

HeidelbergCement India Limited

MINUTES OF THE PROCEEDINGS OF THE 55th ANNUAL GENERAL MEETING OF THE MEMBERS OF HEIDELBERGCEMENT INDIA LIMITED HELD AT EPICENTRE, APPAREL HOUSE, SECTOR 44, INSTITUTIONAL AREA, GURGAON, HARYANA ON THURSDAY, THE 19TH JUNE 2014 AT 9.30 A.M.

Directors Present :

Mr. P.G. Mankad	.....	Chairman
Mr. S. Krishna Kumar	.....	Chairman of Audit Committee
Mr. Pradeep V. Bhide	.....	Chairman of Nomination & Remuneration Committee
Mr. Ashish Guha	.....	CEO & Managing Director
Mr. Sushil Kumar Tiwari	.....	Wholetime Director

And

373 Members were present in person or through their authorized representatives pursuant to Section 113 of the Companies Act, 2013 and 16 Members were present through proxy as per the record of attendance at the meeting kept by the Company.

In attendance:

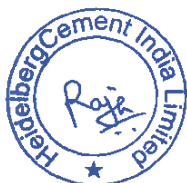
Mr. J.N. Cooper, Chief Operating Officer
Mr. Anil Kumar Sharma, Chief Financial Officer
Ms. Poonam Sharma, Director - Human Resources
Mr. Sudipto Pal, Director – IT & Administration
Mr. Avinash Joshi, Director – Procurement
Mr. Rajesh Relan, Legal Head & Company Secretary
Mr. Amit Gupta, Representative of S.R. Batliboi & Associates LLP,
Statutory Auditors

- 1. Welcome:** Mr. Rajesh Relan, Legal Head & Company Secretary welcomed all the Shareholders, Directors and Executives of HeidelbergCement India Limited to the 55th Annual General Meeting of the Company. Mr. Relan requested Mr. P.G. Mankad, Chairman of the Board of Directors to commence the proceedings of the meeting.
- 2. Quorum:** The requisite Quorum being present in terms of Section 103 of the Companies Act, 2013, the Chairman declared the meeting as properly constituted and extended a warm welcome to the Members of the Company to the 55th Annual General Meeting. Mr. Ashish Guha, CEO & Managing Director introduced to the members, the Directors and executives sitting on the dais.
- 3. Statutory Registers and Proxy** The Chairman informed the Members that Statutory Registers and Proxy Register would remain open and accessible during

Certified True Copy
For HeidelbergCement India Limited

Rajesh Relan
Legal Head & Company Secretary

- Register the continuance of the Meeting to every person having the right to attend the meeting.
4. Chairman's Speech The Chairman addressed the shareholders. In his speech he spoke about the state of Indian Economy, challenging business environment for cement industry and steps taken by the Company to check costs and improve profitability. He also focused on occupational health and safety and informed that Company has been certified for Integrated Management System. In the end of his address he stated that Mr. Ashish Guha has resigned from the position of CEO&MD and he will be with the Company up to 30th June 2014. He stated that the Company has immensely benefitted from his rich and vast experience. The Chairman placed on record on his behalf and on behalf of Board sincere appreciation for the valuable services rendered by Mr. Guha. Thereafter the Chairman requested Mr. Guha to address the shareholders.
- Mr. Guha, CEO & Managing Director addressed the shareholders and shared his experiences with them. He thanked them for the faith and confidence reposed in him.
5. Notice, Financial Statements, Directors' Report and Auditor's Report Notice of 55th Annual General Meeting, Financial Statements, Directors' Report and Auditor's Report, were taken as read with general consent.
- The Chairman invited the Members to express their views on performance of the Company as well as ask any questions, arising out of the Directors' Report and Accounts.
- Members appreciated the efforts of Mr. Guha, which resulted in successful turnaround of the Company. Members also welcomed the proposal for appointment of Mr. Jamshed N. Cooper as CEO & Managing Director of the Company, subject to the approval of Nomination and Remuneration Committee and the Board of Directors.
6. Voting through Ballot Paper The Chairman informed that pursuant to the provisions of section 108 of Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 the Company had provided electronic voting facility to the members entitled to cast their votes at Annual General Meeting. Mr. Nityanand Singh, Practising Company Secretary, who was appointed as Scrutinizer by the Board of Directors in respect of electronic voting process has submitted the report on E-voting on 17th June 2014 in a sealed envelope.



The Chairman further informed that since the votes cast through E-voting are proportionate to the number of shares held by a member, it is obligatory for the Company to conduct a poll at this meeting, in respect of all the items of ordinary and special business contained in Notice of AGM so that the votes cast by the persons present at this meeting are also in proportion to the shares held by them.

The Chairman ordered a poll on all the Resolutions set out at Item No. 1 to 9 of Notice of AGM. All the members and proxy holders were requested to participate in the poll by filling the ballot papers circulated to them and putting the same in the ballot box. The Chairman stated that Mr. Nityanand Singh has been appointed as Scrutinizer to scrutinize the Poll process in a fair and transparent manner and submit his report in the prescribed form. The Chairman explained that the votes cast on a resolution through poll shall be added to the corresponding votes cast through E-voting, in order to determine whether a resolution has been passed or not. The Chairman stated that this exercise shall also be done by the Scrutinizer.

Mr. Nityanand Singh showed empty ballot box to the members and also locked and sealed the ballot box in their presence.

Members filled their ballot papers and dropped the same in ballot box. After obtaining confirmation from the shareholders and the scrutinizer that everyone has exercised the ballot, Chairman declared the poll as complete and scrutinizer took the Ballot Box in his safe custody.

The Chairman informed that on receipt of Scrutinizer's Report, the results shall be declared at the Registered Office of the Company and shall also be sent to stock exchanges and uploaded on the Company's website www.mycemco.com, along with Scrutinizer's Report.

13. Meeting
Concluded

The Chairman thanked the members for their keen interest and participation in the meeting and declared that the meeting is concluded.

14. Vote of
thanks
to the
Chairman

On behalf of the Members, Mr. Yash Pal Chopra thanked the Chairman.



Result of E-voting and Poll conducted on the items of Ordinary and Special Business at the Annual General Meeting of the Company held on 19th June 2014

On the basis of the Scrutinizer's Report for E-voting dated 17th June 2014 as well as Report dated 19th June 2014 for the Poll conducted at Annual General Meeting, the Chairman announced the results of voting on 19th June 2014. It was declared by the Chairman that all the resolutions for the ordinary and special business as set out at Item Nos. 1 to 9 of the Notice of 55th Annual General Meeting of the Company have been duly passed by the members with overwhelming majority. The result of E-voting and Poll was as under:-

Resolution Nos. as given in the Notice of 55th Annual General Meeting		Particulars of votes cast						Result Declared	
		Electronic Voting		Poll		Voting Result			
		Nos. (A)	%	Nos. (B)	%	Nos. (A)+(B)	%		
Ordinary Business									
1	Ordinary Resolution for Adoption of Financial Statements for the year ended 31st December 2013.	Votes cast in favour	5479419	100	157282772	99.999999	162762191	99.999999	Approved by overwhelming majority
		Votes cast against	-	-	1	0.000001	1	0.000001	
		Invalid Votes	-	-	349	-	-	-	
2	Ordinary Resolution for Re-appointment of Mr. Daniel Robert Fritz (holding DIN 03491499), as Director who retiring by rotation.	Votes cast in favour	3799312	70.81389	157282753	100.000000	161082065	99.03725	Approved by overwhelming majority
		Votes cast against	1565895	29.19	-	-	1565895	0.96275	
		Invalid Votes	-	-	349	-	-	-	
3	Ordinary Resolution for Appointment of S.R. Batlibui & Co. LLP, Chartered Accountants, as Auditors from the conclusion of 55th AGM until conclusion of 58th AGM	Votes cast in favour	5479419	100	157282774	100.000000	162762193	100	Approved by overwhelming majority
		Votes cast against	-	-	-	-	-	-	
		Invalid Votes	-	-	349	-	-	-	
Special Business									
4	Ordinary Resolution for Re-appointment of Mr. Pradeep V. Bhide (holding DIN 03304262) as an Independent Director for five years	Votes cast in favour	5364532	99.9995	157282771	99.999999	162647303	99.99998	Approved by overwhelming majority
		Votes cast against	25	0.000466	1	0.000001	26	0.00002	
		Invalid Votes	-	-	349	-	-	-	
5	Ordinary Resolution for Re-appointment of Mr. P.G. Mankad (holding DIN 00005001) as an Independent Director for five years	Votes cast in favour	5365057	100	157282761	99.999999	162647818	99.999999	Approved by overwhelming majority
		Votes cast against	-	-	1	0.000001	1	0.000001	
		Invalid Votes	-	-	349	-	-	-	
6	Ordinary Resolution for Re-appointment of Mr. S. Krishna Kumar (holding DIN 01785323) as an Independent Director for five years	Votes cast in favour	5364857	99.9963	157282761	99.999999	162647618	99.999876	Approved by overwhelming majority
		Votes cast against	200	0.0037	1	0.000001	201	0.000124	
		Invalid Votes	-	-	349	-	-	-	
7	Special Resolution for re-appointment of Mr. Sushil Kumar Tiwari (holding DIN 03265246) as Wholtime Director and approval of his terms of Appointment and	Votes cast in favour	5364856	99.9963	157282770	99.999999	162647626	99.999876	Approved by overwhelming majority
		Votes cast against	201	0.0037	1	0.000001	202	0.000124	
		Invalid Votes	-	-	349	-	-	-	
8	Special Resolution under Section 180(1)(c) of the Companies Act, 2013 for borrowing money up to Rs. 20,000 million.	Votes cast in favour	5478068	99.9753	157282762	100.000000	162760830	99.999169	Approved by overwhelming majority
		Votes cast against	1351	0.0247	1	0.000001	1352	0.000831	
		Invalid Votes	-	-	349	-	-	-	
9	Special Resolution under Section 180(1)(a) of the Companies Act, 2013 for creation of charge / mortgage on the properties of the Company to secure borrowings up to Rs. 20,000 million.	Votes cast in favour	5478068	99.97534	157282771	99.999999	162760839	99.999169	Approved by overwhelming majority
		Votes cast against	1351	0.024656	1	0.000001	1352	0.000831	
		Invalid Votes	-	-	349	-	-	-	



The resolutions passed by the shareholders are recorded hereunder as part of proceedings of 55th Annual General Meeting held on 19th June 2014:-

ORDINARY BUSINESS

Item No. 1: Ordinary Resolution for Adoption of Financial Statements for the year ended 31st December 2013.

“RESOLVED that the Audited Accounts of the Company consisting of Balance Sheet as at 31st December 2013 and 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, already circulated to the members and now submitted to this meeting be and are hereby received and adopted.”

Item No. 2. Ordinary Resolution for Re-appointment of Mr. Daniel Robert Fritz, as Director who retires by rotation.

“RESOLVED that Mr. Daniel Robert Fritz (holding DIN 03491499) who retires in accordance with the provisions of Article 88 of Articles of Association and the Companies Act, 2013 and has offered himself for re-appointment be and is hereby re-appointed as Director of the Company liable to retire by rotation.”

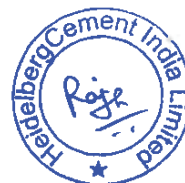
Item No. 3. Ordinary Resolution for Appointment of S.R. Batliboi & Co. LLP, Chartered Accountants, as Auditors from the conclusion of 55th AGM until conclusion of 58th AGM.

“RESOLVED that pursuant to Section 139 and other applicable provisions of Companies Act, 2013 and the Rules made thereunder S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No.: 301003E) be and are hereby appointed as Auditors of the Company in place of retiring Auditors, S.R. Batliboi & Associates LLP, Chartered Accountants, who have expressed their unwillingness to continue as Auditors, to hold office from conclusion of 55th Annual General Meeting until conclusion of 58th 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 out of pocket expenses in connection with Audit of the accounts of the Company.”

SPECIAL BUSINESS

Item No. 4. Special Resolution for re-appointment of Mr. Pradeep V. Bhide as an Independent Director for five years up to 31st March 2019.

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Pradeep V. Bhide (holding DIN 03304262), Director of the Company who retires by rotation at the Annual General Meeting be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from 1st April 2014 up to 31st March 2019.”



Item No. 5. Special Resolution for re-appointment of Mr. P.G. Mankad as an Independent Director for five years up to 31st March 2019.

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. P.G. Mankad (holding DIN 00005001), Director of the Company whose period of office is liable to determination by retirement of directors by rotation be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from 1st April 2014 up to 31st March 2019.”

Item No. 6. Special Resolution for re-appointment of Mr. S. Krishna Kumar as an Independent Director for five years up to 31st March 2019.

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. S. Krishna Kumar (holding DIN 01785323), Director of the Company whose period of office is liable to determination by retirement of directors by rotation be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from 1st April 2014 up to 31st March 2019.”

Item No. 7. Special Resolution (together with statement pursuant to Section 102 of Companies Act, 2013) for re-appointment of Mr. Sushil Kumar Tiwari as Wholetime Director and approval of his terms of Appointment and Remuneration.

“RESOLVED that pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Rules framed thereunder including any statutory modification(s) and/or re-enactment thereof, consent of the members of the Company be and is hereby accorded to the re-appointment of Mr. Sushil Kumar Tiwari (holding DIN 03265246) as Wholetime Director of the Company from 29th April 2014 till 9th June 2015, being the date of his retirement from the services of the Company on the terms and conditions as detailed in Statement pursuant to Section 102 of the Act annexed hereto.

RESOLVED FURTHER that pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Act and the Rules framed thereunder including any statutory modification(s) and/or re-enactment thereof, the terms of remuneration of Mr. Sushil Kumar Tiwari effective from 1st January 2014 as set out in the Statement pursuant to Section 102 of the Act be and are hereby approved.

RESOLVED FURTHER that pursuant to paragraph (A) of Section II of Part II of Schedule V and other applicable provisions, if any, of the Act and subject to such approvals as may be necessary, the Company be and is hereby authorized to pay the



remuneration as detailed in the Statement pursuant to Section 102 of the Act annexed hereto as minimum remuneration to Mr. Tiwari in any financial year, in which the Company has no profit or the profit is inadequate.

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 and/or change the terms and conditions of the appointment and remuneration from time to time as may be deemed appropriate."

STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013

The members of the Company at the Annual General Meeting held on 10th June 2011 had approved the appointment of Mr. Sushil Kumar Tiwari as Wholetime Director of the Company from 29th April 2011 till 28th April 2014. The Board of Directors of the Company has re-appointed Mr. Tiwari as Wholetime Director of the Company from 29th April 2014 till 9th June 2015 (being the date of his retirement from the services of the Company). The remuneration of Mr. Tiwari was approved by Nomination & Remuneration Committee and the Board of Directors at their respective meetings held on 2nd May 2014.

The terms and conditions of Mr. Tiwari's remuneration effective from 1st January 2014 are as under:

i) Basic Salary : Rs. 4,772,640 per annum. The annual increment will be effective from 1st January 2015, and the same shall be approved by Nomination & Remuneration Committee and 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) Variable Pay : Variable Pay shall be equivalent to Rs. 2,908,301 on 100% achievement of the Company's and individual targets set at the beginning of the year. It can vary between 0% to 200% of the base amount of Rs. 2,908,301 depending upon results of evaluation of individual's and Company's performance. The annual increment in variable pay will also be effective from 1st January 2015.

iv) Car Allowance : 612,000 per annum.

v) Perquisites & Allowances : Medical Reimbursement, Mediclaim Premium, Special Allowance, Long Term Incentive Plan, Leave Travel Allowance, Ex-gratia etc., in accordance with the Rules of the Company or as may be agreed to between the Company and Mr. Tiwari.

Perquisites and allowances shall be evaluated as per 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) Retirement benefits : Contribution to Provident Fund and Superannuation Fund, as per Company's policy. Gratuity to be paid in accordance with Payment of Gratuity Act, 1972 and encashment of leave at end of tenure.

Minimum Remuneration: Where in any financial year during the tenure of the Wholetime Director, the Company has no profit or its profit is inadequate, the Company will pay remuneration specified herein above as minimum remuneration, subject to the requisite approvals as may be necessary.

Within the overall ceiling on managerial remuneration prescribed under the Companies Act, 2013, or any statutory modification or re-enactment thereof the Board (including any Committee of the Board or any person authorised by the Board in this behalf) shall be entitled to add, alter or vary any of the foregoing terms of remuneration, benefits or perquisites to which Mr. Tiwari may be entitled as aforesaid.

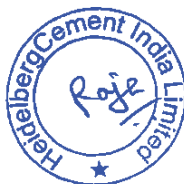
The Company's financial year being January to December, the annual increments are effective from 1st January each year. Therefore, Mr. Tiwari's remuneration is being revised w.e.f. 1st January 2014 although the re-appointment is effective from 29th April 2014.

The statement as required under Para A of Section II, Part II of Schedule V of the Companies Act, 2013 with reference to aforesaid item is given below:

I. General Information:

- (1) Nature of industry. : Manufacturing of Cement.
- (2) Date or expected date of commencement of commercial production. : Not Applicable (The Company was incorporated on 13th May 1958 and commenced commercial production in 1962).
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. : Not Applicable
- (4) Financial performance based on given indicators. :

Particulars	For year ended 31st December 2013	For year ended 31st December 2012	For year ended 31st December 2011
Net Sales and Other Income	14,006.0	11,144.2	9,998.0



EBITDA (Earnings before interest, tax, depreciation and amortization)	1,222.1	876.8	776.1
Profit / (loss) before tax	-806.7	456.6	423.6
Net Profit / (Loss)	-407.3	308.4	291.7

5. Foreign investments or collaborations, if any. : The foreign holding in the share capital of the Company as on 31st March 2014 is as under:-

Foreign holding	No. of shares	Percentage of holding
Promoter (Centrum I B.V.)	157,244,693	69.39%
Foreign Institutional Investors	10,833,715	4.78%
Non-Resident Indians / OCBs	1,428,112	0.63%

II. Information about the appointee:

- (1) Background details. : Mr. Sushil Kumar Tiwari, aged 58 years, is Engineer in Electrical as well as Electronics and Communication from the Institute of Engineers, Kolkata. In his career spanning over 35 years he has rich and vast experience of more than 28 years in the Cement Sector. He has worked with Raymond Limited (Cement Division), which was taken over by Lafarge India Private Limited in the year 2001.

Mr. Tiwari joined HeidelbergCement India Limited in April 2007 as Unit Head of Company's Ammasandra Plant. 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. He was appointed as Wholetime Director of the Company w.e.f. 29th April



2011. He is a member of Corporate Social Responsibility Committee of the Company. He is also Director of Cochin Cements Limited.

(2) Past remuneration.

: Year 2011: Mr. Tiwari was appointed as Wholetime Director of the Company w.e.f. 29th April 2011. During the year 2011 he was paid managerial remuneration of Rs. 4,841,200/- for the period from 29th April 2011 to 31st December 2011. It may be noted that Mr. Tiwari was paid salary, perquisites & allowances, performance incentive etc., amounting to Rs. 3,444,572 for the period from 1st January 2011 to 28th April 2011 in the capacity of Technical Head of the Company.

Year 2012: He was paid remuneration of Rs. 12,534,254 during the year ended 31st December 2012.

Year 2013: He was paid remuneration of Rs. 13,988,282/- during the year ended 31st December 2013.

(3) Recognition or awards.

: The Institution of Engineers (India) at its 21st National Convention 2005-06 held on 4th & 5th day of February 2006, honoured Mr. Tiwari for the outstanding achievements and contribution in the field of Electronics & Telecommunication Engineering. The Award was presented to Mr. Tiwari by the then Hon'ble Governor of Chattisgarh, Mr. Krishna Mohan Seth.

(4) Job profile and his suitability.

: As Wholetime Director, Mr. Tiwari performs such duties and exercises such powers as are entrusted to him from time to time by the Board of Directors and/or CEO & Managing Director. In view of Mr. Tiwari's rich and vast experience of more than 28 years in Cement Sector, he is competent to discharge the functions and tasks associated with his position as Wholetime Director of the Company. Mr. Tiwari plays a crucial role in overseeing activities at Plants and Mines of the Company.

(5) Remuneration proposed.

: As per details given in the Statement



pursuant to Section 102 of the Act.

- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person : The remuneration payable to Mr. Tiwari has been benchmarked with remuneration being drawn by similar positions in the cement industry and has been approved by the Nomination and Remuneration Committee at its meeting held on 2nd May 2014.
- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any. : Apart from receiving his remuneration as stated in the statement pursuant to Section 102 of Act, Mr. Tiwari does not have any pecuniary relationship, directly or indirectly with the Company, its Directors, Key Managerial Personnel and/or their relatives. Mr. Tiwari does not hold any shares of the Company.

III. Other information:

- (1) Reasons of loss or inadequate profits. : Cement Industry in India has been adversely impacted by several factors such as economic slowdown, high interest rates, high raw material, power & fuel and freight cost and volatility in forex rates. The Industry witnessed flattish growth during the year ended 31st December 2013. Slow execution of infrastructure projects and delay in launch of new projects resulted in sluggish demand. Moreover, commissioning of number of new cement manufacturing units during last 3 years has led to surplus capacity, resulting into lower capacity utilisation of cement plants across India.

Due to all these factors, industry players were unable to fully pass on cost increases to the customers. Industry trends over the last few years indicate consistent erosion of margins.

Your Company being no exception to the overall trend has also been hit by demand supply mismatch resulting in drop in capacity utilisation after commissioning of new plants at Damoh and Jhansi. Post expansion of capacity of Damoh and Jhansi plants, the Company's EBITDA during the year ended 31st December 2013 was Rs. 1,222.1 million compared to Rs. 876.8



million during the year ended 31st December 2012. However due to higher incidence of interest and depreciation on commissioning of the new

Plants, the Company has reported net loss of Rs. 407.3 million during year ended 31st December 2013 compared to net profit of Rs. 308.4 million during year ended 31st December 2012.

- (2) Steps taken or proposed to be taken for improvement.

The Company is taking all possible steps to check costs for improving profitability. A few notable steps being taken in this direction are as under:

Finance Costs: In order to curtail the finance costs, your Company issued Debentures aggregating to INR 3700 million to its ultimate holding company HeidelbergCement AG of Germany thus facilitating repayments of high interest bearing term loans of INR 3700 million taken from banks for Damoh and Jhansi expansion projects. These Debentures carry a fixed interest rate of 10.4% per annum which will lead to a saving of around 3% per annum in the interest costs. Since these debentures were allotted on 16th December 2013, the Company will benefit from the savings in the coming years.

Energy Costs: In order to check the burgeoning fuel costs owing to high coal prices, your Company has successfully altered the fuel mix for firing of the kiln by increasing the usage of petcoke, which is an economical fuel, as compared to coal. The Company is also exploring measures for further reduction in specific power consumption and fuel consumption which will lead to optimization in power and fuel costs.

Operational Efficiencies: Consumption parameters of various raw materials are being closely monitored and immediate corrective actions are being taken, wherever necessary. The Company is in the advanced stages of installing wagon tippler, extending railway siding and modifying the packing plant at its Central India locations which will



help in reducing the turnaround time and increasing the operational efficiencies.

Logistics Costs: The Company is aggressively planning and executing changes in its Rail- Road mix for cement despatches to optimise logistics costs.

- (3) Expected increase in productivity and profits in measureable terms : With the stabilisation of new plants at Damoh & Jhansi and with pick-up in Cement demand in markets, the capacity utilisation of plants is expected to increase in the coming years which will improve the margins and thus add to the bottomline.

- IV Disclosures: The remuneration package of the managerial personnel has been described in the statement pursuant to section 102 of the Act and will also be provided in the Corporate Governance Report of the subsequent years.

The Board recommends the resolution set out at Item No.7 of the Notice for approval of the members as a Special Resolution.

Except Mr. Sushil Kumar Tiwari, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financial or otherwise, in the aforesaid resolution.

Item No. 8. Special Resolution under Section 180(1)(c) of the Companies Act, 2013 for borrowing money up to Rs. 20,000 million.

“RESOLVED THAT in supersession of the Ordinary Resolution passed by the members at the Annual General Meeting held on 16th May 2013 with respect to borrowing powers of Board of Directors, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called “the Board” which term shall be deemed to include any Committee, which the Board may hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) in terms of the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act 2013 including any statutory modification or re-enactment thereof for borrowing from time to time, as it may think fit, any sum or sums of money (including non-fund based facilities) not exceeding Rs. 20,000 million (Rupees Twenty Thousand million) on such security and on such terms and conditions as the Board may deem fit including the borrowings in foreign currency equivalent to Rs. 20,000 million (Rupees Twenty Thousand million) through External Commercial Borrowings (ECBs) in accordance with the provisions of Foreign Exchange Management Act, 1999 from any one or more Banks, Financial Institutions and other persons, firms, bodies corporate and other eligible lenders, notwithstanding that the monies to be borrowed, together with the monies already



borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business), exceed the aggregate, for the time being, of the paid up capital of the Company and its free reserves, (that is to say, reserves not set apart for any specific purpose).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and/or its duly constituted Committee be and are hereby authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may think fit, to finalize, settle and execute such documents/ deeds/ writings/ papers/ agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper, desirable or expedient and further to settle any question, difficulty or doubt that may arise with regard to borrowing of the funds as aforesaid."

Item No. 9. Special Resolution under Section 180(1)(a) of the Companies Act, 2013 for creation of charge / mortgage on the properties of the Company to secure borrowings up to Rs. 20,000 million.

"RESOLVED THAT in supersession of the Ordinary Resolution passed by the members through Postal Ballot on 11th May 2010, with respect to creation of mortgage/charge on the properties of the Company, the consent of the Company be and is hereby granted in terms of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, (including any statutory modification or re-enactment thereof), to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose) to mortgage and/or charge, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, all or any of the moveable and/ or immoveable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default, in favour of the Banks, National or International Financial Institutions, other Lender(s), Agent(s) and Trustee(s), for securing the borrowings availed/ to be availed by the Company by way of loan(s) (in foreign currency and/or Indian Rupees whether Term Loan / Cash Credit/ other facilities) and Securities (comprising Fully / Partly Convertible Debentures and/or Non Convertible Debentures with or without detachable or non-detachable Warrants and/or secured premium notes and/or floating rate notes/bonds or other debt instruments), to be issued by the Company, from time to time, for an amount not exceeding Rs. 20,000 million (Rupees Twenty Thousand million) or an amount equivalent thereto in foreign currency together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s)/Trustees, premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s)/Heads of Agreement(s), Debenture Trust Deed(s) or any other document, entered into/to be entered into between the Company and the Banks/ Financial Institutions/ other Lender(s)/Agent(s) and Trustee(s), in respect of the said loans / borrowings / debentures / bonds and containing such specific terms



and conditions and covenants, in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Banks/ Financial Institutions/ other Lender(s)/ Agent(s)and Trustee(s).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and/or its duly constituted Committee be and are hereby authorised to finalise, settle and execute such documents/ deeds/writings/papers/ agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/charges as aforesaid.”

All the above resolutions which were put to vote were passed with requisite majority.

P.G. Mankad
Chairman

Certified True Copy
For HeidelbergCement India Limited

Rajeshan
Legal Head & Company Secretary