

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	8	3	1	5	No
Shri Shekhar Agarwal	Vice-Chairman-Promoter Non-executive	4	3	0	3	No
Shri Dharmendar Nath Davar	Independent	8	4	4	5	No
Dr. Kamal Gupta	Independent	6	3	5	5	No
Shri Satyendra Nath Bhattacharya	Non-Executive	1	0	0	4	No
Dr. Om Parkash Bahl	Independent	0#	0	0	5	Yes
Smt. Vinita Singhania	Independent	3	0	0	4	No
Shri Riju Jhunjunwala	Promoter Non-Executive	6	2	0	5	No
Shri Satish Chand Mehta	Independent	0	0	0	5	No

Notes:

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

** Only Audit Committee and Stakeholders Relationship Committee have been considered in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#Dr. Om Parkash Bahl was a Director in HEG Graphite Products and Services Ltd, a wholly owned subsidiary ("WOS") of the Company, the name of which has been struck-off under Section 248 (5) of the Companies Act, 2013, upon the application made by WOS under Section 248(2) of the Companies Act, 2013, from the Register of Companies and WOS stands dissolved w.e.f. 21st December, 2017.

None of the Directors are related to each other except Shri Ravi Jhunjunwala and Shri Riju Jhunjunwala, being relatives. Smt. Vinita Singhania is the Women Director on the Board.

Independent Director means Director as mandated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Companies Act, 2013. All the Independent Director have given the declaration of their independence at the beginning of the financial year or at the time of their co-option on the Board.

None of the Directors is a member of more than 10 Board level committees and Chairman of 5 such committees across all the Public Companies in which he or she is a Director.

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 Dharmendar Nath 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. Five Board Meetings were held during the financial year ended the 31st March, 2018. These were held on 30th May, 2017, 2nd August, 2017, 2nd November, 2017, 31st January, 2018 and 8th February, 2018. However, in case of a special and urgent business need, the Board's approval is taken by passing resolution by circulation, as permitted by law which is noted and confirmed in the subsequent Board Meeting.

3. AUDIT COMMITTEE

(i) Terms of Reference

1. The audit committee at its discretion shall invite the finance Director or head of the finance function, head of internal audit and a representative of the statutory auditor and any other such executives to be present at the meetings of the committees;

Provided that occasionally the audit committee may meet without the presence of any executives of the Company.

2. The audit committee shall have the power to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if considered necessary;
3. The chairperson of the audit committee shall be an independent Director and shall be present at Annual general meeting to answer shareholders queries;
4. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
5. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
6. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
7. 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) Modified opinion(s) in the draft audit report.
8. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 9. 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;
 10. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 11. Approval or any subsequent modification of transaction of the Company with related party;
 12. Scrutiny of inter-corporate loans and investments;
 13. Valuation of undertakings or assets of the Company, wherever it is necessary;

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 the Companies Act, 2013, 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.
 14. Evaluation of internal financial controls and risk management systems;

15. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
16. Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audits;
17. Discussion with internal auditors of any significant findings and follow up there on;
18. Reviewing the findings of any internal investigations by the internal auditors into matter 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;
19. 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;
20. 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;
21. To review the functioning of the Whistle Blower mechanism;
22. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate; and
23. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
24. The Audit Committee of the Company shall mandatorily review the following information:
 - i. management discussion and analysis of financial condition and results of operations.
 - ii. statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - iii. management letters/ letters of internal control weaknesses issued by the statutory auditors;
 - iv. internal audit reports relating to internal control weaknesses; and
 - v. the appointment removal and terms of remuneration of the chief internal auditors shall be subject to review by the audit committee.
 - vi. statement of deviations:
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015.

- b. annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

25. The internal auditors may report directly to the audit committee.
26. The audit committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.
27. All related party transactions shall require approval of the audit committee and the Committee may make omnibus approval for related party transactions proposed to be entered into by the Company on yearly basis.
28. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for making the omnibus approval.
29. The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approval given.

ii) Composition of the Committee

The composition of the Audit Committee is as under:

Sl No.	Name of Director	Designation	Category
1	Shri Dharmendar Nath Davar	Chairman	Independent Director
2	Shri Shekhar Agarwal	Member	Non-Executive Promoter Director
3	Dr. Kamal Gupta	Member	Independent Director
4	Dr. Om Parkash Bahl	Member	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 the 31st March, 2018, Four meeting were held on 30th May, 2017, 2nd August, 2017, 2nd November, 2017 and 31st January, 2018.

The attendance at the above Meetings was as under:

Sl No.	Name of Director	No. of meetings attended
1	Shri Dharmendar Nath Davar	4
2	Shri Shekhar Agarwal	3
3	Dr. Kamal Gupta	4
4	Dr. Om Parkash 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; and
- such other key issues/matters as may be referred by the Board or as may be necessary in view of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Dharmendar Nath Davar	Chairman	Independent Director
2	Dr. Kamal Gupta	Member	Independent Director
3	Dr. Om Parkash Bahl	Member	Independent Director

The Company Secretary acts as Secretary of the Committee.

(iii) Meeting and Attendance

During the financial year ended 31st March, 2018, Two meetings were held on 30th May, 2017 and 31st January, 2018.

The attendance at the above Meetings was as under:

Sl No.	Name of Director	No. of meetings attended
1	Shri Dharmendar Nath Davar	2
2	Dr. Kamal Gupta	2
3	Dr. Om Parkash Bahl	2

(iv) Details of Remuneration to the Directors for the financial year ended 31st March, 2018. (₹ In lacs)

Name of Director	Salary	Benefits	Commission	Sitting Fee	Total
Shri Ravi Jhunjunwala	206.40	30.63	4,095.94	-	4,332.97*
Shri Shekhar Agarwal	-	-	-	4.70	4.70
Shri Dharmendar Nath Davar	-	-	-	11.80	11.80
Dr. Kamal Gupta	-	-	-	12.80	12.80
Shri Satyendra Nath Bhattacharya	-	-	-	3.00	3.00
Dr. Om Parkash Bahl	-	-	-	9.40	9.40
Smt. Vinita Singhanian	-	-	-	3.00	3.00
Shri Riju Jhunjunwala	-	-	-	4.75	4.75
Shri Satish Chand Mehta	-	-	-	4.50	4.50

* As approved by the shareholders in their meeting held on 28th September, 2016.

The appointment of Executive Directors, Key Managerial Personnel and other Employees is by virtue of their employment with the Company, therefore, their terms of employment vis-a-vis salary, variable pay, service contract, notice period and severance fee, if any, are governed by the applicable policies at the relevant point in time.

(v) Criteria of making payments to Non-Executive / Independent Director(s)

The criteria of making payments to Non-Executive Director/ Independent Director(s) is appearing on the website of the Company and the weblink of the same is as under:

http://hegltd.com/wp-content/uploads/2017/02/Criteria_of_making_payments_to_Non_executive_Directors.pdf

The Non-Executive Directors (including Independent Directors) are only paid sitting fee for attending meetings of Board of Directors, Independent Directors and various Committee of Directors.

The Nomination and Remuneration Committee and Board of Directors in their respective meeting held on 31st January, 2018, subject to approval of shareholders, have proposed to pay commission to the Non-Executive Directors (including Independent Directors), collectively, not exceeding 1 per cent of the net profits of the Company, calculated in accordance with the provisions of section 198 of the Companies Act, 2013 for each year, for a period of five consecutive years starting from FY 2017-18.

5. PERFORMANCE EVALUATION CRITERIA OF INDEPENDENT DIRECTORS

Pursuant to the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, evaluation of Independent Directors was carried out by entire Board. Only the Independent Director being evaluated did not participate in the said evaluation discussion.

The Evaluation criteria for Independent Directors forms part of Nomination and Remuneration Policy of the Company which is annexed in the Board's Report.

6. FAMILIARISATION PROGRAMME

The Familiarisation Programmes imparted to Independent Directors of the Company has been disclosed on its website and a weblink thereto is as under:

<http://hegltd.com/wp-content/uploads/2018/04/Details-Of-Familiarization-Programmes-Imparted-To-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 Jhunjunwala	Chairman	Non-Executive Promoter Director
2	Shri Ravi Jhunjunwala	Member	Executive Promoter Director
3	Dr. Kamal Gupta	Member	Independent Director

Shri Vivek Chaudhary, Company Secretary is the Compliance Officer of the Company.

(iii) Meetings and Attendance

During the financial year ended 31st March, 2018, Four meetings were held on 30th May, 2017, 2nd August, 2017, 2nd November, 2017 and 31st January, 2018.

The attendance at the above Meetings was as under: -

Sl No.	Name of Director	No. of Meetings attended
1	Shri Riju Jhunjunwala	4
2	Shri Ravi Jhunjunwala	4
3	Dr. Kamal Gupta	4

The Company received 15 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 31st March, 2018.

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 Jhunjunwala	Chairman	Executive Promoter Director
2	Shri Dharmendar Nath Davar	Member	Independent Director
3	Smt Vinita Singhania	Member	Independent Director

(iii) Meetings and Attendance

During the financial year ended 31st March, 2018, Four meetings were held on 30th May, 2017, 2nd August, 2017, 2nd November, 2017 and 31st January, 2018.

The attendance at the above Meetings was as under: -

Sl No.	Name of Director	No. of meetings attended
1	Shri Ravi Jhunjunwala	4
2	Shri Dharmendar Nath Davar	4
3	Smt Vinita Singhania	3

11. GENERAL BODY MEETINGS

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 was passed
22 nd September, 2015	2014-2015	Mandideep, (Near Bhopal), Distt. Raisen, Madhya Pradesh - 462 046	11.30 A.M.	No
28 th September, 2016	2015-2016	Mandideep, (Near Bhopal), Distt. Raisen, Madhya Pradesh - 462 046	11.30 A.M.	Yes
22 nd September, 2017	2016-2017	Mandideep, (Near Bhopal), Distt. Raisen, Madhya Pradesh - 462 046	11.30 A.M.	Yes

No Extra-ordinary General Meeting took place during the financial year 2017-18.

There was no resolution passed by the shareholders through postal ballot, in the financial year 2017-18.

No special resolution requiring postal ballot is being proposed for the ensuing Annual General Meeting.

12. DISCLOSURES

a) 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. The transactions with related parties are in the ordinary course of business and on an Arm's length basis. Suitable disclosure as required by the applicable Accounting Standards, has been made in the Annual Report. A web link for policy on dealing with related party transactions is as under:

http://hegltd.com/wp-content/uploads/2018/05/Policy_on_Related_Party_Transactions-HEG-Limited.pdf

9. INDEPENDENT DIRECTORS' MEETING

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and also as per the Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 31st January, 2018 to review the performance of Non-independent Directors (including the Chairman, Managing Director & CEO) and the Board as 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://hegltd.com/wp-content/uploads/2018/05/whistle.pdf>

- b) There are no pecuniary relationships or transactions of Non-Executive Directors vis-a-vis the Company that have a potential conflict with the interests of the Company.
- c) 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.
- d) The Company has complied with the requirements of the Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- e) The Company has complied with the Corporate Governance requirements specified in regulation 17 to 27 and clauses (b)

to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- f) Disclosure of Commodity Price Risks and Commodity hedging activities: In the recent times sale and purchase of Graphite Electrodes have more or less Commoditised, with customers preferring price as a key driver. The key raw material for the same is petroleum based by product. There is a clear relationship in the Price movement of both, though with a small lead and lag effect. Both sourcing and sale contracts are short term these days and therefore offer ample opportunities for matching the Price movement on either side.
- g) The Company has a Policy for Determining Material Subsidiaries and the same is available on the Company's website and a weblink thereto is as under: http://heg ltd.com/wp-content/uploads/2017/04/Policy_for_Determining_Material_Subsiary.pdf.
At present the Company does not have any subsidiary.
- h) No personnel have been denied any access to the Audit Committee of the Company.
- i) The Company has complied with all the applicable Accounting Standards.
- j) 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 Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the financial year ended 31st March, 2018. The annual Certificate given by the Chairman, Managing Director & CEO and the Chief Financial Officer is published in this report.
- k) The Internal Auditor directly reports to the Audit Committee.
- l) The Audit Report contains unmodified audit opinion.

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 & CEO 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 2017-18."

14. MEANS OF COMMUNICATION

The Company publishes its quarterly results in leading national newspapers such as Business Standard in English language (all editions) and Nav Bharat in Hindi (Bhopal edition).

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. The results are not sent individually to shareholders.

15. DISCLOSURES REGARDING RE-APPOINTMENT OF DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri Satyendra Nath Bhattacharya, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

The first term of office of Smt. Vinita Singhania, as Independent Director, expires at the ensuing Annual General Meeting. The Board has recommended re-appointment of Smt. Vinita Singhania, as an Independent Directors of the Company for a second term of 5 (five) consecutive years. The requisite disclosures in respect of above are as under:

Name of Director	Shri Satyendra Nath Bhattacharya	Smt. Vinita Singhania
Date of Birth	20/02/1958	12/03/1952
Age	60 years	66 years
Date of Appointment on the Board	22/09/2015	12/11/2013
Qualifications	Graduate in Economics, Mathematics and Statistics with a Diploma in Marketing	Graduate in Arts
Experience & Expertise in specific functional areas	He has a rich Work experience of about 36 years with Life Insurance corporation of India Ltd. His area of expertise is Marketing.	Smt. Vinita Singhania is an Industrialist with diversified business experience. She is the Vice Chairman and Managing Director of JK Lakshmi cement Ltd and has a very long experience of managing cement business in particular. She was the First Woman President of Cement Manufacturers' Association (CMA) as well as National Council for Cement and Building Materials (NCBM).

Name of Director	Shri Satyendra Nath Bhattacharya	Smt. Vinita Singhania
List of other Public Ltd. Companies in which directorships held.	Gloster Ltd	1. JK Lakshmi Cement Ltd 2. JK Paper Ltd 3. Benagal & Assam Company Ltd 4. JKLC Employees' Welfare Association Limited
Chairman/ Member of the Committees of the Board of Directors of the Company.	-	-
Chairman/ Member of the Committee of Directors of other Companies.	-	-
a) Audit Committee	-	-
b) Stakeholders Relationship Committee	-	-
No of Equity Shares held in the Company	-	-
Number of Board Meetings attended during the year	4/5	4/5
Terms and conditions of appointment/ re-appointment	Non-Executive Director liable to retire by rotation	Terms and conditions of appointment are mentioned in draft letter of appointment
Remuneration sought to be paid and the remuneration last drawn	See Note-1 below.	See Note-1 below.
Relationship with Other Directors, Manager and Key Managerial Personnel	No relationship with other Director, Manager and Key Managerial Personnel.	No relationship with other Director, Manager and Key Managerial Personnel.
Justification for choosing the appointee as Independent Director	N.A.	As per Explanatory Statement of the notice.

Note - 1: The Non- Executive Directors (including Independent Directors) are only paid sitting fee for attending meetings of Board of Directors, Independent Directors and various Committee of Directors.

The Nomination and Remuneration Committee and Board of Directors in their respective meeting held on 31st January, 2018, subject to approval of shareholders, have proposed to pay commission to the Non-Executive Directors (including Independent Directors), collectively, not exceeding 1 per cent of the net profits of the Company, calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 for each year, for a period of five consecutive years starting from FY 2017-18.

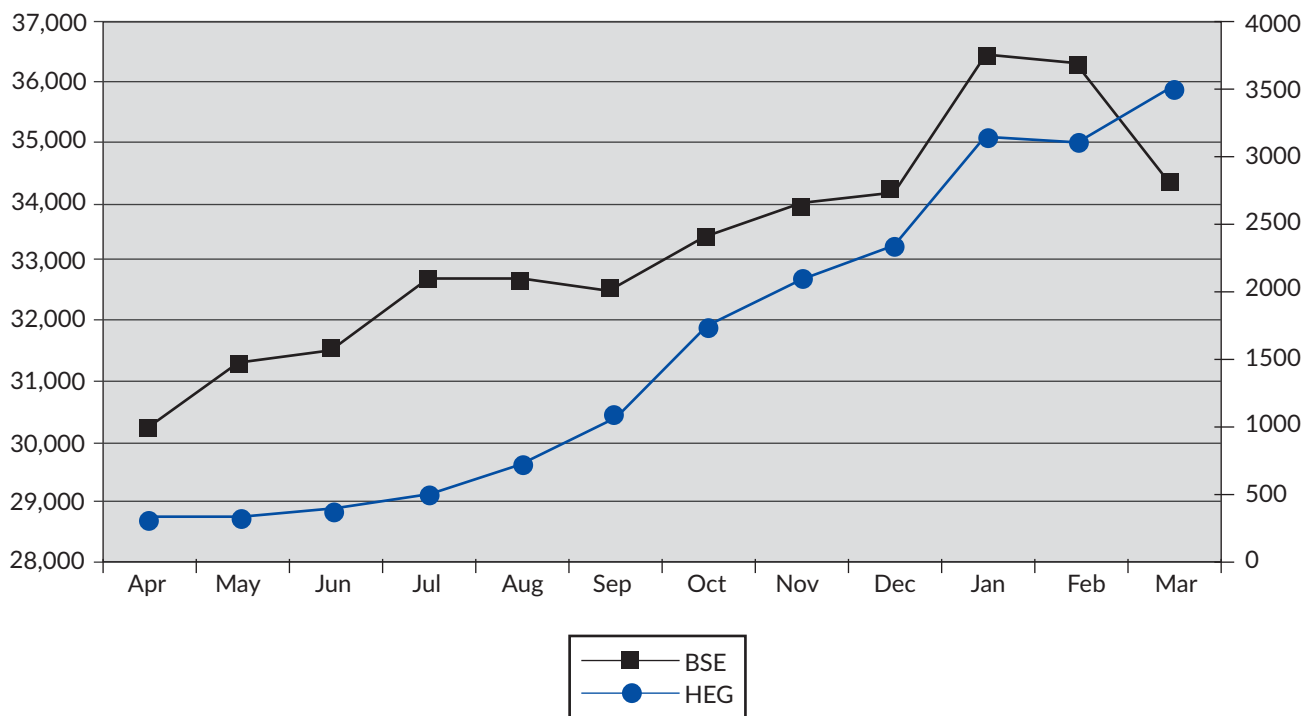
16. SHAREHOLDERS INFORMATION

a) Annual General Meeting: Date, Time & Venue	23 rd July, 2018 at 11.30 A.M. at the registered office of the Company at Mandideep, Near Bhopal, Distt. Raisen, Madhya Pradesh – 462046.
b) Financial Calendar:	Financial Year: 1 st April, 2018 – 31 st March, 2019. Reporting: a) First Quarter Results: Within 45 days of end of the 1 st Qtr b) Second Quarter Results: Within 45 days of end of the 2 nd Qtr c) Third Quarter Results: Within 45 days of end of the 3 rd Qtr d) Results for Fourth Quarter & the FY: Within 60 days of end of the FY
c) Date of Book Closure	17 th July, 2018 to 23 rd July, 2018 (both days inclusive).
d) Final dividend payment date:	If declared, will be paid within 30 days from the date of AGM.
e) Listing of Shares on Stock Exchanges	1. BSE Limited BSE- Corporate Office Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001 Phones : (022) 22721233/4,(022) 66545695 (Hunting) Fax : (022) 22721919 2. National Stock Exchange of India Limited NSE – Corporate Office Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra(E), Mumbai – 400051 Phones: (022) 26598100 – 8114 Fax No: (022) 26598120
f) Payment of Listing Fees	Annual Listing fees as applicable have been duly paid.
g) Stock Code / ISIN	Equity Shares : BSE: 509631 NSE : HEG ISIN : INE545A01016
h) Whether S&P BSE 500 Index	Yes

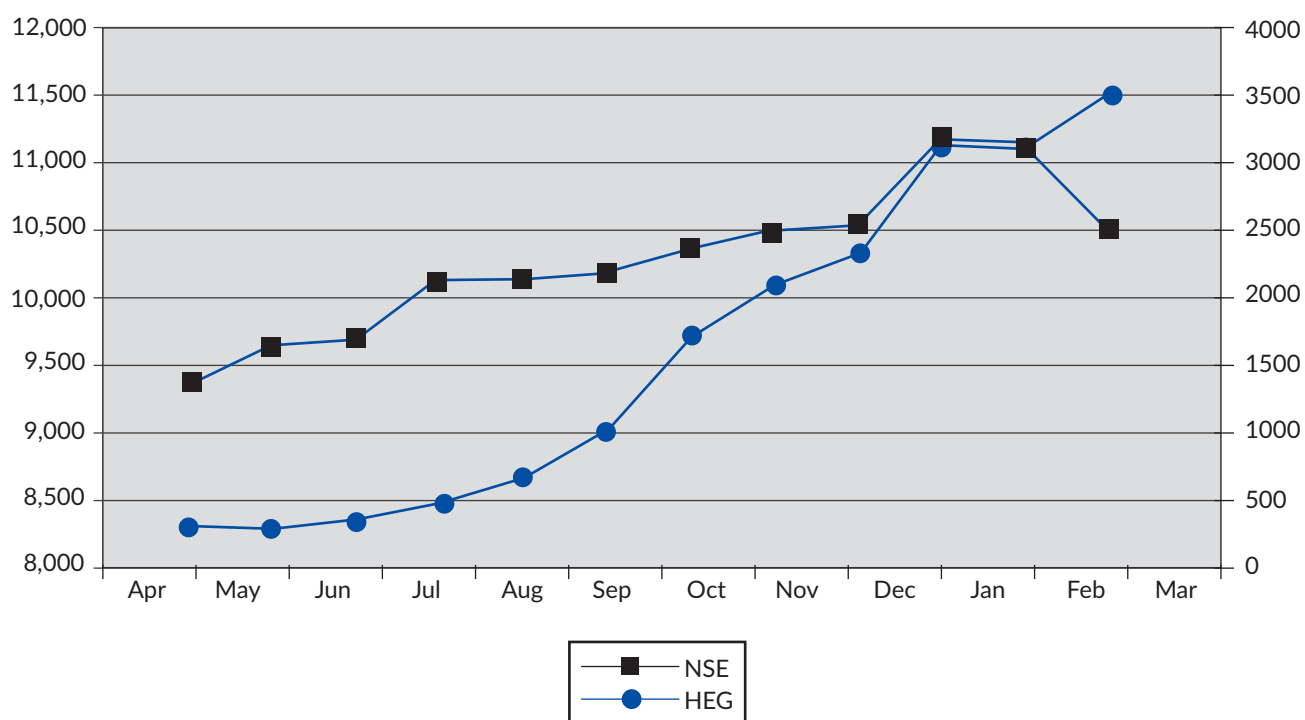
i) (i) Market Price Data: Monthly High Low values (in ₹) at NSE & BSE and comparison with BSE Sensex and Nifty.

Month	NSE		BSE		BSE SENSEX		NIFTY	
	High	Low	High	Low	High	Low	High	Low
April, 2017	322.80	220.10	327.30	218.10	30,184.22	29,241.48	9,367.15	9,075.15
May, 2017	319.00	232.50	318.60	233.00	31,255.28	29,804.12	9,649.60	9,269.90
June, 2017	374.50	250.70	373.50	251.70	31,522.87	30,680.66	9,709.30	9,448.75
July, 2017	507.90	370.20	508.00	370.25	32,672.66	31,017.11	10,114.85	9,543.55
August, 2017	705.00	460.00	704.00	455.00	32,686.48	31,128.02	10,137.85	9,740.10
September, 2017	1,054.00	655.30	1,068.00	655.50	32,524.11	31,081.83	10,178.95	9,687.55
October, 2017	1,743.90	940.25	1,743.60	939.65	33,340.17	31,440.48	10,384.50	9,831.05
November, 2017	2,098.55	1564.00	2,098.75	1,572.30	33,865.95	32,683.59	10,490.45	10,094.00
December, 2017	2,336.35	1,571.15	2,332.35	1,570.75	34,137.97	32,565.16	10,552.40	10,033.35
January 2018	3,144.30	2,377.40	3,146.95	2,380.05	36,443.98	33,703.37	11,171.55	10,404.65
February, 2018	3,098.00	2,211.55	3,095.00	2,214.65	36,256.83	33,482.81	11,117.35	10,276.30
March, 2018	3,515.00	2,413.00	3,514.05	2,431.45	34,278.63	32,483.84	10,525.50	9,951.90

(ii) Comparative chart of Company's share price movement vis-a-vis the movement of BSE Sensex during FY 2017-18:



iii) Comparative chart of Company's share price movement vis-a-vis the movement of Nifty during FY 2017-18:



j) 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

k) Share Transfer System:

Share Transfers are attended and registered within the prescribed time limit. The Company obtains from practicing Company Secretary a half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of same to stock exchanges.

l) Distribution of shareholding as on 31st March, 2018.

No. of Equity Shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1-500	43,991	96.44	28,40,693	7.11
501-1000	756	1.66	5,55,857	1.39
1001-2000	376	0.83	5,38,405	1.35
2001-3000	146	0.32	3,68,848	0.92
3001-4000	66	0.14	2,33,054	0.58
4001-5000	43	0.09	2,00,988	0.51
5001-10000	97	0.21	6,83,185	1.71
10001 & above	140	0.31	3,45,38,112	86.43
Total	45,615	100.00	3,99,59,142	100.00

m) Category of Shareholders

Category	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
Promoters and Promoter Group	26	0.06	2,43,89,979	61.04
Mutual Funds / UTI	20	0.04	8,80,907	2.20
Financial Institutions / Banks	9	0.02	2,710	0.01
Insurance Companies	4	0.01	38,22,082	9.56
Foreign Institutional Investors	44	0.10	15,86,406	3.97
Bodies Corporate	1,234	2.71	36,01,098	9.01
Individuals	43,521	95.41	53,55,458	13.40
Others:				
I) Trusts	3	0.01	490	0.01
II) IEPF	1	0.00	1,69,962	0.43
III) NRI Individuals	747	1.64	1,36,665	0.34
IV) NBFC's Registered with RBI	6	0.00	13,385	0.03
Total	45,615	100.00	3,99,59,142	100.00

n) Dematerialisation of shares and liquidity.	3,92,31,175 shares were dematerialised till 31st March, 2018 which was 98.18% 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.
o) Commodity price risk or foreign exchange risk and hedging activities	Please refer corporate apprehensions under the head Risk Management, which forms part of Management Discussion and Analysis
p) Outstanding GDRs/ADRs/warrants or any Convertible instruments, conversion date and likely impact equity.	There are no such instruments outstanding as on 31st March, 2018.
q) Plant Locations	a) Mandideep (Near Bhopal), Distt. Raisen- 462046, Madhya Pradesh. b) Village Ranipur, Tawa Nagar, Distt. Hoshangabad - 461001 Madhya Pradesh.
r) 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@Injbhilwara.com

CEO/CFO Certificate

Under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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, 2018 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 financial 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:
- i) Significant changes in internal control over financial reporting during the financial year;
 - ii) Significant changes in accounting policies during the financial year and the same have been disclosed in the notes to the financial statements; and
 - iii) 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
DIN: 00060972

Raju Rustogi
*Chief Financial Officer
and Chief Operating Officer*

Noida (U.P.)
8th May, 2018

Compliance Certificate

To,
The Board of Directors
HEG Limited

We have examined the compliance of conditions of Corporate Governance by HEG Limited ('the Company') for the financial year ended 31st March, 2018 as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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

For **SCV & CO.**
Chartered Accountants
Firm Regn. No.000235N

Sanjiv Mohan
Partner
Membership No 086066

Place : Noida (U.P.)
Date : 8th May, 2018