

# HeidelbergCement India Limited

CIN: L26942HR1958FLC042301

Regd. Office: 9th Floor, Tower 'C', Infinity Towers, DLF Cyber City, Phase II, Gurgaon, Haryana -122002,  
Ph. +91 0124-4503795, Fax +91 0124-4147698, Email Id: investors.mcl@mycem.in; Website: www.mycemco.com

## NOTICE TO MEMBERS

NOTICE is hereby given that the 55th Annual General Meeting of the Members of the Company will be held at 9.30 A.M. on Thursday, the 19th June 2014 at Epicentre, Apparel House, Sector 44, Institutional Area, Gurgaon, Haryana to transact the following business: -

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts of the Company consisting of the Balance Sheet as at 31st December 2013 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 for the financial year ended 31st December 2013.
2. To appoint a Director in place of Mr. Daniel Robert Fritz (holding DIN 03491499), who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit to pass, with or without modification(s) the following as an Ordinary Resolution:  
"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:

4. 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 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."
5. 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 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."

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 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."
7. To consider and if thought fit to pass, with or without modification(s) the following as a Special Resolution:  
"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 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."
8. To consider and if thought fit to pass, with or without modification(s) the following as a Special Resolution:

“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.”

9. To consider and if thought fit to pass, with or without modification(s) the following as a Special Resolution:

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 immovable 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.”

By Order of the Board

Date : 2nd May 2014

Rajesh Relan

Place : Gurgaon

Legal Head & 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. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company.
2. Voting through electronic means
  1. In compliance with provisions of Section 108 of the

Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 55th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
- (i) Open email and open PDF file viz; "HeidelbergCement India Limited e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
  - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
  - (iii) Click on Shareholder – Login.
  - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
  - (vii) Select "EVEN" of HeidelbergCement India Limited.
  - (viii) Now you are ready for e-voting as Cast Vote page opens.
  - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [officenns@gmail.com](mailto:officenns@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- B. In case a Member receives physical copy of the Annual Report [for members whose email

IDs are not registered with the Depository Participants(s)]:

- (i) Initial password is provided on the Attendance Slip for the AGM:
  - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
  - IV. The e-voting period commences on 14th June 2014 (9:00 am) and ends on 16th June 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 16th May, 2014, may cast their votes electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
  - V. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 16th May 2014.
  - VI. The Company has appointed Mr. Nityanand Singh, Company Secretary in wholetime practice (FCS No. 2668, CP No. 2388) as scrutinizer for conducting the e-voting process in a fair and transparent manner. Mr. Arvind Kohli, Company Secretary in wholetime practice (FCS No. 4434, CP No. 2818) has been appointed as an alternate scrutinizer.
  - VII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  - VIII. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.mycemco.com](http://www.mycemco.com) and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to Stock Exchanges.
3. Statement pursuant to section 102 of Companies Act, 2013 is annexed.
  4. The Register of Members and the Share Transfer Books of the Company will remain closed from 14th June 2014 to 19th June 2014 (both days inclusive).
  5. The share transfer instruments, complete in all respects, should be sent to the Registrar & Share Transfer Agents, Integrated Enterprises (India) Limited, 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore - 560003 well in advance so as to reach the Registrar & 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, email address etc., to the Registrar & Share Transfer Agents. Members holding shares in dematerialized form are requested to approach their Depository Participant for change of address, bank particulars, nominee, email address etc.

7. Members are requested to note that in case of transfers, deletion of name of deceased shareholder, transmission and transposition of names in respect of shares held in physical form, submission of photocopy of PAN Card of the transferee(s), surviving holder(s), legal heir(s) and joint holder(s) respectively, along with necessary documents at the time of lodgement of request for transfer/ transmission/transposition, is mandatory.
8. Under the provisions of Section 72 of the Companies Act, 2013, shareholder(s) is/are entitled to nominate in the prescribed manner, a person to whom his/her/their shares in the Company, shall vest after his/her/their lifetime. Members who are holding shares in physical form and are interested in availing the nomination facility are requested to write to the Company/RTA.
9. (a). Members attending the meeting are requested to complete the enclosed attendance slip and submit 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.

#### STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013

##### Item No. 2:

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

Mr. Fritz, aged 59 years, completed his Bachelor of Science degree in Civil Engineering Technology from 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 throughout 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 he 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 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. The Board of Directors has recommended the appointment of Mr. Fritz by the shareholders.

Except Mr. Fritz, none of the Directors, Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financial or otherwise, in the proposed appointment. This explanatory statement may also be regarded as a disclosure pursuant to Clause 49 of Listing Agreement with Stock Exchanges.

##### Item No. 3

The statutory auditors of the Company, S.R. Batliboi & Associates LLP, have expressed unwillingness to be re-appointed as Auditors of the Company at the ensuing AGM. It is proposed to appoint S.R. Batliboi & Co. LLP, Chartered Accountants as Statutory Auditors in place of the retiring auditors, S.R. Batliboi & Associates LLP, who have confirmed that their appointment would be in accordance with the conditions laid down under the Companies Act, 2013 and the Rules made thereunder.

Section 139 of the Companies Act, 2013 provides that a listed company shall not appoint or re-appoint an audit firm as auditor for more than two consecutive terms of five consecutive years each. It also provides that audit firms having common audit partners who had been appointed as Auditors and who have completed period of ten years shall not be appointed as Auditor for a period of five years. The proviso to Section 139 also provides that every company which is required to comply with the provisions of this sub-section, shall comply with the requirements of this sub-section within three years from the date of commencement of this Act. S.R. Baliboi & Co. LLP and S.R. Batliboi & Associates LLP are part of the same network of chartered accountancy firms and have taken together completed eight years as Auditors of the Company i.e., from financial year 2006 to financial year 2013. The Resolution provided at Item No. 3 of this notice proposes to appoint S.R. Batliboi & Co. LLP, as Auditor for the remaining term of three years i.e., from conclusion of 55th AGM till conclusion of 58th AGM.

None of the Directors, Key Managerial Personnel of the Company and/or their relatives are concerned or interested in the proposed resolution. The Board of Directors recommends the Resolution for approval of the members.

##### Item No. 4

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

Mr. Pradeep V. Bhide, aged 64 years, 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 joined the Board of Directors of the Company as an Independent Director on 29th April 2011. He is Chairman of Nomination and Remuneration Committee and a member of Audit Committee and Stakeholders' Relationship Committee of the Board of Directors of the Company.

Mr. Bhide holds directorships in L & T Finance Ltd., GlaxoSmithKline Pharmaceuticals Ltd. NOCIL Ltd., Tube Investments of India Ltd., A.P.I.D.C. Venture Capital Pvt. Ltd., Joshi Technologies International Inc., Ballarpur International Graphic Paper Holdings B.V., L & T Finance Holdings Ltd., Cholamandalam MS General Insurance Company Ltd. He is chairman of Audit Committee of L & T Finance Limited. He is also member of Audit Committee of GlaxoSmithKline Pharmaceuticals 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.

Mr. Bhide retires by rotation at the ensuing AGM pursuant to the erstwhile Sections 255 and 256 of Companies Act, 1956. In terms of Section 149 and other applicable provisions of Companies Act 2013, Mr. Bhide being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of five consecutive years from 1st April 2014 up to 31st March 2019. A notice has been received from a member pursuant to Section 160 of the Companies Act, 2013 proposing Mr. Bhide as a candidate for the office of Director of the Company. In the opinion of the Board, Mr. Bhide fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director.

The Board is of the opinion that Mr. Bhide's continued association as an Independent Director shall immensely benefit the Company. Accordingly, the Board of Directors has recommended the resolution set out at Item No. 4 of this Notice for approval of the members of the Company.

Except Mr. Bhide, none of the Directors, Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financial or otherwise, in the proposed resolution. This explanatory statement may also be regarded as a disclosure pursuant to Clause 49 of Listing Agreement with Stock Exchanges.

#### Item No. 5

Brief resume of Mr. P.G. Mankad who is proposed to be appointed as an independent Director is given below:

Mr. P.G. Mankad, IAS (Retd.) aged 72 years, is M.A. and has done Diploma in Development Studies from Cambridge, U.K. He was Finance Secretary and Secretary (Industries) in the respective Ministries of Government of India. He has also worked as Executive Director with Asian Development Bank, Manila. He has expertise in the areas of Public Administration & Policy, Finance, Industrial Development & Investment, International Economic Relations and Development Banking.

Mr. P.G. Mankad joined the Board of Directors of the Company as an Independent Director on 19th October 2006. He was appointed as Chairman of the Board of Directors of the Company on 24th April 2008. He is Chairman of Stakeholders' Relationship Committee and a member of Audit Committee and Nomination

and Remuneration Committee of the Board of Directors of the Company.

Mr. P.G. Mankad is on the Board of Directors of Tata International Ltd., Tata Elxsi Ltd., The Tata Power Company Ltd., DSP Black Rock Fund Managers Private Limited, Mahindra & Mahindra Financial Services Ltd., Noida Toll Bridge Company Ltd., ICRA Ltd., Hindustan Media Ventures Ltd. and Tata South East Asia Ltd., Hong Kong.

Mr. P.G. Mankad is Member of the Audit Committee of Tata International Ltd., The Tata Power Company Ltd., DSP Black Rock Fund Managers Private Limited, Mahindra & Mahindra Financial Services Ltd., Noida Toll Bridge Company Ltd. and ICRA Ltd. He is Chairman of Investors' Grievance & Share Transfer Committee of Tata Elxsi Ltd. and Noida Toll Bridge Company Ltd.

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

Mr. Mankad is a director whose period of office is liable to determination by retirement of directors by rotation pursuant to the erstwhile Sections 255 and 256 of Companies Act, 1956. In terms of Section 149 and other applicable provisions of Companies Act 2013, Mr. Mankad being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of five consecutive years from 1st April 2014 up to 31st March 2019. A notice has been received from a member pursuant to Section 160 of the Companies Act, 2013 proposing Mr. Mankad as a candidate for the office of Director of the Company. In the opinion of the Board, Mr. Mankad fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director.

The Board is of the opinion that Mr. Mankad's continued association as an Independent Director shall immensely benefit the Company. Accordingly, the Board of Directors has recommended the resolution set out at Item No. 5 of this Notice for approval of the members of the Company.

Except Mr. P.G. Mankad, none of the Directors, Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financial or otherwise, in the proposed resolution. This explanatory statement may also be regarded as a disclosure pursuant to Clause 49 of Listing Agreement with Stock Exchanges.

#### Item No. 6

Brief resume of Mr. S. Krishna Kumar who is proposed to be appointed as an independent Director is given below:

Mr. S. Krishna Kumar, aged 67 years, a former member of the Indian Administrative Service, holds a Masters degree in physics from Bangalore University and in Public Administration from the Harvard University. He has specialized in areas of public policy and in the governance in sectors like agriculture, public finance, infrastructure and migration. Mr. Kumar was the first secretary in Ministry of Overseas Indian Affairs of the Government of India. In that capacity he re-oriented the focus of migration management and launched a number of new initiatives. He has also concluded a number of infrastructure projects in Karnataka, including the prestigious Bangalore International Airport and the Hassan-Mangalore broad gauge rail line. Between 1992 and 1998, he has worked as an International consultant for the IMF in Sri Lanka and for the World Bank in Mauritius. He has involved himself with the Public Affairs Centre, Bangalore and the Centre for Development Studies, Thiruvananthapuram as a resource person and is special advisor in India to International Organization for Migration, Geneva.

Mr. S. Krishna Kumar joined the Board of Directors of the Company as an Independent Director on 19th April 2007. He is Chairman of Audit Committee and Corporate Social Responsibility Committee of the Board of Directors of the Company.

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

Mr. Kumar is a director whose period of office is liable to determination by retirement of directors by rotation pursuant to the erstwhile Sections 255 and 256 of Companies Act, 1956. In terms of Section 149 and other applicable provisions of Companies Act 2013, Mr. Kumar being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of five consecutive years from 1st April 2014 up to 31st March 2019. A notice has been received from a member pursuant to Section 160 of the Companies Act, 2013 proposing Mr. Kumar as a candidate for the office of Director of the Company. In the opinion of the Board, Mr. Kumar fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director.

The Board is of the opinion that Mr. Kumar's continued association as an Independent Director shall immensely benefit the Company. Accordingly, the Board of Directors has recommended the resolution set out at Item No. 6 of this Notice for approval of the members of the Company.

Except Mr. Kumar, none of the Directors, Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financial or otherwise, in the proposed resolution. This explanatory statement may also be regarded as a disclosure pursuant to Clause 49 of Listing Agreement with Stock Exchanges.

#### Item No. 7

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.

(Rs. in million)

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

Foreign holding	No. of shares	Percentage of holding
Promoter (Cementum 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 Wholtime 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 Wholtime 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 Wholtime 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 Wholtime 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:**

At the Annual General Meeting held on 16th May 2013 shareholders had approved the borrowing of funds up to Rs. 20,000 million through an Ordinary Resolution passed pursuant to Section 293(1)(d) of the Companies Act, 1956.

Section 180(1)(c) of Companies Act, 2013 which has replaced Section 293(1)(d), provides that the Board of Directors cannot, except with the consent of the Shareholders by means of a Special Resolution, borrow money in excess of the aggregate of the paid-up capital and free reserves.

It is therefore proposed to obtain the consent of the members, by way of passing a Special Resolution for enabling the Company to borrow funds up to INR 20,000 million.

The Board recommends the resolution set out at Item No. 8 of the Notice for approval of the members as a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company and/or their relatives are concerned or interested in the aforesaid resolution.

**Item No. 9:**

Shareholders of the Company had by an Ordinary Resolution passed through Postal Ballot on 11th May 2010 approved creation of charge / mortgage on the Company's properties to secure the borrowed funds up to INR 12,000 million, in terms of Section 293(1)(a) of Companies Act, 1956.

Section 180(1)(a) of Companies Act, 2013 which has replaced Section 293(1)(a), provides that the Board of Directors cannot, except with the consent of the Shareholders by means of a Special Resolution, create charge / mortgage on the Company's properties to secure the borrowed funds.

In order to bring in line the limit for creation of charge / mortgage on the Company's properties under Section 180(1)(a) with the limit for borrowing of funds under Section 180(1)(c), it is proposed to enhance the limit under Section 180(1)(a) to Rs. 20,000 million.

It is therefore proposed to obtain the consent of the members, by passing a Special Resolution to enable the Company to create charge / mortgage on its movable / immovable properties for securing the funds borrowed up to MINR 20,000.

The Board recommends the resolution set out at Item No. 9 of the Notice for approval of the members as a Special Resolution. None of the Directors, Key Managerial Personnel of the Company and/or their relatives are concerned or interested in the aforesaid resolution.

By Order of the Board

Date : 2nd May 2014  
Place : Gurgaon

Rajesh Relan  
Legal Head & Company Secretary