MINUTES OF THE 40TH ANNUAL GENERAL MEETING OF HEG LIMITED HELD ON FRIDAY, THE 21ST SEPTEMBER, 2012, AT 1.30 P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT MANDIDEEP, (NEAR BHOPAL), DISTT. RAISEN, MADHYA PRADESH – 462 046.

DIRECTORS :

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

MEMBERS :

31 Members were present in person, 15 Members through representatives and 18 Members by proxy.

IN ATTENDANCE :

Shri K Vaidyanathan	-	Chief Operating Officer
Shri Jacob Mani	-	Chief Strategy & Project Officer
Shri Vikram Dua	-	Addl Vice President (F&C)
Shri Ashish Sabharwal	-	Company Secretary

The Company Secretary welcomed the Shareholders and informed that Shri Ravi Jhunjhunwala, Chairman & Managing Director of the Company was unable to attend the Annual General Meeting due to some preoccupations. The Company Secretary requested the members present to elect the Chairman to preside over the Meeting in terms of Article 76 of Articles of Association of the Company.

Shri J. S. Malik proposed the name of Shri D. N. Davar, Director and Chairman of the Audit Committee to Chair the meeting, which was seconded by Shri N. K. Jain.

Shri D. N. Davar was unanimously elected to Chair the meeting.

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

After ascertaining that the requisite quorum was present, the Chairman called the meeting to order and extended a warm welcome to the Members present.

With the permission of members the Notice of the Meeting was taken as read. The Chairman asked the Company Secretary to read out the Auditors' Report.

The Company Secretary read out the Auditors' Report.

Agenda items, as contained in the Notice convening the 40th Annual General Meeting, were then taken up in seriatim.

AS ORDINARY BUSINESS

1. ADOPTION OF ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR 2011-2012.

Shri N. K. Jain proposed and N. C. Das seconded the following Resolution as an Ordinary Resolution :

"RESOLVED THAT the Audited Balance Sheet of the Company as at 31st March 2012 together with the Statement of Profit & Loss for the year ended on that date, and the Reports of the Directors and Auditors thereon, be and are hereby approved and adopted".

The Chairman invited queries on the annual accounts from the shareholders, there being no query, the Resolution was put to vote on show of hands and was adopted unanimously.

2. DIVIDEND ON EQUITY SHARES.

Shri S. D. Kaushik proposed and Shri R. K. Jain seconded the following Resolution as an Ordinary Resolution :

"RESOLVED THAT the Dividend for the financial year ended 31st March 2012 at the rate of Rs 5.00 per Equity Share be and is hereby declared and that the dividend be paid to those shareholders whose names appear on the Company's Register of Members on the date of this Annual General Meeting ".

On being put to vote on show of hands the resolution was passed unanimously.

3. RE-APPOINTMENT OF SHRI RIJU JHUNJHUNWALA AS DIRECTOR.

Shri M. M. Damani proposed and Shri J. S. Malik seconded the following Resolution as an Ordinary Resolution :

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

On being put to vote on show of hands the resolution was passed unanimously.

4. RE-APPOINTMENT OF DR. O. P. BAHL AS DIRECTOR.

Shri Jayashri Berge proposed and Shri S. D. Kaushik seconded the following Resolution as an Ordinary Resolution :

"RESOLVED THAT Dr. O.P. Bahl, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation".

On being put to vote on show of hands the resolution was passed unanimously.

5. RE-APPOINTMENT OF AUDITORS AND FIXATION OF THEIR REMUNERATION.

Shri R.K. Awasthi proposed and Shri M. K. Meel seconded the following Resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of section 224-A and other applicable provisions of the Companies Act, 1956, M/s S S Kothari Mehta & Co., Chartered Accountants and M/s Doogar & Associates, Chartered Accountants, from whom certificates pursuant to Section 224 (1B) of the Companies Act, 1956 have been received, be and are hereby appointed as Joint Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration to be fixed by the Board of Directors plus out of pocket expenses that may be incurred by them in the course of audit".

On being put to vote on show of hands the resolution was passed unanimously.

AS SPECIAL BUSINESS

6. CONSENT FOR CREATION OF MORTGAGE TO SECURE FINANCIAL ASSISTANCE(S) GIVEN TO THE COMPANY BY THE BANKS.

Shri R.K. Jain proposed and Shri M. M. Damani seconded the following Resolution as an Ordinary Resolution :

"RESOLVED THAT consent of the Company be and is hereby accorded to the Board of Directors of the Company in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, for mortgaging and/or charging of all the immovable and movable properties of the Company wheresoever situate, present and future, and the whole of the undertaking of the Company in favour of the following to secure the financial assistances lent/agreed to be lent and advanced to the Company to the extent set out below:

A) On First Charge basis:

i)Foreign Currency Loan of US$ 10 Million by DBS Bank Ltd
ii)Term Loan of ₹50 Crore by Dena Bank
iii)Term Loan of ₹100 Crore by Axis Bank Ltd

B) On Second Charge basis:

State Bank of India (SBI) in the capacity of Leader of Consortium of Banks for the working capital limits i.e Fund Based ₹850 Crore and Non Fund Based ₹300 Crore, Credit Exposure Limit ₹ 29.48 Crore and Derivative Limits ₹30.52 Crore aggregating to ₹ 1210 Crore;

together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, premia on prepayment or on redemption, guarantee commission, costs, charges, expenses and other monies payable by the Company to, DBS Bank Ltd, Dena Bank, Axis Bank Ltd and State Bank of India, under the Loan Agreements / Letters of Sanction /Memorandum of terms and conditions entered into / to be entered into by the Company in respect of the said financial assistance (s).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalize with the DBS Bank Ltd, Dena Bank, Axis Bank Ltd and State Bank of India the documents for creating the aforesaid mortgages and / or the charges and to do all such acts and things as may be necessary for giving effect to this Resolution.

RESOLVED FURTHER THAT the mortgages / charges created/ to be created / or all agreements / documents executed /to be executed and all acts done in terms of this Resolution by and with the authority of the Board of Directors are hereby approved, confirmed and ratified."

On being put to vote on show of hands the resolution was passed unanimously.

7. GENERAL AUTHORITY TO CREATE MORTGAGE AND/OR CHARGE TO SECURE BORROWINGS MADE BY THE COMPANY.

Shri S. D. Kaushik proposed and Shri B. Chandraker seconded the following Resolution as an Ordinary Resolution :

"RESOLVED THAT the consent of the Members of the Company be and is hereby granted in terms of Section 293(1) (a) and other applicable provisions, if any, of the Companies Act, 1956, to create mortgage and / or charge, on such terms and conditions and at such time(s) and in such form and manner, and with

such ranking as to priority as the Board of Directors of the Company,("Board") in its absolute discretion may deem fit, on the whole or substantially the whole of the Company's present or future properties, whether immovable or movable comprised in any undertaking of the Company, as may be agreed to in favour of the Bank(s), Financial Institution(s)or other person(s), hereinafter referred to as the lenders, and / or trustees to secure the borrowings up to an aggregate amount as approved by the shareholders from time to time in terms of Section 293 (1) (d) of the Companies Act, 1956, together with the interest at the respective agreed rates by way of loans or by issue of nonconvertible debentures, bonds, term loans, working capital facilities and / or other instruments including foreign currency borrowings, as the Board may in its absolute discretion deem fit, to be issued in one or more tranches, to Indian / Foreign banks, institutions, investors, mutual funds, companies, other corporate bodies, resident / non-resident Indians, foreign nationals, and other eligible investors, and upon such terms and conditions, as may be decided by the Board, including any increase as a result of devaluation / revaluation or fluctuation in the rates of exchange, together with interest, at the respective agreed rates, compound interest additional interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and other monies covered by the aforesaid financial assistance under the respective documents, entered into by the Company in respect of the said debentures / bonds / term loans /working capital facilities / other instrument(s) in terms of their issue.

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

On being put to vote on show of hands the resolution was passed unanimously.

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

Sd/-

CHAIRMAN