



REF: HSL/SEC/2021/27

May 29, 2021

| | |
|---|--|
| 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 |
|---|--|

Dear Sir/Madam,

Sub: Outcome of Meeting of Board of Directors held on May 29, 2021

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

Pursuant to Regulation 30 and 33 read with of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 Part A of Para A of Schedule III of the said Regulations, 2015, we are pleased to inform you that the Board of Directors of the Company in its meeting held on Saturday, May 29, 2021 have approved/considered the following:

- i) The Audited Financial Results (Standalone and Consolidated) together with the Independent Auditor's Report from the Statutory Auditors for the Quarter and Year ended March 31, 2021. Enclosed.
- ii) Declaration of Final Dividend of Rs 0.50 per Equity Share of Rs 5 each for the Financial Year 2020-21.

We further state that the report of the Auditors is with unmodified opinion with respect to the Audited Financial Results (both Standalone and Consolidated) of the Company of the quarter and year ended March 31, 2021.

The meeting of Board of Directors commenced at 2:15 P.M. and concluded at 6:10 P.M.

Please take the same on record.

Thanking you,

Yours faithfully,
For Himatsingka Seide Limited

SRIDHAR MUTHUKRISHNAN
SHNAN
Digitally signed by
SRIDHAR
MUTHUKRISHNAN
Date: 2021.05.29
18:13:03 +05'30'

Sridhar Muthukrishnan
Company Secretary



STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2021

| Part I | | (₹ Lacs except per share data) | | | | |
|---------|---|--------------------------------|----------------|------------------------|-----------------|-----------------|
| Sl. No. | Particulars | Quarter ended | | | Year ended | |
| | | 31.03.2021 | 31.12.2020 | 31.03.2020 | 31.03.2021 | 31.03.2020 |
| | | (Audited) ³ | (Unaudited) | (Audited) ³ | (Audited) | (Audited) |
| | Income | | | | | |
| I | Revenue from operations (refer note 6) | 74,604 | 67,939 | 43,460 | 2,25,832 | 2,35,793 |
| II | Other income | 200 | 226 | 3,680 | 1,421 | 6,172 |
| III | Total Income (I+II) | 74,804 | 68,165 | 47,140 | 2,27,253 | 2,41,965 |
| | IV Expenses | | | | | |
| | (a) Cost of raw materials and packing material consumed | 36,378 | 22,699 | 15,528 | 76,620 | 68,996 |
| | (b) Purchases of stock-in-trade | 5,640 | 7,869 | 11,710 | 19,291 | 42,175 |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | (724) | 451 | (9,209) | 27,853 | 2,009 |
| | (d) Employee benefits expenses | 6,607 | 7,885 | 7,186 | 25,933 | 28,012 |
| | (e) Finance costs | 3,955 | 4,489 | 5,351 | 17,720 | 19,472 |
| | (f) Depreciation and amortisation expenses | 3,743 | 3,780 | 3,839 | 15,245 | 12,621 |
| | (g) Other expenses | 13,937 | 13,528 | 12,265 | 47,239 | 52,842 |
| | Total expenses (IV) | 69,536 | 60,701 | 46,670 | 2,29,901 | 2,26,127 |
| V | Profit / (Loss) before exceptional items and tax (III-IV) | 5,268 | 7,464 | 470 | (2,648) | 15,838 |
| VI | Exceptional items (refer note 7) | - | - | (5,818) | - | (7,321) |
| VII | Profit/(Loss) before tax (V+VI) | 5,268 | 7,464 | (5,348) | (2,648) | 8,517 |
| VIII | Tax expense | | | | | |
| | -Current tax charge / (credit) | 848 | 668 | (682) | 1,516 | 3,929 |
| | -Deferred tax charge | 663 | 2,290 | 2,218 | 1,171 | 3,263 |
| | Total tax expense (VIII) | 1,511 | 2,958 | 1,536 | 2,687 | 7,192 |
| IX | Profit/(Loss) for the period / year (VII-VIII) | 3,757 | 4,506 | (6,884) | (5,335) | 1,325 |
| X | Other Comprehensive Income | | | | | |
| i | Items that will not be reclassified to statement of profit or loss | | | | | |
| | - Remeasurements of employees defined benefit plan | (95) | (45) | 107 | (231) | 64 |
| | - Income tax on (i) above | 36 | 16 | (39) | 81 | (24) |
| ii | Items that may be reclassified to statement of profit or loss | | | | | |
| | -Exchange differences in translating the financial statements of foreign operations | 158 | (352) | (1,135) | (734) | 3,370 |
| | - Effective portion of gains and losses on designated portion of hedging instruments in cash flow hedge | (367) | 718 | (2,892) | 3,432 | (6,305) |
| | - Income tax on (ii) above | 128 | (251) | 1,011 | (1,199) | 2,203 |
| | Total other comprehensive income / (loss) for the period/year (XII) | (140) | 86 | (2,948) | 1,349 | (692) |
| XI | Total comprehensive income / (loss) for the period/ year (XI+XII) | 3,617 | 4,592 | (9,832) | (3,986) | 633 |
| 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) | - | - | - | 1,26,599 | 1,31,078 |
| XIV | Earnings / (Loss) per equity share of ₹ 5: | not annualised | not annualised | not annualised | annualised | annualised |
| | (a) Basic | 3.82 | 4.58 | (6.99) | (5.42) | 1.35 |
| | (b) Diluted | 3.82 | 4.58 | (6.99) | (5.42) | 1.35 |

See accompanying notes to the consolidated audited financial results

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D.K. H...

| CONSOLIDATED BALANCE SHEET | | |
|---|-----------------|-----------------|
| Particulars | As at | |
| | 31.03.2021 | 31.03.2020 |
| | Audited | Audited |
| (₹ Lacs) | | |
| ASSETS | | |
| (1) Non-current assets | | |
| (i) Property, plant and equipment | 2,51,899 | 2,42,539 |
| (ii) Capital work-in-progress | 14,156 | 17,267 |
| (iii) Goodwill | 47,334 | 48,195 |
| (iv) Intangible assets | 7,875 | 11,102 |
| (v) Right of use assets | 11,327 | 13,825 |
| (vi) Financial assets | | |
| (a) Investments | 22 | 21 |
| (b) Loans | 1,514 | 1,682 |
| (c) Others | 7 | 1,449 |
| (vii) Deferred tax assets, (net) | 1,650 | 1,694 |
| (viii) Income tax assets, (net) | 1,045 | 1,045 |
| (ix) Other non-current assets | 8,002 | 9,363 |
| Sub-total | 3,44,831 | 3,48,182 |
| (2) Current assets | | |
| (i) Inventories | 79,548 | 1,08,747 |
| (ii) Financial assets | | |
| (a) Investments | 1,817 | 2,922 |
| (b) Trade receivables | 33,151 | 11,758 |
| (c) Cash and cash equivalents | 6,719 | 4,708 |
| (d) Bank balances other than cash and cash equivalents above | 5,902 | 13,345 |
| (e) Loans | 330 | 430 |
| (f) Other financial assets | 15,508 | 14,991 |
| (iii) Other current assets | 14,909 | 14,325 |
| (iv) Assets held for sale | 8,044 | 7,771 |
| Sub-total | 1,65,928 | 1,78,997 |
| TOTAL ASSETS | 5,10,759 | 5,27,179 |
| EQUITY AND LIABILITIES | | |
| EQUITY | | |
| (i) Equity share capital | 4,923 | 4,923 |
| (ii) Other equity | 1,26,599 | 1,31,078 |
| Total Equity | 1,31,522 | 1,36,001 |
| LIABILITIES | | |
| (1) Non-current liabilities | | |
| (i) Financial Liabilities | | |
| (a) Borrowings | 1,37,398 | 1,58,974 |
| (b) Lease liabilities | 11,310 | 13,627 |
| (c) Other financial liabilities | 645 | 790 |
| (ii) Provisions | 1,946 | 1,595 |
| (iii) Deferred tax liabilities (net) | 6,773 | 4,528 |
| (iv) Other non-current liabilities | 28,319 | 28,851 |
| Sub-total | 1,86,391 | 2,08,365 |
| (2) Current liabilities | | |
| (i) Financial liabilities | | |
| (a) Borrowings | 83,580 | 1,03,255 |
| (b) Lease liabilities | 1,355 | 1,205 |
| (c) Trade payables | | |
| (i) total outstanding dues of micro and small enterprises | 7,138 | 5,454 |
| (ii) total outstanding dues of creditors other than micro and small enterprises | 53,821 | 31,719 |
| (d) Other financial liabilities | 40,058 | 33,489 |
| (ii) Other current liabilities | 3,412 | 3,826 |
| (iii) Provisions | 1,026 | 713 |
| (iv) Current tax liabilities (net) | 2,456 | 3,152 |
| Sub-total | 1,92,846 | 1,82,813 |
| TOTAL EQUITY AND LIABILITIES | 5,10,759 | 5,27,179 |

See accompanying notes to the consolidated audited financial results

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D. K. Anand




| Himatsingka Seide Limited | | (₹ Lacs) | |
|--|--|----------------|-----------------|
| Consolidated statement of cash flows for the year ended | | 31.03.2021 | 31.03.2020 |
| Cash flows from operating activities | | | |
| (Loss) / Profit for the period | | (5,335) | 1,325 |
| Adjustments for: | | | |
| Finance costs | | 17,720 | 18,966 |
| Interest income | | (948) | (1,290) |
| Profit on sale of investments | | (50) | (193) |
| Gain on current investments carried at fair value through profit or loss | | (74) | (37) |
| Provision for diminution in value of investment | | - | 666 |
| Net loss on disposal of property, plant and equipment | | 38 | 18 |
| Loss allowance on financial assets, net | | 108 | 1 |
| Amortized value of employee loans and security deposits | | 65 | 48 |
| Depreciation and amortisation expense | | 15,245 | 12,621 |
| Income on derecognition of leases | | (266) | - |
| Ineffective portion of hedging instrument | | - | 1,142 |
| Net foreign exchange gain/(loss) on non operating activities | | 94 | (603) |
| Income tax expense | | 2,687 | 7,192 |
| Operating cash flows before working capital changes | | 29,284 | 39,856 |
| Changes in operating assets and liabilities | | | |
| (Increase)/Decrease in trade and other receivables | | (21,281) | 8,829 |
| Decrease in inventories | | 27,625 | 15,055 |
| Decrease in other assets | | (453) | 3,970 |
| Increase/(Decrease) in trade and other payables | | 25,280 | (15,226) |
| Increase in provisions | | 431 | 183 |
| Decrease in other liabilities | | (909) | (3,309) |
| Cash generated from operations | | 59,977 | 49,358 |
| Income taxes paid, net of refund | | (2,337) | (5,958) |
| Net cash generated from operating activities (A) | | 57,640 | 43,400 |
| Cash flows from investing activities | | | |
| Purchase of current investments | | (146) | (13,820) |
| Proceeds of sale of current investments | | 1,375 | 22,801 |
| Interest received | | 1,094 | 914 |
| Acquisition of property, plant and equipment and intangible assets | | (12,780) | (23,964) |
| Movement in fixed deposits, net | | 8,904 | (6,380) |
| Net cash used in investing activities (B) | | (1,553) | (20,449) |



D. K. Anwar

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| | | | | |
|---|------------------------|-------------------|-----------------|------------------------|
| Cash flows from financing activities | | | | |
| (Repayment of) / Proceeds from short term borrowings, net | | (19,407) | | 3,923 |
| Proceeds from long term borrowings | | - | | 4,431 |
| Repayment of long term borrowings | | (19,421) | | (11,380) |
| Dividends paid on equity shares | | (492) | | (5,951) |
| Payment of lease liabilities | | (1,611) | | (1,545) |
| Proceeds from government incentive | | 5,627 | | 154 |
| Interest paid | | (19,097) | | (24,398) |
| Net cash used in financing activities (C) | | (54,401) | | (34,766) |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | | | | |
| | | 1,686 | | (11,815) |
| Cash and cash equivalents at the beginning of the year | | 4,708 | | 16,710 |
| Effects of exchange rate changes on cash and cash equivalents | | 325 | | (187) |
| Cash and cash equivalents at the end of the year** | | 6,719 | | 4,708 |
| **Components of cash and cash equivalents | | | | |
| Cash and cash equivalents comprise of | | | | |
| Cash in hand | | 6 | | 13 |
| Balance with banks | | - | | - |
| - in current accounts | | 6,713 | | 4,695 |
| - in deposit accounts (with original maturity of period of less than three months) | | - | | - |
| Total cash and cash equivalents in balance sheet | | 6,719 | | 4,708 |
| Reconciliation between opening and closing balance sheet for liabilities arising from financing activities | | | | |
| | Opening balance | Cash flows | Non-cash | Closing balance |
| | 1.04.2020 | | movement | 31.03.2021 |
| Borrowings (including current maturities) | 1,78,189 | (19,421) | 4,303 | 1,63,071 |
| Short - term borrowings | 1,03,255 | (19,407) | (268) | 83,580 |
| Interest accrued but not due | 1,872 | (19,097) | 18,632 | 1,407 |
| Total liabilities from financing activities | 2,83,316 | (57,925) | 22,667 | 2,48,058 |
| Reconciliation between opening and closing balance sheet for liabilities arising from financing activities | | | | |
| | Opening balance | Cash flows | Non-cash | Closing balance |
| | 1.04.2019 | | movement | 31.03.2020 |
| 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 | (24,398) | 25,851 | 1,872 |
| Total liabilities from financing activities | 2,79,452 | (27,424) | 31,287 | 2,83,316 |



Director


NOTES:

- 1 The above annual consolidated financial results ("the Statement") of Himatsingka Seide Limited ("the Company") including its subsidiaries and step 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 subsidiary companies including step subsidiaries presented below:
 - a. Himatsingka Wovens Private Limited (subsidiary)
 - b. Himatsingka Holdings NA Inc. (subsidiary)
 - c. Himatsingka America Inc. (step subsidiary)
 - d. Himatsingka Europe Limited (step subsidiary) liquidated with effect from 22 September 2020.
 - e. Twill & Oxford LLC (subsidiary), (read along with note 10)
- 2 The Statement of the Group for the quarter and year ended 31 March 2021 have been reviewed by the Audit committee and thereafter approved by the Board of Directors in the meeting held on 29 May 2021.
- 3 The above consolidated results of the Group 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 2021 and 31 March 2020 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 Company shall 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 Government of India vide press release dated 31 December 2020 introduced the benefit of the Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) to all export goods with effect from 1 January 2021. With the introduction of the RoDTEP scheme, the benefit of ROSCTL scheme stood withdrawn wef 1 January 2021. Considering that the rates of RoDTEP are yet to be notified, the Group has not accrued income relating to benefits of RoDTEP scheme for the period 1 January 2021 to 31 March 2021.
- 7 Exceptional items for the previous year ended 31 March 2020 aggregating ₹ 7,321 lacs comprise 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 outbreak.
 - 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.

8 Additional information on standalone financial results : (₹ lacs)

| Particulars | Quarter ended | | | Year ended | |
|--|---------------|------------|------------|------------|------------|
| | 31.03.2021 | 31.12.2020 | 31.03.2020 | 31.03.2021 | 31.03.2020 |
| | Audited | Unaudited | Audited | Audited | Audited |
| a. Revenue from operations | 58,959 | 55,929 | 30,126 | 1,68,191 | 1,60,076 |
| b. Profit before exceptional items and tax | 4,419 | 8,718 | 2,571 | 8,132 | 22,987 |
| c. Profit before tax | 4,419 | 8,718 | 1,429 | 8,132 | 21,845 |
| d. Profit after tax | 2,838 | 5,760 | 1,064 | 5,375 | 14,664 |
| e. Total comprehensive income | 2,540 | 6,198 | (749) | 7,458 | 10,602 |



D. K. Himatsingka

[Signature]

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- 9 The Group has adopted measures to curb the spread of infection of Covid-19 in order to protect the health of its employees and ensure business continuity with minimal disruption including remote working, maintaining social distancing, sanitization of work spaces etc. The Group's operations, revenue and consequently profit/loss during the year ended 31 March 2021 were impacted due to Covid-19. The Group has considered the possible effects that may result from outbreak of COVID-19 in the preparation of this financial results including the recoverability of carrying amounts of financial and non-financial assets, assessment of bank covenants and liquidity assessment based on future cash flow projections. In building the assumptions relating to the possible uncertainties in the global economic conditions as at the date of approval of this consolidated financial results, the Group has used internal and external sources of information and expects that the carrying amount of the assets will be recovered and the impact is not material. The impact of the global health pandemic may be different from that estimated as at the date of approval of these consolidated financial results. The Group will continue to monitor any material changes to future economic conditions and consequential impact on its consolidated financial results.
- 10 During the year ended 31 March 2021, the Group as a measure to restructure its luxury retail business had closed its retail store in Dubai and accordingly had recorded the net asset of its subsidiary at its fair value. Consequently, the Group had recorded a provision of ₹ 748 lacs in the standalone financial statements of the Company as these amounts were not considered recoverable. However, there is no impact on the consolidated financial results of the Group.
- 11 During the year ended 31 March 2021, the Company has passed a board resolution dated 7 November 2020 and converted loan given to one of its subsidiary aggregating ₹ 25,258 lacs into equity. However, there is no impact on the consolidated financial results of the Group.
- 12 The Board of Directors at its meeting held on 29 May 2021, has proposed a final dividend of ₹ 0.50 per equity share. The same is subject to Shareholder's approval in Annual General Meeting.

Bengaluru
29 May 2021



D. Himatsingka

Dinesh Himatsingka
Executive Chairman

Shrikant Himatsingka
Managing Director & CEO

B S R & Co. LLP

Chartered Accountants

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Pebble Beach, B Block, 3rd Floor,
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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 subsidiary (Holding Company and its subsidiaries including step subsidiary together referred to as "the Group"), for the year ended 31 March 2021, 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, 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) (refer note 10 of consolidated annual financial results)
- 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 loss and other comprehensive income and other financial information of the Group for the year ended 31 March 2021.

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 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 consolidated annual financial results.

Principal Office:

B S R & Co. LLP

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

Emphasis of Matter

We draw attention to Note 9 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 results. 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 annual 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 companies 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 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 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 companies included in the Group are responsible for assessing the ability of each company 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 Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

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.

B S R & Co. LLP

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

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 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 consolidated financial statements on whether the company has adequate internal financial controls with reference to the consolidated 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 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 results of which we are the independent auditors. We remain solely responsible for our audit opinion.

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 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.

B S R & Co. LLP

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

Other Matters

- (a) The consolidated annual financial results include the unaudited financial results of one subsidiary, whose financial statement/financial information reflect Group's share of total assets (before consolidation adjustments) of Rs.11 lakhs as at 31 March 2021, Group's share of total revenue (before consolidation adjustments) of Rs. 32 lakhs and Group's share of total net loss after tax (before consolidation adjustments) of Rs. 65 lakhs, and Group's share of net cash outflows (before consolidation adjustments) of Rs 57 lakhs for the year ended on that date, as considered in the consolidated annual financial results. This unaudited financial statement/ financial information have been furnished to us by the Board of Directors and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such annual financial statement/financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, this financial statement/ financial information is not material to the Group.

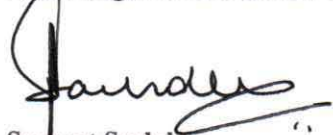
Our opinion on the consolidated annual financial results is not modified in respect of the above matter with respect to financial statement/ financial information certified by the Board of Directors.

- (b) The consolidated annual financial results include the results for the quarter ended 31 March 2021 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: 21205385AAAAAR7090

Place: Bengaluru

Date: 29 May 2021

STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2021

| Part I | | (₹ Laacs except per share data) | | | | |
|---------|--|---------------------------------|----------------|------------------------|-----------------|-----------------|
| Sl. No. | Particulars | Quarter ended | | | Year ended | |
| | | 31.03.2021 | 31.12.2020 | 31.03.2020 | 31.03.2021 | 31.03.2020 |
| | | (Audited) ³ | (Unaudited) | (Audited) ³ | (Audited) | (Audited) |
| | Income | | | | | |
| I | Revenue from operations (refer note 6) | 58,959 | 55,929 | 30,126 | 1,68,191 | 1,60,076 |
| II | Other income | 197 | 491 | 4,321 | 2,805 | 8,725 |
| III | Total income (I+II) | 59,156 | 56,420 | 34,447 | 1,70,996 | 1,68,801 |
| IV | Expenses | | | | | |
| | (a) Cost of raw materials and packing material consumed | 36,378 | 22,699 | 15,533 | 76,620 | 69,001 |
| | (b) Purchases of stock-in-trade | - | - | 28 | - | 1,378 |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | (2,953) | 2,856 | (4,698) | 7,730 | (5,658) |
| | (d) Employee benefits expenses | 5,329 | 6,625 | 5,202 | 20,612 | 20,404 |
| | (e) Finance costs | 3,196 | 3,601 | 4,470 | 14,392 | 15,165 |
| | (f) Depreciation and amortisation expenses | 2,699 | 2,721 | 2,858 | 10,887 | 9,112 |
| | (g) Other expenses | 10,088 | 9,200 | 8,483 | 32,623 | 36,412 |
| | Total expenses (IV) | 54,737 | 47,702 | 31,876 | 1,62,864 | 1,45,814 |
| V | Profit before exceptional items and tax (III-IV) | 4,419 | 8,718 | 2,571 | 8,132 | 22,987 |
| VI | Exceptional items (refer note 7) | - | - | (1,142) | - | (1,142) |
| VII | Profit before tax (V+VI) | 4,419 | 8,718 | 1,429 | 8,132 | 21,845 |
| VIII | Tax expense | | | | | |
| | -Current tax charge / (credit) | 830 | 668 | (710) | 1,498 | 3,901 |
| | -Deferred tax charge | 751 | 2,290 | 1,075 | 1,259 | 3,280 |
| | Total tax expense (VIII) | 1,581 | 2,958 | 365 | 2,757 | 7,181 |
| IX | Profit for the period/year (VII - VIII) | 2,838 | 5,760 | 1,064 | 5,375 | 14,664 |
| X | Other comprehensive income | | | | | |
| i | Items that will not be reclassified to statement of profit or loss | | | | | |
| | - Remeasurements of employees defined benefit plan | (95) | (45) | 107 | (231) | 64 |
| | - Income tax on (i) above | 36 | 16 | (39) | 81 | (24) |
| ii | Items that may be reclassified to statement of profit or loss | | | | | |
| | - Effective portion of gain and losses on designated portion of hedging instruments in cash flow hedge | (367) | 718 | (2,892) | 3,432 | (6,305) |
| | - Income tax on (ii) above | 128 | (251) | 1,011 | (1,199) | 2,203 |
| | Total other comprehensive income/(loss) for the period/year (X) | (298) | 438 | (1,813) | 2,083 | (4,062) |
| XI | Total comprehensive income for the period/year (IX+X) | 2,540 | 6,198 | (749) | 7,458 | 10,602 |
| 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) | - | - | - | 1,50,995 | 1,44,029 |
| XIV | Earnings per equity share of ₹ 5: | not annualised | not annualised | not annualised | annualised | annualised |
| | (a) Basic | 2.88 | 5.85 | 1.08 | 5.46 | 14.89 |
| | (b) Diluted | 2.88 | 5.85 | 1.08 | 5.46 | 14.89 |

See accompanying notes to the standalone audited financial results

| BALANCE SHEET | | |
|---|-----------------|-----------------|
| Particulars | As at | |
| | 31.03.2021 | 31.03.2020 |
| | Audited | Audited |
| (₹ Lacs) | | |
| ASSETS | | |
| (1) Non-current assets | | |
| (i) Property, plant and equipment | 2,40,284 | 2,32,808 |
| (ii) Capital work-in-progress | 14,156 | 17,226 |
| (iii) Intangible assets | 1,578 | 1,871 |
| (iv) Right of use assets | - | 674 |
| (v) Financial assets | | |
| (a) Investments | 87,063 | 55,920 |
| (b) Loans | 1,051 | 27,352 |
| (c) Others | 7 | 1,449 |
| (vi) Income tax assets, (net) | 1,045 | 1,045 |
| (vii) Other non-current assets | 5,519 | 3,413 |
| Sub-total | 3,50,703 | 3,41,758 |
| (2) Current assets | | |
| (i) Inventories | 33,323 | 42,211 |
| (ii) Financial assets | | |
| (a) Investments | 1,817 | 2,922 |
| (b) Trade receivables | 66,312 | 49,344 |
| (c) Cash and cash equivalents | 6,507 | 2,855 |
| (d) Bank balances other than cash and cash equivalents above | 5,902 | 13,345 |
| (e) Loans | 296 | 382 |
| (f) Other financial assets | 23,093 | 23,267 |
| (iii) Other current assets | 13,148 | 9,648 |
| Sub-total | 1,50,398 | 1,43,974 |
| TOTAL ASSETS | 5,01,101 | 4,85,732 |
| EQUITY AND LIABILITIES | | |
| EQUITY | | |
| Equity share capital | 4,923 | 4,923 |
| Other equity | 1,50,995 | 1,44,029 |
| Total Equity | 1,55,918 | 1,48,952 |
| LIABILITIES | | |
| (1) Non-current liabilities | | |
| (i) Financial liabilities | | |
| (a) Borrowings | 1,27,577 | 1,46,201 |
| (b) Lease liabilities | - | 665 |
| (c) Other financial liabilities | 645 | 790 |
| (ii) Provisions | 1,946 | 1,574 |
| (iii) Deferred tax liabilities (net) | 7,402 | 5,025 |
| (iv) Other non-current liabilities | 28,319 | 28,851 |
| Sub-total | 1,65,889 | 1,83,106 |
| (2) Current liabilities | | |
| (i) Financial liabilities | | |
| (a) Borrowings | 82,337 | 89,230 |
| (a) Lease liabilities | - | 293 |
| (c) Trade payables | | |
| (i) total outstanding dues of micro and small enterprises | 7,138 | 5,454 |
| (ii) total outstanding dues of creditors other than micro and small enterprises | 46,930 | 26,460 |
| (d) Other financial liabilities | 37,017 | 25,035 |
| (ii) Other current liabilities | 2,872 | 3,798 |
| (iii) Provisions | 1,026 | 709 |
| (iv) Current tax liabilities (net) | 1,974 | 2,695 |
| Sub-total | 1,79,294 | 1,53,674 |
| TOTAL EQUITY AND LIABILITIES | 5,01,101 | 4,85,732 |

See accompanying notes to the standalone audited financial results

Himatsingka Seide Limited
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High Grounds, Bangalore 560 001, India
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E hslblr@himatsingka.com
CIN L17112KA1985PLC006647

www.himatsingka.com

D. K. Humatkar






| Himatsingka Seide Limited | | (₹ Lacs) | |
|--|----------------|-----------------|--|
| Statement of cash flows for the year ended | 31.03.2021 | 31.03.2020 | |
| Cash flows from operating activities | | | |
| Profit for the year | 5,375 | 14,664 | |
| Adjustments for: | | | |
| Finance costs | 14,392 | 14,659 | |
| Provision for diminution in value of investment | 37 | - | |
| Interest income | (2,281) | (3,793) | |
| Net gain on sale of investments | (50) | (193) | |
| Gain on current investments carried at fair value through profit or loss | (74) | (37) | |
| Loss allowances on financial assets, net | 108 | 1 | |
| Net loss on disposal of property, plant and equipment | 38 | 22 | |
| Amortized value of employee loans and security deposits | 65 | 48 | |
| Income on financial guarantee contracts | (113) | (187) | |
| Depreciation and amortisation expense | 10,887 | 9,112 | |
| Income on derecognition of leases | (270) | - | |
| Ineffective portion of hedging instrument | - | 1,142 | |
| Net foreign exchange gain/(loss) on non operating activities | 94 | (603) | |
| Inter company deposits and receivables written off | 748 | - | |
| Income tax expense | 2,757 | 7,181 | |
| Operating cash flows before working capital changes | 31,713 | 42,016 | |
| Changes in operating assets and liabilities | | | |
| Increase in trade and other receivables | (17,221) | (4,176) | |
| Decrease/(Increase) in inventories | 8,888 | (3,307) | |
| Increase in other assets | (6,823) | (2,022) | |
| Increase in trade and other payables | 22,153 | 1,457 | |
| Increase in provisions | 459 | 271 | |
| Increase in other liabilities | 31 | 1,169 | |
| Cash generated from operations | 39,200 | 35,408 | |
| Income taxes paid, net of refund | (2,319) | (5,951) | |
| Net cash generated from operating activities (A) | 36,881 | 29,457 | |
| Cash flows from investing activities | | | |
| Purchase of current investments | (146) | (13,821) | |
| Proceeds of sale of current investments | 1,375 | 22,801 | |
| Interest received | 2,871 | 901 | |
| Acquisition of property, plant and equipment and intangible assets | (10,687) | (22,118) | |
| Investment in subsidiaries (refer note 8) | (5,809) | (7,379) | |
| Investment in fixed deposits | (20,415) | (37,100) | |
| Proceeds from fixed deposits, net | 29,319 | 30,719 | |
| Loans to subsidiaries | - | (496) | |
| Loan recovered from subsidiaries | - | 28 | |
| Net cash used in investing activities (B) | (3,492) | (26,465) | |

D. K. H. H. H. H. H.

[Signature]



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| | | | | |
|---|------------------------|-------------------|--------------------------|------------------------|
| Cash flows from financing activities | | | | |
| (Repayment of) / Proceeds from short term borrowings, net | | (6,893) | | 17,302 |
| Proceeds from long term borrowings | | - | | 4,431 |
| Repayment of long term borrowings | | (11,505) | | (10,455) |
| Dividends paid on equity shares | | (492) | | (5,951) |
| Payment of lease liabilities | | (93) | | (374) |
| Proceeds from government incentive | | 5,627 | | 154 |
| Interest paid | | (16,381) | | (20,223) |
| Net cash used in financing activities (C) | | (29,737) | | (15,115) |
| Net increase / (decrease) in cash and cash equivalents (A + B + C) | | | | |
| | | 3,652 | | (12,123) |
| Cash and cash equivalents at the beginning of the year | | 2,855 | | 14,978 |
| Cash and cash equivalents at the end of the year** | | 6,507 | | 2,855 |
| **Components of cash and cash equivalents | | | | |
| Cash and cash equivalents comprise of: | | | | |
| Cash in hand | | 6 | | 12 |
| Balance with banks | | | | |
| - in current accounts | | 6,501 | | 2,843 |
| - in deposit accounts (with original maturity period of less than three months) | | - | | - |
| Total cash and cash equivalents in balance sheet | | 6,507 | | 2,855 |
| Reconciliation between opening and closing balance sheet for liabilities arising from financing activities | | | | |
| | Opening balance | Cash flows | Non-cash movement | Closing balance |
| | 1.04.2020 | | | 31.03.2021 |
| Borrowings (including current maturities) | 1,57,646 | (11,505) | 4,211 | 1,50,352 |
| Short - term borrowings | 89,230 | (6,893) | - | 82,337 |
| Interest accrued but not due | 1,727 | (16,381) | 15,984 | 1,331 |
| Total liabilities from financing activities | 2,48,603 | (34,779) | 20,195 | 2,34,020 |
| Reconciliation between opening and closing balance sheet for liabilities arising from financing activities | | | | |
| | Opening balance | Cash flows | Non-cash movement | Closing balance |
| | 1.04.2019 | | | 31.03.2020 |
| 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 | (20,223) | 21,403 | 1,727 |
| Total liabilities from financing activities | 2,33,856 | (8,945) | 23,692 | 2,48,603 |

D. K. Humathip



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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 2021 have been reviewed by the Audit Committee and thereafter approved by the Board of Directors in the meeting held on 29 May 2021.
- 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 2021 and 31 March 2020 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 Company shall 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 Government of India vide press release dated 31 December 2020 introduced the benefit of the Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) to all export goods with effect from 1 January 2021. With the introduction of the RoDTEP scheme, the benefit of ROSCTL scheme stood withdrawn wef 1 January 2021. Considering that the rates of RoDTEP are yet to be notified, the Company has not accrued income relating to benefits of RoDTEP scheme for the period 1 January 2021 to 31 March 2021.
- 7 Exceptional item for the quarter and year ended 31 March 2020 represents Hedge ineffectiveness of ₹ 1,142 lacs as the forecasted sales were not expected to occur due to the lockdown restrictions imposed on account of Covid-19 outbreak.
- 8 During the year ended 31 March 2021, the Company has passed a board resolution dated 7 November 2020 and converted loan given to one of its subsidiary aggregating ₹ 25,258 lacs into equity.
- 9 The Company has adopted measures to curb the spread of infection of Covid-19 in order to protect the health of its employees and ensure business continuity with minimal disruption including remote working, maintaining social distancing, sanitization of work spaces etc. The Company's operations, revenue and consequently profit / (loss) during the year ended 31 March 2021 were impacted due to Covid-19. The Company has considered the possible effects that may result from outbreak of COVID-19 in the preparation of this standalone financial results including the recoverability of carrying amounts of financial and non-financial assets, assessment of bank covenants and liquidity assessment based on future cash flow projections. In building the assumptions relating to the possible uncertainties in the global economic conditions as at the date of approval of this standalone financial results, the Company has used internal and external sources of information and expects that the carrying amount of the assets will be recovered and the impact is not material. The impact of the global health pandemic may be different from that estimated as at the date of approval of these standalone financial results. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its standalone financial results.
- 10 During the year ended 31 March 2021, the Company as a measure to restructure its luxury retail business had closed its retail store in Dubai and accordingly had recorded the net asset of its subsidiary at its fair value. Consequently, the Company has written off ₹ 748 lacs in the standalone financial statements of the Company as these amounts were not considered recoverable.
- 11 The Board of Directors at its meeting held on 29 May 2021, has proposed a final dividend of ₹ 0.50 per equity share. The same is subject to Shareholder's approval in Annual General Meeting.



Bengaluru
29 May 2021

Dinesh Himatsingka
Executive Chairman

Shrikant Himatsingka
Managing Director & CEO

BSR & Co. LLP

Chartered Accountants

Embassy Golf Links Business Park,
Pebble Beach, B Block, 3rd Floor,
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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 2021, 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 income and other financial information for the year ended 31 March 2021.

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 attention to Note 9 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 Results. 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.

Our opinion is not modified in respect of this matter.



BSR & Co. LLP

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

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 adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

B S R & Co. LLP

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

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

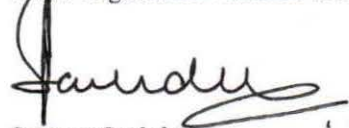
Other Matters

The Standalone Annual Financial Results include the results for the quarter ended 31 March 2021 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 Number. 205385

ICAI UDIN: 21205385AAAAAP1065

Place: Bengaluru

Date: 29 May 2021