

Corporate Governance Report

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and all its interactions with the stakeholders including shareholders, employees, customers, government, suppliers and lenders and to build the confidence of the society in general. The Company believes in adopting the philosophy of professionalism, transparency and accountability in all areas and is committed to pursue growth by adhering to the highest national and international standards of Corporate Governance.

2. BOARD OF DIRECTORS

(i) Composition

The Board has an appropriate composition of Executive, Non-Executive and Independent Directors. The Independent Directors on the Board are experienced, competent and reputed names in their respective fields. The Independent Directors take active part at the Board and Committee Meetings, which adds value in the decision-making process of the Board of Directors. The details of composition of the Board, number of other Directorship, Chairmanship/Membership of Committee of each Director in other Companies, attendance of Directors at the Board Meetings and last Annual General Meeting are given below:

| Name of Director | Category of Directorship | No. of other Directorships* in public Ltd. Companies | Board Committees** in other Companies in which | | No. of Board Meetings attended | Whether Attended the last AGM Yes/No |
|-------------------------|---|--|--|---|--------------------------------|--------------------------------------|
| | | | Member / Chairman | | | |
| Shri Ravi Jhunjunwala | Chairman, Managing Director & CEO -Promoter Executive | 9 | 2 | 1 | 4 | No |
| Shri Shekhar Agarwal | Vice-Chairman-Promoter Non-Executive | 5 | 3 | 0 | 3 | No |
| Shri D. N.Davar | Non-Executive and Independent | 9 | 4 | 4 | 3 | Yes |
| Dr. Kamal Gupta | Non-Executive and Independent | 6 | 3 | 5 | 4 | No |
| Shri Lalit Mohan Lohani | Non-Executive (LIC nominee) | 0 | 0 | 0 | 4 | No |
| Dr. O. P. Bahl | Non-Executive and Independent | 1 | 0 | 0 | 4 | Yes |
| Smt. Vinita Singhania | Non-Executive and Independent | 4 | 0 | 0 | 3 | No |
| Shri Riju Jhunjunwala | Director -Promoter – Non-Executive | 9 | 7 | 1 | 3 | No |

* Excludes Directorships in Private Limited Companies, Foreign Companies and Section 8 Companies.

** Only Audit Committee and Stakeholders Relationship Committee have been considered as per Clause 49 of Listing Agreement.

Note: Shri Ravi Jhunjunwala and Shri Riju Jhunjunwala are relatives.
Smt. Vinita Singhania is the Woman Director on the Board.

(ii) Shareholding of Non-Executive Directors

The number of Equity Shares of the Company held by Non-Executive Directors of the Company are as under:

| Name of Director | No. of Equity Shares Held |
|------------------------|---------------------------|
| Shri D N Davar | 1,500 |
| Dr. Kamal Gupta | 200 |
| Shri Riju Jhunjhunwala | 2,33,290 |

(iii) Board Meetings

The Board meets at least once in every quarter to review quarterly results and other items on agenda. Additional meetings are held when necessary. Four Board Meetings were held during the financial year ended 31st March, 2015. These were held on 21st April, 2014, 30th July, 2014, 12th November, 2014 and 5th February, 2015.

3. AUDIT COMMITTEE

(i) Terms of Reference

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;

- g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. All related party transactions and subsequent modification thereof shall require prior approval of the Audit Committee.
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Review the internal audit report and discuss with internal auditors of any significant findings and follow up there on;
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in

case of non-payment of declared dividends) and creditors;

19. To review the functioning of the Whistle Blower mechanism;

20. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;

21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

22. Management discussion and analysis of financial condition and results of operations;

23. Where a valuation is required to be made in respect of any property, stocks, shares, debentures, securities or goodwill or any other assets (herein referred to as the assets) or net worth of a company or its liabilities under the provision of this Act, it shall be valued by a person having such qualifications and experience and registered as a valuer in such manner, on such terms and conditions as may be prescribed and appointed by the audit committee or in its absence by the Board of Directors of that Company.

24. The Chairman of the Audit Committee shall be present at Annual General Meeting of the Company to answer shareholder queries.

(ii) Composition of the Committee

The composition of the Audit Committee is as under:

| Sl. No. | Name of Director | Designation | Category |
|---------|----------------------|-------------|------------------------------------|
| 1 | Shri D.N. Davar | Chairman | Non-Executive Independent Director |
| 2 | Shri Shekhar Agarwal | Member | Non-Executive Promoter Director |
| 3 | Dr. Kamal Gupta | Member | Non-Executive Independent Director |
| 4 | Dr. O.P. Bahl | Member | Non-Executive Independent Director |

All these Directors possess knowledge of corporate finance, accounts and corporate laws. The Statutory Auditors, Internal Auditors and Senior Executives of the Company are invited to attend the meetings of the Committee, whenever necessary. The Company Secretary acts as the Secretary of the Committee.

(iii) Meetings and Attendance

During the financial year ended 31st March, 2015, four meetings were held on 21st April, 2014, 30th July, 2014, 12th

November, 2014 and 5th February, 2015.

The attendance at the above Meetings was as under:

| Sl. No. | Name of Director | No. of Meetings Attended |
|---------|----------------------|--------------------------|
| 1 | Shri D.N. Davar | 3 |
| 2 | Shri Shekhar Agarwal | 3 |
| 3 | Dr. Kamal Gupta | 4 |
| 4 | Dr. O.P. Bahl | 4 |

4. NOMINATION AND REMUNERATION COMMITTEE

(i) The terms of reference of the Committee as per the Nomination and Remuneration Policy of the Company inter-alia includes the following:

- reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;
- to recommend to the Board the appointment and removal of Director or KMP or Senior Management Personnel;
- to carry out evaluation of Director's performance;
- assessing the independence of independent directors;
- to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- making recommendations to the Board on the remuneration/ fee payable to the Directors/ KMPs/Senior Officials so appointed/re-appointed;
- ensure that level and composition of remuneration of Directors, KMP's and Senior Management is reasonable and sufficient. The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- to devise a policy on Board diversity;
- to develop a succession plan for the Board and Senior Management and to regularly review the plan;
- such other key issues/matters as may be referred by the Board or as may be necessary in view of the Listing Agreement and provision of the Companies Act, 2013 and Rules thereunder.

(ii) Composition of the Committee

The composition of the Nomination and Remuneration Committee is as under:

| Sl. No. | Name of Director | Designation | Category |
|---------|------------------|-------------|------------------------------------|
| 1 | Shri D.N. Davar | Chairman | Non-Executive Independent Director |
| 2 | Dr. Kamal Gupta | Member | Non-Executive Independent Director |
| 3 | Dr. O.P. Bahl | Member | Non-Executive Independent Director |

The Company Secretary acts as Secretary of the Committee.

(iii) Meeting and Attendance

During the financial year ended 31st March, 2015, two meetings were held on 12th November, 2014 and 5th February, 2015.

The attendance at the above Meetings was as under:

| Sl. No. | Name of Director | No. of Meetings Attended |
|---------|------------------|--------------------------|
| 1 | Shri D.N. Davar | 1 |
| 2 | Dr. Kamal Gupta | 2 |
| 3 | Dr. O.P. Bahl | 2 |

(iv) Nomination and Remuneration Policy

The Board, on the recommendation of the Nomination & Remuneration Committee approved a policy for appointment and removal of Directors, Key Managerial Personnel and Senior Management and their remuneration. The Nomination and Remuneration policy is attached as Annexure III to the Board's Report.

(v) Details of Remuneration to the Directors for the year ended 31st March, 2015

(Amount in ₹)

| Name of Director | Salary | Benefits | Commission | Sitting Fee | Total |
|-------------------------|-------------|-----------|-------------|-------------|-------------|
| Shri Ravi Jhunjunwala | 1,92,00,000 | 38,84,544 | 1,10,00,000 | - | 3,40,84,544 |
| Shri Shekhar Agarwal | - | - | - | 4,20,000 | 4,20,000 |
| Shri D. N. Davar | - | - | - | 7,30,000 | 7,30,000 |
| Dr. Kamal Gupta | - | - | - | 10,35,000 | 10,35,000 |
| Shri Lalit Mohan Lohani | - | - | - | 2,45,000 | 2,45,000 |
| Dr. O.P. Bahl | - | - | - | 9,75,000 | 9,75,000 |
| Smt. Vinita Singhanian | - | - | - | 1,70,000 | 1,70,000 |
| Shri Riju Jhunjunwala | - | - | - | 2,90,000 | 2,90,000 |

5. EVALUATION OF THE BOARD'S PERFORMANCE

Pursuant to the provisions of Companies Act, 2013 and the Clause- 49 of the Listing Agreement, the Board has carried out the evaluation of its own performance, that of various Committees of Directors and the Directors individually. The exercise covered various aspects of the Board's functioning such as composition of the Board & Committee(s), their functioning & effectiveness, contribution of all the Directors and the decision making process by the Board.

The evaluation of Independent Directors' was carried out by entire Board and that of the Chairman and the non-independent Directors were carried out by the independent Directors.

The Directors express their satisfaction with the evaluation process.

6. FAMILIARISATION PROGRAMME

The Familiarisation Programme of the Company has been disclosed on its website and a weblink thereto is as under:

http://www.heg ltd.com/pdf/Familiarisation_Programmes_for_Independent_Directors.pdf

7. STAKEHOLDERS RELATIONSHIP COMMITTEE

(i) Broad Terms of Reference

The Stakeholders Relationship Committee shall consider and resolve the grievances of various security holders of the Company. It shall specifically look into the redressal of stakeholders/ investors complaints in a timely and proper manner.

(ii) Composition of the Committee

The composition of the Committee is as under:

| Sl. No. | Name of Director | Designation | Category |
|---------|------------------------|-------------|------------------------------------|
| 1 | Shri Riju Jhunjhunwala | Chairman | Non-Executive Promoter Director |
| 2 | Shri Ravi Jhunjhunwala | Member | Executive Promoter Director |
| 3 | Dr. Kamal Gupta | Member | Non-Executive Independent Director |

Shri Ashish Sabharwal, Company Secretary is the Compliance Officer.

(iii) Meetings and Attendance

During the financial year ended 31st March, 2015, Four meetings were held on 21st April, 2014, 30th July, 2014, 12th November, 2014 and 5th February, 2015.

The attendance at the above Meetings was as under:

| Sl. No. | Name of Director | No. of Meetings Attended |
|---------|------------------------|--------------------------|
| 1 | Shri Riju Jhunjhunwala | 2 |
| 2 | Shri Ravi Jhunjhunwala | 4 |
| 3 | Dr. Kamal Gupta | 4 |

The Company received 26 complaints during the year and all were resolved to the satisfaction of the shareholders. There was no valid request for transfer of shares pending as on 31.03.2015.

8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

(i) Broad Terms of Reference

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend and monitor the amount of expenditure to be incurred on the activities referred to in clause (a); and
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.

(ii) Composition of the Committee

The composition of the Corporate Social Responsibility Committee is as under:

| Sl. No. | Name of Director | Designation | Category |
|---------|------------------------|-------------|-------------------------------------|
| 1 | Shri Ravi Jhunjhunwala | Chairman | Executive Promoter Director |
| 2 | Shri D.N.Davar | Member | Non- Executive Independent Director |
| 3 | Smt. Vinita Singhania | Member | Non- Executive Independent Director |

(iii) Meetings and Attendance

During the financial year ended 31st March, 2015, Three meetings were held on 30th July, 2014, 12th November, 2014 and 5th February, 2015.

The attendance at the above Meetings was as under:

| Sl. No. | Name of Director | No. of Meetings Attended |
|---------|------------------------|--------------------------|
| 1 | Shri Ravi Jhunjhunwala | 3 |
| 2 | Shri D.N.Davar | 2 |
| 3 | Smt. Vinita Singhania | 2 |

9. INDEPENDENT DIRECTORS' MEETING

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on 5th February, 2015 to review the performance of Non-independent Directors (including the Chairman, Managing Director & CEO) and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

10. VIGIL MECHANISM /WHISTLE BLOWER POLICY

The Board on the recommendation of Audit Committee has adopted a Whistle Blower Policy. The details of the same is disclosed on the website of the Company and a weblink thereto is as under:

<http://www.heg ltd.com/whistle-blower-policy.aspx>

11. GENERAL BODY MEETINGS

(a) Annual General Meeting:

The last three Annual General Meetings were held as per detail below:

| Date of AGM | Relevant financial year | Venue/Location where held | Time of Meeting | Whether any special resolution passed |
|----------------------|-------------------------|---|-----------------|---------------------------------------|
| 21st September, 2012 | 2011-2012 | Mandideep, (Near Bhopal), Distt. Raisen, Madhya Pradesh – 462 046 | 1.30 P.M. | No |
| 21st September, 2013 | 2012-2013 | Mandideep, (Near Bhopal), Distt. Raisen, Madhya Pradesh – 462 046 | 1.30 P.M. | Yes |
| 30th August, 2014 | 2013-2014 | Mandideep, (Near Bhopal), Distt. Raisen, Madhya Pradesh – 462 046 | 1.30 P.M. | Yes |

(b) Extra- ordinary General Meeting:

No Extra-ordinary General Meeting took place during the financial year 2014-15.

There were no matters required to be passed by the shareholders through postal ballot, in any of the aforesaid meetings, as required under the provisions of Section 110 of the Companies Act, 2013.

There are no matters proposed to be passed by the Company through postal ballot in the ensuing Annual General Meeting.

h) The Chairman, Managing Director & CEO and Chief Financial officer have certified to the Board, inter-alia the accuracy of financial statements and adequacy of Internal Controls for the financial reporting purpose as required under Clause 49(IX) of the Listing Agreement, for the year ended 31.03.2015. The annual Certificate given by the Chairman, Managing Director & CEO and the Chief Financial Officer is published in this report.

12. DISCLOSURES

- There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, their Subsidiaries or relatives conflicting with Company's interest. Suitable disclosure as required by the Accounting Standard (AS)-18 (Related Party Disclosures), has been made in the Annual Report.
- There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company that have a potential conflict with the interests of the Company.
- No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during last three years.
- The Company has complied with the mandatory requirements of the Clause 49 of Listing Agreement.
- No personnel have been denied any access to the Audit Committee of the Company.
- The Company has complied with all the applicable Accounting Standards.
- The Internal Auditor directly reports to the Audit Committee.

13. Code of Conduct

There is a Code of Conduct for the Directors and Senior Management Personnel. This Code is a comprehensive code applicable to all Directors and members of the Senior Management. A copy of the Code has been put on the Company's website www.heg ltd.com.

The Code has been circulated to all the Members of the Board and Senior Management Personnel and compliance of the same has been affirmed by them. A declaration signed by the Chairman & Managing Director in this regard is given below:

"I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management Personnel of the Company, affirmation that they have complied with the Code of Conduct framed for Directors and Senior Management Personnel in respect of the financial year 2014-15."

14. MEANS OF COMMUNICATION

The Company publishes its quarterly results in leading national newspapers as per the requirements of the Listing Agreement. These results are displayed on the website of the Company along with other news releases and presentations, if any, made to institutional investors or to analysts among others. All other vital information is also placed on the website of the Company.

15. DISCLOSURES REGARDING APPOINTMENT OR RE-APPOINTMENT OF DIRECTOR

| | |
|---|---|
| Name of Director | Shri Shekhar Agarwal |
| Date of Birth | 09/10/1952 |
| Date of Appointment | 15/07/1996 |
| Qualification | B. Tech (Mech), IIT Kanpur, Master of Science Degree in Industrial & Systems Engineering from Illinois Institute of Technology, Chicago, USA. |
| Expertise in specific functional areas | Industrialist with a rich business experience and well known name in Textile Industry. |
| List of other Public Ltd. Companies in which directorships held. | 1. RSWM Ltd 2. Maral Overseas Ltd 3. Essay Marketing Company Ltd 4. BSL Ltd 5. Bhilwara Technical Textiles Ltd |
| Chairman/Member of the Committees of the Board of Directors of the Company. | Audit Committee |
| Chairman/Member of the Committee of Directors of other Companies. | |
| a) Audit Committee | BSL Ltd |
| b) Stakeholders Relationship Committee | 1. RSWM Ltd 2. Maral Overseas Ltd |
| No of Equity Shares held in the Company | - |

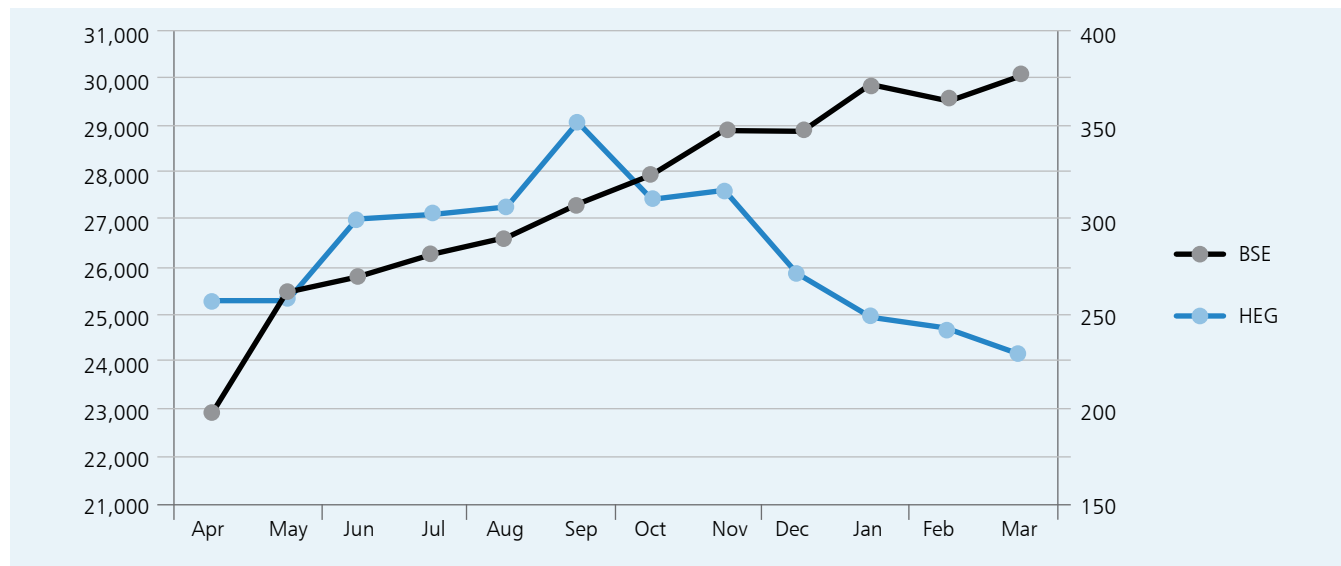
16. SHAREHOLDERS INFORMATION

| | |
|--|---|
| a) Annual General Meeting: Date & Time, Venue | Tuesday, 22nd September, 2015 at 11.30 A.M. at the registered office of the Company at Mandideep, Near Bhopal, Distt. Raisen, Madhya Pradesh - 462 046. |
| b) Financial Calendar: | Financial Year: 1st April, 2015 – 31st March, 2016. Reporting: |
| | a) First quarter results Within 45 days of end of the 1st Qtr |
| | b) Second Quarter Within 45 days of end of the 2nd Qtr Results |
| | c) Third Quarter Results Within 45 days of end of the 3rd Qtr |
| | d) Results for Fourth Within 60 days of end of the FY Quarter & the FY |
| c) Date of Book Closure | 16th September, 2015 to 22nd September, 2015 (both days inclusive) |
| d) Dividend payment date: | Dividend if declared shall be paid/ dispatched to the shareholders between 5th October, 2015 and 8th October, 2015. |
| e) Listing of Shares on Stock Exchanges | 1. BSE Limited 2. National Stock Exchange of India Limited 3. Madhya Pradesh Stock Exchange Limited |
| f) Stock Code / ISIN No. | Equity Shares: BSE: 509631 NSE: HEG ISIN No. : INE545A01016 |

g. i) Market Price Data: Monthly High Low values (in ₹) at NSE & BSE and comparison with BSE Sensex.

| Month | NSE | | BSE | | BSE Sensex | |
|-----------------|--------|--------|--------|--------|------------|----------|
| | High | Low | High | Low | High | Low |
| April, 2014 | 258.00 | 201.10 | 256.95 | 191.70 | 22939.31 | 22197.51 |
| May, 2014 | 257.90 | 216.00 | 257.95 | 217.05 | 25375.63 | 22277.04 |
| June, 2014 | 301.00 | 235.05 | 300.00 | 237.55 | 25725.12 | 24270.20 |
| July, 2014 | 300.70 | 248.90 | 300.70 | 248.90 | 26300.17 | 24892.00 |
| August, 2014 | 310.80 | 254.65 | 310.80 | 255.00 | 26674.38 | 25232.82 |
| September, 2014 | 351.25 | 279.00 | 350.90 | 279.20 | 27354.99 | 26220.49 |
| October, 2014 | 311.80 | 276.05 | 311.80 | 276.00 | 27894.32 | 25910.77 |
| November, 2014 | 315.00 | 259.05 | 315.50 | 261.00 | 28822.37 | 27739.56 |
| December, 2014 | 269.00 | 225.00 | 273.90 | 224.00 | 28809.64 | 26469.42 |
| January, 2015 | 252.00 | 221.60 | 251.45 | 222.00 | 29844.16 | 26776.12 |
| February, 2015 | 243.25 | 200.50 | 242.50 | 201.00 | 29560.32 | 28044.49 |
| March, 2015 | 233.35 | 203.10 | 233.80 | 212.90 | 30024.74 | 28209.66 |

ii) Comparative chart of Company's share price movement vis-à-vis the movement of BSE Sensex during FY 2014-15:



h) Registrar and Transfer Agent

M/s. MCS Share Transfer Agent Limited
 F-65, Okhla Industrial Area, Phase-I, New Delhi-110020
 Phone : 011-41406149 – 52
 Fax : 011-41709881
 E-mail Id: helpdeskdelhi@mcsregistrars.com

i) Share Transfer System:

Share Transfers are attended and registered on fortnightly basis and the same are returned within 30 days from the date of receipt, if the documents are in order in all respects.

j) Distribution of shareholding as on 31st March, 2015.

| No. of Equity Shares held | No. of shareholders | % of shareholders | No. of shares held | % of shareholding |
|---------------------------|---------------------|-------------------|--------------------|-------------------|
| 1-500 | 29,377 | 94.86 | 31,24,136 | 7.82 |
| 501-1000 | 867 | 2.80 | 6,69,187 | 1.67 |
| 1001-2000 | 358 | 1.16 | 5,24,536 | 1.31 |
| 2001-3000 | 122 | 0.39 | 3,03,500 | 0.76 |
| 3001-4000 | 58 | 0.19 | 2,09,745 | 0.52 |
| 4001-5000 | 29 | 0.09 | 1,36,147 | 0.34 |
| 5001-10000 | 61 | 0.20 | 4,45,782 | 1.12 |
| 10001 and above | 96 | 0.31 | 3,45,46,109 | 86.45 |
| Total | 30,968 | 100.00 | 3,99,59,142 | 100.00 |

k) Category of Shareholders

| Category | No. of shareholders | % of shareholders | No. of shares held | % of shareholding |
|---------------------------------|---------------------|-------------------|--------------------|-------------------|
| Promoters and Promoter Group | 23 | 0.07 | 2,34,92,750 | 58.79 |
| Mutual Funds / UTI | 9 | 0.03 | 19,136 | 0.05 |
| Financial Institutions / Banks | 11 | 0.04 | 3,49,610 | 0.87 |
| Insurance Companies | 3 | 0.01 | 38,86,797 | 9.73 |
| Foreign Institutional Investors | 25 | 0.08 | 5,30,081 | 1.33 |
| Bodies Corporate | 629 | 2.03 | 32,89,919 | 8.23 |
| Individuals | 29,971 | 96.78 | 53,64,306 | 13.42 |
| Others: | | | | |
| I) Trusts | 2 | 0.01 | 12,902 | 0.03 |
| II) Foreign Corporate Bodies | 1 | 0.00 | 28,93,888 | 7.24 |
| III) NRI Individuals | 294 | 0.95 | 1,19,753 | 0.30 |
| Total | 30,968 | 100.00 | 3,99,59,142 | 100.00 |

| | |
|---|--|
| l) Dematerialisation of shares and liquidity. | 3,89,21,954 shares were dematerialised till 31.03.2015 which was 97.40.% of the total paid-up Equity Share Capital of the Company on that date. Trading in shares of the Company is permitted in dematerialised form only. |
| m) Outstanding GDRs/ADRs/warrants or any Convertible instruments, conversion date and likely impact equity. | There are no such instruments outstanding as on 31st March, 2015. |
| n) Plant locations | a) Mandideep (Near Bhopal), Distt. Raisen- 462046, Madhya Pradesh. b) Village Ranipur, Tawa Nagar, Distt. Hoshangabad – 461001 Madhya Pradesh. |
| o) Address for correspondence: | HEG Limited Secretarial Department Bhilwara Towers, A-12, Sector –1, Noida - 201301 Phone:0120-4390300, 4390000 Fax:0120- 4277841 E-mail: heg.investor@lnjbhilwara.com Website: www.hegltd.com |

CEO/CFO

Certificate Under Clause 49(IX)

To,
The Board of Directors
HEG Limited

- (a) We have reviewed financial statements and the cash flow statement for the Financial Year ended 31st March, 2015 and that to the best of our knowledge and belief:
- i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting in the Company and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
- a) significant changes in internal control over financial reporting during the year;
 - b) significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
 - c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Ravi Jhunjunwala
Chairman, Managing Director & CEO

Raju Rustogi
Chief Financial Officer

Noida (U.P.)
14th May, 2015

Compliance Certificate

To,
The Members of
HEG Limited

We have examined the compliance of conditions of Corporate Governance by HEG Limited ("the Company") for the year ended on 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S. S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm Regn. No. 000756N

For DOOGAR & ASSOCIATES
Chartered Accountants
Firm Regn. No.000561N

SUNIL WAHAL
PARTNER
Membership No. 087294

MUKESH GOYAL
PARTNER
Membership No. 081810

Place: Noida (U.P.)
Date: 14th May, 2015