

**MINUTES OF THE 42<sup>ND</sup> ANNUAL GENERAL MEETING OF HEG LIMITED HELD ON SATURDAY, THE 30<sup>TH</sup> AUGUST, 2014, AT 1.30 P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT MANDIDEEP, (NEAR BHOPAL), DISTT. RAISEN, MADHYA PRADESH - 462 046.**

**DIRECTORS :**

Shri D.N. Davar - In the Chair  
Dr. O. P. Bahl

**MEMBERS :**

54 Members were present in person, 14 Members through representatives and 7 Members by proxy.

**IN ATTENDANCE :**

Shri K Vaidyanathan - Chief Operating Officer  
Shri Raju Rustogi - Chief Financial Officer  
Shri Ashish Sabharwal - Company Secretary

**BY INVITATION:**

Shri Sunil Wahal - Representing M/s. S.S. Kothari Mehta & Co.  
Statutory Auditors of the Company  
Shri Mukul Marwah - Representing M/s. Doogar & Associates., Statutory  
Auditors of the Company

The Company Secretary welcomed the Shareholders, Directors and Auditors and informed those present at the Meeting that Shri Ravi Jhunjunwala, Chairman & Managing Director & CEO of the Company was unable to attend the Annual General Meeting due to urgently placed work exigencies. The Company Secretary requested the members present to elect the Chairman to preside over the Meeting in terms of Article 76 of Articles of Association of the Company.

Shri S.D. Kaushik proposed the name of Shri D. N. Davar, Director to Chair the meeting, which was seconded by Shri N.C. Das. Following it, Shri D. N. Davar was unanimously elected to Chair the meeting.

Having been elected as Chairman of the meeting, Shri D. N. Davar took the Chair.

Shri D.N. Davar, Chairman of Audit Committee and also of the Nomination and Remuneration Committee of the Company had been authorized by the Board of Directors of the Company to represent the Stakeholders Relationship Committee as well at the Annual General Meeting of the Company.

After ascertaining that the requisite quorum was present, the Chairman called the meeting to order and extended a warm welcome to the Members present. The Chairman addressed the shareholders. The excerpts of his address were as under:

*"Fiscal 2013-14 was one of the most challenging years for the international graphite electrode industry due to a number of concurrent factors: slow economic growth, geopolitical inertia in India, weak global steel industry, decline in graphite electrode prices and rising inventories. Not surprisingly, most of the large global electrode manufacturers reported losses.*

*The global situation continued to demonstrate volatility as the eurozone crisis subsided only marginally during the year under review. The continued pressures faced by the electric arc furnace steel sector exerted a downward pressure on prices through the year.*

*Subsequent to this difficult situation, the two largest International Graphite producers announced shutdowns of 4 of their plants in total, which is as much as between 20 & 25% of their total capacities or lets say over 10% of the world's capacity of ultra-high power grade electrodes. Our assessment is that we have hit the trough and from hereon we should see a recovery, albeit a slow and steady one. We had our backs to the wall, fighting all these factors and the entire team at HEG showed exceptional resilience and a resolve to do better. Adversities invariably bring out the best in the brave.*

*At HEG, we utilised these difficult times to strengthen our various operational areas, customer relationships and cost reduction initiatives to achieve reasonable successes in such times. We were abundantly helped in our endeavors by our raw material suppliers through reduced costs and timely deliveries to bring down inventories. Having sustained these trying times and come out reasonably unscathed, we are confident of capitalising on our strengths when the tide turns in our favour.*

### ***The way forward***

*The big message that I would like to leave with our shareholders is that if this is how we performed in the most challenging markets, then we are optimistic of better prospects as soon as our sector rebounds, for the following reasons:*

- ❖ The capacity shutdowns have brought some semblance of equilibrium in demand/supply situation. We are optimistic that this will correct the industry oversupply, improve realisations and encourage competitive players like us to aspire for higher growth in the future.*
- ❖ The share of EAF in steel making is expected to increase especially in the US and the Middle East due to shale gas, large DRI capacities being established, extremely high steel scrap reservoirs coming in China and low energy costs.*

*World Steel Association has forecast that global steel consumption for 2014 would hit 1.527 mmt which is 3.15 percent higher than the previous year.*

*What is promising here is the trend – the steel growth for last many years, and specially post 2008 financial crisis, was primarily due to growth in China. Now we are seeing a growth in production as well as consumption in the 27 EU countries and the North America, which are gradually coming back to the pre crisis days.*

*What is heartening from our point of view is that the EAF sector of Steel, where Graphite Electrodes are primarily used, is showing a much larger growth than the Total Steel. In the first half of 2014, EAF production has gone up by more than 8% while Total Steel has gone up by only 2.50%. It is also projected that with huge Steel Scrap reservoir in China now being tapped for use in the EAF sector, China, which is the largest importer of scrap today will soon turn into the largest exporter of scrap. In the next 10 – 15 years, China is expected to generate an additional 158 mmt of steel scrap which will greatly help installations of more and more EAF's around the world leading to a growth in demand of Graphite Electrodes. EAF, which currently accounts for a little less than 30% of total world steel, is likely to grow to anywhere between 45 & 55% in the next 12-15 years, steadily as very few new Blast Furnaces are getting built around the world.*

### **Message to shareholders**

*Even as the industry reality remains challenging, HEG is optimistic of its prospects. Going ahead, the Company will focus on profitable growth. We are optimistic that this will translate into superior margins, returns on employed capital and market capitalisation, enhancing value in the hands of the shareholders of our Company.*

*I would take this opportunity to appreciate the valuable support received by your Company from banks, financial institutions, customers, business associates, Central Government, Government of Madhya Pradesh and their departments. I would also like to thank the employees for their dedication, commitment and hard work.*

*Our commitment to the local community of Mandideep and Tawa is that, we shall continue to play a part for their betterment."*

Thereafter, the Chairman informed that the following Registers were available for inspection of the Members:

- a) Proxy Register with 7 valid proxies were lodged representing 16,87,182 Equity Shares.
- b) Register of Directors' and Key Managerial Personnel and their shareholding.

The aforesaid Registers remained open for inspection till the conclusion of the meeting

With the permission of members the Notice of the Meeting, the Director's Report along with Annexure thereto and the Annual Accounts for the financial year ended March, 2014 were taken as read.

The Chairman informed the members that the Auditor's Report on the Annual Accounts of the Company for the financial year ended March 31, 2014 did not contain any qualification, observation or comment on financial transactions or matters, which had any adverse effect on the functioning of the Company. Thereafter, the Auditors Report was read out by the Company Secretary.

The Chairman requested the Members present, to raise the queries, if any on the Annual Accounts of the Company. No query was raised by any member.

The Chairman then mentioned that the Companies Act, 2013 provided for electronic voting and the Company had provided its members the facility to cast their votes electronically through NSDL system. The e-voting commenced on the 20<sup>th</sup> August, 2014 at 9.00 A.M and ended on the 22<sup>nd</sup> August, 2014 at 6.00 P.M. Shri Saket Sharma, Company Secretary in practice (Membership No. FCS 4229), was appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. Shri Saket Sharma had submitted his report on e-voting to the Chairman.

The Chairman thereafter ordered for voting by poll and requested the shareholders who had not cast their vote on e-voting, to cast their vote on the poll paper, under the supervision of Shri Saket Sharma, the scrutinizer.

Shri Ashish Sabharwal, Company Secretary of the Company briefed the shareholders about the process of Poll. Thereafter, Shri Saket Sharma displayed the empty ballot box to the Members and Proxies present and sealed the same.

The poll was then conducted and concluded in normal course.

Shri Saket Sharma, the scrutinizer, opened the ballot box in presence of two other members and after counting the votes submitted a consolidated report on e-voting and voting by poll to the Chairman. A summary of consolidated Voting Results (e-voting and polling) was as given below:

Item	Promoter/Public	No. of Votes in favour	No. of votes against
1) Adoption of Audited Balance Sheet as at the 31 <sup>st</sup> March, 2014, the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.	Promoter and Promoter Group	23308719	0
	Public - Institutional Holders	4075773	0
	Public Others	421569	8
	<b>Total</b>	<b>27806061</b>	<b>8</b>
2) Declaration of Dividend at the rate of ₹ 6.00 per share of the face value of ₹10/- each.	Promoter and Promoter Group	23308719	0
	Public - Institutional Holders	4075773	0
	Public Others	421570	8
	<b>Total</b>	<b>27806062</b>	<b>8</b>

3) Re-appointment of Shri Riju Jhunjhunwala, (DIN 00061060) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.	Promoter and Promoter Group	23075429	0
	Public - Institutional Holders	3782588	293185
	Public Others	419464	2113
	<b>Total</b>	<b>27277481</b>	<b>295298</b>
4) Re-appointment of M/s S.S. Kothari Mehta & Co., Chartered Accountants (ICAI Registration No. 000756N) and M/s Doogar & Associates, Chartered Accountants, (ICAI Registration No. 000561N) as Auditors and fixation of their remuneration.	Promoter and Promoter Group	23308719	0
	Public - Institutional Holders	4075773	0
	Public Others	421364	213
	<b>Total</b>	<b>27805856</b>	<b>213</b>
5) Alteration in the Articles of Association of the Company by inserting the new Article No. 125A after the existing Article 125 to appoint / re-appoint an individual as the Chairman of the Company as well as the Managing Director and Chief Executive Officer or Whole Time Director of the Company at the same time.	Promoter and Promoter Group	22957949	0
	Public - Institutional Holders	4064456	11317
	Public Others	419517	2060
	<b>Total</b>	<b>27441922</b>	<b>13377</b>
6) Re-appointment of Shri Ravi Jhunjhunwala as Chairman, Managing Director and CEO (DIN 00060972) for a further period of 5 years commencing from the 13 <sup>th</sup> February, 2014 and also fixing his remuneration for a period of one year w.e.f. 13 <sup>th</sup> February, 2014.	Promoter and Promoter Group	22957949	0
	Public - Institutional Holders	4064456	11317
	Public Others	419493	2184
	<b>Total</b>	<b>27441898</b>	<b>13501</b>
7) To borrow money over and above the aggregate of the paid-up share capital and free reserves of the Company, upto an aggregate sum of ₹ 2,000 crores.	Promoter and Promoter Group	23308719	0
	Public - Institutional Holders	4075773	0
	Public Others	419443	2084
	<b>Total</b>	<b>27803935</b>	<b>2084</b>
8) To create mortgage and/or charge on the immovable and movable properties of the Company in favour of the lenders to secure their financial assistance upto an amount not exceeding ₹ 2,000 crores in the aggregate.	Promoter and Promoter Group	23308719	0
	Public - Institutional Holders	4075773	0
	Public Others	419495	2082
	<b>Total</b>	<b>27803987</b>	<b>2082</b>

9) Appointment of Smt. Vinita Singhania (DIN 00042983)(who was appointed as Additional Director and who holds office upto the date of this Annual General Meeting) as an Independent Director of the Company to hold office up to the conclusion of the 46 <sup>th</sup> Annual General Meeting of the Company to be held in calendar year 2018.	Promoter and Promoter Group	23308719	0
	Public - Institutional Holders	4064456	11317
	Public Others	421514	163
	<b>Total</b>	<b>27794689</b>	<b>11480</b>
10) Appointment of Shri D.N. Davar (DIN 00002008) as an Independent Director of the Company from August 30, 2014 up to August 29, 2019.	Promoter and Promoter Group	23308719	0
	Public - Institutional Holders	4064456	11317
	Public Others	419843	234
	<b>Total</b>	<b>27793018</b>	<b>11551</b>
11) Appointment of Dr. Kamal Gupta (DIN 00038490) as an Independent Director of the Company from August 30, 2014 up to August 29, 2019.	Promoter and Promoter Group	23308719	0
	Public - Institutional Holders	4064456	11317
	Public Others	421250	277
	<b>Total</b>	<b>27794425</b>	<b>11594</b>
12) Appointment of Dr. O.P.Bahl (DIN 02643557) as an Independent Director of the Company from August 30, 2014 up to August 29, 2019.	Promoter and Promoter Group	23308719	0
	Public - Institutional Holders	4075773	0
	Public Others	421298	279
	<b>Total</b>	<b>27805790</b>	<b>279</b>
13) Alteration in the Articles of Association of the Company by replacing the existing Article Nos. 94(2) and 107 that the nominee Director(s) of any financial institution(s) may be a director(s) liable to retire by rotation.	Promoter and Promoter Group	23308719	0
	Public - Institutional Holders	4064456	11317
	Public Others	421317	160
	<b>Total</b>	<b>27794492</b>	<b>11477</b>
14) Approval of the remuneration payable to M/s. N.D. Birla & Co., Cost Auditor of the Company for the financial year 2014-15 (subject to applicability of Cost Audit on the Company).	Promoter and Promoter Group	23308719	0
	Public - Institutional Holders	4075773	0
	Public Others	421469	108
	<b>Total</b>	<b>27805961</b>	<b>108</b>

Thereafter on receipt of the consolidated report on e-voting and poll from Shri Saket Sharma, the scrutinizer, the Chairman while declaring the results informed that all the resolutions at Item No. 1 to 9 and 11 to 14 had been passed with requisite majority. Since the Chairman was interested in item No. 10 the result of the same was declared by

Dr. O.P. Bahl, Director. The said Resolution was also passed with requisite majority. The details of the resolutions passed were as hereunder:

#### **ORDINARY BUSINESS**

**1. ADOPTION OF ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR 2013-2014.**

"RESOLVED THAT the Audited Balance Sheet of the Company as at 31<sup>st</sup> March 2014 together with the Statement of Profit & Loss Account for the year ended on that date, and the Reports of the Directors and Auditors thereon, be and are hereby approved and adopted".

**2. DIVIDEND ON EQUITY SHARES.**

"RESOLVED THAT the Dividend for the financial year ended 31<sup>st</sup> March 2014 at the rate of ₹ 6.00 per Equity Share be and is hereby declared and that the dividend be paid to those shareholders whose names appear on the Company's Register of Members on the date of this Annual General Meeting".

**3. RE-APPOINTMENT OF SHRI RIJU JHUNJHUNWALA (HOLDING DIN 00061060) AS DIRECTOR.**

"RESOLVED THAT Shri Riju Jhunjunwala (holding DIN 00061060), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment, be and is hereby re-appointed as Director of the Company, liable to retire by rotation".

**4. RE-APPOINTMENT OF AUDITORS AND FIXATION OF THEIR REMUNERATION.**

"RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, M/s S. S. Kothari Mehta & Co., Chartered Accountants (ICAI Registration No.000756N) and M/s Doogar & Associates, Chartered Accountants (ICAI Registration No. 000561N), be and are hereby appointed as Joint Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration to be fixed by the Board of Directors plus out of pocket expenses that may be incurred by them in the course of audit".

#### **AS SPECIAL BUSINESS**

**5. ALTERATION IN THE ARTICLES OF ASSOCIATION OF THE COMPANY BY INSERTING THE NEW ARTICLE NO. 125A AFTER THE EXISTING ARTICLE 125**

"RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013, (including any

amendment thereto or re-enactment thereof) and such other necessary approval(s) if any, as may be required, approval be and is hereby accorded to alter Articles of Association of the Company by inserting the following new Article No. 125A after the existing Article 125:

**Article No. 125A**

**Chairman and Managing Director and Chief Executive Officer or Whole - time Director**

Notwithstanding anything contrary contained in the Articles of Association, the Company may, in pursuance of applicable rules, regulations, circulars, guidelines, notifications etc. as may be specified by the Ministry of Corporate Affairs (MCA), Securities and Exchange Board of India (SEBI), Stock Exchanges or any other competent authority and the applicable provisions of Section 203 of the Companies Act, 2013 read with Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, which is laid down in this regard by any amendment in or re-enactment of the Companies Act, 2013 or by the rules, regulations etc. made there under or the Listing agreement with the Stock Exchanges, from time to time, an individual may be appointed or re-appointed as the Chairman of the Company as well as the Managing Director and Chief Executive Officer or Whole Time Director of the Company at the same time."

**6. RE-APPOINTMENT OF SHRI RAVI JHUNJHUNWALA AS CHAIRMAN, MANAGING DIRECTOR AND CEO (DIN 00060972) FOR A FURTHER PERIOD OF 5 YEARS.**

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 and corresponding applicable provisions of Companies Act, 1956 and applicable schedule(s) thereunder and subject to such sanctions and approvals as may be necessary, consent be and is hereby granted for the re-appointment of Shri Ravi Jhunjunwala (holding DIN 00060972) as Chairman, Managing Director and CEO for a further period of 5 years commencing from the 13<sup>th</sup> February, 2014.

RESOLVED FURTHER THAT, the remuneration payable to Shri Ravi Jhunjunwala (holding DIN 00060972), Chairman, Managing Director and CEO is hereby fixed for a period of one year, w.e.f. the 13<sup>th</sup> February, 2014 on the following terms:

**Basic Salary :**

₹ 10,00,000/- per month.

**Commission :**

Not more than 2.50% of the net profits of the Company as computed in the manner laid down in applicable provisions of the Companies Act, 2013 and that of Companies Act, 1956.



**Perquisites:**

In addition to the salary and commission, Shri Ravi Jhunjhunwala is entitled to the following perquisites:

Category 'A'

**i) Housing :**

- a) The expenditure incurred by the Company on hiring unfurnished accommodation for him subject to a ceiling, namely (for residence in Delhi/outside Delhi), 60% of the basic salary or
- b) In case the accommodation is owned by the Company, 10% of the basic salary shall be deducted by the Company, or
- c) In case no accommodation is provided by the Company, a house rent allowance subject to a ceiling of 60% of the basic salary.

**ii)** The expenditure incurred by the Company on Gas, Electricity, Water and furnishing shall be valued as per Income-tax Rules, 1962 and will be subject to a ceiling of 10% of the basic salary.

**iii) Medical Reimbursement :**

For self and family subject to a ceiling of one month's basic salary in a year or three month's basic salary over a period of three years.

**iv) Leave Travel Concession :**

For self and family once in a year incurred in accordance with the Rules specified by the Company.

**v) Club Fees :**

Fees, subject to a maximum of two clubs will be allowed. This will not include admission and life membership fees.

**vi) Personal Accident Insurance :**

Of an amount, the annual premium of which shall not exceed ₹ 10,000/-.

For the purpose of this category, "family" means the spouse, dependent children and dependent parents.

Category 'B'

**i) Provident Fund :**

Company's contribution to provident fund shall be as per the rules of the Company.

**ii) Superannuation/ Annuity Funds :**

Company's contribution to superannuation/annuity fund shall be in accordance with the rules of the Company.

**iii) Gratuity :**

As per Rules of the Company, payable in accordance with the approved fund at the rate of half a month's basic salary for each completed year of service.

Category 'C'

**i) Car :**

Provision of car for use on company's business. A car for personal use would be provided by the Company and valuation of the perquisites of the same would be as per Income Tax Rules.

**ii) Telephone :**

Telephone at residence. Personal long distance calls shall be billed by the Company.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of Shri Ravi Jhunjhunwala (holding DIN 00060972) as Chairman, Managing Director and CEO his remuneration shall be governed by the limits prescribed under Section II of Part II of the Schedule V of the Companies Act, 2013."

**7. CONSENT TO BORROW MONEY OVER AND ABOVE THE AGGREGATE OF THE PAID- UP SHARE CAPITAL AND FREE RESERVES OF THE COMPANY.**

"RESOLVED THAT in supersession of the earlier resolution passed by the Company with respect to the borrowing powers of the Board of Directors, consent of the Company be and is hereby accorded pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act 2013, to the Board of Directors of the Company to borrow money(s) (apart from temporary loans from time to time obtained from the Company's Bankers in the ordinary course of business) in excess of the aggregate of paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, as the Board may, from time to time, deem necessary for the purpose of the Company, provided that the sum or sums so borrowed and remaining outstanding at any

time shall not exceed in the aggregate ₹ 2,000 Crores (Rupees Two thousand Crores only)."

**8. CONSENT TO CREATE MORTGAGE AND/OR CHARGE ON THE IMMOVABLE AND MOVABLE PROPERTIES OF THE COMPANY IN FAVOUR OF THE LENDERS TO SECURE THEIR FINANCIAL ASSISTANCE.**

"RESOLVED THAT the consent of the Members of the Company be and is hereby granted in terms of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013, to create mortgage and / or charge, on such terms and conditions and at such time(s) and in such form and manner, and with such ranking as to priority as the Board of Directors of the Company ("Board") in its absolute discretion may deem fit, on the whole or substantially the whole of the Company's present or future properties, whether immovable or movable comprised in any undertaking of the Company, as may be agreed to in favour of the Bank(s), Financial Institution(s) or other person(s), hereinafter referred to as the lenders, and / or trustees to secure the borrowings by way of loans or by issue of non-convertible debentures, bonds, term loans, working capital facilities and / or other instruments including foreign currency borrowings, as the Board may in its absolute discretion deem fit and upon such terms and conditions, as may be decided by the Board upto an aggregate amount of ₹ 2000 Crores, including any increase as a result of fluctuation in the rates of exchange, together with interest at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and other monies covered by the aforesaid financial assistance under the respective documents, entered into by the Company in respect of the said debentures / bonds / term loans / working capital facilities / other instrument(s) in terms of their issue.

RESOLVED FURTHER THAT the mortgage and/or charge to be created by the Company aforesaid may rank prior / pari passu / subservient with / to the mortgages and / or charges already created or to be created in future by the Company and as may be agreed to between the Company and the lenders."

**9. APPOINTMENT OF SMT. VINITA SINGHANIA (DIN 00042983) AS AN INDEPENDENT DIRECTOR OF THE COMPANY.**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the rules framed thereunder, read with Schedule IV of the Act, as amended from time to time, Smt. Vinita Singhania ( DIN 00042983 ), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 12<sup>th</sup> November, 2013 and who holds office up to the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office up to the conclusion of the

46<sup>th</sup> Annual General Meeting of the Company to be held in the calendar year 2018."

**10. APPOINTMENT OF SHRI D.N.DAVAR (DIN 00002008) AS AN INDEPENDENT DIRECTOR OF THE COMPANY.**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules framed thereunder, read with Schedule IV of the Act, as amended from time to time, Shri D.N. Davar (DIN 00002008), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from August 30, 2014 up to August 29, 2019."

**11. APPOINTMENT OF DR. KAMAL GUPTA (DIN 00038490) AS AN INDEPENDENT DIRECTOR OF THE COMPANY.**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the rules framed thereunder, read with Schedule IV of the Act, as amended from time to time, Dr. Kamal Gupta (DIN 00038490), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from August 30, 2014 up to August 29, 2019."

**12. APPOINTMENT OF DR. O.P.BAHL (DIN 02643557) AS AN INDEPENDENT DIRECTOR OF THE COMPANY.**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the rules framed thereunder, read with Schedule IV of the Act, as amended from time to time, Dr. O.P. Bahl (DIN 02643557), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from August 30, 2014 up to August 29, 2019."

**13. ALTERATION IN THE ARTICLES OF ASSOCIATION OF THE COMPANY BY REPLACING THE EXISTING ARTICLE NOS. 94(2) AND 107.**

"RESOLVED THAT pursuant to the provisions of Section 161 and Section 152 and all other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or reenactment thereof), and such other necessary

approval(s) if any, as may be required, approval be and is hereby accorded to alter Articles of Association of the Company by deleting the existing Article Nos. 94(2) and 107 and inserting the new Articles 94(2) and 107 in place thereof:

**Article No. 94(2)**

**Nominee Directors:**

Notwithstanding anything contrary contained in the Articles of Association, the Company may, in pursuance of applicable rules, regulations, circulars, guidelines, notifications etc. as may be specified by the Ministry of Corporate Affairs (MCA), Securities and Exchange Board of India (SEBI), Stock Exchanges or any other competent authority and the applicable provisions of Section 161 and 152 of the Companies Act, 2013, which are laid down in this regard or by any amendment in or re-enactment of the Companies Act, 2013 or by the rules, regulations etc. made there under or the Listing agreement with the Stock Exchanges, from time to time, if at any time the Company obtains any loans from any Financial or other Institutions or enters into under-writing arrangements with such Financial Institutions or other persons (hereafter referred to as "the Corporation") and it is a term of such loan or of the underwriting arrangements that the Corporation shall have the right to appoint one or more Directors to the Board of the Company, then subject to the terms and conditions of such loans or underwriting arrangements, the Corporation shall be entitled to appoint one or more Directors as the case may be, to the Board of the Company and to remove from office any Director so appointed and to appoint another who resigns or otherwise vacates his office. Any such appointment or removal shall be made in writing and shall be signed by the Corporation or by any person duly authorized by it and shall be served at the office of the Company. The Director or Directors so appointed shall with the consent of the said Corporation be liable to retire by rotation in accordance with the provisions of these Articles and he/she or they shall not be required to hold any qualification shares. Such Director or Directors shall be referred to as "Nominee Director or Directors" for the purpose of these Articles.

**Article No. 107**

**Rotation and Retirement of Directors**

Notwithstanding anything contrary contained in the Articles of Association, the Company may, in pursuance of applicable rules, regulations, circulars, guidelines, notifications etc. as may be specified by the Ministry of Corporate Affairs (MCA), Securities and Exchange Board of India (SEBI), Stock Exchanges or any other competent authority and the applicable provisions of Section 152 and Section 161 of the Companies Act, 2013, which are laid down in this regard or by any amendment in or re-enactment of the Companies Act, 2013 or by the rules, regulations etc. made there under or the Listing agreement with the Stock Exchanges, from time to time, at each Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office. Nominee Director or Directors appointed by any Financial Institution under Article 94(2) hereof with the

consent of the Institution shall be liable to retire by rotation. An Additional Director appointed by the Board under Article 96 hereof shall not be liable to retire by rotation within the meaning of this Article."

**14. APPROVAL OF THE REMUNERATION OF THE COST AUDITOR FOR THE FINANCIAL YEAR ENDING MARCH 31, 2015.**

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014 and subject to the applicability of Cost Audit on the Company in terms of the Companies (cost records and audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. N.D. Birla & Co., Cost Accountants who were appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company (subject to applicability of Cost Audit on the Company) for the financial year ending March 31, 2015, be paid the remuneration of ₹ 2,00,000/- (Rupees Two Lac only) plus service tax and out of pocket expenses that may be incurred by them during the course of audit.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

There being no other business to transact, the meeting concluded with a vote of thanks to the Chair.

Sd/-

**CHAIRMAN**  
18/09/2014

Certified True Copy  
For HEG LIMITED

  
**ASHISH SABHARWAL**  
Company Secretary