

# 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 composition of the Board satisfies the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with Section 149 of the Companies Act, 2013, (hereinafter referred to as "the Act").

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 Independent Directors constitute half of the total strength of Board as on 31<sup>st</sup> March, 2021, the details are as under:

Category of Directors	No. of Directors	% of total Directors
Independent Directors	5	50
Non Independent Non Executive Directors	3	30
Executive Directors	2	20
<b>Total</b>	<b>10</b>	<b>100</b>

As on 31<sup>st</sup> March, 2021, 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 Jhunjhunwala	Chairman, Managing Director & CEO -Promoter Executive	8	5	2	3	No
Shri Shekhar Agarwal	Promoter Non-executive#	4	3	0	4	Yes
Dr. Kamal Gupta	Independent	5	7	4	4	Yes
Dr. Om Parkash Bahl	Independent	0	0	0	4	Yes
Shri Satish Chand Mehta ##	Independent	0	0	0	4	Yes
Smt. Ramni Nirula	Independent	3	2	0	4	Yes
Shri Jayant Davar	Independent	4	2	0	4	Yes
Smt. Vinita Singhania	Non-Executive	5	0	0	3	Yes
Shri Riju Jhunjhunwala	Vice-Chairman Promoter Non-Executive ###	6	1	0	3	No
Shri Manish Gulati	Executive	0	0	0	4	Yes

#### 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. ("Listing Regulations"). Membership includes Chairmanship.

# Resigned from the position of Vice Chairman w.e.f. 17.06.2020.

## Re-appointed for a period of five years w.e.f. 23<sup>rd</sup> June, 2021. Approval of Members of the Company were obtained on 14<sup>th</sup> March, 2021 by way of Postal Ballot by passing special resolution.

### Designated as Vice- Chairman of the Company w.e.f. 17.06.2020.

All Directors are in compliance with the limit on Directorships as prescribed under Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors are related to each other except Shri Ravi Jhunjunwala and Shri Riju Jhunjunwala, being relatives.

Independent Director means Director as mandated in Listing Regulations and Section 149(6) of the Companies Act, 2013. All the Independent Directors have given the declaration of their independence at the beginning of the financial year.

None of the Directors on the Board:

- 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;
- holds directorships in more than ten public companies;
- serves as Director or as Independent Directors (ID) in more than seven listed entities; and
- who are the Executive Directors serves as IDs in more than three listed entities.

Due to the exceptional circumstances caused by the COVID-19 pandemic and consequent relaxations granted by MCA and SEBI, all Board Meetings / Committee Meetings in financial year 2020-21 were held through Video Conferencing and information as mentioned in Schedule II Part A of the SEBI Listing Regulations have been placed before the Board for its consideration.

The Company also has a Risk Management Policy in place, procedures to inform Members of the Board about the risk assessment and minimization.

## ii) Directorship in other listed entities including category of Directorship

Name of Director	Category of Directorship	Listed Entities
Shri Ravi Jhunjunwala	Promoter - Non-Executive Non-Executive Independent Promoter Non-executive Independent	RSWM Limited Maral Overseas Limited India Glycols Limited BSL Limited JK Lakshmi Cement Limited
Shri Shekhar Agarwal	Non-Executive Chairman, Managing Director & CEO - Promoter Executive Chairman, Managing Director & CEO - Promoter Executive Promoter Non-Executive	RSWM Limited Maral Overseas Limited Bhilwara Technical Textiles Limited BSL Limited
Dr. Kamal Gupta	Independent Independent	Maral Overseas Limited RSWM Limited
Dr. Om Parkash Bahl	-	-
Smt. Vinita Singhania	Vice Chairman, Managing Director Non-Executive Non-Executive Non-Executive	JK Lakshmi Cement Limited JK Paper Limited Bengal & Assam Company Limited Udaipur Cement Works Limited
Shri Riju Jhunjunwala	Chairman, Managing Director & CEO, (Promoter Executive) Promoter-Non-Executive	RSWM Limited Bhilwara Technical Textiles Limited
Shri Satish Chand Mehta	-	-
Smt. Ramni Nirula	Independent Non-Executive Independent	PI Industries Limited DCM Shriram Limited Usha Martin Limited
Shri Jayant Davar	Independent Managing Director	Jagran Prakashan Limited Sandhar Technologies Limited
Shri Manish Gulati	-	-

### iii) Matrix of Core Skills/ Expertise/ Competencies of Directors in context of business of the Company.

The Matrix setting out the skills, expertise and competencies of Directors as on 31<sup>st</sup> March 2021, in context of business of the Company is as under:

Sl. No	Name of Directors	Skills/Expertise/Competence					
		Knowledge on Company's businesses, policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities, the industry in which the Company operates and advising on domestic market and overseas market.	Behavioral skills – Attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company	Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making,	Financial and Management skills	Technical / Professional skills and specialized knowledge in relation to Company's business	Environment, Health and Safety and Sustainability- Knowledge of working on environment, health and safety and sustainability activities.
1	Shri Ravi Jhunjunwala	√	√	√	√	√	√
2	Shri Riju Jhunjunwala	√	√	√	√	√	√
3	Shri Shekhar Agarwal	√	√	√	√		√
4	Dr. Kamal Gupta	√	√	√	√		√
5	Dr. Om Parkash Bahl	√	√		√	√	√
6	Shri Satish Chand Mehta	√	√	√	√		√
7	Smt. Ramni Nirula	√	√		√		√
8	Smt. Vinita Singhania	√	√	√			√
9	Shri Jayant Davar	√	√	√	√		√
10	Shri Manish Gulati	√	√	√	√	√	√

### iv) 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
Dr. Kamal Gupta	189
Shri Riju Jhunjunwala	2,20,356

### v) Board Meetings

The Board meets at least once in every quarter to review quarterly results and other items on the agenda. Additional meetings are held when necessary. Four Board Meetings were held during the financial year ended the 31<sup>st</sup> March, 2021 through Video Conferencing as permitted by relevant SEBI circulars and MCA Circulars read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014 under provisions of Companies Act, 2013. These were held on 17<sup>th</sup> June, 2020, 10<sup>th</sup> August, 2020, 12<sup>th</sup> November, 2020 and 9<sup>th</sup> February, 2021. 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. One resolution was passed by circulation on 10<sup>th</sup> July 2020.

Keeping in view the underlying objective of Green Initiatives, the Company has adopted a practice of making electronic presentation of the Agenda of Board Meeting and other Committee Meetings in the form of a power point presentation, wherever required. The Agenda are mailed to all the Directors well in advance. However, as and when requests are received from Directors, the Agenda Paper are also circulated in hard copies well before the Board Meeting and other Committee Meetings.

### 3. Audit Committee

The Audit Committee has been constituted by the Board in compliance with the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations.

#### (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 committee;  
Provided that occasionally the Audit Committee may meet without the presence of any of the 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 the shareholder's 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 a qualifications and experience and registered as a valuer in such a 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 the 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 thereon;
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;
30. The Audit Committee shall consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

## ii) Composition of the Committee

The composition of the Audit Committee is as under:

Sl.No.	Name of Director	Designation	Category
1	Shri Satish Chand Mehta	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, Cost Auditors, Secretarial Auditor, 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 31<sup>st</sup> March, 2021, Four meetings were held through Video Conferencing as permitted by relevant SEBI circulars and MCA Circulars read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014 under provisions of Companies Act, 2013 on 17<sup>th</sup> June, 2020, 10<sup>th</sup> August, 2020, 12<sup>th</sup> November, 2020 and 9<sup>th</sup> February, 2021. The attendance at the above Meetings was as under:

Sl. No.	Name of Director	No. of meetings attended
1	Shri Satish Chand Mehta	4
2	Shri Shekhar Agarwal	4
3	Dr. Kamal Gupta	4
4	Dr. Om Parkash Bahl	4

## 4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been constituted by the Board in compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

### (i) Terms of Reference

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 and remuneration, in whatever form, payable to senior management;
- 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;

- h) to devise a policy on Board's diversity;
- i) to develop a succession plan for the Board and Senior Management and to regularly review the plan;
- j) Specify the manner of effective evaluation of performance of Board, its Committees and Individual Directors to be carried out either by Board, the Nomination and Remuneration Committee or by independent external agency and review its implementation and compliance;
- k) 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	Dr. Kamal Gupta	Chairman	Independent Director
2	Dr. Om Parkash Bahl	Member	Independent Director
3	Smt. Ramni Nirula	Member	Independent Director

The Company Secretary acts as Secretary of the Committee.

### (iii) Meetings and Attendance

During the financial year ended 31<sup>st</sup> March, 2021, three meetings were held through Video Conferencing as permitted by relevant SEBI circulars and MCA Circulars read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014 under provisions of Companies Act, 2013 on 17<sup>th</sup> June, 2020, 10<sup>th</sup> August, 2020 and 9<sup>th</sup> February, 2021.

The attendance at the above Meetings was as under:

Sl.No.	Name of Director	No. of meetings attended
1	Dr. Kamal Gupta	3
2	Dr. Om Parkash Bahl	3
3	Smt. Ramni Nirula	3

## 5. Stakeholders Relationship Committee

The Stakeholders' Relationship Committee has been constituted by the Board in compliance with the requirements of Section 178 (5) of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

### (i) Broad Terms of Reference

- (1) Resolving the grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants, annual reports, statutory notices by the shareholders of the Company.

**(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	Independent Director
4	Dr. Om Parkash Bahl	Member	Independent Director

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

**(iii) Meetings and Attendance**

During the financial year ended 31<sup>st</sup> March, 2021, Four meetings were held on 26<sup>th</sup> June, 2020, 24<sup>th</sup> August, 2020, 20<sup>th</sup> November, 2020, and 20<sup>th</sup> February, 2021.

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	2
3	Dr. Kamal Gupta	4
4	Dr. Om Parkash Bahl	4

The Company received 33 complaints from Shareholders during the financial year 2020-21 and all were resolved to the satisfaction of the shareholders.

**6. Corporate Social Responsibility Committee**

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board in compliance with the requirements of Section 135 of the Companies Act, 2013.

**(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),
- Monitor the Corporate Social Responsibility Policy of the Company from time to time; and
- Any other functions as may deem fit by the CSR Committee/Board or as may be necessitated by any regulatory framework as amended 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	Smt. Vinita Singhania	Member	Non-Executive Director
3	Shri Satish Chand Mehta	Member	Independent Director



### (iii) Meetings and Attendance

During the financial year ended 31<sup>st</sup> March, 2021, four meetings were held through Video Conferencing as permitted by relevant SEBI circulars and MCA Circulars read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014 under provisions of Companies Act, 2013 on 17<sup>th</sup> June, 2020, 10<sup>th</sup> August, 2020, 12<sup>th</sup> November, 2020 and 9<sup>th</sup> February, 2021.

The attendance at the above Meetings was as under: -

Sl. No.	Name of Director	No. of meetings attended
1	Shri Ravi Jhunjhunwala	3
2	Smt. Vinita Singhania	3
3	Shri Satish Chand Mehta	4

## 7. Risk Management Committee

The Risk Management Committee has been constituted by the Board in compliance with the requirements of Regulation 21 of the Listing Regulations.

### (i) Broad Terms of Reference

- (1) To formulate a detailed risk management policy which shall include:
  - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- (7) Revision/updation/implementation of SOPs relating to Cyber Security;
- (8) Any other functions as may deem fit by the Risk Management Committee/ Board or as may be necessitated by any regulatory framework as amended from time to time in connection with the risk management of the Company.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

**(ii) Composition of the Committee**

Sl.No.	Name of Director	Designation	Category
1	Shri Ravi Jhunjhunwala	Chairman	Executive Promoter Director
2	Dr. Kamal Gupta	Member	Independent Director
3	Smt. Ramni Nirula	Member	Independent Director

**(iii) Meetings and Attendance**

During the financial year ended 31<sup>st</sup> March, 2021, one meeting was held through Video Conferencing as permitted by relevant SEBI circulars and MCA Circulars read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014 under provisions of Companies Act, 2013 on 12<sup>th</sup> November, 2020.

The attendance at the above Meeting was as under: -

Sl.No.	Name of Director	No. of meeting attended
1	Shri Ravi Jhunjhunwala	1
2	Dr. Kamal Gupta	1
3	Smt. Ramni Nirula	1

**8. Independent Directors' Meeting**

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and also as per the Regulation 25 of Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 9<sup>th</sup> February, 2021 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 & its Committees which is necessary to effectively and reasonably perform and discharge their duties. Further, the Independent Directors have included their names in the databank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

**9. Performance Evaluation Criteria of Independent Directors**

Pursuant to Regulation 17 of the Listing Regulations, evaluation of Independent Directors was carried out by the entire Board. Only the Independent Director being evaluated did not participate in the said evaluation discussion. All Independent Directors fulfill the independence criteria and are independent of management.

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

**10. Familiarisation Programme**

Pursuant to the Code of Conduct for Independent Directors specified under the Act and the SEBI Listing Regulations, the Company has in place a familiarization programme for all its Independent Directors. Such familiarization programmes help the Independent Directors to understand the Company's strategy, business model, operations, markets, organization structure, risk management etc. and such other areas as may arise from time to time. The Familiarization 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/2021/04/Details-of-Familiarisation-Programmes-imparted-to-Indep.-Directors.pdf>

## 11. Remuneration of Directors

### (i) Details of Remuneration paid to the Directors for the financial year ended 31<sup>st</sup> March, 2021.

(₹ in Lakhs)

Name of Director	Salary	Benefits	Commission	Bonuses	Stock Option & Pension	Sitting Fee	Total
Shri Ravi Jhunjunwala	96.00	51.34	-	-	-	-	147.34
Shri Shekhar Agarwal	-	-	-	-	-	6.00	6.00
Dr. Kamal Gupta	-	-	-	-	-	11.60	11.60
Dr. Om Parkash Bahl	-	-	-	-	-	11.40	11.40
Smt. Vinita Singhania	-	-	-	-	-	2.25	2.25
Shri Riju Jhunjunwala	-	-	-	-	-	2.65	2.65
Shri Satish Chand Mehta	-	-	-	-	-	6.75	6.75
Smt. Ramni Nirula	-	-	-	-	-	6.20	6.20
Shri Jayant Davar	-	-	-	-	-	3.75	3.75
Shri Manish Gulati	84.93	10.35	-	-	-	-	95.28

Shareholders at the 46<sup>th</sup> Annual General Meeting of the Company approved the payment of commission to the Non Executive Directors (including Independent Directors) within the ceiling of 1% of net profits of the Company as computed under applicable provisions of Companies Act, 2013. The said commission is decided each year by the Board of Directors and distributed among them based on their attendance, responsibility as Chairman/Member of committee as well as time spent on operational matters.

In addition to above, the Company also pays sitting fees and reimburses out of pocket expenses incurred for attending the meeting of the Board/Committees to the Non-Executive Directors including Independent Directors of the Company.

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.

### ii) 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/2018/08/Criteria-of-making-payments-to-Non-Executive-Directors.pdf>

### iii) Pecuniary Transactions

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.

## 12. Code of Conduct

The Company has 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.hegltd.com](http://www.hegltd.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 2020-21."

### 13. Vigil Mechanism/Whistle Blower Policy

The Company is committed to pursue its business objectives in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour and has put in place a mechanism for reporting unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct. The Company has a Vigil Mechanism and Whistle-blower policy under which the employees or any other person are free to report. The Whistle-blower policy is available on the Company's website and a weblink thereto is as under:

<http://hegltd.com/wp-content/uploads/2018/07/Whistle-Blower-Policy-08.05.2018.pdf>

During the year, no personnel has been denied access to the audit committee and no complaints were received.

### 14. Prevention of Sexual Harassment of Women at Workplace

The protection against sexual harassment and right to work with dignity are universally recognized human rights. To provide safe working environment to women the LNJ Bhilwara Group has in place Policy on Prevention, Prohibition and Redressal against sexual harassment of Women Employees. The purpose of this policy is to communicate that LNJ Bhilwara Group has a "zero tolerance" approach towards sexual harassment to women at workplace. The disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, are as under:

- (a) Number of complaints filed during the Year: NIL
- (b) Number of complaints disposed off during the Year : NA
- (c) Number of complaints pending as on end of the Year: NA

### 15. 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 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/2020/07/Related-Party-Transaction-Policy.pdf>

- b) 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.
- c) The Company has complied with the requirements of the Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- d) The Senior Management Personnel of the Company have confirmed to the Board of Directors that they do not have any personal interest relating to material, financial and commercial transactions entered into with the Company that may have a potential conflict with the interests of the Company at large.

#### e) 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 a 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.

The Risk Management Framework includes inter-alia risk identification of raw material availability and cost, the markets for its products, foreign exchange etc. The functional heads / location heads are responsible for managing risk on various parameters and ensure implementation of appropriate and timely risk mitigation measures. Risks affecting the entire Company are discussed at Head Office. Risk perception and mitigation plan is presented to the Board on half yearly basis. With the constitution of the Risk Management

Committee, the same would also be discussed at the committee level and then placed before the Board.

There is no hedging mechanism for Company's material inputs as well as finished products in terms of price. The suppliers of Calcined Petroleum Needle coke (which is the key input) usually resort to annual quantity contract which is subject to the pricing to be discussed and mutually agreed on quarterly / half yearly basis. Therefore, it is not practically possible to provide data in the format as prescribed by SEBI circular dated 15<sup>th</sup> November, 2018. The pricing of electrodes (which is the key finished product) is usually fixed at the time of procuring order and do not vary in normal circumstances. In any case, the market conditions for Calcined Petroleum Needle coke and for finished electrodes are similar, such that changes in the prices of Calcined Petroleum Needle coke tend to remain in tandem (except for short transitional periods) with the price of the relevant finished electrodes. Therefore, there are no hedging arrangements with regard to future prices of Calcined Petroleum Needle coke. In view of the above factors, the price risk exposure is not material.

Company usually has foreign exchange exposure in the form of export receivables and payables for import, foreign currency loans and certain expenditure. The foreign currency risk exposures usually gets balanced and the resultant net asset / liability is not material. The position of unhedged currency wise foreign exchange risk exposure as on 31<sup>st</sup> March, 2021 is incorporated in note no. 46 to the Standalone Financial Statements.

- f) 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://hegltd.com/wp-content/uploads/2020/07/Material-subsidary.pdf>

At present the Company does not have any Subsidiary.

- g) The Company has complied with all the applicable Accounting Standards.
- 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 Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the financial year ended 31<sup>st</sup> March, 2021. The Annual Certificate given by the Chairman, Managing Director & CEO and the Chief Financial Officer is published in this report.
- i) The Internal Auditor directly reports to the Audit Committee. The Internal Auditor makes presentations and reports to the Audit Committee of the Company on a quarterly basis pertaining to the key internal audit findings and the action plan agreed with the Management.
- j) The Audit Report contains unmodified audit opinion.
- k) Total fee paid to Statutory Auditor for all services rendered is ₹18,35,000
- l) No funds have been raised through preferential allotment or qualified institutions placement.
- m) During the financial year 2020-21, the Board of Directors have accepted all the recommendations of its committees.
- n) The Company has obtained Directors & Officer insurance (D & O) policy for all the Directors including Independent Directors of the Company and details of same have been placed quarterly in the Audit Committee Meeting.
- o) 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.

## 16. Certificates

1. Certificate from JAIN VINEY & ASSOCIATES, Practicing Company Secretaries has been obtained that none of the Directors on Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI or Ministry of Corporate Affairs or any such authority. The certificate is reproduced as under:

### CERTIFICATE UNDER REGULATION 34(3) OF SEBI (LODR) REGULATIONS, 2015

We JAIN VINEY & ASSOCIATES, Practicing Company Secretaries, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of HEG Limited (CIN: L23109MP1972PLC008290) having registered office at MANDIDEEP, NEAR BHOPAL, DIST RAISEN MADHYA PRADESH-462046 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

S. No.	Name of Directors	DIN	Date of Appointment
1	RAMNI NIRULA	00015330	31/10/2018
2	KAMAL GUPTA	00038490	10/11/1994
3	VINITA SINGHANIA	00042983	31/10/2018
4	RAVI JHUNJHUNWALA	00060972	08/09/1979
5	RIJU JHUNJHUNWALA	00061060	30/04/2009
6	SHEKHAR AGARWAL	00066113	15/07/1996
7	JAYANT DAVAR	00100801	14/08/2019
8	SATISH CHAND MEHTA	02460558	23/06/2016
9	OM PARKASH BAHL	02643557	30/04/2009
10	MANISH GULATI	08697512	01/03/2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Note: To contain the spread of COVID19, government of different states announced a series of lockdown/partial lockdown resulting in restriction in movements and opening of offices and availability of documents. Due to COVID19 pandemic impact, the compliance documents were obtained through electronic mode and verified with requirements.

**For Jain Viney & Associates**  
Company Secretaries

Sd/-

**Viney Kumar Jain**

Company Secretary In Practice

M.No.: F 5376

CP. No.: 4614

UDIN: F005376C000376494

Place: New Delhi

Date: 27<sup>th</sup> May, 2021

2. CEO/CFO Certificate Under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is reproduced as under:

## 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 31<sup>st</sup> March, 2021 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

**Gulshan Kumar Sakhuja**  
Chief Financial Officer  
M.No. 504626

Place : Noida (U.P.)  
Date : 27<sup>th</sup> May, 2021

**3. Statutory Auditor Certificate for compiling the conditions of Corporate Governance, is reproduced as under:**

## Independent Auditors' Certificate on Corporate Governance

To the Members of  
**HEG Limited**

We, SCV & Co. LLP, Chartered Accountants, the Statutory Auditors of HEG Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31<sup>st</sup> March 2021, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

### Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

### Auditor's Responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of accounts and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended 31<sup>st</sup> March, 2021.

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. LLP**

Chartered Accountants

Firm Reg. No: 000235N/N500089

**Sanjiv Mohan**

Partner

Membership No.: 086066

UDIN: UDIN: 21086066AAAAJR3658

Place: Ludhiana

Dated: 27<sup>th</sup>. May, 2021



## 17. 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
23 <sup>rd</sup> July, 2018	2017-2018	Mandideep, (Near Bhopal), Distt. Raisen, Madhya Pradesh – 462 046	11.30 A.M.	Yes
20 <sup>th</sup> August, 2019	2018-2019	Mandideep, (Near Bhopal), Distt. Raisen, Madhya Pradesh – 462 046	3.00 P.M.	Yes
11 <sup>th</sup> September, 2020	2019-2020	Video conferencing (VC) and/or other audio-visual means (OAVM), without physical presence of members. The venue of the AGM was deemed to be the Registered Office of the Company at Mandideep (Near Bhopal,) Distt. Raisen – 462 046, Madhya Pradesh.	2.30 P.M.	Yes

No Extra-ordinary General Meeting took place during the financial year 2020-21.

### 17A. Postal Ballot

- (i) The Company has issued Postal Ballot Notice dated 9<sup>th</sup> February, 2021, in compliance with Section 110 read with Section 108 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 (“the Rules”) also read with General Circulars No. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 22/2020 dated June 15, 2020, No. 33/2020 dated September 28, 2020 and No. 39/2020 dated December 31, 2020 issued by Ministry of Corporate Affairs (“MCA Circulars”), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) including any statutory modification or re-enactment thereof for the time being in force, Secretarial Standard -2 issued by the Institute of Company Secretaries of India and any other applicable laws and regulations to transact the below mentioned special businesses by the Members of HEG Limited (“the Company”) through Postal Ballot by remote e-voting process (e-voting) only:
  - a) To approve request received from Mekima Corporation, Member of Promoter Group for reclassification from “Promoter and Promoter Group” category to “Public” category.
  - b) To approve re-appointment of Shri Satish Chand Mehta (DIN: 02460558), Independent Director for a second term of five years w.e.f. 23<sup>rd</sup> June, 2021.
- (ii) Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members on Friday, the February 5, 2021 (the Cut-off date).
- (iii) Facility for voting through Postal Ballot and electronic means was available during the following period-
  - commencement of voting from Saturday, February 13, 2021 at 9.00 A.M. (IST); and
  - ended on Sunday, March 14, 2021 at 5.00 P.M. (IST) (both days inclusive).
- (iv) The Company had appointed Mr. Viney Kumar Jain, a Practicing Company Secretary (Certificate of Practice No. 4614 & Membership No. FCS 5376), Proprietor of JAIN VINEY & ASSOCIATES, Company Secretaries, as the Scrutinizer to conduct the Postal Ballot only through remote e-voting process in a fair and transparent manner.
- (v) The Results of the Postal Ballot was declared on March 15, 2021 and resolutions were passed by requisite majority, deemed to be passed on the 14<sup>th</sup> March, 2021 i.e. last date specified by the Company for remote e-voting, i.e. Sunday, March 14, 2021.
- (vi) Consolidated summary of results of Postal Ballot is as under:

**Item No.1** Approval of request received from Mekima Corporation, Member of Promoter Group for reclassification from “Promoter and Promoter Group” category to “Public” category

Type of resolution: Ordinary Resolution

Method of voting	No. of shares held	Voted in favour of resolution	Voted against the resolution	Percentage of total favourable votes cast (valid)
Remote E-Voting	38595506	26273358	6390	99.98
Total	38595506	26273358	6390	99.98

**Item No.2** - Approval for re- appointment of Shri Satish Chand Mehta (DIN:02460558), Independent Director for a second term of five years w.e.f. 23<sup>rd</sup> June, 2021:

Type of resolution: Special Resolution

Method of voting	No. of shares held	Voted in favour of resolution	Voted against the resolution	Percentage of total favourable votes cast (valid)
Remote E-Voting	38595506	25934747	344976	98.69
Total	38595506	25934747	344976	98.69

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

## 18. 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.

All price sensitive information and matters that are material to shareholders are disclosed to the respective Stock Exchanges where the securities of the Company are listed. The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre, for dissemination on their respective websites. The stock exchange filings are also made available on the website of the Company at [www.heg ltd.com](http://www.heg ltd.com)

## 19. Disclosures Regarding Appointment/Re-Appointment of Directors in the ensuing Annual General Meeting

Re-appointment of the following Directors are placed for Shareholders approval in the ensuing Annual General Meeting of the Company.

- Shri Riju Jhunjunwala (DIN: 00061060), Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.
- Shri Shekhar Agarwal (DIN: 00066113), Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

All the above re-appointments have been recommended by Nomination and Remuneration Committee.

The Board hereby recommends all the above appointment/re-appointment for approval of shareholders in the ensuing Annual General Meeting.

The requisite disclosures in respect of the above is attached as an Annexure at page no. 86-87 of this report.

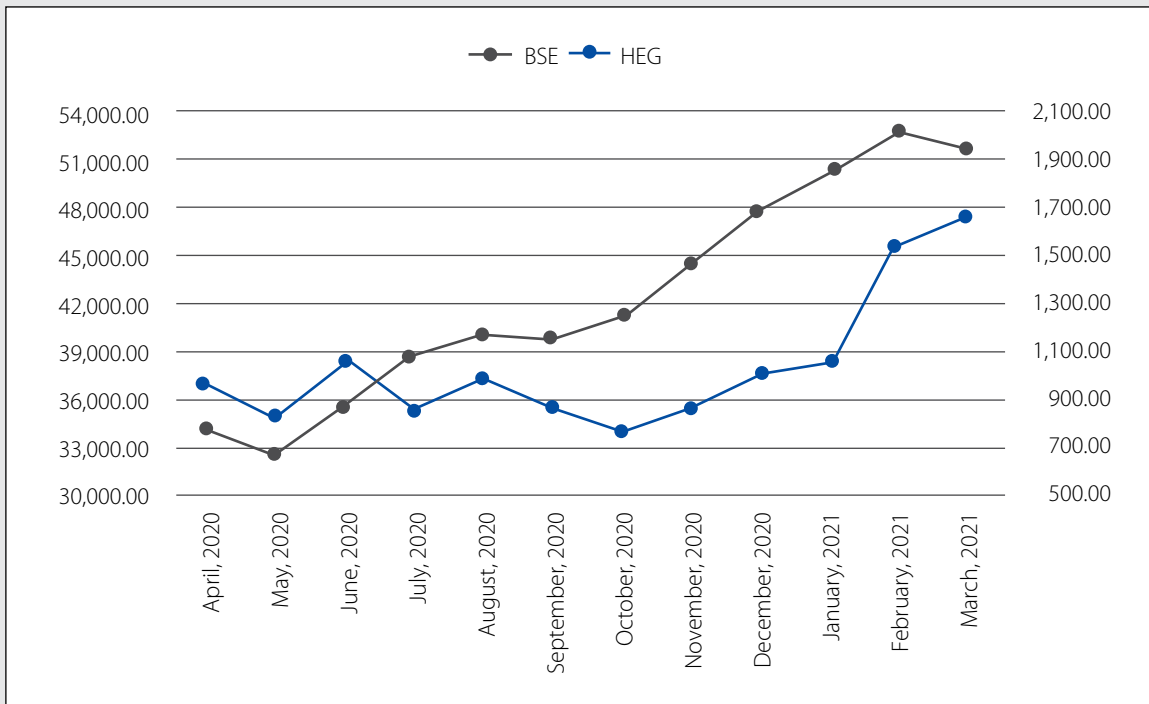
## 20. Shareholders' Information

a) Annual General Meeting (AGM): Date, Time & Venue	Wednesday, 28.07.2021 at 11.00 A.M through Video Conferencing / Other Audio Visual Means facility (Deemed Venue for Meeting: Registered Office at Mandideep (Near Bhopal), Distt. Raisen – 462046, Madhya Pradesh).
b) Financial Year	Financial Year: 1 <sup>st</sup> April, 2020 – 31 <sup>st</sup> March, 2021.
c) Date of Book Closure	Thursday, 22.07.2021 to Wednesday 28.07.2021 (both dates inclusive)
d) Dividend payment date:	The Final Dividend, if declared will be paid within 30 days from the date of AGM. The same is subject to TDS. You may visit <a href="http://www.hegltd.com">www.hegltd.com</a> for details.
e) Listing of Shares on Stock Exchanges	<p>1. BSE Limited BSE- Corporate Office Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001 Phones : (022) 22721233/4, (022) 66545695 (Hunting) Fax : (022) 22721919</p> <p>2. National Stock Exchange of India Limited NSE – Corporate Office Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Phones: (022) 26598100 – 8114 Fax No: (022) 26598120</p>
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

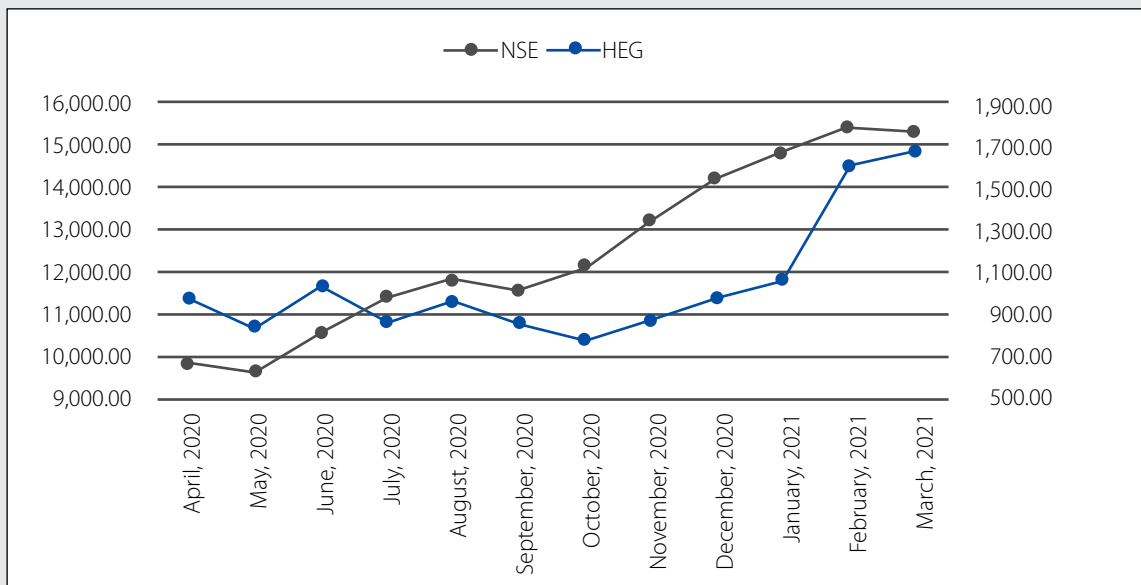
i) (i) Market Price Data: Monthly High-Low values (in ₹) at NSE & BSE and comparison with BSE Sensex and Nifty:

Month	NSE		BSE		BSE SENSEX		NIFTY	
	High	Low	High	Low	High	Low	High	Low
April, 2020	955.00	481.10	957.00	484.00	33,887.25	27,500.79	9,889.05	8,055.80
May, 2020	829.80	722.00	831.20	722.80	32,845.48	29,968.45	9,598.85	8,806.75
June, 2020	1,020.00	768.00	1,024.50	770.00	35,706.55	32,348.10	10,553.15	9,544.35
July, 2020	878.80	720.35	878.45	706.40	38,617.03	34,927.20	11,341.40	10,299.60
August, 2020	950.00	721.80	949.85	722.80	40,010.17	36,911.23	11,794.25	10,882.25
September, 2020	867.05	696.25	866.50	697.80	39,359.51	36,495.98	11,618.10	10,790.20
October, 2020	761.20	667.00	761.00	667.55	41,048.05	38,410.20	12,025.45	11,347.05
November, 2020	884.00	659.00	883.70	659.15	44,825.37	39,334.92	13,145.85	11,557.40
December, 2020	967.95	798.10	968.10	798.00	47,896.97	44,118.10	14,024.85	12,962.80
January, 2021	1,069.90	912.20	1,069.85	910.85	50,184.01	46,160.46	14,753.55	13,596.75
February, 2021	1,593.00	937.30	1,592.00	937.25	52,516.76	46,433.65	15,431.75	13,661.75
March, 2021	1,685.45	1,408.65	1,684.80	1,390.00	51,821.84	48,236.35	15,336.30	14,264.40

(ii) Comparative chart of Company's share price movement vis-a-vis the movement of BSE Sensex during FY 2020-2021:



(iii) Comparative chart of Company's share price movement vis-à-vis the movement of Nifty during FY2020-2021:



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: SEBI had mandated that, effective from 1<sup>st</sup> April 2019, securities of listed companies can only be transferred in dematerialized form except where the claim is lodged for transmission or transposition of shares or where the transfer deed(s) was/were lodged prior to 1<sup>st</sup> April 2019 and returned due to deficiency in the documents. Shares received in physical form for transfer are attended and transferred within the stipulated period from the date of lodgement subject to documents being valid and complete in all the respects. During the year, the Company had obtained, on half-yearly basis, a certificate, from a Company Secretary in practice, as required under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and filed copy of the same with the Stock Exchanges. Further, the Company is complied with the Operational guidelines issued by the SEBI for Transfer and Dematerialization of re-lodged physical shares.

#### l) Distribution of shareholding as on 31<sup>st</sup> March, 2021:

No. of Equity Shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1-500	1,40,297	98.66	49,47,652	12.82
501-1000	1,094	0.77	8,10,594	2.10
1001-2000	437	0.31	6,26,412	1.62
2001-3000	131	0.09	3,27,927	0.85
3001-4000	47	0.03	1,60,779	0.42
4001-5000	29	0.02	1,33,761	0.35
5001-10000	62	0.05	4,37,221	1.13
10001 & above	101	0.07	3,11,51,160	80.71
Total	1,42,198	100.00	3,85,95,506	100.00

#### m) Category of Shareholders as on 31<sup>st</sup> March, 2021:

Category	No. of shares held	% of shareholding
Promoters and Promoter Group	2,30,10,031	59.62
Mutual Funds	44,758	0.12
Financial Institutions / Banks / Central Govt. / State Govt. Institutions	2,337	0.00
Insurance Companies	28,12,593	7.29
Foreign Institutional Investors	36,41,085	9.43
Bodies Corporate	16,05,594	4.16
Individuals	70,00,831	18.14
Others:		
I) Trusts	732	0.00
II) Societies	1,000	0.00
III) IEPF	2,21,333	0.57
IV) NRI Individuals	2,41,651	0.63
V) NBFCs' Registered with RBI	13,561	0.04
Total	3,85,95,506	100.00

**Note:** Pursuant to Regulation 31A(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for Re-classification of Mekima Corporation, a member of Promoter group from "Promoter and Promoter Group" Category to "Public" Category, an application has already been submitted to BSE Limited and National Stock Exchange of India Limited on 17<sup>th</sup> March, 2021 by HEG Limited. Approval of the same is still awaited.

n) Dematerialization of shares and liquidity.	3,81,62,884 equity shares were dematerialized till 31 <sup>st</sup> March, 2021 which was 98.88 % of the total paid-up Equity Share Capital of the Company on that date. The Company has sent communication to the shareholders encouraging them to dematerialize their physical holding in the Company. During the year, requests for dematerialization of shares are processed and confirmation thereof is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) within the statutory time limit from the date of receipt of share certificates and related documents. Trading in equity shares of the Company is permitted only in dematerialized form.
o) Commodity price risk or foreign exchange risk and hedging activities	Please refer point no, 15(e) above and the head Risks and its mitigation, which forms part of Management Discussion and Analysis.
p) Outstanding GDRs/ADRs/warrants or any Convertible instruments, conversion date and likely impact on equity.	There are no such instruments outstanding as on 31 <sup>st</sup> March, 2021.
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

#### s) Transfer of Shares to the Investor Education and Protection Fund (IEPF)

Attention to the members is drawn to the provisions of Section 124(6) of the Companies Act, 2013 ('the Act'), read with relevant Rules, the Company is required to transfer the shares for which dividend has not been paid or claimed for 7 consecutive years or more to Investor Education and Protection Fund (IEPF).

The Company had sent individual communication to Members whose shares were liable to be transferred under the Rules at their registered address informing them of the above and for taking appropriate action.

Accordingly, the Company has transferred the equity shares in respect of which dividend upto 2012-13 has not been claimed or paid for a period of seven consecutive years or more to the IEPF.

The details are also available on website at [www.heg ltd.com](http://www.heg ltd.com) and website of IEPF Authority at [www.iepf.gov.in](http://www.iepf.gov.in). No claim shall lie against the Company in respect of unclaimed dividend amounts and the corresponding shares transferred to IEPF, pursuant to relevant Rules. Members should note that both the unclaimed dividend and the shares transferred to IEPF can be claimed back by them from IEPF Authority by submitting an online application in web Form No. IEPF-5 available on the website of the IEPF Authority ([www.iepf.gov.in](http://www.iepf.gov.in)) and sending a duly signed physical copy of the same alongwith requisite documents enumerated in the Form No. IEPF-5 duly completed in all respect, to the Company.

The details of unclaimed dividend and shares transferred to IEPF during the financial year 2020-21 are given hereunder:

Financial Year	Amount of unclaimed dividend transferred (₹ in lakhs)	Number of shares transferred
2012-13	39.73	20,142

**Tentative schedule for transfer to IEPF is as under:**

Date of Declaration of Dividend	Financial Year	Tentative Schedule for transfer to IEPF
30-08-2014	2013-14	30-09-2021
22-09-2015	2014-15	23-10-2022
08-02-2018	2017-18 (Interim)	12-03-2025
23-07-2018	2017-18 (Final)	23-08-2025
31-10-2018	2018-19 (Interim)	05-12-2025
20-08-2019	2018-19 (Final)	24-09-2026
11-02-2020	2019-20 (Interim)	18-03-2027

#### t) Credit Rating

HEG Limited's Long-Term Issuer Rating is 'IND AA-' issued by India Ratings and Research (Ind-Ra) vide its letter dated 14<sup>th</sup> July, 2020. The Outlook is Stable. All credit ratings obtained by the Company are disclosed on the website of the Company i.e. www.heg ltd.com. No credit rating has been obtained for any fixed deposit programme during the financial year 2020-21.

Place: Noida (U.P.)  
Dated: 27<sup>th</sup> May, 2021

For and on behalf of the Board of Directors

**Ravi Jhunjunwala**

Chairman, Managing Director & CEO

DIN: 00060972

## Annexure

### Details of Directors eligible for appointment/re-appointment pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2.

Name of Director	Riju Jhunjunwala	Shekhar Agarwal
DIN	00061060	00066113
Category of Directorship	Promoter Non-Executive	Promoter Non-Executive
Date of Birth	13.01.1979	09.10.1952
Age	42 years	68 years
Date of Appointment on the Board	30.04.2009	15.07.1996
Qualification	Graduate in Business Management Studies from University of Bradford, UK	B.Tech (Mech), IIT Kanpur, Master of Science Degree in Industrial & Systems Engineering from Illinois Institute of Technology, Chicago, USA
Experience	<p>Shri Riju Jhunjunwala is an Industrialist with diversified business experience in Textile, Power, IT, Skill Development and Graphite Electrodes.</p> <p>He is the Chairman, Managing Director of RSWM Limited and Managing Director of Bhilwara Energy Ltd.</p> <p>He is also active in industry and social associations. He has been the past president of the Entrepreneurs Organization (Delhi Chapter) among some others.</p> <p>He is an avid reader of history and biographies and has a keen interest in general affairs and politics.</p>	<p>Shri Shekhar Agarwal, with nearly 40 years' experience in the textiles industry, is the Chairman and Managing Director of Maral Overseas Ltd. and Bhilwara Technical Textiles Ltd. He is also the Chairman of BMD Pvt. Ltd.</p> <p>Mr. Agarwal obtained his B.Tech. (Mechanical Engineering) from IIT, Kanpur in 1975 and went on to get his Master of Science Degree in Industrial &amp; Systems Engineering in 1976 from Illinois Institute of Technology, Chicago, USA. He worked as a Senior Industrial &amp; System Engineer with Rego Co., Chicago from December 1976 to May 1980, having trained &amp; practiced MOST, the Maynard Operations Sequencing Technique for manufacturing high quality valves &amp; regulators for the LPG &amp; Compressed gas industries.</p> <p>He is a former Chairman of the Confederation of Indian Textile Industry (CITI) (formerly ICMF), the apex body for the total textile industry in India and former President of Northern India Textile Mills Association (NITMA).</p>
No. of other Directorships in public Ltd Companies	Bhilwara Energy Ltd RSWM Ltd Bhilwara Infotechnology Ltd Bhilwara Technical Textiles Ltd NJC Hydro Power Ltd Chango Yangthang Hydro Power Ltd	RSWM Limited Maral Overseas Limited BSL Limited Bhilwara Technical Textiles Limited
Chairman/Member of the Committees of the Board of Directors of the Company.#		
Audit Committee	-	Member
Stakeholders Relationship Committee	Chairman	-
No of Equity Shares held in the Company	2,20,356	-
Number of Board Meetings attended during the year	3/4	4/4
Chairman/Member of the Committees of the Board of Directors of Other Companies#		
Audit Committee	-	BSL Limited - Member
Stakeholders Relationship Committee	Bhilwara Technical Textiles Limited - Member	RSWM Limited - Member Maral Overseas Limited - Member
Terms and conditions of appointment/ re-appointment	Non-Executive Director, liable to retire by rotation.	Non-Executive Director, liable to retire by rotation.
Remuneration sought to be paid	See Note given below.	See Note given below
The remuneration last drawn	₹2.65 Lakhs in the Financial Year (2020-2021)	₹6.00 Lakhs in the Financial Year (2020-2021)



Name of Director	Riju Jhunjunwala	Shekhar Agarwal
Relationship with other Directors, Manager and Key Managerial Personnel	Shri Riju Jhunjunwala is relative of Shri Ravi Jhunjunwala.	No relationship with other Director, Manager and Key Managerial Personnel.
Justification for choosing the Independent Director	Not Applicable	Not Applicable

**#Audit Committee and Stakeholders Relationship Committee have been considered.**

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

Shareholders at 46<sup>th</sup> Annual General Meeting have given approval 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 read with Section 197 of the Companies Act, 2013 and distributed among Non-Executive Directors (including Independent Directors) of the Company or some or any of them such amount or proportions and in such manner and in all respects as may be directed by the Board of Directors and such payment may be made in respect of each year, for a period of five financial years starting from FY 2017-18, in addition to the sitting fee for attending the meeting of the Board of Directors/Committee thereof.