

## Corporate Governance Report

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

### 1) COMPANY'S GOVERNANCE PHILOSOPHY

Corporate Governance refers to a combination of laws, regulations, procedures, implicit rules and good corporate practices that ensure the Company's adherence to fair practices with a view to meet the obligations to various stakeholders.

At Himatsingka we believe that Corporate Governance is an essential element of business, which helps the Company to fulfill its responsibilities to all its stakeholders. Himatsingka is committed to adopting best practices in Governance and Disclosures 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 endeavour to maximize integrity, transparency, ethical practices and accountability in the conduct of business.

Himatsingka continues 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)

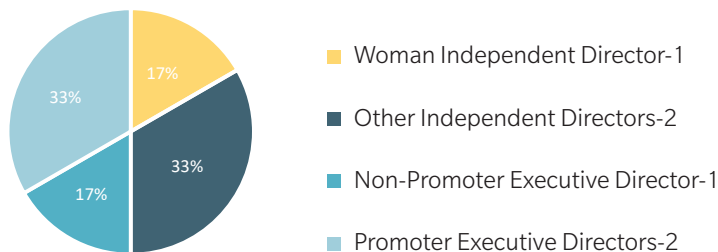
#### i) Composition and meetings of Board

As on date of the report i.e. Aug 10, 2023, the Board comprises of 6 (Six) Directors, of which 3 (Three) are Independent Directors including one Independent Woman Director, 3 (Three) are Executive Directors out of which 2 (Two) are Promoter Executive Directors. The composition of the Board is in accordance with Regulation 17(1) of Listing Regulations.

The Board Composition was in accordance with the Listing Regulations with half of the Board comprising of Independent Directors. On account of nomination of director by a financial institution owned and controlled by the Government of India, on the Board of the Company with effect from March 9, 2023, the Board consisted of 7 (Seven) directors of which 3 (Three) were Independent Directors including one Independent Woman Director, 3 (Three) were Executive Directors out of which 2 (Two) were Promoter Executive Directors and 1 (One) was a Nominee Director and as a result thereof at least half of the Board did not consist of Independent Directors. The Company received communication from National Stock Exchanges of India Ltd. and BSE Ltd. ("collectively referred as Stock Exchanges") on non-adherence to Board composition criteria laid down in Regulation 17 (1) of Listing Regulations. The Company represented to the Stock Exchanges that a time-period of 3 months should be available to the Company to restore the composition requirement and that the Company ought not to be considered as non-complaint from the date of nomination of director by the financial institution as the appointment of an additional Independent Director, to set right the Board composition is procedure driven and requires time. However, the Stock Exchanges imposed fine of ₹ 1,35,700/- each for the quarter ended March 31, 2023 and the same has been paid by the Company as advised by the Stock Exchanges. The Company has also submitted waiver application with the Stock Exchanges and outcome of the same is awaited. Subsequently, the financial institution withdrew the nomination of Director from the Board on June 28, 2023 and the Board composition is in compliance with Regulation 17(1) of the Listing Regulations.

The composition of Board of Directors as on date of the report is depicted herein below:

**Composition of Board as on date of the report i.e. Aug 10, 2023**



## Directorship & Committee Membership Matrix

The names and categories of the Directors on the Board, number of Directorships and Committee Memberships held by them in other companies and also the No. of shares held by Director, in the Company are given below:

Name	Category#	No. of Directorships held in other companies (Note 1)	No. of Memberships and Chairpersonship in Committees of other public companies (Note 2)		No. of shares held by Directors
			Member	Chairperson	
Mr. D.K. Himatsingka	P, ED	2	Nil	Nil	1,19,02,000
Mr. Shrikant Himatsingka	P, ED	6	Nil	Nil	85,46,964
Mr. S. Shanmuga Sundaram	ED	1	Nil	Nil	–
Mr. Harminder Sahni	NE, I	5	2	1	–
Mrs. Sandhya Vasudevan	NE, I	3	1	Nil	–
Mr. Shyam Powar @	NE, I	4	Nil	Nil	–
Mr. Rajiv Khaitan*	NE, I	5	1	Nil	4,200
Mr. Manish Joshi^	NE, N	Nil	Nil	Nil	–

#P = Promoter, NE = Non-Executive, I = Independent, ED = Executive Director, N = Nominee

@ Appointed as an Independent Director w.e.f May 30, 2023

\*Details provided as on the date of Cessation i.e. May 30, 2023

^Details provided as on the date of withdrawal of nomination i.e. June 28, 2023

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

None of the Directors on the Board is a member on more than 10 Committees and Chairperson of more than 5 Committees as specified in Regulation 26 of Listing Regulations, 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, 2023.

### Notes:

- 1) 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.
- 2) For the purpose of considering limit of committee membership, private limited companies, foreign companies, high value debt listed entities and companies under section 8 of the Companies Act, 2013 have been excluded. Chairpersonship/Membership of only Audit Committee and Stakeholders' Relationship Committee are considered.

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

### Attendance of Directors during the year 2022-23

The Board meets at regular intervals to discuss and decide on Company/ business policy and strategy.

8 (Eight) Board Meetings were held during the year on the following dates: May 30, 2022; July 22, 2022; August 13, 2022; August 30, 2022; September 26, 2022; November 14, 2022; December 15, 2022; and February 11, 2023.

The time gap between all the Board meetings did not exceed 120 days.

## Directors' Attendance Matrix

Name	AGM September	Board Meeting								Held during the year	Attended during the year	Percentage of Attendance
		May 30, 2022	July 22, 2022	August 13, 2022	August 30, 2022	September 26, 2022	November 14, 2022	December 15, 2022	February 11, 2023			
Mr. D.K. Himatsingka	✓	✓	✓	✓	✓	✓	✓	✓	✓	8	8	100.00%
Mr. Shrikant Himatsingka	✓	✓	✓	✓	✓	LOA	✓	✓	✓	8	7	87.50%
Mr. S. Shanmuga Sundaram @	NA	NA	NA	NA	NA	NA	NA	NA	✓	1	1	100.00%
Mr. Harminder Sahni ^	NA	NA	NA	NA	NA	NA	✓	✓	✓	3	3	100.00%
Ms. Sandhya Vasudevan ^	NA	NA	NA	NA	NA	NA	NA	✓	✓	2	2	100.00%
Mr. Shyam Powar *	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Mrs. Sangeeta Kulkarni # (Note 1)	NA	✓	✓	✓	✓	NA	NA	NA	NA	4	4	100.00%
Mr. Pradeep Bhargava # (Note 2)	✓	✓	✓	✓	✓	✓	✓	NA	NA	6	6	100.00%
Mr. V. Vasudevan # (Note 3)	✓	✓	✓	✓	LOA	✓	✓	✓	NA	7	6	85.71%
Mr. Raja Venkataraman # (Note 4)	✓	✓	✓	✓	✓	✓	✓	✓	NA	7	7	100.00%
Mr. Rajiv Khaitan # (Note 5)	✓	✓	✓	✓	✓	✓	✓	✓	✓	8	8	100.00%
Mr. Manish Joshi (Note 6)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

✓ – Attended; NA – Not Applicable; LOA – Leave of Absence

^ Appointed as an Independent Director w.e.f. November 14, 2022.

@ Appointed as Whole Time Director w.e.f. December 15, 2022.

\*Appointed as an Independent Director w.e.f May 30, 2023

### Notes:

- 1) Ceased to be Independent Director w.e.f. August 30, 2022
- 2) Ceased to be Independent Director w.e.f. November 14, 2022
- 3) Ceased to be Non-Executive Director w.e.f. December 15, 2022
- 4) Ceased to be Independent Director w.e.f. January 02, 2023
- 5) Ceased to be Independent Director w.e.f. May 30, 2023
- 6) Export-Import Bank of India (Lender) ("EXIM") nominated Mr. Joshi as a Director on the Board from March 9, 2023. Subsequently, EXIM withdrew his nomination from June 28, 2023. No board meetings were held during his tenure in the financial year.

# Stepped down as Director due to pre-occupation with own business and paucity of time and confirmed that there were no other material reasons for such resignation.

### ii) Directorship in other Listed Companies

Name of Director	Category	Name of the Listed Company
Mr. Harminder Sahni	Independent Director	Praxis Home Retail Limited
Ms. Sandhya Vasudevan	Independent Director	TTK Prestige Limited
Mr. Shyam Powar	Independent Director	Taal Enterprises Limited
Mr. Rajiv Khaitan	Independent Director	Emami Limited

### iii) Board of Directors – Competency matrix

Name of the Director	Textile Industry experience	Factory Operations and processes	Broad management perspective and experience	Interpretation of Financial Statements	Thorough Legal expertise involving corporate law, contracts	Risk Management
Mr. D.K. Himatsingka	✓	✓	✓	✓	✓	✓
Mr. Shrikant Himatsingka	✓	✓	✓	✓	✓	✓
Mr. S. Shanmuga Sundaram	✓	✓	✓	–	–	✓
Mr. Harminder Sahni	✓	✓	✓	✓	✓	✓
Ms. Sandhya Vasudevan	–	–	✓	✓	✓	✓
Mr. Shyam Powar	–	✓	✓	✓	✓	✓
Mr. Rajiv Khaitan	–	–	✓	✓	✓	✓
Mr. Manish Joshi	–	–	✓	✓	–	✓

On the basis of the declarations received from each of the Independent Directors, the Board hereby confirms that the Independent Directors of the Company fulfils the conditions specified in the Listing Regulations and are independent of the management.

### iv) Code of Conduct

In compliance with Regulation 26(3) of the Listing Regulations and the Companies Act, 2013 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. The code is posted on the website of the Company: <https://himatsingka.com/investors/corporate-governance>

During the year, information as required under Schedule II part A of Regulation 17 of Listing Regulations has been placed to the Board for its consideration.

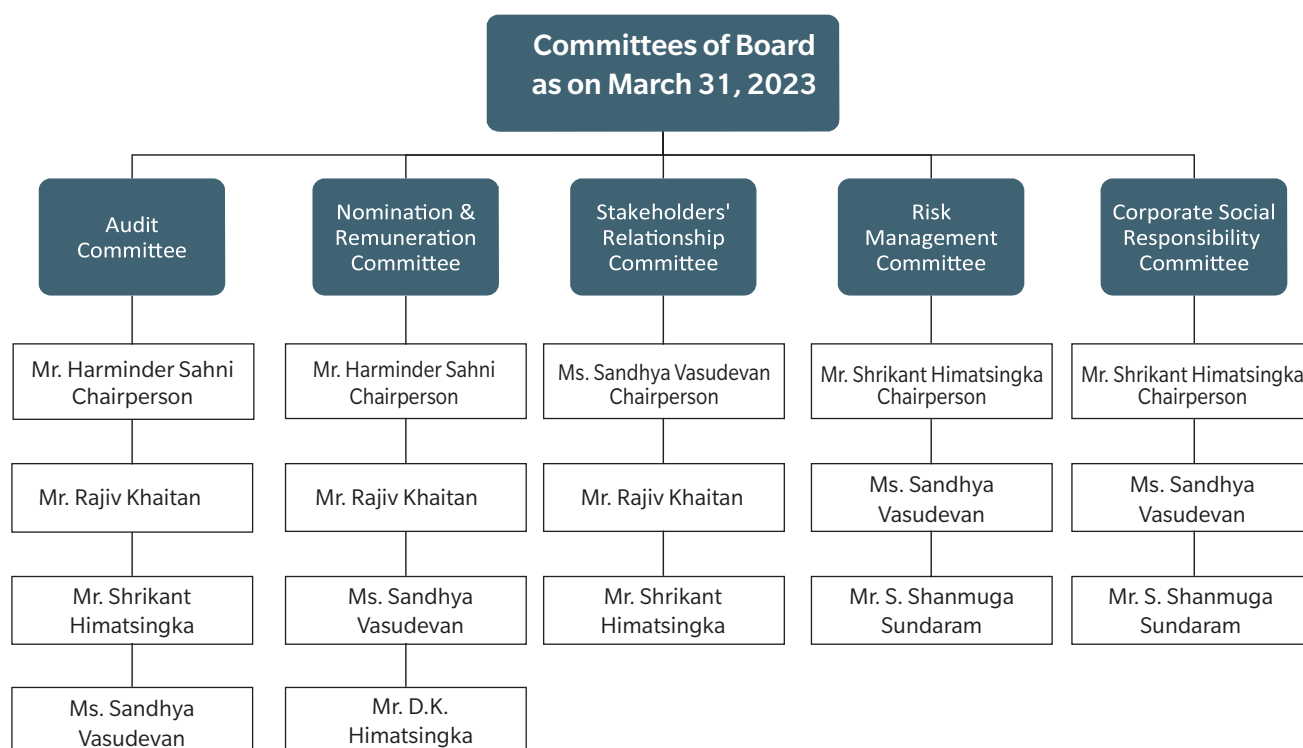
### v) Familiarization Programme and Training

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. All new Independent Directors are taken through a detailed induction and familiarisation programme which covers the culture of Himatsingka and various milestones since the Company's incorporation. The details of familiarization programme for Independent Directors are posted on the website of the Company: <https://himatsingka.com/investors/corporate-governance>

### vi) Re-appointment of Directors

In terms of Section 152 of the Companies Act 2013, Mr. S. Shanmuga Sundaram, Director (DIN: 09816120) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for appointment. The Nomination & Remuneration Committee and Board at their meeting held on August 10, 2023 has approved and recommended re-appointment of Mr. S. Shanmuga Sundaram, Director, and for approval of the Shareholder.

### 3) COMMITTEES OF BOARD



#### i) Audit Committee

As on date of the report i.e. Aug 10, 2023, the Audit Committee comprised of 3 (Three) Independent Directors namely Mr. Harminder Sahni, Ms. Sandhya Vasudevan, Mr. Shyam Powar and Mr. Shrikant Himatsingka, Executive Vice Chairman & Managing Director. Mr. Harminder Sahni is the Chairperson of the Committee. Audit Committee Composition as on March 31, 2023 is presented above under point 3.

The constitution of the Committee is in conformation with the requirements under Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

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

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

The role / functions of the Audit Committee include the following:

Sl. No.	Role / Functions
1.	The recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
2.	Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
3.	Examination of the financial statement and the Auditors' report thereon;
4.	Approval or any subsequent modification of transactions of the company with related parties;
5.	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;
6.	Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;



7.	<p>Reviewing, with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:</p> <ol style="list-style-type: none"> <li>Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause of sub-section 3 of section 134 of the Companies Act, 2013;</li> <li>Changes, if any, in accounting policies and practices and reasons for the same</li> <li>Major accounting entries involving estimates based on the exercise of judgment by management</li> <li>Significant adjustments made in the financial statements arising out of audit findings</li> <li>Compliance with listing and other legal requirements relating to financial statements</li> <li>Disclosure of any related party transactions</li> <li>Qualifications in the draft Audit Report</li> </ol>
8.	Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
9.	Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds 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 or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;
10.	Review and monitor the auditor's independence and performance, and effectiveness of audit process;
11.	Approval or any subsequent modification of transactions of the company with related parties;
12.	Scrutiny of inter-corporate loans and investments;
13.	Valuation of undertakings or assets of the Company, wherever it is necessary;
14.	Evaluation of internal financial controls and risk management systems;
15.	Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
16.	Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
17.	Monitoring the end use of funds raised through public offers and related matters.
18.	Discussion with Internal Auditors of any significant findings and follow up there on;
19.	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;
20.	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;
21.	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;
22.	To review the functioning of the Whistle Blower mechanism;
23.	Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
24.	To review the utilization of loans and/ or advances from/investment by the company in its subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments;
25.	To consider and comment on rationale, cost benefits and impact of schemes including merger, demerger, amalgamation etc. on the listed entity and its shareholders;
26.	To review the financial statements and investments made by unlisted subsidiaries of the Company;
27.	Review of Compliance with Company's Insider Trading Policy;
28.	To review management discussion and analysis of financial condition and results of operations;
29.	To review management letters/ letters of internal control weaknesses issued by the statutory auditors;
30.	To review internal audit reports relating to internal control weaknesses;
31.	To review the appointment, removal and terms of remuneration of the chief internal auditor
32.	<p>To review statement of deviations:</p> <ol style="list-style-type: none"> <li>quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).</li> <li>annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).</li> </ol>

**Attendance of the Directors at the Audit Committee Meetings held:**

During the year 2022-23, the Audit Committee met six times on the following dates: May 30, 2022; July 22, 2022; August 13, 2022; August 30, 2022; November 14, 2022 and February 11, 2023. The minutes of the Audit Committee meetings are placed before the Board of Directors in the subsequent Board Meeting. The Chairperson of the Committee was present in all the meetings held. The attendance of the members for the year 2022-23 is as under:

Name of Director	Position	Date of Committee Meetings						Held during the year	Attended during the year	Percentage of Attendance
		30.05.22	22.07.22	13.08.22	30.08.22	14.11.22	11.02.23			
Mr. Harminder Sahni	Chairperson w.e.f. 03.02.23	NA	NA	NA	NA	NA	✓	1	1	100%
Mr. Raja Venkataraman	Chairperson till 02.01.23	✓	✓	✓	✓	✓	NA	5	5	100%
Ms. Sandhya Vasudevan	Member w.e.f. 03.02.23	NA	NA	NA	NA	NA	✓	1	1	100%
Mr. Shrikant Himatsingka	Member w.e.f. 03.02.23	NA	NA	NA	NA	NA	✓	1	1	100%
Mr. Shyam Powar	Member w.e.f. 30.05.23	NA	NA	NA	NA	NA	NA	NA	NA	NA
Mr. Rajiv Khaitan	Member till 30.05.23	✓	✓	✓	✓	✓	✓	6	6	100%
Mr. Pradeep Bhargava	Member till 14.11.22	✓	✓	✓	✓	✓	NA	5	5	100%

✓ Attended; NA- Not Applicable

Mr. Shrikant Himatsingka, Executive Vice Chairman & Managing Director, Permanent Invitee to the Committee attended all the meetings held during the year. Subsequently, he was inducted as a member in the Committee w.e.f. February 03, 2023.

**Notes:**

Chairman of the Audit Committee attended the last Annual General Meeting. The Statutory Auditor, Internal Auditor, and the Chief Financial Officer were invited to attend and participate at meetings of the Committee.

**ii) Nomination and Remuneration Committee**

As on date of the report i.e. Aug 10, 2023, the Nomination and Remuneration Committee comprised of 3 (Three) Independent Directors namely Mr. Harminder Sahni, Ms. Sandhya Vasudevan, Mr. Shyam Powar and Mr. D. K. Himatsingka, Executive Chairman. Mr. Harminder Sahni is the Chairperson of the Committee. Nomination and Remuneration Committee Composition as on March 31, 2023 is presented above under point 3.

The constitution of the Committee is in conformation with the requirements under Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

The role / functions of the Nomination and Remuneration Committee includes the following:

Sl. No.	Role/ Functions
1.	Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
2.	Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
3.	For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director.
4.	Formulation of criteria for evaluation of performance of independent directors and the board of directors
5.	Devising a policy on diversity of board of directors
6.	Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
7.	Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
8.	Recommend to the board, all remuneration, in whatever form, payable to senior management

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 Listing Regulations, which includes performance evaluation criteria for Independent Directors, Board and Committees of the Board. The minutes of the meetings of the Nomination and Remuneration Committee are placed before the Board of Directors in the subsequent Board Meeting. The Chairperson of the Committee was present in all the meetings held.



### Attendance of the Directors at the Nomination and Remuneration Committee Meetings held:

During the year 2022-23, the Committee met four times on May 30, 2022; August 30, 2022; November 5, 2022 and December 15, 2022. The Committee also transacts urgent businesses by the way of Resolution by Circulation. The attendance of the members for the year 2022-23 is as under:

Name of Director	Position	Date of Committee Meetings				Held during the year	Attended during the year	Percentage of Attendance
		30.05.2022	30.08.2022	05.11.2022	15.12.2022			
Mr. Harminder Sahni	Chairperson w.e.f. 14.11.2022	NA	NA	NA	√	1	1	100%
Mr. Pradeep Bhargava	Chairperson till 14.11.2022	√	√	√	NA	3	3	100%
Ms. Sandhya Vasudevan	Member w.e.f. 15.12.2022	NA	NA	NA	NA	NA	NA	NA
Mr. D.K. Himatsingka	Member w.e.f. 11.02.2023	NA	NA	NA	NA	NA	NA	NA
Mr. Shyam Powar	Member w.e.f. 30.05.2023	NA	NA	NA	NA	NA	NA	NA
Mrs. Sangeeta Kulkarni	Member till 30.08.2022	√	√	NA	NA	2	2	100%
Mr. Raja Venkataraman	Member w.e.f. 30.08.2022 till 14.11.2022	NA	√	√	NA	2	2	100%
Mr. V. Vasudevan	Member w.e.f. 14.11.2022	NA	NA	NA	√	1	1	100%
Mr. Rajiv Khaitan	Member till 30.05.2023	√	√	√	√	4	4	100%

√- Attended; NA- Not Applicable

### Notes:

Chairperson of the Nomination and Remuneration Committee was present at the last Annual General Meeting. The terms of reference of the Committee are also provided in the Nomination and Remuneration Policy and the same is available on the website of the Company at <https://himatsingka.com/investors/corporate-governance>

### Remuneration of Directors

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to the Executive Directors. For Non-Executive Directors, the Company pays sitting fees for attending the meetings of Board and its Committees thereof and Commission at the end of the financial year. The remuneration is closely linked to the performance of the Company.

Given below are the details of Directors Remuneration during the financial year 2022-23

(₹ in Lacs)

Name	Sitting fees	Salaries and perquisites	Profit linked Commission	Total
Mr. D.K. Himatsingka	Nil	141.52	Nil	141.52
Mr. Shrikant Himatsingka	Nil	137.01	Nil	137.01
Mr. Rajiv Khaitan ^ #	9.50	Nil	10.00	19.50
Mr. Harminder Sahni ^	2.50	Nil	10.00	12.50
Ms. Sandhya Vasudevan ^	2.00	Nil	10.00	12.00
Mr. Pradeep Bhargava ^	8.00	Nil	10.00	18.00
Mr. Raja Venkataraman ^	7.50	Nil	10.00	17.50
Mrs. Sangeeta Kulkarni ^	3.50	Nil	5.00	8.50
Mr. V. Vasudevan ^	4.00	Nil	Nil	4.00
Mr. S. Shanmuga Sundaram ^	Nil	11.73	Nil	11.73

^ Not on the Board of the Company for the full Financial Year 2022-23 and Remuneration details for the period of association.

# 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 June 1, 2023 to May 31, 2028
2.	Mr. Shrikant Himatsingka	From June 1, 2023 to May 31, 2028
3.	Mr. S. Shanmuga Sundaram	From December 15, 2022 to December 14, 2024

The following represent the details of transactions entered by the Company where the Non-Executive Directors are interested. The same does not exceed the threshold limits enunciated in Section 149(6) of the Companies Act 2013.

(₹ in Lacs)

Name of the Director	Purpose	Amount
Mr. Rajiv Khaitan	Professional fees paid to M/s. Khaitan & Co. LLP	33.08
Mr. V. Vasudevan	Professional fees paid	18.00

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

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

In view of the operating performance of the Company during the year, payment of Commission to Non-Executive Directors have been made pursuant to the Section 197 read with Schedule V of the Companies Act, 2013.

#### Performance Evaluation Criteria for Independent Directors:

Performance Evaluation of Independent Directors is based on criteria such as significant understanding and knowledge of the entity and the sector in which company operates, ability to function as an effective team- member, availability for meetings of the Board and attendance at the meetings, effective contribution to the entity and in the Board meetings, independence from the entity and the other directors and there being no conflict of interest, etc.

#### iii) Stakeholders' Relationship Committee

As on date of the report i.e. Aug 10, 2023, the Stakeholders' Relationship Committee comprised of 1 (One) Independent Director namely Ms. Sandhya Vasudevan, Mr. Shrikant Himatsingka, Executive Vice Chairman & Managing Director and Mr. S. Shanmuga Sundaram, Executive Director- Manufacturing Operations (Group). Ms. Sandhya Vasudevan is the Chairperson of the Committee. Stakeholders' Relationship Committee Composition as on March 31, 2023 is presented above under point 3.

Mr. M. Sridhar, General Manager – Corporate Compliance & Company Secretary, is designated as the Compliance officer of the company.

The constitution of the Committee is in conformation with the requirements under Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

The role / functions of the Stakeholders' Relationship Committee include the following:

Sl. No.	Role / Functions
1.	Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
2.	Review of measures taken for effective exercise of voting rights by shareholders.
3.	Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4.	Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the company.

**Attendance of the Directors at the Stakeholders' Relationship Committee Meetings held:**

During the year 2022-23, the Committee met four times on May 30, 2022; August 13, 2022; November 14, 2022 and February 11, 2023. The attendance of the members for the year 2022-23 is as under:

Name of Director	Position	Date of Committee Meetings				Held during the year	Attended during the year	Percentage of Attendance
		30.05.2022	13.08.2022	14.11.2022	11.02.2023			
Ms. Sandhya Vasudevan	Chairperson w.e.f. 15.12.2022	NA	NA	NA	√	1	1	100%
Mr. V. Vasudevan	Chairperson w.e.f. 30.08.2022 till 15.12.2022	NA	NA	√	NA	1	1	100%
Mrs. Sangeeta Kulkarni	Chairperson till 30.08.2022	LOA	√	NA	NA	2	1	50%
Mr. Shrikant Himatsingka	Member w.e.f. 15.12.2022	NA	NA	NA	√	1	1	100%
Mr. S. Shanmuga Sundaram	Member w.e.f. 30.05.2023	NA	NA	NA	NA	NA	NA	NA
Mr. D.K. Himatsingka	Member till 15.12.2022	√	√	√	NA	3	3	100%
Mr. Rajiv Khaitan	Member till 30.05.2023	√	√	√	√	4	4	100%

√- Attended; NA- Not Applicable; LOA- Leave of Absence

Chairperson of the Stakeholders' Relationship Committee was present at the last Annual General Meeting. The minutes of the Stakeholders' Relationship Committee meetings are placed before the Board of Directors in the subsequent Board meeting.

Complaints received from Investors during the year:

Nature of Complaints	Received	Cleared
Non-receipt of Annual Report	8	8
Non-receipt of dividend warrants	93	93
Non-receipt of securities	6	6
Complaints received through SEBI	0	0
Others	0	0
<b>TOTAL</b>	<b>107</b>	<b>107</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 2022-23 and there were no complaints remaining unresolved at the end of the year.

**iv) Corporate Social Responsibility Committee**

As on date of the report i.e. Aug 10, 2023, the Corporate Social Responsibility Committee comprised of 1 (One) Independent Director namely Ms. Sandhya Vasudevan, Mr. Shrikant Himatsingka, Executive Vice Chairman & Managing Director, Mr. D.K. Himatsingka, Executive Chairman and Mr. S. Shanmuga Sundaram, Executive Director - Manufacturing Operations (Group). Mr. Shrikant Himatsingka is the Chairperson of the Committee. Corporate Social Responsibility Composition as on March 31, 2023 is presented above under point 3.

The roles/ functions of the Corporate Social Responsibility Committee includes the following:

Sl. No.	Roles/ Functions
1.	Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Companies Act, 2013.
2.	Recommend the amount of expenditure to be incurred on the Corporate Social activities.
3.	Monitor the Corporate Social Responsibility Policy of the Company from time to time.

The company has identified three thrust area namely Health, Education and community development. The details of CSR activities during the year are given in the Board's Report forming part of the Annual Report.

The constitution of the Committee is in conformation with the requirements under Section 135 of the Companies Act, 2013.

#### Attendance of the Directors at the Corporate Social Responsibility Committee Meetings held:

During the year 2022-23 the committee met two times on August 30, 2022 and February 11, 2023. The minutes of the Corporate Social Responsibility Committee meetings are placed before the Board of Directors in the subsequent Board meeting. The Chairperson of the Committee was present in all the meetings. The attendance of the members for the year 2022-23 is as under:

Name of the Director	Position	Date of Committee Meetings		Held during the year	Attended during the year	Percentage of Attendance
		30.08.2022	11.02.2023			
Mr. Shrikant Himatsingka	Chairperson w.e.f. 15.12.2022 (Member since 11.02.2015)	✓	✓	2	2	100%
Mr. D.K. Himatsingka	Chairperson till 15.12.2022 (Member since 30.05.2023)	✓	NA	1	1	100%
Ms. Sandhya Vasudevan	Member w.e.f. 14.11.2022	NA	✓	1	1	100%
Mr. S. Shanmuga Sundaram	Member w.e.f. 15.12.2022	NA	✓	1	1	100%
Mrs. Sangeeta Kulkarni	Member till 30.08.2022	✓	NA	1	1	100%
Mr. Raja Venkataraman	Member till 14.11.2022	✓	NA	1	1	100%

✓- Attended; NA- Not Applicable

The minutes of the Corporate Social Responsibility Committee meetings are placed before the Board of Directors in the subsequent Board meeting. The CSR committee initiatives are available on our website at <https://www.himatsingka.com/sustainability/corporate-social-responsibility>.

#### v) Risk Management Committee

As on date of the report i.e. Aug 10, 2023, the Risk Management Committee comprised of 1 (One) Independent Director namely Ms. Sandhya Vasudevan, Mr. Shrikant Himatsingka, Executive Vice Chairman & Managing Director and Mr. S. Shanmuga Sundaram, Executive Director- Manufacturing Operations (Group). Mr. Shrikant Himatsingka is the Chairperson of the Committee. Risk Management Committee Composition as on March 31, 2023 is presented above under point 3.

The roles / functions of the Risk Management Committee includes the following:

Sl. No.	Roles/ Functions
1.	Formulate a detailed risk management policy which shall include: a) A framework for identification of internal and external risks specifically faced by the Company. b) Measures for risk mitigation including systems and processes for internal control of identified risks. c) Business continuity plan.
2.	Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
3.	Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
4.	Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
5.	Keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6.	The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

**Attendance of the Directors at the Risk Management Committee Meetings held:**

During the year two meetings of the Committee were held on July 22, 2022 and January 12, 2023. The attendance of the members for the year 2022-23 is as under:

Name of the Director	Position	Date of Committee Meetings		Held during the year	Attended during the year	Percentage of Attendance
		22.07.2022	12.01.2023			
Mr. Shrikant Himatsingka	Chairperson w.e.f 14.11.2022 (Member since 28.07.2009)	✓	LOA	2	1	50%
Mr. Pradeep Bhargava	Chairperson till 14.11.2022	✓	NA	1	1	100%
Ms. Sandhya Vasudevan	Member w.e.f. 14.11.2022	NA	✓	1	1	100%
Mr. Shanmuga Sundaram	Member w.e.f. 15.12.2022	NA	✓	1	1	100%
Mr. Raja Venkataraman	Member till 14.11.2022	✓	NA	1	1	100%
Mr. V. Vasudevan	Member till 15.12.2022	✓	NA	1	1	100%

✓- Attended; NA – Not Applicable; LOA – Leave of Absence

**Notes:**

The minutes of Risk Management Committee meetings are placed before the Board of Directors in the subsequent Board meeting.

**vi) Share Transfer Committee**

As on March 31, 2023, the Share Transfer Committee comprised of 3 members namely Mr. D. K. Himatsingka, Executive Chairman, Mr. Shrikant Himatsingka, Executive Vice Chairman & Managing Director and Mr. S. Shanmuga Sundaram, Executive Director- Manufacturing Operations (Group). Mr. D.K. Himatsingka is the Chairperson of the Committee. As on date of the report i.e. Aug 10, 2023, there is no change in composition of committee.

The roles/ functions of the Share Transfer Committee as delegated by the Board includes the following:

Sl. No.	Roles/ Functions
1.	Approve various investor's service requests including transfer/ transmission of securities, transposition, issue of duplicate share certificates, Sub- division/ Splitting of securities, Consolidation of securities, dematerialization and rematerialisation of shares.
2.	Noting of status of dematerialization and rematerialisation of equity shares of the Company.

**Attendance of the Directors at the Share Transfer Committee Meetings held:**

During the year 2022-23, the Committee met three times on June 16, 2022; June 28, 2022; and February 22, 2023. The attendance of the members for the year 2022-23 is as under:

Name of Director	Position	Date of Committee Meetings				Held during the year	Attended during the year	Percentage of Attendance
		16.06.2022	28.06.2022	22.02.2023	2.03.2023			
Mr. D.K. Himatsingka	Member	✓	✓	✓	✓	4	4	100%
Mr. Shrikant Himatsingka	Member	✓	✓	✓	✓	4	4	100%
Mr. S. Shanmuga Sundaram	Member w.e.f. 15.12.2022	NA	NA	✓	✓	2	2	100%
Mr. V. Vasudevan	Member till 15.12.2022	✓	✓	NA	NA	2	2	100%

✓- Attended; NA- Not Applicable

Mr. D.K. Himatsingka was elected as Chairperson of the Share Transfer Committee w.e.f. December 15, 2022. The committee meets at regular intervals to review and approve matters delegated by the Board.

## Share Transfer System

Share transfers are registered and returned within a period of 10/30 days from the date of receipt if the documents are in order. The Company obtains from a Company Secretary in Practice Yearly certificate of compliance with the share transfer formalities as per Regulation 40(9) of Listing Regulations and files a copy of the certificate with the Stock Exchanges.

There were no requests for transfers of shares during the period.

## vii) Finance and Investment Committee:

As on date of the report i.e. Aug 10, 2023, the Finance and Investment Committee comprised of 1 (One) Independent Director namely Mr. Shyam Powar, Mr. D. K. Himatsingka, Executive Chairman and Mr. Shrikant Himatsingka, Executive Vice Chairman & Managing Director.

As on March 31, 2023, the Finance and Investment Committee comprised of 1 (One) Independent Director namely Mr. Rajiv Khaitan, Mr. D. K. Himatsingka, Executive Chairman and Mr. Shrikant Himatsingka, Executive Vice Chairman & Managing Director.

The Members elect the Chairperson of the Committee for every meeting.

The roles / functions of the Finance and Investment Committee as delegated by the Board include the following:

Sl. No.	Roles/ Functions
1.	Approve availing of credit/ financial facilities of any description from Banks/ Financial Institutions/ Bodies Corporate not exceeding ₹ 200 crores.
2.	Approve providing security of moveable and immovable properties of the Company to Banks or Financial Institutions arising in connection with any loan facility availed/ to be availed by the Company/ Subsidiaries.
3.	Amendment or modification of powers and changes in authorized signatories in connection with any facility availed from Banks/ Financial Institutions within the facility limits approved by the Board.
4.	Open/ close Current Account(s), Collection Account(s), Operation Account(s), or any other Account(s) with Banks, authorizing signatories to operate such Bank accounts including availing such other services like phone banking, internet banking etc., which the 'Committee' may consider necessary and expedient.

## Attendance of the Directors at the Finance and Investment Committee Meetings held:

During the year 2022-23, the Committee met three times on May 30, 2022; July 13, 2022 and January 24, 2023. The attendance of the members for the year 2022-23 is as under:

Name of Director	Position	Date of Committee Meetings			Held during the year	Attended during the year	Percentage of Attendance
		30.05.2022	13.07.2022	24.01.2023			
Mr. D.K. Himatsingka	Member	✓	✓	✓	3	3	100%
Mr. Shrikant Himatsingka	Member	✓	✓	✓	3	3	100%
Mr. Shyam Powar	Member w.e.f. 30.05.2023	NA	NA	NA	NA	NA	NA
Mr. Rajiv Khaitan	Member till 30.05.2023	✓	✓	✓	3	3	100%

✓- Attended; NA- Not Applicable

The minutes of Finance and Investment Committee meetings are placed before the Board of Directors in the subsequent Board meeting. The committee meets at regular intervals to review and approve matters delegated by the Board.

## viii) Securities Allotment Committee:

The Board at its Meeting held on December 15, 2022 approved the constitution of a Securities Allotment Committee with respect to issue of Foreign Currency Convertible Bonds and Non-Convertible Debentures.

As on March 31, 2023, the Securities Allotment Committee comprised of 1 (One) Independent Director namely Mr. Harminder Sahni, Mr. Shrikant Himatsingka, Executive Vice Chairman & Managing Director and Mr. S. Shanmuga Sundaram, Executive Director- Manufacturing Operations (Group). Mr. Shrikant Himatsingka is the Chairperson of the Committee. As on date of the report i.e. Aug 10, 2023, there is no change in composition of committee.

The roles/ functions of the Securities Allotment Committee as delegated by the Board include the following:

Sl.	Roles/Functions
1.	Monitor and review the developments of the issue.
2.	Finalising the key terms of the issue.
3.	Considering and approving the draft transaction documents.
4.	Appointing Various Intermediaries/Agencies as may be required.
5.	Issuance and allotment of the securities and conversion thereof, where applicable.
6.	Authorisation for appointment of Depositories, Register and Transfer Agent and completion of corporate actions with depositories.
7.	Enter into various agreements/Memorandum of Understanding, deeds as may be required.
8.	Authorize opening, operating & closure of various Bank account(s) for the purpose of the issue.
9.	All other actions as may be necessitated from time to time for the transaction.
10.	All the powers which otherwise is exercisable by the Board at a meeting thereof in respect of matters concerning the prospective transaction involving issuance of Securities/Debentures.
11.	Taking of all other actions as may be necessitated from time to time for proposed issuance including making necessary applications, representations, and regulatory filings, providing waivers and consents, issuing certifications and certificates, issuing offer letters;
12.	Negotiate, finalize and execute all transaction documents or other documents and amendments in respect of the proposed Issue of Debentures/FCCBs, including without limitation, debenture trust deed, private placement offer letter(s), debenture trustee appointment agreement, fee letters and any security documents for creation of securities to secure the issue in the manner set out in the transaction documents; and
13.	Creation of Securities/Charges on the Assets on Company for providing Security for issuing Securities;
14.	Approve appointment of custodians, registrars, stabilizing agent, trustees, bankers, advisors and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents etc. with such agencies and to consider the application forms, approve the allotment of Securities to the subscribers as it may deem fit and authorise officials of the Company to do all such acts, deeds, matters and things as may be required for the purpose of issuing and allotting of the Securities/ Debentures

#### Attendance of the Directors at the Securities Allotment Committee Meetings held:

During the year 2022-23, the Committee met three times on February 8, 2023; March 21, 2023 and March 31, 2023. The attendance of the members for the year 2022-23 is as under:

Name of Director	Position	Date of Committee Meetings			Held during the year	Attended during the year	Percentage of Attendance
		08.02.2023	21.03.2023	31.03.2023			
Mr. Shrikant Himatsingka	Chairperson	✓	✓	✓	3	3	100%
Mr. Harminder Sahni	Member	✓	✓	✓	3	3	100%
Mr. Shanmuga Sundaram	Member	✓	✓	✓	3	3	100%

✓- Attended

The minutes of Securities Allotment Committee meetings are placed before the Board of Directors in the subsequent Board meeting. The committee meets at regular intervals to review and approve matters delegated by the Board.

#### Resolution by Circulation:

Pursuant to Section 175 of Companies Act, 2013 read with the Secretarial Standard (SS)-1, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting.

During the period under review, resolutions were passed by Board by way of Circular Resolutions dated October 26, 2022, April 12, 2023 and May 4, 2023.

Further, resolutions were passed by Audit Committee by way of Circular Resolution dated February 3, 2023.

#### Compliance Officer

Mr. M. Sridhar, General Manager- Corporate Compliance & Company Secretary, acts as the Secretary to all Board and Committee meetings.

#### 4) SENIOR MANAGEMENT

Details of Senior Management including changes therein during FY 2022-23 are provided below:

Name	Designation
S. Shanmuga Sundaram *	Executive Director – Manufacturing Operations (Group)
Akanksha Himatsingka	CEO – International Operations (Home Textiles)
Major (Retd.) Kumud Kumar	President – HR & Group CHRO
Ganapathy CB	President – Corporate Affairs & Group General Counsel
K P Rangaraj #	President – Finance & Group CFO
Manu Kapur	President – Business Development (Group)
Brain Delp	President – Sales & Global Licensing (North America)
Jayshree Poddar	Head – Design (Drapery and Upholstery Division)
Maria Alapatt	Vice President – Marketing (Drapery and Upholstery Division)
M. Sridhar	General Manager – Corporate Compliance & Company Secretary

\*S. Shanmuga Sundaram was earlier designated as President – Manufacturing Operations (Group). w.e.f. December 15, 2022, he has been appointed as an Executive Director of the Company.

#K.P. Rangaraj superannuated from the services of the Company w.e.f. March 15, 2023.

#### 5) GENERAL BODY MEETINGS

The last three Annual General Meetings of the Company were held through OAVM facility on the following dates and time:

Date	Year	Time	Venue	No. of special Resolutions passed	Meeting held Physical/ OAVM *
September 28, 2022	2021-22	11:00 a.m.	Registered Office of the Company 10/24, Kumara Krupa Road, High Grounds, Bangalore-560 001	0	OAVM
August 28, 2021	2020-21	11.30 a.m.	Registered Office of the Company 10/24, Kumara Krupa Road, High Grounds, Bangalore-560 001	2	OAVM
September 29, 2020	2019-20	11.30 a.m.	Registered Office of the Company 10/24, Kumara Krupa Road, High Grounds, Bangalore-560 001	1	OAVM

\*Other Audio-Visual Means

## Postal Ballot

During the period under review following resolutions were passed through Postal Ballot:

1) Postal Ballot Notice dated December 15, 2022:

Type of Resolution	Resolutions	Voting Results	
		Votes cast in favour	Votes cast against
Special Resolution	Approval of the Borrowing limits under section 180(1)(c) of the Companies Act, 2013.	93.23%	6.77%
Special Resolution	Approval of the creation of charges, mortgages, hypothecation and security interest on the assets of the company under section 180(1)(a) of the Companies Act, 2013.	99.91%	0.09%
Special Resolution	Approval of the issuance of securities.	99.99%	0.01%
Special Resolution	Appointment of Mr. Harminder Sahni (DIN: 00576755) as an Independent Director of the company.	89.74%	10.26%
Special Resolution	Appointment of Ms. Sandhya Vasudevan (DIN: 00372405) as an Independent Director of the company.	99.99%	0.01%
Ordinary Resolution	Appointment of Mr. S. Shanmuga Sundaram (DIN: 09816120) as a whole-time director designated as Executive Director-Manufacturing Operations (Group) of the company.	97.14%	2.86%

The Board of Directors had appointed Mr. Prakash Kamath, a Practising Company Secretary, to act as the Scrutinizer for the Postal Ballot process.

In compliance with Circulars issued by the Ministry of Corporate Affairs, the Postal Ballot Notice dated December 15, 2022 was being sent through electronic mode to those members whose names appeared in the Register of Members/ List of Beneficial Owners and whose e-mail addresses are registered with the Registrar and Share Transfer Agent of the Company i.e. KFin Technologies Limited ("KFintech") and the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited as on the cut-off date i.e. Friday, December 09, 2022.

The voting period commenced on Saturday, December 17, 2022 at 9:00 A.M. (IST) and ended on Sunday, January 15, 2023 at 5:00 P.M. (IST). The above resolutions were passed by requisite majority on January 15, 2023.

2) Postal Ballot Notice dated May 30, 2023:

Type of Resolution	Resolutions	Voting Results	
		Votes cast in favour	Votes cast against
Special Resolution	Approval for re-appointment of Mr. D. K. Himatsingka as Executive Chairman	99.92%	0.08%
Special Resolution	Approval for payment of remuneration to Mr. D.K. Himatsingka as Executive Chairman	99.47%	0.53%
Special Resolution	Approval for re-appointment of Mr. Shrikant Himatsingka designated as Executive Vice Chairman & Managing Director	99.92%	0.08%
Special Resolution	Approval for payment of remuneration to Mr. Shrikant Himatsingka designated as Executive Vice Chairman & Managing Director of the company	99.47%	0.53%
Special Resolution	Approval for appointment of Mr. Shyam Powar as an independent director of the company	99.97%	0.03%

The Board of Directors had appointed Mr. Prakash Kamath, Practising Company Secretary, failing him Mr. Pramod S, Practising Company Secretary to act as the Scrutinizer for the Postal Ballot process.

In compliance with Circulars issued by the Ministry of Corporate Affairs, the Postal Ballot Notice dated May 30, 2023 was being sent through electronic mode to those members whose names appeared in the Register of Members/ List of Beneficial Owners and whose e-mail addresses are registered with the Registrar and Share Transfer Agent of the Company i.e. KFin Technologies Limited ("KFintech") and the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited as on the cut-off date i.e. Friday, June 16, 2023.

The voting period commenced on Thursday, June 22, 2023 at 9:00 A.M. (IST) and ended on Friday, July 21, 2023 at 5:00 P.M. (IST). The above resolutions were passed by requisite majority on July 21, 2023.

Further, as on date of the report i.e. Aug 10, 2023, no Resolutions are proposed to be passed through postal ballot.

## 6) 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 ensuing 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, – English Newspaper, and Vartha Bharati – Kannada newspaper, Bengaluru.
- The financial results, press releases, institutional investors and analysts meets are displayed on our website <https://www.himatsingka.com>
- 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](mailto:investors@himatsingka.com) as the designated exclusive email-id, for redressal of investor grievances.

## 7) CODE FOR PREVENTION OF INSIDER TRADING

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('SEBI PIT Regulations'), the Company has adopted a code of conduct for Prevention of Insider Trading in the shares of the Company. The Code, inter-alia, prohibits the designated persons/insiders to trade in shares of the Company while in possession of unpublished price sensitive information in relation to the Company. The Company also has adopted a 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' and the same is available at the Company's website: <https://www.himatsingka.com/investors/corporate-governance>

As per the amendment to SEBI (Prohibition of Insider Trading) Regulation, 2015 dated July 17, 2020, the Company is required to maintain digital database pertaining to Unpublished Price Sensitive Information (UPSI). In compliance thereof, the company has obtained services of KFin Technologies Limited to maintain the database and monitor insider trading transactions by designated persons through their proprietary insider trading tool.

## 8) CEO/CFO CERTIFICATION

The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) or the person heading and discharging the finance function of the Company, provide quarterly and annual certification of the financial statements to the Board, as required under Regulation 33 and Schedule II Part B of Listing Regulations.

## 9) 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.

## 10) COMPLIANCE CERTIFICATE

- a) The certificate regarding compliance of the conditions of corporate governance obtained from Pramod S, Practicing Company Secretary (COP No. 13335) as stipulated under Schedule V(E) of the Listing Regulations is attached to this Report.
- b) Certificate from Mr. Vivek Manjunath Bhat, Practicing Company Secretary (COP No. 8426) affirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is attached to this report.

## 11) TOTAL FEES PAID TO STATUTORY AUDITORS BY THE COMPANY AND ITS SUBSIDIARIES

The details of total fees paid to Statutory Auditors of the Company during the year 2022-23, for all services availed by the Company and its subsidiaries, on a consolidated basis, and all entities in the network firm/network entity of which the statutory auditor is a part are enumerated below:

(₹ in Lacs)			
Sl. No	Name of the Company	Nature of Services	Amount paid
1.	Himatsingka Seide Limited	Statutory Audit Fees	72.00
2.	Himatsingka Seide Limited	Other Services	2.50
3.	Himatsingka Wovens Private Limited	Statutory Audit Fees	1.00
4.	Himatsingka America Inc.	Audit Fees	10.00
<b>Total</b>			<b>85.50</b>

## 12) COMPLIANCE OFFICER

The name and designation of the Compliance Officer of the Company: Mr. M. Sridhar, General Manager – Corporate Compliance & Company Secretary; Contact details: T: +91 80 42578000; F: +91 80 4147 9384; E: [investors@himatsingka.com](mailto:investors@himatsingka.com)

## 13) DISCLOSURES

### i) Subsidiary Companies

- The Company has 2 (two) wholly owned subsidiaries namely Himatsingka Wovens Pvt. Ltd. and Himatsingka Holdings NA Inc. and 1 (one) Step down Wholly owned subsidiary namely Himatsingka America Inc. Out of these, two are Material Subsidiaries as per the definition of “material subsidiary as defined under the Listing Regulations namely Himatsingka Holdings NA Inc and Himatsingka America Inc.
- During the year under review, the Company had appointed one Independent Director each in the Board of the abovementioned Material Subsidiaries.
- 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.

#### Details Regarding material Subsidiaries:

Name of material subsidiary	Date of Incorporation	Place of Incorporation	Name of Statutory Auditor	Date of appointment of Statutory Auditor
Himatsingka Holdings NA Inc	April 20, 2004	United States of America.	NA	NA
Himatsingka America Inc.	August 1, 2015	United States of America.	NA	NA

The web link for the policy for determining the material subsidiaries is <https://himatsingka.com/investors/corporate-governance>

### ii) Related party transactions

The statutory disclosure requirements relating to related party transactions have been complied within the Annual Accounts. There were no material transactions during the year 2022-23 that are prejudicial to the interest of the Company.

The web link for the policy for determining the policy on dealing with related party transactions is <https://himatsingka.com/investors/corporate-governance>

### iii) 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 2022-23.

### iv) Whistle Blower Policy

In compliance with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations

the Company has framed a Vigil Mechanism/ Whistle Blower Policy and the same has also been placed in the website of the Company. The Company affirms that no personnel have been denied access to the Audit Committee. The Whistle Blower policy is also displayed at the Notice Board of the Company and is made part of the induction programme as provided to employees in order to ensure that the same is well within the knowledge of the employees. Whistle Blower Policy is available on the website of the Company – <https://himatsingka.com/investors/corporate-governance>

No grievance has been reported to the Audit Committee during the year.

#### **v) Sexual Harassment of Women at Workplace**

The Company is committed to provide a safe and secure work environment to all its employees. All employees (permanent, contractual, temporary, trainees) are covered under this policy. Therefore, any discrimination and/or harassment in any form is unacceptable.

The Company has in place a Prevention of Sexual Harassment Policy and an Internal Complaints Committee as per the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

No. of Complaints filed during the year	2
No. of complaints disposed off during the year	2
No. of complaints pending as on the end of the year	0

#### **vi) 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.

#### **vii) Credit Rating**

During the year CRISIL vide its letter dated August 23, 2022 has reaffirmed the credit rating of the Company as given below:

	Ratings
Long Term Debt	BBB+/ Negative
Short Term Debt	CRISIL A2

**viii)** Terms and Conditions of appointment of Independent Directors are posted on the website of the company: <https://www.himatsingka.com/investors/corporate-governance>

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

**x)** All the mandatory requirements have been duly complied with.

**xi)** With regard to adoption of non-mandatory requirements as specified in Part E of Schedule II of the Listing Regulations, the Internal Auditors report directly to the Audit Committee.

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

The Company has 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.

However, pursuant to the nomination of Mr. Manish Joshi as a nominee director on the Board of the Company w.e.f. March 9, 2023 by Financial Institution, owned and controlled by Government of India, fine was levied by BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) in respect of composition of Board under Regulation 17(1) of Listing Regulations for the quarter ended March 2023. The fine has been duly paid by the Company. The Company has also filed the waiver applications for the same. Subsequently, the Financial Institution withdrew the nomination of Mr. Manish Joshi as a Nominee Director from the Board of the Company w.e.f. June 28, 2023 and accordingly Company is in compliance with the provisions of Regulation 17(1) of Listing Regulations. There were no other penalties or strictures imposed on the Company by the Stock Exchanges, the SEBI or any statutory authority on matters relating to capital markets.

Further, during the financial year 2021-22, a fine was levied by BSE and NSE in respect of one day short notice for a Board Meeting under Regulation 29(2)/(3) of Listing Regulations on the Company. The fine has been duly paid.

**xiii)** During the year, Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations.

**xiv)** During the year under review, the Board of Directors accepted all recommendations of the Committees of the Board.

#### 14) GENERAL CORPORATE AND SHAREHOLDER INFORMATION:

<b>Date of Incorporation</b>	January 23, 1985
<b>Registered Address</b>	10/24, Kumara Krupa Road, High Grounds, Bengaluru-560 001
<b>Corporate Identification Number (CIN)</b>	L17112KA1985PLC006647
<b>Listing on Stock Exchanges</b>	BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001
	National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai-400 051
<b>Stock Exchange Code</b>	BSE: 514043 NSE: HIMATSEIDE
<b>Listing Fees</b>	Paid to BSE and NSE for 2023-24
<b>Custodial Fees</b>	Central Depository Services (India) Ltd. paid for the year 2023-24 National Securities Depository Limited one-time fees paid. Demat ISIN: INE049A01027
<b>Annual General Meeting</b>	Thursday, September 28, 2023 at 12:00 P.M. (IST)
<b>Financial year</b>	1st April to 31st March
<b>Financial Calendar</b>	Board Meetings for approval of financial results and annual accounts: Q1 2023-24: July – August 14, 2023 Q2 2023-24: October – November 14, 2023 Q3 2023-24: January – February 14, 2024 Q4 2023-24: April – May 30, 2024
<b>Date of Book Closure</b>	Not Applicable
<b>Stock Split</b>	1 equity share of ₹ 10/- each split into 2 equity shares of ₹ 5/- each in October 2005
<b>Bonus History</b>	Year 1994 – 1:2 Year 1999 – 1:1 Year 2005 – 1:1
<b>Dividend payment date</b>	Not Applicable
<b>Share Registrar and Transfer</b>	KFin Technologies Limited
<b>Agents</b>	Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana, India -500032 T: +91 40 6716 2222, 3321 1000; F: +91 40 23001153; E: <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a>
<b>Investors' correspondence may be addressed to</b>	Mr. M. Sridhar General Manager – Corporate Compliance & Company Secretary Himatsingka Seide Limited, 10/24, Kumara Krupa Road, High Grounds, Bengaluru-560 001. T: +91 80 4257 8000; F: +91 80 4147 9384; E: <a href="mailto:investors@himatsingka.com">investors@himatsingka.com</a>
<b>Outstanding Global Depository Receipts/ American Depository Receipts or Warrants or any Convertible instruments, conversion date and likely impact on equity</b>	As on date of the report i.e. Aug 10, 2023, Company has issued and allotted 12,500 Foreign Currency Convertible Bonds (FCCBs) having face value of USD 1000 each, aggregating to USD 12,500,000 to International Finance Corporation in two tranches.  The FCCBs are convertible into Equity Shares at a price of ₹165/- per share, subject to adjustments as per the terms of FCCB Agreement.  Upon conversion, the arising Equity Shares shall rank Pari Passu with the existing equity shares and shall be listed on BSE Limited and National Stock Exchange of India Limited.

## 15) 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 (₹)	Date of declaration of Dividend	Due date for transfer to IEPF
2016	Final dividend	1.50	September 17, 2016	October 23, 2023
2017	Final dividend	2.50	September 23, 2017	October 25, 2024
2018	Final dividend	2.50	September 22, 2018	October 27, 2025
2019	Final dividend	5.00	September 24, 2019	October 29, 2026
2020	Final dividend	0.50	September 29, 2020	November 04, 2027
2021	Final dividend	0.50	August 28, 2021	October 04, 2028
2022	Final dividend	0.50	September 28, 2022	November 03, 2029

Members who have till date not encashed their dividend warrants are requested to write to the Company/Share Transfer Agent to claim the same, to avoid transfer of dividend to IEPF. Members are advised that claims shall not lie against the said fund or the Company for the amounts of dividend so transferred to the said Fund.

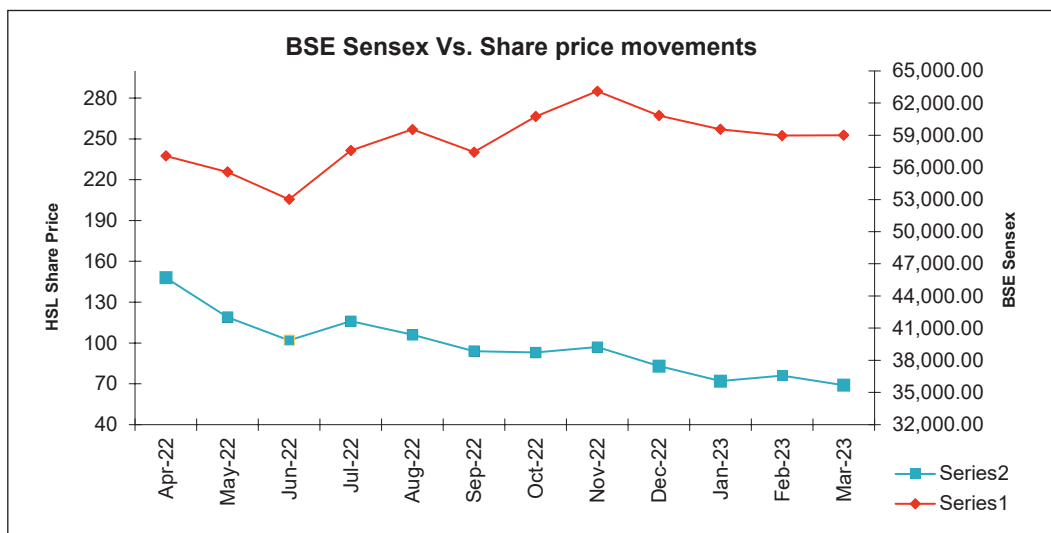
## 16) INFORMATION ON LISTED EQUITY SHARES

### i) Share Price

The monthly high and low quotations and volume of shares traded at BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) during the year were as follows:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)
Apr-22	173.90	145.85	1066222	174.90	146.00	7771446
May-22	147.30	111.40	1210342	147.90	111.20	5397141
Jun-22	126.30	90.15	634159	126.40	90.00	7668509
Jul-22	121.75	101.25	559967	127.80	101.20	6514234
Aug-22	127.70	101.65	759023	127.80	101.60	8119475
Sep-22	110.00	88.00	739392	110.00	87.75	6007983
Oct-22	109.90	91.50	614223	110.00	92.00	6639321
Nov-22	106.15	91.35	567881	106.45	91.30	6810698
Dec-22	99.95	76.00	1418061	100.00	76.30	13953650
Jan-23	84.45	69.05	1043360	84.50	68.90	9258209
Feb-23	82.25	68.50	672817	82.30	68.60	6446890
Mar-23	85.47	67.55	720347	85.60	67.60	5988923
Total			1005794	Total		90576479

## ii) Share Price Movement



## iii) Distribution of shareholding as on March 31, 2023

No. of equity shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1-5000	46513	90.09	8717292	8.85
5001-10000	2456	4.76	3746275	3.80
10001-20000	1322	2.56	3836650	3.90
20001-30000	485	0.94	2451464	2.49
30001-40000	199	0.39	1417720	1.44
40001-50000	172	0.33	1612397	1.64
50001-100000	270	0.52	3888478	3.95
100001& above	214	0.41	72786884	73.93
<b>Total</b>	<b>51631</b>	<b>100.00</b>	<b>98457160</b>	<b>100.00</b>

## iv) Shareholding Pattern as on March 31, 2023

Particulars	Physical Holding	Electronic Holding	Total Holdings	%
Promoters	0	46834592	46834592	47.57
Mutual Fund	0	4932700	4932700	5.01
Foreign Institutions	2400	2162899	2165299	2.20
Individuals	344629	35139392	35484021	36.04
Non-Resident Indians	104140	2639016	2743156	2.79
Indian Bodies Corporate	6900	3428621	3435521	3.49
Trusts	0	1000010	1000010	1.02
HUF	0	1405582	1405582	1.43
Others	0	456279	456279	0.45
<b>Total</b>	<b>522413</b>	<b>97999091</b>	<b>98457160</b>	<b>100.00</b>
%	0.46	99.54	100.00	

#### v) 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, 2023, 99.54% of the Company's share capital is dematerialized and the rest is in Physical form. The equity shares of the Company were regularly traded on the National Stock Exchange and Bombay Stock Exchange.

Shares held in Demat and Physical mode as on March 31, 2023:

Category	Number of		% to total equity
	Shareholders	Shares	
NSDL	22857	82640178	83.94
CDSL	28492	15358913	15.60
<b>Total</b>	<b>51349</b>	<b>97999091</b>	<b>99.54</b>
Physical	282	458069	0.46
<b>Grand Total</b>	<b>51631</b>	<b>98457160</b>	<b>100.00</b>

#### 17) PLANT LOCATIONS

Plant Location	Products Category
Doddaballapur, Karnataka, India	Home Textiles
Hassan, Karnataka, India	Home Textiles and Yarn

#### 18) 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).

#### 19) COMMODITY PRICE RISK/ FOREIGN EXCHANGE RISK AND HEDGING ACTIVITY

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

#### 20) OTHER 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 sending duly filled in Form ISR-1 alongwith the supporting documents.
- 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.

## 21) MANDATORY/NON-MANDATORY REQUIREMENTS

The Company has complied with all the mandatory requirements Schedule V of Regulation 34(3) of Listing Regulations 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 Listing Regulations, 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, 2023.

**Place: Bengaluru**  
**Date : August 10, 2023**

**D.K Himatsingka**  
Executive Chairman

**Shrikant Himatsingka**  
Executive Vice Chairman &  
Managing Director

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[pursuant to Regulation 34(3) and Schedule V Para-C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015]

To,  
The Members,  
M/s. Himatsingka Seide Limited  
10/24, Kumara Krupa Road  
High Grounds, Bangalore-560 001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Himatsingka Seide Limited having CIN: L17112KA1985PLC006647 and having registered office at 10/24, Kumarakrupa Road High Grounds, Bangalore-560 001 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Companies Act, 2013. My responsibility is to express an opinion on these based on my verification. 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](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for 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.

Sl. No.	Name of the Director	DIN
01	Rajiv Khaitan	00071487
02	Shrikant Himatsingka	00122103
03	Dinesh Kumar Himatsingka	00139516
04	Sandhya Vasudevan	00372405
05	Harminder Sahni	00576755
06	Selvam Shanmuga Sundaram	09816120
07	Manish Krishnarao Joshi	06532127

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

**Place: Bengaluru**  
**Date : 17th May 2023**

**Vivek Manjunath Bhat**  
Practicing Company Secretary  
COP: 8426  
UDIN: F007708E000320218

### **CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

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

To,  
The Members,  
Himatsingka Seide Limited  
CIN: L17112KA1985PLC006647  
Reg. Off. Add: 10/24, Kumarakrupa Road High Grounds  
Bangalore -560001  
Karnataka India

- 1) This certificate is issued in accordance with the terms of our engagement letter dated July 04, 2023.
- 2) I, CS. Pramod. S, Practicing Company Secretary, have examined the compliance of conditions of Corporate Governance by the Himatsingka Seide Limited ('the Company'), for the year ended on March 31, 2023, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

#### **Management Responsibility:**

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

#### **Practicing Company Secretary Responsibility:**

- 4) My responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- 5) I have examined the 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.
- 6) I hereby confirm that my firm is a peer reviewed vide peer review unit1491/2021.

**Opinion:**

- 7) Based on my examination of the relevant records, as well as the information, explanations, and representations provided to me by the Management, I hereby certify that, to the best of my knowledge, the Company has complied with the conditions of Corporate Governance as specified in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C and D of Schedule V of the Listing Regulations during the fiscal year ended March 31, 2023, except Regulation 17(1) on account of nomination of director by a financial institution owned and controlled by the Government of India, on the Board of the Company with effect from March 9, 2023 due to which 50% of the Board did not consist of Independent Directors. The Company has represented to the Stock Exchanges that a time-period of 3 months is available to the Company to restore the composition requirement of 50% Independent Directors on the Board and that the Company ought not to be considered as non-complaint from the date of nomination of director by the financial institution as the appointment of an additional independent Director is procedure driven and takes time. However, the stock exchanges i.e. BSE Limited and National Stock Exchange of India Limited have imposed fine of ₹ 1,35,700/- each respectively for the quarter ended March 31, 2023 and the same has been paid by the Company as advised by the Stock Exchanges. Subsequently, the financial institution has withdrawn the nomination of Director on June 28, 2023 as evidenced by the regulatory filings made by the Company and the Board composition is in line with Regulation 17(1) of the Listing Regulations from June 28, 2023. The Company has also made a waiver application with the exchanges and the outcome is awaited.
- 8) As of March 31, 2023, the Company was found to be non-compliant with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and said non-compliance continued till June 28, 2023. It should be noted that the events mentioned above took place before the signing of this report, and thus have been duly recorded and accounted for.
- 9) We 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 and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirements of the Listing 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.

**Place: Bengaluru**  
**Date : July 14, 2023**

**Pramod S.**  
Practicing Company Secretary  
ACS: 36020; CP No.: 13335  
Peer Reviewed Unit: 1491/2021  
ICSI UDIN:A036020E000611760