

REPORT ON CORPORATE GOVERNANCE

[Pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. A brief statement on Company's philosophy on code of governance:

The Company believes in transparency, professionalism and accountability, which are basic principles of corporate governance and would constantly endeavor to improve on these aspects.

2. Corporate Ethics:

The Company adheres to the highest standards of business ethics, transparency in all its dealings and timely compliance with statutory and legal requirements.

2.1 Code of Conduct of Board Members and Senior Management:

The Board of Directors of the Company has adopted Code of Conduct for its Members and Senior Management and it is reviewed and modified periodically as per changes in applicable laws. The Code highlights Corporate Governance as the cornerstone for sustained management performance and for serving all the stakeholders and for instilling pride in the association. The code has been posted on the website of the Company viz. www.hindcompo.com

2.2 Code of Conduct for Prevention of Insider Trading:

As per the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders for its promoters, promoter group, management, directors, designated employees and other connected persons. All the directors, designated persons and third parties such as auditors, consultants etc., who could have access to the unpublished price sensitive information of the Company, are governed by this Code. The trading window was closed as and when required and occurrence of any material event as per the applicable regulations. The Company Secretary has been appointed as the Compliance Officer and is responsible for adherence to the Code.

2.3 Vigil Mechanism:

The Company has established a vigil mechanism for its employees, officers, and directors, which encourages them to report any suspected violation promptly and intends to investigate any report of violations made in good faith.

2.4 Safety, Health & Environment (SHE) System:

The Company has adopted Safety, Health and Environment (SHE) System with a commitment to provide a safe and healthy working environment.

3. Company Secretary's Responsibility Statement:

The Company Secretary confirms that the Company has during the financial year ended 31st March, 2023:

- Maintained all the Statutory Registers required to be maintained under the Companies Act, 2013 ("the Act") and the rules made thereunder.
- Filed all the forms and returns and furnished necessary particulars in time, with the Registrar of Companies ("ROC"), Mumbai, Maharashtra, Ministry of Corporate Affairs ("MCA") and / or Authorities as required under the Act, except for delay in filing of one e-form with MCA on account of technical glitches at newly launched version 3 of MCA website.
- Issued all notices as required to be given for convening the meetings of the Board of Directors, Committees thereof and General Meeting of the shareholders within the time limit prescribed by law.
- Conducted the meetings of the Board of Directors, Committees thereof and Annual General Meeting ("AGM") as per the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
- Complied with all the requirements relating to the minutes of the proceedings of the meetings of the Board of Directors, Committees thereof and Shareholders.
- Made due disclosures under the requirements of the Act including the requirements in pursuance to the disclosures made by the Directors and Key Managerial Personnel.
- Obtained necessary approvals of the Board of Directors, Committees thereof, Shareholders and other authorities as per the statutory requirements.
- Given loans and made investments in accordance with the provisions of the Act.
- Not exceeded the limits of borrowing powers of the Company.
- Registered all the particulars relating to the creation, modification and satisfaction of the charges with the ROC, Mumbai, Maharashtra.
- Effected share transfers and dispatched the certificates / letter of confirmation within the time prescribed under the Act and Listing Regulations and the rules made thereunder. Please refer to point no. 13 (m) of this report for more details.
- Complied with all the requirements of the Listing Regulations.

The Company has also complied with the requirements prescribed by the Securities and Exchange Board of India ("SEBI") and other statutory authorities and also the requirements under the Act and related statutes in force to the extent applicable to the Company from time to time.

4. Board of Directors:
• Composition:

As on 31st March, 2023, the Board of Directors comprised of seven directors. The composition of the Board, attendance at Board meetings held during the financial year and at the last AGM of the Company, number of directorships in other companies and Chairmanship / Membership in Committees are given below:

Name of Director	Category	No. of Board Meetings held	Attendance particulars		No. of other Director ship(s)	Committee Positions (including Company)	
			Board Meetings	Last AGM		Member ship	Chairman ship
Mr. Raghu Mody ¹	Non-Executive Chairman, Promoter	5	4	Yes	3	-	-
Mr. P. K. Choudhary	Executive, Managing Director	5	5	Yes	1	2	-
Mr. A. B. Vaidya	Non-Executive, Independent Director	5	5	Yes	-	2	1
Mr. Deepak Sethi	Non-Executive, Independent Director	5	5	Yes	-	1	-
Lt. Gen. (Retd.) K. S. Brar	Non-Executive, Independent Director	5	5	Yes	-	2	-
Mr. Lalit Kumar Bararia	Non-Executive, Independent Director	5	5	Yes	1	3	2
Mrs. Preeti Vimal Agrawal	Non-Executive, Independent Director	5	5	Yes	-	-	-

Notes:

1. Stepped down from the executive position (Whole Time Director) of the Company with effect from close of business hours of 22nd October, 2022 and continues as Chairman & Non-Executive Director of the Company.
2. The directorship and number of Committee positions held by directors as mentioned above does not include directorships and committee positions in private companies / high value debt listed entities / companies incorporated under Section 8 of the Act / foreign companies / Nominee Directorship as on 31st March, 2023.
3. Membership / Chairmanship of only the Audit Committee and Stakeholders' Relationship Committee of all public companies / subsidiary of public companies, as provided under Regulation 26(1)(b) of the Listing Regulations, have been considered and membership includes positions as chairmanship of the committee.

• **Directorship details including the category of directorships as on 31st March, 2023:**

Sr. No.	Name of the Director	Name of the Listed Entity	Directorship Details
1.	Mr. Raghu Mody	Hindustan Composites Limited	Non-Executive Chairman, Promoter
		J L Morison (India) Limited	Non-Executive, Non-Independent Director, Promoter
2.	Mr. P. K. Choudhary	Hindustan Composites Limited	Executive, Managing Director
3.	Mr. A. B. Vaidya	Hindustan Composites Limited	Non-Executive, Independent Director
4.	Mr. Deepak Sethi	Hindustan Composites Limited	Non-Executive, Independent Director
5.	Lt. Gen. (Retd.) K. S. Brar	Hindustan Composites Limited	Non-Executive, Independent Director
6.	Mr. Lalit Kumar Bararia	Hindustan Composites Limited	Non-Executive, Independent Director
		J L Morison (India) Limited	Non-Executive, Independent Director
7.	Mrs. Preeti Vimal Agrawal	Hindustan Composites Limited	Non-Executive, Independent Director

• **Number and date of Board Meetings held:**

Five Board Meetings were held during the financial year 2022-23. The dates on which the meetings were held are as follows:

Date of Board Meeting	Strength of the Board	No. of Directors present
26 th May, 2022	7	7
11 th August, 2022	7	7
22 nd October, 2022	7	7
11 th November, 2022	7	6
13 th February, 2023	7	7

• **Disclosure of relationship between directors inter se:**

None of the Directors of the Company are related inter-se to any other director on the Board within the meaning of Section 2(77) of the Act.

• **Number of shares and convertible instruments held by Non-Executive Directors:**

As on 31st March, 2023, no Non-Executive Director was holding any share / convertible instruments in the Company.

• **Weblink where details of familiarization programmes imparted to independent directors is disclosed:**

The details of the programmes for familiarization of independent directors with the Company their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company are put up on the website of the Company at the link: <https://www.hindcompo.com/investor-relations/documents/familiarisation-programmes-for-independent-directors.pdf>.

• **Matrix of Skills / Expertise / Competence of the Board of Directors:**

The Company has two segments viz. manufacturing and investment activities. Company's core business includes manufacturing, distribution and marketing of Friction Materials in India and abroad comprising of Brake Lining, Clutch Facing, Disc Brake Pad, Roll Lining, Brake Block etc.

The Company also through its investment activities invests in various equity instruments, Government Securities, debentures and bonds etc.

The following are the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's aforesaid business for it to function effectively, efficiently and those available with the Board as a whole and the specific areas of focus or expertise of individual board members have been highlighted hereunder:

Core skills / competencies / Expertise and Description	Name of Directors						
	Mr. Raghu Mody	Mr. P. K. Choudhary	Mr. A. B. Vaidya	Mr. Deepak Sethi	Lt. Gen. (Retd.) K. S. Brar	Mr. Lalit Kumar Bararia	Mrs. Preeti Vimal Agrawal
Sales & Marketing: Experience in developing strategies to grow sales and market share and marketing management based on understanding of the auto components goods industry.	✓	✓	-	✓	-	✓	✓
Global Business experience: Experience in leading businesses in different geographies / markets around the world with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities.	✓	✓	✓	✓	-	✓	✓
General Management / Governance: Strategic thinking, decision making and protect interest of all stakeholders;	✓	✓	✓	✓	✓	✓	✓
Financial skills: Understanding the financial statements, financial controls, risk management, mergers and acquisition, etc.	✓	✓	✓	✓	✓	✓	✓
Technical Skills: Technical skills and professional skills and knowledge including legal and regulatory aspects.	✓	✓	✓	✓	✓	✓	✓

• **Declaration by the Board:**

In the opinion of the Board of Directors of the Company, the Independent Directors fulfill the conditions specified in Section 149(6) of the Act and Regulations 16(1)(b) and 25(8) of the Listing Regulations and they are Independent of the management.

Further, all the Independent Directors of the Company have affirmed compliance with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, regarding enrollment in the Data Bank for Independent Directors as required under Notification dated 22nd October, 2019 issued by the Ministry of Corporate Affairs in this regard.

None of the Independent Directors serve as Independent Director in more than 7 listed companies.

• **Resignation of Independent Director:**

None of the Independent Directors resigned during the financial year 2022-23.

5. Audit Committee:

Pursuant to the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations, the Board of Directors has duly constituted the Audit Committee. Majority of the members of the Committee are Independent Directors including the Chairman of the Committee.

• **Brief description of terms of reference:**

The Broad terms and reference of Audit Committee are to review the financial statements before submission to Board, review reports of the Internal Auditors, review the weakness in internal controls reported by Internal and Statutory Auditors and review the remuneration of Internal and Statutory Auditors. In addition, the powers and role of the Audit Committee are as laid down under Regulation 18 and Schedule II Part C of the Listing Regulations read with Section 177 of the Act.

• **Composition:**

During the financial year 2022-23, the Audit Committee was reconstituted. Mr. Raghu Mody ceased to be member of the Audit Committee with effect from close of business hours of 11th November, 2022 upon request received from him for relieving him from membership of committees and Mr. P. K. Choudhary was appointed as a member of the Audit Committee with effect from 12th November, 2022.

As on 31st March 2023, the Audit Committee comprised of Mr. Lalit Kumar Bararia, Mr. A. B. Vaidya, Mr. Deepak Sethi, Lt. Gen. (Retd.) K. S. Brar and Mr. P. K. Choudhary as its members. Mr. Lalit Kumar Bararia, Non-executive Independent Director of the Company is Chairman of the Committee and he was present at the 58th AGM of Company held on 29th September, 2022. All members of the Audit Committee are financially literate and have related financial management expertise by virtue of their comprehensive experience and background. The partners / authorised representatives of Statutory Auditors and Internal Auditors are invited to the meetings of the Audit Committee, as and when required.

The Company Secretary and Compliance Officer of the Company acts as the Secretary to the Committee.

• **Meetings and attendance:**

During the financial year 2022-23, the Audit Committee met four times on 26th May, 2022, 11th August, 2022, 11th November, 2022 and 13th February, 2023. The attendance at the Committee meetings was as follows:

Sr. No.	Name of Directors	Category	Status	No. of meetings entitled to attain	No. of meetings attended
1	Mr. Lalit Kumar Bararia	Non-Executive, Independent Director	Chairman	4	4
2	Mr. A. B. Vaidya	Non-Executive, Independent Director	Member	4	4
3	Mr. Deepak Sethi	Non-Executive, Independent Director	Member	4	4
4	Lt. Gen. (Retd.) K.S. Brar	Non-Executive, Independent Director	Member	4	4
5	Mr. Raghu Mody ¹	Non-Executive Chairman, Promoter	Member	3	2
6	Mr. P. K. Choudhary ²	Managing Director	Member	1	1

Notes:

1. Ceased to be member of the Audit Committee with effect from close of business hours of 11th November, 2022.
2. Appointed as a member of the Audit Committee with effect from 12th November, 2022.

6. Nomination and Remuneration Committee:

Pursuant to the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations, the Board of Directors has duly constituted the Nomination and Remuneration Committee. The Nomination and Remuneration Committee, *inter alia*, recommends for appointment / reappointment of executive directors, key managerial personnel (KMP) and senior management personnel (SMP) and other employees of the Company and for the remuneration payable to them.

• **Brief description of terms of reference:**

The terms of reference of this Committee are wide enough covering the matters specified for appointment / reappointment and remuneration to the Directors, Senior Management Personnel and other employees under the provisions of Section 178 of the Act read with Regulation 19 and Schedule II Part D (A) of the Listing Regulations.

• **Composition:**

As on 31st March 2023, the Nomination and Remuneration Committee comprised of Mr. Lalit Kumar Bararia, Mr. A. B. Vaidya and Lt. Gen. (Retd.) K. S. Brar as its members.

Mr. Lalit Kumar Bararia, Non-executive Independent Director of the Company is Chairman of the Committee and he was present at the 58th AGM of the Company held on 29th September, 2022.

The Company Secretary and Compliance Office of the Company acts as the Secretary to the Committee.

• **Meetings and attendance:**

During the financial year 2022-23, the Nomination and Remuneration Committee met twice on 26th May, 2022 and 11th November, 2022. The attendance at the Committee meetings was as follows:

Sr. No.	Name of Directors	Category	Status	No. of meetings entitled to attain	No. of meetings attended
1	Mr. Lalit Kumar Bararia	Non-Executive, Independent Director	Chairman	2	2
2	Mr. A. B. Vaidya	Non-Executive, Independent Director	Member	2	2
3	Lt. Gen. (Retd.) K.S. Brar	Non-Executive, Independent Director	Member	2	2

• **Performance evaluation criteria for Independent Directors:**

Pursuant to the provisions of Section 178(2) of the Act read with Regulation 17(10) of the Listing Regulations, the Board of Directors of the Company has evaluated the performance of each Independent Director and fulfilment of the independence criteria as specified in the Listing Regulations and their independence from the management. The questionnaires are prepared considering the business of the Company. The evaluation framework for assessing the performance of Independent Directors comprises of the following key areas:

1. Attendance at Board and Committee Meetings;
2. Quality of contribution to Board deliberations;
3. Strategic perspectives or inputs regarding future growth of the Company and its performances;
4. Providing perspective and feedback going beyond information provided by the management.

7. Stakeholders' Relationship Committee:

Pursuant to the provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations, the Board of Directors has duly constituted the Stakeholders' Relationship Committee.

• **Brief description of terms of reference:**

The Committee is empowered to oversee the redressal of investors' complaints pertaining to share transfers, nonreceipt of annual reports, dividend payments, issue of duplicate certificates / letter of confirmation, transfer / transmission / demat / remat of shares and other miscellaneous complaints. The Committee is also responsible for the satisfactory redressal of investors'

complaints and recommends measures for overall improvement in the quality of investor services. In addition, the terms of reference of this Committee include as laid down under Regulation 20 and Schedule II Part D (B) of the Listing Regulations read with Section 178 of the Act.

• **Composition:**

During the financial year 2022-23, the Stakeholders' Relationship Committee was reconstituted. Mr. Raghu Mody ceased to be member of the Stakeholders' Relationship Committee with effect from close of business hours of 11th November, 2022 upon request received from him for relieving him from membership of committees and Mr. P. K. Choudhary was appointed as a member of the Stakeholders' Relationship Committee with effect from 12th November, 2022. As on 31st March, 2023, the Stakeholders' Relationship Committee comprised of Mr. A. B. Vaidya, Lt. Gen. (Retd.) K. S. Brar and Mr. P. K. Choudhary as its members. Mr. A. B. Vaidya, Non-Executive, Independent Director of the Company is Chairman of the Committee, and he was present at the 58th AGM of Company held on 29th September, 2022. Mr. Pranabh Kapoor was Company Secretary and Compliance Officer of the Company up to 13th April, 2023 and upon his resignation, Mr. Ravi Vaishnav has been appointed as Company Secretary and Compliance Officer w.e.f. 30th June, 2023.

The Company Secretary and Compliance Officer of the Company acts as Secretary to the Committee.

• **Status of investors' complaints/services requests:**

Opening balance at the beginning of the financial year : Nil
 Received during the financial year : 08
 Disposed during the financial year : 08
 Closing balance at the end of the financial year : Nil

8. Risk Management Committee:

Pursuant to the provisions of Regulation 21 of the Listing Regulations, the Company has constituted Risk Management Committee and has also adopted the Risk Management Policy and has framed a Risk Management Committee Charter, in accordance with the provisions of the Listing Regulations.

• **Brief description of terms of reference:**

The roles and responsibilities of the Risk Management Committee include evaluating and monitoring key risks including strategic, operational, financial, cyber security and compliance risks & framing, implementing, monitoring and reviewing risk management plan, policies, systems and framework of the Company. In addition, the terms of reference of this Committee include as laid down under the provisions of Regulation 21 and Schedule II Part D (C) of the Listing Regulations.

• **Composition:**

During the financial year 2022-23, the Risk Management Committee was reconstituted. Mr. Raghu Mody ceased to be Chairman and member of the Risk Management Committee with effect from close of business hours of 11th November, 2022 upon request received from him for relieving him from membership of committees and Mr. P. K. Choudhary was

designated as Chairman of the Risk Management Committee with effect from 12th November, 2022. As on 31st March, 2023, the Risk Management Committee comprised of Mr. P. K. Choudhary, Mr. Lalit Kumar Bararia and Mrs. Preeti Vimal Agrawal as its members. Mr. P. K. Choudhary, Managing Director of the Company is Chairman of the Committee.

The Company Secretary and Compliance Officer of the Company acts as the Secretary to the Committee.

• **Meetings and attendance:**

During the financial year 2022-23, the Risk Management Committee met twice on 27th July, 2022 and 24th January, 2023. The attendance at the Committee meetings was as follows:

Sr. No.	Name of Directors	Category	Status	No. of meetings entitled to attain	No. of meetings attended
1	Mr. Raghu Mody ¹	Non-Executive Chairman, Promoter	Chairman	1	1
2	Mr. P. K. Choudhary ²	Executive, Managing Director	Chairman	2	2
3	Mr. Lalit Kumar Bararia	Non-Executive, Independent Director	Member	2	1
4	Mrs. Preeti Vimal Agrawal	Non-Executive, Independent Director	Member	2	2

Notes:

1. Ceased to be member of the Risk Management Committee with effect from close of business hours of 11th November, 2022.
2. Re-designated as Chairman of the Risk Management Committee with effect from 12th November, 2022.

9. Corporate Social Responsibility (CSR) Committee:

Pursuant to the provisions of Section 135 of the Act, the Board of Directors has duly constituted the Corporate Social Responsibility ("CSR") Committee.

• **Brief description of terms of reference:**

- To frame the CSR Policy and CSR Annual Plan and its review from time-to-time.
- To ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget.
- To ensure compliance with the laws, rules and regulations governing the CSR and to periodically report to the Board of Directors.

• **Composition:**

During the financial year 2022-23, the CSR Committee was reconstituted. Mr. Raghu Mody ceased to be member of the CSR Committee with effect from close of business hours of

11th November, 2022 upon request received from him for relieving him from membership of committees and Mrs. Preeti Vimal Agrawal was appointed as a member of the CSR Committee with effect from 12th November, 2022. As on 31st March, 2023, the CSR Committee comprised of Lt. Gen. (Retd.) K. S. Brar, Mr. P. K. Choudhary and Mrs. Preeti Vimal Agrawal as its members. Lt. Gen. (Retd.) K. S. Brar, Non-Executive, Independent Director of the Company is Chairman of the Committee.

The Company Secretary and Compliance Officer of the Company acts as the Secretary to the Committee.

• **Meetings and attendance:**

During the financial year 2022-23, the CSR Committee met once on 26th May, 2022. The attendance at the Committee meeting was as follows:

Sr. No.	Name of Directors	Category	Status	No. of meetings entitled to attain	No. of meetings attended
1	Lt. Gen. (Retd.) K. S. Brar	Non-Executive, Independent Director	Chairman	1	1
2	Mr. P. K. Choudhary	Executive, Managing Director	Member	1	1
3	Mr. Raghu Mody ¹	Non-Executive Chairman, Promoter	Member	1	1
4	Mrs. Preeti Vimal Agrawal ²	Non-Executive, Independent Director	Member	-	-

Notes:

1. Ceased to be member of the CSR Committee with effect from close of business hours of 11th November, 2022.
2. Appointed as a member of the CSR Committee with effect from 12th November, 2022.

10. Remuneration to Directors:

- a. The Non-Executive Directors had no pecuniary relationship or transactions with the Company during the financial year 2022-23.
- b. Non-Executive Directors did not draw any remuneration from the Company. Sitting fees to Non-Executive Directors is being paid at the rate of ₹ 10,000/- for each meeting of the Board and Committees (excluding CSR Committee meetings) attended by them. Within the ceiling of the Act, Independent Directors are also paid a commission, the amount whereof is determined by the Board and approved by the shareholders of the Company.

Details of remuneration / fees paid / payable to the directors during / for the financial year 2022-23 are as under:

(₹ in Lakhs)

Name	Salary	Perquisites or Allowances	Contribution to PF & Others	Commission	Sitting Fees	Total
Mr. Raghu Mody ¹	136.93	0.29	-	-	0.10	137.32
Mr. P. K. Choudhary ²	81.53	13.54	5.11	-	-	100.18
Mr. A. B. Vaidya	-	-	-	2.00	1.50	3.50
Mr. Deepak Sethi	-	-	-	2.00	0.90	2.90
Lt. Gen. (Retd.) K.S. Brar	-	-	-	2.00	1.50	3.50
Mr. Lalit Kumar Bararia	-	-	-	2.00	1.20	3.20
Mrs. Preeti Vimal Agrawal	-	-	-	2.00	0.70	2.70

Notes:

1. Mr. Raghu Mody stepped down from the executive position (Whole Time Director) of the Company with effect from close of business hours of 22nd October, 2022 and continues as Chairman & Non-Executive Director of the Company.
2. The above details of remuneration or fees paid include all elements of remuneration package of individual director summarized under major groups.
3. Apart from the above mentioned remuneration or fees paid, there are no other fixed component and performance linked incentives based on the performance criteria.
4. There are no separate service contracts with any of the directors. The tenure of office of the Managing Director is for five years and Whole Time / Executive Directors is for three years from their respective dates of appointment, and can be terminated by either party by giving one month's notice in writing. There is no separate provision for payment of severance fees.
5. No stock options are offered to any of the Directors of the Company.

11. General Body Meetings:

- **Location and time, where last three Annual General Meetings held:**

Financial year	Time	Date	Location
2019-20	11:45 a.m.	29 th September, 2020	Conducted through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").
2020-21	11:45 a.m.	29 th September, 2021	Conducted through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").
2021-22	11:45 a.m.	29 th September, 2022	Conducted through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

• **Special resolutions passed at last three AGMs:**

AGM	Particular of Special Resolutions
29 th September, 2020	1. Special Resolution for the re-appointment of Mr. Raghu Mody (DIN: 00053329) as Executive Chairman and Whole Time Director of the Company for a further period of 3 years w.e.f. 1 st October, 2020 till 30 th September, 2023 2. Special Resolution for the waiver of excess remuneration paid to Mr. Raghu Mody (DIN: 00053329), Executive Chairman and Whole Time Director of the Company during the financial year ended 31 st March, 2020.
29 th September, 2021	No Special Resolution was passed in this meeting
29 th September, 2022	No Special Resolution was passed in this meeting.

• **Postal Ballot:**

During the financial year under review, no resolution was passed through Postal Ballot process.

None of the business proposed to be transacted at the ensuing AGM is required to be transacted through postal ballot.

12. Means of communication:

The Company has published its financial results as per the details mentioned below:

News Papers	Date of Board Meeting	Date Publication
Financial Express (English - All India Edition) Mumbai Laksyadeep (Marathi)	26-05-2022	27-05-2022
Financial Express (English - All India Edition) Mumbai Laksyadeep (Marathi)	11-08-2022	12-08-2022
Financial Express (English - All India Edition) Mumbai Laksyadeep (Marathi)	11-11-2022	12-11-2022
Financial Express (English - All India Edition) Mumbai Laksyadeep (Marathi)	13-02-2023	14-02-2023

Website: The Company's website viz. www.hindcompo.com contains a separate dedicated section 'Investor Relation' where shareholders' information is available. The company's Annual Report is also available in a user-friendly and downloadable form.

News releases, presentations, among others: All Corporate Announcements made to the Stock Exchanges during the financial year 2022-23 are available on the website of the Company.

During the financial year 2022-23, the Company has not made any presentation to institutional investors or analysts.

13. General Shareholders' information:

- Annual General Meeting:** Friday, 29th September, 2023 at 11:45 a.m. via. Video Conferencing (VC)/ Other Audio Visual Means ("OAVM").
- Financial Year:** April 1 to March 31;
- Dividend Payment Date:** The dividend of ₹ 2/- per equity share of ₹ 5/- each, as recommended by the Board, if declared at the AGM, will be credited / paid directly in members' bank accounts, subject to deduction of income-tax at source wherever applicable, between Friday, 6th October, 2023 to Friday, 20th October, 2023. For the members who have not uploaded their bank account details, the Company shall dispatch Dividend Warrants / Drafts.
- Book Closure:** The Register of Members and the Share Transfer Books of the Company shall remain closed from Saturday, 23rd September, 2023 to Friday, 29th September, 2023 (both days inclusive).
- Cut-off date for remote e-voting:** The remote e-voting / voting rights of the shareholders / beneficial owners shall be reckoned on the equity shares held by them as on the cut-off date i.e. Friday, 22nd September, 2023. Remote e-voting shall remain open from Tuesday, 26th September, 2023 (9.00 a.m.) and ends on Thursday, 28th September, 2023 (5.00 p.m.).

f) Listing on Stock Exchanges:

Equity Shares

- BSE Limited**
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001
- National Stock Exchange of India Limited**
Exchange Plaza, 5th Floor, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051

g) Listing Fees:

The Company has paid the listing fees for the financial year 2023-24 to all the stock exchanges where the shares are listed.

h) Stock Code:

BSE:509635
NSE:HINDCOMPOS
ISIN:INE310C01029

i) Stock Market Price Data and performance in comparison to BSE Sensex / NSE NIFTY 50:

The monthly high / low quotations of shares traded on the BSE Limited during each month in last financial year and performance in comparison to BSE Sensex are as follows:

Month	Share price of the Company on BSE (₹)*		BSE Sensex (Points)*	
	High	Low	High	Low
April, 2022	334.00	265.60	60845.10	56009.07
May, 2022	320.00	253.55	57184.21	52632.48
June, 2022	297.95	250.00	56432.65	50921.22
July, 2022	299.10	254.40	57619.27	52094.25
August, 2022	311.00	267.85	60411.20	57367.47
September, 2022	415.90	300.00	60676.12	56147.23
October, 2022	350.10	312.80	60786.70	56683.40
November, 2022	360.00	284.20	63303.01	60425.47
December, 2022	326.50	276.00	63583.07	59754.10
January, 2023	314.75	287.90	61343.96	58699.20
February, 2023	303.20	260.10	61682.25	58795.97
March, 2023	277.20	236.75	60498.48	57084.91

*Source: www.bseindia.com

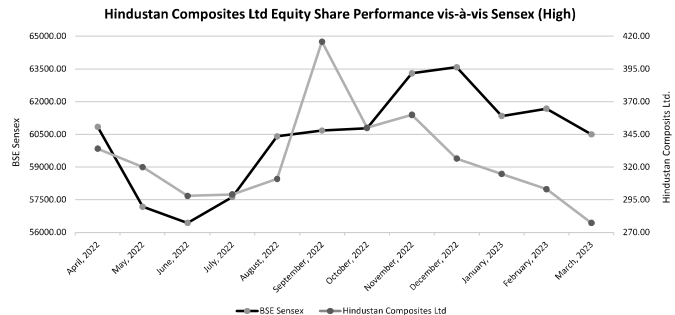
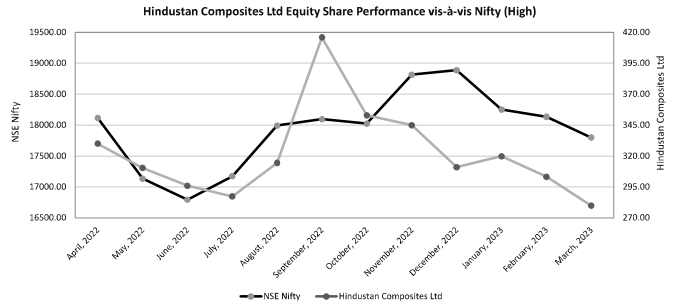
The monthly high / low quotations of shares traded on the National Stock Exchange of India Limited during each month in last financial year and performance in comparison to NSE Sensex are as follows:

Month	Share price of the Company on NSE (₹)**		NSE NIFTY 50 (Index)**	
	High	Low	High	Low
April, 2022	330.00	264.05	18114.65	16824.70
May, 2022	310.40	254.00	17132.85	15735.75
June, 2022	295.90	250.10	16793.85	15183.40
July, 2022	287.40	256.50	17172.80	15511.05
August, 2022	314.50	268.30	17992.20	17154.80
September, 2022	416.00	303.50	18096.15	16747.70
October, 2022	352.95	312.20	18022.80	16855.55
November, 2022	345.00	286.05	18816.05	17959.20
December, 2022	311.00	277.05	18887.60	17774.25
January, 2023	319.80	288.05	18251.95	17405.55
February, 2023	303.20	259.20	18134.75	17255.20
March, 2023	279.90	240.00	17799.95	16828.35

**Source: www.nseindia.com

j) Stock Performance in comparison to broad based indices:

The chart below shows the comparison of the Company's shares price movement on BSE vis-à-vis the movement of the BSE Sensex and NSE Nifty during the financial year 2022-2023.



k) Trading of Securities: The securities of the Company were not suspended from trading during the financial year 2022-2023.

l) Registrar and Share Transfer Agents: Link Intime India Pvt. Ltd, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083, Phone: (022) – 4918 6000 / 270, Fax: (022)- 4918 6060, e-mail: rnt.helpdesk@linkintime.co.in

m) Share Transfer System:

In terms of Regulation 40(1) of the Listing Regulations, as amended from time to time, securities of the Company can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of transmission or transposition of securities. Further, the SEBI had fixed 31st March, 2021 as the cut-off date for redlodgment of transfer deeds and the shares that are redlodged for transfer shall be issued only in DEMAT mode. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are affected through the depositories with no involvement of the Company.

Further, the SEBI has vide its Circular No.: SEBI/ HO/ MIRSD/ MIRSD_RTAMB/ P/ CIR/ 2022/ 8 dated 25th January, 2022 ('SEBI Circular'), mandated the issue of share(s) in dematerialized form only while processing the shareholder's service request(s) received for issue of duplicate share certificates, claim from Unclaimed Suspense Account, renewal / exchange of share certificates, endorsement, subdivision / splitting of share certificates, consolidation of share certificates / folios, transmission and transposition. Upon receipt of any service request(s) from the shareholder / claimant, Link Intime India Private Limited, Registrar and Share Transfer Agent ('RTA') of the Company shall verify

and process the said request(s) and thereafter issue a 'Letter of Confirmation' in lieu of physical share certificate(s) to the shareholder / claimant, if documents are found in order. In case of any query(ies) or issue(s) regarding process of the service request(s), shareholder / claimant can contact RTA Cont. No.: (022) – 4918 6000 / 270) or by can write an e-mail at mt.helpdesk@linkintime.co.in.

n) Distribution of Shareholding as on 31st March, 2023:

Shares having nominal value of ₹ 5/- From To	No. of holders	%	No. of shares	%
1 – 500	14319	95.6258	1144498	7.7493
501 – 1000	382	2.5511	273791	1.8538
1001 – 2000	149	0.9951	216036	1.4628
2001 – 3000	53	0.3539	134602	0.9114
3001 – 4000	19	0.1269	64781	0.4386
4001 – 5000	8	0.0534	36899	0.2498
5001 – 10000	11	0.0735	74789	0.5064
10001 and above	33	0.2204	12823604	86.8278
TOTAL	14974	100.0000	14769000	100.0000

o) Dematerialization of Shares:

As on 31st March, 2023, 97.42% of the total shares of the Company were held in dematerialized form.

p) Convertible instruments:

The Company has not issued any Global Depository Receipts (GDRs) / American Depository Receipts (ADRs) / warrants or any convertible instrument, which are likely to have impact on the Company's Equity.

q) Commodity Price risk or foreign exchange risk and hedging activities:

The Company is exposed to the risk of price fluctuations of raw materials, which are proactively managed by forward booking of materials, inventory management and vendor development practices.

As regard to foreign exchange risk, there is natural hedging of risk as our import and export generally remains at the same level.

r) Plant Locations:

Paithan: D-2/1, MIDC Industrial Area, Paithan, Dist. Aurangabad – 431107, Maharashtra, India.

Bhandara: C-10/1, Bhandara Industrial Area, Gadegaon, Dist. Bhandara – 441904, Maharashtra, India.

s) Registered Office & Address for Correspondence:

Hindustan Composites Limited,
Peninsula Business Park, 'A' Tower,
8th Floor, Senapati Bapat Marg,
Lower Parel, Mumbai 400013
Telephone: 022 66880100; Fax: 022 66880105
E-mail: investor@hindcompo.com

t) List of all credit ratings obtained by the entity along with revisions (if any):

Sr. No.	Name of the Credit Rating Agency	Details of Credit Ratings obtained including revisions		
		Scale	Amount (₹ in Crore)	Rating
1	Acuite Ratings & Research Limited (formerly known as SMERA Ratings Limited)	Long Term Instruments (fund based facilities)	16.00	ACUITE A - / Stable
		Short Term Instruments (non - fund based facilities)	9.00	ACUITE A2+
		Total	25.00	

14. Other Disclosures:

i. Related Party Transactions:

During the financial year 2022-23, the Company had no transactions with its promoters, directors or with their relatives etc. which may have conflict with the interest of the Company. Details on materially significant related party transactions are given in the appended financial statements under notes to the accounts. The policy on dealing with Related Party Transactions is available on Company's website at <https://www.hindcompo.com/investor-relations/documents/related-party-transaction-policy.pdf>.

ii. Compliance by the Company:

The Company has complied with all the requirements of the Listing Regulations as well as other regulations and guidelines issued by the SEBI from time to time. No strictures or penalties were imposed either by the SEBI or Stock Exchanges or any other statutory authorities for non-compliance of any matter related to the capital markets during the last three financial years.

iii. Whistle Blower policy / Vigil Mechanism and affirmation that no personnel have been denied access to the Audit Committee:

The Company has established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of code of conduct or ethics policy. The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in the exceptional cases. We affirm that during the financial year 2022-23, no director or employee was denied access to the Audit Committee.

iv. Adoption of mandatory and non-mandatory requirements of Regulation 27 of the Listing Regulations:

The Company has complied with all mandatory requirements of Regulation 27 and Schedule V of the Listing Regulations. The Company has adopted following non-mandatory requirements of Regulation 27 read with Part E of Schedule II of the Listing Regulations:

(a) Audit Qualification - The Company is in the regime of unmodified audit opinion on financial statements.

- (b) Separate posts of Chairman and CEO – The Company has separate Chairman and Managing Director or Chief Executive Officer.
- (c) Reporting of Internal Auditors – The Internal Auditors report directly to the Audit Committee.

v. Policy for determining Material Subsidiaries:

The Company does not have any subsidiary, hence is not required to frame policy on Material Subsidiaries.

vi. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulation:

During the financial year 2022-23, the Company has not raised any funds through preferential allotment or qualified institutions placement.

vii. Certificate from Practicing Company Secretary:

A certificate received from M/s. M Baldeva Associates, Practicing Company Secretaries, Thane is attached to this report stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

viii. Recommendation by Committees:

The Board has accepted all recommendations received from the Committees of the Board, which are mandatorily required, during the financial year 2022-23.

ix. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which the statutory auditor is a part.

Details relating to fees paid to the Statutory Auditors are given in Note 32 in the appended Standalone Financial Statements and Consolidated Financial Statements.

x. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Sr. No.	Particulars	No. of Complaints
a.	Complaints filed during the financial year	0
b.	Complaints disposed of during the financial year	0
c.	Complaints pending as on end of the financial year	0

xi. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms / companies in which directors are interested by name and amount:

Details relating to loans and advances in the nature of loans to firms / companies in which directors are interested by name and amount are given in Note 47 in the appended Standalone Financial Statements and Consolidated Financial Statements.

xii. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:

During the Financial year 2022-23, the Company did not have any subsidiary.

15. Compliance of the requirement of Corporate Governance Report:

During the financial year 2022-23, the Company has complied with the requirements of Corporate Governance Report of sub paras (2) to (10) of the Point C of Schedule V of the Listing Regulations.

16. Disclosure of the compliance with Corporate Governance

During the financial year 2022-23, the Company has complied with the Regulations 17-23, 24A, 25-27 and Clause (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of the Listing Regulations. Regulation 24 of the Listing Regulations is not applicable to the Company.

17. Disclosure of accounting treatment:

In the preparation of financial statements, the Company has followed the Indian Accounting Standards (Ind-AS) as specified under Section 133 of the Act, issued by the Institute of Chartered Accountants of India to the extent applicable.

18. Related Party Disclosures:

The disclosures as required by Indian Accounting Standard (Ind AS - 24) on "Related Party" are given in the appended Standalone and Consolidated Financial Statements under Notes to Accounts.

19. Disclosure with respect to demat suspense account / unclaimed suspense account

The voting rights on outstanding shares lying in the suspense account will remain frozen till the rightful owner of such shares claims the shares:

Sr. No.	Particulars	Number of shareholders	Number of Equity Shares
A	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 1 st April, 2022	351	38095
B	Transferred during the financial year	-	-
C	Shareholders who approached the Company for transfer of shares from suspense account during the year	8	650
D	Shareholders to whom shares were transferred from the suspense account during the year	8	767
E	Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	53	6397
F	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31 st March, 2023 (A - D - E = F)	290	30931

20. Compliance Certificate for Code of Conduct:

A declaration by Managing Director of the Company affirming compliance by the Board members and Senior Management Personnel to the Code of Conduct is annexed herewith and forms part of Annual Report as per Schedule V of the Listing Regulations.

Place: Mumbai
Date: 30th June, 2023

21. Compliance Certificate by Statutory Auditors:

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Schedule V of the Listing Regulations, which is annexed herewith and forming part of Annual Report.

22. Disclosure of certain types of agreements binding listed entities

Information required under clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations :No agreements are entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or associate Company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company.

For and on Behalf of the Board of Directors
of Hindustan Composites Limited

Place: Mumbai
Date: 30th June, 2023

Raghu Mody
Chairman
DIN:00053329

Declaration – Code of Conduct

As per Regulation 17 and Schedule V of the Listing Regulations, I, P. K. Choudhary, Managing Director of the Company do hereby declare that all the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct during the financial year ended 31st March, 2023.

For Hindustan Composites Limited

P. K. Choudhary
Managing Director
DIN: 00535670

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**TO THE MEMBERS OF
HINDUSTAN COMPOSITES LIMITED**

We have examined the compliance of conditions of corporate governance by HINDUSTAN COMPOSITES LIMITED ('the Company') for the year ended March 31, 2023 as stipulated in Regulations 17-27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility for compliance with the conditions of Listing Regulations

The compliance of the conditions contained in the corporate governance is the responsibility of the Management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditor's Responsibility

Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of 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 account 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 in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), Standards on auditing specified under Section 143(10) of the Companies Act, 2013 and 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 the procedures performed by us and to the best of our information and according to explanations given to us and representation made by the Management, in our opinion, we certify that the Company has complied, in all material respects, with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations during the year ended March 31, 2023.

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.

Restriction on Use

The certificate is addressed to and provided to the Members of the Company solely for the purpose to enable the Company to comply with requirement of aforesaid Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For Lodha & Co.
Firm Registration No. – 301051E
Chartered Accountants

Place: Mumbai
Date: May 26, 2023

R.P. Baradiya
Partner
Membership No. 044101
UDIN: 23044101BGTSHS5297

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to the provisions of Regulation 34(3) read with Clause (10)(i) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
Hindustan Composites Limited
 Peninsula Business Park, 'A' Tower,
 8th Floor, Senapati Bapat Marg,
 Lower Parel, Mumbai-400013.

I have examined the relevant registers, records, forms, returns and disclosures received from the directors of **Hindustan Composites Limited** (CIN: L29120MH1964PLC012955) and having registered office at Peninsula Business Park, 'A' Tower, 8th Floor, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with the provisions of Regulation 34(3) read with Clause 10(i) of Part C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my 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 me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below during the Financial Year ended on 31st March, 2023 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.

Sr. No.	Name of Director	DIN	Date of initial appointment in the Company
1	Mr. Raghu N. Mody	00053329	29/12/1987
2	Mr. Pawan Kumar Choudhary	00535670	18/03/2005
3	Mr. Ashok B. Vaidya	00246208	04/09/2006
4	Mr. Deepak Sethi	07165462	23/04/2015
5	Lt. Gen. (Retd.) Kuldip Singh Brar	01146720	30/09/2008
6	Mr. Lalit Kumar Bararia	00204670	13/02/2020
7	Mrs. Preeti Vimal Agrawal	08693668	13/02/2020

Ensuring the eligibility of for the appointment / continuity of every director on the Board is responsibility of the management of the Company. My responsibility is to express an opinion based on my 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.

For M Baldeva Associates
Company Secretaries

CS Manish Baldeva
Proprietor

Place: Thane
Date: 26th May, 2023

M. No. FCS: 6180 C.P. No. 11062
Peer Review No. 1436/2021
UDIN: F006180E000391576