

HeidelbergCement India Limited

Regd. Office : 9th Floor, Tower - C, Infinity Towers, DLF Cyber City, Phase - II, Gurgaon, Haryana - 122 002

Postal Ballot Notice

(Pursuant to Section 192A(2) of the Companies Act, 1956)

Dear Shareholders,

Notice is hereby given pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, that resolution appended below is proposed to be passed as a Special Resolution by way of Postal Ballot.

To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Sections 198, 309, Schedule XIII and other applicable provisions if any, of the Companies Act, 1956 (the Act), including any statutory modification or re-enactment thereof, and all other applicable guidelines / circulars relating to managerial remuneration issued by the Ministry of Corporate Affairs from time to time or any other law and subject to such other approvals, as may be necessary, the consent of the members is accorded to the payment of remuneration to Mr. Sushil Kumar Tiwari, Whole-time Director of the Company, for the period from 1st January 2013 to 31st December 2013 as set out in the statement annexed hereto, despite the inadequacy of profits during the current financial year.

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, is authorised to do and perform all such acts, deeds, matters and things as may be considered desirable or expedient to give effect to this resolution."

By Order of the Board
For HeidelbergCement India Limited

Place : Gurgaon, Haryana
Dated: 16th December, 2013

Sd/-
Rajesh Relan
Legal Head & Company Secretary

Notes:

1. The Statement pursuant to Section 102 of Companies Act, 2013 read with Section 192A of the Companies Act, 1956, setting out the material facts and reasons for the proposed Special Resolution is annexed hereto.
2. The Notice is being sent to all the Members, whose names appear on the Register of Members/ List of Beneficial Owners as received from National Securities Depository Limited ("NSDL")/ Central Depository Services (India) Limited ("CDSL") on 13th December 2013.
3. As required by Rule 3(c) of the Companies (Passing of the Resolution by Postal Ballot) Rules 2011, details of dispatch of Notice and Postal Ballot Paper to the members will be published in at least one English National Daily and one Vernacular language newspaper circulating in the State of Haryana.
4. Pursuant to Circular No. CIR/CFD/DIL/6/2012 dated July 13, 2012 of the Securities and Exchange Board of India, the Company is pleased to offer e-voting facility to all the members,

as an alternate to voting by dispatching the Postal Ballot Form to the Company, to enable them to cast their votes electronically. The Company has entered into an agreement dated 25th June 2013 with NSDL for facilitating e-voting. E-voting is optional for members.

5. The instructions for e-voting are as under:

(A) In case of Shareholders' receiving e-mail from NSDL:

- (i) Open e-mail and the attached PDF file titled "HCIL e-Voting.PDF" with your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as default password. The said PDF file contains your "User ID" and "Password for e-voting". For Members who have not registered their email ids: please refer to the User ID and password printed on the Postal Ballot Form.
- (ii) Please note that the password is an initial password.
- (iii) Open internet browser by typing the URL: <https://www.evoting.nsdl.com/>.
- (iv) Click on "Shareholder" - "Login".
- (v) Type in your User ID and password as initial password as mentioned in step (i) above and click Login.
- (vi) Password Change Menu appears. Change the password with the new password of your choice with minimum 8 digits / characters or combination thereof.
- (vii) Please note your new password. It is strongly recommended that you do not share your new password and take utmost care to keep your password confidential.
- (viii) Home page of "e-voting" opens. Click on "e-voting-Active Voting Cycles".
- (ix) Select "EVEN" of HeidelbergCement India Limited for casting your vote. Kindly note that vote once casted cannot be modified.
- (x) Now you are ready for "e-voting" as "Cast Vote" page opens. The e-voting period commences on 31st December 2013 (00:00 hrs).
- (xi) Cast your vote by selecting appropriate option and click "Submit" and also "Confirm" when prompted. Upon confirmation, the message, "Vote cast successfully" will be displayed. 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 also required to send a scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority Letter, etc., together with an attested specimen signature of the duly authorised signatory(ies) who are authorized to vote, to the Scrutiniser through email on officenns@gmail.com with a copy marked to evoting@nsdl.co.in.
- (xiii) In case you are already registered with NSDL then you can use your existing User ID and Password for casting your vote.
- (xiv) The e-voting period ends on 30th January 2014 at 17:30 hrs. The e-voting module will be disabled by NSDL for voting thereafter.

(B) In case of Shareholders' receiving Postal Ballot Form by Post:

- (i) Initial password is provided as below / at the bottom of the Postal Ballot Form.

EVEN (E-Voting Event Number)	USER ID	PASSWORD / PIN

- (ii) Please follow all steps from Sl. No. (iii) to Sl. No. (xii) in 5(A) above, to cast vote.

- (C) In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and E-voting User Manual for Shareholders available at the "Downloads" section of www.evoting.nsdl.com.
 - (D) In case you are already registered with NSDL then you can use your existing User ID and Password for casting your vote.
 - (E) You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
6. Members who have registered their e-mail ID are being sent Notice of Postal Ballot by e-mail and others are being sent by post along with Postal Ballot Form. Members who have received Postal Ballot Notice by e-mail and who wish to vote through Physical Postal Ballot Form can download Postal Ballot Form from the link <http://www.evoting.nsdl.com> / or <http://www.mycemco.com> / or seek duplicate Postal Ballot Form from the Company's Registrar and Share Transfer Agents namely, Integrated Enterprises (India) Limited, 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bengaluru - 560 003, fill in the details and send the same to the Scrutiniser.
 7. Kindly note that the Members can opt only one mode of voting i.e., either by physical Ballot or E-voting. If you are opting for E-voting, then do not vote by physical Ballot also and vice versa. However, in case member has voted both through physical as well as E-voting, then voting done through valid physical Ballot shall prevail and voting done by e-voting will be treated as invalid.
 8. The Company has appointed Mr. Nityanand Singh, Company Secretary in whole-time practice as Scrutiniser and Mr. Arvind Kohli, Company Secretary in whole-time practice as alternative Scrutiniser, for conducting the entire Postal Ballot process in a fair and transparent manner.
 9. For the purpose of voting through physical Ballots, you are requested to carefully read the instructions printed on the Postal Ballot Form and return the Form (no other Form or photo copy is permitted) duly completed, in the enclosed Prepaid Self Addressed Business Reply Envelope, so as to reach the Scrutiniser at the address of the Company as printed on the said prepaid envelope on or before 30th January 2014 (17:30 hrs). No other request / details furnished in the Self Addressed envelope will be entertained.
 10. In cases where the Postal Ballot Form has been signed by an Authorised Representative of a Body Corporate, a certified copy of the relevant authorisation to vote on the Postal Ballot should accompany the Postal Ballot Form.
 11. Voting rights shall be reckoned on the paid-up value of the shares registered in the name(s) of the Member(s) on the cut-off date i.e., 13th December 2013.
 12. The Postal Ballot Forms received after 30th January 2014 (17:30 hrs) will be treated as if reply from the member has not been received.
 13. The Scrutiniser will submit his report to the CEO & Managing Director of the Company or to any other person duly authorized in this behalf, after completion of scrutiny of Postal Ballot in a fair and transparent manner. The result of the Postal Ballot will be announced by CEO & Managing Director of the Company or by any other person duly authorized in this behalf, on 31st January 2014 at 17:00 hrs at the Registered Office of the Company and will also be published in newspapers (an English National daily and a vernacular language newspaper circulating in the State of Haryana) and communicated to the Stock Exchanges where the Company's shares are listed. The results of the Postal Ballot will also be displayed on the Company's website, www.mycemco.com.
 14. The Board of Directors has appointed Mr. Rajesh Relan, Legal Head & Company Secretary of the Company as the person responsible for the entire Postal Ballot process.

STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013 READ WITH SECTION 192A(2) OF THE COMPANIES ACT, 1956

At the 52nd Annual General Meeting (AGM) of the Company held on 10th June, 2011 the shareholders had approved the appointment and remuneration of Mr. Sushil Kumar Tiwari as Whole-time Director of the Company for a period of 3 years with effect from 29th April 2011 to 28th April 2014.

During the year 2011 and 2012, the remuneration paid to Mr. Tiwari was well within the limit of 5% of net profits, provided under Section 309(3) of the Companies Act, 1956. However during the current financial year the profitability of the Company has been adversely affected due to challenging business environment as well as higher incidence of interest and depreciation after commencement of commercial production from Damoh and Jhansi expansion projects. Your Company has reported loss of Rs. 341.0 million during the nine months period ended 30th September 2013. It is expected that the profits of the Company may be inadequate for the payment of managerial remuneration to Mr. Tiwari for the financial year ending 31st December 2013.

Schedule XIII of the Companies Act, 1956 provides that in the event of loss or inadequacy of profits in any financial year during the tenure of a managerial person, if the Company wants to pay remuneration in excess of the limit specified under the Act, such payment of remuneration has to be approved by Remuneration Committee of Board of Directors and then by shareholders of the Company by means of a Special Resolution.

The details of remuneration of Mr. Tiwari for the period from 1st January 2013 to 31st December 2013 as approved by the Remuneration Committee at its meeting held on 16th December 2013 are as under:

- i) Basic Salary : Rs. 4,443,600 per annum.
- ii) House Rent Allowance : 40% of the basic salary.
- iii) Performance Incentive : Performance Incentive of Rs. 3,740,420 for the financial year ended 31st December 2012, paid in the first quarter of 2013 based upon the achievement of the Company's and individual targets during the year 2012.
- iv) Perquisites & Allowances : Car Allowance, Medical Reimbursement, Mediclaim Premium, Special Allowance, Long Term Incentive Plan, Leave Travel Allowance etc., in accordance with the Rules of the Company aggregating to Rs. 2,827,290.
- v) Retirement benefits : In addition to the above, the Company also contributed towards Mr. Tiwari's retirement benefits viz., Provident Fund & Superannuation Fund, both aggregating to Rs. 1,199,772 and contribution towards payment of Gratuity and leave encashment at the end of tenure.

The statement as required under Para 1(C) of Section II, Part II of the Schedule XIII of the Companies Act, 1956 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, : Not Applicable
expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

- (4) Financial performance based on :
given indicators.

(Rs. in million)

Particulars	For nine months ended 30 th September 2013	For year ended 31 st December 2012	For year ended 31 st December 2011
Net Sales and Other Income	10,390.5	11,144.2	9,998.0
EBITDA (Earnings before interest, tax, depreciation and amortization)	921.3	876.8	776.1
Profit before tax	-482.6	456.6	423.6
Net Profit / (Loss)	-341.0	308.4	291.7

- (5) Export performance and net foreign : Not Applicable
exchange collaborations.
- (6) Foreign investments or collaborators, : The foreign holding in the share capital of the
if any. Company as on 30th September 2013 is as under:-

Foreign holding	No. of shares	Percentage of holding
Promoter (Cementum I.B.V.)	155,340,196	68.55%
Foreign Institutional Investors	12,021,273	5.30%
Non-Resident Indians / OCBs	1,504,090	0.67%

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 27 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 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.
- (3) Recognition or awards. : The Institution of Engineers (India) had 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 27 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 herein above in the Statement pursuant to Section 102 of the Companies Act, 2013.
- (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 Remuneration Committee at its meeting held on 16th December 2013.
- (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 Companies Act, 2013, 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 period ended 30th September 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. On the other hand, Input costs have spiralled owing to increase in prices of raw materials, power & fuel costs and freight charges. Post expansion of capacity of Damoh and Jhansi plants, the Company's EBITDA during the period ended 30th September 2013 was Rs. 921.3 million compared to Rs. 873.5 million during the period ended 30th September 2012. However due to higher incidence of interest and depreciation on commissioning of the new Plants, the Company has reported net loss of Rs. 341.0 million during period ended 30th September 2013 compared to net profit of Rs. 382.1 million during period ended 30th September 2012.

- (2) Steps taken or proposed to be taken for improvement. : In order to boost revenue and profitability of the Company, various steps are being taken like improvement in various consumption parameters, strengthening the channel network, increasing share in the home markets to reduce freight cost, changing fuel mix by using more pet coke instead of coal to check fuel cost as well as changing Rail - Road mix to optimise upon freight cost.

- (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 will improve the margins and thus add to the bottomline.

IV. Disclosures: The remuneration package of Mr. Tiwari has been described in the statement pursuant to section 102 of the Companies Act, 2013 and will also be provided in the Corporate Governance Report for the year ended 31st December 2013.

The Resolution, if approved, will be taken as effectively passed on the date of declaration of result of Postal Ballot.

Members are requested to communicate their Assent or Dissent in writing in the Postal Ballot Form sent herewith in accordance with the instructions set out therein. The Company is also offering E-voting facility as an alternate, to all its members to enable them to cast their vote electronically.

It may be noted that pursuant to MCA Circular No. 46/2011 dated 14th July 2011 read with MCA clarification dated 16th August 2012, no approval of the Central Government is required for payment of the above remuneration to Mr. Tiwari, since the conditions specified under the said circular are duly fulfilled.

The Board recommends the resolution as set out in the Notice for approval of the members as a Special Resolution.

Except Mr. Sushil Kumar Tiwari, 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
For HeidelbergCement India Limited

Sd/-

Place : Gurgaon, Haryana
Dated: 16th December, 2013

Rajesh Relan
Legal Head & Company Secretary