53)	(287.74)
Closing defined benefit obligation	1,828.82	1,605.26

Changes in the fair value of plan assets are as follows:

Particulars	(Rs. in lacs)	
	Gratuity	
	2010	2009
Opening fair value of plan assets	512.37	675.53
Expected return	40.39	49.29
Contribution by employer	128.28	119.03
Actuarial gain/(loss) recognised	41.41	(43.74)
Benefits paid	(68.53)	(287.74)
Closing fair value of plan assets	653.92	512.37

The Company expects to contribute Rs. 126.00 lacs to gratuity in 2011.

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

Particulars	2010	2009
Discount rate	8.0%	8.0%
Expected rate of return on assets	8.0%	8.0%
Employee Turnover	5.0%	5.0%

Note:

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

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

Particulars	2010	2009
	%	%
Investments with insurer	97.78	99.16
Investments in government bonds	0.14	0.76
Bank balance	2.08	0.08
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.

Amounts for the current and previous years are as follows:

Particulars	(Rs. in lacs)				
	Gratuity				
	2010	2009	2008	2007	2006
Defined benefit obligation	(1,828.82)	(1,605.26)	(1,546.00)	(1,689.78)	(2,044.59)
Plan assets	653.92	512.37	675.53	695.39	1,102.74
Surplus / (deficit)	(1,174.90)	(1,092.89)	(870.47)	(994.39)	(941.85)
Experience loss/(gain) on plan liabilities	67.68	185.47	(181.18)	(342.68)	(27.65)
Experience loss/(gain) on plan assets	(41.41)	43.75	(40.52)	11.97	-

Contribution to Defined Contribution Plans

	(Rs. in lacs)	
Particulars	2010	2009
Provident Fund	257.32	266.25
Other Post Employment Funds	40.80	43.45
Total	298.12	309.70

13. Earning Per Share (EPS)

	(Amount in Rs.)	
Particulars	2010	2009
Net profit as per profit and loss account	632,994,000	1,340,391,000
Less: Preference dividend and tax thereon	5,082,439	14,207,943
Net profit for calculation of basic/diluted EPS	627,911,561	1,326,183,057
Weighted average number of equity shares in calculating basic/diluted EPS [Nominal value of shares Rs. 10 (Previous Year Rs. 10)]	226,613,116	226,613,116
Earning per share	2.77	5.85

14. Auditors' Remuneration

	(Rs. in lacs)	
Particulars	2010	2009
As auditor		
- Statutory Audit and Limited Review	78.50	82.00
- Tax Audit	7.00	7.00
- Group Reporting	19.50	19.50
As advisor, or in any other capacity	-	-
Reimbursement of expenses	4.42	3.73
Total	109.42	112.23

15. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006 as per the information available with the Company in response to the enquiries from all existing suppliers with whom Company deals.

	(Rs. in lacs)	
S. No. Particulars	2010	2009
(i) the principal amount and the interest due thereon remaining unpaid to any supplier		
- Principal amount	193.88	68.36
- Interest thereon	-	-
(ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iii) the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
(iv) the amount of interest accrued and remaining unpaid	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act	-	-

16. Supplementary Statutory Information
16.1 Earnings in foreign currency (accrual basis)

	(Rs. in lacs)	
Particulars	2010	2009
Exports at F.O.B. Value	-	22.25

16.2 Expenditure in foreign currency (on accrual basis)

	(Rs. in lacs)	
Particulars	2010	2009
Know-how	1,385.42	1,590.87
Consultation Fee	-	131.20
Corporate Guarantee Charges	57.47	42.98
Others	121.30	111.67
Total	1,564.19	1,876.72

16.3 Value of imports calculated on CIF basis

	(Rs. in lacs)	
Particulars	2010	2009
Raw Materials	1,237.26	1,391.41
Components and spare parts	360.34	216.42
Capital goods	1,640.81	1,716.70
Total	3,238.41	3,324.53

17. Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956

17.1 Licensed & Installed Capacity

Class of Goods	Unit	Licensed Capacity	Installed Capacity	
			2010	2009
Cement	Tonnes (Annual)	Licensed capacity is not applicable in view of the Company's product having been de-licensed as per the licensing policy of the Government of India.	3,067,000*	3,067,000*

*As per the technical assessment made by the management

17.2 Details of Production, Sales and Stocks of Finished Goods

Classes of Goods	Opening Stock		Production		Sales		Closing Stocks	
	Qty (MT)	Value (Rs. in lacs)	Qty (MT)	Qty (MT)	Value (Rs. in lacs)	Qty (MT)	Value (Rs. in lacs)	
Cement	36,372	801.15	2,631,361	2,609,254	95,760.98	58,479	1,483.64	
	(33,774)	(692.70)	(2,657,365)	(2,654,767)	(102,558.00)	(36,372)	(801.15)	
Ground Granulated Blast Furnace Slag (GGBS)	2,568	34.53	15,993	17,151	575.34	1,410	29.70	
	(2,918)	(57.04)	(5,026)	(5,376)	(191.66)	(2,568)	(34.53)	

Notes:

- Figures in brackets are for the previous year.
- Sales exclude clinker sale of 81,449 MT (Previous year 55,479 MT) amounting to Rs. 2,200.75 lacs (Previous year: Rs. 1,274.26 lacs).
- Production of Cement is net of 14,364 MT (Previous year 3,309 MT) used for internal consumption.
- Production of GGBS is net of 66,817 MT (Previous year 95,393 MT) used as internal consumption for manufacturing of cement.
- Sales value is inclusive of excise duty.

17.3 Consumption of raw materials

Particulars	Quantity (MT)		Value (Rs. in lacs)	
	2010	2009	2010	2009
Limestone	1,937,977	1,957,013	2,910.73	2,054.79
Pozzolona	610,221	597,737	2,472.32	2,386.82
Slag	306,096	317,569	2,084.06	2,041.48
Gypsum	155,231	137,227	3,236.63	2,914.66
Clinker Purchased	277,856	344,335	7,575.18	10,046.87
Others*	-	-	2,758.93	2,654.31
Total	-	-	21,037.85	22,098.93

* It is not practicable to furnish quantitative information in view of the large number of items which differ in size and nature, each being less than 10% in value of the total.

17.4 Imported and indigenous raw material consumed:

Particulars	Percentage of total consumption		Value (Rs. in lacs)	
	2010	2009	2010	2009
Imported	7.60	9.00	1,598.95	1,988.27
Indigenous	92.40	91.00	19,438.90	20,110.65
Total	100.00	100.00	21,037.85	22,098.92

17.5 Imported and indigenous stores and spares consumed:

Particulars	Percentage of total consumption		Value (Rs. in lacs)	
	2010	2009	2010	2009
Imported	6.99	4.84	250.00	176.46
Indigenous	93.01	95.16	3,328.50	3,471.61
Total	100.00	100.00	3,578.50	3,648.07

17.6 Imported and indigenous packing materials consumed:

Particulars	Percentage of total consumption		Value (Rs. in lacs)	
	2010	2009	2010	2009
Imported	-	-	-	-
Indigenous	100.00	100.00	3,286.64	3,040.53
Total	100.00	100.00	3,286.64	3,040.53

18. Net Dividend remitted in foreign exchange

Particulars	2010	2009
Period to which it relates	December 12, 2006 to May 11, 2010	-
No. of Non Resident Shareholders	1	-
No. of Preference shares held on which dividend was due	1,349,336	-
Amount Remitted (Euro 735,168) (Rs. in lacs)	414.57	-

19. Previous Year Comparatives

Previous year's figures have been regrouped where necessary to confirm to this year's classification.

As per our report of even date

For S. R. BATLIBOI & CO
Chartered Accountants

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

Sd/-
Per Manoj Gupta
Partner
Membership No. 83906

Sd/-
Anil Kumar Sharma
Chief Financial Officer

Sd/-
P G Mankad
Chairman

Sd/-
Ashish Guha
Managing Director

Sd/-
Dr. Albert Scheuer
Director

Place: Gurgaon
Date: February 11, 2011

Sd/-
Rajesh Relan
Company Secretary

Sd/-
Amitabha Ghosh
Director

Sd/-
S. Krishna Kumar
Director

Cash Flow Statement

HeidelbergCement India Limited

for the Year ended December 31, 2010

	December 31, 2010 Rs. in Lacs	December 31, 2009 Rs. in Lacs
A. Cash flow from operating activities		
Net profit before taxation	9,594.63	17,474.87
Adjusted for:		
Depreciation	2,884.88	2,580.69
Loss on Fixed Asset Sold	76.07	68.62
Profit on sale of Long Term Non Trade Investement	(108.00)	-
Profit on sale of Fixed Assets	(22.43)	(24.11)
Provision for Wealth Tax	0.96	1.93
Interest income	(1,762.13)	(2,692.63)
Provision for Doubtful Debts and Advances	4.65	-
Sundry balances written off	3.65	-
Provision for Doubtful Debts and Advances no longer required written back	-	(59.77)
Provision/Liabilities no longer required written back	(440.63)	(1,179.77)
Interest expenses	286.70	264.54
Operating profit before working capital changes	10,518.35	16,434.37
Movements in working capital :		
(Increase) in sundry debtors	(217.42)	(166.45)
Decrease / (Increase) in inventories	(661.38)	653.28
(Increase) loans and advances	(3,008.67)	(2,163.82)
Increase in current liabilities and provisions	1,430.25	8,947.10
Cash generated from operations	8,061.13	23,704.48
Direct taxes paid	(2,419.19)	(2,240.18)
Net cash from operating activities	5,641.94	21,464.30
B. Cash flows from investing activities		
Purchase of fixed assets	(33,415.91)	(7,579.16)
Proceeds from sale of fixed assets	38.17	86.99
Proceeds from sale of investments	120.00	-
Proceeds from Repayment of Loan given to Fellow Subsidiary	315.13	89.27
Deposits (with maturity more than three months)	-	(19,754.60)
Proceeds of deposit matured (with maturity more than three months)	31,219.01	-
Interest received	1,996.00	2,713.13
Net cash from / (used in) investing activities	272.40	(24,444.37)

C. Cash flows from financing activities

Repayment of long-term borrowings	(200.00)	(800.00)
Redemption of Preference Share Capital	(1,349.34)	-
Dividend on Preference Share Capital	(414.57)	-
Tax on dividend paid	(70.29)	-
Interest paid	(251.71)	(215.51)
Net cash (used in) financing activities	(2,285.91)	(1,015.51)
Net increase in cash and cash equivalents (A+B+C)	3,628.43	(3,995.58)
Cash and cash equivalents at the beginning of the year	16,218.35	20,213.93
Cash and cash equivalents at the end of the year	19,846.78	16,218.35

Components of cash and cash equivalents

Cash and Cheques on hand	89.96	163.88
With banks		
- on current accounts	1,359.59	1,254.48
- on deposit accounts	20,499.23	48,121.00
Cash and Bank balances as per Schedule I	21,948.78	49,539.36
Less: Deposit with an original maturity of more than three months	(2,102.00)	(33,321.01)
Cash & Cash Equivalent in Cash Flow Statement	19,846.78	16,218.35

As per our report of even date
For S R Batliboi & Co.
Firm Registration No. 301003E
Chartered Accountants

Sd/-
Per Manoj Gupta
Partner
 Membership No. 83906

Place: Gurgaon
 Date: February 11, 2011

Sd/-
Anil Kumar Sharma
Chief Financial Officer

Sd/-
Rajesh Relan
Company Secretary

Sd/-
P G Mankad
Chairman

Sd/-
Amitabha Ghosh
Director

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

Sd/-
Ashish Guha
Managing Director

Sd/-
Dr. Albert Scheuer
Director

Sd/-
S. Krishna Kumar
Director

Information Pursuant to Part IV of Schedule VI to the Companies Act, 1956 of HeidelbergCement India Limited as at 31.12.2010

I. Registration Details

Company Identification No. (CIN) L 2 6 9 4 2 H R 1 9 5 8 F L C 0 4 2 3 0 1

Balance Sheet Date 3 1 - 1 2 - 2 0 1 0
Date Month Year

II. Capital Raised during the Year (Amount in Rs. Thousands)

Public Issue
N I L

Bonus Issue
N I L

Rights Issue
N I L

Private Placement
N I L

- Equity
N I L

- Preference
N I L

III. Position of Mobilisation and Deployment (Amount in Rs. Thousands)

Total Liabilities
8 1 3 3 7 6 5

Sources of Funds

Paid-up Capital
2 2 6 6 2 2 1

Secured Loans
N I L

Deferred Tax Liability
3 0 1 2 0 2

Application of Funds

Net Fixed Assets
7 5 8 6 0 8 8

Net Current Assets
5 4 7 6 7 7

Accumulated Losses
N I L

Total Assets
8 1 3 3 7 6 5

Reserves and Surplus
5 5 6 6 3 4 2

Unsecured Loans
N I L

Investments
N I L

Misc. Expenditure
N I L

Deferred Tax Assets
N I L

IV. Performance of Company (Amount in Rs. Thousands)

Turnover
9 8 5 3 7 0 7

Profit/(Loss) before Tax
9 5 9 4 6 3

Earning Per Share after
Extraordinary Item Rs.
2 . 7 7

Total Expenditure
7 9 9 6 7 5 3

Profit/(Loss) after Tax
6 3 2 9 9 5

Dividend Rate % - Equity Shares
N I L

Preference Shares
9 %

**V. Generic Names of Three Principal Products / Services of Company
(as per monetary terms)**

Item Code No.
(ITC Code) 2 5 2 3 2 9

Product Description P O R T L A N D C E M E N T

NOTES

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins or other markings visible.

HeidelbergCement India Limited

Regd. Office: 9th Floor, Tower 'C', Infinity Towers, DLF Cyber City, Phase II, Gurgaon, Haryana – 122002

ATTENDANCE SLIP

PLEASE SIGN THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

I hereby record my presence at the 52nd Annual General Meeting of the Company held on Friday, the 10th June 2011 at 9.30 A.M. at Epicentre, Apparel House, Sector 44, Institutional Area, Gurgaon, Haryana.

Folio No.: _____

Name of the Member _____

DP-ID: _____

Client-ID: _____

No. of Shares held: _____

Signature of the
Member or Proxy _____

HeidelbergCement India Limited

Regd. Office: 9th Floor, Tower 'C', Infinity Towers, DLF Cyber City, Phase II, Gurgaon, Haryana – 122002

PROXY

Folio No.: _____

No. of Shares held: _____

DP-ID: _____

Client-ID: _____

I/We.....
of..... being a Member/Members of HeidelbergCement India Limited, do hereby
appoint..... of
or failing him..... ofas my/our proxy in my/our absence to
attend and vote for me/us and on my/our behalf at the 52nd Annual General Meeting of the Company to be held on Friday,
the 10th June 2011 at 9.30 A.M. at Epicentre, Apparel House, Sector 44, Institutional Area, Gurgaon, Haryana.

Date:

Affix
Revenue
Stamp and
Sign Across

Note : The duly filled & signed Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.



prevent soil erosion



protect wild life

mycem

for better building



save power

Registered office
HeidelbergCement India Limited
 9th Floor, Infinity Tower iCi, DLF Cyber City, Phase - II,
 Gurgaon, Haryana - 122002