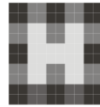




Himatsingka



Himatsingka Seide Limited

Corporate Governance Report 2017-2018



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 that ensure Company’s adherence to fair practices in order to meet the obligations to various stakeholders.

Himatsingka is committed to set the highest standards of Corporate Governance in order to create stakeholder value. We believe Corporate Governance is integral to managing and monitoring a corporation with the highest degree of responsibility. At its core, our governance practices endeavor to maximize integrity, transparency, ethical practices and accountability in the conduct of business. The Corporate Governance framework ensures that we make timely and accurate disclosures regarding the financial and operating performance, ownership and governance of the Company.

Your Company will continue to focus its resources and capabilities to ensure Corporate Governance practices are current, relevant and sustainable in order to safeguard the interest of stakeholders and strengthen the very foundation and principles on which the Company builds and expands businesses.

2. Board of Directors (Board)

The Company has a balanced mix of Executive and Non-Executive Independent Directors. As at March 31, 2018, the Board of Directors comprises of 6 (Six) Directors, of which 3 (three) are Non-Executive Independent Directors including one Woman Director. The Chairman is an Executive Director and the Promoter of the Company. The number of Independent Director is 3 (three). 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 listed 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, 2018.

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, number of Directorships and Committee Memberships held by them in other public companies, and also the No. of shares held by Directors 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
					Member	Chairman	
Mr. D K Himatsingka	P, EC	6/8	Yes	5	Nil	Nil	1,19,68,000
Mr. Shrikant Himatsingka	P, E	8/8	Yes	5	1	0	84,80,964
Mr. V. Vasudevan	E	8/8	Yes	Nil	Nil	Nil	Nil
Dr. K R S Murthy	I	8/8	Yes	4	1	1	1,000
Mr. Rajiv Khaitan	I	8/8	Yes	6	2	1	4,200
Mr. Sangeeta Kulkarni	I	8/8	Yes	5	Nil	Nil	Nil
Mr. Berjis M Desai**	I	1/1	No	N.A	N.A.	N.A.	Nil
Mr. Aditya Himatsingka**	P, E	0/1	No	N.A	N.A.	N.A.	28,08,808

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.

** Resigned w.e.f., May 23, 2017

None of the Directors are related to each other, except Mr. Shrikant Himatsingka is the son of Mr. D. K. Himatsingka.

During the year 2017-18, the Board of Directors met eight times on the following dates: May 23, 2017, July 5, 2017, July 26, 2017, August 10, 2017, September 23, 2017, November 7, 2017, February 9, 2018 and March 31, 2018. The time gap between two meetings did not exceed 120 days.

Code of Conduct

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) Regulations, 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 are 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 the Articles of Association of the Company, Mr. V.Vasudevan 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 conformation 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 Audit 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:



Himatsingka

- 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;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Modified opinion(s) 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;
 - 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;

During the year 2017-18, the Audit Committee met on seven occasions i.e. May 23, 2017, July 5, 2017, July 26, 2017, August 10, 2017, November 7, 2017, February 9, 2018 and March 31, 2018. The minutes of the Audit Committee meetings are placed before the Board of Directors in the subsequent Board Meeting. The Chairman of the Committee was present in all the seven meetings held.



The constitution of the Audit Committee and attendance of the members for the year 2017-18 is as under:

Name of Director	Position	No. of meetings attended/ held
Mr. Rajiv Khaitan	Chairman	7/7
Dr. K.R.S. Murthy	Member	7/7
Mr. Berjis M Desai*	Member	1/1
Mr. Shrikant Himatsingka	Member	6/7
Ms. Sangeeta Kulkarni	Member	7/7

* Resigned w.e.f., May 23, 2017

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 constitution of the Committee is in conformation with the requirements under Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Nomination and Remuneration Committee of the Board comprises of three Independent Directors. During the year 2017-18, the Committee met on six occasions i.e., May 23, 2017, July 5, 2017, July 26, 2017, August 10, 2017, November 7, 2017 & February 9, 2018.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, which includes performance evaluation criteria for Independent Directors and the Board. The minutes of the Nomination and Remuneration Committee meetings are placed before the Board of Directors in the subsequent Board Meeting. The Chairman of the Committee was present in all the six meetings held. The Policy is enclosed as an annexure to the Boards' Report.

The following Directors are the members of the Committee:

Name of Director	Position	No. of Meetings attended/ held
Mr. Rajiv Khaitan	Chairman	6/6
Dr. K.R.S. Murthy	Member	6/6
Mr. Berjis M Desai*	Member	1/1
Ms. Sangeeta Kulkarni**	Member	5/5

*Resigned w.e.f., May 23, 2017; ** Appointed as member of the Committee w.e.f., June 30, 2017,

Mr. Rajiv Khaitan, Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting. The Company Secretary of the Company acts as the secretary to the Committee. The terms of reference is provided in the Nomination and Remuneration Policy which is available on the Company's website at <http://www.himatsingka.com/corporate-governance.html>



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 2017-18

(Rs. in Lakhs)

Name	Sitting fees	Salaries and perquisites	Profit linked Commission	Total
Mr. D K Himatsingka	Nil	178.75	650.00	828.75
Mr. Shrikant Himatsingka	Nil	174.62	650.00	824.62
Mr. V. Vasudevan	Nil	114.43	84.41	198.84
Mr. Rajiv Khaitan ^	2.20	Nil	12.00	14.20
Dr. K R S Murthy	2.40	Nil	12.00	14.40
Ms. Sangeeta Kulkarni	2.10	Nil	12.00	14.10
Mr. Berjis M Desai*	0.30	Nil	Nil	0.30
Mr. Aditya Himatsingka *	Nil	11.78	Nil	11.78

** Resigned w.e.f., May 23, 2017 ^Paid to Khaitan and co, LLP.

The Contract tenures of the Executive Directors are as follows:

Sl.No	Name	Tenure
1.	Mr. D. K. Himatsingka	From April 1, 2014 to March 31, 2019
2.	Mr. Shrikant Himatsingka	From June 3, 2013 to June 2, 2018
3.	Mr. 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
Mr. Rajiv Khaitan	Professional fees paid to Khaitan & Co. LLP	33.27

Mr. 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 Mr. D.K. Himatsingka, Mr. Shrikant Himatsingka and Mr.V Vasudevan.

7. Stakeholder's Relationship Committee

The constitution of the Committee is in conformation with the requirements under Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has a Stakeholders Relationship Committee comprising of three Directors and the Chairman is an Independent, Non-Executive Director. 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 23, 2017, August 10, 2017, November 7, 2017 and February 9, 2018. The Chairman of the Committee was present in all the four meetings held.

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 2017-18 and related information:

Name of the Director	Position	No. of Meetings Attended/ held
Dr K R S Murthy	Chairman	4/4
Mr. Rajiv Khaitan	Member	4/4
Mr. D.K. Himatsingka	Member	4/4

The Company Secretary of the Company acts as the secretary to the Committee.



There were no pending investor complaints at the beginning of the year. During the year 2017-18, the Company received 141 investor complaints, which have been attended to and no complaints remain unresolved at the end of the year.

8. Risk Management Committee

The Board has constituted a Risk Management Committee whose 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 August 10, 2017 and February 9, 2018. The minutes of Risk Management Committee meetings are placed before the Board of Directors in the subsequent Board meeting.

Constitution of Risk Management Committee for the year 2017-18 and related information:

Name of the Director	Position	No. of meetings attended / held
Dr. K R S Murthy	Chairman	2/2
Mr. Shrikant Himatsingka	Member	1/2
Mr. 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 constitution of the Committee is in conformation with the requirements under Section 135 of the Companies Act, 2013. The Board constituted a Corporate Social Responsibility Committee on May 15, 2014. During the year two meetings of the committee were held on May 23, 2017 and November 20, 2017. The minutes of the Corporate Social Responsibility Committee meetings are placed before the Board of Directors in the subsequent Board meeting. The Chairman of the Committee was present in both the meetings

Constitution of the Corporate Social Responsibility Committee for the year 2017-18 and related information:

Name of the Director	Position	No. of meetings attended / held
Dr K R S Murthy	Chairman	2/2
Mr. D.K. Himatsingka	Member	2/2
Mr. Shrikant Himatsingka	Member	2/2

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 23, 2017	2016-17	Annual General Meeting	2.00 p.m.	The LaLiT Ashok Kumara Krupa Road, High Grounds, Bangalore – 560 001	1
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

Postal Ballot

During the year under review no resolutions were 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

- 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.
- 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 VarthaBharati – Kannada newspaper, Bengaluru.
- The financial results and official news releases are also displayed on our website 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.
- Reminders for unclaimed dividend are sent to the shareholders, as per records, before transferring the unclaimed dividend to Investor Education Protection Fund.
- The Company has designated 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.

15. Compliance Certificate by Auditors

The certificate regarding compliance of the conditions of corporate governance obtained from our statutory auditors M/s. BSR & Co., LLP as stipulated under Schedule V(E) of the SEBI (LODR) Regulations, 2015 which is annexed here with 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

Contact details: **T:** +91 80 22378000; **F:** +91 80 4147 9384; **E:** investors@himatsingka.com

17. Disclosures

a. Subsidiary Companies

- None of the Company's Indian Subsidiaries fall under the definition of "material non listed Indian subsidiary as defined under the listing regulations"
- The Audit Committee of the Company reviews the financial statements and in particular the investments made by unlisted subsidiaries of the Company.
- 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 2017-2018 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 2017-18.

d. Whistle Blower Policy

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

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 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.html>

18. General Corporate and Shareholder Information

Date of Incorporation	January 23, 1985
Registered Address	10/24, Kumara Krupa Road, High Grounds, Bengaluru-560 001
Corporate Identity Number (CIN)	L17112KA1985PLC006647
Listing on Stock Exchanges	BSE Ltd. PhirozeJeejeebhoy Towers, Dalal Street, Mumbai-400 001
	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	BSE : 514043 NSE : HIMATSEIDE
Listing Fees	Paid to BSE and NSE for 2018-2019
Custodial Fees	Central Depository Services (India) Ltd. paid for the year 2018-19 National Securities Depository Limited one time fees paid. Demat ISIN: INE049A01027
Annual General Meeting	September 22, 2018 at 3.00 pm The LaLit Ashok, Kumara Krupa Road, Bengaluru-560 001
Financial year	1st April to 31st March
Financial Calendar	Board Meetings for approval of financial results and annual accounts:



	Q1 2018-19 : July- August 15, 2018 Q2 2018-19 : October-November 15, 2018 Q3 2018-19 : January- February 15, 2019
Date of Book Closure	September 15, 2018 to September 22, 2018 (both days inclusive)
Stock Split	1 equity share of Rs. 10/- each split into 2 equity shares of Rs. 5/- each in October 2005
Bonus History	Year 1994 - 1:2 Year 1999 - 1:1 Year 2005 - 1:1
Dividend payment date	On or before October 21, 2018
Share Registrar and Transfer Agents	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Nanakramguda, Hyderabad - 500 032 T: +91 40 6716 1559; F: +91 40 23001153; E: shobha.anand@karvy.com
Investors' correspondence may be addressed to	Mr. Ashok Sharma, Company Secretary, Himatsingka Seide Limited, 10/24, Kumara Krupa Road, High Grounds, Bengaluru-560 001. T: +91 80 2237 8000; F: +91 80 4147 9384; E: investors@himatsingka.com

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
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
2017	Final dividend	2.50	September 23, 2017	October 30, 2024

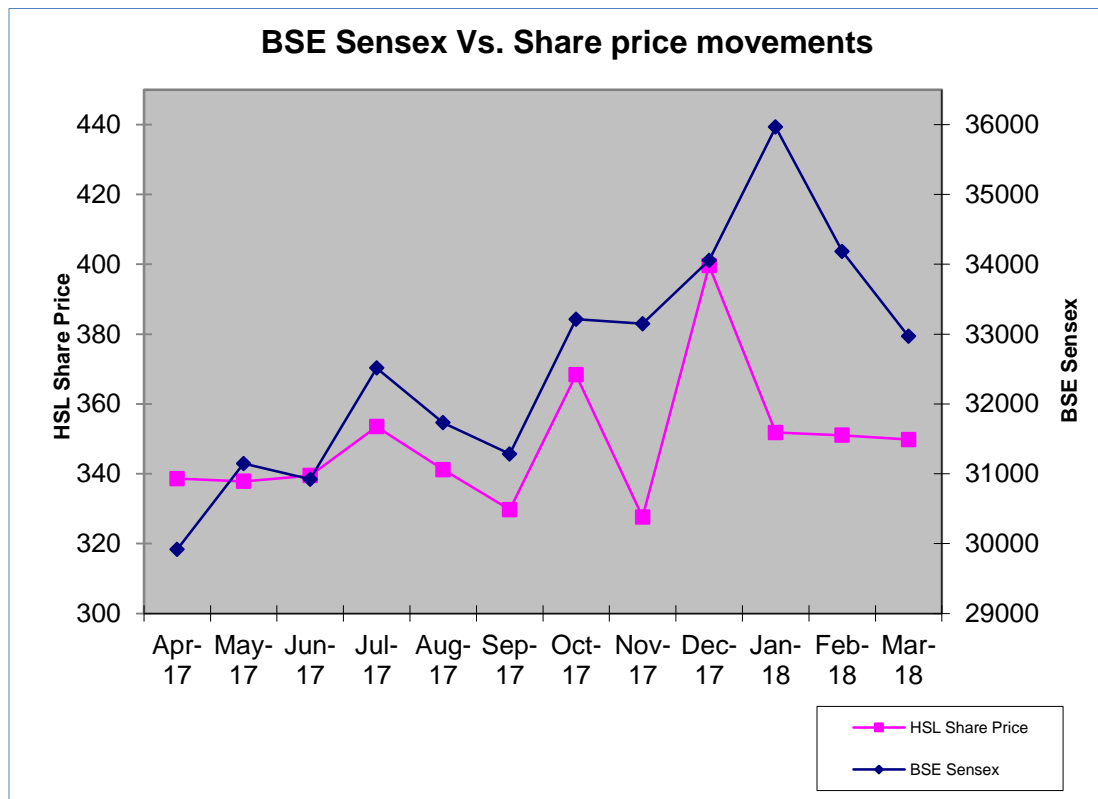
Members who have so far not encashed their dividend warrants are requested to write to the Company/Registrar to claim the same, to avoid transfer to IEPF. Members are advised that no claims shall lie against the said fund or the Company for the amounts of dividend so transferred to the said Fund.

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-17	373.80	331.50	551,337	373.00	335.00	2,092,923
May-17	358.60	313.15	537,704	359.50	312.40	1,760,485
Jun-17	383.95	319.85	3,375,421	383.30	320.10	4,027,953
Jul-17	400.00	336.50	815,075	400.00	336.55	3,522,267
Aug-17	355.40	290.50	654,182	356.80	290.05	2,905,462
Sep-17	398.90	314.85	1,264,520	399.60	313.90	3,407,921
Oct-17	385.25	327.10	516,685	385.00	327.75	2,546,740
Nov-17	377.90	319.00	974,218	377.75	318.15	3,859,968
Dec-17	408.00	326.70	2,045,128	406.80	327.85	2,909,669
Jan-18	444.35	345.15	2,369,408	443.80	345.20	3,335,522
Feb-18	369.95	310.00	437,077	369.00	313.10	1,455,442
Mar-18	354.95	323.45	147,965	357.00	322.10	1,014,511
Total			13,688,720	Total		32,838,863



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.



Transfer period in days	2017-2018	
	No. of shares	Percentage
1 – 10	5,578	100.00
11 – 20	--	--
21 – 30	--	--
Total	5,578	100.00

Complaints received from Investors during the year

Nature of Complaints	Received	Cleared
Non-receipt of share certificates	26	26
Non-receipt of dividend warrants	88	88
Non-receipt of Annual Report	27	27
Complaints received through SEBI(SCORES)	0	0
TOTAL	141	141

The Company attended to most of the investors' grievances/ correspondence within seven days from the date of receipt of the same during the year 2017-18.

Distribution of shareholding as on March 31, 2018

No. of equity shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 - 5000	25,394	97.30	1,06,83,647	10.85
5001 - 10000	325	1.25	23,19,727	2.36
10001 - 20000	193	0.74	27,56,145	2.80
20001 - 30000	59	0.23	14,25,197	1.45
30001 - 40000	21	0.08	7,35,874	0.75
40001 - 50000	14	0.05	6,04,531	0.61
50001 - 100000	29	0.10	20,28,636	2.06
100001 and above	64	0.25	7,79,03,403	79.12
Total	26,099	100.00	98,457,160	100.00

Shareholding Pattern as on March 31, 2018

Particulars	Physical Holding	Electronic Holding	Total Holdings	%
Promoters	0	46,834,592	46,834,592	47.57
Banks	2,000	11,078	13,078	0.01
Trusts	0	4,649	4,649	0.00
Mutual Fund	0	9,791,719	9,791,719	9.95
FII	400	11,625,859	11,626,259	11.81



Non-Resident Indians	138,060	1,890,959	2,029,019	2.06
Indian Corporate Bodies	10,100	2,715,051	2,725,151	2.77
Individuals	736,358	23,759,214	24,495,572	24.88
Others	0	937,121	937,121	0.95
Total	886,918	97,570,242	98,457,160	100.00
%	0.90	99.10	100.00	

Dematerialization of shares and liquidity

The equity shares of the Company are available for dematerialization (Demat) 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 March 21, 2000.

As on March 31, 2018, 99.10% 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, 2018:

Category	Number of		% to total equity
	Shareholders	Shares	
Demat			
NSDL	19,158	93,883,392	95.35
CDSL	6,428	3,686,850	3.74
Total	25,586	97,570,242	99.10
Physical			
	513	886,918	0.90
Grand Total	26,099	98,457,160	100.00

Plant Locations

Plant Location	Products Category
Doddaballapur, Karnataka, India	Drapery & Upholstery
Hassan, Karnataka, India	Sheeting, Spinning and Terry Towels

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, Board'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 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.
- 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.



Himatsingka

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 an 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, 2018.

Place: Bengaluru
Date: August 9, 2018

D.K Himatsingka
Executive Chairman

Shrikant Himatsingka
Managing Director & CEO