

POSTAL BALLOT

HIKAL LTD.

CIN : L24200MH1988PTC048028

Telephone : 022 - 30973100

Fax : 022-27574277

Email : secretarial@hikal.com

Website : www.hikal.com

Notice pursuant to Section 110 of the Companies Act, 2013

Dear Shareholders,

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration), Rules 2014 to the members of Hikal Limited to transact the following Special Business by passing the Ordinary/Special Resolutions through Postal Ballot.

1. Re-appointment and revision in the remuneration payable to Mr. Jai Hiremath as Chairman & Managing Director.

To consider and, if thought fit, to pass, the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 197, 198 and other applicable provisions, if any, read with Schedule V to the Companies Act, 2013 and subject to the approval of the shareholders by way of special resolution and if required, the approval of the Central Government, consent of the Company be and is hereby accorded to approve the reappointment and remuneration payable to Mr. Jai Hiremath as Chairman & Managing Director of the Company for a period of four years & six months commencing 1st April, 2018 to 30th September, 2022. on the following terms and conditions:

A) SALARY:

Basic Salary of ₹ 22,60,000/- (Rupees Twenty Two Lakhs Sixty Thousand) per month to ₹ 31,50,000/- (Rupees Thirty One Lakhs Fifty Thousand) per month.

B) PERQUISITES & ALLOWANCES :

In addition to the basic salary Chairman & Managing Director will also be entitled to following perquisites and other allowances subject to a maximum of ₹ 65,20,000/- (Rupees Sixty Five Lakhs Twenty Thousand) per annum calculated in accordance with the provisions of the Income Tax Act 1961.

Furnished accommodation or house rent allowance in lieu thereof, house maintenance allowance, reimbursement of expenses or allowances for utility such as gas, electricity, water, furnishings and repairs, bonus, performance incentive/bonus, medical reimbursement, club fees, leave travel concession (for self and family), medical insurance, personal accident insurance, reimbursement of actual traveling and entertainment expenses.

Contribution to Provident Fund, Superannuation Fund will not be included in the computation of the ceiling or perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity payable will not exceed half a month's salary for each completed year of service or as per the provisions of the Payment of Gratuity Act 1972 as may be amended from time to time.

Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

Provision of car for use on Company's business and telephone at residence will not be considered perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Chairman & Managing Director.

Any other benefits, schemes, awards as may be paid or may become applicable to other senior executives of the company and as may be decided by the Board from time to time.

C) COMMISSION:

Remuneration by way of commission will also be allowed in addition to salary and perquisites. The amount of it, based on the net profits of the Company in a particular year, shall be subject to the overall ceilings laid down in Section 197 and Section 198 of the Companies Act."

"RESOLVED FURTHER THAT consent of the Company be and is hereby accorded to pay to Mr. Jai Hiremath, Chairman & Managing Director, a minimum remuneration as mentioned in the foregoing paragraphs plus

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the perquisites and allowances per month, as mentioned in foregoing resolutions with effect from 1st April, 2018 till the expiry of his term i.e. 30th September, 2022, which is within the limits prescribed under the Schedule V of the Companies Act, 2013 as amended from time to time for payment of managerial remuneration in case of inadequacy of profits".

"RESOLVED FURTHER THAT the aforesaid remuneration and perquisites be paid as minimum remuneration in the event of loss or inadequacy of profits, for any year, during the term of his office."

"RESOLVED FURTHER THAT the Board of Directors may alter and/or vary such revised terms and conditions of remuneration payable to Mr. Jai Hiremath, Chairman & Managing Director, in accordance with the laws from time to time in force and particularly within the limits specified in Schedule V to the Companies Act, 2013, in the event of any statutory amendment or modifications or relaxation thereto".

2. Re-appointment and revision in the remuneration payable to Mr. Sameer Hiremath as Joint Managing Director & Chief Executive Officer (CEO).

To consider and, if thought fit, to pass, the following resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 197, 198 and other applicable provisions, if any, read with schedule V to the Companies Act, 2013 and subject the approval of the shareholders by way of ordinary resolution and if required, the approval of the Central Government, consent of the company be and is hereby accorded to approve the reappointment and remuneration payable to Mr. Sameer Hiremath as Joint Managing Director & CEO of the Company for a period of four years & six months commencing 1st April, 2018 to 30th September, 2022 on the following terms and conditions:

A) SALARY:

Basic Salary of ₹ 9,60,000/- (Rupees Nine Lakhs Sixty Thousand) per month to ₹ 14,30,000/- (Rupees Fourteen Lakhs Thirty Thousand) per month.

B) PERQUISITES & ALLOWANCES :

In addition to the basic salary, Joint Managing Director & CEO will also be entitled to following perquisites and other allowances subject to a maximum of ₹ 30,80,000/- (Rupees Thirty Lakhs Eighty Thousand) per annum calculated in accordance with the provisions of the Income Tax Act 1961.

Furnished accommodation or house rent allowance in lieu thereof, house maintenance allowance, reimbursement of expenses or allowances for utility such as gas, electricity, water, furnishings and repairs, bonus, performance incentive/bonus, medical reimbursement, club fees, leave travel concession (for self and family), medical insurance, personal accident insurance, reimbursement of actual traveling and entertainment expenses.

Contribution to Provident Fund, Superannuation Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity payable will not exceed half a month's salary for each completed year of service or as per the provisions of the payment of Gratuity Act, 1972, as may be amended from time to time.

Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

Provision of car for use on Company's business and telephone at residence will not be considered perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Joint Managing Director & CEO.

Any other benefits, schemes, awards as may be paid or may become applicable to other senior executives of the Company and as may be decided by the Board from time to time.

C) COMMISSION:

Remuneration by way of commission will also be allowed in addition to salary and perquisites. The amount of it based on the net profits of the Company in a particular year, shall be subject to the overall ceilings laid down in Section 197 and Section 198 of the Companies Act, 2013.."

RESOLVED FURTHER THAT consent of the Company be and is hereby accorded to pay to Mr. Sameer Hiremath, Joint Managing Director & CEO, a minimum remuneration as mentioned in the foregoing paragraphs plus the perquisites and allowances per month, as mentioned in foregoing resolutions with effect from 1st April, 2018 till the expiry of his term i.e. 30th September, 2022, which is within the limits prescribed under the Schedule V of the Companies Act, 2013 as amended from time to time for payment of managerial remuneration in case of inadequacy of profits.

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RESOLVED FURTHER THAT the aforesaid remuneration and perquisites be paid as minimum remuneration in the event of loss or inadequacy of profits, for any year, during the term of his office.

RESOLVED FURTHER THAT the Board of Directors may alter and/or vary such revised terms and conditions of remuneration payable to Mr. Sameer Hiremath, Joint Managing Director & CEO, in accordance with the laws from time to time in force and particularly within the limits specified in Schedule V to the Companies Act, 2013, in the event of any statutory amendment or modifications or relaxation thereto.

3. Re-appointment of Mr Shivkumar Kheny as Independent Director.

To consider and, if thought fit, to pass, the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and regulation 16 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, Mr. Shivkumar Kheny, Independent Director of the Company (DIN : 01487360), be and is hereby re-appointed as an Independent Director of the Company to hold office from 5th May, 2018 to 30th September, 2022."

4. Re-appointment of Dr Wolfgang Welter as Independent Director.

To consider and, if thought fit, to pass, the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and regulation 16 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, Dr. Wolfgang Welter, (DIN : 00580197), be and is hereby re-appointed as an Independent Director of the Company to hold office from 5th May, 2018 to 30th September, 2019."

By Order of the Board of Directors

Registered Office:

717/718, Maker Chamber V,
Nariman Point,
Mumbai - 400 021

for HIKAL LTD

Dated: 1st November, 2017

Sham Wahalekar
Company Secretary

NOTES:

1. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business specified above is annexed hereto.
2. The Company has appointed Shri Ashish C. Bhatt, Practicing Company Secretary as Scrutinizer to conduct the Postal Ballot process in a fair and transparent manner.
3. This notice is being sent to all the Members, whose names appear on the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as on 16/01/2018.
4. The Members are requested to carefully read the instructions printed in the Postal Ballot Form, fill up the Form and return the Form duly completed with the assent (for) or dissent (against), in the enclosed postage pre-paid self-addressed envelope, so as to reach the Scrutinizer, before the closing of working hours on 20/02/2018, to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member.
5. In compliance with the provisions of Section 110 of the Companies Act, 2013 read with the Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is also offering e-voting option to all the Members. For this purpose, the Company has signed an agreement with CDSL for facilitating e-voting and is pleased to offer e-voting facility as an alternate, to its shareholders to enable them to cast their votes electronically instead of exercising their votes by physical Postal Ballot forms.

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6. In line with the "Green Initiative in the Corporate Governance" launched by the Ministry of Corporate Affairs allowing paperless compliances by recognizing emails as one of the modes of services of Notice/documents on the Shareholders, the Company is sending this Notice electronically on the registered e-mail addresses as opted by the Members. The Company is dispatching Postal Ballot Form to those shareholders who have not opted for Green initiative in accordance with the law.
7. The Scrutinizer will submit the report to Mr Prakash Mehta, Designated Director of the Company after completion of the scrutiny and the results of the Postal Ballot will be announced on Thursday, 22/02/2018, at the Registered Office of the Company. The results of the Postal Ballot will be posted on the Company's website at www.hikal.com for information of the members, besides being communicated to the Stock Exchanges on which the shares of the Company are listed. The date of declaration of the Postal Ballot results will be taken as the date of passing the Resolutions.
8. The Scrutinizer's decision on the validity of the Postal Ballot shall be final.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 22nd January, 2018 at 9 AM and ends on 20th February, 2018 at 5 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 16th January, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> ● Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number, which is mentioned as serial number on the Postal Ballot Form, in the PAN field. ● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> ● If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

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- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non - Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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(xxi) Members have option to vote either through e-voting or through Ballot Form. If a member has opted for e-voting, then he/she should not vote by Postal Ballot also and vice-a-versa. However, in case members cast their vote both via physical ballot and e-voting, then voting through e-voting shall prevail and voting done by Physical Postal Ballot shall be treated as invalid.

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013 ('THE ACT').

Item No.1

Mr. Jai Hiremath was reappointed as Chairman & Managing Director of the Company for a period of five years commencing from 1st July, 2013 to 30th June, 2018. His reappointment and remuneration payable to him was approved by the shareholders in the Annual General Meeting held on 22nd August, 2013.

Even though the present term of appointment of Mr. Jai Hiremath is upto 30th June, 2018, it is proposed to reappoint Mr. Hiremath wef. 1st April, 2018 for a term of four years & six months. This is because, Mr. Hiremath is completing the age of 70 years on 29th April, 2018 and pursuant to the provisions of The Companies Act, 2013, shareholders' approval by way of special resolution needs to be obtained for appointment / re-appointment of a person above 70 years of age as executive Director or his continuance beyond attaining the age of 70. The exiting approval which was obtained at Annual General Meeting held on 22nd August, 2013 is by way of ordinary resolution.

Mr. Jai Hiremath is to be reappointed as Chairman & Managing Director of the Company for a period of four years & six months commencing from 1st April, 2018 to 30th September, 2022, subject the approval of the shareholders by way of special resolution.

The Nomination and Remuneration Committee have recommended the re-appointment of Mr. Jai Hiremath as Chairman & Managing Director

Mr. Jai Hiremath, Chairman & Managing Director is related to Mrs. Sugandha Hiremath, Director and Mr. Sameer Hiremath.

None of the Director, except Mr. Jai Hiremath, Mrs. Sugandha Hiremath and Mr. Sameer Hiremath is interested or concerned in the Resolution at item No. 1 of the notice.

The Directors recommend the resolution to the members for being passed as a special resolution.

Item No.2

Mr. Sameer Hiremath was reappointed as President & Joint Managing Director of the Company for a period of five years commencing from 1st July, 2013 to 30th June, 2018. His re-appointment and remuneration payable to him was approved by the shareholders in the Annual General Meeting held on 22nd August, 2013.

Mr. Sameer Hiremath looks after the entire operations of the Company. He has lead the Company on fast growth track. The present term of appointment of Mr. Sameer Hiremath is upto 30th June, 2018, but it is proposed to reappoint Mr. Sameer Hiremath wef. 1st April, 2018 for a term of four years & six months, in order to maintain uniformity in the tenure of Executive Directors.

Mr. Sameer Hiremath is to be reappointed as Joint Managing Director & CEO of the Company for a period of four years & six months commencing from 1st April, 2018 to 30th September, 2022, subject the approval of the shareholders by way of ordinary resolution.

The Nomination and Remuneration Committee have recommended the re-appointment of Mr. Sameer Hiremath as Joint Managing Director & CEO

Mr. Sameer Hiremath, is related to Mr. Jai Hiremath, Chairman & Managing Director and Mrs. Sugandha Hiremath, Director.

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None of the Director, except Mr. Sameer Hiremath, Mr. Jai Hiremath and Mrs. Sugandha Hiremath is interested or concerned in the Resolution at item No. 2 of the notice.

The Directors recommend the resolution to the members for being passed as a ordinary resolution.

Item No. 3 & 4

Mr. Shivkumar Kheny & Dr. Wolfgang Welter were appointed as Independent Directors of the Company in the meeting of Board of Directors held on 5th May 2015 for a period of 3 years i.e. upto 4th May, 2018. Their appointment was approved by the shareholders at the Annual General Meeting held on 12th August 2015. It is proposed to appoint Mr. Shivkumar Kheny from 5th May, 2018 to 30th September, 2022 and Dr. Wolfgang Welter from 5th May, 2018 to 30th September, 2019.

Pursuant to the provisions of section 149 of the Companies Act 2013 and the rules and regulations made thereunder, appointment / re-appointment of an independent Director for a second consecutive term after the commencement of Companies Act, 2013 requires shareholders' approval by way of special resolution.

The Directors mentioned above shall not be liable to retire by rotation at every Annual General Meeting. Company has received declarations under section 149 of the Companies Act 2013 from both the Directors.

The Nomination and Remuneration Committee on the basis of performance evaluation and other eligibility criterions such as experience, skills, knowledge etc., have recommended the re-appointment of the Directors named hereinabove.

The Directors recommend the resolutions mentioned at item Nos. 3 & 4 to the members for being passed as special resolutions.

Details of Directors seeking appointments / re-appointment

(pursuant to regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name of Director	Mr Jai Hiremath	Mr Sameer Hiremath
Directors Identification No.	00062203	00062129
Date of Birth	29th April 1948	18th January 1974
Date of appointment	5th February 1992	26th May 1999
Qualification	CA (England & Wales), Owner President Management Program, Harvard University, USA	BE (Chem) MBA & MS I.T.-Boston (USA)
Experience in specific functional area	Industry, Business Strategy, Vision, Finance	Industry, Business, International Contacts, Operations
Relationship with any Director(s) of the Company	Mr Jai Hiremath is husband of Mrs Sugandha Hiremath and Father of Mr Sameer Hiremath	Mr Sammer Hiremath is son of Mr Jai Hiremath & Mrs Sugandha Hiremath
Directorship in other Public Limited Company	Novartis India Limited	-
Member / Chairman of the committees of the Board of the Public Limited Companies on which he is a Director	Chairman of Audit Committee : Novartis India Limited-	-
Number of shares held in the Company	8,93,750	2,60,650

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Name of Director	Mr Shivkumar Kheny	Dr Wolfgang Welter
Directors Identification No.	01487360	00580197
Date of Birth	18th March 1948	28th January 1948
Date of appointment	13th August 1996	12th May 2011
Qualification	BE (Mech)	PhD in Chemistry (Germany)
Experience in specific functional area	Construction, Finance	Dr Welter is very well known in the global chemical industry
Relationship with any Director(s) of the Company	-	-
Directorship in other Public Limited Company	<ul style="list-style-type: none"> ● Kalyani Steels Ltd. ● Kalyani Engineering & Construction Ltd. ● Kalyani Highway Developers Ltd. ● Kalyani Habitat Ltd. ● Kalyani Infrastructure Projects Ltd. ● Nandi Highway Developers Ltd. ● Hospet Power Ltd. ● Hospet Steels Ltd. 	-
Member / Chairman of the committees of the Board of the Public Limited Companies on which he is a Director	<ul style="list-style-type: none"> ● Kalyani Steels Ltd. : Audit and Stakeholders Relationship Committee ● Nandi Highway Developers Ltd. : Audit Committee 	
Number of shares held in the Company	30,750	-

By Order of the Board of Directors

Registered Office:
717/718, Maker Chamber V,
Nariman Point,
Mumbai - 400 021

for HIKAL LTD

Dated: 1st November, 2017

Sham Wahalekar
Company Secretary

Encl: self-addressed and pre-paid postage envelop