

**Himatsingka Seide Limited**

**Corporate Governance Report 2016-2017**



## CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) and Schedule V(C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”).

### **1. Company’s Governance Philosophy**

Corporate Governance refers to a combination of laws, regulations, procedures, implicit rules and good corporate practices which ensure that a Company meets obligations to optimize shareholders value and fulfill its responsibilities to the community, customers, employees, Government and other segments of society. Some of the important best practices of corporate governance framework are timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company.

Over the years, your Company has complied with the principles of Corporate Governance emphasizing on transparency, empowerment, accountability and integrity. These have helped the Company enhance its stakeholder values.

Your Company will continue to focus its resources, strengths and strategies for creation and safeguarding of shareholders’ wealth and at the same time protect the interests of all its shareholders while upholding the core values of excellence, integrity, responsibility, unity and understanding which are imperative to the Himatsingka Group.

### **2. Board of Directors (Board)**

The Company has a balanced mix of Executive and Non-Executive Independent Directors. As at March 31, 2017, the Board of Directors comprises of 8 (eight) Directors, of which 4 (four) are Non-Executive Independent Directors including one Women Director. The Chairman is Executive Director and the Promoter of the Company. The number of Independent Director is 4 (four). The composition of the Board is in accordance with the Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is within the percentages stipulated in the subject clause and Regulation, respectively.

The Non-Executive Directors are professionals with rich experience in management, finance, law and banking.

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees as specified in Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, across all the public companies in which he or she is a Director. All the directors have made the necessary disclosures regarding their Committee positions in other companies as on March 31, 2017.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other public companies are given below:



Name	Category (#)	Board Meetings Attended /Held	Attendance at last AGM	No. of Directorships held in other companies@	No. of Memberships and Chairmanship in Committees of other public companies*	No. of shares held by Directors
D K Himatsingka	P, EC	8/9	Yes	3	Nil	12,968,000
Shrikant Himatsingka	P, E	9/9	Yes	2	1 and 0	8,480,964
V. Vasudevan (w.e.f. 21.5.16)	E	7/9	Yes	Nil	Nil	--
Dr. K R S Murthy	I	8/9	Yes	3	1 and 1	1,000
Rajiv Khaitan	I	8/9	Yes	6	2 and 1	4,200
Sangeeta Kulkarni (w.e.f. 21.5.16)	I	8/9	Yes	5	Nil	--
A K Himatsingka (upto. 22.5.16)	P, NE, NI	1/9	No	Nil	Nil	2,561,007
Dilip J Thakkar (upto 21.5.16)	I	1/9	No	NA	NA	--
Jayshree Poddar (upto 22.5.16)	E	1/9	No	NA	NA	363,400
Berjis M Desai	I	2/9	No	15	5 and 2	--
Aditya Himatsingka	P, E	7/9	No	5	1 and 0	1,978,200

**Note:**

# EC = Executive Chairman, E = Executive Director, I = Independent, NE = Non Executive, NI = Non Independent, P = Promoter.

@ For the purpose of considering the limit of directorship, private companies and companies under Section 8 of the Companies Act, 2013 have been included, but foreign companies have been excluded.

\* For the purpose of considering limit of committee membership, private limited companies, foreign companies and companies under section 8 of the Companies Act, 2013 have been excluded. Chairmanship/Membership of only Audit Committee and Stakeholders' Relationship Committee is considered.

None of the Directors are related to each other, except A K Himatsingka and D K Himatsingka who are brothers and Aditya Himatsingka and Shrikant Himatsingka who are sons of A K Himatsingka and D K Himatsingka respectively.

During the year 2016-17, the Board of Directors met Nine times on the following dates: May 21, 2016, July 1, 2016, August 10, 2016, September 17, 2016, November 10, 2016, November 29, 2016, December 12, 2016, February 1, 2017 and March 22, 2017. The time gap between two meetings did not exceed 120 days.



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The Company has adopted the Code of Conduct for the Board of Directors and Senior Management Personnel of the Company. The Company has received confirmations from the Directors as well as Senior Management Personnel regarding compliance of the Code during the year under review. Both the Codes are posted on the website of the Company.

During the year, information as required under Schedule II part A of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 has been placed to the Board for its consideration.

### **Familiarization Programme and Training**

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the company's procedures and practices. In addition, presentations made at the Board and Committee Meetings on the performance of the company along with subsidiaries and quarterly updates on relevant statutory changes. The details of familiarization programme for Independent Directors are posted on the website of the company at <http://www.himatsingka.com/corporate-governance.html>

### **Re-appointment of directors**

In accordance with the provisions of the Companies Act, 2013, and Articles of Association of the Company, Mr. D.K. Himatsingka retires by rotation and being eligible, offers himself for re-appointment. His re-appointment will be placed as one of the agenda in the ensuing Annual General Meeting.

### **3. Audit Committee**

The constitution of the committee is in line with the requirements under section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. No changes were required to be made to the committee structure during the year.

The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- efficiency and effectiveness of operations;
- safeguarding of assets and adequacy of provisions for all liabilities;
- reliability of financial and other management information and adequacy of disclosures;
- compliance with all relevant statutes.

The functions of the Committee include the following:

- The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Examination of the financial statement and the auditors' report thereon;
- Approval or any subsequent modification of transactions of the company with related parties;



- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters.
- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b) Changes, if any, in accounting policies and practices and reasons for the same
  - c) Major accounting entries involving estimates based on the exercise of judgment by management
  - d) Significant adjustments made in the financial statements arising out of audit findings
  - e) Compliance with listing and other legal requirements relating to financial statements
  - f) Disclosure of any related party transactions
  - g) Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 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 utilized 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;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- 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;
- 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;
- To review the functioning of the Whistle Blower mechanism;



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- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

The minutes of the Audit Committee meetings are placed before the Board of Directors in the subsequent Board Meeting.

During the year 2016-17, the Audit Committee met on Six occasions i.e. May 21, 2016, August 10, 2016, November 10, 2016, December 12, 2016, February 1, 2017 and March 22, 2017. The necessary quorum was present in all the meetings.

The Constitution of Audit Committee and attendance of the Members for the year 2016-17 is as under:

Name of Director	Position	No. of Meetings attended/ held
Dilip J Thakkar	Chairman (up to 21.5.16)	1/6
Rajiv Khaitan	Chairman (w.e.f. 21.5.16)	5/6
Dr. K.R.S. Murthy	Member	5/6
Berjis M Desai	Member	1/6
Shrikant Himatsingka	Member (w.e.f. 21.5.16)	5/6
Sangeeta Kulkarni	Member (w.e.f. 27.10.16)	4/6

Mr. Rajiv Khaitan, Chairman of the Audit Committee was present at the last Annual General Meeting.

The Statutory Auditor, Internal Auditor, and the Chief Financial Officer are invited to attend and participate at meetings of the Committee.

The Company Secretary acts as the secretary to the Committee.

#### **4. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee of the Board comprises of three Independent Directors. During the year 2016-17, the Committee met on three occasions i.e., May 21, 2016, August 10, 2016 & February 1, 2017.

The annual compensation of the Executive Directors is approved by the Committee within the parameters set by the shareholders at their meetings.

The committee has devised a Nomination and Remuneration policy in line with the requirements under the Companies Act, 2013 and under the Listing Agreement/ SEBI (Listing Obligations and Disclosure Requirements) regulations 2015, which includes performance evaluation criteria for Independent Directors. The Policy is enclosed as an annexure to the Boards' Report.



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The following Directors are the members of the Committee:

Name of Director	Position	No. of Meetings attended/ held
Rajiv Khaitan	Chairman	3/3
Dilip J Thakkar	Member (upto 21.5.16)	1/3
Dr. K.R.S. Murthy	Member	2/3
Berjis M Desai	Member (w.e.f. 21.5.16)	1/3

The Company Secretary acts as the secretary to the Committee. The terms of reference is provided in Nomination & Remuneration Policy as given elsewhere in this Annual Report.

## 5. Remuneration of Directors

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to the Managing and Executive Directors. In addition to sitting fees, Commission is paid to Non-Executive Directors. Commission is calculated with reference to net profits of the Company in a particular financial year and is determined by the Board of Directors at the end of the financial year, subject to overall ceiling stipulated in Sections 197 of the Companies Act, 2013 The remuneration is closely linked to the performance of the Company.

Given below are the details of Directors Remuneration during the financial year 2016-17.  
(Rs. in Lakhs)

Name	Sitting fees	Salaries and perquisites	Profit linked Commission	Total
D K Himatsingka	Nil	158.41	300.00	458.41
Shrikant Himatsingka	Nil	148.88	300.00	448.88
V. Vasudevan	Nil	90.92	62.25	153.17
Rajiv Khaitan (paid to Khaitan & Co., LLP)	1.70	Nil	10.00	11.70
Dr. K R S Murthy	1.80	Nil	10.00	11.80
Sangeeta Kulkarni	1.30	Nil	10.00	11.30
Berjis M Desai	0.40	Nil	10.00	10.40
Dilip J Thakkar (upto 21.5.16)	0.30	Nil	Nil	0.30
A K Himatsingka (upto 22.5.16)	0.10	Nil	Nil	0.10
Aditya Himatsingka	Nil	81.63	106.56	188.19
Jayshree Poddar (upto 22.5.16)	Nil	5.12	Nil	5.12



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**The Contract tenures of the Executive Directors are as follows:**

D. K. Himatsingka : From April 1, 2014 to March 31, 2019

Aditya Himatsingka : From June 2, 2014 to June 1, 2019

Shrikant Himatsingka : From June 3, 2013 to June 2, 2018

V. Vasudevan : From May 21, 2016 to May 20, 2021

The following represent the details of pecuniary transactions entered by the Company where the non-executive Directors are interested:—

(Rs. in Lakhs)

Name of the Director	Purpose	Amount
Dr. K R S Murthy	Listing fees paid to National Stock Exchange of India Limited	2.30
Rajiv Khaitan	Professional fees paid to Khaitan & Co. LLP	78.97

Rajiv Khaitan is a senior partner of M/s. Khaitan & Co., LLP, Solicitors and Advocates who have professional relationship with the Company.

Apart from the above, none of the other non-executive directors have any pecuniary relationship or transaction with the Company, its promoters, its management or its subsidiaries.

**Criteria for making payments to Non-Executive Directors:**

The Non-Executive Directors (NEDs) are paid remuneration by way of Commission and Sitting Fees. In terms of the shareholders' approval obtained at the AGM held on September 23, 2014 for a period of five years commencing from April 1, 2014, the Commission is paid at a rate not exceeding 1% per annum of the profits of the Company computed in accordance with Section 197 of the Companies Act, 2013. The approval for payment of commission to NEDs is valid upto March 31, 2019.

A sitting fee of Rs. 10,000/- for attendance at each meeting of the Board, Audit Committee, Remuneration Committee, Risk Management Committee and Independent Directors' meeting is paid to its Members (excluding Executive Directors).

The Company also reimburses out-of-pocket expenses to Directors for attending meetings.

**6. Share Transfer Committee**

The Company has a Share Transfer Committee. This comprises three directors. The Committee deals with various matters relating to share transfer, share transmission, issue of duplicate share certificates, the approval of split and consolidation requests, the dematerialization and re-materialisation of shares as well as other matters that relate to the transfer and registration of shares. The members of this committee are D.K. Himatsingka, Shrikant Himatsingka and V Vasudevan.





## 7. Stakeholders Relationship Committee

The Company has a Stakeholders Relationship Committee comprising of three directors and the chairman is an independent, Non-Executive director. The constitution of stakeholder relationship committee are in compliance with provision of Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The Committee looks into redressing of shareholder and investors complaints like transfer of shares, non-receipt of annual reports, non-receipt of declared dividend and related matters.

Four meetings of the committee were held during the year – on May 21, 2016, August 10, 2016, November 10, 2016 and February 1, 2017. The Chairman of the Committee was present in three meetings.

The minutes of the Stakeholders Relationship Committee meetings are placed before the Board of Directors in the subsequent Board meeting.

Constitution of Stakeholders Relationship Committee for the year 2016-17 and related information:

Name of the Director	Position	No. of Meetings Attended/ held
Rajiv Khaitan	Member (Chairman upto.21.5.2016)	3/4
A K Himatsingka (upto 22.5.16)	Member	1/4
Dr K R S Murthy	Chairman (w.e.f. 21.5.2016)	3/4
D.K. Himatsingka	Member	3/4

The Company Secretary acts as the secretary to the Committee.

There were no pending investor complaints at the beginning of the year. During the year 2016-17, the Company received 76 investor complaints, which have been attended to and no complaints remain unresolved at the end of the year.

## 8. Risk Management Committee

The Board constituted a Risk Management Committee on July 28, 2009. The Committee's prime responsibility is to implement and monitor the risk management plans and policy of the Company. During the year two meetings of the committee were held on May 21, 2016 and March 22, 2017. The minutes of Risk Management Committee meetings are placed before the Board of Directors in the subsequent Board meeting.



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Constitution of Risk Management Committee for the year 2016-17 and related information:

Name of the Director	Position	No. of meetings attended / held
Dr. K R S Murthy	Chairman	2/2
Aditya Himatsingka	Member	1/2
Shrikant Himatsingka	Member	2/2
V.Vasudevan	Member	2/2

The Chief Financial Officer, Head of Marketing, Head of Treasury, and Vice President (Corporate Finance) are permanent invitees to the Committee.

### 9. Corporate Social Responsibility

The Board constituted a Corporate Social Responsibility Committee on May 15, 2014. During the year two meetings of the committee were held on November 10, 2016 and March 22, 2017. The minutes of the Corporate Social Responsibility Committee meetings are placed before the Board of Directors in the subsequent Board meeting.

Constitution of the Corporate Social Responsibility Committee for the year 2016-17 and related information:

Name of the Director	Position	No. of meetings attended / held
Dr K R S Murthy	Chairman	2/2
D.K. Himatsingka	Member	2/2
Shrikant Himatsingka	Member	2/2
A.K. Himatsingka	Member (upto 22.05.2016)	0/2

### 10. General Body Meetings

The last three Annual General Meetings of the Company were held on the following dates, time and venue:

Date	Year	Type	Time	Venue	No. of special Resolutions passed
September 17, 2016	2015-16	Annual General Meeting	2.00 p.m.	The LaLiT Ashok Kumara Krupa Road, High Grounds, Bangalore – 560 001	Nil
September 15, 2015	2014-15	Annual General Meeting	2.00 p.m.	The LaLiT Ashok Kumara Krupa Road, High Grounds, Bangalore – 560 001	2
September 23, 2014	2013-14	Annual General Meeting	2.00 p.m.	The LaLiT Ashok Kumara Krupa Road, High Grounds, Bangalore – 560 001	3



## **Postal Ballot**

During the year under review no resolutions was passed through postal Ballot. Further, as on date of this report, no special resolutions are proposed to be passed through postal ballot.

## **11. Means of Communication**

- a) The relevant information relating to the Directors who would be appointed/re-appointed at the ensuing Annual General Meeting is given in the Notice convening the Annual General Meeting.
- b) The Quarterly, half yearly, nine monthly and Annual Financial Results of the Company are intimated to stock exchange immediately after they are approved by the Board and were published in Business Standard, Business Line, Financial Express, Economic Times (all editions) – English Newspaper, and Vartha Bharati – Kannada newspaper, Bengaluru.
- c) The financial results and official news releases are also displayed on our website [www.himatsingka.com](http://www.himatsingka.com) and the website of the Company displays the Investor Updates and presentations made to the institutional investors and analysts from time to time.
- d) Reminders for unclaimed dividend are sent to the shareholders, as per records, before transferring the unclaimed dividend to Investor Education Protection Fund.
- e) The Company has designated [investors@himatsingka.com](mailto:investors@himatsingka.com) as the Designated Exclusive email-id, for redressal of investor grievances.

## **12. Code for Prevention of Insider Trading**

The Company has adopted a code of conduct for Prevention of Insider Trading in the shares of the Company. The code, inter-alia, prohibits purchase/sale of shares of the Company by employees while in possession of unpublished price sensitive information in relation to the Company.

## **13. CEO/CFO Certification**

The CEO and CFO give quarterly and annual certification of the financial statements to the Board, as required under Regulation 33 and Schedule II part B of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **14. Reconciliation of Share Capital Audit**

A qualified practicing Company Secretary carries out quarterly Reconciliation of Share Capital audits to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.



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### **15. Compliance Certificate by Auditors**

The certificate regarding compliance of the conditions of corporate governance obtained from our statutory auditors M/s. Deloitte Haskins & Sells as stipulated under Schedule V(E) of the SEBI (LODR) Regulations, 2015 which is annexed herewith is given elsewhere in this Annual Report.

### **16. Compliance Officer**

The name and designation of the Compliance Officer of the Company is:-

Mr. Ashok Sharma

Company Secretary

His contact details are –

Telephone: 080-22378000, Fax No. 080-4147 9384

e-mail ID: investors@himatsingka.com

### **17. Disclosures**

#### **a) Subsidiary Companies**

- i) None of the Company's Indian Subsidiaries fall under the definition of "material non listed Indian subsidiary as defined under the listing agreement"
- ii) The Audit Committee of the Company reviews the financial statements and in particular the investments made by unlisted subsidiaries of the Company.
- iii) The minutes of the board meetings of unlisted subsidiaries are periodically placed before the Board of the Company. The Board is periodically informed about all significant transactions and arrangements entered into by the unlisted subsidiaries of the Company.

#### **b) Related party transactions**

The statutory disclosure requirements relating to related party transactions have been complied within the Annual Accounts (Note 35)

There were no material transactions during the year 2016-2017 that are prejudicial to the interest of the Company.

#### **c) Disclosure of Accounting Treatment**

There is no deviation in following the treatments prescribed in any Accounting Standard in preparation of financial statements for the year 2016-17.

#### **d) Whistle Blower Policy**

A Whistle Blower Policy is adopted by the Company, the whistle blower mechanism is in vogue and no personnel has been denied access to the Audit Committee



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#### **e) Board Disclosures – Risk Management**

The risk assessment and minimization procedures are in place and the Board is regularly informed about the business risks and the steps taken to mitigate the same. A report on Risk Management is included elsewhere in this Annual Report.

f) Terms and Conditions of appointment of Independent Directors are posted on the website of the company at <http://www.himatsingka.com/corporate-governance.html>

g) The Management Discussion and Analysis report is included elsewhere in this Annual Report.

h) All the mandatory requirements have been duly complied with.

i) With regard to adoption of non-mandatory requirements as specified in Part E of Schedule II, the Company has a non-executive director as its Chairman, it has appointed separate persons as Chairman and CEO, and the Internal Auditors report directly to the Audit Committee.

#### **j) Statutory Compliance, Penalties and Strictures**

The Company complied with all the requirements of the Stock Exchanges/ SEBI/ and other statutory authorities on all matters related to the capital markets during the last three years. There were no penalties or strictures imposed on the Company by the Stock Exchanges, the SEBI or any statutory authority on matters relating to capital markets.

k) The web link for the policy for determining the material subsidiaries and policy on dealing with related party transactions is <http://www.himatsingka.com/corporate-governance/policies.html>

### **18. General Shareholders' Information**

#### **Corporate**

Himatsingka Seide Limited was incorporated at Bengaluru, in the State of Karnataka, on January 23, 1985. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L17112KA1985PLC006647. The address of our Registered office is 10/24, Kumara Krupa Road, High Grounds, Bengaluru-560 001.

Listing on Stock Exchanges

Bombay Stock Exchange Ltd.  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001  
Stock Exchange Code: 514043

National Stock Exchange of India Ltd  
Exchange Plaza, 5th Floor, Plot No. C/1, G Block  
Bandra-Kurla Complex, Bandra (E), Mumbai-400 051  
Stock Exchange Code: HIMATSEIDE



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Listing Fees  
Custodial Fees

Paid to BSE and NSE for 2017-2018  
Paid to Central Depository Services (India) Ltd. for 2017-18.

The Company has paid one time fees to  
National Securities Depository Limited.  
Demat ISIN: INE049A01027

### Unclaimed Dividends

Pursuant to Section 125 of the Companies Act, 2013, dividends that are unpaid/ unclaimed for a period of seven years from the date they became due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF). Given below are the dates of declaration of dividend and corresponding dates when unpaid/unclaimed dividends are due for transfer to IEPF.

Year	Type of dividend	Dividend per share (Rs.)	Date of declaration of dividend	Due date for transfer to IEPF
2010	Final dividend	0.25	September 8, 2010	October 15, 2017
2012	Final dividend	0.50	August 25, 2012	October 2, 2019
2013	Final dividend	1.00	August 12, 2013	September 18, 2020
2014	Final dividend	1.50	September 23, 2014	October 30, 2021
2015	Final dividend	2.00	September 15, 2015	October 22, 2022
2016	Interim dividend	1.00	March 11, 2016	April 18, 2023
2016	Final dividend	1.50	September 17, 2016	October 25, 2023

Members who have so far not encashed their dividend warrants are requested to write to the Company/Registrar to claim the same, to avoid transfer to IEPF. Members are advised that no claims shall lie against the said fund or the Company for the amounts of dividend so transferred to the said Fund.

### Investor Information

Annual General Meeting

September 23, 2017 at 2.00 pm  
The LaLit Ashok Bengaluru  
Kumara Krupa Road, High Grounds  
Bengaluru-560 001



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Financial year

1st April to 31st March

Financial Calendar

Board Meetings for approval of

Financial Results for 1 <sup>st</sup> Quarter 2017-18	July- August 15, 2017
Financial Results for 2 <sup>nd</sup> Quarter 2017-18	October-November 15, 2017
Financial Results for 3 <sup>rd</sup> Quarter 2017-18	January- February 15, 2018
Annual Accounts 2017-18	April- May 30, 2018

Date of Book Closure

September 16, 2017 to September 23, 2017  
(both days inclusive)

Dividend payment date

on or before October 22, 2017

### Share Price

The monthly high and low quotations of the closing price and volume of shares traded at Bombay Stock Exchange and National Stock Exchange during the year were as follows:

Month	Bombay Stock Exchange			National Stock Exchange		
	High (Rs.)	Low(Rs.)	Volume (Nos.)	High (Rs.)	Low(Rs.)	Volume (Nos.)
Apr-16	236.10	186.15	1,254,990	236.00	185.30	6,094,147
May-16	251.20	211.50	1,176,774	251.00	211.00	6,530,430
Jun-16	239.00	216.10	1,275,060	238.90	215.30	5,631,979
Jul-16	297.50	228.00	2,230,858	297.00	227.50	6,855,043
Aug-16	292.00	241.95	840,317	276.00	241.55	3,868,507
Sep-16	279.00	240.90	748,136	279.00	240.00	2,897,501
Oct-16	293.00	266.70	527,189	293.90	266.10	3,325,778
Nov-16	308.00	246.35	669,738	308.40	231.50	3,638,640
Dec-16	313.00	266.70	1,247,484	313.70	265.00	4,671,372
Jan-17	359.00	291.05	1,241,412	359.00	291.00	5,268,698
Feb-17	384.50	330.10	1,931,690	384.95	331.00	4,306,263
Mar-17	369.30	336.25	420,677	370.00	335.30	2,457,988
<b>Total</b>			<b>13,564,325</b>	<b>Total</b>		<b>55,546,346</b>

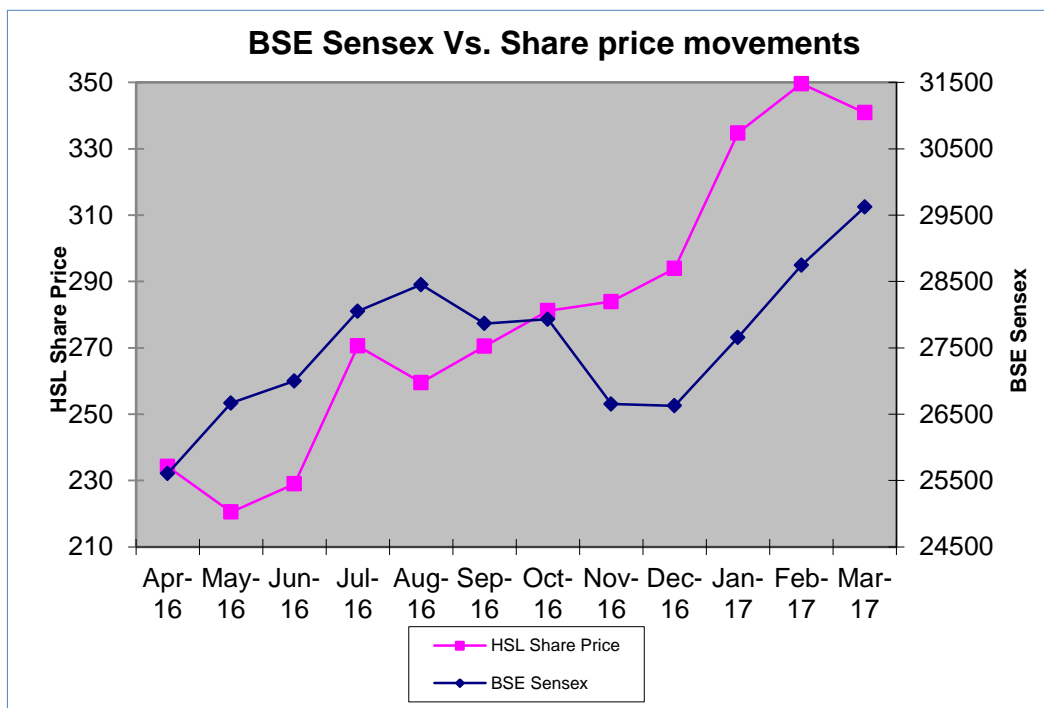


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Stock Split 1 equity share of Rs. 10/- each split into 2 equity shares of Rs. 5/- each in October 2005

Bonus History                      1994 1:2  
   1999 1:1  
   2005 1:1

### Share Price Movement



Share Transfers and other communication regarding share certificates, dividends, and change of address, etc., may be addressed to

Karvy Computershare Private Limited  
Karvy Selenium Tower B, Plot 31-32,  
Gachibowli, Financial District  
Nanakramguda, Hyderabad-500 032  
Phone: (040) 6716 1559 Fax: (040) 23001153  
E-mail: shobha.anand@karvy.com

### Share Transfer System

Share transfers are registered and returned within a period of 10/15 days from the date of receipt if the documents are in order. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as Regulation 40(9) of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the certificate with the Stock Exchanges.





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Transfer period in days	2016-2017	
	No. of shares	Percentage
1 – 10	6,400	100.00
11 – 20	--	--
21 – 30	--	--
<b>Total</b>	<b>6,400</b>	<b>100.00</b>

### Complaints received from Investors during the year

Nature of Complaints	Received	Cleared
1. Non-receipt of share certificates	3	3
2. Non-receipt of dividend warrants	55	55
3. Non-receipt of Annual Report	17	17
4. Complaints received through SEBI(SCORES)	1	1
<b>TOTAL</b>	<b>76</b>	<b>76</b>

The Company attended to most of the investors' grievances/ correspondence within seven days from the date of receipt of the same during the year 2016-17.

### Distribution of shareholding as on March 31, 2017

No. of equity shares	No. of share holders	% of share holders	No. of shares held	% of shareholding
1 - 5000	21,172	86.63	5,175,913	5.26
5001 - 10000	1,596	6.53	2,368,164	2.41
10001 - 20000	777	3.18	2,251,607	2.29
20001 - 30000	290	1.19	1,461,264	1.48
30001 - 40000	134	0.55	959,209	0.97
40001 - 50000	80	0.33	738,746	0.75
50001 - 100000	184	0.75	2,659,044	2.70
100001 and above	203	0.84	82,843,213	84.14
<b>Total</b>	<b>24,436</b>	<b>100.00</b>	<b>98,457,160</b>	<b>100.00</b>

**Shareholding Pattern as on March 31, 2017**

Particulars	Physical Holding	Electronic Holding	Total Holdings	%
Promoters	0	56,334,595	56,334,595	57.22
Banks	2,000	11,176	13,176	0.01
Trusts	0	9,488	9,488	0.01
Mutual Fund	400	9,627,855	9,628,255	9.78
FII	400	8,255,101	8,255,501	8.38
Non-Resident Indians	169,780	554,047	723,827	0.74
Indian Corporate Bodies	15,720	3,679,738	3,695,458	3.75
Individuals	1,033,940	18,025,280	19,059,220	19.36
Others	0	737,640	737,640	0.75
<b>Total</b>	<b>1,222,240</b>	<b>97,234,920</b>	<b>98,457,160</b>	<b>100.00</b>
<b>Percentage</b>	<b>1.24</b>	<b>98.76</b>	<b>100</b>	

NOTE: Promoter Group has not pledged any of their shares as on March 31, 2017

**Dematerialisation of shares and liquidity**

The equity shares of the Company are available for dematerialisation with National Securities Depository Limited (NSDL) and Central Depository Services of India Limited (CDSL). The equity shares of the Company have been notified by SEBI for settlement only in the demat form for all investors from 21st March 2000.

As on March 31, 2017, 98.76% of the Company's share capital is dematerialized and the rest is in Physical form. The Company's shares were regularly traded on the National Stock Exchange and Bombay Stock Exchange.

Shares held in demat and physical mode as on March 31, 2017

Category	Number of		% to total equity
	Shareholders	Shares	
Demat Mode			
NSDL	12,428	90,350,590	91.77
CDSL	11,229	6,884,330	6.99
<b>Total</b>	<b>23,660</b>	<b>97,234,920</b>	<b>98.76</b>
Physical Mode	779	1,222,240	1.24
<b>Grand Total</b>	<b>24,436</b>	<b>98,457,160</b>	<b>100.00</b>



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**Plant Locations:** The Company's plants are situated at the following locations:

**Drapery & Upholstery Unit:** Doddaballapur-561 203, Karnataka, India.

**Bed Linen Unit:** Plot No. 1, KIADB Industrial Area, Hassan-573 201, Karnataka, India

**Spinning Unit:** Plot No. 4, KIDB Industrial Area, Hassan-573 201, Karnataka, India

### **Service of documents through electronic mode**

As a part of Green initiative, the members who wish to receive documents like the Notice convening the general meetings, Financial Statements, Director's Report, Auditors Report etc., through e-mail, may kindly intimate their e-mail address to Company/ Registrars (for shares held in physical form) and Depository Participants (for shares held in dematerialized form).

### **Commodity Price Risk / Foreign Exchange Risk and Hedging activity**

A report on Risk Management is included elsewhere in this Annual Report.

### **Other useful information to shareholders**

- Equity shares of the Company are under compulsory demat trading by all investors, with effect from March 21, 2000. Considering the advantages of scripless trading, shareholders are requested in their own interest to consider de-materialisation of their shareholding so as to avoid inconvenience in future.
- Shareholders/Beneficial Owners are requested to quote their Registered Folio No./DP & Client ID Nos. as the case may be, in all correspondence with the RTA/ Company. Company has also designated an exclusive E-mail ID: [investors@himatsingka.com](mailto:investors@himatsingka.com) for effective investors' services where they can complain/ raise query and request for speedy and prompt redressal.
- Shareholders holding shares in physical form are requested to notify to the RTA/ Company, change in their address/ Pin Code number with proof of address and Bank Account details promptly by written request under the signatures of sole/ first joint holder. Shareholders may Note that for transfer of shares held in physical form, as per circular issued by SEBI, the transferee is required to furnish copy of their PAN card to the Company/RTAs for registration of transfer of shares.
- Beneficial Owners of shares in demat form are requested to send their instructions regarding change of name, bank details, nomination, power of attorney, etc., directly to their Depository Participants only.
- Non-resident members are requested to immediately notify the following to the Company in respect of shares held in physical form and to their Depository Participants in respect of shares held in dematerialized form:
  - Indian address for sending all communications, if not provided so far;
  - Change in their residential status on return to India for permanent settlement;
  - Particulars of the Bank Account maintained with a bank in India, if not furnished earlier; and
  - E-mail ID and Fax No.(s), if any.



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- In case of loss/ misplacement of shares, investors should immediately lodge FIR/Complaint with the Police and inform to the Company along with original or certified copy of FIR/ Acknowledged copy of the Police complaint.
- For expeditious transfer of shares, shareholders should fill in complete and correct particulars in the transfer deed. Wherever applicable, registration number of Power of Attorney should also be quoted in the transfer deed at the appropriate place.
- Shareholders are requested to keep record of their specimen signature before lodgement of shares with the Company to obviate the possibility of difference in signature at a later date.
- Shareholders of the Company, who have multiple accounts in identical names(s) or holding more than one Share Certificate in the same name under different Ledger Folio(s), are requested to apply for consolidation of such Folio(s) and send the relevant Share Certificates to the Company.
- Section 72 of the Companies Act, 2013 extends nomination facility to individuals holding shares in physical form in Companies. Shareholders, in particular those holding shares in single name, may avail of the above facility by furnishing the particulars of their nominations in the prescribed Nomination Form.
- Shareholders are requested to give their valuable suggestions for improvement of the Company's investor services.

Investors' correspondence may be addressed to Ashok Sharma, Company Secretary, Himatsingka Seide Limited, 10/24, Kumara Krupa Road, High Grounds, Bengaluru-560 001. Phone: (080) 2237 8000, Fax: (080) 4147 9384, e-mail: investors@himatsingka.com

### **Mandatory/Non Mandatory Requirements**

The Company has complied with all the mandatory requirements Schedule V of Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Corporate Governance. With regard to the non-mandatory requirements the Company has a Executive Director as its Chairman, it has appointed separate persons as Chairman and CEO, and the Internal Auditors report directly to the Audit Committee.

### **DECLARATION**

As provided under Schedule V(D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board members and Senior Management Personnel have affirmed compliance with Himatsingka Seide Limited Code of Business Conduct and Ethics for the year ended March 31, 2017.

Place : Bengaluru  
Date : August 10, 2017

Dinesh Himatsingka  
Executive Chairman