Himatsingka Seide Limited

10/24, Kumara Krupa Road, High Grounds, Bangalore - 560 001, India

Ref: SEC:0001:2:0179:KGN

October 21, 2013

> Speed Post A/d. <

Listing Department
Bombay Stock Exchange Ltd
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

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

Listing Department
The Bangalore Stock Exchange Ltd
Stock Exchange Towers, 51, 1st Cross
J.C. Road, Bangalore - 560 027

Dear Sirs,

Sub: AGM Minutes.

We are enclosing herewith a copy of Minutes of the 28th Annual General Meeting of the Company held on 12th August, 2013.

Kindly acknowledge receipt of the same.

Thanking you,

Yours faithfully,
For Himatsingka Seide Limited

Ashok Sharma
General Manager – Treasury, Taxation
& Company Secretary

Encl: as above

Phone : +91 - 80 - 2237 8000 Fax : +91 - 80 - 2237 8058 / 2237 8074
email : hslblr@himatsingka.com Website : www.himatsingka.com

MINUTES OF THE 28th ANNUAL GENERAL MEETING OF THE COMPANY HELD ON MONDAY, THE 12TH AUGUST, 2013 AT 4.00 P.M. AT THE LaLiT ASHOK BANGALORE, KUMARA KRUPA ROAD, HIGH GROUNDS, BANGALORE – 560 001.

PRESENT:

Mr Dilip J.Thakkar	- Chairman
Dr. K.R.S. Murthy	- Director
Mr. Rajiv Khaitan	- Director
Mr. D.K. Himatsingka	- Managing Director
Mr. Aditya Himatsingka	- Executive Director
Mr. Shrikant Himatsingka	- Executive Director
Mr. K.P. Pradeep	- Group CFO
Mr. Ashok Sharma	- Company Secretary

MEMBERS PRESENT:

In Person	- 145
Corporate representation	- 6

CHAIRMAN OF THE MEETING:

Mr. Dilip J Thakkar took the chair. On ascertaining the attendance of the members, the Chairman announced that the Quorum was present and called the meeting to order. The Chairman announced the receipt of 5 (Five) proxies for 39,34,473 shares and 6 (Six) Corporate representations for 1,78,91,420 Shares. The Chairman then introduced the directors present to the members.

NOTICE:

At the request of members, the notice was taken as read.

AUDITORS' REPORT:

Mr. Ashok Sharma, Company Secretary read out the Auditors' report.

MANAGING DIRECTORS OVERVIEW

The Managing Director in his opening address covered the following matters:

The Managing Director extended a warm welcome to the Shareholders and expressed his pleasure on speaking to the Shareholders of the Company.

He said that Company is at the end of a tunnel and approaching a bright light through its commendable performance over the years. He gave a brief of the business performance of the Company mentioning that the manufacturing revenues of the Company grew from Rs. 650 Crores last year to Rs.714 Crores during the current year, a reasonably healthy growth of 9.8% and the Distribution and Wholesale business of the Company's Subsidiaries in USA grew 22% from Rs.1163 Crores to Rs.1420 Crores. He also said that the Company is facing challenges in Europe, through its subsidiary Giuseppe Bellora SpA, whose performance is being affected mainly due to the Economic woes of Europe, particularly Italy.

The Company's consolidated revenue grew from Rs.1431 Crore last year to Rs.1698 Crore this year representing a growth of 19%. EBIDTA also grew from Rs.148 Crore to Rs.167 Crores, a 13% increase and Net Profit from Rs.33 Crores to Rs.57 Crores, a 73% increase.

The Managing Director informed that earlier in the day, the Board of Directors at its meeting took on record the results of the first quarter for the Financial Year 13-14 . He informed the Shareholders the following highlights of the Financial Results of the Company for the Q1 FY 13-14:

The Consolidated Revenue of the Company grew up by 25% reaching to Rs.479 Crores as against Rs. 383 Crores in the last year and the net profit grew by 59% to Rs. 16.54 Crores as against Rs 10.40 Crores in corresponding period last year.

He said that given the difficult global economic scenario the Company has done reasonably well. This observation of performance is important and should be tracked but a larger picture will emerge if we see how these numbers look for a period of last 10 years. For e.g the Revenue has grown at a CAGR of 29% within last 10 years from Rs.129 Crores in 2003 to Rs.1698 Crores in 2012-13. He said the CAGR is meaningful and even creditable more than the Q.O.Q or Y.O.Y results. This shows the path the Company has taken and likely to continue taking and attention has to be paid to this.

The Managing Director told that the Dividend is often a subject of great interest in AGMs. He was pleased that the dividend payout of the Company has doubled in the current year over last year which may be satisfactory for some of the Shareholders and may not be also, depending on the perception of the Individual Shareholder. He again expressed that instead of focusing on one year's dividend payout, the statistics for the payment over the years are to be looked into. He informed the shareholders that since inception, the cumulative net profit of the company stands at approximately Rs.475 Crores, out of which dividend payout has been around Rs.202 Crores, with a payment ratio of 42% approx.

He apprised the Shareholders that the Company has remain committed and inclined to create a world class HR infrastructure facilities. The HR practices and initiatives of the Company have been recognized. The Company has won the Asian CSR Leadership Award for Developing Sustainable Strategies from Asian Federation of Business and the Best of Breed HR Showcase Award from National Human Resource Department. The Company is also committed to harness and promote good Corporate Governance.

The Managing Director informed the Board that Mr. A. K. Dasgupta who is retiring at the AGM will not be seeking re-election to the Board of Directors. On behalf of all of the Shareholders of the Company he took on record the deep appreciation of services rendered by Mr. A. K. Dasgupta during the past several years.

The Managing Director concluded his speech by thanking the valued customers, financial institutions and Banks of the Company for their sustained support and encouragement throughout the years. He also expressed his gratitude to the Employees of the Company in contributing to the Company's Performance and showed his faith in the entire Himatsingka team being focused and dedicated to deliver a sustained operating performance, going forward. He also conveyed his sincere gratitude to the Shareholders of the Company, who have reposed their confidence in the Company and look forward for their continued support.

Thereafter, the Chairman took up the ordinary business for consideration of members

ITEMS FOR APPROVAL

1. Consideration And Adoption Of Accounts, Report Of Auditors And Directors:

The Chairman informed the members that the first item on the Agenda was consideration of the Accounts. The Directors Report and the Accounts were treated as read with the permission of the members. The Chairman informed the members that he would be glad to answer any queries on Accounts and Directors' Report. Thereafter, the following shareholders spoke:

Mr. Yogesh Doshi: He informed the meeting that he is representing shareholders holding HSL shares to the extent of 2.5%. He said that the current performance of the company is very good. He also said that the Current Market world- wide specially Europe, is good and the Company can perform still better with more visibility in these markets.

Mr. Narayana Swamy: Mr. Swamy expressed his happiness on the performance of the Company and highlighted the major financial figures of the Company like PAT, EPS etc. He said that the Company is retrieving itself and marching into the position where it was in its remarkable years like 2006-07. He informed the Members that he initially purchased only 100 shares of the Company, participated in Rights issue in 1993 and has 1800 shares and received Rs. 36,000 in Dividend alone over the years.

Mr. K.N. Kumar: Mr. Kumar appreciated the Good performance of the Company and expressed his happiness that the company has lived to its promises made and has declared dividend continuously for the second year after skipping for a period of three years due to the suffered losses during 2007-08, 2008-09 and 2010-11. He appreciated the management for the excellent facilities, the Company has at its plants.

He raised the following queries :

1. Whether the Atmosphere Stores can be opened in Malls in the Country
2. What is domestic sales in total sales of the Company
3. What is the amount the Company has spent on Corporate Social Responsibility
4. Whether factory visit can be arranged for the Shareholders of the Company
5. Whether Company can offer Discount Coupons to the Shareholders.

He also suggested that the company can introduce certain products which are less expensive so that more people can afford to buy the same.

Mr. Bharat Parek: He said he is an overseas Shareholder and described the Company as a positive and amazing company. He was happy with how the Company stood strong at the time of crisis and the strong management saw through the troubled times. He also appreciated the Model of Corporate governance in the Company and the HR initiatives in the Company.

Mr. Rajiv Patel: Requested the Company to introduce Buyback of equity shares of the Company. He also said that as a Shareholder of the Company, they are happy to leave the decision to the wisdom of the Management.

Mr. Sagar: He informed that the Company has paid Huge Royalty and should restrict the remuneration to minimum. He also suggested to the Shareholders that one of them can become directors of the Company the Company currently is not in trading and can venture into trading business.

The Chairman replied to the queries as under:

He informed the members that the Company is in the process of expansion of its "Atmosphere" business. He said that the Board has taken note of the observations made by the members with respect to the Atmosphere Business. He informed the shareholders that the total domestic sales of the Company is Rs. 27 Crores. The Company is active in contributing to the Corporate Social Responsibility and continues to do so in future. He also informed the Members that the factory visit will be arranged in the due course of time and the same will be informed to the Shareholders accordingly. He also thanked the Shareholders for their appreciation made on the Company and its performance.
He said that the Board has taken note of other observations made by the members.

The following Ordinary Resolution was :-

Proposed by : Mr. Sarvanan
Seconded by : Mr. Narayanswamy

"RESOLVED THAT the Profit and Loss Account for the year ended 31st March, 2013 and the Balance Sheet as at 31st March, 2013 together with the Reports of the Directors and the Auditors thereon, as circulated to the shareholders and now submitted to this meeting, be and are hereby received and adopted."

The Chairman put the resolution to vote and it was carried unanimously.

2. Declaration of Dividend

The Chairman informed the members that the next item on the agenda was declaration of dividend.
The following ordinary resolution was:-

Proposed by: Mr. Narayanswamy
Seconded by: Mr. Sridhar

"RESOLVED THAT dividend at the rate of Re. 1.00 per equity share, be paid out of the profits of the Company for the year ended 31st March, 2013, be paid to those members whose name appears in the register of members on 30th July, 2013 as per the list provided by the Registrar of the Company, for the purpose."

The Chairman put the resolution to vote and it was carried unanimously.

3. Re-appointment of Sri. Dilip J Thakkar

The Chairman informed the members that the next item on the agenda was his Re-appointment as a Director of the Company. Since he is interested in the matter, he requested Managing Director, Sri. D.K. Himatsingka to take chair for this item
Thereafter, Sri. D.K..Himatsingka took the chair.

The following ordinary resolution was:-

Proposed by: Mr. Sridhar
Seconded by: Mr. Manjunath

"RESOLVED THAT Sri Dilip J Thakkar, who retires by rotation, be and is hereby reappointed as Director of the Company, liable to retire by rotation".

The Managing Director put the resolution to vote and it was carried unanimously.

The Managing Director congratulated the Chairman on his reappointment and requested the Chairman to take back the chair.

Thereafter, Sri. Dilip J Thakkar resumed the Chair.

4. Re-appointment of Auditors

The Chairman informed the members that the next item on the agenda was the re-appointment of M/s. Deloitte Haskins and Sells, as Auditors of the Company.

The following Ordinary resolution was:-

Proposed by : Mr. Narayanswamy
Seconded by : Mr. Sarvanan

"RESOLVED THAT Messrs Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 008072S), be and is hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and the Board of Directors be and is hereby authorized to fix their remuneration, plus service tax and out-of-pocket expenses payable to them."

The Chairman put the resolution to vote and it was carried unanimously.

5. Retirement of Sri. A.K. Dasgupta

The Chairman informed the members that the next item on the agenda was the Retirement of Sri. A.K. Dasgupta as a Director of the Company, who is liable to retire by rotation at this Annual General Meeting.

The following ordinary resolution was:-

Proposed by: Mr. Manjunath
Seconded by: Mr. Narayanswamy

"RESOLVED THAT Sri. A.K. Dasgupta, a Director liable to retire by rotation, who does not offer himself for re-appointment, be not reappointed as Director of the Company and the vacancy, so caused on the Board of the Company, be not filled up."

The Chairman put the resolution to vote and it was carried unanimously.

6. Reappointment of Sri. Shrikant Himatsingka.

The Chairman informed the members that the next item on the agenda was the re-appointment of Sri Shrikant Himatsingka as a Wholetime Director of the Company.

The following Ordinary Resolution was:-

Proposed by: Mr. Sridhar
Seconded by: Mr. Manjunath

"RESOLVED THAT pursuant to provisions of Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals or permissions from any authorities as may be necessary and subject to such modifications or stipulations as may be advised/ stipulated by such authorities, the Company hereby approves the re-appointment of Mr. Shrikant Himatsingka, as a Wholetime Director designated as Executive Director of the Company, liable to retire by rotation, for a period of 5 years with effect from 3rd June, 2013 on the following terms and remunerations:

a. **Salary**: Rs. 315,000/- per month in the scale of Rs. 315,000 – 31,500 – 441,000/- This will include dearness allowance and all other allowances not otherwise specified herein.

b. **Perquisites as follows:**
   i. **Housing**: Provision of a furnished accommodation, owned / hired by the Company and to deduct 10% of the monthly salary. If no accommodation is provided by the Company, house rent allowance will be payable at 50% of salary.

   Explanation:

   The expenditure incurred by the Company on electricity, water and furnishing, will be valued as per the Income tax Rules, 1962.

   ii. Leave Travel concession for self and family.
   iii. Club Fee
   iv. Personal Accident Insurance
   v. Medical expenses and Medical Insurance for self and family.
   vi. Contribution to Provident Fund, Pension Fund, Superannuation Fund, Annuity Fund to the extent the same are not taxable under the Income Tax Act.
   vii. Gratuity as per the provisions of the Payment of Gratuity Act, or as per the Gratuity scheme of the Company, whichever is higher.
   viii. Company maintained Car with Driver for official and personal use.
   ix. Telecommunication facilities at residence.
   x. Leave unavailed of, to be allowed to be accumulated/ encashed as per the rules of the Company.

c. **Commission:** Such amount of commission calculated with reference to the net profit of the Company for each financial year as may be fixed by the Board of Directors or a Sub-Committee of Directors which together with the salary and monetary value of perquisites shall not exceed the ceiling laid down in Section 198 & 309 of the Companies Act, 1956.

"RESOLVED FURTHER THAT in the event of inadequacy or absence of profit in any financial year, Mr. Shrikant Himatsingka, shall be paid the same remuneration as stated hereinabove, as minimum remuneration but subject to the upper limit, if any, prescribed under the Companies Act, 1956 from time to time."

"RESOLVED FURTHER THAT in the event of loss of his office as whole-time Director, Mr. Shrikant Himatsingka shall be paid compensation in the manner and to the extent permissible under the provisions of Section 318 of the Companies Act, 1956."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby further authorized to take all such steps and to do all such acts, deeds and things, as may be necessary to implement the above resolution."

The Chairman put the resolution to vote and it was carried unanimously

7. VOTE OF THANKS:

The meeting ended with a vote of thanks to the chair.

Place: Bangalore

Date: 18- 10 - 2013

CHAIRMAN