



Himatsingka

REF: HSL/SEC/2020/26

July 4, 2020

To The Deputy Manager Department of Corporate Services BSE Ltd. PJ Towers, Dalal Street Mumbai -400001 Script Code: 514043	To The Manager National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G Block Bandra-Kurla Complex, Bandra (E), Mumbai 400051 Symbol: HIMATSEIDE
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Dear Sirs,

Sub: Outcome of Meeting of the Board of Directors held on July 04, 2020

Ref: Regulation 30, 33 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 read with Part A of Para A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to inform you that the Board of Directors of the Company in its meeting held on July 04, 2020 have approved/ considered the following:

1. The Audited Financial Results (Standalone & Consolidated) together with the Independent Auditor's Report from the Statutory Auditors for the financial year ended March 31, 2020. Enclosed.
2. Declaration of Final Dividend of Re. 0.50 (10%) per Equity Share of Rs. 5 each for the Financial Year 2019-20.

We further state that the report of Auditors is with unmodified opinion with respect to the Audited Financial Results (both Standalone & Consolidated) of the Company for the quarter/ financial year ended March 31, 2020.

The meeting of the Board of Directors commenced at 2:30 P.M. and concluded at 6:30 P.M.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,
For Himatsingka Seide Limited


K. P. Rangaraj
President Finance & Group CFO

Himatsingka Seide Limited

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STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020

Part I		(₹ lacs except per share data)				
		Quarter ended			Year ended	
Sl. No.	Particulars	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		Audited	Unaudited	Audited	Audited	Audited
	Income					
I	Revenue from operations	43,460	66,557	69,086	2,35,793	2,61,765
II	Other income	3,680	1,028	188	6,172	3,661
III	Total Income (I+II)	47,140	67,585	69,274	2,41,965	2,65,426
	Expenses					
	(a) Cost of raw materials consumed	15,528	17,309	22,588	68,996	79,001
	(b) Purchases of stock-in-trade	11,710	8,635	10,415	42,175	68,540
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(9,209)	7,358	2,304	2,009	(18,578)
	(d) Employee benefit expenses	7,186	7,094	6,763	28,012	25,686
	(e) Finance costs	5,351	5,039	4,489	19,472	16,312
	(f) Depreciation and amortisation expenses (refer note 7)	3,839	3,497	2,882	12,621	10,877
	(g) Other expenses	12,265	14,718	13,161	52,842	52,784
	Total expenses (IV)	46,670	63,650	62,602	2,26,127	2,34,622
V	Profit before share of loss of equity accounted investee, exceptional items and tax (III-IV)	470	3,935	6,672	15,838	30,804
VI	Share of loss of equity accounted investee (net of income tax)	-	-	-	-	-
VII	Profit before exceptional items and tax (V-VI)	470	3,935	6,672	15,838	30,804
VIII	Exceptional items (refer note 8)	(5,818)	(3,403)	-	(7,321)	-
IX	(Loss)/Profit before tax (VII+VIII)	(5,348)	532	6,672	8,517	30,804
	Tax expense					
	-Current tax	(682)	852	1,049	3,929	7,654
	-Deferred tax charge/(credit)	2,218	(598)	786	3,263	3,466
	Total tax expense (X)	1,536	254	1,835	7,192	11,120
XI	(Loss)/Profit for the period/year (IX-X)	(6,884)	278	4,837	1,325	19,684
	Other Comprehensive Income					
i	Items that will not be reclassified to statement of profit or loss					
	- Remeasurement of employees defined benefit plan	107	43	(203)	64	(42)
	- Income tax on (i) above	(39)	(15)	70	(24)	16
ii	Items that may be reclassified to statement of profit or loss					
	-Exchange differences in translating the financial statements of foreign operations	(1,135)	708	(1,920)	3,370	743
	-Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	(2,892)	(1,047)	2,602	(6,305)	2,976
	- Income tax on (ii) above	1,011	366	(908)	2,203	(1,058)
	Total other comprehensive (loss)/ income for the period/year (XII)	(2,948)	55	(359)	(692)	2,635
XIII	Total comprehensive (loss)/income for the period/year (XI+XII)	(9,832)	333	4,478	633	22,319
XIV	Paid up equity share capital (Face value of ₹ 5 per equity share)	4,923	4,923	4,923	4,923	4,923
XV	Reserves (Other equity)	-	-	-	1,31,078	1,37,183
XVI	(Loss)/Earnings per equity share of ₹ 5:	not annualised	not annualised	not annualised	annualised	annualised
	(a) Basic	(6.99)	0.28	4.91	1.35	19.99
	(b) Diluted	(6.99)	0.28	4.91	1.35	19.99

See accompanying notes to the consolidated audited financial results




CONSOLIDATED BALANCE SHEET		
Particulars	As at	
	31.03.2020	31.03.2019
	Audited	Audited
(₹ Lacs)		
ASSETS		
(1) Non-current assets		
(i) Property, plant and equipment	2,42,539	1,82,989
(ii) Capital work-in-progress	17,267	63,395
(iii) Investment property	-	836
(iv) Goodwill	48,195	44,243
(v) Other intangible assets	11,102	10,092
(vi) Right of use assets	13,825	-
(vii) Financial assets		
(a) Investments	21	671
(b) Loans	64	91
(c) Others*	3,067	1,617
(viii) Deferred tax assets (net)	1,694	1,977
(ix) Income tax assets (net)	1,045	1,045
(x) Other non-current assets	9,363	12,217
Sub-total	3,48,182	3,19,173
(2) Current assets		
(i) Inventories	1,08,747	1,17,597
(ii) Financial assets		
(a) Investments	2,922	11,672
(b) Trade receivables	11,758	16,628
(c) Cash and cash equivalents	4,708	16,710
(d) Bank balances other than cash and cash equivalents above	13,345	8,408
(e) Loans	91	77
(f) Other financial assets	15,330	11,539
(iii) Other current assets	14,325	14,687
(iv) Assets classified as held for sale	7,771	4,001
Sub-total	1,78,997	2,01,319
TOTAL ASSETS	5,27,179	5,20,492
EQUITY AND LIABILITIES		
EQUITY		
(i) Equity share capital	4,923	4,923
(ii) Other equity	1,31,078	1,37,183
Total Equity	1,36,001	1,42,106
LIABILITIES		
(1) Non-current liabilities		
(i) Financial Liabilities		
(a) Borrowings	1,58,974	1,67,775
(b) Lease liabilities	13,627	-
(c) Other financial liabilities	790	-
(ii) Provisions	2,028	1,962
(iii) Deferred tax liabilities (net)	4,528	3,740
(iv) Other non-current liabilities	28,851	28,515
Sub-total	2,08,798	2,01,992
(2) Current liabilities		
(i) Financial liabilities		
(a) Current borrowings	1,03,255	97,835
(b) Lease liabilities	1,205	-
(c) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises;	5,454	1,730
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	31,719	42,514
(d) Other current financial liabilities	33,489	23,784
(ii) Provisions	280	249
(iii) Current tax liabilities (net)	3,152	4,936
(iv) Other current liabilities	3,826	5,346
Sub-total	1,82,380	1,76,394
TOTAL EQUITY AND LIABILITIES	5,27,179	5,20,492

See accompanying notes to the consolidated audited financial results

* includes bank fixed deposits aggregating ₹ 1,449 lacs (31 March 2019: ₹ 7 lacs)

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Himatsingka

Himatsingka Seide Limited		(₹ Lacs)	
Consolidated statement of cash flows for the year ended		31 March 2020	31 March 2019
Cash flows from operating activities			
Profit for the year		1,325	19,684
Adjustments for:			
Finance costs		18,966	15,766
Interest income		(1,290)	(461)
Net gain on sale of investments		(193)	(687)
Gain on current investments carried at fair value through profit or loss		(37)	(189)
Provision for diminution in value of investment		666	-
Net loss/(gain) on disposal of property, plant and equipment		18	43
Loss allowance on financial assets, net		1	16
Amortized value of employee loans and security deposits		48	43
Depreciation and amortisation expense		12,621	10,877
Ineffective portion of hedging instrument		1,142	(146)
Net foreign exchange gain on non operating activities		(603)	(190)
Rental income from operating lease		(145)	(141)
Income tax expense		7,192	11,120
Operating cash flows before working capital changes		39,711	55,735
Changes in operating assets and liabilities			
Decrease/(Increase) in trade and other receivables		8,829	(5,891)
Decrease/(Increase) in inventories		15,055	(14,960)
(Increase)/Decrease in other assets		3,970	15,209
(Decrease)/Increase in trade and other payables		(15,226)	5,709
Increase in provisions		183	325
(Decrease) in other liabilities		(3,309)	(1,847)
Cash generated from operations		49,213	54,280
Income taxes paid, net of refund		(5,958)	(6,432)
Net cash generated from operating activities		43,255	47,848
Cash flows from investing activities			
Purchase of current investments		(13,820)	(30,460)
Proceeds of sale of current investments		22,801	31,563
Interest received		914	327
Acquisition of property, plant and equipment and intangible assets		(23,971)	(70,368)
Proceeds from sale of property, plant and equipment		7	2
Income from investment property		145	141
Investment in fixed deposits		(37,100)	(13,396)
Proceeds from fixed deposits maturity		30,720	7,928
Net cash used in investing activities		(20,304)	(74,263)

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Himatsingka Seide Limited				
(₹ Lacs)				
Consolidated statement of cash flows for the year ended		31 March 2020	31 March 2019	
Cash flows from financing activities				
Proceeds from short term borrowings, net		3,923		1,803
Proceeds from long term borrowings		4,431		57,259
Repayment of long term borrowings		(11,380)		(8,604)
Dividends paid on equity shares (including dividend distribution tax of ₹ 1,014 lacs)		(5,951)		(2,967)
Payment of lease liabilities		(1,545)		-
Proceeds from government subsidy		154		6,426
Interest paid		(24,398)		(21,748)
Net cash (used)/generated by financing activities		(34,766)		32,169
Net increase/(decrease) in cash and cash equivalents				
		(11,815)		5,754
Cash and cash equivalents at the beginning of the year		16,710		10,988
Effects of exchange rate changes on cash and cash equivalents		(187)		(32)
Cash and cash equivalents at the end of the year**		4,708		16,710
**Cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.				
Components of cash and cash equivalents				
<i>Cash and cash equivalents</i>				
Cash in hand		13		29
Balance with banks		-		-
- in current accounts		4,695		13,181
- in deposit accounts (with original maturity of less than 3 months)		-		3,500
Cash and cash equivalents in balance sheet		4,708		16,710
Reconciliation between opening and closing balance sheet for liabilities arising from financing activities				
	Opening balance	Cash flows	Non-cash	Closing balance
	01-Apr-19		movement	31-Mar-20
Borrowings (including current maturities)	1,81,198	(6,949)	3,940	1,78,189
Short - term borrowings	97,835	3,923	1,496	1,03,255
Interest accrued but not due	419	1,453	-	1,872
Total liabilities from financing activities	2,79,452	(1,573)	5,436	2,83,316
Reconciliation between opening and closing balance sheet for liabilities arising from financing activities				
	Opening balance	Cash flows	Non-cash	Closing balance
	01-Apr-18		movement	31-Mar-19
Borrowings (including current maturities)	1,31,214	48,655	1,329	1,81,198
Short - term borrowings	94,302	1,803	1,730	97,835
Interest accrued but not due	212	207	-	419
Total liabilities from financing activities	2,25,728	50,665	3,059	2,79,452

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NOTES:

1 The above annual consolidated financial results ("the Statement") of Himatsingka Seide Limited ("the Company") including its subsidiaries (collectively known as "Group") are prepared in accordance with applicable accounting standards i.e., Ind AS prescribed under Section 133 of the Companies Act, 2013 read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The consolidated figures above includes figures of subsidiaries company presented below:

Subsidiaries:

- a. Himatsingka Wovens Private Limited
 - b. Twill and Oxford LLC
 - c. Himatsingka Holdings NA Inc.
 - d. Himatsingka America Inc.
 - e. Himatsingka Europe Limited
- 2 The Statement of the Group for the quarter and year ended 31 March 2020 have been reviewed by the Audit committee and thereafter approved by the Board of Directors in the meeting held on 4 July 2020.
- 3 The above consolidated results of the Company has been audited by the Statutory Auditors and have issued an unqualified audit opinion on the same. The figures for the quarters ended 31 March 2020 and 31 March 2019 are the balancing figures between the audited figures of the full financial year and unaudited year to date figures upto the third quarter of the respective financial years. Also, the figures upto the end of the third quarter were only reviewed and not subject to audit.
- 4 Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Management has decided to publish audited consolidated financial results in the newspapers. However, the audited standalone financial results will be made available on the stock exchanges websites of BSE (www.bseindia.com) and NSE (www.nseindia.com) and on Company's website www.himatsingka.com.
- 5 The Group has evaluated its operating segments in accordance with Ind AS 108, and has concluded that it is engaged in a single operating segment viz. Textiles on the basis of decisions taken for allocation of resources by the Chief Operating Decision Makers (CODM) and the internal business reporting system for evaluation of operational results.
- 6 Effective 1 April 2019, the Group has adopted Ind AS 116, "Leases" applied to its lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustments to retained earnings, on the date of application. Accordingly the Company has not restated the comparative information. The cumulative effect of application of the standard has reduced the retained earnings by ₹ 801 lacs, net of taxes. In the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the "Right-of-Use" asset and finance cost for interest accrued on "Lease Liability".
- 7 Effective 1 April 2019, the Company in its annual standalone financial results has increased the useful life of certain Property, Plant & Equipment based upon a fresh technical assessment carried out by Management. This assessment also involved technical experts, as considered necessary by Management. This change in useful life of the Property, Plant & Equipment is being applied prospectively in accordance with Ind AS - 8 Accounting Policies, Changes in Accounting Estimates and Errors. Had the Group continued with the previously assessed useful life, charge for depreciation for the quarter and year ended 31 March 2020 would have been higher by ₹ 358 lacs and ₹ 1,431 lacs respectively.
- 8 Exceptional items aggregating ₹ 7,321 lacs comprise of the following:
- a. Write down of inventory to the net realizable value aggregating ₹ 4,305 lacs as a result of adverse impact on sales and profitability due to Covid- 19 outbreak.
 - b. Hedge ineffectiveness of ₹ 1,142 lacs as the forecasted sales are not expected to occur due to the lockdown restrictions imposed on account of Covid-19
 - c. Expenses incurred on account of restructuring activities for the European business aggregating ₹ 1,210 lacs.
 - d. Impairment of investment in equity shares of ₹ 664 lacs.
- Further, In view of Ministry of Textiles, Government of India's Gazette Notification number CG-DL-E-15012020-215423 dated January 14, 2020, certain benefits accrued were withdrawn effective 7 March 2019. Accordingly, the Company, in quarter ended 31 December 2019, had reversed the Merchandise Export from India Scheme (MEIS) benefit of ₹ 2,565 lacs for the period from March 07, 2019 to September 30, 2019 and shown it as an exceptional item. For the purpose of preparing the annual financial results for the year ended 31 March 2020, the Company has reduced the MEIS benefits aggregating ₹ 2,565 lacs from the revenue from operations.

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9 Additional information on standalone financial results :

(₹ lacs)

Particulars	Quarter ended			Year ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	Audited	Unaudited	Audited	Audited	Audited
a. Revenue from operations	30,126	43,122	41,690	1,60,076	1,74,526
b. Profit before exceptional items and tax	2,571	5,797	8,656	22,987	34,969
c. Profit before tax	1,429	3,232	8,656	21,845	34,969
d. Profit after tax	1,064	2,115	6,674	14,664	23,604
e. Total comprehensive income/(loss)	(749)	1,499	8,236	10,602	25,497

- 10 During the previous year ended 31 March 2019, the Company had entered into the Scheme of arrangement (" the Scheme") with the Himatsingka Wovens Private Limited ("HWPL"), a wholly owned subsidiary of the Company. The Scheme involved the transfer of retail business of HWPL to the Company. The Scheme became effective on 29 March 2019 with the appointed date of 30 March 2018, the date on which Company had filed the approved Scheme with Registrar of Companies ("ROC").

Accounting treatment:

In accordance with requirements of the Scheme, the above mentioned de-merger had been accounted under the 'Pooling of Interests Method' as per Appendix C to Ind AS 103 on Business Combination of entities under common control in the previous year. As per the guidance under Appendix C to Ind AS 103 the financial statements in respect of prior periods are restated where applicable as if the merger had occurred from the beginning of the preceeding previous period irrespective of the actual date of the combination. Accordingly, the results of the retail business of HWPL got merged with effect from 1 April 2017. The said business combination does not have any impact on the consolidated financial results of the Company.

- 11 The World Health Organization (WHO) declared the outbreak of the Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, the Government of India declared a nation wide lockdown on March 23, 2020, subsequent to which the Company has temporarily suspended its operations at across all its manufacturing facilities in compliance with the lockdown instructions issued by the Central and State Governments respectively. COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lock down of production facilities etc. during the lock-down period which had been extended till end May 2020. However, production and supply of goods commenced during the end of April 2020 at both the manufacturing locations of the Company after obtaining permissions from the appropriate government authorities.

The Management believes that it has taken into account all the possible impacts of known events arising from the COVID-19 pandemic and the resultant lockdowns in the preparation of the financial results including but not limited to its assessment of Group's liquidity including recoverable values of its property, plant and equipment, assessment of bank covenants, intangible assets, investments, goodwill, inventory and the net realisable values of other assets. However, given the effect of these lockdowns on the overall economic activity and in particular on the textile industry, the impact assessment of COVID-19 on the abovementioned financial statement captions is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these financial statements. The Group will continue to monitor any material changes to future economic conditions and consequential impact on its financial results.

Based on information available as of this date, Management believes that no further adjustments are required to the standalone annual financial results.

Further, as of 31 March 2020, the Group has carried out a detailed assessment and based on the projections the Group expects to generate a positive future cash flow including its ability to use its utilised bank limits/ roll over working capital loans. In addition, the Company has received revised repayment schedule from its lenders etc. and believes that the Group will be able to meet its obligations as they fall due.

- 12 The Board of Directors at its meeting held on 4 July 2020, has proposed a final dividend of ₹ 0.50 per equity share. The same is subject to Shareholder's approval in Annual General Meeting.



D. Himatsingka *Shrikant Himatsingka*

Bengaluru
4 July 2020

Dinesh Himatsingka
Executive Chairman

Shrikant Himatsingka
Managing Director & CEO

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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF HIMATSINGKA SEIDE LIMITED

Report on the audit of the Consolidated Annual Financial Results

Opinion

We have audited the accompanying Consolidated Annual Financial Results of Himatsingka Seide Limited (hereinafter referred to as the "Holding Company") and its subsidiaries, including step subsidiaries (Holding Company and its subsidiaries, including step subsidiaries together referred to as "the Group") for the year ended 31 March 2020, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate audited financial statements of one subsidiary, the aforesaid Consolidated Annual Financial Results:

- a. include the Annual Financial Results of the following entities
 - Himatsingka Seide Limited ('Holding Company')
 - Himatsingka Holdings North America (Subsidiary)
 - Himatsingka America Inc. (Step Subsidiary)
 - Himatsingka Wovens Private Limited (Subsidiary)
 - Twill & Oxford LLC (Subsidiary)
 - Himatsingka Europe Limited (Step Subsidiary)
- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net profit and other comprehensive loss and other financial information of the Group for the year ended 31 March 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our Report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Annual Financial Statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in sub paragraph (a) of the "Other

B S R & Co. (a partnership firm with
Registration No. BA612231 converted into
B S R & Co. LLP (a Limited Liability Partnership
with LLP Registration No. AAB 81811)
with effect from October 14, 2013

Registered Office:
5th Floor, Loha Excelus
Apollo Mills Compound
N. M. Joshi Marg, Malabar
Mumbai 400 011

Independent Auditors' Report of Consolidated Annual Financial Results of Himatsingka Seide Limited (continued)
Basis for Opinion (continued)

Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the Consolidated Annual Financial Results.

Emphasis of Matter

We draw your attention to Note 11 to these Consolidated Annual Financial Results, which describes the Management's assessment and the effects of COVID -19 pandemic on the significant estimates and judgements involved in preparation of the Consolidated Annual Financial Statement. In view of the highly uncertain economic environment impacting the textile industry, a definitive assessment of the impact is highly dependent upon circumstances as they evolve in future and the actual results may differ from those estimated as at the date of approval of these Consolidated Annual Financial Results. Based on information available as of this date, Management believes that no further adjustments are required to the Consolidated Financial Results.

Our opinion is not modified in respect of this matter.

Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results

These consolidated annual financial results have been prepared on the basis of the Consolidated Annual Financial Statements.

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these Consolidated Annual Financial Results that give a true and fair view of the consolidated net profit / loss and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each entity and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Annual Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Annual Financial Results by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Annual Financial Results, the Management and the respective Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Management and the respective Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The respective Management and the Board of Directors of the entities included in the Group is responsible for overseeing the financial reporting process of each Company.



Independent Auditors' Report of Consolidated Annual Financial Results of Himatsingka Seide Limited (continued)

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the Consolidated Annual Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Annual Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Annual Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Consolidated Financial Annual Results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Consolidated Annual Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Annual Financial Results, including the disclosures, and whether the Consolidated Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the Consolidated Annual Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Financial Annual Results of which we are the independent auditors. For the other entities included in the Consolidated Annual Financial Results, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled "Other Matters" in this audit report.



Independent Auditors' Report of Consolidated Annual Financial Results of Himatsingka Seide Limited (continued)
Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results (continued)

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Annual Financial Results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance of the Holding Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

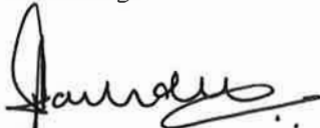
Other Matters

- (a) The Consolidated Annual Financial Results include the audited financial result of one subsidiary, whose financial statement reflect Group's share of total assets of Rs. 141 lakhs as at 31 March 2020, Group's share of total revenue of Rs. 589 lakhs and Group's share of total net loss after tax of Rs. 80 lakhs and Group's share of net cash inflows of Rs 20 lakhs for the year ended on that date, as considered in the Consolidated Annual Financial Results. The financial statements/ financial information of the subsidiary incorporated outside India has been prepared in accordance with accounting principles generally accepted in that country and which has been audited by other auditor under generally accepted auditing standards applicable in that country whose report has been furnished to us by the Management. The Holding Company's Management has converted the financial statements/financial information of the subsidiary incorporated outside India from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have audited these conversion adjustments, if any, made by the Holding Company's Management. Our opinion in so far as it relates to the balances and affairs of the subsidiary incorporated outside India is based solely on the reports of other auditor and the conversion adjustments, if any, prepared by the Management of the Holding Company and audited by us. Our opinion on the Consolidated Annual Financial Results is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.
- (b) The Consolidated Annual Financial Results include the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

for **B S R & Co. LLP**

Chartered Accountants

Firm's Registration Number. 101248W/W-100022



Supreet Sachdev

Partner

Membership No. 205385

ICAI UDIN: 20205385AAAABA1824

Place: Bengaluru

Date: 4 July 2020

STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020

Part I		(₹ lacs except per share data)				
Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		Audited	Unaudited	Audited	Audited	Audited
	Income					
I	Revenue from operations	30,126	43,122	41,690	1,60,076	1,74,526
II	Other income	4,321	1,733	1,685	8,725	6,776
III	Total income (I+II)	34,447	44,855	43,375	1,68,801	1,81,302
	Expenses					
	(a) Cost of raw materials consumed	15,533	19,566	17,357	69,001	73,041
	(b) Purchases of stock-in-trade	28	35	399	1,378	8,672
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(4,698)	(2,409)	(1,451)	(5,658)	(5,942)
	(d) Employee benefit expenses	5,202	5,175	4,904	20,404	17,863
	(e) Finance costs	4,470	4,057	3,080	15,165	11,136
	(f) Depreciation and amortisation expenses (refer note 7)	2,858	2,651	2,240	9,112	8,544
	(g) Other expenses	8,483	9,983	8,190	36,412	33,019
	Total expenses (IV)	31,876	39,058	34,719	1,45,814	1,46,333
V	Profit before exceptional items and tax (III-IV)	2,571	5,797	8,656	22,987	34,969
VI	Exceptional items (refer note 8)	(1,142)	(2,565)	-	(1,142)	-
VII	Profit before tax (V+VI)	1,429	3,232	8,656	21,845	34,969
VIII	Tax expense					
	-Current tax	(710)	852	1,023	3,901	7,628
	-Deferred tax	1,075	265	959	3,280	3,737
	Total tax expense (VIII)	365	1,117	1,982	7,181	11,365
IX	Profit for the period/year (VII - VIII)	1,064	2,115	6,674	14,664	23,604
X	Other comprehensive income					
i	Items that will not be reclassified to statement of profit or loss					
	- Remeasurement of employees defined benefit plan	107	43	(202)	64	(41)
	- Income tax on (i) above	(39)	(15)	70	(24)	16
ii	Items that may be reclassified to statement of profit or loss					
	-Effective portion of gains/(loss) on designated portion of hedging instruments in a cash flow hedge	(2,892)	(989)	2,602	(6,305)	2,976
	- Income tax on (ii) above	1,011	345	(908)	2,203	(1,058)
	Total other comprehensive (loss)/income for the period/year (X)	(1,813)	(616)	1,562	(4,062)	1,893
XI	Total comprehensive (loss)/income for the period/year (IX+X)	(749)	1,499	8,236	10,602	25,497
XII	Paid up equity share capital (Face value of ₹ 5 per equity share)	4,923	4,923	4,923	4,923	4,923
XIII	Reserves (Other equity)	-	-	-	1,44,029	1,39,573
XIV	Earnings per equity share of ₹ 5:	not annualised	not annualised	not annualised	annualised	annualised
	(a) Basic	1.08	2.15	6.78	14.89	23.97
	(b) Diluted	1.08	2.15	6.78	14.89	23.97

See accompanying notes to the standalone audited financial results

BALANCE SHEET		
Particulars	(₹ Lacs)	
	As at	
	31.03.2020	31.03.2019
	Audited	Audited
ASSETS		
(1) Non-current assets		
(i) Property, plant and equipment	2,32,808	1,70,388
(ii) Capital work-in-progress	17,226	63,358
(iii) Intangible assets	1,871	1,790
(iv) Right of use assets	674	-
(v) Financial assets		
(a) Investments	55,920	48,354
(b) Loans	26,404	23,752
(c) Others*	2,397	1,078
(vi) Income tax assets (net)	1,045	1,045
(vii) Other non-current assets	3,413	4,910
Sub-total	3,41,758	3,14,675
(2) Current assets		
(i) Inventories	42,211	38,904
(ii) Financial assets		
(a) Investments	2,922	11,672
(b) Trade receivables	49,344	45,168
(c) Cash and cash equivalents	2,855	14,978
(d) Bank balances other than cash and cash equivalents above	13,345	8,408
(e) Loans	61	65
(f) Other financial assets	23,588	16,838
(iii) Other current assets	9,648	9,440
Sub-total	1,43,974	1,45,473
TOTAL ASSETS	4,85,732	4,60,148
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	4,923	4,923
Other equity	1,44,029	1,39,573
Total Equity	1,48,952	1,44,496
LIABILITIES		
(1) Non-current liabilities		
(i) Financial liabilities		
(a) Borrowings	1,46,201	1,49,159
(b) Lease liabilities	665	-
(c) Other financial liabilities	790	-
(ii) Provisions	2,007	1,865
(iii) Deferred tax liabilities (net)	5,025	4,036
(iv) Other non-current liabilities	28,851	28,515
Sub-total	1,83,539	1,83,575
(2) Current liabilities		
(i) Financial liabilities		
(a) Borrowings	89,230	71,928
(a) Lease liabilities	293	-
(c) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises;	5,454	1,730
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	26,460	28,726
(d) Other financial liabilities	25,035	22,636
(ii) Provisions	276	211
(iii) Current tax liabilities (net)	2,695	4,571
(iv) Other current liabilities	3,798	2,275
Sub-total	1,53,241	1,32,077
TOTAL EQUITY AND LIABILITIES	4,85,732	4,60,148

See accompanying notes to the standalone audited financial results

* includes bank fixed deposits aggregating ₹ 1,449 lacs (31 March 2019: ₹ 7 lacs)

Himatsingka Seide Limited

Registered Office: 10/24 Kumara Krupa Road

High Grounds, Bangalore 560 001, India



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Himatsingka Seide Limited		(₹ Lacs)	
Statement of cash flows for the year ended		31 March 2020	31 March 2019
Cash flows from operating activities			
Profit for the year		14,665	23,604
Adjustments for:			
Finance costs		14,659	10,589
Interest income		(3,793)	(2,495)
Net gain on sale of investments		(193)	(694)
Gain on current investments carried at fair value through profit or loss		(37)	(189)
Loss allowances on financial assets, net		1	16
Net loss/(gain) on disposal of property, plant and equipment		22	52
Profit on disposal of subsidiary		-	(955)
Amortized value of employee loans and security deposits		48	43
Income on financial guarantee contracts		(187)	(258)
Depreciation and amortisation expense		9,112	8,544
Ineffective portion of hedging instrument		1,142	(146)
Net foreign exchange gain/(loss) on non operating activities		(603)	(187)
Rental income from operating lease		(6)	(8)
Income tax expense		7,181	11,365
Operating cash flows before working capital changes		42,011	49,281
Changes in operating assets and liabilities			
(Increase) in trade and other receivables		(4,176)	(7,013)
(Increase) in inventories		(3,307)	(7,357)
(Increase)/ decrease in other assets		(2,022)	13,365
Increase in trade and other payables		1,457	10,628
Increase in provisions		271	311
Increase in other liabilities		1,168	1,103
Cash generated from operations		35,402	60,318
Income taxes paid, net of refund		(5,951)	(6,432)
Net cash / generated from operating activities (A)		29,451	53,886
Cash flows from investing activities			
Purchase of current investments		(13,821)	(30,460)
Proceeds of sale of current investments		22,801	31,563
Interest received		901	327
Acquisition of property, plant and equipment and intangible assets		(22,120)	(54,301)
Proceeds from sale of property, plant and equipment		2	2
Income from investment property		6	8
Investment in subsidiaries		(7,379)	(25,580)
Investment in fixed deposits		(37,100)	(13,396)
Proceeds from fixed deposits maturity		30,719	7,928
Loans to subsidiaries		(496)	-
Loan recovered from subsidiaries		28	-
Net cash inflow on disposal of subsidiary		-	9,004
Net cash used in investing activities (B)		(26,459)	(74,905)






Himatsingka Seide Limited				
(₹ Lacs)				
Statement of cash flows for the year ended				
	31 March 2020		31 March 2019	
Cash flows from financing activities				
Proceeds from short term borrowings, net		17,302		7,756
Proceeds from long term borrowings		4,431		43,403
Repayment of long term borrowings		(10,455)		(8,097)
Dividends paid on equity shares (including dividend distribution tax of ₹ 1,014 lacs)		(5,951)		(2,973)
Payment of lease liabilities		(374)		-
Proceeds from government subsidy		154		5,164
Interest paid		(20,222)		(16,776)
Net cash generated from financing activities (C)		(15,115)		28,477
Net (decrease)/ increase in cash and cash equivalents		(12,123)		7,458
Cash and cash equivalents at the beginning of the year		14,978		7,520
Cash and cash equivalents at the end of the year**		2,855		14,978
**Components of cash and cash equivalents				
Cash and cash equivalents				
Cash in hand		12		11
Balance with banks				
- in current accounts		2,843		11,467
- in deposit accounts (with original maturity of less than 3 months)		-		3,500
Cash and cash equivalents in balance sheet		2,855		14,978
Reconciliation between opening and closing balance sheet for liabilities arising from financing activities				
	Opening balance	Cash flows	Non-cash	Closing balance
	01 April 2019		movement	31 March 2020
Borrowings (including current maturities)	1,61,381	(6,024)	2,289	1,57,646
Short - term borrowings	71,928	17,302	-	89,230
Interest accrued but not due	547	1,180	-	1,727
Total liabilities from financing activities	2,33,856	12,458	2,289	2,48,603
Reconciliation between opening and closing balance sheet for liabilities arising from financing activities				
	Opening balance	Cash flows	Non-cash	Closing balance
	01 April 2018		movement	31 March 2019
Borrowings (including current maturities)	1,24,450	35,306	1,625	1,61,381
Short - term borrowings	64,172	7,756	-	71,928
Interest accrued but not due	486	62	-	547
Total liabilities from financing activities	1,89,108	43,124	1,625	2,33,856








NOTES:

- 1 The above annual standalone financial results ('the Statement') of Himatsingka Seide Limited ('the Company') have been prepared in accordance with applicable accounting standards i.e., Ind AS prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2 The Statement of the Company for the quarter and year ended 31 March 2020 have been reviewed by the Audit Committee and thereafter approved by the Board of Directors in the meeting held on 4 July 2020.
- 3 The above results of the Company have been audited by the Statutory Auditors and have issued an unqualified audit opinion on the same. The figures for the quarters ended 31 March 2020 and 31 March 2019 are the balancing figure between the audited figures of the full financial year and unaudited year to date figure upto the third quarter of the respective financial years. Also, the figures upto the end of the third quarter were only reviewed and not subject to audit.
- 4 Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Management has decided to publish audited consolidated financial results in the newspapers. However, the audited standalone financial results will be made available on the stock exchanges websites of BSE (www.bseindia.com) and NSE (www.nseindia.com) and on Company's website www.himatsingka.com.
- 5 The Company has evaluated its operating segments in accordance with Ind AS 108, and has concluded that it is engaged in a single operating segment viz. Textiles on the basis of decisions taken for allocation of resources by the Chief Operating Decision Makers (CODM) and the internal business reporting system for evaluation of operational results.
- 6 Effective 1 April 2019, the Company has adopted Ind AS 116, "Leases" applied to its lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustments to retained earnings, on the date of application. Accordingly the Company has not restated the comparative information. The cumulative effect of application of the standard has reduced the retained earnings by ₹ 210 lacs, net of taxes. In the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the "Right-of-Use" asset and finance cost for interest accrued on "Lease Liability".
- 7 Effective 1 April 2019, the Company had increased its useful life of certain Property, Plant & Equipment based upon a fresh technical assessment carried out by Management. This assessment also involved technical experts, as considered necessary by Management. This change in useful life of the Property, Plant & Equipment is being applied prospectively in accordance with Ind AS - 8 Accounting Policies, Changes in Accounting Estimates and Errors. Had the Company continued with the previously assessed useful life, charge for depreciation for the quarter and year ended 31 March 2020 would have been higher by ₹ 358 lacs and ₹ 1,431 lacs respectively.
- 8 Exceptional items comprise the following-
Hedge ineffectiveness of ₹ 1,142 lacs as the forecasted sales are not expected to occur due to the lockdown restrictions imposed on account of Covid-19 outbreak.
Further, In view of Ministry of Textiles, Government of India's Gazette Notification number CG-DL-E-15012020-215423 dated January 14, 2020, certain benefits accrued were withdrawn effective 7 March 2019. Accordingly, the Company, in quarter ended 31 December 2019, had reversed the Merchandise Export from India Scheme (MEIS) benefit of ₹ 2,565 lacs for the period from March 07, 2019 to September 30, 2019 and shown it as an exceptional item. For the purpose of preparing the annual financial results for the year ended 31 March 2020, the Company has reduced the MEIS benefits aggregating ₹ 2,565 lacs from the revenue from operations.

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[Signature]



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9 During the previous year ended 31 March 2019, the Company had entered into the Scheme of arrangement ("the Scheme") with the Himatsingka Wovens Private Limited ("HWPL"), a wholly owned subsidiary of the Company. The Scheme involved the transfer of retail business of HWPL to the Company. The Scheme became effective on 29 March 2019 with the appointed date of 30 March 2018, the date on which Company had filed the approved Scheme with Registrar of Companies ("ROC").

Accounting treatment:

In accordance with requirements of the Scheme, the above mentioned de-merger had been accounted under the 'Pooling of Interests Method' as per Appendix C to Ind AS 103 on Business Combination of entities under common control in the previous year. As per the guidance under Appendix C to Ind AS 103 the financial statements in respect of prior periods are restated where applicable as if the merger had occurred from the beginning of the preceding previous period irrespective of the actual date of the combination. Accordingly, the results of the retail business of HWPL got merged with effect from 1 April 2017. The said business combination does not have any impact on the consolidated financial results of the Company.

10 The World Health Organization (WHO) declared the outbreak of the Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, the Government of India declared a nation wide lockdown on March 23, 2020, subsequent to which the Company temporarily suspended its operations at across all its manufacturing facilities in compliance with the lockdown instructions issued by the Central and State Governments respectively. COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lock down of production facilities etc. during the lock-down period which had been extended till end May 2020. However, production and supply of goods commenced during the end of April 2020 at both the manufacturing locations of the Company after obtaining permissions from the appropriate government authorities.

The Management believes that it has taken into account all the possible impacts of known events arising from the COVID-19 pandemic and the resultant lockdowns in the preparation of the financial statements including but not limited to its assessment of Company's liquidity including recoverable values of its property, plant and equipment, assessment of bank covenants, intangible assets, investments, goodwill, inventory and the net realisable values of other assets. However, given the effect of these lockdowns on the overall economic activity and in particular on the textile industry, the impact assessment of COVID-19 on the abovementioned financial statement captions is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial results.

Based on information available as of this date, Management believes that no further adjustments are required to the standalone annual financial results. Further, as of 31 March 2020, the Company has carried out a detailed assessment and based on the projections the Company expects to generate a positive future cash flow including its ability to use its utilised bank limits/ roll over working capital loans. In addition, the Company has received revised repayment schedule from its lenders etc. and believes that the Company will be able to meet its obligations as they fall due.

11 The Board of Directors at its meeting held on 4 July 2020, has proposed a final dividend of ₹ 0.50 per equity share. The same is subject to Shareholder's approval in Annual General Meeting.



Bengaluru
4 July 2020


Dinesh Himatsingka
Executive Chairman


Shrikant Himatsingka
Managing Director & CEO

Himatsingka Seide Limited

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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF HIMATSINGKA SEIDE LIMITED

Report on the audit of the Standalone Annual Financial Results

Opinion

We have audited the accompanying Standalone Annual Financial Results of Himatsingka Seide Limited (hereinafter referred to as the "Company") for the year ended 31 March 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Annual Financial Results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive loss and other financial information for the year ended 31 March 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* section of our Report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Annual Financial Statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the Standalone Annual Financial Results.

Emphasis of Matter

We draw your attention to Note 10 to these Standalone Annual Financial Results, which describes the Management's assessment and the effects of COVID -19 pandemic on the significant estimates and judgements involved in preparation of the Standalone Annual Financial statement. In view of the highly uncertain economic environment impacting the textile industry, a definitive assessment of the impact is highly dependent upon circumstances as they evolve in future and the actual results may differ from those estimated as at the date of approval of these Standalone Annual Financial Results. Based on information available as of this date, Management believes that no further adjustments are required to the Standalone Annual Financial Results.

B S R & Co. (a partnership firm with
Registration No. BA61223) converted into
B S R & Co. LLP (a Limited Liability Partnership
with LLP Registration No. AAB-81811)
with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Excelus
Apollo Mills Compound
N.M. Joshi Marg, Mahalaxmi
Mumbai-400 011

**Independent Auditors' Report of Standalone Annual Financial Results of Himatsingka Seide Limited
(continued)**

Our opinion is not modified in respect of this matter.

Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results

These Standalone Annual Financial Results have been prepared on the basis of the Standalone Annual Financial Statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these Standalone Annual Financial Results that give a true and fair view of the net profit/ loss and other comprehensive income and other Financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Annual Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Annual Financial Results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the Standalone Annual Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Annual Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Annual Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the Company has an adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

**Independent Auditors' Report of Standalone Annual Financial Results of Himatsingka Seide Limited
(continued)**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Standalone Annual Financial Results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Standalone Annual Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Annual Financial Results, including the disclosures, and whether the Standalone Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

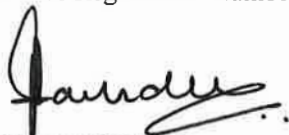
Other Matters

The Standalone Annual Financial Results include the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration Number. 101248W/W-100022



Supreet Sachdev

Partner

Membership No. 205385

ICAI UDIN: 20205385AAAABB6382

Place: Bengaluru

Date: 4 July 2020