

**HeidelbergCement India Limited**

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HCIL:SECTL:SE:2016-17

9<sup>th</sup> June 2016

BSE Ltd.  
Listing Department  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort,  
Mumbai - 400001

Listing Department,  
National Stock Exchange of India Ltd  
Exchange Plaza, C/1, Block G,  
Bandra Kurla Complex, Bandra (E)  
Mumbai - 400 051

Scrip Code:500292

Trading Symbol: Heidelberg

Dear Sir,

Sub: Intimation of Institutional Investors Meeting - Regulation 30(6)

In compliance with Regulation 30(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that the Company's representatives namely, Mr. Jamshed Naval Cooper, CEO & Managing Director; Mr. Anil Sharma, CFO and Mr. Himanshu Jindal, VP-Finance will be meeting the representatives of various institutional investors/fund houses at meetings organised by PhilipCapital (India) Pvt. Ltd. on 10<sup>th</sup> June 2016 at Mumbai. In this connection please find attached the following:

1. List of institutional investors/fund houses; and
2. A presentation to be made to the institutional investors/fund houses at the aforesaid meeting(s).

The schedule may undergo change due to exigencies on part of Investors/Company.

This is for your information and record.

Thanking you,

Yours faithfully,  
For HeidelbergCement India Ltd.



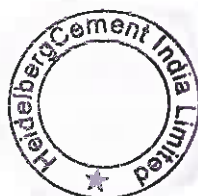
Rajesh Relan  
Legal Head & Company Secretary

Encl.: a.a



**HeidelbergCement India Limited****Institutional Investors/Fund House Meeting(s) on 10<sup>th</sup> June 2016 at Mumbai**

| <b>S. No.</b> | <b>Name of Institutional Investor/Fund House</b> |
|---------------|--------------------------------------------------|
| 1             | Reliance Mutual Fund                             |
| 2             | Kotak Mutual Fund                                |
| 3             | Birla Sun Life Insurance                         |
| 4             | Exide Life Insurance                             |
| 5             | Reliance Capital                                 |
| 6             | DSP Black Rock                                   |
| 7             | Principal PNB AMC                                |
| 8             | Aviva Life Insurance                             |
| 9             | HDFC Standard Life Insurance                     |
| 10            | TCG Advisory Services Pvt. Ltd                   |
| 11            | India First Life Insurance                       |
| 12            | Unit Trust Of India                              |
| 13            | HDFC Mutual Fund                                 |
| 14            | Birla Sunlife AMC Ltd                            |
| 15            | Sundaram AMC                                     |
| 16            | JM Financial Asset Management                    |
| 17            | PNB Metlife                                      |
| 18            | Goldman Sachs                                    |
| 19            | Tata Mutual Fund                                 |
| 20            | Motilal Oswal AMC                                |
| 21            | Infina Finance Pvt. Ltd                          |
| 22            | Lucky Securities                                 |
| 23            | ENAM Holdings                                    |
| 24            | Union KBC Mutual fund                            |
| 25            | LIC MF                                           |
| 26            | Reliance Life Insurance                          |
| 27            | TATA AIA Life                                    |
| 28            | AUM Advisors                                     |
| 29            | Capital 72                                       |
| 30            | Daiwa Offshore                                   |
| 31            | Reliance PMS                                     |
| 32            | Bullero Capital Pvt Ltd                          |

*Rajesh*



# HeidelbergCement India Ltd. (HCIL)

## Investors' Presentation

Q4 FY 2015-16



Slide 0, Q4 FY 2015-16

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## ■ Cautionary Statement

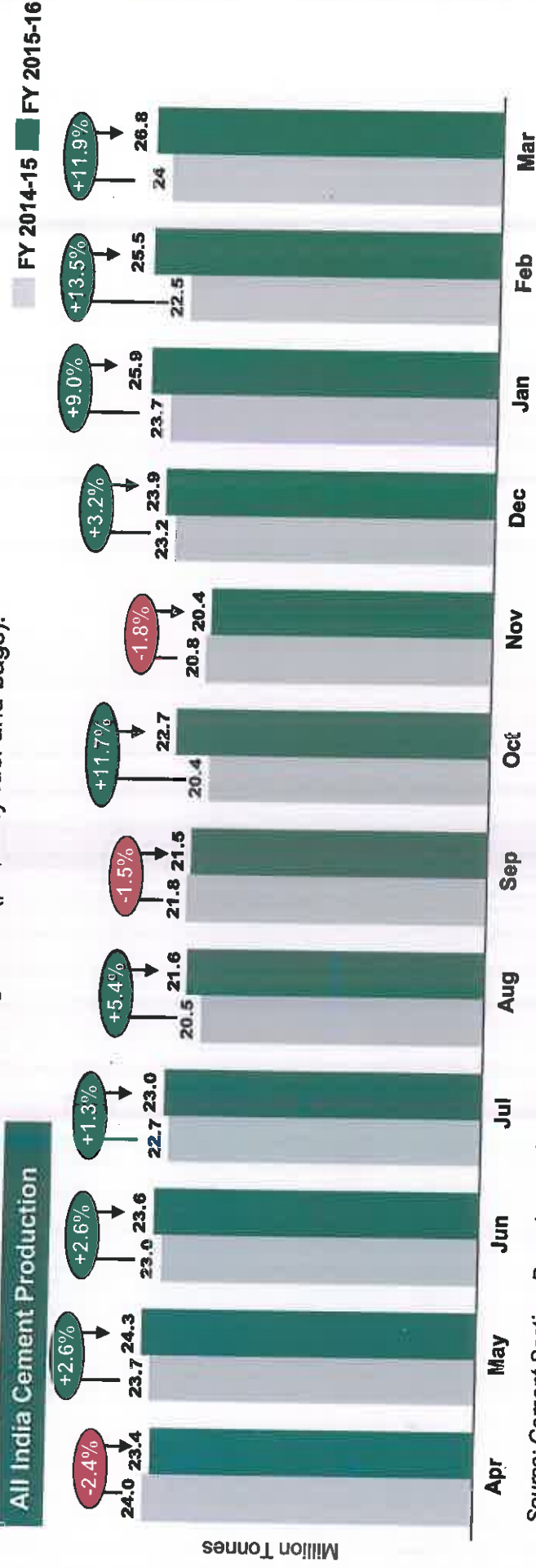
*This presentation may contain certain forward-looking statements relating to the Company's future business, developments and economic performance.*

*Such statements may be subject to a number of risks, uncertainties and other important factors, such as but not limited to (1) demand supply conditions (2) raw material and finished goods prices; (2) legislative and regulatory developments; (3) global, macroeconomic and political trends; (4) fluctuations in currency exchange rates and general Financial market conditions; (5) delay or inability in obtaining approvals from authorities; (6) technical developments; (7) litigation; (8) adverse publicity and news coverage, which could cause actual developments and results to differ materially from the statements made in this presentation.*

*HCIL assumes no obligation or responsibility to publicly update or alter forward-looking statements whether as a result of new information, development, future events or otherwise.*

## Overview FY 2015-16

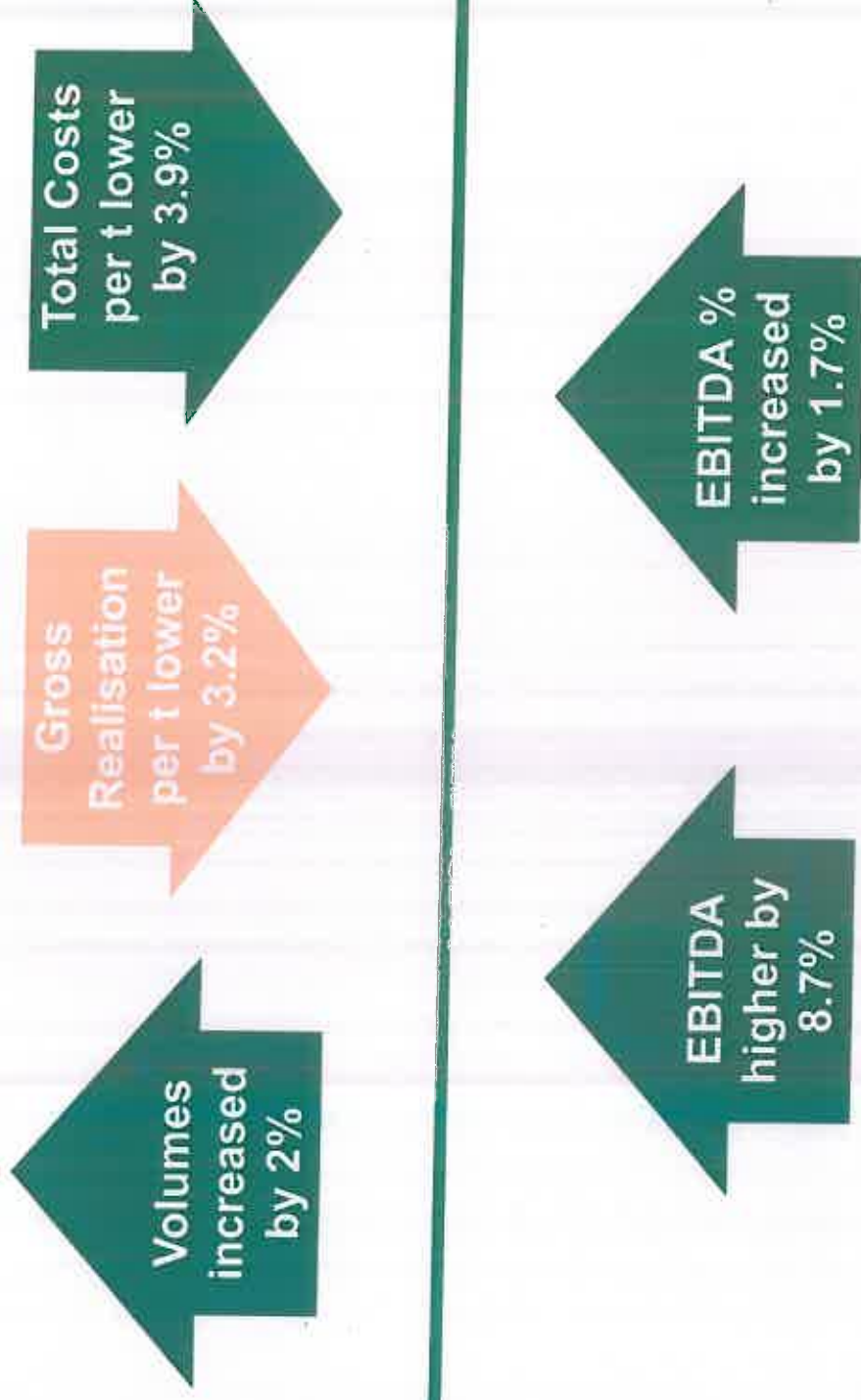
- India installed cement capacity end March 2016 ~ 405 Mn T, while cement production during FY 2015-16 was ~ 282 Million t (+4.6% y-o-y). Pick up in production reported only during the last quarter of the fiscal (+11.4% y-o-y) due to base effect (contraction of 1% during Q4FY 2014-15).
- Sales Volume growth for HCIL during FY 2015-16 in line with the industry (+4.1% on a L-f-L basis).
- However, volume growth for the company remained muted during Q4 FY 2015-16 (+2% y-o-y) due to volume loss in Southern operations and lower clinker sales. Central India volumes still grew by ~ 6.5% y-o-y during the last quarter.
- HCIL's cement capacity utilization > 80% for FY 2015-16 against industry average ~ 70%.
- Pricing remained subdued due to weak market conditions for most parts of the year, while during the second half of the year improvements were felt in the operating costs (primarily fuel and bags).



Source: Cement Section, Department of Industrial Policy & Promotion – Cement Production

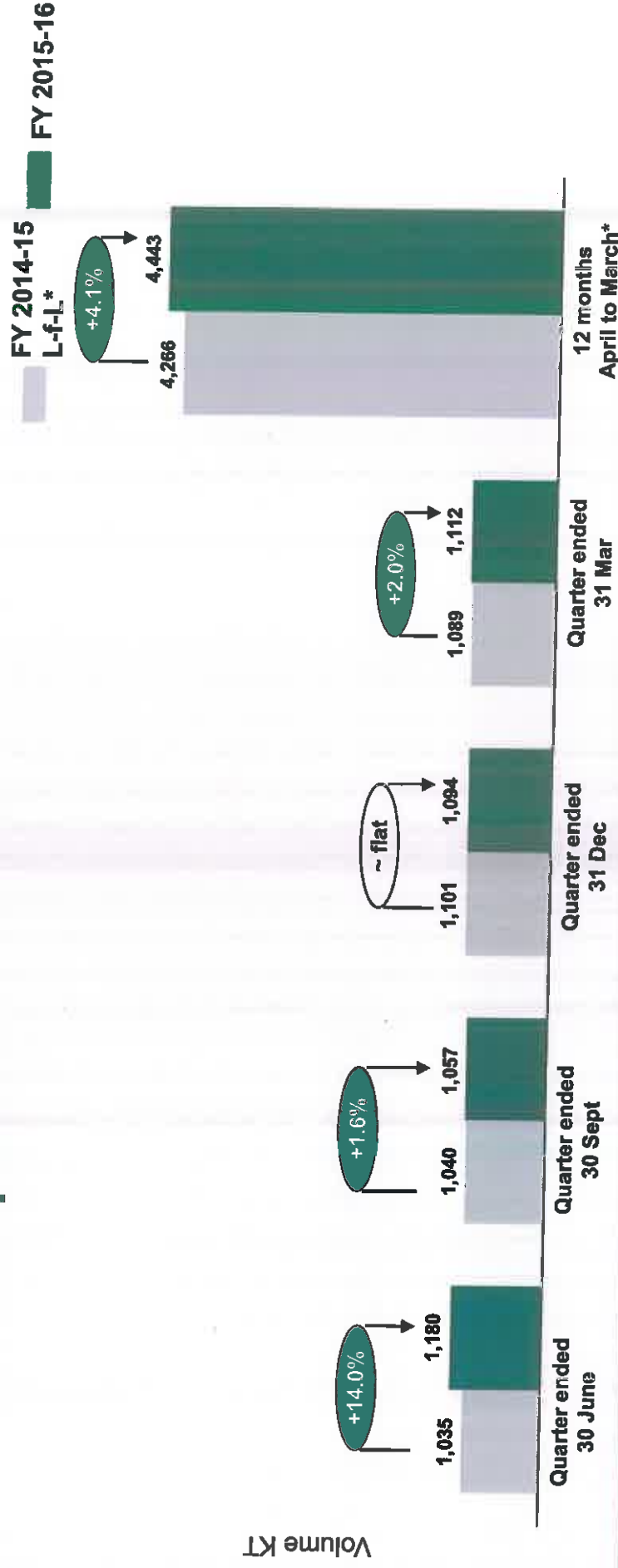
Slide 2, Q4 FY 2015-16

## ■ HCL Highlights – Q4FY 2015-16



Waste Heat Recovery based Power Generation Plant of ~ 12 MW commissioned at Narsingarh on 15<sup>th</sup> Feb 2016

# Volume Development



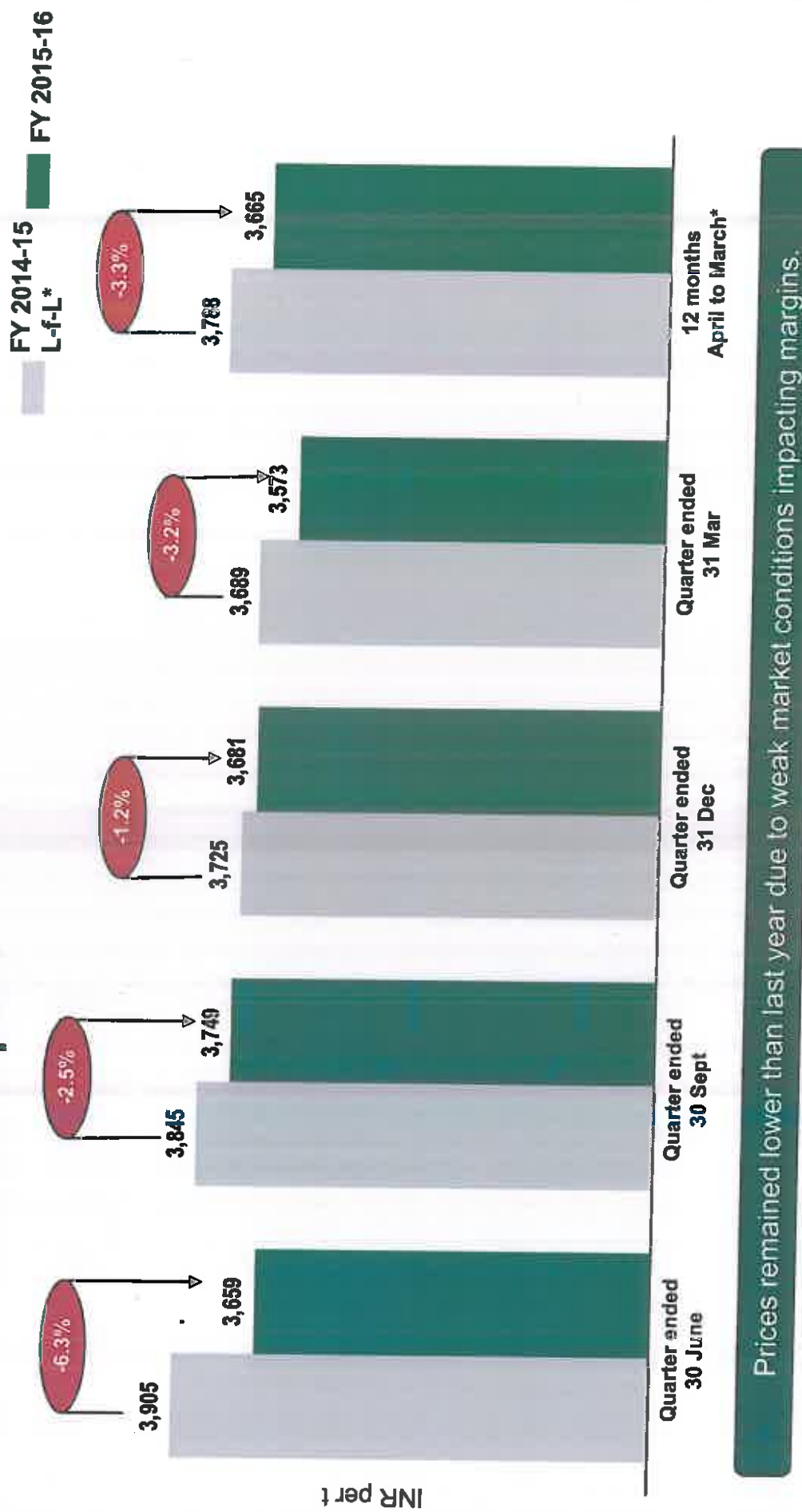
- Volumes growth in Q4 muted due to loss of volume in Southern operations and lower clinker sales. Central India volumes however grew by 6.5% y-o-y.
- Volume growth for the full fiscal year FY 2015-16 in line with the industry.
- Drought like conditions in some markets post 2 successive monsoon failures, sand mining restrictions, labour shortage were few of the factors which impacted demand during FY 2015-16
- Trade: Non Trade Mix ~ 80:20 for Central India .

\* Since FY 2014-15 covered 15 months period (from January 2014 to March 2015), for L-f-L comparisons with the current fiscal year, preceding 12 month period from April 2014 to March 2015 has been considered .

Slide 4, Q4 FY 2015-16

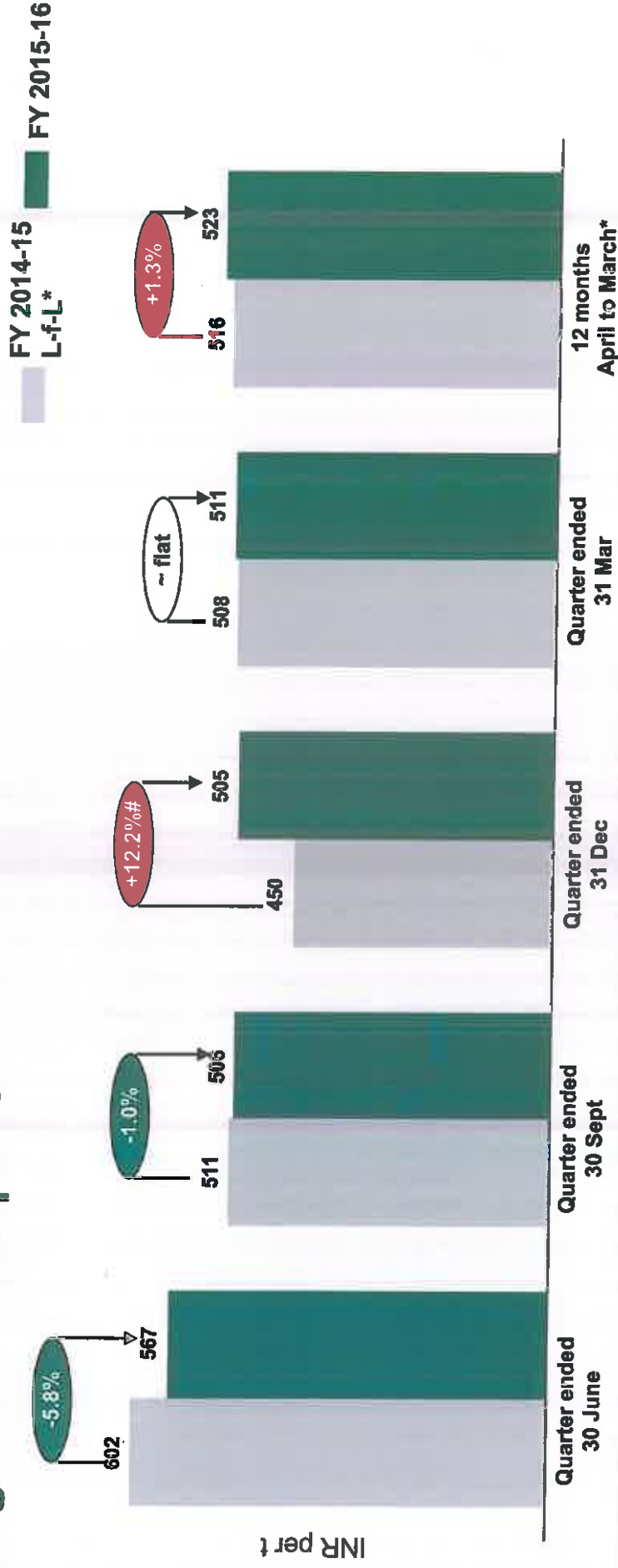
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## Gross Realisations per t



\* Since FY 2014-15 covered 15 months period (from January 2014 to March 2015), for L-f-L comparisons with the current fiscal year, preceding 12 month period from April 2014 to March 2015 has been considered.

# Logistics Cost per t



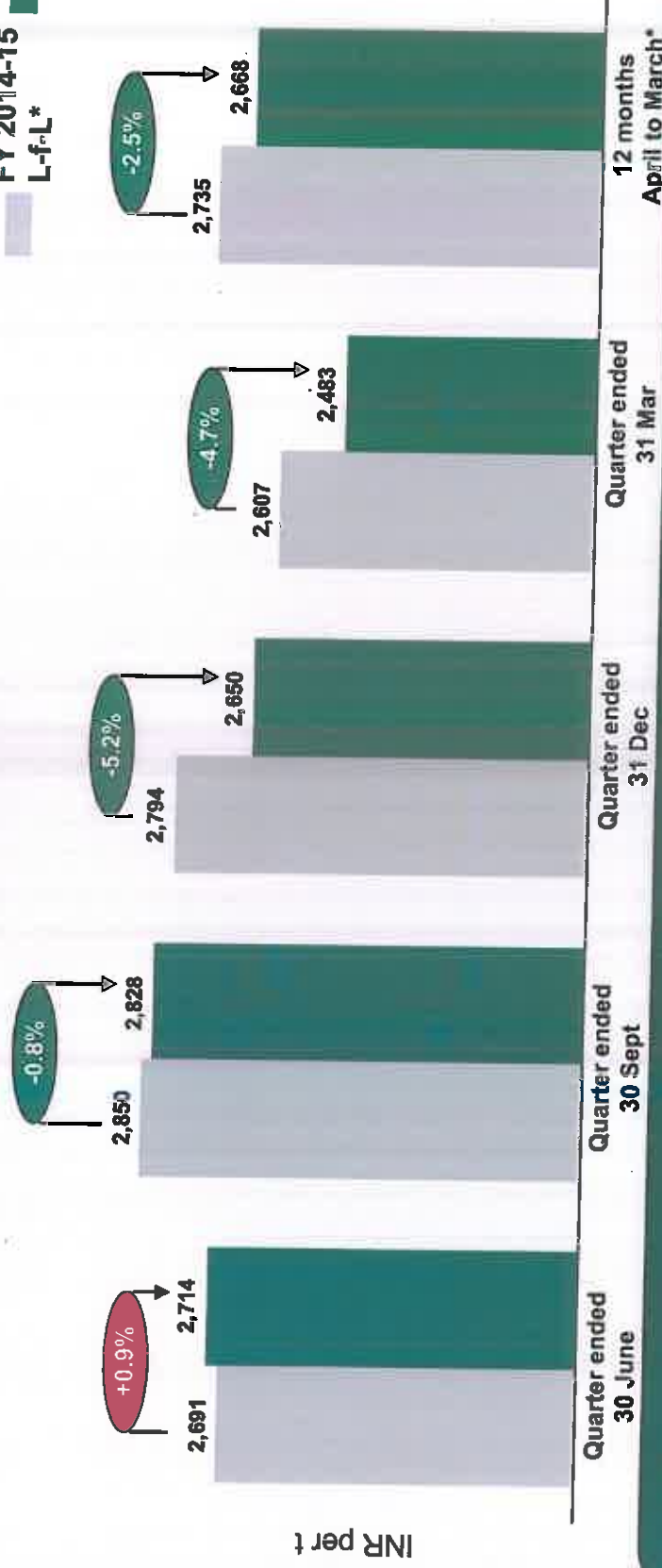
- Lower crude cost advantage during the year was partially offset by higher railway freight.
- Railway freight incentive reduced in FY 2015-16 vs. the last year.
- Rail : Road Mix ~ 50:50
- Avg. Lead Distance < 400 Kms

\*Since FY 2014-15 covered 15 months period (from January 2014 to March 2015), for L-f-L comparisons with the current fiscal year, preceding 12 month period from April 2014 to March 2015 has been considered

# Lower base due to positive impact of railway freight incentive last year.

# Total Cost per t (excl. logistics)

FY 2014-15  
L-f-L\* FY 2015-16



- Savings primarily driven by lower HSD, Petcoke and PP Granules cost – hardening already.
- Fuel Mix was further optimised during the year to take advantage of the fall in petcoke prices, Avg. Petcoke consumption > 60% of the total fuel.
- Power tariff increased in MP and UP last year – fresh tariff increase announced in MP and Karnataka in April 2016.
- Waste Heat Recovery based Power Generation Plant (WHRP) at Narsingarh operational since 15<sup>th</sup> Feb 2016, should help reduce the impact of these hikes.
- Impact of MMDR Act (new levies - DMF & NMET) factored in.

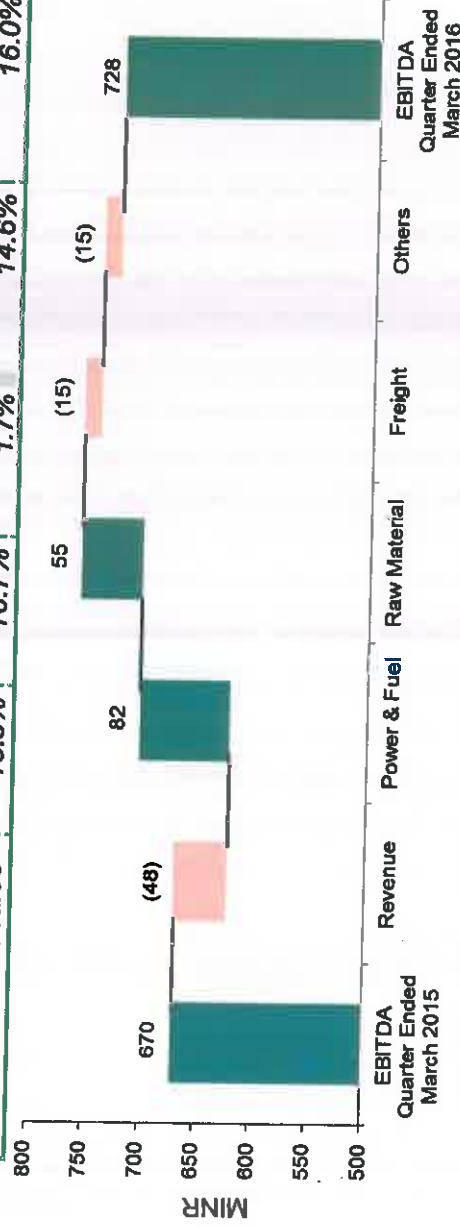
\* Since FY 2014-15 covered 15 months period (from January 2014 to March 2015), for L-f-L comparisons with the current fiscal year, preceding 12 month period from April 2014 to March 2015 has been considered.

Slide 7, Q4 FY 2015-16

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# Financial Performance and EBITDA Bridge Q4 FY 2015-16

| Caption                | MINR             |                  | YoY<br>Change% | MINR                |                     |
|------------------------|------------------|------------------|----------------|---------------------|---------------------|
|                        | March Qtr<br>-16 | March Qtr<br>-15 |                | FY 2015-16<br>(12M) | FY 2014-15<br>(15M) |
| Volumes (KT)           | 1,112            | 1,089            | 2.0%           | 4,443               | 5,289               |
| Net sales              | 3,971            | 4,019            | -1.2%          | 16,281              | 20,112              |
| Other operating income | 85               | 44               | 94.5%          | 272                 | 331                 |
| Total income           | 4,057            | 4,063            | -0.1%          | 16,553              | 20,443              |
| Total Expenses         | 3,329            | 3,393            | -1.9%          | 14,176              | 17,222              |
| EBITDA                 | 728              | 670              | 8.7%           | 2,377               | 3,221               |
| Other income           | 45               | 39               | 13.5%          | 155                 | 138                 |
| Depreciation           | 245              | 286              | -14.4%         | 940                 | 1,375               |
| EBIT                   | 528              | 423              | 24.8%          | 1,592               | 1,984               |
| Finance costs          | 268              | 270              | -0.6%          | 1,088               | 1,389               |
| EBT                    | 260              | 153              | 69.4%          | 504                 | 595                 |
| Exceptional items      | -                | -                | n/a            | -                   | 603                 |
| Tax                    | 17               | 72               | -76.6%         | 117                 | 603                 |
| PAT                    | 243              | 82               | 197.8%         | 387                 | 595                 |
| EBITDA% of net sales   | 18.3%            | 16.7%            | 1.7%           | 14.6%               | 16.0%               |



Note: Change in inventory has been allocated to power & fuel and raw material for the EBITDA Bridge..  
Others include other operating income, employee cost and other expenses.

- EBITDA / t improved to INR 655 during Q4 FY 2015-16

- Savings in power costs due to commissioning of WHRP, lower fuel costs and lower cost for bags were the prime drivers which helped mitigate the adverse impact of lower prices.

- Tax expense in Q4FY 2015-16 lower due to investment allowance benefit u/s 32AC of Income Tax Act

# Balance Sheet

| Caption                                  | As at<br>31-03-2016 | MINR<br>As at<br>31-03-2015 |
|------------------------------------------|---------------------|-----------------------------|
| <b>A. Equity &amp; Liabilities</b>       |                     |                             |
| <b>I. Shareholders' funds</b>            |                     |                             |
| Share Capital                            | 2,266               | 2,266                       |
| Reserves & Surplus                       | 6,690               | 6,449                       |
| <i>Sub-total Shareholders' funds</i>     | <i>8,956</i>        | <i>8,716</i>                |
| <b>II. Non-Current Liabilities</b>       |                     |                             |
| Long Term Borrowings                     | 6,861               | 9,249                       |
| Deferred Tax Liabilities (Net)           | 749                 | 652                         |
| Other Long Term Liabilities              | 30                  | 29                          |
| Long Term Provisions                     | 192                 | 208                         |
| <i>Sub-total Non-Current Liabilities</i> | <i>7,832</i>        | <i>10,138</i>               |
| <b>III. Current Liabilities</b>          |                     |                             |
| Short Term Borrowings                    | 700                 | -                           |
| Trade Payables                           | 1,860               | 1,910                       |
| Other Current Liabilities                | 5,069               | 5,525                       |
| Short Term Provisions                    | 2,075               | 1,908                       |
| <i>Sub-total Current Liabilities</i>     | <i>9,704</i>        | <i>9,344</i>                |
| <b>Total Equity &amp; Liabilities</b>    | <b>26,492</b>       | <b>28,197</b>               |
| <b>B. Assets</b>                         |                     |                             |
| <b>I. Non-Current Assets</b>             |                     |                             |
| Fixed assets                             |                     |                             |
| Long Term Loans and Advances             | 19,595              | 19,212                      |
| Other Non-Current Assets                 | 649                 | 604                         |
| <i>Sub-total Non-Current Assets</i>      | <i>20,244</i>       | <i>19,816</i>               |
| <b>II. Current Assets</b>                |                     |                             |
| Inventories                              |                     |                             |
| Trade Receivables                        | 1,782               | 1,910                       |
| Cash and cash equivalents                | 258                 | 191                         |
| Short-term loans and advances            | 78                  | 1,463                       |
| Other Current Assets                     | 3,027               | 2,909                       |
| <i>Sub-total Current Assets</i>          | <i>5,972</i>        | <i>7,347</i>                |
| <b>Total Assets</b>                      | <b>26,492</b>       | <b>28,197</b>               |

Note :

1. Gross Long Term Debt = Long Term Debt (LTD) including current portion of the LTD maturing in the next 1 year but excludes impact of Mark to Market on the USD External Commercial Borrowings (ECB) which were hedged using Cross Currency Swaps.
2. Net Debt = Gross Long Term Debt + Short Term Borrowings – Cash & Cash Equivalents

Slide 9, Q4 FY 2015-16

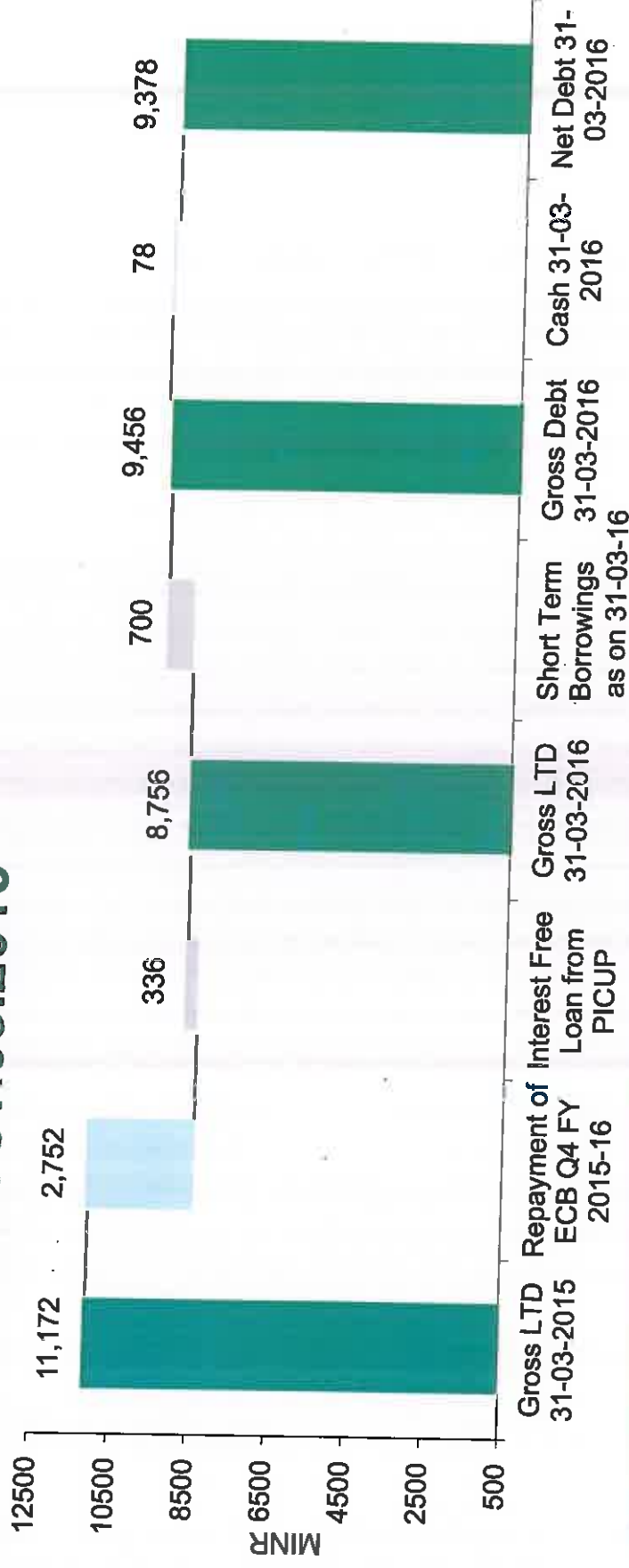
- First 3 tranches of ECB due for repayment in Q4 FY 2015-16 (Total MINR 2,752) – Repaid Already.

- Gross Long Term Debt reduced to MINR 8,756 (as at 31<sup>st</sup> March 2016) from MINR 11,172 (as at 31<sup>st</sup> March 2015).

- Net Debt reduced to MINR 9,378 (as at 31<sup>st</sup> March 2016) from MINR 9,709 (as at 31<sup>st</sup> March 2015).

- WHP Capitalized on 15<sup>th</sup> Feb 2016.

## Debt Position 31.03.2016



- First 3 tranches of ECB due for repayment in Q4 FY 2015-16 (Total MINR 2,752) – Repaid Already.
- Interest Free Loan of MINR 336 received from "The Pradeshya Industrial & Investment Corporation of U.P. Ltd" (PICUP) repayable after 7 years.
- Repayments of MINR 2,125 scheduled in FY 2016-17.

Note :

1. Gross Long Term Debt = Long Term Debt (LTD) including current portion of the LTD maturing in the next 1 year but excludes impact of Mark to Market on the USD External Commercial Borrowings (ECB) which were hedged using Cross Currency Swaps.
2. Net Debt = Gross Long Term Debt + Short Term Borrowings – Cash & Cash Equivalents

Slide 10, Q4 FY 2015-16

## ■ Outlook FY 2016-17

### Opportunities

- Prospects of better monsoons
- Increased focus & outlay for agriculture, infrastructure and affordable housing
- Thrust on construction of cement concrete roads
- Launch of smart cities and urban infrastructure development
- Upcoming elections in Uttar Pradesh and Uttarakhand
- Possibility of further interest rate cuts
- WHRP to help reduce power costs
- Optimize fuel mix to take advantage of lower fuel costs

### Challenges

- Drought like conditions and scarcity of water
- Oversupply may restrict the ability to pass on any input cost increases.
- Any trend reversal in the commodity prices (petcoke and diesel) may adversely impact margins
- Increase in power tariffs

Cement demand growth expectations for FY 2016-17 ~ 6-7%

■ Thank You

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for better building

**Safety is our  
foremost priority**

