

# Himatsingka Seide Limited

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

Ref: SEC:0001:2:0912:KGN

May 24, 2017

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

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

Dear Sirs,

## **Sub: Outcome of Board Meeting**

The Board of Directors of Himatsingka Seide Limited have at their meeting held on May 23, 2017, which concluded at 4.15 AM on May 24, 2017, considered and approved the following:

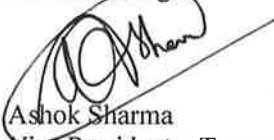
Pursuant to Regulation 30 read with Part A of Para A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to inform you that the Board of Directors of the Company in its meeting held on May 23, 2017 have approved/ considered the following:

1. The Audited Financial Results and Auditor's Report of Standalone and Consolidated for the Quarter and Year Ended March 31, 2017 under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with declaration prescribed under these Regulations – enclosed.
2. Declaration of Final Dividend of Rs. 2.50 per Equity Share of Rs. 5/- each for the Financial Year 2016-17.
3. Resignation of Mr. Berjis M Desai (DIN 00153675) as an Independent Director of the Company w.e.f. May 23, 2017.
4. Resignation of Mr. Aditya Himatsingka (DIN 00138970) as Executive Director of the Company w.e.f. May 23, 2017.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,  
For Himatsingka Seide Limited

  
Ashok Sharma  
Vice President – Treasury, Taxation  
& Company Secretary

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Email : hslblr@himatsingka.com Website : www.himatsingka.com CIN : L17112KA1985PLC006647

# Himatsingka Seide Limited

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

STATEMENT OF STANDALONE RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH, 2017 (Rs. in Lakhs)						
Sl. No.	Particulars	Quarter Ended			Year Ended	
		March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016
		(Unaudited) Refer note 1	Unaudited	(Unaudited) Refer note 1	Audited	Audited
	<b>Revenue</b>					
I	Revenue from operations	40,555	41,395	25,230	139,807	102,381
II	Other income (refer note 5)	(150)	1,721	724	4,192	4,188
III	<b>Total Revenue (I+II)</b>	<b>40,405</b>	<b>43,116</b>	<b>25,954</b>	<b>143,999</b>	<b>106,569</b>
IV	<b>Expenses</b>					
	(a) Cost of raw materials consumed	24,961	27,439	12,951	84,683	54,699
	(b) Purchases of stock-in-trade	1,395	2,244	155	3,638	211
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,848)	(3,265)	(519)	(6,882)	(322)
	(d) Employee benefit expenses	2,878	3,002	2,259	11,504	9,096
	(e) Finance costs	1,494	1,963	1,841	6,365	5,997
	(f) Depreciation and amortisation expenses	1,212	1,210	892	4,321	3,801
	(g) Other expenses	4,633	4,213	3,395	15,880	14,485
	<b>Total expenses (IV)</b>	<b>33,725</b>	<b>36,806</b>	<b>20,974</b>	<b>119,509</b>	<b>87,967</b>
V	<b>Profit/(loss) before exceptional items and tax (III-IV)</b>	<b>6,680</b>	<b>6,310</b>	<b>4,980</b>	<b>24,490</b>	<b>18,602</b>
VI	Exceptional Items	-	-	-	-	-
VII	<b>Profit/(loss) before tax (V+VI)</b>	<b>6,680</b>	<b>6,310</b>	<b>4,980</b>	<b>24,490</b>	<b>18,602</b>
VIII	<b>Tax expense</b>					
	-Current tax	2,683	-	3,923	2,683	3,923
	-Deferred tax	(360)	2,006	(2,246)	4,122	723
	<b>Total Tax expense (VIII)</b>	<b>2,323</b>	<b>2,006</b>	<b>1,677</b>	<b>6,805</b>	<b>4,646</b>
IX	<b>Profit/(loss) for the period (VII -VIII)</b>	<b>4,357</b>	<b>4,304</b>	<b>3,303</b>	<b>17,685</b>	<b>13,956</b>
X	<b>Other Comprehensive Income</b>					
i	Items that will not be reclassified to profit or loss					
	-Actuarial Gain / (Loss)	(217)	-	(137)	(217)	(137)
	-Income tax relating to items that will not be reclassified to profit or loss	75	-	47	75	46
ii	Items that may be reclassified to profit or loss					
	-Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	3,361	539	941	3,464	385
	-Income tax on items that may be reclassified to profit or loss	(1,199)	(183)	(326)	(1,199)	(138)
	<b>Total other comprehensive income for the period (X)</b>	<b>2,020</b>	<b>356</b>	<b>525</b>	<b>2,123</b>	<b>156</b>
	<b>Total comprehensive income for the period (IX+X)</b>	<b>6,377</b>	<b>4,660</b>	<b>3,828</b>	<b>19,808</b>	<b>14,112</b>
XI	Paid up equity share capital (Face value of Rs. 5 per equity share)	4,923	4,923	4,923	4,923	4,923
XII	Reserves(Other equity)				101,749	83,719
XII	Earnings per share (Basic and Diluted)	4.43	4.37	3.35	17.96	14.17



*D.K. Himatsingka*



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# Himatsingka Seide Limited

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

STANDALONE STATEMENT OF ASSETS AND LIABILITIES			
Particulars	Rs. in Lakhs		
	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
	Audited		
<b>ASSETS</b>			
(1) <b>Non-current assets</b>			
(i) Property, Plant and Equipment	79,569	53,342	50,964
(ii) Capital work-in-progress	9,902	2,846	3,300
(iii) Other Intangible assets	1,414	876	606
(iv) Intangible Assets Under Development	-	-	330
(v) Financial Assets			
(a) Investments	22,978	29,356	28,698
(b) Loans	24,262	24,944	24,964
(c) Others	990	324	338
(vi) Deferred tax assets (net)	179	5,425	6,239
(vii) Non Current Tax Assets (Net)	630	599	499
(viii) Other non-current assets	13,757	6,627	1,231
<b>Sub-total</b>	<b>1,53,682</b>	<b>1,24,339</b>	<b>1,17,169</b>
(2) <b>Current assets</b>			
(i) Inventories	25,923	17,047	14,990
(ii) Financial Assets			
(a) Trade receivables	34,062	19,495	12,077
(b) Cash and cash equivalents	15,539	10,619	1,035
(c) Loans	100	117	100
(d) Others	13,739	3,453	1,903
(iii) Other current assets	7,590	6,696	3,384
<b>Sub-total</b>	<b>96,953</b>	<b>57,427</b>	<b>33,489</b>
<b>TOTAL ASSETS</b>	<b>2,50,635</b>	<b>1,81,766</b>	<b>1,50,658</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share capital	4,923	4,923	4,923
Other Equity	1,01,749	83,719	73,172
<b>Total Equity</b>	<b>1,06,672</b>	<b>88,642</b>	<b>78,095</b>
<b>LIABILITIES</b>			
(1) <b>Non-current liabilities</b>			
(i) Financial Liabilities			
(a) Borrowings	68,093	46,661	29,175
(ii) Provisions	1,370	1,022	720
(ii) Non current Tax Liabilities (Net)	-	391	391
(iii) Other non-current liabilities	5,335	1,564	309
<b>Sub-total</b>	<b>74,798</b>	<b>49,638</b>	<b>30,595</b>
(2) <b>Current liabilities</b>			
(i) Financial Liabilities			
(a) Borrowings	43,072	25,222	18,130
(b) Trade payables	14,628	10,030	10,832
(c) Other financial liabilities	7,851	3,774	9,509
(ii) Provisions	153	131	115
(iii) Current Tax Liabilities (Net)	1,017	3,308	2,255
(iv) Other current liabilities	2,444	1,021	1,127
<b>Sub-total</b>	<b>69,165</b>	<b>43,486</b>	<b>41,968</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,50,635</b>	<b>1,81,766</b>	<b>1,50,658</b>



D. K. Himatsingka



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## NOTES:

- The above standalone financial results ("the Statement") for the year ended March 31, 2017 were reviewed by Audit Committee and thereafter approved by the Board of Directors at its meeting held on May 23, 2017. The above standalone financial results for the year ended March 31, 2017 have been audited by the Statutory Auditors. The figures for quarter ended 31st March, 2016 and 31st March, 2017 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the relevant financial year which were subject to limited review by the statutory auditors of the Company.
- The Statement has been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Company adopted Ind AS from April 01, 2016, with a transition date of April 01, 2015 and these financial results are accordingly prepared in accordance with Ind AS 101-First-time Adoption of Indian Accounting Standards.
- Ind AS 101 requires that all the Ind AS standards and interpretations that are effective for the Ind AS financial statements for the year ended March 31, 2017 be applied consistently and retrospectively for all fiscal years presented. All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference in the carrying amounts of assets and liabilities in the financial statements under both Ind AS and the previous Indian GAAP as at the transition date have been recognised directly in equity at the transition date.

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from the previous India GAAP to Ind AS in accordance with Ind AS 101:

- Equity as at April 01, 2015
- Equity as at March 31, 2016
- Total comprehensive income for the quarter and year ended March 31, 2016

Equity Reconciliation		Rs. In lakhs	
Particulars	Notes	March 31, 2016	April 01, 2015
Equity as reported under previous GAAP		83,678	68,459
Revaluation of Property, plant and equipment	3.i	17,620	17,783
Restatement of Loan at amortised cost	3.ii	58	(68)
Deemed cost of investments under Ind AS		(11,003)	(10,948)
Other Ind AS adjustments	3.iii	261	104
Recognition of deferred taxes using Balance Sheet approach under Ind AS	3.iv	(3,750)	383
Dividends not recognised as liability until declared		1,778	2,381
<b>Equity as reported under Ind AS</b>		<b>88,642</b>	<b>78,095</b>

Total Comprehensive Income Reconciliation		Rs. In lakhs	
Particulars	Notes	Quarter Ended	Year ended
		(Audited)	(Audited)
		31.03.2016	31.03.2016
Net Profit as per previous GAAP		4,112	17,798
<b>Reconciling Items</b>			
Impact of depreciation on account of deemed cost and amortization of capital subsidy	3.i	(24)	(166)
Adjustment arising from restatement of term borrowing at amortised cost	3.ii	139	126
Reclassification of remeasurement adjustment to employee benefits to other comprehensive income		137	137
Other Ind AS Adjustments	3.iii	11	102
Tax expense	3.iv	(1,072)	(4,041)
<b>Profit After Tax (PAT) as per Ind AS</b>		<b>3,303</b>	<b>13,956</b>
<b>Other Comprehensive Income ("OCI")</b>			
Impact of forward exchange contracts and interest rate swap classified as cash flow hedges (routed through OCI)	3.v	615	246
Remeasurement adjustment of employee benefits (net of tax)		(90)	(90)
<b>Total Comprehensive income as per Ind AS</b>		<b>3,828</b>	<b>14,112</b>

- Ind AS 101 (First-time Adoption of Indian Accounting Standards) provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. Ind AS 101 allows first-time adopters exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the exemption in its financial results for its Property, Plant and Equipment, as well as Intangible Assets and Investment Properties (referred to as "fixed assets" in aggregate). The Company has opted to determine the deemed cost of such fixed assets as of April 01, 2015 to be represented by the fair value of the land and buildings and restating certain other items of fixed assets in accordance with Ind AS wherein these fixed assets were grossed up for the capital subsidies received in prior years (net of amortisation). Accordingly, the increase in the carrying value of these fixed assets to their deemed costs resulted in higher depreciation charge for the year/period. The amortisation of the capital subsidy has been netted against the depreciation of the relevant fixed asset.



*D. K. Himatsingka*  
*[Signature]*

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- 3.ii Under previous GAAP, the Company had charged off certain loan origination/upfront fees paid to the banks for facilitating the term loans, as finance cost in the respective year of incurrence. Under Ind AS, such financial liabilities, classified to be carried at amortised cost basis, have resulted in a change in the current period finance cost (net) with an adjustment to the retained earning balance as of April 01, 2015.
- 3.iii Other Ind AS adjustments mainly includes the effect of measurement of financial assets and liabilities, including corporate guarantees provided by the Company for loans taken by subsidiaries, either at fair value or amortised cost etc.
- 3.iv The Company has recognised the deferred tax impact arising from Ind AS adjustments as well as evaluated the status of the deferred tax asset arising from carried forward tax losses existing as of March 31, 2015 not recognised as per previous GAAP in the absence of virtual certainty and has adjusted the same in the reserves as of April 01, 2015. Based on the utilisation of the carried forward tax losses during the period(s), such reversal of deferred tax asset is recognised in statement of profit and loss.
- 3.v The Company uses derivative financial instruments(hedging instruments) to manage risks associated with foreign currency exchange fluctuations relating to certain highly probable forecasted transactions. The hedging instruments initially measured at fair value are remeasured at subsequent reporting dates. Under the previous GAAP, changes in the fair value of these hedging instruments designated and effective, as hedge of future cash flows, were recognized directly in a Hedge Reserve (grouped under reserves and surplus) until the occurrence of the forecast transaction at which time the same was recognized in the Statement of profit and loss. As per Ind AS requirements changes in the fair value are routed through Other Comprehensive income, to be disclosed in the statement of equity as a Hedge Reserve. On occurrence of the forecast transaction, the effective portion of these derivatives are adjusted against the underlying hedged item and ineffective portion is recognized as expense in the Statement of profit and loss.
- 4 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. Home Textiles, with a product base of different cotton and silk blended products, 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.
- 5 The net exchange gain / (loss) included under Other Income is as under:

Particulars	Quarter Ended			Year Ended	
	March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016
	(Unaudited) Refer note 1	Unaudited	(Unaudited) Refer note 1	Audited	Audited
Exchange fluctuation gain/(loss)-net	(1,198)	805	(186)	188	1,224

- 6 The Board of Directors have proposed a final dividend of Rs.2.50 per share, which is subject to the approval by the shareholders in the Annual General Meeting.

Bengaluru  
May 23, 2017



*Dinesh Himatsingka*  
Dinesh Himatsingka  
Executive Chairman

*Shrikant Himatsingka*  
Shrikant Himatsingka  
Managing Director & CEO



## INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF HIMATSINGKA SEIDE LIMITED

1. We have audited the accompanying Statement of Standalone Financial Results of **HIMATSINGKA SEIDE LIMITED** ("the Company"), for the year ended 31 March 2017 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related standalone Ind AS financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such standalone financial statements.

2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

3. In our opinion and to the best of our information and according to the explanations given to us, the Statement :
  - (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
  - (ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year ended 31 March 2017.





**Deloitte  
Haskins & Sells**

4. The Statement includes the results for the Quarter ended March 31, 2017 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year which were subject to limited review by us.

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 008072S)



**Monisha Parikh**  
Partner  
(Membership No. 047840)

BENGALURU, May 23, 2017

# Himatsingka Seide Limited

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

STATEMENT OF CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH, 2017 (Rs. in Lakhs)			
Sl. No.	Particulars	Year Ended	
		March 31, 2017	March 31, 2016
		Audited	Audited
	<b>Revenue</b>		
I	Revenue from operations	213,841	189,131
II	Other income	1,319	1,866
III	<b>Total Revenue (I+II)</b>	<b>215,160</b>	<b>190,997</b>
IV	<b>Expenses</b>		
	(a) Cost of raw materials consumed	84,654	54,745
	(b) Purchases of stock-in-trade	53,055	58,968
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(15,038)	(1,291)
	(d) Employee benefit expenses	19,743	16,840
	(e) Finance costs	9,353	9,341
	(f) Depreciation and amortisation expenses	5,801	6,652
	(g) Other expenses	33,657	30,331
	<b>Total expenses (IV)</b>	<b>191,225</b>	<b>175,586</b>
V	<b>Profit/(loss) before exceptional items and tax (III-IV)</b>	<b>23,935</b>	<b>15,411</b>
VI	Exceptional Items	-	-
VII	<b>Profit/(loss) before tax (V+VI)</b>	<b>23,935</b>	<b>15,411</b>
VIII	<b>Tax expense</b>		
	-Current tax	764	5
	-Deferred tax	4,961	2,880
	<b>Total Tax expense (VIII)</b>	<b>5,725</b>	<b>2,885</b>
IX	<b>Profit/(loss) for the period (VII -VIII)</b>	<b>18,210</b>	<b>12,526</b>
X	<b>Other Comprehensive Income</b>		
	(a) Items that will not be reclassified to profit or loss		
	-Actuarial Gain / (Loss)	(217)	(137)
	-Income tax relating to items that will not be reclassified to profit or loss	75	46
	(b) Items that may be reclassified to profit or loss		
	-Exchange differences in translating the financial statements of foreign operations	(1,002)	1,867
	-Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	3,464	384
	-Income tax on items that may be reclassified to profit or loss	(998)	(512)
	<b>Total other comprehensive income for the period (X)</b>	<b>1,322</b>	<b>1,648</b>
X	<b>Total comprehensive income for the period (IX+X)</b>	<b>19,532</b>	<b>14,174</b>
XI	<b>Paid up equity share capital (Face value of Rs. 5 per equity share)</b>	<b>4,923</b>	<b>4,923</b>
XII	<b>Reserves(Other equity)</b>	<b>101,803</b>	<b>84,050</b>
XIII	<b>Earnings per share (Basic and Diluted)</b>	<b>18.50</b>	<b>12.72</b>



D. K. Himatsingka



# Himatsingka Seide Limited

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

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES			
			Rs. In Lakhs
Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>ASSETS</b>			
(1) <b>Non-current assets</b>			
(i) Property, Plant and Equipment	82,157	62,220	61,004
(ii) Capital work-in-progress	11,294	3,888	4,286
(iii) Investment property	3,645	3,946	4,530
(iv) Goodwill	34,142	35,255	33,040
(v) Other Intangible assets	6,747	4,815	1,764
(vi) Intangible Assets Under Development	-	-	330
(vii) Financial Assets			
(a) Investments	19	19	17
(b) Loans	100	91	105
(c) Others	1,627	991	1,027
(viii) Deferred tax assets (net)	3,401	7,126	6,682
(ix) Non Current Tax Assets (net)	1,344	889	703
(x) Other non-current assets	20,108	11,228	2,075
<b>Sub-total</b>	<b>164,584</b>	<b>130,468</b>	<b>115,563</b>
(2) <b>Current assets</b>			
(i) Inventories	75,388	58,424	55,431
(ii) Financial Assets			
(a) Investments			
(a) Trade receivables	6,828	6,082	4,393
(b) Cash and cash equivalents	20,360	12,207	3,507
(c) Loans	200	243	235
(d) Others	4,819	1,672	1,186
(iii) Other current assets	12,785	10,668	8,612
Non-Current Assets classified as held for sale	3,444	131	-
<b>Sub-total</b>	<b>123,823</b>	<b>89,427</b>	<b>73,364</b>
<b>TOTAL ASSETS</b>	<b>288,408</b>	<b>219,895</b>	<b>188,927</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share capital	4,923	4,923	4,923
Other Equity	101,803	84,050	73,461
<b>Total Equity</b>	<b>106,726</b>	<b>88,973</b>	<b>78,384</b>
<b>LIABILITIES</b>			
(1) <b>Non-current liabilities</b>			
(i) Financial Liabilities			
(a) Borrowings	73,978	52,897	35,269
(b) Other financial liabilities			
(ii) Provisions	1,451	1,088	797
(iii) Deferred tax liabilities (net)	95	255	390
(iv) Non current Tax Liabilities (net)	-	399	400
(v) Other non-current liabilities	5,335	1,564	309
<b>Sub-total</b>	<b>80,859</b>	<b>56,203</b>	<b>37,165</b>
(2) <b>Current liabilities</b>			
(i) Financial Liabilities			
(a) Borrowings	60,880	44,501	37,888
(b) Trade payables	26,850	19,613	21,783
(c) Other financial liabilities	7,310	4,032	9,803
(ii) Provisions	170	140	125
(iii) Current Tax Liabilities (Net)	1,017	3,308	2,255
(iv) Other current liabilities	4,596	3,125	1,524
<b>Sub-total</b>	<b>100,823</b>	<b>74,719</b>	<b>73,377</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>288,408</b>	<b>219,895</b>	<b>188,927</b>

D.K. Haskins & Sells  




# Himatsingka Seide Limited

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

**NOTES:**

- 1 The above consolidated financial results ("the Statement") for the year ended March 31, 2017 were reviewed by Audit Committee and thereafter approved by the Board of Directors at its meeting held on May 23, 2017. The above consolidated financial results for the year ended March 31, 2017 have been audited by the Statutory Auditors.
- 2 The Statement has been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Company adopted Ind AS from April 01, 2016, with a transition date of April 01, 2015 and these financial results are accordingly prepared in accordance with Ind AS 101-First-time Adoption of Indian Accounting Standards.
- 3 Ind AS 101 requires that all the Ind AS standards and interpretations that are effective for the Ind AS financial statements for the year ended March 31, 2017 be applied consistently and retrospectively for all fiscal years presented. All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference in the carrying amounts of assets and liabilities in the financial statements under both Ind AS and Indian GAAP as at the transition date have been recognised directly in equity at the transition date.

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from India GAAP to Ind AS in accordance with Ind AS 101:

(a) Equity as at April 01, 2015

(b) Equity as at March 31, 2016

(c) Total comprehensive income for the year ended March 31, 2016

Particulars	Notes	Rs. In lakhs	
		March 31, 2016	April 01, 2015
Equity as reported under previous GAAP		98,332	80,490
Increase in value of Property, plant and equipment (deemed cost net of depreciation)	3.i	24,188	24,468
Intangibles recognised at acquisition date as per Ind AS 103	3.v	-	1,524
Expected credit loss on trade receivables	3.iii	(1,304)	(1,304)
Other Ind AS adjustments	3.iii	48	160
Recognition of deferred taxes using Balance Sheet approach under Ind AS	3.iv	(1,278)	1,588
Remeasurement of Business Combinations as per Ind AS 103	3.v	(30,923)	(30,923)
Adjustment of movement in foreign currency translation reserve, net of impact of above adjustment	3.vii	(1,867)	-
Dividends not recognised as liability until declared		1,778	2,381
<b>Equity as reported under Ind AS</b>		<b>88,973</b>	<b>78,384</b>



*D. K. Himatsingka*

# Himatsingka Seide Limited

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

Total Comprehensive Income Reconciliation		Rs. In lakhs
Particulars	Notes	Year ended (Audited) 31.03.2016
Net Profit as per previous GAAP		16,661
Reconciling Items		
Impact of depreciation on account of deemed cost and amortization of capital subsidy	3.i, 3.v	(1,784)
Exchange difference on translating the financial results of integral foreign operations	3.ii	85
Reclassification of remeasurement on employee benefit plans		137
Other Ind AS Adjustments	3.iii	59
Tax expense	3.iv	(2,632)
Profit After Tax (PAT) as per Ind AS		12,526
Other Comprehensive Income ("OCI")		
Impact of forward exchange contracts and interest rate swap classified as cash flow hedges (routed through OCI), net of tax	3.vi	246
Reclassification of remeasurement on employee benefit plans in to OCI net of tax		(91)
Adjustment on movement in the foreign currency translation reserve		1,493
<b>Total Comprehensive income as per Ind AS</b>		<b>14,174</b>

- 3.i Ind AS 101 (First-time Adoption of Indian Accounting Standards) provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. Ind AS 101 allows first-time adopters exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the exemption in its financial results for its Property, Plant and Equipment, as well as Intangible Assets and Investment Properties (referred to as "fixed assets" in aggregate). The Company has opted to determine the deemed cost of such fixed assets as of April 01, 2015 to be represented by the fair value of the land and buildings and restating certain other items of fixed assets in accordance with Ind AS wherein these fixed assets were grossed up for the capital subsidies received in prior years (net of amortisation). Accordingly, the increase in the carrying value of these fixed assets to their deemed costs resulted in higher depreciation charge for the year/period. The amortisation of the capital subsidy has been netted against the depreciation of the relevant fixed asset.
- 3.ii Under previous GAAP, the Company had charged off certain loan origination/upfront fees paid to the banks for facilitating the term loans, as finance cost in the respective year of incurrence. Under Ind AS, such financial liabilities, classified to be carried at amortised cost basis, have resulted in a change in the current period finance cost (net) with an adjustment to the retained earning balance as of April 01, 2015.
- 3.iii Other Ind AS adjustments mainly includes the effect of measurement of financial assets and liabilities, either at fair value or amortised cost etc.
- 3.iv The Company has recognised the deferred tax impact arising from Ind AS adjustments as well as evaluated the status of the deferred tax asset arising from tax losses existing as of March 31, 2015 not recognised as per previous GAAP in the absence of virtual certainty and has adjusted the same in the reserves as of April 01, 2015. Based on the utilisation of the tax losses during the period(s), such reversal of deferred tax asset is recognised in statement of profit and loss.
- 3.v The Company has opted to apply the optional exemption provided in Ind AS 101, with regard to business combinations wherein the Company has considered January 01, 2007 as the effective date for applying business combinations retrospectively. This has resulted in the Company recognising certain items of intangibles, earlier subsumed within goodwill as well as adjusting the goodwill recognised in previous GAAP from additional interest acquired in subsidiaries to be adjusted directly to shareholders funds and retained earnings as of April 01, 2015, net of necessary amortisation of the intangibles. As the intangibles recognised had an estimated useful life expiring during 2015-16, the Company has recognised certain amortisation charges towards the same. Additionally, Ind AS 103 did not permit transaction costs to be considered as part of investment/purchase consideration resulting in the same being adjusted to retained earnings/ statement of profit and loss as necessary.
- 3.vi The Company uses derivative financial instruments(hedging instruments) to manage risks associated with foreign currency exchange fluctuations relating to certain highly probable forecasted transactions. The hedging instruments initially measured at fair value, are remeasured at subsequent reporting dates. Under the previous GAAP, changes in the fair value of these hedging instruments designated and effective, as hedge of future cash flows, were recognized directly in a Hedge Reserve (grouped under reserves and surplus) until the occurrence of the forecast transaction at which time the same was recognized in the Statement of profit and loss. As per Ind AS requirements changes in the fair value are routed through Other Comprehensive income, to be disclosed in the statement of equity as a Hedge Reserve. On occurrence of the forecast transaction, the effective portion of these derivatives are adjusted against the underlying hedged item and ineffective portion is recognized as expense in the Statement of profit and loss.
- 3.vii Restatement of foreign operations termed as 'integral operations' under the Previous GAAP and included as an adjustment to the income statement, has under Ind AS 21 been considered as an element of other comprehensive income due to conversion of functional and reporting currency.
- 4 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. Home Textiles, with a product base of different cotton and silk blended products, 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.
- 5 The Board of Directors have proposed a final dividend of Rs.2.50 per share, which is subject to the approval by the shareholders in the Annual General Meeting.

Bengaluru  
May 23, 2017

Dinesh Himatsingka  
Executive Chairman

Shrikant Himatsingka  
Managing Director & CEO



Phone : +91-80-4257 8000 Fax : +91-80-4147 9384

Email : hslblr@himatsingka.com Website : www.himatsingka.com CIN : L17112KA1985PLC006647

## INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF HIMATSINGKA SEIDE LIMITED

1. We have audited the accompanying Statement of Consolidated Financial Results of **HIMATSINGKA SEIDE LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the year ended March 31, 2017 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement, which is the responsibility of the Parent's Management and approved by the Board of Directors, has been compiled from the related consolidated financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such consolidated financial statements.

2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Parent's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 4 below, is sufficient and appropriate to provide a basis for our audit opinion.

3. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements and the other financial information of subsidiaries, referred to in paragraph 4 below, the Statement:

- a. includes the results of the following subsidiaries:

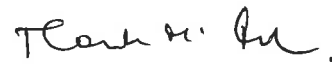
Himatsingka Wovens Private Limited  
Himatsingka Holdings NA Inc  
Himatsingka America Inc  
Himatsingka Europe Limited  
Twill & Oxford LLC  
Himatsingka Singapore Pte Ltd  
Giuseppe Bellora Srl



- b. is presented in accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
- c. gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit, total comprehensive income and other financial information of the Group for the year ended March 31, 2017.
4. We did not audit the financial statements of 2 subsidiaries included in the consolidated financial results, whose financial statements reflect total assets of Rs.18,990 Lakhs as at 31st March, 2017, total revenues of Rs.10,198 Lakhs, total net profit after tax of Rs.108 Lakhs and total comprehensive income of Rs 108 Lakhs for the year ended on that date, as considered in the consolidated financial results. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

For DELOITTE HASKINS & SELLS  
Chartered Accountants  
(Firm's Registration No:008072S)



**Monisha Parikh**  
Partner  
(Membership No.047840)

BENGALURU, May 23, 2017

# Himatsingka Seide Limited

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

Ref: SEC:0001:2:0913:KGN

May 23, 2017

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

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

Dear Sirs,

**Sub: Declaration pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016 and SEBI Circular No. CIR/CFO/CMD/56/2016**

## DECLARATION

In compliance to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016 and SEBI Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016, I hereby declare that M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm's Registration No. 008072S), Statutory Auditors of our Company, have issued an Audit Report with unmodified opinion on Audited Financial Results (Standalone and Consolidated) of the Company for the quarter and year ended March 31, 2017.

Kindly take this declaration on your records.

Thanking you,

Yours faithfully,  
For Himatsingka Seide Limited

  
Ashok Sharma  
Vice President – Treasury, Taxation  
& Company Secretary