

## Report on Corporate Governance: 2021

### I. OUR CORPORATE GOVERNANCE PHILOSOPHY

Corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organisation's wealth generating capacity. This is ensured by conducting business with a firm commitment to values, while at the same time, meeting stakeholders' expectations.

At Hikal, it is imperative that business is conducted in a fair and transparent manner. The corporate governance framework ensures effective engagement with various stakeholders and helps the Company evolve with changing times. It oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, lenders, vendors, investors and the society at large. The guiding principles and practices are summarised in this Corporate Governance Report. These are articulated through the Company's Code of Conduct for Board of Directors and Senior Management, Policies and Charters of various Committees of the Board and Company's Disclosure Policies. These Policies seek to focus on enhancement of long-term shareholder value without compromising on Ethical Standards and Corporate Social Responsibilities.

### II. BOARD OF DIRECTORS

The strength of the Board of Directors is 10 as on 31 March 2021, whose composition is given below:

#### A. Composition and Category:

Name	Category	Relationship with other Directors
Jai Hiremath Chairman & Managing Director DIN: 00062203	Executive Director	Spouse of Sugandha Hiremath and father of Sameer Hiremath
B.N. Kalyani DIN: 00089380	Non-Executive Director	Father of Amit Kalyani and brother of Sugandha Hiremath
Prakash Mehta DIN: 00001366	Independent, Non-Executive Director	-
Kannan Unni DIN: 00227858	Independent, Non-Executive Director	-
Ranjit Shahani DIN: 00103845	Independent, Non-Executive Director	-
Sugandha Hiremath DIN: 00062031	Non-Executive Director	Spouse of Jai Hiremath, mother of Sameer Hiremath and sister of B.N. Kalyani
Shivakumar Kheny DIN: 01487360*	Independent, Non-Executive Director	-
Amit Kalyani DIN: 00089430	Non-Executive Director	Son of B.N. Kalyani
Shivani Bhasin Sachdeva DIN: 00590500	Independent, Non-Executive Director	-
Sameer Hiremath Joint Managing Director & CEO DIN: 00062129	Executive Director	Son of Jai Hiremath and Sugandha Hiremath
Ravindra Kumar Goyal DIN: 03050193**	Independent, Non-Executive Director	-

\*Mr. Shivakumar Kheny resigned as Director w.e.f. February 4, 2021

\*\*Mr. Ravindra Kumar Goyal appointed as Independent Director of the Company w.e.f. February 4, 2021

## VALUE RESEARCH PREMIUM

The attendance of each Director at the Board meetings, last Annual General Meeting and number of other Directorship and Chairmanship/Membership of Committees of each Director in various Companies is as under:

Name	Attendance		Directorships#	Committee Membership##	Committee Chairmanship##
	Board Meeting	Last AGM			
Jai Hiremath	4	Yes	2	1	1
Sameer Hiremath	4	Yes	1	-	-
Sugandha Hiremath	4	Yes	-	-	-
B.N. Kalyani	2	Yes	5	3	-
Amit Kalyani	4	Yes	7	2	-
Kannan Unni	4	Yes	1	-	-
Prakash Mehta	4	Yes	6	7	4
Shivakumar Kheny*	4	No	NA	NA	NA
Ranjit Shahani	4	Yes	2	2	1
Shivani Bhasin Sachdeva	4	Yes	3	1	-
Ravindra Kumar Goyal**	1	NA	3	3	-

\*Mr. Shivakumar Kheny resigned as Director w.e.f. February 4, 2021

\*\*Mr. Ravindra Kumar Goyal appointed as Independent Director of the Company w.e.f. February 4, 2021

#The Directorships held by Directors as mentioned above, do not include Directorships in Foreign Companies, Companies registered under Section 8 of the Companies Act, 2013, and Private Limited Companies

## Includes membership/chairmanship other than Hikal (only Audit Committee and Stakeholders' Relationship Committee is considered and membership includes chairmanships)

**Directorship in listed entities other than Hikal Ltd. and the category of directorship as on March 31, 2021, is as follows:**

Name of the Director	Names of Listed Entities	Category of Directorship
Jai Hiremath	Novartis India Ltd.	Non-Executive – Independent Director
Sameer Hiremath	Nil	-
Sugandha Hiremath	Nil	-
B.N. Kalyani	Bharat Forge Ltd.	Executive Director (CMD)
	Kalyani Steels Ltd.	Non-Executive, Non-Independent Director (Chairman)
	Automotive Axles Ltd.	Non-Executive, Non-Independent Director (Chairman)
	BF Utilities Ltd.	Non-Executive, Non-Independent Director (Chairman)
Amit Kalyani	Bharat Forge Ltd.	Executive Director
	Kalyani Steels Ltd.	Non-Executive, Non-Independent Director
	BF Utilities Ltd.	Non-Executive, Non-Independent Director
	BF Investment Ltd.	Non-Executive, Non-Independent Director (Chairman)
	Kalyani Investment Company Ltd.	Non-Executive, Non-Independent Director (Chairman)
	Schaeffler India Limited	Non-Executive, Independent Director
Kannan Unni	Nil	-

<b>Name of the Director</b>	<b>Names of Listed Entities</b>	<b>Category of Directorship</b>
Prakash Mehta	Mukand Ltd.	Non-Executive, Independent Director
	Bharat Bijlee Ltd.	Non-Executive, Independent Director (Chairman)
	Mukand Engineers Ltd.	Non-Executive, Independent Director
	Advani Hotel & Resorts (India) Ltd.	Non-Executive, Independent Director
	Oriental Aromatics Ltd.	Non-Executive, Independent Director
Ranjit Shahani	Ambuja Cements Ltd.	Non-Executive, Non-Independent Director
	JB Chemicals & Pharmaceuticals Ltd.	Non-Executive, Independent Director (Chairman)
Shivani Bhasin Sachdeva	Nil	-
Ravindra Kumar Goyal*	Kalyani Steels Limited	Executive-Director
	Kalyani Investment Company Limited	Non-Executive, Independent Director

\*Mr. Ravindra Kumar Goyal appointed as Independent Director of the Company w.e.f. February 4, 2021

**The Chart/Matrix setting out the skills/expertise/competence of the Board of Directors.**

The list of core skills/expertise/competencies identified by the Board of Directors as required in the context of Company's business(es) and sector(s) for it to function effectively and those actually available with the Board are as follows :

<b>Name</b>	<b>Age</b>	<b>Qualifications</b>	<b>Skills, Expertise, Competencies</b>
Jai Hiremath	73	Chartered Accountant England and Wales, Owner President Management Program, Harvard University, USA	Financial Acumen, Strategic Expertise, Knowledge of Industry especially in which Company Operates, Vision
B.N. Kalyani	72	BE (Mech), MS (MIT – USA)	Strategic Planning, Business Operations, Technology, Sales and Marketing, Finance Acumen, Governance and Risk Management
Prakash Mehta	79	LLB (Mumbai), Solicitor	Legal expertise, Integrity, Business Strategy
Kannan Unni	79	B.A. - Agriculture, Diploma in Marketing Management (Mumbai) IMEDE - Loussanne, Switzerland	Marketing, Business Contacts, Finance
Ranjit Shahani	71	ME (IIT, Kanpur), MBA (Jamnalal Bajaj Institute of Management Studies)	Operational efficiency, Intellectual Property expert
Sugandha Hiremath	69	B.Com	Finance, Investments
Shivakumar Kheny*	73	BE (Mech)	Vast Industry Experience, Projects, Investments
Amit Kalyani	45	Mechanical Engineering from Bucknell University, Pennsylvania, USA	Strategic Planning, Business Operations, Technology, Sales and Marketing, Finance Acumen, Governance and Risk Management.
Shivani Bhasin Sachdeva	47	MBA from the Wharton School, University of Pennsylvania, B.A. in Economics from Mount Holyoke College (Phi-Beta-Kappa, Magna Cum Laude, Sarah Williston Scholar)	Business, Finance & Investments

<b>Name</b>	<b>Age</b>	<b>Qualifications</b>	<b>Skills, Expertise, Competencies</b>
Sameer Hiremath	47	BE (Chem), MBA & MS (I.T.) - Boston (USA)	Building High Performance Teams, IT – Digital Acumen, Projects Implementation, Strategic Planning
Ravindra Kumar Goyal**	62	Engineering Graduate from BITS Pilani and MBA	Strategy & Planning, Financial Skills, Legal, Corporate Governance & Risk Management

\*Mr. Shivakumar Kheny resigned as Director w.e.f. February 4, 2021

\*\*Mr. Ravindra Kumar Goyal appointed as Independent Director of the Company w.e.f. February 4, 2021

The Board of Directors hereby confirms that in its opinion, the Independent Directors of the Company fulfil the conditions as specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

During the financial year Mr. Shivakumar Kheny, Independent Director, resigned from the Directorship, due to personal reasons. Mr. Kheny provided a confirmation that there were no material reasons other than those mentioned in his letter of resignation.

**B. Succession Plan:**

The Nomination and Remuneration Committee works with the Board on the leadership succession plan and prepares contingency plans for succession in case of any exigencies.

**C. Details of Board of Directors Meetings Held During the Year:**

The Board met 4 (four) times during the financial year, details of which are as follows:

(1) June 18, 2020 (2) August 04, 2020 (3) November 04, 2020 (4) February 04, 2021

The maximum interval between any two meetings held during the financial year did not exceed 120 days, as prescribed under the Companies Act, 2013.

**D. Remuneration of Directors:**

Remuneration to Directors for the year ended March 31, 2021.

i) Remuneration to Non-Executive Directors:

The Non-Executive Directors are paid sitting fees for each meeting of the Board and Committees thereof attended by them. They also receive commission on net profits of the Company as determined by the Board of Directors on an annual basis within the overall limit approved by shareholders of the Company.

<b>Director</b>	<b>Sitting Fees (Amt in Million)</b>	<b>Commission on net profits (Amt in Million)</b>	<b>Total (Amt in Million)</b>
B.N. Kalyani	0.40	1.30	1.70
Prakash Mehta	1.40	1.30	2.70
Shivakumar Kheny*	0.90	-	0.90
Kannan Unni	1.40	1.30	2.70
Sugandha Hiremath	0.90	1.30	2.20
Amit Kalyani	0.40	1.30	1.70
Ranjit Shahani	0.50	1.30	1.80
Shivani Bhasin Sachdeva	0.50	1.30	1.80
Ravindra Kumar Goyal**	0.10	1.30	1.40
<b>Total</b>	<b>6.50</b>	<b>10.40</b>	<b>16.90</b>

\*Mr. Shivakumar Kheny resigned as Director w.e.f. February 4, 2021

\*\*Mr. Ravindra Kumar Goyal appointed as Independent Director of the Company w.e.f. February 4, 2021

ii) Remuneration to Executive Directors:

(₹ in million)

<b>Name of the Director</b>	<b>Salary and Perquisites</b>	<b>Commission</b>	<b>Total</b>
Jai Hiremath	41.43	21.00	62.43
Sameer Hiremath	24.53	21.00	45.53
<b>Total</b>	<b>65.96</b>	<b>42.00</b>	<b>107.96</b>

Shareholding of Non-Executive Directors in the Company:

<b>Director</b>	<b>Number of shares held</b>
B.N. Kalyani	22,500
Prakash Mehta	14,775
Shivakumar Kheny*	51,135
Kannan Unni	20,000
Sugandha Hiremath	9,667,500
Amit Kalyani	Nil
Ranjit Shahani	Nil
Shivani Bhasin Sachdeva	Nil
Ravindra Kumar Goyal**	Nil

\*Mr. Shivakumar Kheny resigned as Director w.e.f. February 4, 2021

\*\*Mr. Ravindra Kumar Goyal appointed as Independent Director of the Company w.e.f. February 4, 2021

The details of familiarisation programs of Independent Directors are uploaded on the Company's website [www.hikal.com](http://www.hikal.com)

### III. COMMITTEES OF THE BOARD

Currently, the Board has six committees, Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee and Share Transfer Committee.

#### A. Audit Committee

##### Composition

The Committee consists of Mr. Kannan Unni, Independent Director, Mr. Prakash Mehta, Independent Director, Mr. Ravindra Kumar Goyal, Independent Director (w.e.f. February 4, 2021) and Mrs. Sugandha Hiremath, Non-Executive, Non-independent Director. Mr. Kannan Unni is the Chairman of the Audit Committee. Mr. Shivakumar Kheny, ceased to be a member of the Audit Committee w.e.f. February 4, 2021.

##### The terms of reference of the Committee are as follows:

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013
  - b) Changes, if any, in accounting policies and practices and reasons for the same
  - c) Major accounting entries involving estimates based on the exercise of judgment by management
  - d) Significant adjustments made in the financial statements arising out of audit findings
  - e) Compliance with listing and other legal requirements relating to financial statements

- f) Disclosure of any related party transactions
  - g) Modified opinion(s) in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
  6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter.
  7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
  8. Approval or any subsequent modification of transactions of the listed entity with related parties.
  9. Scrutiny of inter-corporate loans and investments.
  10. Valuation of undertakings or assets of the listed entity, wherever it is necessary.
  11. Evaluation of internal financial controls and risk management systems.
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
  13. 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.
  14. Discussion with internal auditors of any significant findings and follow up there on.
  15. 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.
  16. 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.
  17. 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.
  18. To review the functioning of the whistle blower mechanism.
  19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.
  20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
  21. Reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
  22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

**Meetings and Attendance**

The Audit Committee met 4 (four) times during the financial year, the details of which are as under:

(1) June 18, 2020 (2) August 04, 2020 (3) November 04, 2020 (4) February 04, 2021

The attendance of the Committee meetings is as under:

Name of the Director	Number of meetings attended
Kannan Unni	4
Prakash Mehta	4
Shivakumar Kheny*	4
Sugandha Hiremath	4
Ravindra Kumar Goyal**	NA

\*Mr. Shivakumar Kheny resigned as Director w.e.f. February 4, 2021

\*\*Mr. Ravindra Kumar Goyal appointed as Independent Director of the Company w.e.f. February 4, 2021

**B. Stakeholders' Relationship Committee**

The Committee consists of Mr. Kannan Unni – Independent Director, Mr. Prakash Mehta – Independent Director and Mrs. Sugandha Hiremath – Non-Executive, Non-Independent Director. Mr. Kannan Unni is the Chairman of the Stakeholders' Relationship Committee.

**The terms of reference of the Committee are as follows:**

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.

The Committee looks into redressing of shareholders/investors' complaints. No complaint was outstanding as on April 1, 2020. During the year 1 complaint was received from shareholders/investors during the quarter ended March 31, 2021, and the same was resolved during the same quarter. Thus, no complaints were outstanding as on March 31, 2021.

**Meetings and Attendance**

The meeting of Stakeholders' Relationship Committee during the financial year 2020-21 was held on February 4, 2021.

The attendance of the Committee meeting is as under:

Name of the Director	Number of meetings attended
Kannan Unni	1
Prakash Mehta	1
Sugandha Hiremath	1

**Compliance Officer**

The Board has designated Mr. Rajasekhar Reddy, Company Secretary & Compliance Officer, of the Company as the Compliance Officer.

**C. Nomination and Remuneration Committee**

The Committee consists of Mr. Kannan Unni, Independent Director, Mr. B.N. Kalyani, Non-Executive, Non-Independent Director, Mr. Prakash Mehta, Independent Director and Mr. Jai Hiremath, Chairman & Managing Director. Mr. Kannan Unni is the Chairman of the Nomination & Remuneration Committee. During the financial year, the Committee was reconstituted on February 4, 2021 to induct Mr. Jai Hiremath.

**The terms of reference of the Committee are as follows:**

1. Formulation of the 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.
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
3. Devising a policy on diversity of Board of Directors.
4. 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.
5. 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.
6. Recommend to the board, all remuneration, in whatever form, payable to senior management.

**Meetings and Attendance**

The Nomination & Remuneration Committee met 4 (four) times during the financial year, the details of which are as under:

(1) June 18, 2020 (2) August 04, 2020 (3) November 04, 2020 (4) February 04, 2021

The attendance of the Committee meetings is as under:

Name of the Director	Number of meetings attended
Kannan Unni	4
Prakash Mehta	4
B. N. Kalyani	2
Jai Hiremath*	NA

\* inducted on February 4, 2021

**Nomination and Remuneration Policy and performance evaluation criteria for Independent Directors:**

The Nomination and Remuneration Policy of the Company is uploaded on the website of the Company [www.hikal.com](http://www.hikal.com).

The Board of Directors has approved the following criteria for performance evaluation of Independent Directors:

1. Director's background, knowledge and skills are relevant to the Board and business of the Company.
2. Whether the Director devotes sufficient time for Board matters and actively participates in the matters that are being discussed at the meetings.
3. Whether the Director is available for any discussions/inputs outside of Board/Committee meetings.
4. Whether the Director helps in bringing an independent judgment to bear on the deliberations especially on strategy, risk management and performance of the Company.
5. Whether the Director works towards safeguarding the interest of all stakeholders in the Company.
6. Whether the Director brings quality and value in Board discussions.

**D. Corporate Social Responsibility (CSR) Committee**

The Committee consists of Mr. Jai Hiremath, Chairman & Managing Director, Mrs. Sugandha Hiremath, Non-Executive, Non-Independent Director, Mr. Sameer Hiremath, Joint Managing Director & CEO and



Mr. Prakash Mehta, Independent Director. Mr. Jai Hiremath is the Chairman of the Corporate Social Responsibility Committee.

During the year 2020-21, the committee met once on February 4, 2021 and all the members of the committee were present in the meeting.

**E. Risk Management Committee**

The Board has constituted a Risk Management Committee consisting of Mr. Jai Hiremath, Chairman & Managing Director, Mr. Sameer Hiremath, Joint Managing Director & CEO, Mr. Kannan Unni, Independent Director and Mr. Prakash Mehta, Independent Director. Mr. Jai Hiremath is the Chairman of the Risk Management Committee.

The terms of reference of the Committee are as follows:

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

**F. Share Transfer Committee**

The Share Transfer Committee consists of Mrs. Sugandha Hiremath, Non-Executive, Non-Independent Director, Mr. Jai Hiremath, Chairman & Managing Director and Mr. Sameer Hiremath, Joint Managing Director & CEO. Mrs. Sugandha Hiremath is the Chairperson of the Share Transfer Committee.

During the year 2020-21, the committee met once on February 4, 2021 and all the members of the committee were present in the meeting.

**IV. GENERAL BODY MEETING**

<b>Financial Year</b>	<b>Location</b>	<b>Day, Date &amp; Time</b>	<b>Special Resolutions Passed</b>
2017-2018	Centrum Hall 'A', 1 Floor Centre 1, World Trade Centre Mumbai – 400 005	Wednesday, August 8, 2018 3.30 PM	Resolution under Section 197 of the Companies Act, 2013, passed for payment of remuneration by way of commission on net profits to the non-executive Directors of the Company, for a period of consecutive five years commencing from April 1, 2018.
2018-2019	Centrum Hall 'A', 1 Floor Centre 1, World Trade Centre Mumbai – 400 005	Thursday, August 1, 2019 3.30 PM	Continuation of payment of remuneration to Executive Directors who are Promoters in excess of threshold limits as per Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

<b>Financial Year</b>	<b>Location</b>	<b>Day, Date &amp; Time</b>	<b>Special Resolutions Passed</b>
2019-2020	Held through video conferencing and was deemed to have been held at the Registered Office.	Tuesday, September 15, 2020 11.30 AM	Reappointment of Mr. Ranjit Shahani (DIN: 00103845) for a second term of 5 years in accordance with provisions of Section 149, 150, 152 of Companies Act, 2013, read with Schedule IV to the Act and Regulation 16(1)(b) & Regulation 17(1A) of the SEBI(Listing Obligations & disclosure Requirements) Regulations, 2015.

**Postal Ballot**

There were no resolutions passed through Postal Ballot during the financial year. Further, as on the date of this report the Company does not propose to pass any Resolutions via Postal Ballot.

**V. DISCLOSURES**

- (i) The Company has entered into related party transactions as set out in the Notes to Accounts, which are not likely to have a conflict with the interest of the Company. The details of all significant transactions with the related parties are periodically placed before the Audit Committee.
- (ii) During the financial year 2019-20, the Company has paid penalty as per the details mentioned below. No other penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any Statutory Authority on any matter related to capital markets during the last three years.

<b>Name of Stock Exchange</b>	<b>Regulatory Provision</b>	<b>Amount paid</b>	<b>Particulars</b>
BSE Limited	Regulation 34 of SEBI (LODR) Regulations, 2015	₹ 33,040/- (including GST)	Annual Report for the Financial Year 2018-19
National Stock Exchange of India Limited	Regulation 34 of SEBI (LODR) Regulations, 2015	₹ 33,040/- (including GST)	Annual Report for the Financial Year 2018-19

- (iii) The Company has a code of conduct for Board members and senior management of the Company, which is posted on the Company's website. The employees covered by code of conduct, affirm on annual basis the compliance with the said code. The Company has a whistle blower policy. No personnel of the Company have been denied access to the grievance redressal mechanism and Audit Committee of the Board of the Company.
- (iv) The Company has duly complied with all the mandatory Corporate Governance requirements. The Company has also complied with non-mandatory requirements as specified in Part E of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of moving to the regime of financial statements with unmodified opinion and the Internal auditors reporting directly to the Audit Committee.
- (v) **Material Subsidiaries:**  
The Company does not have any material subsidiaries as defined under Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy for determining material subsidiaries is posted on the website of the Company [www.hikal.com](http://www.hikal.com).
- (vi) The Company has in place a Policy on dealing with Related Party Transactions and on Materiality of Related Party Transactions, which has been posted on the website of the Company [www.hikal.com](http://www.hikal.com).
- (vii) The Company's operational activities involve purchase and sale of active ingredients, whose prices are exposed to the risk of fluctuations over short periods of time. Commodity price risk exposure is evaluated and managed through procurement and other related operating policies. The international trade is primarily in USD and Euro which are major convertible currencies, and to that extent the exposure to forex exchange risk exists. However, the Company exports and imports in same currencies and there is a natural hedge for these currencies and the Company enters into forward contracts for open positions wherever deemed necessary.

- (viii) There was no Preferential Allotment or Qualified Institutions Placement during the financial year as specified under Regulation 32 (7A).
- (ix) A Certificate from M/s Ashish Bhatt & Associates, Practicing Company Secretaries, certifying that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by SEBI / Ministry of Corporate Affairs or any such Statutory Authority, is enclosed to this Report.
- (x) There were no instances of non-acceptance of recommendations of the audit committee by the Board of Directors during the financial year 2020-21.
- (xi) Details of fees for all services paid by the Company, to the Statutory Auditor and all entities in the network firm/ network entity of which the Statutory Auditor is a part, are mentioned in Note No. 51 on Payments to Auditors in the standalone financial statements.
- (xii) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
  - a. Number of complaints filed during the financial year 2020-21: Nil
  - b. Number of complaints disposed of during the financial year 2020-21: Nil
  - c. Number of complaints pending as on end of the financial year 2020-21: Nil
- (xiii) There were no instances of Non-compliance with any requirement of corporate governance report serial no (xiv) under this, as under:
- (xiv) The Company has in place a Dividend Distribution Policy, which has been posted on the website of the Company [www.hikal.com](http://www.hikal.com).
- (xv) Credit Rating:

Particulars	Rating Agency	Previous Rating	Rating upgraded during the year
Long term borrowing	ICRA	A (Stable)	A (Stable)
Short term borrowing	ICRA	A 1	A 1

## VI. MEANS OF COMMUNICATION

The quarterly, half yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. These are published in leading Financial/Non-financial newspapers viz: in Economic Times, Business Standard, Sakal and Maharashtra Times. The results are simultaneously posted on the website of the Company [www.hikal.com](http://www.hikal.com).

The press releases and the presentations made to the institutional investors or the analysts are also posted on the website of the Company [www.hikal.com](http://www.hikal.com).

## VII. GENERAL SHAREHOLDERS INFORMATION

### (A) Annual General Meeting

Day and Date : Thursday, September 2, 2021  
 Time : 11.30 AM  
 Venue : Through VC/OAVM

**(B) Financial Calendar** : April 01, 2020 to March 31, 2021

### (C) Tentative Financial Calendar 2021-22

1<sup>st</sup> Quarter results : on or before August 14, 2021  
 2<sup>nd</sup> Quarter results : on or before November 14, 2021  
 3<sup>rd</sup> Quarter results : on or before February 14, 2022  
 4<sup>th</sup> Quarter results : before end of May, 2022

# VALUE RESEARCH PREMIUM

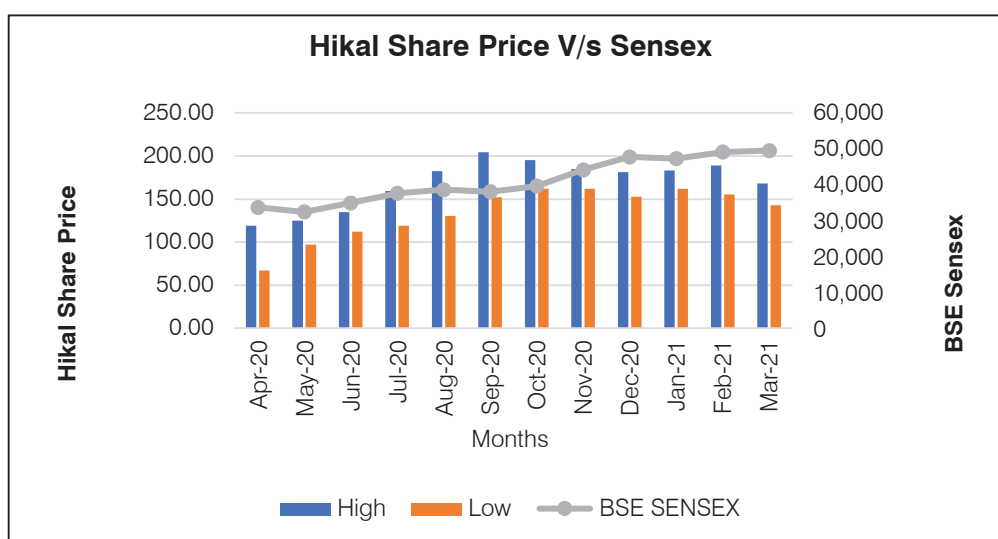
- (D) **Book Closure** : August 27, 2021 to September 2, 2021  
(both days inclusive)
- (E) **Dividend Payment Date** : Dividend will be paid within 30 days from the date of declaration.
- (F) **Listing of Shares** : The Equity Shares are listed on the Stock Exchanges at BSE Limited, Mumbai, and National Stock Exchange of India Limited, Mumbai. The Company has paid the listing fees to these Exchanges.
- (G) **Stock Code** : Trading Symbol at:  
BSE Ltd. (BSE) – 524735  
P J Towers, Dalal Street  
Fort, Mumbai 400 001.  
  
National Stock Exchange of India Ltd. (NSE) – HIKAL  
Exchange Plaza, Bandra Kurla Complex  
Bandra (East), Mumbai 400 051.  
  
Demat ISIN Number in NSDL & CDSL - INE475B01022  
CIN - L24200MH1988PTC048028

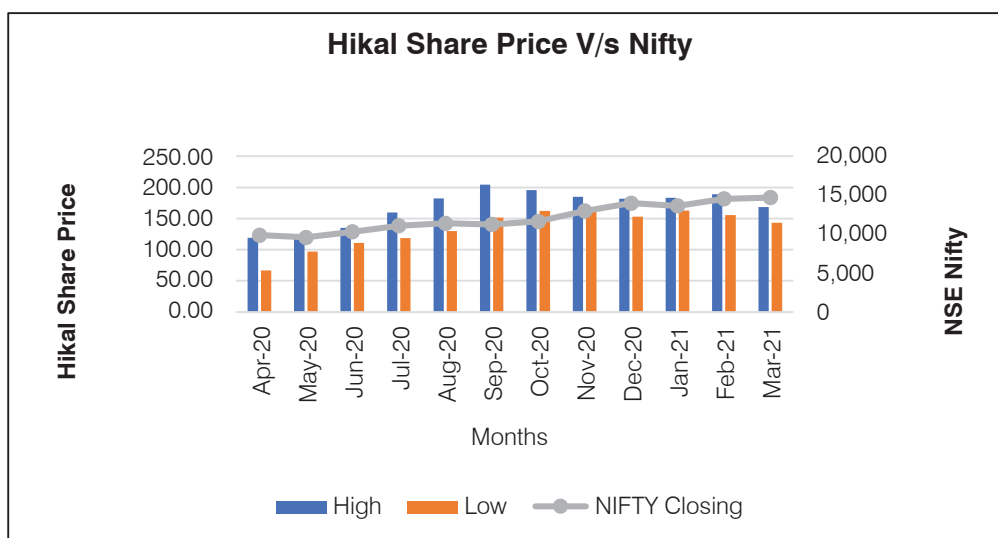
## (H) Market Price Data

The details of high/low market price of the shares at BSE and NSE are as under:

Month	BSE			NSE			SENSEX Closing	NIFTY Closing
	High	Low	Close	High	Low	Close		
April 2020	119.00	67.10	112.25	119.00	66.60	112.20	33718	9860
May 2020	125.00	97.15	116.35	124.00	97.10	116.50	32424	9580
June 2020	134.90	112.00	125.00	135.00	111.00	125.15	34916	10302
July 2020	159.45	119.00	155.75	159.60	118.75	155.60	37607	11073
August 2020	182.40	130.40	162.60	182.45	130.00	162.55	38628	11387
September 2020	204.40	152.00	191.00	204.55	151.45	190.85	38068	11247
October 2020	195.30	161.80	163.70	195.50	162.00	163.65	39614	11642
November 2020	184.80	162.00	171.90	184.90	161.15	171.90	44150	12969
December 2020	181.40	152.75	164.75	181.60	153.00	165.00	47751	13982
January 2021	183.20	162.00	170.85	183.25	162.95	170.35	47286	13635
February 2021	189.00	155.50	158.95	189.00	155.45	159.05	49100	14529
March 2021	168.30	142.85	143.50	168.35	143.00	143.55	49509	14691

## (I) Performance Comparison: Hikal Ltd. v/s BSE SENSEX and Hikal Ltd. v/s NSE NIFTY:





**(J) Share Transfer Agents**

Universal Capital Securities Pvt. Ltd.  
 C-101, 247 Park, 1<sup>st</sup> Floor, LBS Road,  
 Gandhi Nagar, Vikhroli (West),  
 Mumbai – 400 083  
 Phone : 022- 28207203 /04/05 Fax : 022- 28207207  
 Email: info@uniseq.in  
 Website: www.uniseq.in

**(K) Share Transfer System**

Trading in Equity Shares of the Company is permitted only in dematerialised form, as per the notification issued by SEBI and transfer of shares of the Company, in physical mode, are not permitted by law. Shares sent for transmissions in physical form, are processed by our Registrars and Share Transfer Agents within the permitted timelines, if the documents are found to be in order.

**(L) Distribution of Shareholding (Equity) as on March 31, 2021**

Share Holding Nominal Value of		Share Holders		Share Holdings		Share Amount	
₹	₹	Number	% To Total	Holdings	% To Total	₹	% To Total
UP TO	5,000	52,418	96.91	1,28,57,257	10.43	2,57,14,514	10.43
5,001	10,000	853	1.58	31,32,144	2.54	62,64,288	2.54
10,001	20,000	419	0.77	30,92,922	2.51	61,85,844	2.51
20,001	30,000	130	0.24	16,32,743	1.32	32,65,486	1.32
30,001	40,000	77	0.14	13,73,089	1.11	27,46,178	1.11
40,001	50,000	36	0.07	8,17,290	0.66	16,34,580	0.66
50,001	100,000	64	0.12	22,53,971	1.83	45,07,942	1.83
100,001	And Above	91	0.17	9,81,41,334	79.60	19,62,82,668	79.60
<b>TOTAL</b>		<b>54,088</b>	<b>100.00</b>	<b>12,33,00,750</b>	<b>100.00</b>	<b>24,66,01,500</b>	<b>100.00</b>

**(M) Shareholding pattern as on 31 March, 2021 is as under:**

Category of Shareholders	Number of Equity Shares	Percentage
Promoters	84,792,764	68.77
Resident Individuals	24,669,236	20.01
Mutual Funds / Investment Funds	552,635	0.45
FPIs	7,283,872	5.91
Alternate Investment Funds	25,000	0.02
Insurance Company	150,750	0.12
Foreign National	182,325	0.15
Non- Resident Indians	1,227,168	1.00
Corporate Bodies	1,947,772	1.58
IEPF	261,340	0.21
Others	2,207,888	1.79
<b>Total</b>	<b>123,300,750</b>	<b>100.00</b>

**(N) Dematerialisation of Shares**

As on March 31, 2021, 99.69% (122,921,570 shares) of the total equity capital is held in dematerialised form, out of which 89.96% (110,917,747 shares) is held with NSDL and 9.73 % (12,003,823 shares) is held with CSDL.

**(O) Outstanding global depository receipts, etc.**

The Company has not issued any global depository receipts or American depository receipts or warrants or any other convertible instruments and therefore no such instruments are outstanding as on March 31, 2021.

**(P) Plant Locations:**

- a) MIDC, Talaja, Dist. Raigad, Maharashtra
- b) MIDC, Mahad, Dist. Raigad, Maharashtra
- c) GIDC, Panoli, Dist. Bharuch, Gujarat
- d) KIADB, Jigani, Bengaluru, Karnataka
- e) Hinjewadi, Pune, Maharashtra

**(Q) Investor Correspondence**

**i. Universal Capital Securities Pvt. Ltd**

C-101, 247 Park, 1<sup>st</sup> Floor, LBS Road,  
Gandhi Nagar, Vikhroli (West),  
Mumbai – 400 083  
Phone : 022- 28207203 /04/05 Fax : 022- 28207207  
Email: info@unisec.in  
Website: www.unisec.in

**ii. Investors Relation Centre**

Mr. Rajasekhar Reddy – Company Secretary & Compliance Officer  
603-A, Great Eastern Chambers, 6<sup>th</sup> Floor,  
Sector 11, CBD Belapur, Navi Mumbai - 400 614  
Tel: 91 22 3097 3100  
Fax: 91 22 3097 3281  
Email: secretarial@hikal.com  
Website: www.hikal.com

**(R) Disclosures with respect to demat suspense account/unclaimed suspense account**

Company does not have any shares in suspense account and hence disclosure regarding demat/unclaimed suspense account is not applicable to the Company.