

HEIDELBERGCEMENT

Transcript of the proceedings of 61st Annual General Meeting of HeidelbergCement India Limited held through Video Conferencing facility on 18 September 2020 at 10.00 A.M.

Directors Present:

Mr. Jamshed Naval Cooper	-	Managing Director (In the Chair)
Ms. Soek Peng Sim	-	Director
Mr. Sushil Kumar Tiwari	-	Whole-time Director

In Attendance:

Mr. Anil Kumar Sharma, Chief Financial Officer
Ms. Poonam Sharma, Human Resources Director
Mr. Purnachander Molugu, Procurement Director
Mr. Rajesh Relan, Legal Head & Company Secretary
Mr. Rajeev Saxena, Partner of S.N. Dhawan & Co. LLP, Statutory Auditors

131 Members (holding 48,289 Equity Shares) attended the meeting through Video Conferencing.

Moderator:

I welcome the Shareholders, Directors and Executives of HeidelbergCement India Limited present through video conferencing or other audio-visual facility to the 61st Annual General Meeting of the Company.

For the smooth conduct of the Meeting, the participation of all the Members will be in mute mode. For members who are preregistered to speak at AGM, the audio and video connectivity will be opened when Chairperson will request them to speak.

I request Mr. Rajesh Relan, Legal Head and Company Secretary of the company to commence the proceedings of the Annual General Meeting. Over to you sir.

Rajesh Relan:

Good morning, I extend a warm welcome to the Members of the Company to this 61st Annual General Meeting being held through video conferencing facility. Due to continuing COVID-19 pandemic and in compliance with relevant circular of the Ministry of Corporate Affairs and Securities and Exchange Board of India the Company is holding its maiden virtual AGM. I wish to inform you that Ms. Akila Krishnakumar, Chairperson of the Board of Directors, is not attending this meeting due to sad demise of her father-in-law yesterday evening. May the departed soul rest in peace and all mighty give strength to their family members to bear this irreparable loss.

In terms of the provisions of Section 104 of the Companies Act, 2013, read with Article 63 of the Articles of Association, the Directors present at this meeting have elected Mr. Jamshed Naval Cooper, Managing Director as Chairperson of this meeting. I request Mr. Cooper to commence the proceedings of the Annual General Meeting.

Mr. Jamshed Naval Cooper: Ms. Akila Krishnakumar is Chairperson of the Board of Directors since 1st April 2019. Last year she had chaired the AGM of the Company held on 19th September 2019. Day before yesterday we discussed nitty-

gritties of a virtual AGM and she was quite keen to interact with you. But the destiny had something else in store. I have conveyed my deepest condolence to her over the said demise of her father-in-law. May the God give enough strength to the bereaved family to bear the irreparable loss.

I welcome the Members of the Company to this 61st Annual General Meeting. We miss the privilege of meeting you in person. Yet virtual AGM, is a progressive step as it enables wider participation of members from anywhere in the world.

The requisite quorum being present here, I declare the meeting as properly constituted and commence the proceedings. The Register of Directors and Key Managerial Personnel and their shareholdings and the Register of Contracts or Arrangements in which Directors are interested would remain open and accessible during the continuance of the Meeting to every person having the right to attend the meeting and the same can be accessed by clicking the icon 'AGM Documents' that is available on the Screen.

I will now introduce the other Directors and officials attending the meeting.

On the top right-hand corner is Ms. Soek Peng Sim - She is a Chartered Accountant from Malaysian Institute of Accounting. She has rich and vast experience of dealing with financial matters of large corporates.

Next to Ms. Sim is, Mr. S.K. Tiwari - Mr. Tiwari is Whole-time Director of the Company. He is an Engineer in electrical and electronics and communication from Institution of Engineers, Kolkata. In his career spanning over 39 years, he has acquired rich and vast experience of over three decades in the cement sector. He is responsible for overseeing the activities in plants and mines of the Company.

Then we have Mr. Anil Sharma who is Chief Financial Officer of the Company, responsible for taking care of all the financial matters of the Company.

On the left-hand corner is Ms. Poonam Sharma, who is HR Director. She is responsible for keeping morale of human resource at a high level as we consider human resource to be the most vital resource for our organization.

Next is Mr. Purnachander Molugu, Procurement Director of the Company. He is responsible for procurement of best possible materials and services at optimum cost.

Next is Mr. Rajeev Saxena, Partner of S.N. Dhawan & Co. Statutory Auditors of your Company. Rajeev and his team has audited the financial statements circulated to you as part of the Annual Report 2019-20.

In the right-hand corner is Mr. Rajesh Relan, Legal Head & Company Secretary. He is responsible for matters concerning compliance and corporate governance, which we consider as most important aspect for long-term value creation for our esteemed shareholders.

We have two Independent Directors on our Board namely, Ms. Akila Krishnakumar and Mr. Ramakrishnan Ramamurthy. Coincidentally, Mr. Ramakrishnan Ramamurthy is also not able to attend the today's AGM as he is not keeping well from past few days and is presently hospitalised. We wish him a speedy recovery from illness.

Brief profile of all the directors of your Company, including myself, is given in Annual Report.

2020 seems to be a pretty bad year full of illness and sufferings. However, this too shall pass.

Now, I will read the Chairperson's Speech.

(At this stage there was some interruption due to some network connectivity issue).

Dear members sorry for this interruption. More of a to do with technical, and this is order of the day, we will graduate slowly. So, here I'll continue with the Chairman's message. So, Dear Shareholders,

We are amidst unprecedented times when the entire world is grappling with COVID-19 pandemic. We have never witnessed challenges of such magnitude that so profoundly impacted humanity. Governments across the globe remain in a state of dilemma. On one hand they want to contain the impact of pandemic through lockdowns and on the other they struggle to bolster the sagging economy.

Our Indian economy too is passing through a tough phase. The GDP growth has already declined to 4.2% in FY20, slowest pace in the past 11 years due to drop in the consumption and investment. The pandemic has further dealt a severe blow due to lockdowns contracting the GDP by a whopping 23.9% in the first quarter of current financial. Now with relaxations on lockdowns, the economy should show some improvement.

Given such a challenging situation, your Company as a responsible corporate citizen, stands fully committed to the wellbeing of its employees and the society at large and is doing everything possible within its means.

During FY20, cement production in India registered a decline of 0.8 percent (as against growth of ~13 percent in FY19) recording it as a second instance of decline in the past 15 years. The cement demand was impacted by a host of factors including slowdown in government expenditure, changes in state governments which triggered reviews of existing projects and delays in clearing new projects, extended heavy

monsoons and finally the pandemic triggered in as the financial year was about to end.

Amidst these challenges your Company put up a strong show by achieving highest ever sales revenue, realization per ton, EBITDA and net profit during FY20. Revenue from operations was Rs. 2,222 crores compared to Rs. 2,168 crores in the previous year. The net profit jumped from Rs. 220 crores to Rs. 268 crores. Keeping in view the Company's robust operational and financial performance, the Board paid interim dividend of Rs. 1.50 per share and has also recommended final dividend of Rs. 6 per equity share, which is subject to approval of the members at this meeting. Thus, the total dividend for FY20 stands at Rs. 7.5 per share compared to Rs. 4.0 per share during FY19.

I think this year's theme of our Annual Report: "With Challenge Comes Change" might have caught your attention. We believe that such disruptive events not only test our resilience and adaptive capabilities but also prod us for innovations that go a long way to shape a sustainable and inclusive future.

We firmly believe in challenging the status quo, embracing continuous improvement as a way of life and welcoming constructive changes that drive excellence - be it in our products, in our processes or in our people. Such an approach reinforces your Company's readiness to thrive even in turbulent times and evolve across the triple bottom-lines.

During FY19 capacity utilization of the Company's plants in Central India was ~97%. With an aim to achieve better operational efficiency and increase production capacity to cater to the growing demand, the Company had carried out debottlenecking projects of its grinding mills at Imlai and Jhansi. This was financed through internal accruals and was completed within the scheduled timelines. Post this, the grinding capacity of our Imlai and Jhansi plants stands enhanced by 0.5 and 0.55 Million Tonnes Per Annum respectively. The aggregate cement grinding

capacity of the Company as on 31st March 2020 stands enhanced to 6.26 MTPA and the benefits of this will be reaped in the coming years.

All processes and systems in the Company are gradually being digitized and automated. We have empowered our field sales team with real time data using a digital mobile platform. The digital connectivity established with channel partners is playing a crucial role in times when physical presence remains a limiting factor.

Your Company's consistent emphasis to maintain high quality standards of its products and services has won the trust of customers, enabling 'mycem' to command a premium in Central India. We enhanced efficiencies in all facets of our operations through continuous improvement programs. Our quest for sustainability continues unabated. We converged our efforts to reduce the carbon footprint, develop green belts, enrich biodiversity, rehabilitate mined out areas and step up water harvesting initiatives. To increase the green cover of our planet, this year too our business associates and employees have been planting trees under "friends of Earth" programme which was launched on 15th August 2019. It was a reaffirmation of our commitment to "make the world a better place to live for generations to come".

I truly appreciate the dedicated efforts of all our employees who have played a key role in building a resilient organization. The safety and wellbeing of our people precedes all priorities at HeidelbergCement. "Every employee must return home to his family safe and smiling". Driven by this philosophy, we endeavour to provide a safe and healthy working environment despite all odds.

Through CSR activities, your Company contributes to the economic and social development of the local communities. The main thrust is on healthcare, education, community development, vocational training, water management and infrastructure related activities. In view of the onslaught of COVID-19 pandemic, the Company is maintaining

constant dialogue with local panchayat and village representatives to assess their needs and provide them necessary support to the extent possible. The Company has distributed face masks, sanitizer dispensers, grocery items, food packets etc. to the local people in need. Sanitization drive was also carried out in some villages with high-risk profile. In order to mitigate the adversities being faced in these challenging times by the underprivileged section of the society, the Company has recently launched a scheme whereby it is contributing @ Re. 1 per bag of cement sold for feeding the underprivileged.

You would be happy to know that corporate governance norms are practised with utmost diligence by the Board of Directors and the Management, thus ensuring transparency in reporting, timely disclosures and establishing ethical practices all of which go into safeguarding the interest of stakeholders. Your Company continues to pursue excellence in all areas of its operations, which has been recognized by way of awards and accolades bestowed on the Company.

Given the current situation, your Company has implemented stringent cost control measures to conserve financial resources, in order to further strengthen our wherewithal to address any emerging situation. As I look forward, I wish and hope that the global efforts in fighting the pandemic bear some quick results so that we come out of these testing times and get back to our normal lives. However, there is no doubt that the new normal would be quite different from what we were used to and would call for increased focus on adaptability.

On behalf of your Company and the Board of Directors; I would like to express our sincere appreciation and gratitude to all the frontline corona warriors who have gone beyond their call of duty to provide help and support to those impacted by the pandemic.

With these words, I wish to thank the shareholders who have continued to repose their faith, confidence and trust in the Company's

management. I also place on record my sincere appreciation for all the stakeholders - Bankers, Suppliers, Agents, Distributors, Dealers, Retailers and valued customers - for their continued support and patronage.

Thank you for listening patiently to this. Taking forward, with the concurrence of the members, I take the notice of 61st Annual General Meeting, financial statements, boards report and auditor's report as read.

The auditor's report and the secretarial audit report do not contain any qualification, reservation or adverse remarks. There are seven items of ordinary and special business set out in notice of AGM which deal with,

- 1) Adoption of audited financial statements for the financial year ended 31st March 2020.
- 2) Declaration of final dividend and ratification of the interim dividend already paid.
- 3) Re-appointment of Ms. Sim as Director retiring by rotation.
- 4) Re-appointment of the undersigned as Managing Director,
- 5) Ratification of remuneration of cost auditors for the financial year ended 31st March 2020.
- 6) & 7) Proposal for giving term loan of INR 150 crores to Zuari Cement Limited.

Now, I invite the members who have already registered themselves as Speaker Shareholders to ask any questions arising out of boards report and financial statements or with respect to the resolutions contained in the notice of the AGM. I request the members to ask their questions or express their views after introducing themselves and mention their folio numbers or Demat account number. In the interest of time, I request you to restrict your questions or comments to around three minutes. Shareholders who have not pre-registered themselves prior to the meeting can post messages or ask questions using communication box available on their screen. The questions received through

communication box will be answered within a week's time or preferably I will try to answer them here itself. Over to you.

Moderator:

Thank you Sir. I will now proceed to one-by-one connect all the pre-registered speaker shareholders. We have the first shareholder Mr. Yashpal Chopra. Kindly unmute your line, sir. Mr. Chopra, your line is on mute, we would request you to kindly unmute your line. Mr. Chopra this is the operator can you hear us. Your line is on mute sir. No, sir you are not audible. On the top right corner, there's an audio on and off button if you could kindly unmute your line. Sir, would you like us to proceed to the next speaker shareholder?

Yashpal Chopra:

My client ID is 10592847 and there are so many others also. So, to begin with, I must congratulate the team, the grand team under our MD Mr. Jamshed Naval Cooper, I must congratulate them for giving the performance. This is the lifetime high performance of the company in the very bad days of poor economy and the impacted global economy and a very, very poor economic scenario. So, under these circumstances our company gives us such a fantastic result. So it is all round growth in revenue, EBIT, PAT, EPS and our dividend has been virtually doubled from the last year till 75% dividend that is a very, very big achievement and our share which was just bottom of Rs.122 that has made a high of Rs 202. So, that shows the great strength of the company and the management, I am obliged to the international group HeidelbergCement which acquired this sick company, the company which was in existence for the last so many years but they had not declared even a single penny dividend and it was being sold below par. So, by your acquisition in that 2006 and all that. So, you have just given a very, very new life to the company as well as to the investors of the company. So, that is a very big thing, so for that I compliment, our Board of Directors I am grateful to Mr. Cooper in India as well as in the abroad. So, they all deserve kudos for this excellent performance of the company. Sir, the company has achieved a very, very big name, because of the transparent policies

of the company, the company's policies of the quality, the company's policy of the customer satisfaction, the company's policy of social responsibility. Sir, before I talk about the strength of the company, I would like to talk the about the strength of our MD, our MD Mr. Cooper, who is MBA from Indore University, after that he was groomed by Godrej Boyce as a marketing leader, as he has achieved a big name over there, ACC which is the largest company in India that the leader. So they just invited him and he joined over there and there he got the experience of production and technicalities of the production and all that knowledge, he used over here in this company. So that is a very, very big benefit for all us shareholders. So, our company's main principle is the ecology as well as economy and the social responsibility regarding ecology. You have obtained all the certifications on the environment ISO 9001, 14001, 18001 so, this is the strength of the company for those consumers as well as in this market. So, you have been utilizing that experience that you are producing the best items with a minimum cost and selling it with a reasonable cost. So, that is a very, very big thing and you have just captured a big area. So, that is how we are getting our company to the top and the company is rising like anything. I can virtually speak a lot, but I don't want to. So, just to contain myself in this time, I would like to complement our Corporate Governance Department, our CFO, Mr. Sharma, Compliance Officer, Mr. Rajesh Relan and the team of Mr. K.K. Acharya and Mr. Hari also deserve appreciation. So, they are virtually strong pillars of the company. So, sir I wish you and a safe health for the employees, those dedicated employees I wish them safety in the health and positive path of progress with a clear vision. So, best of luck to you. Thank you, sir.

Moderator: Thank you sir. We will proceed to the next shareholder. I now invite Mr. Chetan Chadha.

Chetan Chadha: I welcome the Chairman and all the Board of Directors. Sir my name is Chetan Chadha, I'm from Delhi. Sir, I just want some queries from you,

we are doing the AGM first time on the OAVM portal. I just want to share you the problems we face in this due to internet. I would like to share this and request you because the AGM which is happening on OAVM should happen the way it used to be physically, because the way you have faced problem during your speech we are facing the same issue on the NSDL portal, my dad stays in the nearby house and he is facing the issue on the NSDL portal.

And my query is that due to lockdown our quarter one was not that good, the first three months so how are we looking to recover that in the coming months and quarters. The government is giving relaxation to other industries so are we also getting any benefit like that. I want to thank the management as well for giving the 75% dividend after so many years, this is the lifetime highest dividend given from the management to small shareholders. It has been a very tough year for the small investors and so for the industries as well. Even a single penny is very important for the small investors, I would request as you thought about the small shareholders so going forward as well you grow along with the small shareholders. My last question is by when do we plan to start work with a 100% flow if not started already. Thank you, and I would like to thank the moderator and the complete team as well for arranging the meeting and helping us to connect but I would still wish to have a physical AGM going forward to have better interaction face-to-face. Thank you.

Moderator: Thank you very much. I will now proceed to the next shareholder. I now invite Mr. Manjeet Singh.

Manjeet Singh: I welcome all the Chairman, Directors and all the shareholders as well and I wish for their wellbeing. It had happened 100 years ago, so I wish all the shareholders, Director and our staff should take care and be safe. Please let us know if COVID has affected us in the first quarter or not, and let us know the future growth we are planning, because the infrastructure is booming currently at work so, if we had any loss in

quarter one so will we cover that in the coming three quarters, please do let us know that Chairman. And due to COVID industries have faced loss but numbers show that there had been huge investments increased in India, it can be in Reliance, or any other company. So, please create a platform by which our share increases, because government has also instructed to increase investment in mid cap and small companies. So, in that our company can be ahead and you guys can give a buyback offer to create a boom. Do think about this and you guys are doing CSR activity which is good like sanitizer and all. One request in the CSR activity to give some insurance to the laborers because the delivery people or the ones who load and unload work a lot so they should get insurance as their life span is not as good as a normal person. So please think about that, and can you tell me about the cement grade as MCD has come up with a new circular for malls, hospitals and tall buildings, that you have to get NOC for earthquake and submit the same in office. So, there might come some higher grade to sustain earthquake in a better way. And when they put the NOC so that might help them by that cement grade, do let us know that because in Delhi it's happening that in malls, hospitals, tall buildings, commercial projects are asking for such NOC and to submit the same in MCD. So any higher grade in cement which can be helpful? Thank you.

Moderator: Thank you, Mr. Singh. We will now proceed to the next shareholder. I now invite Mr. Pradeep Sood.

Pradeep Sood: Thank you very much Chairman sir. I am Pradeep Sood from Delhi. I welcome you Chairman sir and the Board of Directors and I am thankful you all gave me this opportunity to speak. In the last six months we saw that COVID-19 had shaken the whole world. Small and big companies both have been affected but, we are proud that you have handled the situation very nicely along with rest of the team and board members. You have been facing lot of issues for the last six months and we can't imagine those, but we are very happy someone like you who works with

complete dedication is in our Board of Directors, I salute you and wish for your wellbeing and would like you to work in the same manner and we all shareholders will support you. We are happy that in coming days as well you will give us such good results and give new heights to our shares. Secondly, I would like to tell about the Secretarial Department, our CS Rajesh Relan is such a great person and his complete team is very nice and supportive and they are always ready to help us. So, till the time we have such great staff, a Chairman like you and the complete board of directors so our shares will receive such heights. Thank you sir, I Pradeep Sood along with Ajay Khurana again welcome you and wish you continue giving such good results. Thank you.

Moderator: Thank you Mr. Sood. I now invite Mr. Ashok Kumar Gupta to proceed with his question. Mr. Gupta you may go ahead.

Ashok Kumar Gupta: Chairman sir, Board of Directors, my fellow shareholders. Ashok Gupta welcomes you all to the 61st AGM. Due to COVID-19 the company's Secretarial Department has organized the meeting in a very good way for that thank you Rajesh, Acharaya, everyone. I hope all our plants are being utilized by 100% capacity and if not so, then I would hope it will in the coming time. Sir, I want to know regarding the dealership network, if we maximize the number then our retail sale will increase that much because dealer is enough to pitch our product ahead as it deals as a mediator, his profit also increases and he gives complete information to the customer about extra benefit he can get from the company. And to increase company's sales and profit growth in future what strategy company will use? You covered a lot in your speech, that our revenue increased from 220 to 260, you gave very good interim dividend as well and final dividend as well Rs.6, which is very helpful for the shareholders in these tough times to increase the source of income. I wish the whole team and we all are your hands and with you always. Thank you.

Moderator: Thank you Mr. Gupta. I now invite Mr. Santosh Bhutani to proceed with their question. Mr. Bhutani, you may go ahead with your question we can hear you.

Santosh Bhutani: I would wish the whole team for such a good result last year in which 26% margin is present in EBITDA and 6.26 million capacity we have achieved and Chorus platform is the best in India and this platform is best and a very good way to interact via virtual meeting and we all can connect from every corner of the world. My name is Bhutani and my account number is 12019101020440109. Sir as we know that fuel as compared to the cost per earnings period has increased almost 10%. Rupee has depreciated 8%, Corona is not allowing things to come on track, not only our business but other businesses are also affected. I want to know, last year the growth we achieved and the profitability we achieved last year, the dividend we got last year, so to reach that level and to go ahead from that level what we are planning, what's the action and I want to know what action has been taken post the lockdown to upgrade technology and government front and to catch up the sale which was missed due to COVID-19 and bring back the revenue and cash flow to pre-COVID level in all the channels by the management. What steps have been taken to contain cost-base, cost specially in supply and distribution chain, sir is it any graded salary cut of selected category of employees and Director. Next, your comments on asset quality and capital improvement. Next, is there any significant bad debts. Sir virtual audit and work from home culture has taken place due to COVID-19 any more efficiency are you observing in this concept, will this be continued in coming times. We hope this is a temporary phase and market will start improving from quarter third this year and we expect to exceed the last year's level of sale from your goods sold. Sir, after going through the recent journey of the company, we feel and believe that the company has much more potential than what it has delivered yet. Sir, thank you very much for allowing me in this platform and I hope your company

will come into this high level in sales and the production even having some challenges and crucial time. Thank you very much, sir.

Moderator: Thank you. We will now proceed to the next shareholder Mr. Ajay Kumar Jain. Mr. Jain you may go ahead.

Ajay Kumar Jain: I am Ajay Kumar Jain from Delhi, we all are watching the AGM, our native place is Damoh, and that place is known by our company's cement plant. People come to Damoh to see the cement plant. The trolley system which is right from outside is a very big achievement and a plant is in Damoh and after that you have set up a plant in Jhansi also. I believe our company has become Bundelkhand, Gaurav and company has done very nice CSR activity like planting trees and giving other stuff for COVID. If we use cement then no storm can shake our walls and in the same way no one can shake our company. There is no question or doubt on your management, during lockdown also you have got good results that shows your good management and all our 15 family members are watching the AGM and in that our Company Secretary Department and our moderator Chorus helped us a lot and so we could connect. Once everything normalizes, we wish to check the Damoh plant from inside. So it will be great if we can after everything normalizes. Thank you.

Moderator: Thank you Mr. Jain. Sir that was the last question from the shareholders. I would now handover the call to Mr. Cooper to respond to the questions raised by the shareholders.

Jamshed Naval Cooper: Thank you very much. To begin with, some questions which were asked now by the speakers I would like to answer that. So, first of all we are talking about web-based conference call, we are holding AGM today and it's the first time via video conference. It's true that we are also feeling that personal touch is little, we cannot meet you and that was my opening remarks from the Chairman's speech that we are missing this personal connect which was there earlier. We will try once this COVID is over, there are advantages and disadvantages of this web

conference, at least this helps many people across different various geographies to join. So lot of people can join easily, going forward we will try to have a hybrid or something which has both if anything comes in the companies act. But we will surely take care of your questions.

One question which was asked by lot of people, which is pertaining to what we have done during COVID time, how we tried to steer our company during COVID times and how to sustain the profitability in the future also. So, let me tell you that, COVID has impacted everyone nonetheless, we are as a team, HeidelbergCement team is committed to continuously deliver performance better and better, even if storm comes but we have to proceed on our path. So, one very important part is that we are committed to our stakeholders, shareholders and everyone that we as custodians of the company's wealth we have to do our best and will continue to do our best, as we move forward. Actions in terms of first when you take COVID came in the first question was, how do you safeguard your employees and your plant and equipment and your society because human capital is very important. So what we have done is, we have tried to help the society, we have taken care of our plants so that the plants remain safe when they are not in operation. We have done little bit of maintenance because when you want to start the plant, the plant can jumpstart and there is no problem in terms of running, of course doing the operations when we get back to normal. One more thing, today the plant is ready and I can tell you there is no dearth or there is no lack on the operation side or on the place of sales side to sell, to manufacture, sell 100% utilization of the plant. So, there is nothing due to which company will fail to achieve 100% utilization, the only difference which is limitation is the market, and the markets once they open up, I think we will be able to do a far better job in our industry. Today with God's grace and the working of sales team, your plants are operating very well and they are supporting the sales team very well, logistics is supporting very well, trucks are available, there is no problem in terms of the only lacuna is the market is not available at the

moment. There was a very good run in the month of June we had very good volumes in the month of June but currently monsoon is going on but hopefully in coming days the market will open up and we will be back to normal. But as I said the new normal in human life is not going to be the same what we have seen. So, today in COVID times and in the future the key point I would say only one thing, which is very important and that is adaptability, if you can adapt to this situation, if you can adapt to the environment, not only question of adoption, how you do it, but how speedily you do it. So, adaptability with speed will hold the basic thing of it and we are committed to remain agile in all respects. Growth for the future, markets will grow and we have added close to 1 million tonnes by just investing about 30 crores from internal accruals and that 1 million tonne is now available to us, we will do a little bit of changing in our environment, in our skills, and we will be able to add about 300,000 tonnes of clinker also, WHR is working, so the future is not very, I would say anything to worry about, the future is bright for the company. And as many of you have said that, to keep improving our performance, so we assure you as a management on behalf of all my team, I will assure you that we will continue to deliver to the best of our abilities. And the target is that we should become, we should emerge as one of the best.

The insurance of labor, things are there which I can only say that, we are doing whatever best possible we can do in terms of labor because the labor is not is managed and done by the contractors, the contractors are already insuring the contractors already have insurance cover of their labor, who are they're deploying. So not a big issue and the rest of the labor which is beyond our factory, which is handled at the dealer point we have very little control we don't know even who the workmen are there. So, we can only prod our dealers to take care of the people. HeidelbergCement has been giving Rs.1 during the COVID times from every bag they sold and that amount is taken to annam scheme whereby underprivileged people of the society are provided food supplies. So,

this is unique feature of your company and nobody has done it so far. So, we are happy and we are motivated to continue to do this practice and help the needy and those people who are underprivileged section of the society.

Fuel as Mr. Bhutani has said that fuel and rupee, fuel has increased and rupee has depreciated. Yes, all said and done the future earnings. On the other side, we have also improved our efficiencies by sourcing power at lower costs, so that we'll offset the impact of fuel and the rupee depreciation so that is there. We are going in for AFR for our Narsingarh plant, WHR plant is running in full steam, so not a problem in terms of one question was asked about people cost so, I take pride in informing you that the employees of HeidelbergCement when these conditions were when this impact of COVID started quite a few people at the middle and senior management level they took a salary cut also, voluntary salary cut, and that is I congratulate each and every member and I'm thankful to each and every member for this responsible behavior to show solidarity during this time and take the salary cut. So, we are privileged as a company to have such good people in our organization.

Work from home is the new normal as I said, it will continue in the times to come COVID is here to stay. Now, we cannot keep wishing that the COVID will go away, my target would be and my team's target would be to say that now COVID is here to stay what do we do with it. How do we improve our performance, we will not waste our time even single minute on thinking and wishing that this will go away from our life and we will, we will unrelentingly with a single objective in our focus we will work on that.

One question was asked about the government benefits which we get at all, I don't think we will get, we shouldn't expect any benefits we are capable as an industry, the industry is capable and whatever we can do we can do on our own and we will survive and we will. On the contrary

we should think that what can we do for the government and the society at large other than expecting for some relief from outside.

There were questions on buyback and things like that. The company believes in growing the shareholders' value, there are better ways to increase the shareholder value by investing, if you recollect that during 2009 and 10 and 11 we had surplus cash, which we utilize to fund our brownfield expansion and took the capacity from 2 million tonnes to 5 million tonnes. Similar will be our outlook on future also that how do we use these reserves and increase the shareholders value in the long term. So, the Board of Directors is very focused on this and they will take the opportunity as they come, whichever is in the best interest of the shareholders, we will do it.

One point was about earthquake resistance and structure and cement which was raised by Mr. Singh. I must say that, earthquake resistant structures is a function of the structural design of the building and less to do with the cement per se. Cement can only, cement is only a binder, cement will perform its role as a binder and how you use the cement but it's a design part which is structural part by which you can make the building more earthquake resistant it cannot be earthquake proof, but it can be earthquake resistant. So, it depends starts right from the footing, to the foundation, to the piling work, how you do the piling and how you structure the building, what are the air pressures which are there so, on those many of these factors guide the durability of the building.

After this, I will cover another set of questions which have come through chatbox option, one of the questions is about granting of loan of 150 crores to Zuari. HeidelbergCement India as such, is always investing money, whatever surplus funds it has only in bank deposits. So, it does not invest in other risky instruments which can put the shareholders money to risk. So, the bank interest rates have come down to close to 3% and it may further reduce Zuari Cement is putting up a WHR plant for about 230 crores and they required about 150 crore. We had surplus

funds in our company which is drawing just 3% and there was an opportunity to make about 20 to 25 crores by way of interest by giving just 20% of our cash which we are having. So, today we are having about Rs. 640 crores of cash which will again be there in the same value after paying your dividend this time and also after repaying our NCD in the month of December 2020, so by March 31st we will be again sitting on the same amount of cash and there is no other investment avenue right now, the Gujarat project is a little distant away. Also we are not started investing in that. So after looking at these things we said okay 20% of money which we don't need it actually and if it is getting you interest of 7%, 7.5% plus it will help you utilize your MAT credit. So, considering these factors, we thought it's very prudent to use this money so, that the shareholders in two years are able to get as much as 30 crores by way of the earnings will get added if directly and indirectly into the shareholders value. So, on that premise we thought of this is a very, there are many-many other factors also because one thing is Zuari is a AA+ company very safe company, it is a dividend paying company it is putting a WHR which will start generating money from day one and we don't require the money for 2 years, 2.5 years and we have given this as a straight no rollover of this fund, which will be there. So, the Zuari will pay it in the bullets the way it is and the interest will come to the company every quarter. So, there is no risk at all on this. So, we said why can't we take advantage of it and this 7% mind it 7% plus is going to be irrespective whether the bank interest rate goes down or not. We will continue as HeidelbergCement India will continue to get interest at 7% plus interest. So, it was all in the interest of the shareholders and that is why we thought this resolution to be voted by the shareholders. So, I hope this answers your question on this.

The other question is from Hemal Bhayani, this debottlenecking of clinker plant will add about 200 to 300,000 tonnes about 3 lakh tonnes of clinker additional and this will require about 15 crores of CAPEX which is a very, very small amount which will be funded from the

internal accruals like the way we put up our 1 million tonne of grinding capacity in 30 crores this will cost us about 15 crore. So, this is very easily manageable, we will take this in the coming year when we see that we are able to sell off this 1 million tonne additional let the market improve and we will at the right time invest in this.

The other question from Mr. Bhayani is, interest free loan from UP government. So, this is just only a notional value what you are seeing it the similar income sits on the other side where the government interest from the government bonds is concerned that is coming in so, it is a nullifying effect on this, but it is just a notional interest for the purpose of the way accounting is to be done. So, you will find the similar entry credit entry on the other side of the books.

Coming to the another question from Mr. Bhayani is, state of Gujarat project. So, we will, the formalities and everything is completed with the state of Gujarat and now, we can think about taking this forward. So, as of now it will take about we will commence as early as possible the environmental studies and things like that. So, if and whenever we are ready to go for it, we will make an announcement and take the shareholders commitment on this and their views also on this but as of now, there is nothing major on Gujarat state. So, because any Greenfield project takes about four to five years to put up. So, this is for as a right off the bill.

Then one question comes from Vimal Jain, as of now, there is no plan to bring out rights issue. What we are trying to do is that even if we go for Gujarat project or any other project what we will do is, we will increase first increase our capital in our hands. So, if we can generate about 1000, 1200 crores and about 2500 crores at all for any projects. So right now, it can be funded, the methods of funding we will see but as of now there are no plans to bring out rights issue.

Mr. Singh has talked about the Corona and how we have saved the company. So we are very clear, then you can see the performance, the plants are running in full steam, everything is in order. There is nothing much to worry, the plant people are working day in and out. Yes, there is always a risk of getting contracting COVID. But we have to take care of our people first. I'm clear that my team, my functional Directors and all the Board Directors are clear that people first, human capital is very important to us and if we survive this we will, our industry will do well. So first is our human capital we have taken care of, we have also trained our dealers, we have trained our retailers and now we are looking at much of digitization in to channel, how to manage COVID, COVID is to be managed more digitally, because you cannot meet people, you cannot talk to people directly. So, digital platforms are becoming more and more stronger, we have made our sales team very strong with IT support. Now, they can see data while they are on the move, they can talk to the dealers on remote, we are able to do video conferences with our dealers, we have trained them and we are now even going a step ahead to even train our dealers for e-banking which our team is working on so that they can sit from the comfort of their home and transact money. We are the first company which has collected every possible cash from the market to safeguard our interest. Not a single penny of the company is under bad debt or because of COVID it can be lost.

Coming to the other capacity point which was raised by Mr. Bhutani. How to catch up the sales level and production, as I said mentioned earlier that we are ready to go plant this full steam ready not a problem. The trouble is only a little bit in the market by pushing more volumes you can put pressure on prices and it can lead to more damage than make any good commercial sense. So, we are acting with the times, we are very clear that how do we go in the market timing is important, timing speed and adaptability will count here and we have our ears to the ground very firmly. And we also know what are the difficulties our

channel partners are into the cash crunch and the market is very tight, but we will try to support, we are doing everything possible to see that our business partners and channel associates are better off than anybody else in the industry, who they deal with. So this is our responsibility area and we will fulfill that.

Making up the whole shortfall. We will try to do it depends on how the markets open. But as of now there could be a minor shortfall in terms of volumes is concerned. Volumes, because April we lost 100% volume and May part of the time, but we have made up a little bit of the May volume but April we will have to see whether we can make up that volume. I'm not very sure at this juncture. But going forward, we will try to see that we do make up something or the other.

Bhavana Mahe has asked one question about organic growth in the coming five years. As of now company has a Greenfield project in hand we can look at it, of course as I said every time I say that we are open for any good acquisition opportunity which is viable. it should not have very fancy price per ton and if it is available at a good project which we are capable of turning around, we have turned around this company which was a loss making and we have started paying dividends, we the management team sitting here and across the company is capable and it has proven its worth that it can turn around the companies and will get confirmed red to black very soon. So, we are on lookout, if there is anything which will come we will be definitely looking at that.

The other question is which are the major markets we serve and the company specialized in. Basically Central UP and MP are our major markets when we expanded we went to Bihar but we have withdrawn a little bit from Bihar. We are in a consolidation phase, we are trying to improve our product position, improve our premiums in the market and in terms of specialized cement you will be happy to note that your company produces 100% blended cement which is very much aligned to the need of the globe. We produce the least carbon footprint, our

carbon footprint is the lowest which you have seen in the video which was being played when you would have joined this AGM. Your company produces cement at the least carbon and it is the lowest carbon footprint in the industry. And the target is that we want to produce carbon neutral concrete in the years to come but in the present context, we try to bring down our CO₂ content below 500 kgs per tonne of cement by 2030, and be aligned to the Paris protocol and the commitments which our country's Prime Minister has given under the Paris Agreement, and including our globe's commitment on the initiative of sustainability issue of meeting the goal, sustainability goals of 2013 we stay committed, and we will work towards it and probably we will try to do it a little earlier also, we will not wait till 2030, we don't like to be pushed till the last point and that's what our aim is. This was the last question from this side.

I thank all the shareholders for their questions, and I hope we have answered all of them. In case if there are any, which are remaining, please write to Mr. Relan and he will be able to answer your queries.

So, taking this further, pursuant to the relevant provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company provided remote e-voting facility to its members to enable them to cast their votes on the resolutions contained in the Notice of 61st Annual General Meeting (AGM). The aforesaid facility was arranged by the Company through National Securities Depository Limited (NSDL).

The remote e-voting period commenced on 15th September 2020 at 9:00 A.M. and ended on 17th September 2020 at 5:00 P.M. During this period members of the Company, holding shares either in physical or in dematerialized form, as on the cut-off date of 11th September 2020, were entitled to cast their vote through e-voting facility.

In accordance with the provisions of the Companies Act, 2013 the Company is providing e-voting facility to the members attending this AGM also.

Mr. Nityanand Singh, Practising Company Secretary, who has been appointed as Scrutinizer by the Board of Directors, shall after the conclusion of e-voting at the AGM, prepare a consolidated Report taking into account the votes cast in favour and against the various resolutions through remote e-voting as well as e-voting at the AGM venue.

On receipt of the Scrutinizer's Report, the results shall be declared and sent to the stock exchanges and also uploaded on the Company's website, www.mycemco.com along with the Scrutinizer's Report.

I now request the shareholders to cast their votes using e-voting facility by clicking the icon "e-Voting" that is available on the Screen, which will re-direct you to a separate window on the e-Voting portal of NSDL. All the members who have not casted their votes through remote e-voting facility, are requested to cast their votes. The e-Voting facility will be active and available for the next fifteen minutes, I repeat next fifteen minutes. I thank all the members who have despite their preoccupations, made it convenient to attend this Annual General Meeting. Thank you very much.

Moderator:

Dear Members, as instructed by the Chairperson, all the members participating in this meeting who have not yet casted their vote are requested to please cast their vote. Thank you.

Moderator:
After completion
of 15 mins

The time period for casting of votes through e-voting facility has ended.

I thank all the members for attending the meeting.