Power of Integration

ANNUAL REPORT 2016

Himatsingka Seide

Contents

“Our focus on delivering sustainable value, combined with our corporate ideals of good governance and transparency will give us the essential ingredients to build a strong and globally competitive enterprise”

Dinesh Himatsingka
Executive Chairman

Shrikant Himatsingka
Managing Director & CEO

Dear Shareholders

Fiscal 2015-16 has been a milestone year for the Group. The financial and operating performance signal that our initiatives to consolidate and strengthen our position in the global home textile industry have augured well.

Operating Performance
Through today, we have focused on enhancing performance across our manufacturing and distribution businesses. On the manufacturing front, we have significantly enhanced performance parameters by bringing in a new paradigm on efficiencies, productivity and technology. On the global distribution front, we have been expanding our brand portfolio and thereby bringing more relevant and differentiated solutions to the global shelf. Our integrated approach, where the power of large scale manufacturing complimented with a strong brand portfolio has helped us disseminate capacities with an optimal product profile and has paved the path to creating sustainable value.

These initiatives have had a positive impact on the consolidated financial performance over the last 3 years. Our focus on profitability has kept Consolidated Revenue range bound at Rs. 1886.84 crores for FY '16. The Compounded Annual Growth Rate (CAGR) for Consolidated Revenue over the same period stood at 3.6%. The Consolidated EBIDTA however, has grown at a CAGR of 23.2% to Rs. 312.05 crores in FY '16 and our consolidated Profit After Tax during the same period has grown at a CAGR of 42.7% to Rs. 166.6 Crores in FY '16. Therefore, our asset base has been utilized better with the Return On Capital Employed (ROCE) growing from 8.6% to 15.1% in FY '16 and our Return On Equity (ROE) growing from 9.5% to 18.6% during the same period. It will be our endeavor to continue to improve our return ratios going forward.

New Initiatives
Fiscal '16 also marked the announcement on fresh investments to be made in order to augment our manufacturing capacities and capabilities. Our investment outlay of approximately Rs. 1,300 crores will aid in achieving the following:

> Double the Group's Sheeting capacity from 23 MMPA (Million Meters Per Annum) to 46 MMPA.

> Backward integrate into ultra-fine count cotton spinning by setting up the world's largest spinning plant under one roof with a capacity of 211,584 spindles.

> Foray into manufacturing Terry Towels with a capacity of 25,000 TPA (Tons Per Annum) as it is synergistic and strategic to the Group's current offerings.

These investments will be made in a phased manner beginning FY '16 through FY '18 and will help augment our manufacturing portfolio over the next 3 years.

Contiguous to the new initiatives in manufacturing, we intend to pursue initiatives to drive growth in our distribution verticals as well. Today, with over 10 brands, the Group has amongst the largest portfolio of Home Textile brands with an annual throughput of over Rs. 800 crores. Creating brands and solutions that are differentiated by technology also continues to be a key area of focus. We are indeed pleased to be the first mover to bring to market a DNA verified cotton value chain solution under the Pimacott Brand. This initiative will drive significant value for our clients and consumers alike in the backdrop of ever changing consumer preferences, demands of the millennial consumer and the advent of omni-channel retailing.

Outlook
Looking forward, we expect our investments to add to our manufacturing portfolio and garner for us a top 3 position across our businesses globally. Our focus on delivering sustainable value, combined with our corporate ideals of good governance and transparency will give us the essential ingredients to build a strong and globally competitive enterprise.

We wish to express our sincere gratitude to our Board of Directors, Investors, Employees, Bankers and Suppliers for their trust and continued support for our initiatives.

Sincerely,
Dinesh Himatsingka Shrikant Himatsingka

Integration is

SOURCING Spinning RESEARCH

SEWING Weaving

INTEGRATED SOLUTIONS

Control Resilience

Designing PROCESSING

Branding Farm to Shelf

TRUST

Warehousing Retailing

Consistency

Risk Optimization

Power of Integration

Himatsingka was amongst the first to build and combine the consumer facing domain of brands and distribution with the complexity of the manufacturing value chain.

Our pursuit of creating sustainable value is built on the premise of the power of integration. We believe this integrated approach will lead to - a superior shelf life of products, develop deeper relationship with clients, create broader platform for innovation, drive visibility and equip our businesses with the ability to better respond to the volatile economic conditions that prevail globally.

Our Brands

Today, with over 10 brands, the Group has amongst the largest portfolio of Home Textile brands with an annual throughput of over Rs. 800 crores.

Calvin Klein home

kelly wearstler

BEEKMAN 1802

kate spade NEW YORK

AÉROPOSTALE

BARBARA BARRY

ESPRIT

Pima cott®

Bellora® since 1883 MILANO

atmosphere®

Manufacturing

Investing Rs. 1300 Crores in augmenting manufacturing capacities and capabilities.

“We have significantly enhanced performance parameters by bringing in a new paradigm on efficiencies, productivity and technology.”

Our integrated approach, where the power of large scale manufacturing complimented with a strong brand portfolio has helped us disseminate capacities with an optimal product profile and has paved the path to creating sustainable value.

CORPORATE INFORMATION

Board of Directors

Dilip J. Thakkar
Chairman – upto 21.05.2016

D.K. Himatsingka
Executive Chairman w.e.f. 21.05.2016

A.K. Himatsingka
Vice Chairman – upto 22.05.2016

Dr. K.R.S. Murthy

Berjis M. Desai

Rajiv Khaitan

Sangeeta Kulkarni – w.e.f. 21.05.2016

Shrikant Himatsingka
Managing Director & CEO w.e.f. 21.05.2016

Aditya Himatsingka
Executive Director

Jayshree Poddar
Executive Director – upto 22.05.2016

V. Vasudevan
Executive Director – w.e.f. 21.05.2016

Audit Committee

Rajiv Khaitan – Chairman

Dr. K.R.S. Murthy – Member

Berjis M. Desai – Member

Shrikant Himatsingka – Member

Stakeholder Relationship Committee

Dr. K.R.S. Murthy – Chairman

Rajiv Khaitan – Member

D.K. Himatsingka – Member

Finance & Investment Committee

D.K. Himatsingka – Member

Rajiv Khaitan – Member

Shrikant Himatsingka – Member

Nomination & Remuneration Committee

Rajiv Khaitan – Chairman

Dr. K.R.S. Murthy – Member

Berjis M. Desai – Member

Risk Management Committee

Dr. K.R.S. Murthy – Chairman

Aditya Himatsingka – Member

Shrikant Himatsingka – Member

V. Vasudevan – Member

Corporate Social Responsibility Committee

Dr. K.R.S. Murthy – Chairman

D.K. Himatsingka – Member

Shrikant Himatsingka – Member

Share Transfer Committee

D.K. Himatsingka – Member

Shrikant Himatsingka – Member

V. Vasudevan – Member

Senior Executives

David Greenstein
President & CEO
Himatsingka America Inc., U.S.A

Pradeep K.P.
President – Finance & Group CFO

Y.R. Wilson Maria Doss
President – Corporate HR (India)

Shanmuga Sundaram
President – Manufacturing Operations (Hassan)

Jayshree Poddar
Head of Design

Company Secretary

Ashok Sharma

Bankers

Axis Bank Ltd

Canara Bank

Export – Import Bank of India

The Hongkong & Shanghai

Banking Corporation Ltd

Abu Dhabi Commercial Bank

Statutory Auditors

Deloitte Haskins & Sells

Registered Office

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

Works

Drapery and Upholstery Unit:
23A KIADB Industrial Area
Veerapura Village
Doddaballapur Taluk P O-561203
Bengaluru District
Karnataka, India

Bed Linen Unit

Plot No.1, KIADB Industrial Area
Gorur Road
Hanumanthapura P O
Hassan-573201
Karnataka, India

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMIC OVERVIEW

The World economic growth for the year 2015 is estimated to stand at 3.1% as against 3.4% clocked during 2014. Global economic activity in 2015 remained subdued with both emerging markets and developing economies witnessing a decline, while the advanced economies saw marginal recovery. The relative slowdown of economic activity in China, the gloom on energy and commodity prices and the gradual tightening of monetary policy in the United States have been amongst the key factors that have influenced the global economic climate during 2015.

The World economic growth for 2016 and 2017 are forecasted to stand at 3.4% and 3.6% respectively. While the growth trajectory in emerging markets and developing economies is projected to increase from the 4% levels witnessed in 2015 to 4.3% in 2016 and 4.7% in 2017, the advanced economies are projected to grow at 2.1% for 2016 and 2017.

Overall, the forecast for global growth has been brought down a notch for 2016 and 2017. These revisions have been substantially influenced by the weaker than forecasted conditions in emerging economies such as Brazil where the recession has impacted the growth prospects of the economy. In addition, Middle Eastern economies have been impacted by the low oil prices.

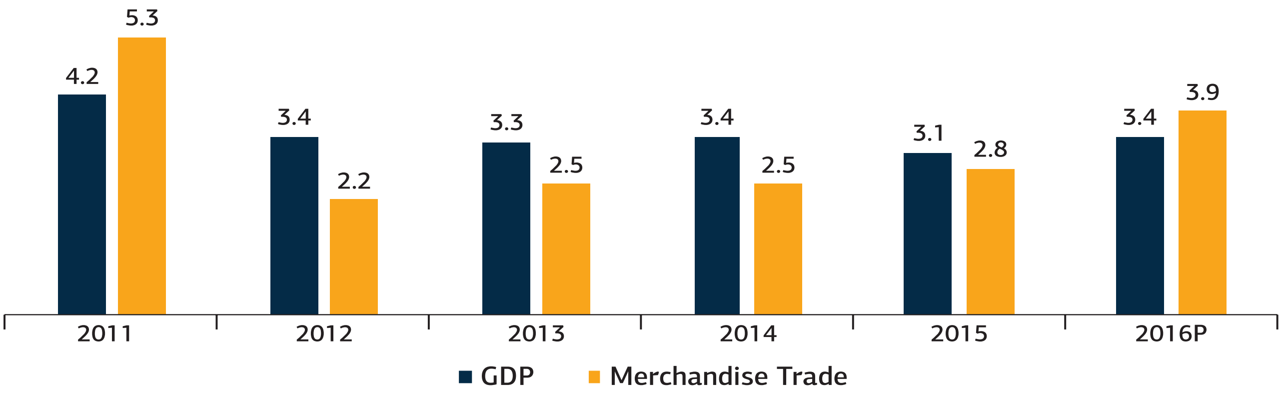
Table 1: World Economic Growth – Projections **% Change**

World Economic Outlook – Projections	2014 (E^)	2015(E^)	2016(P*)	2017E(P*)
World Output 2/	**3.4**	**3.1**	**3.4**	**3.6**
Advanced Economies	1.8	1.9	2.1	2.1
United States	2.4	2.5	2.6	2.6
Euro Area	0.9	1.5	1.7	1.7
Germany	1.6	1.5	1.7	1.7
France	0.2	1.1	1.3	1.5
Italy	-0.4	0.8	1.3	1.2
Spain	1.4	3.2	2.7	2.3
Japan	0	0.6	1	0.3
United Kingdom	2.9	2.2	2.2	2.2
Canada	2.5	1.2	1.7	2.1
Other Advanced Economies 3/	**2.8**	**2.1**	**2.4**	**2.8**
Emerging Market and Developing Economies 4/	**4.6**	**4**	**4.3**	**4.7**
Commonwealth of Independent States	1	-2.8	0	1.7
Russia	0.6	-3.7	-1	1
Excluding Russia	1.9	-0.7	2.3	3.2
Emerging and Developing Asia	6.8	6.6	6.3	6.2
China	7.3	6.9	6.3	6
India 5/	**7.3**	**7.3**	**7.5**	**7.5**
ASEAN-5 6/	4.6	4.7	4.8	5.1
Emerging and Developing Europe	2.8	3.4	3.1	3.4
Latin America and the Caribbean	1.3	-0.3	-0.3	1.6
Brazil	0.1	-3.8	-3.5	0
Mexico	2.3	2.5	2.6	2.9
Middle East, North Africa, Afghanistan, and Pakistan	2.8	2.5	3.6	3.6
Saudi Arabia	3.6	3.4	1.2	1.9
Sub-Saharan Africa	5	3.5	4	4.7
Nigeria	6.3	3	4.1	4.2
South Africa	1.5	1.3	0.7	1.8

(Source: IMF – World Economic Outlook, 2016) E^ = Estimate P* = Projection

On the global trade front, the world merchandise trade remained sluggish in 2015 with a growth rate of 2.8% compared to 2.5% in 2014. However, global trade is expected to grow at a slightly better rate of 3.9 per cent in 2016. [Source: International Trade Statistics, WTO]

Table 2: Growth in World GDP & Merchandise Trade, 2011-2016 **% Change**



(*Source:* IMF & WTO)

INDIAN ECONOMIC OVERVIEW

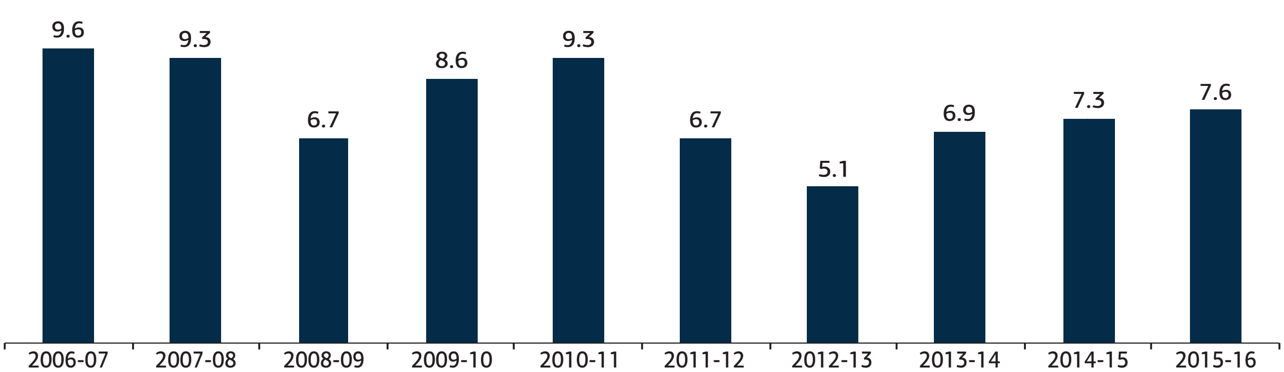
As per the International Monetary Fund (IMF), India has emerged to be the fastest growing major economy in the world. According to forecasts, the Indian economy will continue on a robust growth path for FY 2016-17 clocking growth rates in excess of 7%. The World Bank too retained a forecasted growth rate of 7.6% growth rate for India in 2016-17, which it said could accelerate to 7.7% in 2017-18 and 7.8% in 2018-19. India registered a 7.6% growth rate in 2015-16.

The buoyant prospects for the Indian economy have been supported by strong Government reforms, benign commodity prices and a conducive inflationary environment. The challenge for the Indian economy will be to stimulate agricultural growth, rural demand and trade & private investment while ensuring that demand from urban households and public investments are sustained.

The tone of Government reforms and initiatives on various fronts are likely to support the economic growth agenda of the country. The "Make in India" initiative with an aim to boost the manufacturing sector is a timely measure and has attracted global attention. The manufacturing sector currently contributes to over 15% of the GDP and the Government of India, under the "Make in India" initiative, is looking at enhancing this contribution to 25% of the GDP.

"Digital India", another strong initiative by the Government of India is focused on the enhancement of digital infrastructure, digital literacy and delivering various services leveraging digital platforms, resulting in the potential transformation to a digitally empowered economy. These initiatives too will contribute in making India a global hub for design and manufacturing.

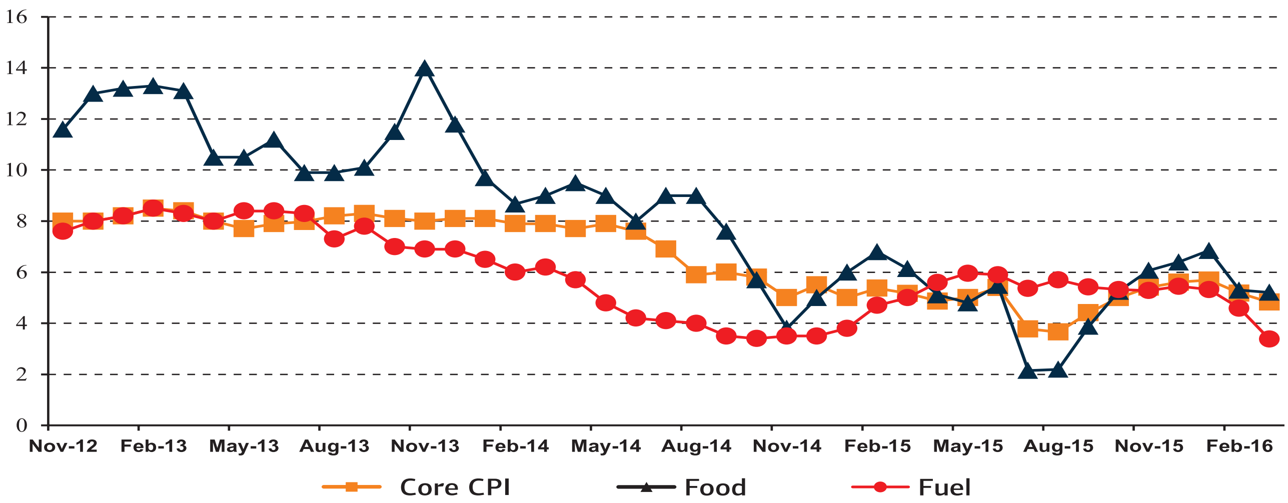
Table 3: GDP Growth **% Rates**



(*Source:* MOSPI – Ministry of Statistics and Programme Implementation)

The uptick in growth is coinciding with a downward movement in inflation, as the effects of the past slowdown and sharp fall in global commodity prices are filtering through the economy. Inflation levels have continued to surprise on the downside and seem to be within the comfort zone of the Reserve Bank of India. Price levels across food, fuel and services seem to have moderated. This moderation in inflation has also had an impact on interest rates as the Reserve Bank of India (RBI) has been reducing its bench mark rate over the last year. The RBI had established targets for inflation under its new policy regime and as such those targets have been met comfortably and set the stage for a further easing of policy in the coming months.

Table 4: Inflation Indices – 2012-16 **% Rate**

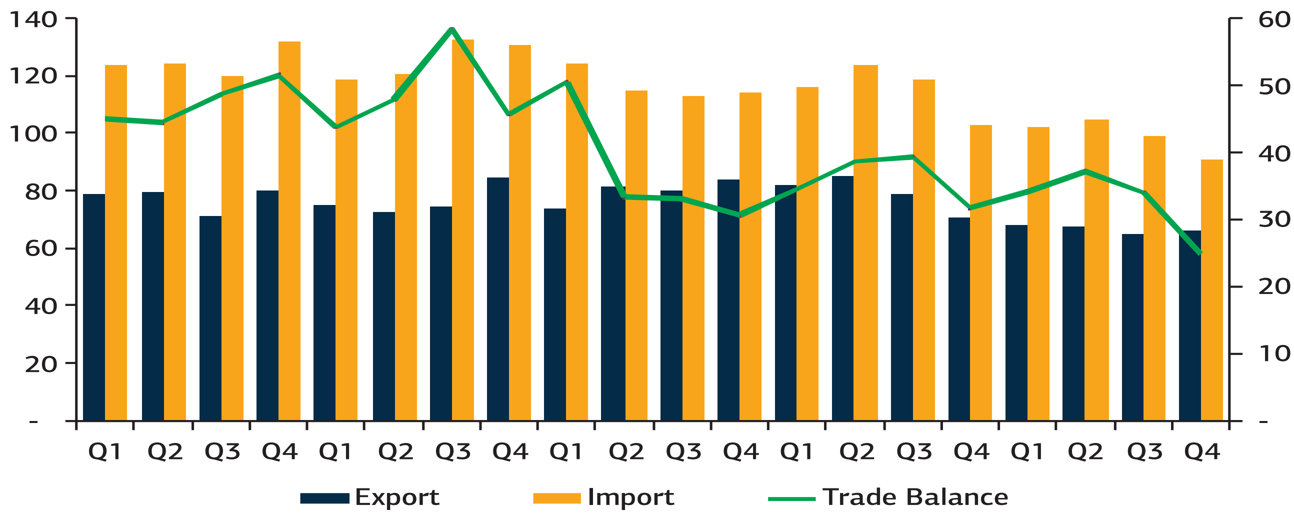


(*Source:* Reserve Bank of India)

On the trade front, total exports during FY 2015-16 were subdued and stood at USD 266 Billion compared to USD 316 Billion in FY 2014-15. The trade deficit also corrected and stood at USD 130 Billion compared to USD 144 Billion in FY 2014-15.

As per the current rankings, India is the 19th largest exporter (with a share of 1.7%) and 12th largest importer (with a share of 2.4%) of merchandise trade in the world. In Commercial Services Exports, India was the 8^{th} largest exporter in 2014 (with a share of 3.2%). In imports of commercial services India ranks 10th (with a share of 2.6%).

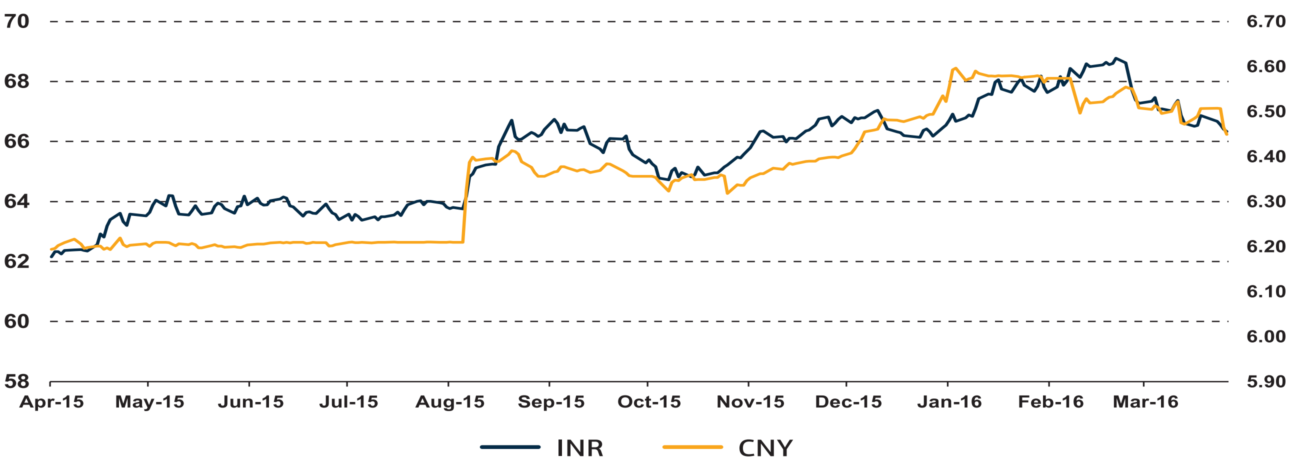
Table 5: Quarterly Trade Figures **USD Billion**



(*Source:* Reserve Bank of India)

On the currency front, the Indian Rupee has witnessed considerable movement over the past year. The weak global cues have taken a toll on the Rupee causing it to depreciate against the Dollar. The Rupee saw a high of 62.16 to the US Dollar in Apr 2015, and has since then moved downwards to close the year above 66 to a Dollar.

Table 6: Exchange Rate – against USD

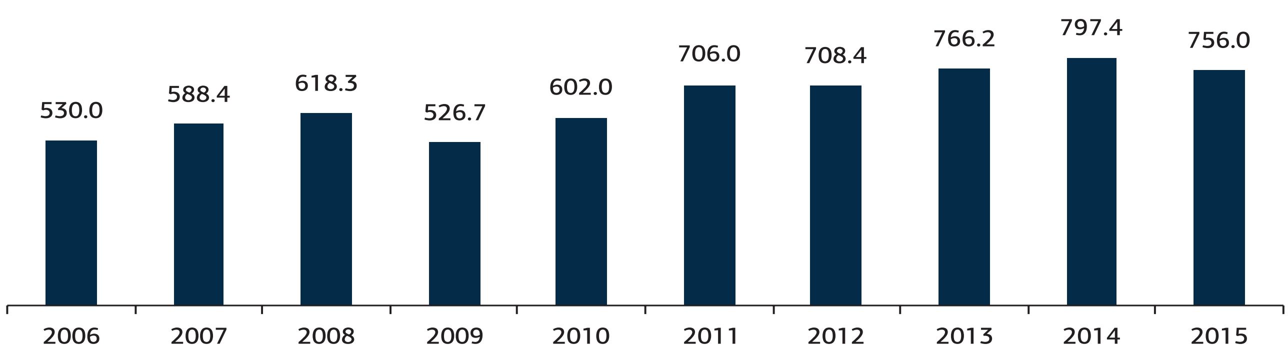


(*Source:* Reserve Bank of India, Ministry of Commerce – People's Republic of China)

GLOBAL TEXTILE INDUSTRY

The Global Textile & Apparel trade for 2015 stood at USD 756 Billion (USD 797 Billion in 2014) and contributed to 4.6% of Global trade (4.3% during 2014). Of USD 756 Billion, USD 444 Billion came from the Apparel sector and USD 312 Billion came from the Textiles sector. The Global Textile and Apparel trade has witnessed a Compounded Annual Growth Rate (CAGR) of 4.7% from 2005 through 2015. The global Textile and Apparel trade is estimated to grow in the band of 4.5% – 5% going forward and likely to touch approximately USD 1 Trillion by 2020. *(Source: World Trade Statistical Review 2016, WTO).*

Table 7: World Textile & Apparel Trade **USD Billion**



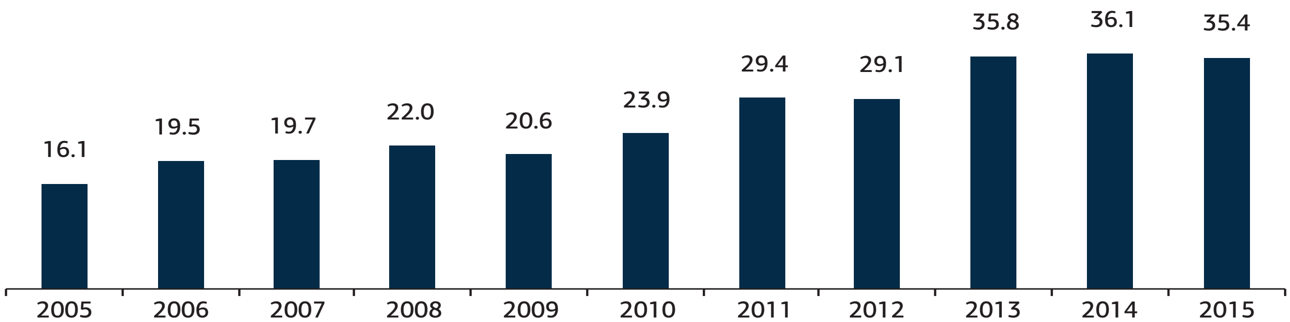
(*Source:* International Trade Statistics 2015, WTO)

INDIAN TEXTILE SCENARIO

- **Contributes 5% of the Indian GDP**
- **Direct employment base of 45 million people**
- **Indirect employment base of 60 million people**
- **13% share of India's exports**
- **14% contribution to India's Industrial production**
- **$ 108 Billion Industry**

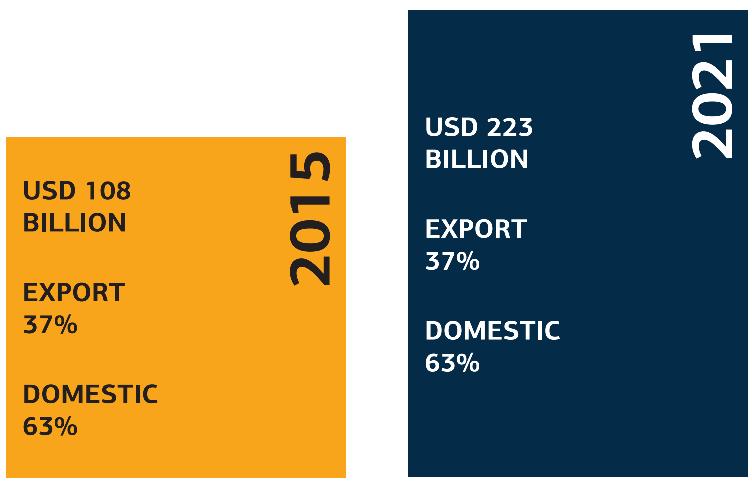
India is the world's second largest producer of textiles and apparel products. The textile industry has kept pace with the growth India has witnessed over the years and substantially contributes to the country's GDP, employment and share of total exports.

Table 8: India Exports of Textiles and Clothing USD Billion



(*Source:* International Trade Statistics 2014, WTO)

The size of India's Textile Industry (Domestic and Exports) is estimated at USD 108 Billion in the year 2015 (Source IBEF). This is projected to grow at a CAGR of 12.8% to USD 223 Billion by 2021. The growth will be driven by both the domestic and export segments of the industry. While exports are likely to grow from USD 36 Billion in 2014 to USD 82 Billion in 2021, the domestic market is likely to grow from USD 68 Billion to USD 141 Billion during the same period. (Source: FICCI, Ministry of Textiles). As seen in Table 8 above, Indian textile and apparel exports have seen a steady rise over the years. Exports have clocked a CAGR of 8.2% from 2005 through 2015.



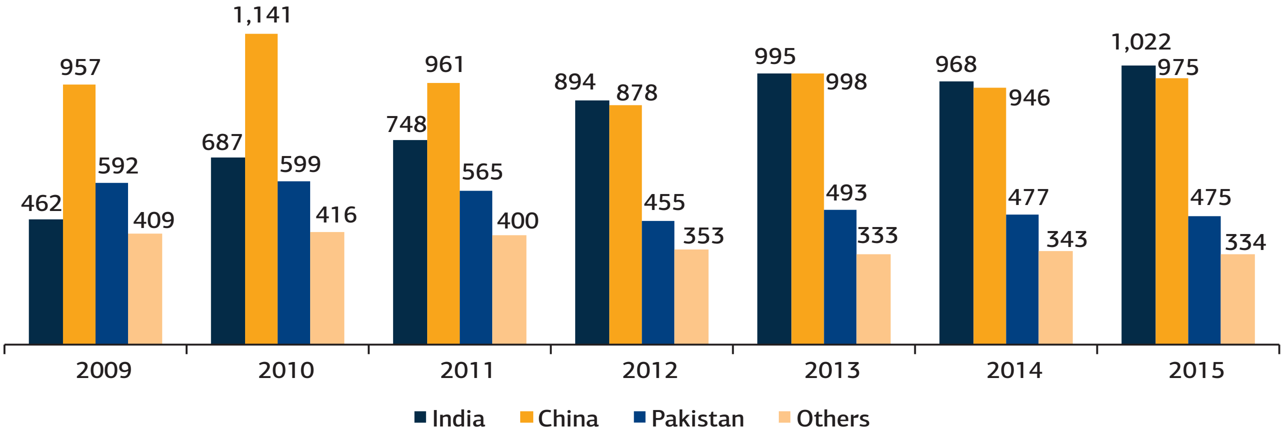
With a potential to cross USD 200 Billion by the end of the 13th Five Year Plan, it is evident that the Indian Textile Industry is poised to occupy an important place in the Global textile map. This growth will be fueled by the significant strengths and advantages India enjoys particularly in Cotton based textile products among other textile categories. The same will be leveraged to enhance its share of global textile trade and enable it to keep pace with the growing domestic demand.

Given the strong presence of the Himatsingka Group in the bedding segment and its large presence in the North American market, the import data of the United States pertaining to cotton based bedding products is of particular significance.

The sourcing of Cotton based bedding products for the United States market is predominantly from India, China and Pakistan, among other countries. As seen in Table 9 below, the United States has increased its sourcing of Cotton Sheets, Pillow Cases, Bed Spreads and Quilts from India over the years. While total imports from India of these products stood at USD 462 Million in 2009, the same has grown to over USD 1 Billion in 2015. This translates to a CAGR of 14.15% over the same period. China, however, has clocked CAGR of 0.31% during the same period. This demonstrates India's manufacturing competitiveness in cotton based bedding products, which is likely to continue, given India's vast Cotton resources and a strong manufacturing platform for the usage of this fiber.

Taking a more granular look at the Home textile space, the United States continues to dominate the Global Home Textiles market. With an estimated market sized pegged at USD 28 – 30 Billion (Source: Home Textiles Today), the United States constitutes an estimated 40% of the Global Home Textile market valued at USD 70 – 75 Billion. The United States Home Textile market is an extremely mature market with the organized retail sector contributing over 99% of total throughput in that geography. The market is dominated by retailers who operate large Specialty store chains, Department store chains and Big Box discount chains.

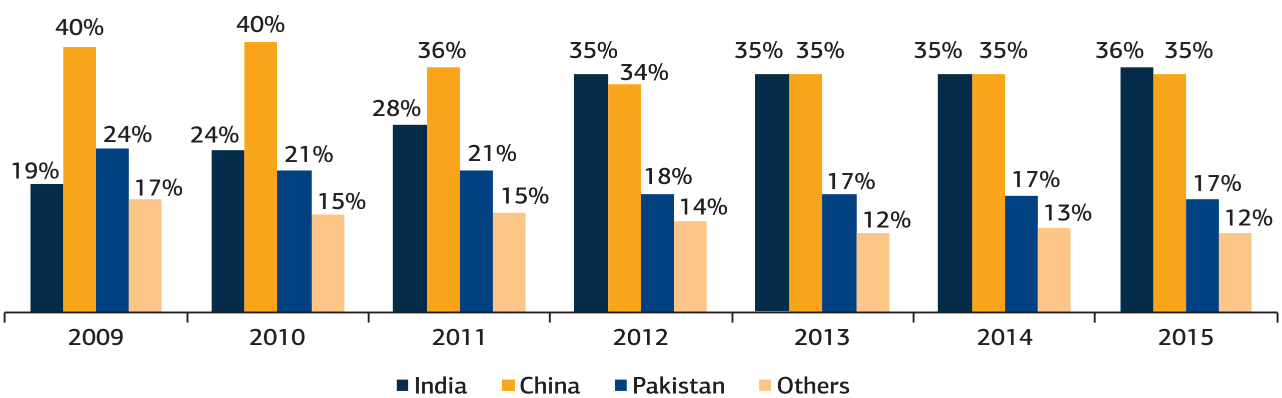
Table 9: US Imports **USD Million**



(*Source:* OTEXA, Department of Commerce, United States of America)

Further, Table 10 below demonstrates the percentage share of the United States imports of Cotton Sheets, Pillow Cases, Bed Spreads and Quilts. India and China clearly dominate the market with a 70% share of Imports. India's share of imports of the above products has grown from 19% in 2009 to 36% in 2015.

Table 10: US Imports **% Share of Countries**



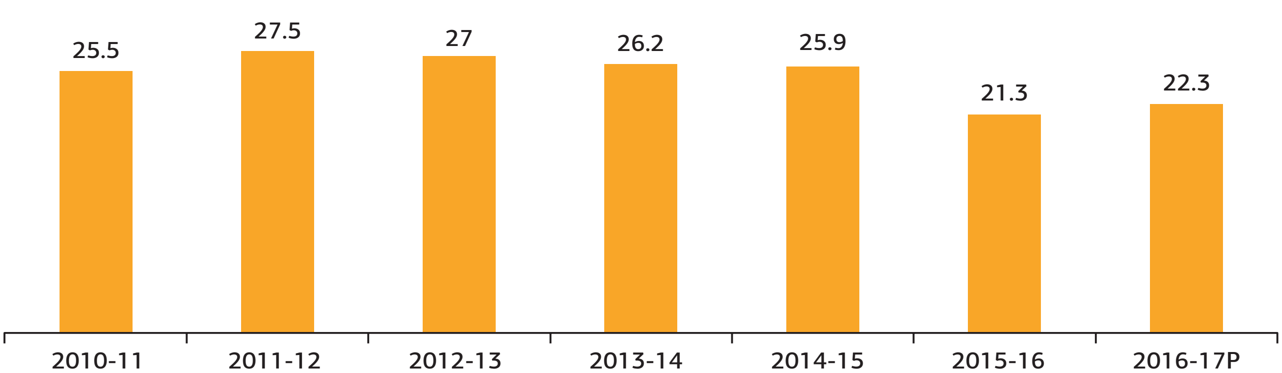
(*Source:* OTEXA, Department of Commerce, United States of America)

THE COTTON SCENARIO

RAW MATERIAL AVAILABILITY

Cotton is amongst the most extensively used fibers in the Global Textile space. India's vast cotton resources give it a strong competitive edge to be able to compete for a larger share in Global Textile and Apparel trade as well as position it to address the growing domestic demand for cotton textiles. World cotton production has been range bound over the last six years and stood at 98 million bales (of 480 lbs per bale) during 2015-16, approximately 21.3 million tons. Table below shows the Global Cotton Production over the last six years.

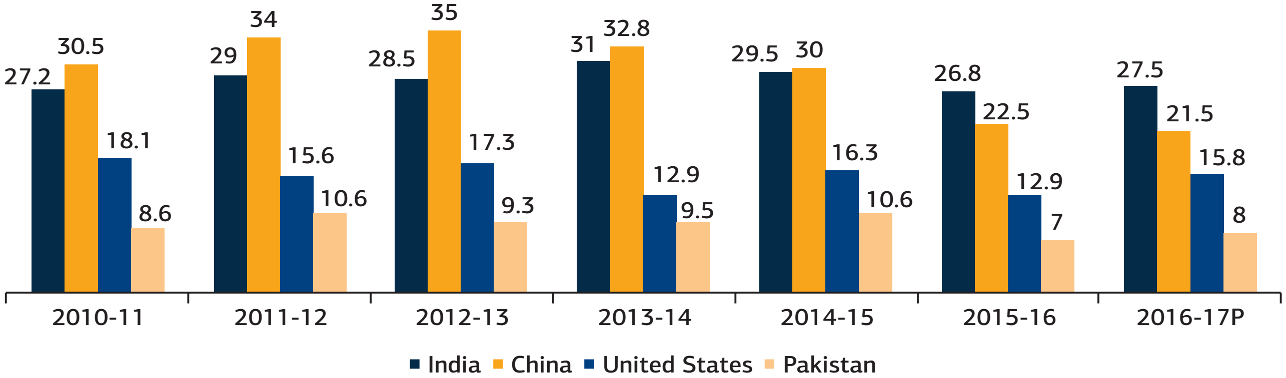
Table 11: World Cotton Production **Million Bales (480 Lbs per bale)**



(*Source:* CottonInc.com)

India and China contribute to more than 50% of global cotton output. With over 118.8 lakh hectares under cultivation and yields of approximately 504 kgs per hectare, the total output of cotton from India is close to 26.8 million bales per annum. *(Source: Cotton Advisory Board, India).* This makes India the largest producer of cotton in the world and the largest from a perspective of the total area under cultivation. Table 12 & 13 below show India's cotton production vis-à-vis China, USA and Pakistan and the steady rise in the area under cultivation over the last six years.

Table 12: Cotton Production **Million Bales (480 Lbs per bale)**



(*Source:* CottonInc.com)

The tables below give a snapshot of world cotton production over the last 4 years. As is visible, the Stock / Use ratio has remained range bound over the same period. However, cotton prices may fluctuate from region to region notwithstanding the global inventory positions.

Table 13: Cotton Balance Sheet

World Balance Sheet million 480 lb. bales	2012/13	2013/14	2014/15	2015/16
Beginning Stocks	74.6	92.0	103.2	112.5
Production	123.9	120.4	119.1	97.9
Supply	198.5	212.3	222.3	210.4
Mill-Use	108.5	109.8	110.1	110.2
Ending Stocks	92.0	103.2	112.5	100.3
Stocks/Use Ratio	84.8%	94.0%	102.1%	91.0%

China Balance Sheet million 480 lb. bales	2012/13	2013/14	2014/15	2015/16
Beginning Stocks	31.1	50.4	62.7	67.9
Production	35.0	32.8	30.0	22.5
Imports	20.3	14.1	8.3	4.5
Supply	86.4	97.2	101.0	94.9
Mill-Use	36.0	34.5	33.0	34.0
Exports	0.0	0.0	0.1	0.1
Demand	36.0	34.5	33.1	34.1
Ending Stocks	50.4	62.7	67.9	60.8
Stocks/Use Ratio	139.7%	181.6%	205.4%	178.2%

India Balance Sheet million 480 lb. bales	2012/13	2013/14	2014/15	2015/16
Beginning Stocks	10.6	11.8	11.5	13.5
Production	28.5	31.0	29.5	26.8
Imports	1.2	0.7	1.2	1.0
Supply	40.3	43.5	42.2	41.2
Mill-Use	21.8	23.3	24.5	24.3
Exports	7.8	9.3	4.2	5.8
Demand	29.5	32.5	28.7	30.1
Ending Stocks	11.8	11.5	13.5	11.2
Stocks/Use Ratio	40.0%	35.3%	47.0%	37.2%

(*Source:* United States Department of Agriculture)

HIMATSINGKA – OVERVIEW

The Himatsingka Group (Himatsingka Seide Limited and its subsidiaries, herein referred to as The Group) is a vertically integrated home textile group that manufactures, retails and distributes bedding, bath, drapery, upholstery and lifestyle accessory products. The Group operates two manufacturing facilities in India and retail and distribution businesses across North America, Europe and Asia.

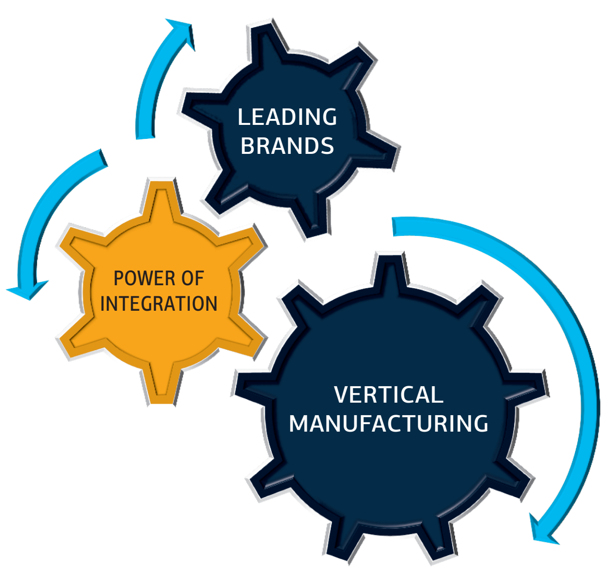
Himatsingka Manufacturing Portfolio

The Group is amongst the largest manufacturers of Bedding, Drapery and Upholstery products globally. Over the next three years, the Group will be investing INR 1,300 Crores in strengthening and augmenting its manufacturing capacities and capabilities. In addition to increasing its installed sheeting capacity, the Group will backward integrate into ultra-fine-count spinning by setting up the world's largest cotton spinning plant under one roof. Further, the Group also envisages setting up a green field Terry Towel plant to complement its current home textile portfolio.

Capacity Matrix – Manufacturing

Product	Unit	Current Capacity	Capacity Addition	Total Capacity
Sheeting	Million Meters Per Annum	23	23	46
Terry Towels	Metric Tonnes Per Annum	NIL	25000	25000
Yarn	Spindles	NIL	211000	211000

The integrated approach of Himatsingka combines the consumer facing domain of brands and distribution with the complexity of the manufacturing value chain. With over 10 brands, the Group has amongst the largest portfolio of home textile brands, catering to its markets across North America, Europe and India-Asia. The strong portfolio of brands gives the Group an edge in tapping global shelf space to reach the end consumer. These brands are either owned or exclusively licensed by the Group.



HIMATSINGKA – EMERGING OPPORTUNITIES AND AREAS OF FOCUS

With the growth in Global Textile & Apparel trade, several opportunities and areas of focus continue to emerge for the Group.

- Commissioning of fresh sheeting capacities during FY17
- Commencing work on the proposed spinning project during FY17
- Further consolidating brand portfolio
- Developing new markets
- Remain focused on driving efficiencies and productivity in manufacturing
- New product development, innovation & research

The Group remains focused on strengthening its manufacturing capabilities and enhancing its global distribution reach. On the manufacturing front, the group continues to invest in technology, research and development and capacities. The manufacturing divisions are capital intensive and therefore it is imperative for the group to focus on driving production efficiencies by driving technology, research and development and scale.

On the retail and distribution front, the Group has a rich portfolio of brands that address various tiers of the market and a strong presence in the private label market. Himatsingka continues to explore ways to strengthen its brand portfolio further and drive global presence by enhancing points of sale serviced via its branded and private label products.

HUMAN RESOURCES

Our approach to Human Resources has enabled us to be able to attract, integrate, develop and retain the talent required for driving sustainable growth. The continued focus on enhancing employee capabilities and benchmarking to be able to deliver best in class working environments have helped the Group to maintain its leadership in the Home Textile industry.

Our HR processes and systems have enabled us to be agile and responsive to the dynamic global environment that prevails today. We are focused to create a culture that is performance driven and recognizes innovation across the spectrum of activities within the Group. The Group employs over 4,500 people across its businesses.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control systems ensure proper safeguarding of assets, maintaining proper accounting records and reliable financial information.

An external independent firm carries out the internal audit of the Company's operations and reports its findings to the Audit Committee on a regular basis. Internal Audit also evaluates the functioning and quality of internal controls and provides assurance of its adequacy and effectiveness through periodic reporting.

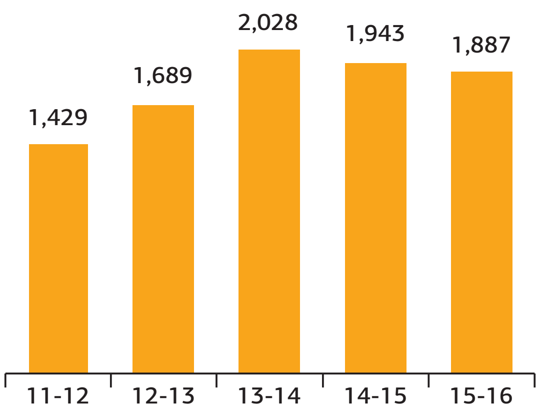
The combination of policies and processes address the various risks associated with the Company's business. The Company periodically reviews the risk management framework to maintain its contemporariness so as to effectively address the emerging challenges in a dynamic business environment.

RISKS, THREATS AND CONCERNS

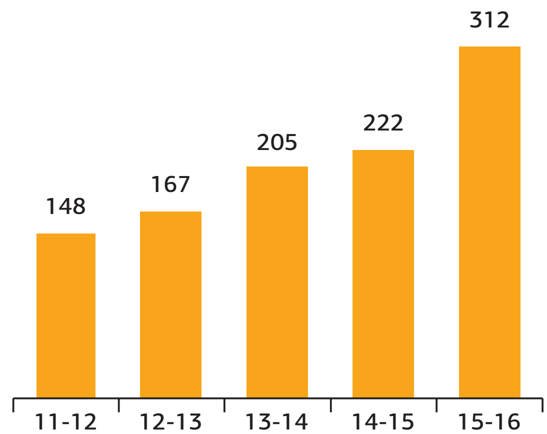
The Company's risks, threats and concerns have been discussed comprehensively under the segment, Risk Management, later in this section.

KEY FINANCIAL PARAMETERS

TOTAL REVENUE ₹ Crores



EBITDA ₹ Crores

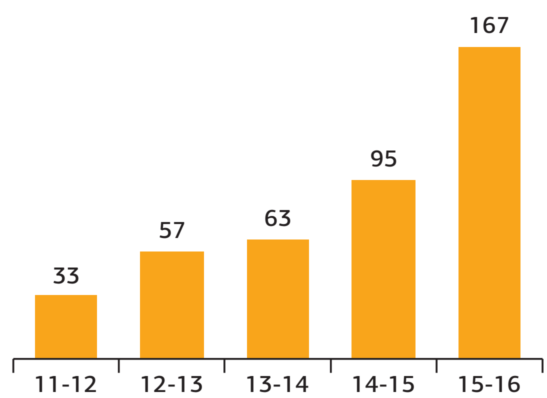


EBITDA CAGR %

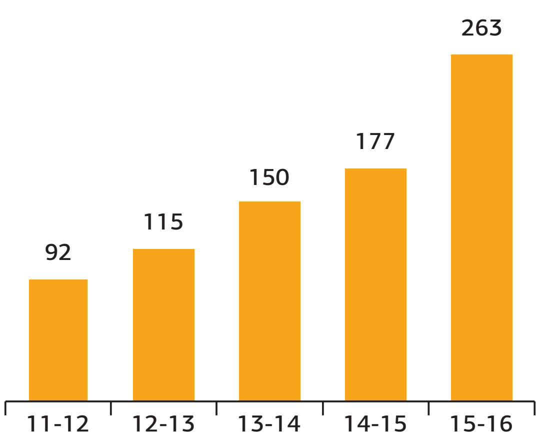
+ 20.58%

EBITDA CAGR (4 Years)

PAT ₹ Crores



EBIT ₹ Crores

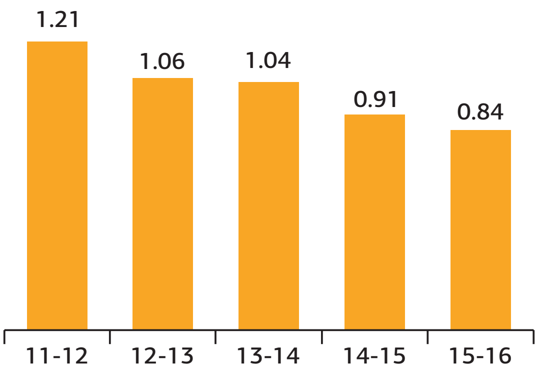


PAT CAGR %

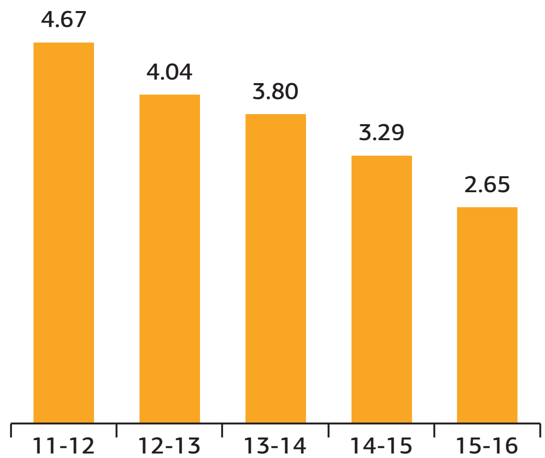
+ 49.83%

PAT CAGR (4 Years)

Net Debt / Equity — Ratio



Net Debt /EBITDA — Ratio

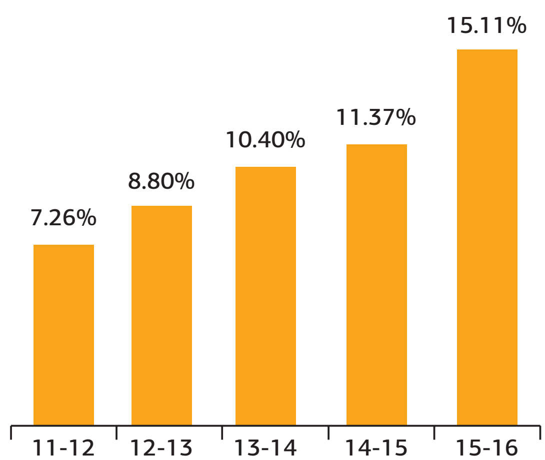


Total Assets — ₹ Crores

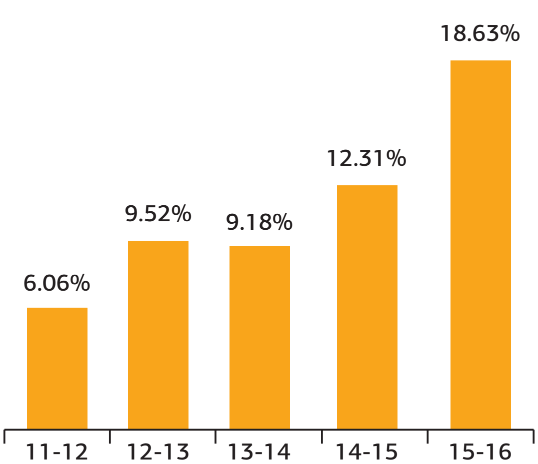
+ 2,302 Cr

Total Assets

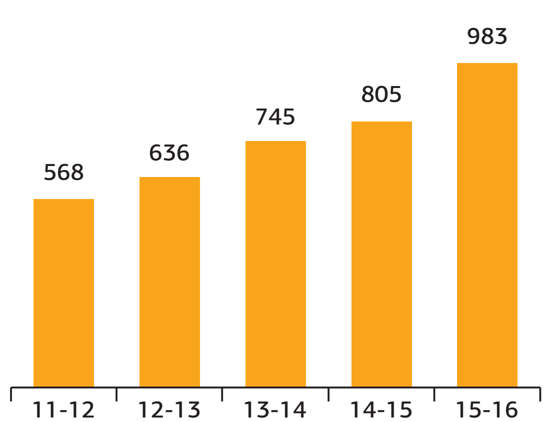
ROCE — %



ROE — %



Networth — ₹ Crores



DISCUSSION ON CONSOLIDATED FINANCIAL PERFORMANCE

A summary of our financial performance for the year ended March 31, 2016 and 2015 is as follows:

₹ in Lakhs

Particulars	2015-16	2014-15	Change %
Revenue	188,684	194,316	-2.9%
Other income	2,006	2,088	-3.9%
Cost of Materials consumed	112,422	125,121	-10.1%
As a % of Revenue	59.6%	64.4%	
Employee benefit expenses	18,623	19,344	-3.7%
Other expenses	28,439	29,786	-4.5%
EBITDA	**31,206**	**22,153**	**40.9%**
Depreciation	4,868	4,464	9.1%
EBIT	**26,338**	**17,689**	**48.9%**
Interest and finance costs	9,415	8,544	10.2%
Profit before tax	16,923	9,145	85.1%
Profit after tax	**16,660**	**9,544**	**74.6%**

Revenue analysis

Consolidated Revenue for the year decreased by 2.9% to ₹ 188,684 Lakhs.

- Revenues from the Bed Linen manufacturing unit increased by 11.3%.
- Revenues from the Drapery and Upholstery manufacturing unit decreased by 3%.

Expenditure analysis

- The Cost of Materials consumed stood at ₹ 112,422 Lakhs during the year. Material costs as a percentage of revenue decreased from 64.4% to 59.6%.
- Employee benefit expenses decreased by 3.7% to ₹ 18,623 Lakhs reflecting rationalization of costs at specific divisions.
- Interest and Finance charges increased by 10.2% to ₹ 9,415 Lakhs. This includes foreign exchange losses of ₹ 1,198 Lakhs on account of loans denominated in foreign currency classified as finance charges as per requirement of Accounting Standard 16 – Borrowing costs. Excluding the above classification, the Interest and Finance charges have decreased by 2.2% to ₹ 8,217 Lakhs.

Profitability analysis

- EBITDA increased by 40.9% to ₹ 31,206 Lakhs. The EBITDA margins improved to 16.5% compared to 11.4% in the previous year.
- The Consolidated Profit after tax for the year increased by 74.6% to ₹ 16,660 Lakhs.

CONSOLIDATED BALANCE SHEET

An analysis of our Consolidated Balance Sheet as at the year ended March 31, 2016 and 2015 is as follows:

₹ in Lakhs

Particulars	As on 31.03.2016	As on 31.03.2015
Share capital	4,923	4,923
Reserves and surplus	93,409	75,567
Shareholders' funds	98,332	80,490
Total Borrowings	94,190	75,621
Deferred tax liabilities	1,606	1,383
Other long term and current liabilities	36,163	35,659
Total liabilities	**230,291**	**193,153**
Fixed assets	49,008	46,496
Goodwill	68,615	63,962
Investments	19	17
Deferred tax assets (Net)	–	103
Inventories	58,424	55,430
Trade receivables	7,726	5,288
Cash and cash equivalents	11,435	2,638
Loans and advances	30,871	16,576
Other current assets	4,193	2,643
Total current assets	112,649	82,575
Total assets	**230,291**	**193,153**

Analysis of Liabilities

- Total borrowings increased by ₹ 18,569 Lakhs to ₹ 94,190 Lakhs due to additional borrowings towards new projects.
- Deferred tax liabilities increased by ₹ 223 Lakhs to ₹ 1,606 Lakhs during the year.
- Other liabilities increased by ₹ 504 Lakhs to ₹ 36,163 Lakhs mainly due to increase in provision for taxes ₹ 1,053 Lakhs, provision for gratuity by ₹ 244 Lakhs, Provision for other employee benefits by ₹ 63 Lakhs set off by decrease in provision for dividend by ₹ 604 Lakhs and decrease in other payables by ₹ 252 Lakhs.

Analysis of Assets

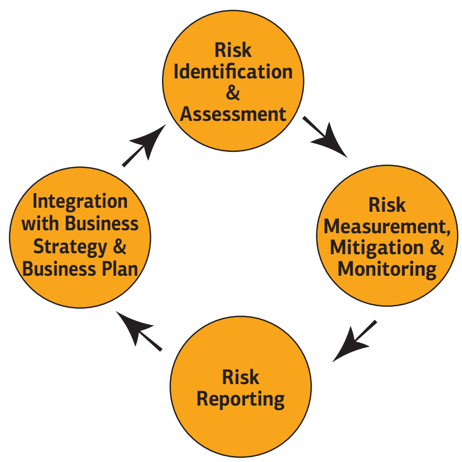
- Fixed assets including capital work-in-progress increased by ₹ 2,512 Lakhs to ₹ 49,008 Lakhs mainly due to addition of ₹ 8,623 Lakhs to the fixed assets and foreign exchange of ₹ 314 Lakhs off set by depreciation and amortization expense of ₹ 4,868 Lakhs, deletion of ₹ 1314 Lakhs, and decrease in capital work-in-progress by ₹ 243 Lakhs during the year.
- Goodwill increased by ₹ 4,653 Lakhs to ₹ 68,615 Lakhs mainly due to translation impact.
- Inventories increased by ₹ 2,994 Lakhs mainly due to increase of ₹ 2,025 Lakhs in the manufacturing division and ₹ 810 Lakhs in the North American subsidiaries.
- Trade receivable increased by ₹ 2,438 Lakhs mainly due to ₹ 1,245 Lakhs in the European subsidiary and ₹ 992 Lakhs in the North American subsidiaries.
- Loans and advances and other current assets increased by ₹ 15,845 Lakhs mainly due to increase in Capital advances by ₹ 5,507 Lakhs, MAT credit entitlement by ₹ 3,923 Lakhs, Prepaid expenses by ₹ 3,551 Lakhs, balances with government authorities by ₹ 1,639 Lakhs and subsidy under incentive schemes ₹ 913 Lakhs.

RISK MANAGEMENT

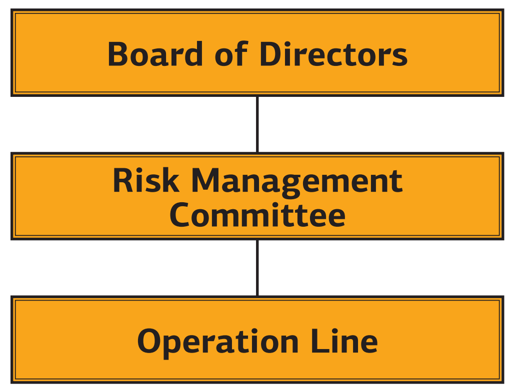
Risk Categories

- Business Concentration Risk
- Commodities Risk
- Competition Risk
- Foreign Exchange Risk
- Interest Rate Risk

Risk Management Process



Risk Governance Structure



The key objective of the Group's risk management system is to protect and further shareholder value through an opportunity-focused but risk-aware decision making framework.

The Group has well established internal control systems for operation of the Company and its subsidiaries. Finance department in partnership with other departments plan, implement and monitor the internal control systems. In addition, an independent audit firm undertakes an assessment of internal controls and compliance with the Group operating policies.

In this section, we have highlighted the Group's most important risks and opportunities. Risks are summarized in two categories: Business and Operational Risks and Financial Risks.

Business and Operational Risk

Business Concentration Risk

Risks arise from a dependence on particular customers, suppliers, other business partners, products or markets. An over reliance on a customer or on a supplier for a substantial part of the Group's business increases the Group's vulnerability to delivery and sales and could lead to significant margin pressure. A dependence on certain markets could make the Group susceptible to swings in customer demand or changes in the market environment.

The Group is actively pursuing opportunities in other geographies and evaluating alternative distribution networks in existing markets. We are continuously investing in strengthening brand equity to increase the consumer appeal of our products. Building strong relationships with customers to be a valuable and reliable business partner for them is one of the guiding principles of the Group.

Commodities Risk

Raw material costs account for approximately 65% of the Group's sales. Our operating results may be adversely affected by increased costs, disruption in supply or shortages of raw materials and other supplies.

The Group continues to evaluate various alternative sourcing options so as to address requirements optimally. In the medium term, we also have the ability to adapt our sourcing structure to take advantage of more competitive pricing in other geographies.

Competition Risk

Competition in the home textiles industry from producers in India, China and other developing countries may adversely affect our performance.

The Group is also exposed to risks from the increase of retailers' own private label businesses. As a result, we may experience a reduction of shelf space allocation and lower sales and margin due to price arbitrage.

The Group maintains its competitive advantage by continuous investments in portfolio of brands, product designing and manufacturing capabilities and ensuring timely deliveries at competitive prices.

Financial Risk

Foreign exchange Risk

The Group owns assets, incurs liabilities, earns revenues and pays expenses in currencies other than the Indian Rupee. Additionally, consolidated financial statements are presented in the Indian Rupee and hence financials statements are translated at exchange rates in effect during or at the end of each reporting period. Therefore, fluctuations in the exchange rates may have an adverse effect on our business results and financial position.

In order to control and limit risks arising from fluctuations in foreign exchange rates, the Board of Directors through its Risk Management Committee (RMC) has established Treasury Risk Management Policy (Policy). As per guidelines set by the Policy, a certain portion of the anticipated net flow of receipts and payments of the parent Company is hedged continuously during the year with maximum specified duration. In addition, contract based flows are fully hedged to protect the gross margin.

The Group does not hedge balance sheet risks and risks arising due to translation of financial statements of overseas subsidiaries.

Interest rate Risk

Interest expenses are sensitive to fluctuations in level of interest rates.

The Group has a balanced portfolio of fixed rate and floating rate loans thereby minimizing impact on financial performance due to change in interest rates.

BOARDS' REPORT

Your Directors are pleased to present the Thirty First Annual Report on the operations and performance of your Company, together with audited financial statements and auditors' report for the year ended March 31, 2016.

1. Business Operations Overview

The financial highlights for the year under review are given below:

(₹ in Lakhs)

Particulars	Standalone			Consolidated		
	2015-16	2014-15	Change %	2015-16	2014-15	Change %
Revenue	102,066	94,841	7.6%	188,684	194,316	-2.9%
Other Income	4,155	3,728	11.5%	2,006	2,088	-3.9%
Material cost	54,588	54,530	0.1%	112,422	125,121	-10.1%
% to Revenue	53.5%	57.5%		59.6%	64.4%	
EBITDA	28,162	18,981	48.4%	31,205	22,153	40.9%
EBIT	24,526	15,439	58.9%	26,338	17,689	48.9%
Profit before exceptional items	18,403	10,934	68.3%	16,923	9,145	85.1%
Exceptional items	–	–		–	–	
Profit before tax	18,403	10,934	68.3%	16,923	9,145	85.1%
Profit after tax	17,798	10,934	62.8%	16,660	9,544	74.6%

In the Fiscal year 2015-16 the Consolidated Revenue marginally declined by 2.9% to ₹ 188,648 Lakhs and EBITDA grew by 40.9% to ₹ 31,205 Lakhs. The increase in EBITDA was driven mainly by optimization of costs and increase in operational efficiency across the group through various initiatives. Prices of critical raw-material inputs remained stable through the year.

Prospects

Growth and efficiency initiatives during the year

During the year 2015-16 the company made significant progress on various initiatives relating to its Manufacturing and Distribution business. Some of the initiatives that helped bring additional clarity and operating efficiencies in the business model include

- Significantly enhanced operational efficiencies in manufacturing
- Focused on the optimization of Product Portfolio
- Achieved change of status from SEZ / EOU to DTA for manufacturing divisions
- Consolidated and enhanced revenue streams from Brand Portfolio in key markets
- Merged operating entities in North America to streamline group corporate structure
- Announced ₹1300 Crores of fresh investments to be made to augment manufacturing capacities and capabilities
- Made significant progress in turning around European division

Subsidiary Companies

As on March 31, 2016, the Company had the following subsidiaries:

- Himatsingka Wovens Private Limited,
- Himatsingka Holdings NA Inc.,
- Himatsingka America Inc.,
- Giuseppe Bellora S.r.l.
- Himatsingka Singapore Pte. Limited,
- Twill & Oxford LLC.

With effect from 1st August, 2015 the Group's holding company in North America has been renamed Himatsingka Holdings NA Inc. In addition, the two operating subsidiaries Divatex Home Fashions Inc and DWI Holdings Inc have been merged and renamed as Himatsingka America. Inc.

There has been no material change in the nature of business of these subsidiaries.

As required under section 129(3), the Company has prepared consolidated financial statements which form a part of the Annual Report.

The consolidated financial statements presented by the Company include the financial results of its subsidiary companies. Further, a statement containing the salient features of the financial statements of its subsidiaries in form AOC-1 is annexed to this report as Annexure 1

Pursuant to section 136 of the Companies Act, 2013, the audited financial statements of the subsidiaries are available on the Company's website at **http://www.himatsingka.com/financial-information.html**. The Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are kept for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Company will make available the annual accounts of the subsidiary companies and the related information to any member of the Company who may be interested in obtaining it.

As required under Clause 49 of the listing agreement and Regulation 24 of SEBI (Listing Obligations and disclosure requirements) Regulations, 2015, the Company has drafted a policy for determining material subsidiaries. The policy has been disclosed in the Company's website and can be found at http://www.himatsingka.com/corporate-governance.html

Research and Development

Research and development continues to provide valuable support to our business and has helped us to keep pace with dynamic market conditions. We continue to give in-house research and innovation the highest priority.

Environment, Safety, Energy conservation and Technology absorption

Safety and environmental protection remain a key area of focus for the Company. Investments are continuously made in projects that reduce / treat waste and increase energy efficiencies. We regularly upgrade our effluent treatment and water recycling plants to keep abreast with technological advancements. By avoiding carcinogenic azo class dyes, we ensure eco-friendly production and worker safety. Our endeavor has been to maximize the efficient use of energy and ensure the safe and responsible discharge of residual wastes, while minimizing any adverse environmental impact and waste generation.

2. Dividend

Your Directors in their meeting held on 11th March, 2016 declared an interim dividend of 20% (₹ 1.00 per equity share). Further your Directors in their meeting held on 21st May, 2016 recommended a final dividend of 30% (₹ 1.50 per equity share) for the financial year ended 31st March, 2016, subject to approval by the shareholders at the Annual General Meeting.

3. Transfer to Reserves

The Company proposes to transfer an amount of ₹ 400 Lakhs to the Debenture Redemption Reserve. Subsequently, an amount of ₹ 800 Lakhs has been moved back from Debenture Redemption Reserve to General Reserve following the redemption.

4. Extract of Annual Return

In accordance with the Section 92(3) and as required under the section 134(3)(a), the extract of the Annual Return of the Company for the year ended 31st March, 2016 is annexed here to as Annexure 2 in the prescribed form MGT-9.

5. Number of meetings of the Board

The details of the meetings of the Board and the details of the attendance of the directors in the meetings are provided in the Corporate Governance Report.

6. Directors' Responsibility Statement

As required by the provisions of Section 134(3)(c) of the Companies Act, 2013, the Directors' Responsibility Statement is attached as Annexure 3, forming part of this report.

7. Declaration by Independent Directors

The Company has received from each of its Independent Directors, the declaration as stipulated under Section 149(7) of the Companies Act, 2013, confirming that the director meets the criteria of independence as laid down under section 149(6) of the Companies Act, 2013.

8. Nomination and Remuneration Policy

The Company has formed a Nomination and Remuneration Committee as required under the Section 178 of the Companies Act, 2013. The Committee has formulated a policy as required under Section 178(3) of Companies Act, 2013 stipulating the criteria for determining qualifications, positive attributes and independence of a director and also the criteria relating to the remuneration for the directors, key managerial personnel and other employees. The aforesaid policy is annexed to the Boards' report as Annexure 4.

9. Auditors and Auditors' Reports

Statutory Audit

The Company at its 29th Annual General Meeting held on 23rd September, 2014 appointed M/s Deloitte Haskins and Sells, Chartered Accountants to hold office till the conclusion of 32nd Annual General Meeting, subject to ratification by the members at every AGM. The report of Statutory Auditors (appearing elsewhere in the Annual Report) does not have any qualifications/ adverse remarks.

Secretarial Audit

The Company had appointed Mr. Vivek Bhat, Company Secretary in Practice, Bengaluru, to conduct the secretarial audit as required under Section 204 of the Companies Act, 2013. The secretarial audit report given by Mr. Vivek Bhat is appended as Annexure 5 to the Boards' Report.

In the above mentioned report, Mr. Vivek Bhat has made the following comment:

"The company could not spend the eligible profit on Corporate Social Responsibility measures. However the Company has constituted the CSR Committee and its constitution was as per the regulation."

Boards' Response

The Company started two initiatives under Corporate Social Responsibility. One of which was providing "SMART CLASS ROOMS" for the Government Schools around the plant in Hassan in partnership with CLT India (Children's Lovecastles Trust), an organization that endeavors providing access to quality education for every child anywhere through e-learning system in rural high schools.

Another initiative was to provide assistance to Deepshikha, an Institute for Child Development and Mental Health to their school which provides special education to children.

As per the provisions, the total amount to be spent by the Company on CSR activities for the FY 2015-16 was ₹ 150.40 Lakhs. During the year, an amount of ₹ 77 Lakhs was spent by the Company.

10. Particulars of Loans, Guarantees, Investments and Securities made

The particulars of loans made, guarantees given, investments made and securities provided as per the provisions of Section 186 of the Companies Act, 2013 and the relevant rules made thereunder are given in the Notes to the standalone financial statements.

11. Particulars of Contracts or arrangements with related parties

All transactions entered into by the Company with its related parties are at arm's length and in the ordinary course of business. However, the list of material related party transactions as per the Company's policy on related party transactions, as required under rule 8(2) of Companies (Account) Rules, 2014, is annexed to the Boards' Report as Annexure 6.

The Company has also formulated a policy on dealing with Related Parties Transactions as required under Clause 49 of Listing Agreements and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same is available in the Company's website at http://www.himatsingka.com/corporate-governance.html.

12. Material changes

No material changes or commitments affecting the financial position of the Company have occurred after the closure of the financial year till the date of this report.

13. Exit from EOU & SEZ

The Drapery and Upholstery unit of the Company which was operating as 100% Export Oriented Unit (EOU) has exited out of EOU on November 5, 2015 and currently operates as a Domestic Tariff Area Unit (DTA). The final exit order from Office of the Development Commissioner, Cochin Special Economic Zone (CSEZ) dated November 05, 2015 has been received by the Company on 13th November, 2015.

Bed Linen unit of the Company at Hassan which was operating as Special Economic Zone (SEZ) has exited out of SEZ and currently operates as a Domestic Tariff Area Unit (DTA). The Official Memorandum dated 27th January, 2016 along with final exit Notification from Ministry of Commerce and Industry, Department of Commerce, SEZ Section has been received by the Company.

14. Conservation of energy, Technology absorption & Foreign exchange

The details of conservation of energy, technology absorption and foreign exchange are annexed to the Boards' Report as Annexure 7.

15. Risk Management

The Company has developed and implemented a comprehensive risk management policy and framework to counter and mitigate the various risks encountered by the Company. The details of the same are given in the Risk Management section elsewhere in this Annual Report.

16. Corporate Social Responsibility

The Corporate Social Responsibility (CSR) committee consists of the following directors:

Sl. No.	As on 31st March, 2016	w.e.f., 21st May, 2016
1	Dr. K R S Murthy	Dr. K R S Murthy
2.	Mr. A K Himatsingka	NA
3.	Mr. D K Himatsingka	Mr. D K Himatsingka
4.	Mr. Shrikant Himatsingka	Mr. Shrikant Himatsingka

The Committee has devised the CSR policy as required under Section 135 of the Companies Act, 2013 and the relevant rules made thereunder. As per the provisions, the total amount to be spent by the Company on CSR activities for the FY 2015-16 was ₹ 150.40 Lakhs.

During the year, an amount of ₹ 77 Lakhs was spent by the Company. The details of the CSR policy and the CSR spending have been elaborated in the Annexure 8 to this report.

17. Board Performance Evaluation

The Company has, during the year, conducted an evaluation of the Board as a whole, its committees and the individual directors including the independent directors as stipulated in the Nomination and Remuneration policy adopted by the Company. The evaluation was carried out through different evaluation forms which covered among others the evaluation of the composition of the Board/ committee, its effectiveness, activities, governance, and with respect to the chairman and the individual directors, their participation, integrity, independence, knowledge, impact and influence on the Board.

The independent directors of the Company also convened a separate meeting and evaluated the performance of the Board, the non-independent directors and the chairman.

18. Directors and Key Managerial Personnel

The Board of Directors at its meeting held on 30th January, 2016 changed the designation of Mr. Shrikant Himatsingka as Executive Director and CEO from Executive Director.

The Board of Directors at its meeting held on 21st May 2016 appointed Mr. D.K. Himatsingka as Executive Chairman of the Company and appointed Mr. Shrikant Himatsingka as Managing Director & Chief Executive Officer of the Company.

The Board also appointed Mr. Vasudevan V as an Additional Director designated as Executive Director of the Company and appointed Ms. Sangeeta Kulkarni as Additional Director (Independent) of the Company with effect from 21st May, 2016. Pursuant to relevent provisions under Companies Act, 2013 the same has to be ratified by the shareholders in the ensuing Annual General Meeting, and it is proposed to appoint the Independent Director and the Executive Director for a period of 5 years.

In accordance with the provisions of the Companies Act, 2013, and Articles of Association of the Company, Mr. Aditya Himatsingka retires by rotation and being eligible, offers himself for re-appointment. His re-appointment will be placed as one of the agenda in the ensuing Annual General Meeting.

Retirements and Resignations

- Mr. Dilip J Thakkar resigned as Director and Chairman of the Company with effect from 21st May, 2016.
- Ms. Jayshree Poddar resigned as Director of the Company with effect from 22nd May, 2016 and shall continue as Head of Designs in the Company.
- Mr. A.K. Himatsingka resigned as Director and Vice Chairman of the Company with effect from 22nd May, 2016.

Your Directors wish to place on record their deep appreciation for the outstanding contributions and services rendered by Mr. Dilip J Thakkar, Mr. A. K. Himatsingka and Ms. Jayshree Poddar during their tenure as Directors of the Company.

19. Composition of Audit Committee

The Company has constituted an Audit Committee as required under the Companies Act, 2013. The committee consists of the following directors:

Sl. No	As on 31st March, 2016	W.e.f., 21st May 2016
1.	Mr. Dilip J Thakkar	Mr. Rajiv Khaitan
2.	Dr. K R S Murthy	Dr. K R S Murthy
3.	Mr. Rajiv Khaitan	Mr. Berjis M Desai
4.	N.A.	Mr. Shrikant Himatsingka

During the year, there have been no incidents where the Board has deviated from the recommendations made by the committee.

20. Vigil Mechanism

As a conscious and vigilant organization, Himatsingka Seide Limited believes in the conduct of the affairs of its constituents in a fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour.

In its endeavour to provide its employee a secure and a fearless working environment, the Company has established a "Whistle Blower Policy" as required under the Companies Act, 2013 and the same is also available in the Company's website.

Mr. Ashok Sharma, Company Secretary, has been designated as the Chief Compliance Officer under the policy and the employees can report any instance of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy to him.

In exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation and the decision, she/he can make a direct appeal to the Chairman of the Audit Committee and the contact details of the Chairman is also given in the Policy.

During the year, no complaints were received under this mechanism.

21. Remuneration of Directors and Key Managerial Personnel

a) Details of Directors' remuneration

₹ in Lakhs

Director	DIN	Sitting fees	Salaries and perquisites	Commission	Total	Ratio to Median remuneration of employees	Percentage increase over previous year
Dilip J Thakkar	00007339	1.20	Nil	14.00	15.20	14.56 : 1	36.94%
A K Himatsingka	00183698	0.40	Nil	12.00	12.40	11.88 : 1	18.09%
Rajiv Khaitan^	00071487	1.50	Nil	7.00	8.50	8.14 : 1	37.10%
Dr. K R S Murthy	00167877	1.60	Nil	7.00	8.60	8.24:1	34.37%
Berjis M Desai	00153675	0.30	Nil	7.00	7.30	6.99 : 1	43.14%
D K Himatsingka	00139516	Nil	112.62	206.25	318.87	305.54 : 1	19.14%
Shrikant Himatsingka	00122103	Nil	72.82	206.25	279.07	258.78 : 1	18.53%
Aditya Himatsingka	00138970	Nil	56.55	85.00	141.55	135.63 : 1	16.16%
Jayshree Poddar*	07091651	Nil	33.74	30.00	63.74	61.07 : 1	1032.15%

** Ms. Jayshree Poddar was appointed as a director w.e.f. March 1, 2015.*
^ Paid to Khaitan & Co.,

In the remuneration mentioned above, the sitting fees, salaries and perquisites form the fixed component of the total remuneration and the commission is a variable component linked to the performance of the Company.

b) Details of the Remuneration of the Key Managerial Personnel (other than Directors mentioned above)

Key Managerial Personnel	Designation	Total Remuneration (₹ In Lakhs)	Percentage increase over previous year
K P Pradeep	President – Finance and Group CFO	139.92	19.15%
Ashok Kumar Sharma	AVP – Treasury, Taxation & Company Secretary	52.16	33.16%

c) The percentage increase in median remuneration of the employees is 11.84%

d) The number of permanent employees in the rolls of the Company is 3,066

e) The key parameters for the variable component of remuneration availed by the directors are the amount of responsibilities taken, performance of the business, specific contribution made by the director to the overall performance of the Company.

f) During the year, there were no employees whose remuneration was higher than that of the highest paid director.

g) Statement of particulars of employees as required under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Name of the Employee	Gross Remune-ration (₹)	Qualification	Experience	Date of joining	Age	Previous employment
D K Himatsingka	31,887,265	B.A. (Hons.)	41 years	1-Aug-85	67	Managing Director, Bihar Mercantile Union Ltd.
Shrikant Himatsingka	27,907,458	B.S. (Econ.)	14 years	15-May-01	36	–
Aditya Himatsingka	14,154,927	B.Com. (Hons.) Diploma in Textiles	29 years	1-Jan-88	52	–
Pradeep K P	13,992,628	ACA, AICWA, B.Com.	22 years	2-Nov-07	45	Director Finance, Fidelity Business Services India Ltd
Vasudevan V	11,920,116	B.Sc.	36 years	14-Feb-13	60	Vice President – Raymond Zambaiti
Wilson Maria Doss YR	11,344,636	MSW	30 years	1-Sep-06	57	Vice President Human Resources Arvind Brands Ltd

22. Corporate Governance

We comply with the corporate governance code as prescribed by the stock exchanges and SEBI. You will find a detailed report on corporate governance as part of this annual report. The auditor's certificate on compliance with the mandatory recommendations on corporate governance is annexed to this report as Annexure – 9.

23. Insurance

The Company's assets are prone to risks / peril. The major risks / peril are adequately insured.

24. Public Deposits

The Company has not accepted any deposits from the public during the year within the meaning of the Companies Act, 2013.

25. Cost Auditors

The Companies (Cost Records and Audit) Rules, 2014, has exempted the mandatory cost audit requirements in respect of units located in Special Economic Zones (SEZ) and for 100% Export Oriented Units (EOU). In view of this, there was no requirement to furnish cost audit of cost records of the Company for its units at Hassan (SEZ) and Doddaballapur (EOU). The Company has exited from the export oriented unit and also exited from the special economic zone. Since the Company's export revenue, in foreign exchange, for the financial year 2015-2016 was greater than 75% (seventy five percent) of the total revenue of the Company, the Company falls within the exemption specified in Clause 4(3) of The Companies (Cost Records and Audit) Rules, 2014. In view of this, there is no requirement to furnish cost audit of cost records of the Company for its units at Hassan and Doddaballapur.

26. Disclosure as required under Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to provide a healthy environment to all its employees. Hence, it does not tolerate any discrimination and/or harassment in any form. The Company has in place a Anti Sexual Harrassment Policy and Committee as per the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has not received any complaint during the year.

27. Dividend Distribution Policy

The Board of Directors of the Company have adopted a dividend distribution policy as required under Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016. The policy is attached as Annexure-10

Acknowledgement

Your Directors wish to place on record their appreciation of the continuous efforts made by all employees in ensuring excellent all-round operational performance. We also wish to thank our Customers, Vendors, Shareholders and Bankers for their continued support. Your Directors would like to express their grateful appreciation to the Central Government and Government of Karnataka for their continued co-operation and assistance.

For and on behalf of the Board

Place: Bengaluru
Date : August 10, 2016

D.K. Himatsingka
Executive Chairman

ANNEXURES TO THE BOARDS' REPORT

Annexure 1

Statement regarding subsidiary companies as of March 31,2016

Pursuant to Section 129 of the Companies Act, 2013, read with Rule 5 of Companies (Accounts) Rules, 2014 – AOC-1

(₹ in Lakhs)

Sl. No.	Name of the Subsidiary	Himatsingka Wovens Pvt Ltd.	Twill & Oxford LLC	Himatsingka Singapore Pte Ltd.	Himatsingka America Inc.	Himatsingka Holdings NA Inc.	Giuseppe Bellora S.r.l
1	Capital*	1,750	37.35	1,082.77	0.03	30,843.45	20,113.34
2	Reserves	(9.98)	(316.39)	(2,122.19)	34,058.46	(1,577.02)	(22,453.07)
3	Total Assets	5,937.84	238.64	98.38	55,678.23	92,775.97	9,947.78
4	Total Liabilities ^	4,197.82	517.68	1,137.80	21,619.74	63,509.54	12,306.66
5	Investments (Other than in subsidiaries)	–	–	–	–	–	19.15
6	Turnover	3,242.69	773.68	195.55	158,518.09	29,705.22	6,845.95
7	Profit/(Loss) Before Tax	(939.12)	(18.30)	(336.84)	3,133.17	(2,702.51)	32.65
8	Provision for Taxation	(100.20)	–	–	124.14	(660.80)	–
9	Profit/(Loss) After Tax	(838.92)	(18.30)	(336.84)	3,009.03	(2,041.71)	32.65
10	Proposed Dividend	–	–	–	–	–	–
11	Closing exchange rate	–	₹ 18.06/AED	₹ 49.11/ SGD	₹ 66.33/ USD	₹ 66.33/ USD	₹ 75.11/ Euro
12	Average exchange rate	–	₹ 17.83/AED	₹ 47.26/ SGD	₹ 65.47/ USD	₹ 65.47/ USD	₹ 72.32/ Euro

*(including preference capital and share application money)

^(excluding Capital and Reserves and including current liabilities and provisions)

For and on behalf of the Board of Directors

Dilip J. Thakkar
Chairman

A.K. Himatsingka
Vice Chairman

D.K. Himatsingka
Managing Director

Shrikant Himatsingka
Executive Director & CEO

Pradeep K.P.
Chief Financial Officer

Ashok Sharma
Company Secretary

Bengaluru
Date: May 21, 2016

Annexure 2

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014)

I. REGISTRATION & OTHER DETAILS

i	CIN	L17112KA1985PLC006647
ii	Registration Date	23.01.1985
iii	Name of the Company	Himatsingka Seide Limited
iv	Category/Sub-category of the Company	Public Company / Limited by shares
v	Address of the Registered office & contact details	10/24, Kumara Krupa Road, High Grounds Bengaluru-560 001
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad-500 032 Ph: +91 040 67161559

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Spinning, weaving and finishing of textiles	131	14.1
2	Manufacture of other textiles	139	85.9

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	Address of Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Himatsingka Wovens Private Ltd	10/24, Kumara Krupa Road High Grounds Bengaluru-560 001	U17116KA1995PTC017552	Subsidiary	100	2(87)(ii)
2	Himatsingka America Inc	261, Fifth Avenue, Suite 1400, NEW YORK N.Y.10016, U.S.A.	N.A.	Subsidiary	100	2(87)(ii)
3	Himatsingka Holdings NA Inc	261 Fifth Avenue, Suite 1400, New York, NY 10016, U.S.A.	N.A.	Subsidiary	100	2(87)(ii)
4	Giuseppe Bellora Srl	Via XXV Luglio, 13, Fagnano Olona (VA)	N.A.	Subsidiary	100	2(87)(ii)
5	Twill & Oxford LLC	B/74, Umm-Al Hurrair Road, Showroom No.3, P.O.Box 125063, Dubai – U A E	N.A.	Subsidiary	49	2(87)(i)
6	Himatsingka Singapore Pte Ltd	1 Nassim Road No 01-04, Singapore 258458	N.A.	Subsidiary	100	2(87)(ii)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS % TO TOTAL EQUITY)

(i) Category – wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	37062059	0	37062059	37.64	37206227	0	37206227	37.79	0.15
b) Central Govt.or State Govt.	–	–	–	–	–	–	–	–	–
c) Bodies Corporates	17891420	0	17891420	18.17	17890568	0	17890568	18.17	0.00
d) Bank/FI	–	–	–	–	–	–	–	–	–
e) Any other	–	–	–	–	–	–	–	–	–
SUB TOTAL:(A) (1)	54953479	0	54953479	55.81	55096795	0	55096795	55.96	0.15
(2) Foreign									
a) NRI – Individuals	1237800	0	1237800	1.26	1237800	0	1237800	1.26	0.00
b) Other Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any other...	–	–	–	–	–	–	–	–	–
SUB TOTAL (A) (2)	1237800	0	1237800	1.26	1237800	0	1237800	1.26	0.00
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	56191279	0	56191279	57.07	56334595	0	56334595	57.22	0.15
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	14661331	400	14661731	14.89	6513562	400	6513962	6.62	-8.28
b) Banks/FI	25160	2000	27160	0.03	39399	2000	41399	0.04	0.01
C) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt.	–	–	–	–	–	–	–	–	–
e) Venture Capital Fund	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIS	868692	400	869092	0.88	0	0	0	0.00	-0.88
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Foreign Portfolio Investors	–	–	–	–	8129419	400	8129819	8.26	8.26
i) Others (specify)	–	–	–	–	–	–	–	–	–
SUB TOTAL (B)(1):	15555183	2800	15557983	15.80	14682380	2800	14685180	14.92	-0.89
(2) Non Institutions	–	–	–	–	–	–	–	–	–
a) Bodies corporates	4184105	15720	4199825	4.27	3687584	15720	3703304	3.76	-0.50
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals	–	–	–	–	–	–	–	–	–
i) Individual shareholders holding nominal share capital upto ₹1 Lakhs	13537452	1197530	14734982	14.97	13343565	1129968	14473533	14.70	-0.27
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 Lakhs	6603949	23640	6627589	6.73	8298840	0	8298840	8.43	1.70
c) Others (specify)	–	–	–	–	–	–	–	–	–
– NRI/OCB	906463	189060	1095523	1.11	704059	169780	873839	0.89	-0.23
– Trusts	12200	0	12200	0.01	4000	0	4000	0.00	-0.01
– NBFC Registered with RBI	0	0	0	0.00	11310	0	11310	0.01	0.01
– Clearing Member	37779	0	37779	0.04	72559	0	72559	0.07	0.04
SUB TOTAL (B)(2):	25281948	1425950	26707898	27.13	26121917	1315468	27437385	27.87	0.74
Total Public Shareholding (B)= (B)(1)+(B)(2)	40837131	1428750	42265881	42.93	40804297	1318268	42122565	42.78	-0.15
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS									
Grand Total (A+B+C)	97028410	1428750	98457160	100	97138892	1318268	98457160	100	0.00

(ii) Share holding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	D. K. Himatsingka	11135424	11.31	0	11135944	11.31	0	0.00
2	D.K. Himatsingka (HUF)	5432056	5.52	0	5432056	5.52	0	0.00
3	Shrikant Himatsingka	6680964	6.79	0	6680964	6.79	0	0.00
4	Aditya Himatsingka	2978200	3.02	0	2978200	3.02	0	0.00
5	A.K. Himatsingka	2560675	2.60	0	2561007	2.60	0	0.00
6	Anuradha Himatsingka	133100	0.14	0	133100	0.14	0	0.00
7	Leela Devi Himatsingka	1024120	1.04	0	1167436	1.19	0	0.15
8	Rajshree Himatsingka	5457260	5.54	0	5457260	5.54	0	0.00
9	Ranjana Himatsingka	1660260	1.69	0	1660260	1.69	0	0.00
10	Bihar Mercantile Union Ltd	5706000	5.80	0	5706000	5.80	0	0.00
11	Aditya Resources Ltd	2993560	3.04	0	2993560	3.04	0	0.00
12	Priya Resources Ltd	2828800	2.87	0	2828800	2.87	0	0.00
13	Awdhan Trading Co. Ltd	3634697	3.69	0	3634697	3.69	0	0.00
14	Orient Silk Pvt. Ltd	2727511	2.77	0	2727511	2.77	0	0.00
15	Credit Himatsingka Pvt. Ltd	852	0.00	0	0	0.00	0	0.00
16	Amitabh Himatsingka	1000000	1.02	0	1000000	1.02	0	0.00
17	Priyadarshini Himatsingka	237800	0.24	0	237800	0.24	0	0.00
	Total	56191279	57.07	0	56334595	57.22	0	**0.15**

(iii) Change in Promoters' Shareholding (specify if there is no change)

Sl. No.		Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (1.4.15 to 31.3.16)	
	For Each of the Directors & KMP	No.of shares at the beginning (1.4.15) / end of the year (31.3.16)	% of total shares of the company				No of shares	% of total shares of the company
A	Promoters							
1	Credit Himatsingka Private Ltd	852	0	23.3.2016	Decrease	Inter-se transfer	0	0
2	D.K. Himatsingka	11135424	11.31	23.3.2016	Increase	Inter-se transfer	11135944	11.31
3	A.K. Himatsingka	2560675	2.6	23.3.2016	Increase	Inter-se transfer	2561007	2.6

(iv) Shareholding Pasttern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs

Sl. No	Name	Shareholding at the beginning of (01.04.15)/ end of the year (31.03.2016)		Date	Increase / Decrease in share-holding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No.of shares at the beginning (01.04.15)/ end of the year (31.3.16)	% of total shares of the company				No of shares	% of total shares of the company
1	ICICI Prudential Value Fund Series 2	1495517	1.52	01.04.2015				
				17.04.2015	26567	Purchase	1522084	1.55
				01.05.2015	88797	Purchase	1610881	1.64
				08.05.2015	11122	Purchase	1622003	1.65
				17.07.2015	-510324	Transfer	1111679	1.13
				24.07.2015	-665227	Transfer	446452	0.45
				07.08.2015	-446452	Transfer	0	0.00
				31.03.2016			0	0.00
2	Franklin Templeton Mutual Fund A/c Franklin India – Prima Fund	2694294	2.74	01.04.2015				
				10.07.2015	-134086	Transfer	2560208	2.60
				17.07.2015	-1665914	Transfer	894294	0.91
				24.07.2015	-894294	Transfer	0	0.00
				31.03.2016			0	0.00
3	Franklin India Smaller Companies Fund	4203746	4.27	01.04.2015				
				17.07.2015	-300000	Transfer	3903746	3.96
				24.07.2015	-200000	Transfer	3703746	3.76
				31.07.2015	-251269	Transfer	3452477	3.51
				07.08.2015	-148731	Transfer	3303746	3.36
				14.08.2015	-400000	Transfer	2903746	2.95
				21.08.2015	-300000	Transfer	2603746	2.64
				04.09.2015	-50000	Transfer	2553746	2.59
				18.09.2015	-200000	Transfer	2353746	2.39
				25.09.2015	-225000	Transfer	2128746	2.16
				30.09.2015	-100000	Transfer	2028746	2.06
				09.10.2015	-72084	Transfer	1956662	1.99
				16.10.2015	-127916	Transfer	1828746	1.86
				06.11.2015	-16355	Transfer	1812391	1.84
				13.11.2015	-140528	Transfer	1671863	1.70
				20.11.2015	-43117	Transfer	1628746	1.65
				08.01.2016	-50000	Transfer	1578746	1.60
				18.03.2016	-50000	Transfer	1528746	1.55
		1528746	1.55	31.03.2016			1528746	1.55
4	Bright Star Investments Pvt. Ltd	550000	0.56	1.04.2015			550000	0.56
		550000	0.56	31.03.2016			550000	0.56
5	IDFC Premier Equity Fund	3200000	3.25	01.04.2015				
				19.06.2015	-1073163	Transfer	2126837	2.16
				26.06.2015	-500000	Transfer	1626837	1.65
				30.06.2015	-1626837	Transfer	0	0.00
				31.03.2016			0	0.00
6	Sundaram Mutual Fund A/c Sundaram Smile Fund	1193896	1.21	01.04.2015				
				30.06.2015	180000	Purchase	1373896	1.40
				31.07.2015	-31497	Transfer	1342399	1.36
		1342399	1.36	31.03.2016			1342399	1.36

Sl. No	Name	Shareholding at the beginning of (01.04.15)/ end of the year (31.03.2016)		Date	Increase / Decrease in share-holding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No.of shares at the beginning (01.04.15)/ end of the year (31.3.16)	% of total shares of the company				No of shares	% of total shares of the company
7	Sundaram Mutual Fund A/c. Sundaram Select Microcap Series VI	929512	0.94	01.04.2015				
				31.07.2015	-182335	Transfer	747177	0.76
				30.10.2015	-9184	Transfer	737993	0.75
				06.11.2015	-35267	Transfer	702726	0.71
				20.11.2015	-12985	Transfer	689741	0.70
				08.01.2016	-21146	Transfer	668595	0.68
		668595	0.68	31.03.2016			668595	0.68
8	Sundaram Mutual Fund A/c. Sundaram Select Microcap Series VII	465893	0.47	01.04.2015				
				31.07.2015	-75893	Transfer	390000	0.40
				30.10.2015	-4793	Transfer	385207	0.39
				06.11.2015	-10915	Transfer	374292	0.38
				20.11.2015	-4020	Transfer	370272	0.38
				08.01.2016	-11339	Transfer	358933	0.36
		358933	0.36	31.03.2016			358933	0.36
9	Abbott Hotels Pvt. Ltd	550000	0.56	01.04.2015			550000	0.56
		550000	0.56	31.03.2016			550000	0.56
10	Radha Madhav Investments Ltd	503689	0.51	01.04.2015			503689	0.51
				18.03.2016	-1899	Transfer	501790	0.51
				25.03.2016	-490000	Transfer	11790	0.01
		11790	0.01	31.03.2016			11790	0.01

Ceased to be in the list of Top 10 shareholders as on 31.03.2016. The same is reflelcted above since the shareholder was one of the Top 10 shareholders as on 01.04.2015

(v) Shareholding of Directors & KMP

Sl. No	For Each of the Directors & KMP	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholdin	Reason	Cumulative Shareholding during the year (1.4.15 to 31.3.16)	
		No.of shares at the beginning (1.4.15) / end of the year (31.3.16	% of total shares of the company				No of shares	% of total shares of the company
A	DIRECTORS							
1	Dilip J Thakkar Chairman	0	0	1.4.2015	0	Nil Movement during the year	0	0
		0	0	31.3.2016	0		0	0
2	A.K. Himatsingka Vice Chairman	2560675	2.6	23.3.2016	332	Inter-se transfer	2561007	2.6
		2561007	2.6	31.3.2016	0		2561007	2.6
3	Dr. K.R.S. Murthy Non-Executive Director	1000	0	1.4.2015	0	Nil Movement during the year	0	0
		1000	0	31.3.2016				
4	Rajiv Khaitan Non-Executive Director	4200	0	1.4.2015	0	Nil Movement during the year	0	0
		4200	0	31.3.2016	0		4200	0
5	Berjis M Desai Non-Executive Director	0	0	1.4.2015	0	Nil Movement during the year	0	0
		0	0	31.3.2016			0	0
6	Dinesh Kumar Himatsingka Managing Director	11135424	11.31	23.3.2016	520	Inter-se transfer	11135944	11.31
		11135944	11.31	31.3.2016	0		11135944	11.31
7	Shrikant Himatsingka Executive Director & CEO	6680964	6.79	1.4.2015		Nil Movement during the year		
		6680964	6.79	31.3.2016			6680964	6.79
8	Aditya Himatsingka Executive Director	2978200	3.03	1.4.2015		Nil Movement during the year		
		2978200	3.03	31.3.2016			2978200	3.03
9	Jayshree Poddar Executive Director	363400	0.37	1.4.2015		Nil Movement during the year		
		363400	0.37	31.3.2016			363400	0.37
B	Key Managerial Personnel (KMP's)							
1	K.P. Pradeep	0	0	1.4.2015		Nil Holding		
		0	0	31.3.2016			0	0
2	Ashok Kumar Sharma	200	0	1.4.2015		Nil Movement during the year		
		200	0	31.3.2016			200	0

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	36,401.14	1445.3	0	37,846.44
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	227.5	0	0	227.5
Total (i+ii+iii)	36,628.64	1445.3	0	38,073.94
Change in Indebtedness during the financial year				
Additions	43,370.99	0	0	43,370.99
Reduction	30,275.07	645.3	0	30,920.37
Net Change	13,095.92	-645.3	0	12,450.62
Indebtedness at the end of the financial year				
i) Principal Amount	49,415.79	800	0	50,215.79
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	308.77	0	0	308.77
Total (i+ii+iii)	49,724.56	800	0	50,524.56

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager				Total Amount
		D.K. Himatsingka	Shrikant Himatsingka	Aditya Himatsingka	Jayshree Poddar	
1	**Gross salary**					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	11,222,665	7,242,858	5,615,327	3,334,330	27,415,180
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	39,600	39600	39600	39600	158,400
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961					
2	Stock option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission as % of profit	20,625,000	20,625,000	8500000	20,625,000	52,750,000
5	Others, please specify					
	Total (A)	**31,887,265**	**27,907,458**	**14,154,927**	**27,907,458**	**80,323,580**
	Ceiling as per the Act					**1,892.31**

B. Remuneration to other Directors:

(₹ Lakhs)

Sl. No.	Particulars of Remuneration	Name of the Directors					Total Amount
		Dilip J Thakkar	Dr. K.R.S. Murthy	Rajiv Khaitan	Berjis M Desai	A.K. Himatsingka	
1	Independent Directors						
	(a) Fee for attending board committee meetings	1.20	1.60	1.50	0.30		4.60
	(b) Commission	14.00	7.00	7.00	7.00		35.00
	(c) Others, please specify	0	0	0	0		0.00
	Total (1)	15.20	8.60	8.50	7.30		39.60
2	Other Non Executive Directors						
	(a) Fee for attending board committee meetings					0.40	0.40
	(b) Commission					12.00	12.00
	(c) Others, please specify.					0	0.00
	Total (2)	0.00	0.00	0.00	0.00	12.40	12.40
	Total (B)=(1+2)	15.20	8.60	8.50	7.30	12.40	52.00
	Total Managerial Remuneration	15.20	8.60	8.50	7.30	12.40	52.00
	Overall Cieling as per the Act.						189.23

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(₹ Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		K.P. Pradeep (CFO)	Ashok Sharma (Company Secretary)	Total
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	139.53	51.77	191.30
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.40	0.40	0.80
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	–	–	0.00
2	Stock Option	–	0.00	0.00
3	Sweat Equity	–	–	0.00
4	Commission as % of profit	–	–	–
5	Others, please specify	–	–	–
	Total	139.93	52.17	192.10

VII Penalties/Punishment/Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment			NIL		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NIL		
Compounding					

Annexure 3

Directors' Responsibility Statement

We, the Directors of Himatsingka Seide Limited, confirm the following:

(a) in the preparation of the annual accounts, the applicable accounting standards has been followed along with proper explanation relating to material departures;

(b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors have prepared the annual accounts on a going concern basis; and

(e) the directors, have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and are operating effectively

(f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

For and on behalf of the Board

Place: Bengaluru
Date : August 10, 2016

D.K. Himatsingka
Executive Chairman

Annexure 4

Nomination and Remuneration Policy

Preamble

Himatsingka Seide Ltd, in its constant endeavour to ensure the all-round welfare of its Human Resources and their effective application to the growth of the Company, has formulated the following policy in line with the requirements of the Companies Act, 2013 and the amendment to the Clause 49 of the Listing Agreement (vide SEBI circular no. circular CIR/CFD/POLICY CELL/2/2014, dated April 17, 2014) and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Effective Date

The policy is effective from October 1, 2014.

Definitions

For the purposes of this policy

"Nomination and Remuneration Committee or Committee" shall mean a Committee of the Board of Directors of the Company constituted under provisions of Listing agreement / Regulations and Companies Act, 2013.

"Board" means Board of Directors of HSL.

"Company or HSL" shall mean Himatsingka Seide Limited, wherever it is referred to in the policy.

"Directors" shall mean the directors of HSL.

"Key Managerial Personnel" or "KMP" shall mean key managerial personnel in relation to HSL as defined under the Companies Act, 2013, as follows:

(i) the Chief Executive Officer or the managing director or the manager;
(ii) the Company Secretary;
(iii) the Whole-time Director;
(iv) the Chief Financial Officer;

"Policy" shall mean the Nomination and Remuneration Policy.

"Senior Management" for the purpose of this policy shall refer to the employees of the Company occupying the position of Functional Head (Department Heads), but does not include the directors and the KMP.

"Shareholders" shall mean the shareholders of HSL.

"Special Resolution" shall mean a resolution in which the votes cast in favour of the resolution, whether on a show of hands, or electronically or on a poll, as the case may be, by members who, being entitled so to do, vote in person or by proxy or by postal ballot, are required to be not less than three times the number of the votes, if any, cast against the resolution by members so entitled and voting.

The Policy

Part-I: Role of the Committee

The Committee shall:–

1. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down;
2. Formulate the criteria for determining qualifications, positive attributes and independence of a director;
3. Recommend to the Board their appointment and removal;
4. Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
5. Carry out evaluation of every director's performance;
6. Formulate criteria for evaluation of independent directors and the Board.
7. Devise a policy on Board Diversity;
8. Develop a succession plan for the Board, Key Managerial Personnel and Senior Management.

Part-II: Remuneration policy

A. Guiding Principles:

- The remuneration determined under this policy shall have a proper balance between fixed pay and performance based variable pay reflecting short term and long term performance objectives and goals of the Company.

- The remuneration determined shall also ensure a direct relationship with key result areas and individual achievements and thereby strongly aligning with the interests of the Company's stakeholders.

- The level and composition of remuneration determined shall be reasonable and sufficient to attract, retain and motivate Directors and other personnel of the quality required to run the Company successfully.

B. The Remuneration Policy

1. *For Executive & Non-Executive Directors:*

The Committee shall recommend to the Board the remuneration / commission on Net Profit and perquisites in case of Executive Directors. For Non-Executive Directors, the committee shall recommend to the Board the remuneration which would include commission and sitting fees payable. The acceptance of the recommendation as made by the committee or with any modifications shall be the discretion of the Board and after deliberation on the matter, the Board may approve the remuneration subject to the necessary approvals as required under the Companies Act, 2013 and rules made thereunder and the SEBI listing agreement / Listing Regulations and any modifications thereto from time to time.

a) Executive Directors:

i. Fixed and Variable pay:

The Managing Director and the Executive Directors shall be eligible for a fixed monthly salary and perquisites as may be recommended by the Committee and approved by the Board. The break-up of the pay scale and quantum of perquisites including house rent allowance, leave travel assistance, employer's contribution to provident fund, gratuity fund, club fees, medical reimbursement, insurance, Company car with driver, telephone etc. shall be decided by the Board on recommendation of the committee and shall be approved by the shareholders.

In addition to the fixed pay and perquisites stated above, the Managing Director and Executive Directors shall be entitled to variable pay by way of commission on net profits of the Company at rates recommended by the committee subject to the overall limits prescribed in the Act and necessary approvals as required thereunder from time to time.

ii. Minimum Remuneration:

If in any financial year, the Company has no profits or its profits are inadequate, it shall pay remuneration to the Managing Director and Executive Directors in accordance with the provisions of the Act and rules made thereunder. In case the Company is unable to comply with the aforementioned provisions, the remuneration shall be paid with the previous approval of the Central Government.

iii. Excess Remuneration:

If the Directors receive, inadvertently or otherwise, any amount, directly or indirectly, by way of remuneration in excess of the limits prescribed under the Act, without the necessary approvals as prescribed under the Act, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.

The Company shall not waive recovery of such sum unless permitted by the Central Government.

iv. Sitting Fees:

The Executive Directors shall not be liable to receive sitting fees.

b) Non-Executive Directors:

i. Sitting Fees:

The Non-Executive whether Independent or not, shall be entitled to receive sitting fees for attending meetings of the Board and Committees thereof. Provided that such fees shall not exceed the limits specified under the Act and rules made thereunder.

ii. Commission:

In addition to the sitting fees, the Non-Executive Directors shall be entitled to receive remuneration by way of commission of net profit of the Company at rates recommended by the committee and approved by the Board and the shareholders of the Company, subject to the limits prescribed under the Act and the rules thereunder.

The travelling and out of pocket expenses, if any, incurred by the Directors in the course of performing their duty as directors of the Company shall be reimbursed to them.

Independent Directors shall not be eligible for employees' stock options.

2. *For KMP and Senior Management:*

The remuneration of the KMP not covered above or the Senior Management personnel, as the case may be, will be determined by the management on recommendation of the Committee. The remuneration shall include fixed monthly basic salary, dearness allowance, house rent allowance, special allowance, etc.; and other perquisites like Company car with driver, telephone etc.

3. *For other employees:*

The remuneration of all other employees may be determined by the Senior Management in consultation with the Human Resources department of the Company, provided that the remuneration thus fixed shall be sufficient to retain talent and motivate the employees so as to ensure smooth and effective functioning of all the departments of the Company.

Part-III: Board Diversity

It shall be the endeavour of the Committee to ensure that the Board of the Company comprises of directors having sufficient knowledge and experience in various fields such as Finance, Legal, Marketing and such other field as may be advantageous to the Company to ensure wise guidance in the functioning and governing of the Company. The Committee shall review the constitution of the Board annually so as to ensure that the Board consists of members with diversified skills, knowledge, experience and expertise to meet or exceed the requirements of the Company's business.

Part-IV: Criteria for selecting directors

A. Qualification, positive attributes and independence of directors:

- The Committee will identify persons with high educational qualification, rich experience and expertise, integrity, desirable personal traits and leadership qualities and recommend to the Board for appointment as Director, KMP or at Senior Management level. The proposed appointee shall possess appropriate skills, knowledge, experience in one or more fields of finance, accounts, audit, law, management, sales, marketing, administration, research, corporate governance, technical operation or other disciplines related to the Company's business. The Committee has the discretion to decide on the age, qualification, expertise and experience to be possessed by the appointee for the concerned position depending up on the circumstances of each case.

- The director to be appointed shall be a person adhering to all the eligibility norms as specified under the Companies Act, 2013 and the rules made thereunder or any statutory modifications thereof from time to time, including the norms for maximum number of directorships, and shall not be a person disqualified under the section 164 of the said Act.

- Managing/ Whole-time Director:

  The Company shall appoint or continue the employment of any person as Managing Director/ Whole-time Director who has attained the age of twenty one years and has not attained the age of seventy years.

  Provided that appointment/ continuing the term of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person.

- Independent Directors:

  In case of appointment of Independent Directors, it shall be ensured that the proposed appointee is not serving as an Independent Director in more than six listed companies and in case he/she is serving as a whole-time director in any listed company, it shall be ensured that he/she is not serving as independent director in more than two listed companies. Further, the person to be appointed shall conform to the norms for an independent director specified under section 149(6) of the Companies Act, 2013 and the rules made thereunder and under the SEBI's listing agreement or any statutory modifications to the same made from time to time.

  Every independent director of the Company shall, on the first meeting of the Board in which he participates and thereafter the first meeting of the Board in every financial year or whenever there is a change in his/her status as an independent director, give a declaration that he meets the criteria of independence as provided under section 149(6) of the Act.

- Non-Executive Directors:

  The criteria as specified in the above paragraphs shall mutatis mutandis be applicable to non-executive, non-independent directors as well and they shall be liable to retire by rotation.

Tenure:

a) Managing Director/ Executive Directors:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

Independent Directors shall not be liable to retire by rotation.

B. Retirement:

The Directors, KMP and Senior Management shall be liable to retire as per the provisions of the Act and rules made thereunder, and the prevailing employees' retirement policy of the Company. However, the Board shall have the discretion to retain any Director (other than an Independent Director), KMP, Senior Management personnel or any other employee even after he/she has attained the retirement age, as it deems fit, for the benefit of the Company.

C. Succession:

The constitution of the Board, the KMP and Senior Management personnel of the Company shall be in such a manner that it consists of a combination of persons of different age groups and possessing expertise and skill in the various areas and fields required for the effective running of the Company so as to ensure smooth succession at all times.

Part-V: Performance Evaluation

A. Performance evaluation of the Board/any committee:

The Committee shall carry out the evaluation of effectiveness of the Board and all Committees of the Board and their functioning on an annual basis such that the same is aligned with the Company's financial year. It shall lay down the criteria for the above mentioned evaluation every year. The functioning of the Board shall be evaluated on the basis of its effectiveness with regard to achievement of the short, medium and long term goals of the Company.

B. Performance evaluation of Directors:

The Committee will carry out the performance evaluation of all Directors, KMP and Senior Management Personnel every year such that the evaluation is aligned with the Company's financial year. The evaluation criteria shall include measures to test the participation and contribution of the Directors, integrity, skill, expertise, commitment and diligence. The committee shall carry out the evaluation of every Director's performance in which the Director being evaluated shall not participate.

Further, the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

The directors shall be evaluated with regard to their adherence to and compliance with the professional conduct, role, functions and duties as specified in the Code for Independent Directors in the Schedule IV of Companies Act, 2013 including any statutory modifications made thereto from time to time.

C. Removal:

The Committee may, even before the expiry of the term, recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel, where he/ she has attracted any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder.

Provided that the aforesaid recommendation shall be subject to the provision and compliance with the said Act, rules or regulations.

Part-VI: Other Provisions

A. Deviation from the Policy:

The Board, in extraordinary circumstances, when deemed necessary, on recommendation of the Committee, shall at its discretion, accept any reasonable deviation from any element of this policy in specific cases.

B. Amendments:

Any amendments to this Policy, subject to the Act, the rules made thereunder and the provisions of the listing agreement / listing regulations shall be made only by the Board of Directors of the Company on recommendation of the Committee.

This policy shall be disclosed in the Company's Annual Report.

Annexure 5

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
M/s Himatsingka Seide Limited
10/24, Kumara Krupa Road
High Grounds, Bengaluru-560001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Himatsingka Seide Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s Himatsingka Seide Limited for the financial year ended on 31st March, 2016 according to the provisions of:

I. The Companies Act, 2013 (the Act) and the Rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of investment in overseas subsidiary and External Commercial Borrowings;

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
   - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
   - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
   - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
   - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
   - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
   - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

VI. Other laws applicable to the Company like Factories Act, 1948, The Payment of Gratuity Act etc.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc mentioned above except to the extent as mentioned below:

1. The company could not spend the eligible profit on Corporate Social Responsibility measures. However the Company has constituted the CSR Committee and its constitution was as per the regulation.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed Notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

VIVEK BHAT
Practicing Company Secretary
CP: 8426

Place: Bengaluru
Date : May 16, 2016

This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To,
The Members
M/s Himatsingka Seide Limited
10/24, Kumara Krupa Road
High Grounds, Bengaluru-560001.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Bengaluru
Date : May 16, 2016

Annexure 6

Details of Related Party Transactions pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Sl. No.	Name of the Related Party	Nature of relationship	Nature of contract / arrangement / transaction	Salient terms	₹ in Lakhs
1	Himatsingka Holdings North America, Inc.	Wholly owned subsidiaries	Sale of goods (net)	Based on Transfer Pricing guidelines	29,721
			Interest income	Based on Transfer Pricing guidelines	2,084
			Expenses incurred on behalf of	Based on Transfer Pricing guidelines	535
			Inter corporate loans recovered during the year	As per Agreement	1,391
2	Himatsingka America, Inc.	Wholly owned subsidiaries	Sale of goods (net)	Based on Transfer Pricing guidelines	49,736
			Sales commission	As per Agreement	51
			Selling expenses	Based on Transfer Pricing guidelines	362
			Recovery of corporate expenses	As per Agreement	88
			Expenses incurred on behalf of	Based on Transfer Pricing guidelines	38
			Expenses incurred by	Based on Transfer Pricing guidelines	65

For and on behalf of the Board

Place: Bengaluru
Date : August 10, 2016

D.K. Himatsingka
Executive Chairman

Annexure 7

Conservation of energy

	Particulars		2015-16	2014-15
(A)	**Power and fuel consumption:**			
1.	**Electricity**			
a)	Purchased	Units	9,491,811	9,170,677
	Total amount	₹	59,798,408	61,597,338
	Rate / unit	₹	6.30	6.72
b)	**Own generation**			
i)	**Through Diesel generator**			
	Units	Units	64,656	97,351
	Units/ Litre of Diesel Oil	Units	3.17	11.25
	Cost / unit	₹	14.80	12.64
ii)	**Through Steam turbine / Generator**			
	Units	Units	89,380,192	97,271,434
	Cost / unit	₹	4.74	5.60
2.	**Coal**			
	Quantity	Tons	93,543	130,776
	Total amount	₹	447,883,871	570,213,407
	Average rate / tonne	₹	4,788	4,380
3.	**Furnace oil**			
	Quantity	KL	25	105
	Total amount	₹	1,032,576	4,768,881
	Average rate / KL	₹	40,605	45,427
4.	**Other/Internal Generation**			
a)	**Liquefied Petroleum Gas**			
	Quantity	Kg	311,663	330,720
	Total amount	₹	12,941,678	18,440,313
	Average rate / kg	₹	42	56
b)	**Briquette Generation**			
	Quantity	Kg	2,922,760	2,684,736
	Total amount	₹	17,105,585	15,392,050
	Average rate / kg	₹	6	6
(B)	**Consumption:**			
	Product			
(a)	**Drapery and Upholstery fabric (per meter)**			
	Electricity	Unit	8.85	8.79
	Furnace oil	Litre	1.00	1.00
	Coal / Others		Nil	Nil
	Reasons for variation: Due to changes in product-mix.			
(b)	**Spun Silk/ Blended yarns (per Kg)**			
	Electricity	Units/Kg	12.24	20.45
	Furnace oil		Nil	Nil
	Liquefied Petroleum Gas	₹/Kg	57.30	64.80
	Coal / Others		Nil	Nil
	Reasons for variation: Due to changes in product-mix.			
	LPG costs is higher due to higher prices.			
(c)	**Bed linen (per set)**			
	Electricity	Unit/ set	7.89	9.30
	Furnace oil	Liter/set	–	–
	Liquefied Petroleum Gas	₹/set	1.97	0.33
	Coal / Others	₹/set	72.81	109.23

C. 1) **Energy conservation measures taken:**

i) Regular preventive maintenance of electric motors
ii) Installation of additional capacitor banks to improve power factor to 0.99
iii) Frequency of steam trap checking has been increased and faulty traps were replaced
iv) Installation of sky lighting and turbo ventilators to reduce the lighting loads
v) Installation of heat recovery system in boiler thermic fluid heater and process machines to recover the heat
vi) Light fitting were fixed on loom sphere duct to increase the lux level and thereby reducing number of light fittings in weaving
vii) Higher system efficiency of boiler due to steam generated at high pressure and used at lower pressure
viii) Timers were installed for streetlights
ix) Installation of soft starter to reduce the energy in higher torque application
x) Electronic ballast were installed in lighting system
xi) Solar street lights installed for new locations wherever required
xii) LED Light fittings installed in general area lighting
xiii) Modification of motor circuit and lowering the capacity (HP) of twisting machines
xiv) Modification of compressed air lines, inter linking & grid of compressed lines
xv) Optimizing / adjusting the humidity plant fans blade angle.
xvi) Installation of latest version of Air Compressor which has lowest specific power consumption which has resulted in huge energy saving (against 5.4 cfm/KW to 6.8 cfm/KW).
xvii) Overall ETP performance has been optimized and operation cost has been reduced in chemicals from ₹ 32/Kl to ₹ 28 Kl and in Power from 13 KWH/KL to 10 KWH/KL
xviii) Change of coal quality from 39% TM to 35% TM which improved the boiler efficiency and reduced the coal plant running hours

2) **Impact of the measures taken for reduction of energy consumption and consequent impacton the cost of production:**

i) Improvement in productivity
ii) Improvement in the life of electrical equipments
iii) Improved efficiency and product quality
iv) Reduction in electrical energy consumption and better illumination
v) Better power factor, better utilization of power plant and lower demand in KVA
vi) Optimization of compressor utilization
vii) Reduction in power requirement & Better utilization of the plants
viii) Improved efficiency of boilers.

Research and development (R&D)

a) Specific areas in which the Company carried out R&D:

i) Improvement in the quality of current products
ii) Innovation of new products and processes
iii) Development and appraisal of alternative raw materials
iv) Indigenous substitutes for imported inputs.

b) Benefits derived as a result of the above R&D:

– Improvement in the product quality and development of intricate fabric designs and weaves

c) Future plan of action

– Progression of R&D efforts towards quality enhancement, evolution of new designs and reduction in operational costs

d) Expenditure on R&D

– For the year 2015-16, the Company incurred ₹ 457.49 Lakhs towards recurring expenditure on R&D. The total R&D expenditure as a percentage of turnover is 0.36%.

Technology Absorption:

a) Efforts in brief made towards technology absorption, adoption and innovations:

i) Continuous interaction with R&D divisions of overseas designers and buyers
ii) Adaptation of sophisticated technologies in developing new products and designs

iii) Installation of Quantum Clearers in winding machines to eliminate foreign fibre contamination in spun yarn

iv) Installation of latest technology salt drying equipment to dry the waste salt generated in ETP which has resulted in huge saving in solid waste disposal cost

v) Installation of new equipment to augment the waste water recovery to around 93% in the RO stages and hence reduction in quantity of water to be treated in evaporation, which has resulted in saving of steam by around 30 TPD

b) Benefits derived as a result of the above efforts:

i) Quality improvement

ii) Reduced costs and increased productivity

c) Information regarding imported technology:

Not applicable

Foreign Exchange Earnings and Outgoings

(₹ in Lakhs)

Earnings	
Export (FOB Value)	93,812.27
Corporate expense recovery from subsidiary	130.44
Interest	2,099.41
Outgo	
Import of raw material and other inputs	29,652.95
Other expenses	2,129.47
Net foreign exchange earnings from operations	65,362.47
Import of capital goods	136.36

Annexure 8

Annual Report on Corporate Social Responsibility Activities

1. **Brief Outline**

Corporate Social Responsibility (CSR) is central to the operating philosophy of the Company as it is the Company's constant endeavour to ensure that its businesses uphold the highest standards of governance and compliance. The Company proposes to engage in one or more CSR activities falling under the list prescribed under the schedule VII of the Companies Act, 2013. The Company has drafted a CSR policy and the same is available at its website at www.himatsingka.com.

2. **The composition of the CSR Committee**

The Corporate Social Responsibility (CSR) committee consists of the following directors:

Sl. No.	As on 31st March, 2016	w.e.f. 21st May, 2016
1.	Dr. K R S Murthy	Dr. K R S Murthy
2.	Mr. A K Himatsingka	– N A –
3.	Mr. D K Himatsingka	Mr. D K Himatsingka
4.	Mr. Shrikant Himatsingka	Mr. Shrikant Himatsingka

3. Average net profit of the Company for last three financial years is ₹ 7,519.92 Lakhs.

4. The prescribed CSR expenditure for the year is ₹ 150.40 Lakhs, taken at 2% of the above mentioned average net profit.

5. Details of CSR spent during the financial year
   a) Total amount to be spent for the financial year was ₹ 150.40 Lakhs
   b) Amount unspent at the end of the year was ₹ 73.40 Lakhs
   c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	**CSR project or activity identified**	**Sector in which the project is covered**	**Location of Projects or Programs**	**Amount outlay (budget) project or program wise (₹)**	**Amount spent on the projects or progarms (₹)**	**Cumulative expenditure upto the reporting period (₹)**	**Amount spent direct or through implementing agency**
1.	Donation towards content development and implementation of e-learning class room solutions	Clause ii of Schedule VII	Hassan and Doddaballapur, Karnataka, (Local Area)	62,00,000	62,00,000 (as direct expenditure towards the project)	62,00,000	Spent through Children's Lovecastles Trust (CLT)
2.	Donation towards Child Development and Mental Health	Clause i of Schedule VII	Ranchi, Jharkhand	15,00,000	15,00,000 (as direct expenditure towards the project)	15,00,000	Spent through Deepshikha
					Total	77,00,000	

6. The remaining amount has not been spent. The same has been explained in the Board's Report.

7. The implementation and monitoring of CSR activities is in compliance with CSR objectives and Policy of the company.

Sd/-
Dr. K R S Murthy
(Chairman, CSR Committee)

Sd/-
Shrikant Himatsingka
(Managing Director & CEO)

Annexure 9

CORPORATE GOVERNANCE

1. Company's Governance Philosophy

The Corporate Governance Code was introduced by the Securities and Exchange Board of India (SEBI) through the incorporation of new clause in the Listing Agreement of the Stock Exchanges and also through applicable provisions of the Companies Act, 2013. SEBI has notified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) on 2nd September, 2015 replacing the earlier Listing Agreement (w.e.f. December 1, 2015).

Corporate Governance refers to a combination of laws, regulations, procedures, implicit rules and good corporate practices which ensure that a Company meets obligations to optimize shareholders value and fulfill its responsibilities to the community, customers, employees, Government and other segments of society. Some of the important best practices of corporate governance framework are timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company.

Over the years, your Company has complied with the principles of Corporate Governance emphasizing on transparency, empowerment, accountability and integrity. These have helped the Company enhance its stakeholder values.

Your Company will continue to focus its resources, strengths and strategies for creation and safeguarding of shareholders' wealth and at the same time protect the interests of all its shareholders while upholding the core values of excellence, integrity, responsibility, unity and understanding which are imperative to the Himatsingka Group.

2. Board of Directors (Board)

As on March 31, 2016 the Board of the Company comprised of nine Directors. The Company has a Non-Executive Chairman. The number of Non-Executive Directors is five, four of them being independent directors. The composition of the Board is in accordance with the Clause 49 of Listing Agreement and Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and exceeds the percentages stipulated in the subject clause and Regulation, respectively.

The Non-Executive Directors are professionals with rich experience in management, finance, law and banking.

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as specified in Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015), across all the companies in which he is a Director. All the directors have made the necessary disclosures regarding their Committee positions in other companies as on March 31, 2016.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies are given below:

The Composition and category of Directors and relevant details relating to them are given below:

Name	Category (#)	Board Meetings Attended /Held	Attendance at last AGM	No. of Directorships held in other companies@	No. of Memberships and Chairmanship in Committees of other companies*
D K Himatsingka	E	8/8	Yes	3	Nil
Shrikant Himatsingka	E	8/8	Yes	3	Nil
Aditya Himatsingka	E	8/8	Yes	5	1 and 0
Jayshree Poddar	E	6/8	Yes	Nil	Nil
Dilip J Thakkar	C,I	5/8	Yes	16	4 and 2
Dr. K R S Murthy	I	8/8	Yes	2	0 and 1
Berjis M Desai	I	2/8	No	16	5 and 3
A K Himatsingka	NE, NI	4/8	Yes	5	Nil
Rajiv Khaitan	I	7/8	Yes	6	1 and 1

Note:

@ For the purpose of considering the limit of directorship, private companies and companies under Section 8 of the Companies Act, 2013 have been included, but foreign companies have been excluded.

* For the purpose of considering limit of committee membership, private limited companies, foreign companies and companies under section 8 of the Companies Act, 2013 have been excluded. Chairmanship/Membership of only Audit Committee and Stakeholders' Relationship Committee is considered.

C = Chairman, E = Executive Director, I = Independent, NE = Non Executive, NI = Non Independent.

During the year 2015-16, the Board of Directors met eight times on the following dates: April 28, 2015, May 23, 2015, July 23, 2015, August 31, 2015, September 15, 2015, October 15, 2015, January 30, 2016 and March 11, 2016.

The Company has adopted the Code of Conduct for the Board of Directors and Senior Management Personnel of the Company. The Company has received confirmations from the Directors as well as Senior Management Personnel regarding compliance of the Code during the year under review. Both the Codes are posted on the website of the Company.

The following represent the details of pecuniary transactions entered by the Company where the non-executive Directors are interested:–

(₹ Lakhs)

Name of the Director	Purpose	Amount
Dr. K R S Murthy	Listing fees paid to National Stock Exchange of India Limited	1.57
Rajiv Khaitan	Professional fees paid to Khaitan & Co. LLP	63.77

Apart from the above, none of the other non-executive directors have any pecuniary relationship or transaction with the Company, its promoters, its management or its subsidiaries.

During the year, information as required under Annexure X to Clause 49 of the Listing Agreement (upto 30th November, 2015) and Schedule II part A of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (from 1st December, 2015) has been placed to the Board for its consideration.

Re-appointment of directors

In accordance with the provisions of the Companies Act, 2013, and Articles of Association of the Company, Mr. Aditya Himatsingka retires by rotation and being eligible, offers himself for re-appointment. His re-appointment will be placed as one of the agenda in the ensuing Annual General Meeting.

3. Audit Committee

An independent Audit Committee in line with the Clause 49 of the listing agreement and Section 292A of the Companies Act, 1956 was set up on 13th January 2001. The constitution of the committee is in line with the requirements under section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure REquirements) Regulations, 2015. No changes were required to be made to the committee structure during the year.

The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- efficiency and effectiveness of operations;
- safeguarding of assets and adequacy of provisions for all liabilities;
- reliability of financial and other management information and adequacy of disclosures;
- compliance with all relevant statutes.

The functions of the Committee include the following:

- The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Examination of the financial statement and the auditors' report thereon;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters.
- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
    b) Changes, if any, in accounting policies and practices and reasons for the same
    c) Major accounting entries involving estimates based on the exercise of judgment by management
    d) Significant adjustments made in the financial statements arising out of audit findings
    e) Compliance with listing and other legal requirements relating to financial statements
    f) Disclosure of any related party transactions
    g) Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

The minutes of the Audit Committee meetings are placed before the Board of Directors in the subsequent Board Meeting.

During the year 2015-16, the Audit Committee met on four occasions i.e. May 23, 2015, July 23, 2015, October 15, 2015 and January 30, 2016. The necessary quorum was present in all the meetings.

The Constitution of Audit Committee and attendance of the Members for the year 2015-16 is as under:

Name of Director	Position	No. of Meetings attended/ held
Dilip J Thakkar	Chairman	3/4
Rajiv Khaitan	Member	4/4
Dr. K.R.S. Murthy	Member	4/4

The Chairman of the Audit Committee was present at the last Annual General Meeting.

The Statutory Auditor, Internal Auditor, and the Chief Financial Officer are invited to attend and participate at meetings of the Committee.

The Company Secretary acts as the secretary to the Committee.

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board comprises of three Independent Directors. During the year 2015-16, the Committee met on three occasions i.e., May 23, 2015, July 23, 2015 & January 30, 2016.

The annual compensation of the Executive Directors is approved by the Committee within the parameters set by the shareholders at their meetings.

The committee has devised a Nomination and Remuneration policy in line with the requirements under the Companies Act, 2013 and under the Listing Agreement/ SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, which includes performance evaluation criteria for Independent Directors. The Policy is enclosed as an annexure to the Boards' Report.

The following Directors are the members of the Committee:

Name of Director	Position	No. of Meetings attended/ held
Rajiv Khaitan	Chairman	3/3
Dilip J Thakkar	Member	3/3
Dr. K.R.S. Murthy	Member	3/3

The Company Secretary acts as the secretary to the Committee.

5. Remuneration and Shareholding of Directors

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to the Managing and Executive Directors. Commission is calculated with reference to net profits of the Company in a particular financial year and is determined by the Board of Directors at the end of the financial year, subject to overall ceiling stipulated in Sections 197 of the Companies Act, 2013 (Section 198 of the erstwhile Companies Act, 1956). The remuneration is closely linked to the performance of the Company.

Given below are the details of shareholding of Directors as on March 31, 2016 and remuneration during the financial year 2015-16 to the Directors.

(₹ in Lakhs except for No. of Shares held)

Director	No. of shares held	Sitting fees	Salaries and perquisites	Commission	Total
Dilip J Thakkar	Nil	1.20	Nil	14.00	15.20
A K Himatsingka	25,61,007	0.40	Nil	12.00	12.40
Rajiv Khaitan (paid to Khaitan & Co., LLP)	4,200	1.50	Nil	7.00	8.50
Dr. K R S Murthy	1,000	1.60	Nil	7.00	8.60
Berjis M Desai	Nil	0.30	Nil	7.00	7.30
D K Himatsingka	1,11,35,944	Nil	112.62	206.25	318.87
Shrikant Himatsingka	66,80,964	Nil	72.82	206.25	279.07
Aditya Himatsingka	29,78,200	Nil	56.55	85.00	141.55
Jayshree Poddar	3,63,400	Nil	33.74	30.00	63.74

None of the Directors are related to each other, except A K Himatsingka and D K Himatsingka who are brothers and Aditya Himatsingka and Shrikant Himatsingka who are sons of A K Himatsingka and D K Himatsingka respectively.

Rajiv Khaitan is a senior partner of M/s Khaitan & Co., LLP, Solicitors and Advocates who have professional relationship with the Company.

The Contract tenures of the Executive Directors are as follows

D. K. Himatsingka	:	From April 1, 2014 to March 31, 2019
Aditya Himatsingka	:	From June 2, 2014 to June 1, 2019
Shrikant Himatsingka	:	From June 3, 2013 to June 2, 2018
Jayshree Poddar	:	From March 1, 2015 to February 29, 2020

Criteria for making payments to non-executive Directors:

The Non-Executive Directors (NEDs) are paid remuneration by way of Commission and Sitting Fees. In terms of the shareholders' approval obtained at the AGM held on September 23, 2014 for a period of five years commencing from April 1, 2014, the Commission is paid at a rate not exceeding 1% per annum of the profits of the Company computed in accordance with Section 197 of the Companies Act, 2013.The approval for payment of commission to NEDs is valid upto 31st March, 2019.

A sitting fee of ₹ 10,000/- for attendance at each meeting of the Board, Audit Committee, Remuneration Committee, Risk Management Committee and Independent Directors' meeting is paid to its Members (excluding Executive Directors).

The Company also reimburses out-of-pocket expenses to Directors for attending meetings.

6. Share Transfer Committee

The Company has a Share Transfer Committee. This comprises three directors. The Committee deals with various matters relating to share transfer, share transmission, issue of duplicate share certificates, the approval of split and consolidation requests, the de-materialisation and re-materialisation of shares as well as other matters that relate to the transfer and registration of shares. The members of this committee are D.K. Himatsingka, A.K. Himatsingka and Aditya Himatsingka.

7. Stakeholders Relationship Committee

The Company has a Stakeholders Relationship Committee comprising of three directors and the chairman is an independent, non executive director. The Committee looks into redressing of shareholder and investors complaints like transfer of shares, non receipt of balance sheet, non receipt of declared dividend and related matters.

Four meetings of the committee were held during the year – on May 23, 2015, July 23, 2015, October 15, 2015 and January 30, 2016. The Chairman of the Committee was present in all the meetings.

The minutes of the Stakeholders Relationship Committee meetings are placed before the Board of Directors in the subsequent Board meeting.

Constitution of Stakeholders Relationship Committee as on March 31, 2016 and related information:

Name of the Director	Position	No. of Meetings Attended/ held
Rajiv Khaitan	Chairman	4/4
A K Himatsingka	Member	3/4
Dr K R S Murthy	Member	4/4

The Company Secretary acts as the secretary to the Committee.

There were no pending investor complaints at the beginning of the year. During the year 2015-16, the Company received 114 investor complaints, which have been attended to and no complaints remain unresolved at the end of the year.

8. Risk Management Committee

The Board constituted a Risk Management Committee on July 28, 2009. The Committee's prime responsibility is to implement and monitor the risk management plans and policy of the Company.

Constitution of Risk Management Committee as on March 31, 2016 and related information:

Name of the Director	Position
Dr K R S Murthy	Chairman
Aditya Himatsingka	Member
Shrikant Himatsingka	Member

The Chief Financial Officer, Head of Marketing, Head of Treasury, and Vice President (Corporate Finance) are permanent invitees to the Committee.

9. Corporate Social Responsibility

The Board constituted a Corporate Social Responsibility Committee on May 15, 2014. During the year two meetings of the committee were held on June 25, 2015 and March 11, 2016. The minutes of the Corporate Social Responsibility Committee meetings are placed before the Board of Directors in the subsequent Board meeting.

Constitution of the Corporate Social Responsibility Committee as on March 31, 2016 and related information:

Name of the Director	Position	No. of meetings attended / held
Dr K R S Murthy	Chairman	2/2
A.K. Himatsingka	Member	0/2
D.K. Himatsingka	Member	2/2
Shrikant Himatsingka	Member	1/2

10. General Body Meetings

The last three Annual General Meetings of the Company were held on the following dates, time and venue:

Date	Year	Type	Time	Venue	No. of special Resolutions passed
September 15, 2015	2014-15	Annual General Meeting	2.00 p.m.	The LaLiT Ashok Kumara Krupa Road, High Grounds, Bengaluru-560 001	2
September 23, 2014	2013-14	Annual General Meeting	2.00 p.m.	The LaLiT Ashok Kumara Krupa Road, High Grounds, Bengaluru-560 001	3
August 12, 2013	2012-13	Annual General Meeting	4.00 p.m	The LaLiT Ashok Kumara Krupa Road, High Grounds, Bengaluru-560 001	Nil

Postal Ballot

The shareholders of the Company were provided an option to additionally cast their vote through postal ballot for all the resolutions proposed in the notice of the 30th Annual General Meeting held on September 15, 2015.

No postal Ballot was conducted during the year under review. Further, as on date of this report, no special resolutions are proposed to be passed through postal ballot.

The last Extraordinary General Meeting of the Company was held on the following date, time and venue:

Date	Year	Type	Time	Venue	No. of special Resolutions passed
December 8, 2010	2010-11	Extraordinary General Meeting	3.30 p.m.	The Capitol No. 3, Rajbhavan Road Bengaluru-560 001	5

11. Means of Communication

a) The relevant information relating to the Directors who would be appointed/re-appointed at the ensuing Annual General Meeting is given in the Notice convening the Annual General Meeting.

b) The Quarterly and Annual Financial Results of the Company are forwarded to the Stock Exchanges and were published in Business Standard – English Newspaper, Business Line, Financial Express, Economic Times (all editions) and Vartha Bharati – Kannada newspaper, Bengaluru.

c) The financial results and official news releases are also displayed on our website www.himatsingka.com and the website of the Company displays the Investor Updates and presentations made to the institutional investors and analysts from time to time.

d) Reminders for unclaimed dividend are sent to the shareholders, as per records, before transferring the unclaimed dividend to Investor Education Protection Fund.

e) The Company has designated investors@himatsingka.com as the Designated Exclusive email-id, for redressal of investor grievances.

12. Code for Prevention of Insider Trading

The Company has adopted a code of conduct for Prevention of Insider Trading in the shares of the Company. The code, *inter-alia,* prohibits purchase/sale of shares of the Company by employees while in possession of unpublished price sensitive information in relation to the Company.

13. CEO/CFO Certification

The CEO and CFO give quarterly and annual certification of the financial statements to the Board, as required under clause 41 and 49 of the Listing Agreement (upto 30th November, 2015) and Regulation 33 and Schedule II part B of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (from 1st December, 2015).

14. Reconciliation of Share Capital Audit

A qualified practicing Company Secretary carries out quarterly Reconciliation of Share Capital audits to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

15. Compliance

The certificate regarding compliance of the conditions of corporate governance obtained from our statutory auditors M/s. Deloitte Haskins & Sells is given elsewhere in this Annual Report.

16. Compliance Officer

The name and designation of the Compliance Officer of the Company is:–

Mr. Ashok Sharma
Vice President – Treasury, Taxation & Company Secretary
His contact details are –
Telephone: 080-22378000, Fax No. 080-4147 9384
e-mail ID: investors@himatsingka.com

17. Disclosures

a) Subsidiary Companies

i) None of the Company's Indian Subsidiaries fall under the definition of "material non listed Indian subsidiary as defined under the listing agreement"

ii) The Audit Committee of the Company reviews the financial statements and in particular the investments made by unlisted subsidiaries of the Company.

iii) The minutes of the board meetings of unlisted subsidiaries are periodically placed before the Board of the Company. The Board is periodically informed about all significant transactions and arrangements entered into by the unlisted subsidiaries of the Company.

b) Related party transactions

The statutory disclosure requirements relating to related party transactions have been complied within the Annual Accounts (Note 28)

There were no material transactions during the year 2015-2016 that are prejudicial to the interest of the Company.

c) Disclosure of Accounting Treatment

There is no deviation in following the treatments prescribed in any Accounting Standard in preparation of financial statements for the year 2015-16.

d) Whistle Blower Policy

A Whistle Blower Policy is adopted by the Company, the whistle blower mechanism is in vogue and no personnel has been denied access to the Audit Committee

e) Board Disclosures – Risk Management

The risk assessment and minimization procedures are in place and the Board is regularly informed about the business risks and the steps taken to mitigate the same. A report on Risk Management is included elsewhere in this Annual Report.

f) Familiarization Programme and Training

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the company's procedures and practices. In addition, presentations made at the Board and Committee Meetings on the performance of the company along with subsidiaries and quarterly updates on relevant statutory changes. The details of familiarization programme for Independent Directors are posted on the website of the company at http://www.himatsingka.com/corporate-governance.html

g) Terms and Conditions of appointment of Independent Directors are posted on the website of the company at http:// www.himatsingka.com/ corporate-governance.html

h) The Management Discussion and Analysis report is included elsewhere in this Annual Report.

i) All the mandatory requirements have been duly complied with.

j) With regard to adoption of non-mandatory requirements as specified in Part E of Schedule II, the Company has a non-executive director as its Chairman, it has appointed separate persons as Chairman and CEO, and the Internal Auditors report directly to the Audit Committee.

k) Statutory Compliance, Penalties and Strictures

The Company complied with all the requirements of the Stock Exchanges/ SEBI/ and other statutory authorities on all matters related to the capital markets during the last three years. There were no penalties or strictures imposed on the Company by the Stock Exchanges, the SEBI or any statutory authority on matters relating to capital markets.

l) The web link for the policy for determining the material subsidiaries and policy on dealing with related party transactions is http://www.himatsingka.com/corporate-governance/policies.html

18. General Shareholders' Information

Corporate

Himatsingka Seide Limited was incorporated at Bengaluru, in the State of Karnataka, on January 23, 1985. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L17112KA1985PLC006647. The address of our Registered office is 10/24, Kumara Krupa Road, High Grounds, Bengaluru 560 001.

Listing on Stock Exchanges	Bombay Stock Exchange Ltd Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 Stock Exchange Code: 514043 National Stock Exchange of India Ltd Exchange Plaza, 5th Floor, Plot No. C/1, G Block Bandra-Kurla Complex, Bandra (E), Mumbai 400 051 Stock Exchange Code: HIMATSEIDE
Listing Fees	Paid to BSE and NSE for 2016-2017
Custodial Fees	Paid to Central Depository Services (India) Ltd for 2016-17. The Company has paid one time fees to National Securities Depository Limited. Demat ISIN: INE049A01027

Unclaimed Dividends

Pursuant to Section 205C of the Companies Act, 1956, dividends that are unpaid/ unclaimed for a period of seven years from the date they became due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF). Given below are the dates of declaration of dividend and corresponding dates when unpaid/unclaimed dividends are due for transfer to IEPF.

Year	Type of dividend	Dividend per share (₹)	Date of declaration of dividend	Due date for transfer to IEPF
2010	Final Dividend	0.25	September 8, 2010	October 15, 2017
2012	Final Dividend	0.50	August 25, 2012	October 2, 2019
2013	Final Dividend	1.00	August 12, 2013	September 18, 2020
2014	Final Dividend	1.50	September 23, 2014	October 30, 2021
2015	Final Dividend	2.00	September 15, 2015	October 22, 2022
2016	Interim Dividend	1.00	March 11, 2016	April 18, 2023

Members who have so far not encashed their dividend warrants are requested to write to the Company/Registrar to claim the same, to avoid transfer to iepf. Members are advised that no claims shall lie against the said fund or the Company for the amounts of dividend so transferred to the said Fund.

Investor Information

Annual General Meeting	September 17, 2016 at 2.00 pm The LaLit Ashok Bengaluru Kumara Krupa Road, High Grounds Bengaluru-560 001
Financial year	1st April to 31st March
Financial Calendar	Board Meetings for approval of

Financial Results for 1st Quarter 2016-17	July-August 15, 2016
Financial Results for 2nd Quarter 2016-17	October-November 15, 2016
Financial Results for 3rd Quarter 2016-17	January-February 15, 2017
Annual Accounts 2016-17	April-May 30, 2017

Date of Book Closure	10.09.2016 to 17.09.2016 (both days inclusive)
Dividend payment date	on or before October 16, 2016

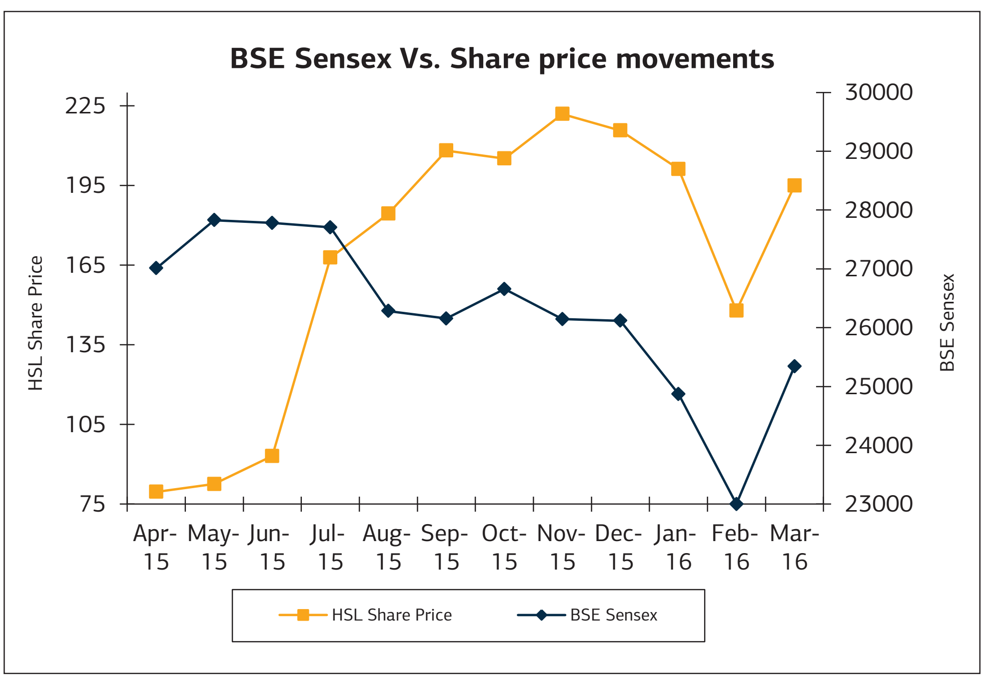
Share Price

The monthly high and low quotations of the closing price and volume of shares traded at Bombay Stock Exchange and National Stock Exchange during the year were as follows:

Month	Bombay Stock Exchange			National Stock Exchange		
	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low(₹)	Volume (Nos.)
Apr-15	88.20	77.05	463,893	88.30	77.00	1,215,843
May-15	89.00	76.05	585,826	93.00	76.25	1,280,563
Jun-15	94.65	74.35	2,914,851	94.60	74.10	6,035,643
Jul-15	180.95	88.65	13,605,648	180.80	88.00	55,555,819
Aug-15	216.00	158.00	8,176,323	215.80	157.20	29,467,535
Sep-15	218.40	158.10	4,605,173	218.50	158.35	17,413,562
Oct-15	237.00	202.00	4,225,365	236.90	202.40	15,656,550
Nov-15	223.90	186.00	2,152,772	224.00	186.00	7,827,562
Dec-15	232.00	197.90	3,179,027	231.95	197.00	7,257,878
Jan-16	248.00	180.00	2,717,287	248.4	180.10	9,481,078
Feb-16	209.80	144.95	1,392,842	209.5	144.60	4,682,183
Mar-16	203.75	148.30	1,223,727	203.85	147.05	6,341,185
Total			**45,242,734**			**162,215,401**

Stock Split	1 equity share of ₹ 10/- each split into 2 equity shares of ₹ 5/- each in October 2005	
Bonus History	1994	1:2
	1999	1:1
	2005	1:1

Share price movement



Share Transfers and other communication regarding share certificates, dividends, and change of address, etc., may be addressed to

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District
Nanakramguda, Hyderabad-500 032
Phone: (040) 6716 1559 Fax: (040) 23001153
E-mail: shobha.anand@karvy.com

Share Transfer System

Share transfers are registered and returned within a period of 10/15 days from the date of receipt if the documents are in order. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with stock exchange upto November 30, 2015 and Regulation 40(9) of SEBI (Listing obligations and Disclosure Requirements) Regulation, 2015 (with effect from 1st December, 2015) and files a copy of the certificate with the Stock Exchanges.

Transfer period in days	2015-2016	
	No. of shares	Percentage
1 – 10	3,778	100.00
11 – 20	–	–
21 – 30	–	–
Total	3,778	100.00

Complaints received from Investors during the year

Nature of Complaints	Received	Cleared
1. Non-receipt of share certificates	3	3
2. Non-receipt of dividend warrants	54	54
3. Non-receipt of Annual Report	50	50
4. Complaints received through SEBI (SCORES)	7	7
Total	**114**	**114**

The Company attended to most of the investors' grievances/ correspondence within seven days from the date of receipt of the same during the year 2015-16.

Distribution of shareholding as on March 31, 2016

No. of equity shares	No. of share holders	% of share holders	No. of shares held	% of shareholding
1 – 5000	18,923	85.66	4,457,294	4.53
5001 – 10000	1,487	6.73	2,268,094	2.30
10001 – 20000	748	3.39	2,206,820	2.24
20001 – 30000	310	1.40	1,569,057	1.59
30001 – 40000	133	0.60	939,699	0.95
40001 – 50000	95	0.43	879,780	0.89
50001 – 100000	190	0.86	2,767,562	2.81
100001 and above	206	0.93	83,368,854	84.68
Total	**22,092**	**100.00**	**98,457,160**	**100.00**

Shareholding Pattern as on March 31, 2016

Particulars	Physical Holdings	Electronic Holdings	Total Holdings	%
Promoters	–	56,334,595	56,334,595	57.22
Banks	2,000	39,399	41,399	0.04
Trusts	–	4,000	4,000	0.00
Mutual Fund	400	6,513,562	6,513,962	6.62
FII	400	8,129,419	8,129,819	8.26
Non-Resident Indians	169,780	697,659	867,439	0.88
Indian Corporate Bodies	15,720	3,687,584	3,703,304	3.76
Individuals	1,129,968	21,642,905	22,772,373	23.13
Others	–	90,269	90,269	0.09
Total	1,318,268	97,138,892	98,457,160	100.00
Percentage	1.34	98.66	100.00	

NOTE: Promoter Group has not pledged any of their shares as on March 31, 2016

Dematerialisation of shares and liquidity

The equity shares of the Company are available for dematerialisation with National Securities Depository Limited (NSDL) and Central Depository Services of India Limited (CDSL). The equity shares of the Company have been notified by SEBI for settlement only in the demat form for all investors from 21st March 2000.

As on March 31, 2016, 98.66% of the Company's share capital is dematerialized and the rest is in Physical form. The Company's shares were regularly traded on the National Stock Exchange and Bombay Stock Exchange.

Shares held in demat and physical mode as on March 31, 2016

Category	Number of		% to total equity
	Shareholders	Shares	
Demat Mode			
NSDL	13,307	91,538,732	92.97
CDSL	7,943	5,600,160	5.69
Total	**21,250**	**97,138,892**	**98.66**
Physical Mode	842	13,18,268	1.34
Grand Total	22,092	98,457,160	100.00

Plant Locations: The Company's plants are situated at the following locations:

Drapery & Upholstery Unit: 23A KIADB Industrial Area, Veerapura Village, Doddaballapur Taluk PO – 561 203, Bengaluru Dist, Karnataka, India

Bed Linen Unit: Plot No. 1, KIADB Industrial Area, Gorur Road, Hanumanthapura PO, Hassan – 573 201, Karnataka, India

Service of documents through electronic mode

As a part of Green initiative, the members who wish to receive documents like the Notice convening the general meetings, Financial Statements, Director's Report, Auditors Report etc., through e-mail, may kindly intimate their e-mail address to Company/ Registrars (for shares held in physical form) and Depository Participants (for shares held in dematerialized form).

Commodity Price Risk / Foreign Exchange Risk and Hedging activity

A report on Risk Management is included elsewhere in this Annual Report.

Other useful information to shareholders

- Equity shares of the Company are under compulsory demat trading by all investors, with effect from March 21, 2000. Considering the advantages of scripless trading, shareholders are requested in their own interest to consider de-materalisation of their shareholding so as to avoid inconvenience in future.
- Shareholders/Beneficial Owners are requested to quote their Registered Folio No./DP & Client ID Nos. as the case may be, in all correspondence with the RTA/ Company. Company has also designated an exclusive E-mail ID: investors@himatsingka.com for effective investors' services where they can complain/ raise query and request for speedy and prompt redressal.
- Shareholders holding shares in physical form are requested to notify to the RTA/ Company, change in their address/ Pin Code number with proof of address and Bank Account details promptly by written request under the signatures of sole/ first joint holder. Shareholders may Note that for transfer of shares held in physical form, as per circular issued by SEBI, the transferee is required to furnish copy of their PAN card to the Company/RTAs for registration of transfer of shares.
- Beneficial Owners of shares in demat form are requested to send their instructions regarding change of name, bank details, nomination, power of attorney, etc., directly to their Depository Participants only.
- Non-resident members are requested to immediately notify the following to the Company in respect of shares held in physical form and to their Depository Participants in respect of shares held in dematerialized form:
  - Indian address for sending all communications, if not provided so far;
  - Change in their residential status on return to India for permanent settlement;
  - Particulars of the Bank Account maintained with a bank in India, if not furnished earlier; and
  - E-mail ID and Fax No(s), if any.

- In case of loss/ misplacement of shares, investors should immediately lodge FIR/Complaint with the Police and inform to the Company along with original or certified copy of FIR/ Acknowledged copy of the Police complaint.
- For expeditious transfer of shares, shareholders should fill in complete and correct particulars in the transfer deed. Wherever applicable, registration number of Power of Attorney should also be quoted in the transfer deed at the appropriate place.
- Shareholders are requested to keep record of their specimen signature before lodgement of shares with the Company to obviate the possibility of difference in signature at a later date.
- Shareholders of the Company, who have multiple accounts in identical names(s) or holding more than one Share Certificate in the same name under different Ledger Folio(s), are requested to apply for consolidation of such Folio(s) and send the relevant Share Certificates to the Company.
- Section 72 of the Companies Act, 2013 extends nomination facility to individuals holding shares in physical form in Companies. Shareholders, in particular those holding shares in single name, may avail of the above facility by furnishing the particulars of their nominations in the prescribed Nomination Form.
- Shareholders are requested to give their valuable suggestions for improvement of the Company's investor services.

  Investors' correspondence may be addressed to Ashok Sharma, Vice President – Treasury, Taxation & Company Secretary, Himatsingka Seide Limited, 10/24, Kumara Krupa Road, High Grounds, Bengaluru 560 001. Phone (080) 2237 8000 Fax (080) 4147 9384, e-mail: investors@himatsingka.com

Mandatory/Non Mandatory Requirements

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement (upto 30th November, 2015) and Schedule V of Regulation 34(3) and 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (from 1st December, 2015) relating to Corporate Governance. With regard to the non-mandatory requirements the Company has a non-executive director as its Chairman, it has appointed separate persons as Chairman and CEO, and the Internal Auditors report directly to the Audit Committee.

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges (upto 30th November, 2015) and Schedule V(D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (from 1st December, 2015), all Board members and Senior Management Personnel have affirmed compliance with Himatsingka Seide Limited Code of Business Conduct and Ethics for the year ended March 31, 2016.

Bengaluru
August 10, 2016

Dinesh Himatsingka
Executive Chairman

Annexure 10

DIVIDEND DISTRIBUTION POLICY

Preamble

SEBI vide notification No. SEBI/ LAD-NRO/GN/2016-17/008 dated July 08, 2016 mandates that the top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites

The Board of Directors of the Himatsingka Seide Limited has, at its meeting held on August 10, 2016 approved and adopted this policy.

Effective Date: August 10, 2016

Definitions

For the purposes of this policy

"Act" shall mean the Companies Act, 2013 and shall include any amendments made thereto.

"Rules" Companies (declaration and payment of Dividend) Rules, 2013.

'Dividend' has been defined under Section 2(35) of Act. The term "Dividend" includes any interim dividend

"Regulations" SEBI (Listing Obligation Disclosure Requirements) Regulations, 2015\

"Company or HSL" shall mean Himatsingka Seide Limited, wherever it is referred to in the policy

"Board" means Board of Directors of HSL

"Policy" shall mean the Policy on Dividend Distribution Policy of HSL

The Policy

Introduction

This policy has been developed in accordance with the provisions of Companies Act, 2013 read with the applicable Rules framed thereunder, as may be in force for the time being and the Articles of Association of the Company.

The Policy is intended to determine the approach of the Board of Directors of the Company to the development of recommendations on the amount of dividends on the Company shares and the procedure for their payment.

The Company believes in continuing a reasonable balance between cash retention and distribution of dividend to its members. The Company believes in the requirement of cash retention for expansion and diversification of the Company including acquisitions to be made by it, and also to meet contingency.

The Company shall declare dividends for a financial year out of the profits of the company for that year or out of the profits of the company for any previous financial year or years after providing for depreciation in accordance with applicable laws.

Types of Dividends

A. Final Dividend

Dividend is said to be a final dividend if it is declared at the Annual General Meeting of the Company. Final dividend once declared becomes a debt enforceable against the Company. Final Dividend can be declared only if it is recommended by the Board of Directors of the Company.

B. Interim Dividend

Dividend is said to be an interim dividend, if it is declared by the Board of Directors between two annual general meetings of the company. However, all the provisions relating to the payment of dividend shall be applicable on the interim dividend also.

Factors determining the Dividend

A. Internal Factors

1) Upcoming Projects
2) Expansion Plans
3) Technology Up gradation
4) Merger and acquisitions
5) Contingency Funds
6) Liquidity Positions

B. External Factors

1) Economy in which company is operating
2) Statutory requirements
3) Capital Markets

Utilization of retained earnings

Retained earnings are used to maintain existing operations or to increase sales and profits by growing the business of the Company.

For example:–

- For installation of new plants and equipment just to maintain existing operations.
- Repair and replace costly machinery.
- Idea of expansion etc.,

Review

This Policy will be reviewed periodically by the Board.

INDEPENDENT AUDITOR'S CERTIFICATE

TO THE MEMBERS OF HIMATSINGKA SEIDE LIMITED

1. We have examined the compliance of conditions of Corporate Governance by **HIMATSINGKA SEIDE LIMITED** ("the Company"), for the year ended on 31st March, 2016, as stipulated in:

   - Clause 49 (excluding clause 49(VII) (E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 01, 2015 to November 30, 2015.

   - Clause 49(VII) (E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01, 2015 to September 01, 2015.

   - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016 and

   - Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.

4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.

5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Monisha Parikh
Partner
Membership No. 47840

Place: Bengaluru
Date : August 10, 2016

INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENT

TO THE MEMBERS OF HIMATSINGKA SEIDE LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **HIMATSINGKA SEIDE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

   c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.

e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Monisha Parikh
Partner
Membership No. 47840

Bengaluru, May 21, 2016

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **HIMATSINGKA SEIDE LIMITED** (the “Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Monisha Parikh
Partner
Membership No. 47840

Bengaluru, May 21, 2016

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

(i) **(a)** The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of 2 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and based on the examination of the registered sale deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings are held in the name of the Company including share of undivided land jointly held with other entities as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lenders.

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement except in case of 4 premises having a gross book value of ₹ 5.50 Lakhs and net book value of ₹ 3.22 Lakhs where the lease-cum-sale deed had been entered into by the Company and sale has not been registered upon completion of the lease period. The Company has inititated procedures for executing the sale in its favour.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has granted unsecured loans, to companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company’s interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(c) There is no overdue amount remaining outstanding as at the balance sheet date.

The Company has not granted any loans, secured or unsecured, to firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits during the year and does not have any unclaimed deposits.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in Lakhs)
Income Tax Act, 1961	Income Tax	Supreme Court	1993-94	39.23
		High Court of Karnataka	1994-95	125.75
		Supreme Court	2003-04	24.46*
		Income Tax Appellate Tribunal	2005-06	23.68
		Commissioner of Income Tax (Appeals)	2008-09	6.82
Central Excise Act, 1944	Excise Duty	Central Excise and Service Tax Appellate Tribunal	2003-04 to 2008-09	265.40
			February 2009 to December 2009	33.14^
			August 2012 to March 2013	16.28
		Commissioner of Central Excise (Appeals)	April 2013 to July 2014	6.02#

*Net of ₹ 100 Lakhs paid under protest.
^Net of ₹ 5 Lakhs paid under protest.
#Net of ₹ 0.48 Lakhs paid under protest.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and dues to debenture holders. There are no borrowings from government.

(ix) In our opinion and according to the information and explanations given to us, during the year the Company has not raised money by way of initial public offer/ further public offer (including debt instruments) and the money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised other than temporary deployment pending application of proceeds.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Monisha Parikh
Partner
Membership No. 47840

Bengaluru, May 21, 2016

BALANCE SHEET

Himatsingka Seide Limited | As at March 31, 2016

	Note No.	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	4,922.86	4,922.86
Reserves and surplus	3	78,755.66	63,536.36
		83,678.52	**68,459.22**
Non-current liabilities			
Long-term borrowings	4	47,016.80	29,241.52
Deferred tax liability (net)	13	502.41	–
Other long-term liabilities	5	721.02	476.82
Long-term provisions	6	692.00	633.94
		48,932.23	**30,352.28**
Current liabilities			
Short-term borrowings	7	18,613.35	12,144.66
Trade payables	8		
Total outstanding dues of micro enterprises and small enterprises		147.71	185.71
Total outstanding dues of creditors other than micro enterprises and small enterprises		9,882.50	10,643.06
Other current liabilities	9	4,478.83	10,464.11
Short-term provisions	10	5,281.62	4,806.41
		38,404.01	**38,243.95**
TOTAL		**171,014.76**	**137,055.45**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	34,900.50	33,902.18
Intangible assets	11	872.80	605.72
Capital work-in-progress		2,864.42	3,318.23
Intangible assets under development		–	330.42
		38,637.72	38,156.55
Non-current investments	12	40,095.59	39,541.07
Deferred tax asset (net)	13	–	102.97
Long-term loans and advances	14	41,443.30	31,745.81
		120,176.61	**109,546.40**
Current assets			
Inventories	15	17,015.44	14,990.14
Trade receivables	16	12,821.08	6,091.55
Cash and cash equivalents	17	10,618.97	1,039.94
Short-term loans and advances	18	4,353.38	1,966.10
Other current assets	19	6,029.28	3,421.32
		50,838.15	**27,509.05**
TOTAL		**171,014.76**	**137,055.45**

See accompanying Notes 1 to 37 forming part of the financial statements

In terms of our report attached
for Deloitte Haskins & Sells
Chartered Accountants

Monisha Parikh
Partner

Bengaluru
Date: May 21, 2016

For and on behalf of the Board of Directors

Dilip J. Thakkar
Chairman

A.K. Himatsingka
Vice Chairman

D.K. Himatsingka
Managing Director

Shrikant Himatsingka
Executive Director & CEO

Pradeep K.P.
Chief Financial Officer

Ashok Sharma
Company Secretary

Bengaluru
Date: May 21, 2016

STATEMENT OF PROFIT AND LOSS

Himatsingka Seide Limited | For the year Ended March 31, 2016

	Note No.	For the year ended 31.03.2016 ₹ in Lakhs	For the year ended 31.03.2015 ₹ in Lakhs
Revenue from operations (gross)	20	102,236.79	95,139.17
Less: Excise duty		170.84	298.41
Revenue from operations (net)		102,065.95	94,840.76
Other income	21	4,155.04	3,728.27
Total revenue		**106,220.99**	**98,569.03**
Expenses:			
Cost of materials consumed	22A	54,699.12	49,547.63
Purchase of stock-in-trade	22B	211.38	2,977.85
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(322.24)	2,004.02
Employee benefits expense	24	10,895.20	9,810.88
Interest and finance costs	25	6,122.89	4,505.29
Depreciation and amortization expense	11	3,636.17	3,541.39
Other expenses	26	12,575.50	15,247.93
Total expenses		**87,818.02**	**87,634.99**
Profit before tax		**18,402.97**	**10,934.04**
Tax expense:			
Current tax expense		3,923.26	2,326.00
Minimum alternate tax credit entitlement		(3,923.26)	(2,326.00)
Deferred tax		605.38	–
Profit for the year		**17,797.59**	**10,934.04**
Basic and diluted earnings per equity share (₹)	33	18.08	11.11
(Par value of ₹5 each)			

See accompanying notes 1 to 37 forming part of the financial statements

In terms of our report attached
for Deloitte Haskins & Sells
Chartered Accountants

Monisha Parikh
Partner

Bengaluru
Date: May 21, 2016

For and on behalf of the Board of Directors

Dilip J. Thakkar
Chairman

A.K. Himatsingka
Vice Chairman

D.K. Himatsingka
Managing Director

Shrikant Himatsingka
Executive Director & CEO

Pradeep K.P.
Chief Financial Officer

Ashok Sharma
Company Secretary

Bengaluru
Date: May 21, 2016

CASH FLOW STATEMENT

HIMATSINGKA SEIDE LIMITED | For the year Ended March 31, 2016

	For the year Ended 31.03.2016 ₹ in Lakhs	For the year Ended 31.03.2015 ₹ in Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	18,402.97	10,934.04
Adjustments for:		
Profit on sale of assets	(30.79)	(400.47)
Profit on sale of investments	(251.91)	(87.76)
Provision for bad and doubtful trade receivables	107.43	–
Rental income from operating lease	(53.49)	(51.92)
Depreciation and amortisation expense	3,636.17	3,541.39
Net unrealised exchange gain on non-operating activities	(269.02)	(34.76)
Interest income	(2,237.87)	(1,283.47)
Interest and finance costs	6,122.89	4,505.29
Operating cash profit before working capital changes	25,426.38	17,122.34
Changes in working capital:		
(Increase)/decrease in trade receivables	(6,836.96)	6,062.34
(Increase)/decrease in inventories	(2,025.30)	4,492.89
(Increase)/decrease in short-term loans and advances, long-term loans and advances and other current assets	(3,477.62)	426.70
(Decrease) in current and non current liabilities and provisions	(910.49)	(7,050.70)
Cash generated from operations	12,176.01	21,053.57
Income tax (paid) /refund	(3,209.84)	(1,252.30)
Net cash flow from operating activities (A)	8,966.17	19,801.27
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Investment in wholly owned subsidiary	(554.52)	(1,852.56)
Share application money	–	(1,862.68)
Current Investments not considered as cash and cash equivalents		
– Purchased	(19,130.19)	(8,529.06)
– Proceeds from sale	19,382.10	8,616.82
Loans to subsidiaries (net)	1,391.38	(13,255.28)
Capital expenditure on fixed assets including CWIP and capital advances	(9,679.11)	(3,988.61)
Sale proceeds of fixed assets	74.09	934.22
Interest received	1,241.00	595.08
Rental income from operating lease	53.49	51.92
Net cash used in investing activities (B)	(7,221.76)	(19,290.15)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Interest and finance costs paid	(6,441.94)	(5,051.25)
Subsidy received	184.83	662.43
Proceeds from long-term borrowings	38,784.75	15,800.11
Repayment of long-term borrowings	(27,659.43)	(7,399.98)
Net increase/(decrease) in working capital borrowings	6,522.50	(2,853.27)
Dividends paid	(2,943.61)	(1,485.13)
Tax on distributed profits	(612.48)	(250.99)
Net cash from / (used in) financing activities (C)	7,834.62	(578.08)
Total increase/(decrease) in cash and cash equivalents (A+B+C)	9,579.03	(66.96)
Cash and cash equivalents at the beginning of the period	1,039.94	1,106.90
Cash and cash equivalents at the end of the year (Refer note 36)	10,618.97	1,039.94

In terms of our report attached
for Deloitte Haskins & Sells
Chartered Accountants

Monisha Parikh
Partner

Bengaluru
Date: May 21, 2016

For and on behalf of the Board of Directors

Dilip J. Thakkar
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Executive Director & CEO

Pradeep K.P.
Chief Financial Officer

Ashok Sharma
Company Secretary

Bengaluru
Date: May 21, 2016

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

1. Basis of accounting and preparation of financial statements

The financial statements are prepared in accordance with the Indian Generally Accepted Accounting Principles ("GAAP") to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2. Use of estimates

The preparation of the financial statements in conformity with GAAP requires, the Management to make estimates and assumptions that affect the reported balances of assets and liabilities, (including contingent liabilities) and reported amounts of revenues and expenses for the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

3. Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

4. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

5. Inventories

Inventories of raw materials, stores and spares, work-in-progress and finished goods are valued at lower of cost and estimated net realisable value. Cost is ascertained on weighted average basis. Cost of finished goods and work-in-progress includes an appropriate proportion of conversion cost based on normal operating capacity.

6. Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Plant & machineries – 25 years on single shift basis.
Leasehold land is amortised over the primary period of the lease
Intangible assets are amortised over their estimated useful life as follows:
SAP (ERP implementation cost) is amortised over a period of 10 years.
Product Designs are amortised over a period of 4 years.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

7. Fixed assets

Tangible assets: Tangible assets are stated at cost less accumulated depreciation. Cost includes all costs relating to acquisition and installation of tangible assets including any incidental costs of bringing the assets to their working condition for their intended use.

Intangible assets: Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any duties and taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

Capital work in progress: Capital work-in-progress comprises of fixed assets that are not yet ready for their intended use at the year end. Expenditure during construction period in respect of new projects is included under capital work-in-progress and the same is allocated to the fixed assets on the commissioning of the respective projects.

Intangible assets under development: Expenditure on Research and development eligible for capitalization are carried as Intangible assets under development where such assets are not yet ready for their intended use.

8. Borrowing costs:

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

Borrowing costs directly attributable to acquisition or construction of qualifying fixed assets, which necessarily take a substantial period of time to get ready for their intended use, are capitalised. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

9. Impairment of assets

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss.

Impairment losses recognised in prior years, if any, are reversed when there is an indication that the recognised impairment losses for the asset, no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

10. Investments

Long-term investments, are carried individually at cost less provision for other than temporary diminution, in the value, if any.

Current investments, comprising investments in mutual funds, are stated at lower of cost and fair value, determined on a portfolio basis.

Cost of investments include acquisition charges such as brokerage, fees and duties.

11. Government grants, subsidies and export incentives

Government grants related to revenue is recognized on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Government grants related to depreciable fixed assets is treated as deferred income which is recognized in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

12. Revenue recognition

Revenue from sale of goods is recognised on the transfer of title in the goods which generally coincides with dispatch and is stated net of discounts and sales tax but inclusive of excise duty.

13. Other Income

Interest Income is accounted on accrual basis. Dividend income is recognised when the right to receive the dividend is established.

14. Employee benefits

Employee benefits include provident fund, superannuation fund, gratuity fund, employee state insurance and compensated absences.

Defined contribution plans: The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans: For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits: The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits: Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

15. Foreign currency

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency are restated at the rate prevailing on the date of balance sheet. The exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities are recognised as income or expense in the statement of profit and loss.

Premium or discount on forward contract, that are not intended for trading or speculation purposes, are amortised over the life of such contract and is recognised as an expense or income. Any profit or loss arising on cancellation, renewal or restatement of forward contract is recognised in the statement of profit and loss.

16. Derivative Contracts and Hedge Accounting

The Company is exposed to currency fluctuations risk on foreign currency assets, liabilities, net investment in non-integral foreign operations and forecasted cash flows denominated in foreign currency, and is also exposed to interest rate fluctuations on floating interest rate borrowings. The Company follows a risk management policy of covering this risk through a combination of forward contracts, options, swaps and other derivative contracts.

In accordance with the principles set out in AS 30, changes in fair value of designated derivative contracts being effective hedges, are recognised directly in Hedge reserve account under Reserves and surplus and reclassified into Statement of Profit and Loss upon the occurrence of the underlying hedged transaction. In case, the hedging instrument expires, sold, terminated or the underlying transaction is no longer expected to occur the net gain or loss recognised in the Hedge reserve account is transferred to the Statement of Profit and Loss.

The changes in fair values of instruments designated at fair value through profit and loss are adjusted in the Statement of Profit and Loss.

17. Earnings per share

Basic earnings per share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding for the period. The weighted average number of shares outstanding during the period is adjusted for events of bonus issue and share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

18. Taxes on Income

Income tax comprises the current tax, fringe benefit tax and the net change in the deferred tax asset or liability during the year. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws after considering tax allowances and exemptions.

Minimum alternate tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

Deferred tax assets and liabilities are recognised for the estimated future tax consequences of temporary differences between the carrying values of the assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using substantively enacted tax rates applicable on the balance sheet date. Deferred tax assets are recognised and carried forward to the extent that there is a reasonable / virtual certainty (as applicable) that sufficient future taxable income will be available against which such deferred tax asset can be realised. The effect on deferred tax assets and liabilities resulting from change in tax rates is recognized in the income statement in the period of enactment of the change.

19. Research and development expenses:

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of designs are also charged to the Statement of Profit and Loss unless a design's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilized for research and development are capitalized and depreciated in accordance with policies stated for fixed assets.

20. Provisions and contingencies

A provision is recognised when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the Notes to the financial statement. A contingent asset is neither recognised nor disclosed.

21. Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
NOTE 2 – SHARE CAPITAL		
Authorised		
134,000,000 equity shares of ₹ 5 each with voting rights (Previous year: 134,000,000 equity shares of ₹ 5 each)	6,700.00	6,700.00
Issued		
98,496,160 equity shares of ₹ 5 each with voting rights (Previous year: 98,496,160 equity shares of ₹ 5 each)	4,924.81	4,924.81
Subscribed and fully paid-up		
98,457,160 equity shares of ₹ 5 each with voting rights (Previous year: 98,457,160 equity shares of ₹ 5 each)	4,922.86	4,922.86
	4,922.86	**4,922.86**

(i) There is no movement in the shares outstanding from the prior year to the current year.

(ii) Details of the rights, preferences and restrictions attached to each class of shares:
The Company has only one class of equity share, having a par value of ₹ 5/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount However, as on date no such preferential amount exists. The distribution will be in proportion to number of equity shares held by the shareholders.

(iii) Number of equity shares held by each shareholder holding more than 5% shares in the Company:

Shareholder	**No. of shares**	**No. of shares**
D K Himatsingka	11,135,944	11,135,424
% of holding	11%	11%
D K Himatsingka (HUF)	5,432,056	5,432,056
% of holding	6%	6%
Shrikant Himatsingka	6,680,964	6,680,964
% of holding	7%	7%
Bihar Mercantile Union Limited	5,706,000	5,706,000
% of holding	6%	6%
Rajshree Himatsingka	5,457,260	5,457,260
% of holding	6%	6%

(iv) There were no instances of shares issued, on which there were any calls remaining unpaid or instances of any forfeitures during the years ended March 31, 2016 and 2015.

NOTE 3 – RESERVES AND SURPLUS

Capital reserve	620.88	620.88
Securities premium account	27,675.71	27,675.71
Debenture redemption reserve		
Opening balance	1,200.00	800.00
Add: Transferred from Statement of profit and loss	400.00	400.00
Less: Transferred to general reserve	800.00	–
Closing balance	**800.00**	**1,200.00**
General reserve	15,670.17	15,670.17
Add: Transferred from Debenture redemption reserve	800.00	–
Closing balance	**16,470.17**	**15,670.17**
Hedge reserve		
Opening balance	879.64	791.12
Add: Effect of foreign exchange rate variations on hedging instruments outstanding at the end of the year	1,786.93	2,432.44
Less: Transferred to Statement of profit and loss	1,402.70	2,343.92
Closing balance (Refer note 35(1)(a) and 35(2))	**1,263.87**	**879.64**

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
Surplus in Statement of Profit and Loss		
Opening balance	17,489.96	9,436.24
Add: Transferred from surplus in Statement of profit and loss	17,797.59	10,934.04
Less: Transitional provision towards depreciation (Refer note 11)	–	99.14
Less: Transferred to Debenture redemption reserve	400.00	400.00
Less: Interim dividend	984.57	–
Less: Proposed final dividend	1,476.86	1,969.14
Less: Tax on interim and proposed final dividend	501.09	412.04
	31,925.03	17,489.96
	78,755.66	**63,536.36**

NOTE 4 – LONG TERM BORROWINGS

Non-Convertible Debentures		
Unsecured (Refer (i) below)	400.00	800.00
Term loans		
From financial institution (Refer (ii) below)		
Secured	14,997.92	7,168.86
From banks (Refer (ii) below)		
Secured	31,618.88	21,272.66
	47,016.80	**29,241.52**

Notes:

i) Debentures issued by the Company		
11.25 % Non – convertible and redeemable debentures [Redemption terms: In four equal annual installments commencing 2 years from the date of issue. The outstanding term as of March 31, 2016 was 2 installments] [The amount includes the current maturity of ₹ 400 Lakhs (Previous year: ₹ 400 Lakhs) included in Note 9]	800.00	1,200.00
	800.00	1,200.00

ii) The Company has not issued any bonds. Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Term loan from financial institution		
Loan 1* [Nature of security: Secured by charge over certain moveable and immovable fixed assets, both present and future] [Repayment terms: 33 Quarterly installments commencing 2 years from the date of first disbursement with step up repayment in the ratio of 1:2:3. The outstanding term as of March 31, 2016 was Nil] [The amount includes the current maturity of ₹ Nil (Previous year: ₹ 2,727.27 Lakhs) included in note 9]	–	2,727.27
Loan 2* [Nature of security: Secured by charge over certain moveable and immovable fixed assets, both present and future] [Repayment terms: 33 Quarterly installments commencing 2 years from the date of first disbursement. The outstanding term as of March 31, 2016 was 17 installments] [The amount includes the current maturity of ₹250.56 Lakhs (Previous year: ₹250.56 Lakhs) included in note 9]	1,408.40	1,658.95
Loan 3 [Nature of security: Secured by charge over certain immovable fixed assets of promoter group companies and pledge of 10% shares of wholly owned subsidiary] [Repayment terms: 20 Quarterly equal installments commencing 3 years from the date of first disbursement. The outstanding term as of March 31, 2016 was 17 installments] [The amount includes the current maturity of ₹742.89 Lakhs (Previous year: ₹ 701.77 Lakhs) included in note 9]	3,157.31	3,508.82

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
Loan 4*	1,937.41	1,884.42
[Nature of security: First paripassu charge on certain moveable and immoveable fixed assets of the Company (in both units) including the proposed project assets, both present and future] [Repayment terms: 32 equal quarterly installments commencing after a moratorium of 1 year from the date of Commencement of Commercial Operation (COD). The outstanding term as of March 31, 2016 was 31 installments] [The amount includes the current maturity of ₹ 250 Lakhs (Previous year: Nil) included in Note 9]		
Loan 5*	2,388.00	1,069.00
[Nature of security: First paripassu charge on certain fixed assets (both moveable and immoveable) of the company (in both units) , both present and future excluding the fixed assets charged on exclusive basis.] [Repayment terms: 28 substantially equal quarterly installments commencing after a moratorium of 2 years from Scheduled Commercial Operation Date (SCOD) or Actual Commercial Operation Date (COD). The outstanding term as of March 31, 2016 was 28 installments]		
Loan 6*	7,350.25	–
[Nature of security: First paripassu charge on the entire fixed assets (both moveable and immoveable properties) of the Company (in both units) both present and future excluding the assets exclusively charged to other lenders.] [Repayment terms: 39 substantially equal quarterly installments commencing after a moratorium of 1 year from Scheduled Commercial Operation Date (SCOD) or Actual Commercial Operation Date (COD) which ever is earlier. The outstanding term as of March 31, 2016 was 39 installments]		
Total – Term loans from financial institutions	**16,241.37**	**10,848.46**
The rate of interest on the above term loans is in the range of 5.95% to 12.3%. (Previous year: 5.83% to 12.3%) *Interest on these term loans is eligible for government subsidies		
Term loans from bank:		
Loan 1*	–	4,770.00
[Nature of security: Secured by charge over certain moveable and immovable fixed assets, both present and future] [Repayment terms: 33 Quarterly installments commencing 2 years from the date of first disbursement with step up repayment in the ratio of 1:2:3. The outstanding term as of March 31, 2016 was Nil] [The amount includes the current maturity of ₹ Nil (Previous year: ₹ 2,728 Lakhs) included in Note 9]		
Loan 2*	–	2,812.50
[Nature of security: Secured by charge over certain moveable and immovable fixed assets, both present and future]		
Loan 3	4,245.12	4,812.10
[Nature of security: Secured by charge over certain immovable fixed assets and pledge of shares of wholly owned subsidiary] [Repayment terms: 22 Quarterly installments commencing 27 months from the date of first disbursement. The outstanding term as of March 31, 2016 was 17 installments] [The amount includes the current maturity of ₹849.02 Lakhs (Previous year: ₹ 802.02 Lakhs) included in Note 9] [The amount includes the current maturity of ₹ Nil (Previous year: ₹ 750 Lakhs) included in Note 9]		

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
Loan 4	13,929.30	13,158.08
[Nature of security: Secured by charge over certain fixed assets and pledge of shares of wholly owned subsidiary]		
[Repayment terms: 20 quarterly installments after initial moratorium period of 2 years with ballooning provision at 5th, 10th, 15th,19th & 20th installments. The outstanding term as of March 31, 2016 was 20 installments]		
[The amount includes the current maturity of ₹331.52 Lakhs (Previous year: ₹ Nil) included in Note 9]		
Loan 5*	15,000.00	–
[Nature of security: Secured by first paripassu charge of certain immovable fixed assets]		
[Repayment terms: 20 substantially equal quarterly installments commencing on 31.12.2016.The outstanding term as of March 31, 2016 was 20 installments]		
[The amount includes the current maturity of ₹375 Lakhs (Previous year: ₹ Nil) included in Note 9]		
Total – Term loans from bank	**33,174.42**	**25,552.68**
The rate of interest on the above term loans is in the range of 5.05% to 13.95%. (Previous year : 5.2% to 13.95%)		
*Interest on these term loans is eligible for government subsidies		
Loan from related parties:		
Credit Himatsingka Private Limited	–	245.30
[Repayment terms: 85 equal monthly installments commencing from April 2013. Consequent to acceleration of repayment as part of a modification of terms during the year 2013-14, the outstanding term as of March 31, 2016 was Nil]		
[Interest rate: 8% p.a.]		
[The amount includes the current maturity of ₹Nil (Previous year: ₹ 245.30 Lakhs) as referred in Note 9]		
Total – Loan from related parties	–	245.30
Total long term borrowings including current maturities	**50,215.79**	**37,846.44**

(ii) For the current maturities of long-term borrowings, refer Note 9 – Other current liabilities.

NOTE 5 – OTHER LONG TERM LIABILITIES

Gratuity (Refer note 5A)	721.02	476.82
	721.02	**476.82**

NOTE 5A – Employee benefit plans

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (gratuity plan). The gratuity plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Company. The Company provides the gratuity benefit through annual contributions to a fund managed by the Insurer . Under this plan, the settlement obligation remains with the Company, although the Employees Gratuity Trust administers the plan and determines the contribution premium required to be paid by the Company.

	31.03.2016	**31.03.2015**
Change in defined benefit obligation during the year		
Projected Benefit Obligation at the beginning of the year	1,171.42	980.57
Service cost	100.11	87.61
Interest cost	89.85	84.43
Benefits paid	(117.09)	(87.17)
Actuarial loss	122.13	105.98
Projected Benefit Obligation at the end of the year	**1,366.42**	**1,171.42**

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
Change in fair value of assets during the year		
Fair value of plan assets at the beginning of the year	694.60	661.68
Expected return on plan assets	47.69	47.80
Employer Contributions	–	–
Benefits paid	(82.45)	(67.18)
Actuarial (loss)/ gain	(14.44)	52.30
Fair value of plan assets at the end of the year	**645.40**	**694.60**
Composition of plan assets is as follows		
Insurer managed funds – invested in 80% debt funds and 20% equity	645.40	694.60
Funded status [Deficit]	721.02	476.82
Unrecognized past service costs	–	–
Recognized liability (unfunded obligations)	721.02	476.82
Less: Current portion of liability	–	–
Non-current liability	**721.02**	**476.82**
Estimate of amount of contribution in the immediate next year	–	–
Net gratuity cost for the year ended is as follows		
Service cost	100.11	87.61
Interest cost	89.85	84.43
Expected return on plan assets	(47.69)	(47.80)
Actuarial loss	136.57	53.68
Net gratuity cost	**278.84**	**177.92**
Actual return on plan assets	33.24	102.03
Actuarial assumptions at the valuation date:		
a) Discount rate (p.a.)*	8%	8%
b) Expected rate of return on assets (p.a.)**	8%	8%
c) Salary escalation rate***	6%	6%

d) Mortality: Published rates under the LIC (2006-08) mortality tables have been used

e) Rates of leaving service for various categories of employees: 2%, 12%, 20% and 40%.

*The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligation.

**The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc.. In order to protect the capital and optimize returns within acceptable risk parameters, the plan assets are well diversified.

***Salary escalation rate considered takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market

Five year data:	**31.03.2016**	**31.03.2015**	**31.03.2014**	**31.03.2013**	**31.03.2012**
Projected benefit obligation	1,366.42	1,171.42	980.57	871.29	707.72
Plan assets	645.40	694.60	661.68	660.59	569.92
Surplus/(deficit)	(721.02)	(476.82)	(318.89)	(210.70)	(137.80)
Exp. adj. on plan liabilities	82.45	26.01	71.84	55.86	(1.55)
Exp. adj. on plan assets	(14.45)	54.23	12.03	26.35	25.73

Defined contribution plans

The Company makes Provident fund, Superannuation fund and Employee state insurance contributions to defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes. The Company recognized the following contributions in the Statement of profit and loss.

	31.03.2016	31.03.2015
Provident fund	482.48	450.97
Employee state insurance scheme	49.64	256.91
Superannuation fund	17.27	18.20

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
NOTE 6 – LONG TERM PROVISIONS		
Provision for employee benefits		
Compensated absence (Refer Note 6A)	301.39	243.33
Provision – Others		
Provision for taxes (Net of advance tax ₹263.39 Lakhs (Previous year: ₹ 263.39 Lakhs))	390.61	390.61
	692.00	633.94
NOTE 6A – Financial assumptions on valuation date		
Current portion	130.77	115.34
Non – current portion	301.39	243.33
Total provision	**432.16**	**358.67**
*Actuarial assumptions considered to determine the provision required is same as gratuity provision (Refer Note 5A)		
NOTE 7 – SHORT TERM BORROWINGS		
Loans repayable on demand		
From Banks (Secured)	18,613.35	12,144.66
(Nature of Security: Working capital limits are secured against present and future stock and book debts on pari-passu basis.)		
	18,613.35	**12,144.66**
NOTE 8 – TRADE PAYABLES		
Trade payables		
Total outstanding dues of micro enterprises and small enterprises (Refer Note 8A)	147.71	185.71
Total outstanding dues of creditors other than micro enterprises and small enterprises	9,882.50	10,643.06
	10,030.21	**10,828.77**
(i) Includes dues to subsidiaries		
Himatsingka Wovens Private Limited	3.06	18.75
Giuseppe Bellora S.r.l.	36.09	207.74
Himatsingka America, Inc. (HimA)	86.89	251.78
(ii) Includes dues to Directors	248.12	446.85
NOTE 8A		
Information related to micro, small and medium enterprises		
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	147.71	185.71
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.21	0.28
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	44.68	321.04
(iv) The amount of interest due and payable for the year	0.76	5.94
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	0.79	21.24
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	0.01	3.92
NOTE 9 – OTHER CURRENT LIABILITIES		
Current maturities of long term debt (Refer note 4(i))		
Term loan from financial institution (Secured)	1,243.45	3,679.60
Term loan from banks (Secured)	1,555.54	4,280.02
Loan from related parties (Unsecured)	–	245.30
Non-Convertible Debentures (Unsecured)	400.00	400.00
	3,198.99	**8,604.92**

NOTES TO FINANCIAL STATEMENTS

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
Interest accrued but not due on borrowings	308.77	227.50
Unpaid dividends	22.81	12.71
Other payables		
Statutory remittances	224.75	130.00
Payables on purchase of fixed assets	266.34	507.49
Advances from customers	84.66	127.29
Advances from subsidiaries		
Himatsingka Holdings North America, Inc.	372.51	854.20
	4,478.83	**10,464.11**

NOTE 10 – SHORT TERM PROVISIONS

Provision for employee benefits		
Compensated absence (Refer note 6A)	130.77	115.34
Provision – Others		
Provision for losses on derivative contracts (Refer Note 35 (2))	65.62	55.19
Provision for taxes (Net of advance tax ₹ 854.99 Lakhs) (Previous year: ₹ 221.29 Lakhs))	3,307.72	2,254.70
Provision for proposed equity dividend	1,476.86	1,969.14
Provision for tax on proposed dividend	300.65	412.04
	5,281.62	**4,806.41**

NOTE 11 – FIXED ASSETS

₹ in Lakhs

Particulars	Gross block				Depreciation					Net block	
	Balance as at 01.04.2015	Additions	Deletions	Balance as at 31.03.2016	Balance as at 01.04.2015	For the year	On deletions	Other Adjustments **	Balance as at 31.03.2016	Balance as at 31.03.2016	Balance as at 31.03.2015
Tangible Assets											
Owned:											
Land*	747.38	907.59	–	1,654.97	–	–	–	–	–	1,654.97	747.38
	(747.38)	(–)	(–)	(747.38)	(–)	(–)	(–)	(–)	(–)	(747.38)	(747.38)
Buildings	13,662.34	163.82	–	13,826.16	3,849.88	639.78	–	–	4,489.66	9,336.50	9,812.46
	(13,602.51)	(59.83)	(–)	(13,662.34)	(3,132.21)	(633.88)	(–)	(83.79)	(3,849.88)	(9,812.46)	(10,470.30)
Plant and machinery	58,114.11	3,347.43	443.67	61,017.87	36,373.08	2,654.81	401.26	–	38,626.63	22,391.24	21,741.03
	(58,540.76)	(1,492.98)	(1,919.63)	(58,114.11)	(35,121.74)	(2,637.22)	(1,385.88)	(–)	(36,373.08)	(21,741.03)	(23,419.02)
Furniture and fixtures	630.56	33.16	4.64	659.08	499.07	43.90	3.75	–	539.22	119.86	131.49
	(622.35)	(8.21)	(–)	(630.56)	(450.78)	(48.29)	(–)	(–)	(499.07)	(131.49)	(171.57)
Leasehold improvements	103.30	1.94	–	105.24	100.02	2.31	–	–	102.33	2.91	3.28
	(103.30)	(–)	(–)	(103.30)	(97.71)	(2.31)	(–)	(–)	(100.02)	(3.28)	(5.59)
Office equipments	1,169.48	73.96	2.61	1,240.83	998.10	114.58	2.61	–	1,110.07	130.76	171.38
	(1,115.10)	(54.38)	(–)	(1,169.48)	(909.29)	(73.46)	(–)	(15.35)	(998.10)	(171.38)	(205.81)
Vehicles	124.46	24.95	21.10	128.31	67.95	15.93	21.10	–	62.78	65.53	56.51
	(145.46)	(–)	(21.00)	(124.46)	(62.22)	(26.73)	(21.00)	(–)	(67.95)	(56.51)	(83.24)
Taken on operating lease:											
Land	1,183.65	–	–	1,183.65	133.37	20.60	–	–	153.97	1,029.68	1,050.28
	(1,183.65)	(–)	(–)	(1,183.65)	(113.37)	(20.00)	(–)	(–)	(133.37)	(1,050.28)	(1,070.28)
Given on operating lease:											
Buildings	578.36	–	–	578.36	389.99	19.32	–	–	409.31	169.05	188.37
	(578.36)	(–)	(–)	(578.36)	(370.67)	(19.32)	(–)	(–)	(389.99)	(188.37)	(207.69)
Total	**76,313.64**	**4,552.85**	**472.02**	**80,394.47**	**42,411.46**	**3,511.23**	**428.72**	**–**	**45,493.97**	**34,900.50**	33,902.18
Previous year – Tangible	(76,638.87)	(1,615.40)	(1,940.63)	(76,313.64)	(40,257.99)	(3,461.21)	(1,406.88)	(99.14)	(42,411.46)	(33,902.18)	(36,380.88)
Intangible Assets											
Software and other related costs	929.32	61.60	–	990.92	323.60	74.75	–	–	398.35	592.57	605.72
	(696.72)	(232.60)	(–)	(929.32)	(243.42)	(80.18)	(–)	(–)	(323.60)	(605.72)	(453.30)
Product Designs	–	330.42	–	330.42	–	50.19			50.19	280.23	–
	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)
Total	**929.32**	**392.02**	–	**1,321.34**	**323.60**	**124.94**	–	–	**448.54**	**872.80**	**605.72**
Previous year – Intangible	*(696.72)*	*(232.60)*	–	*(929.32)*	*(243.42)*	*(80.18)*	–	–	*(323.60)*	*(605.72)*	*(453.30)*
Total Fixed Assets	**77,242.96**	**4,944.87**	**472.02**	**81,715.81**	**42,735.06**	**3,636.17**	**428.72**	–	**45,942.51**	**35,773.30**	**34,507.90**
Previous Year – Total	*(77,335.59)*	*(1,848.00)*	*(1,940.63)*	*(77,242.96)*	*(40,501.41)*	*(3,541.39)*	*(1,406.88)*	*(99.14)*	*(42,735.06)*	*(34,507.90)*	*(36,834.18)*

*Land includes ₹17.91 Lakhs (Previous year ₹ 17.91 Lakhs) being the share in land jointly owned with others. During 2003-04, the Khata in respect of one of the Company's properties was merged with those of other adjacent properties to facilitate better utilization of the property by joint construction and entitlement of proportionate undivided share of the amalgamated property.

**During the year ended March 31, 2015, pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹99.14 Lakhs against the April 1,2014 Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

The above assets are owned and used by the company and the employees of the company other than those assets which are given on lease. Also refer Note 29 (B) for assets given on operating lease.

Figures in brackets represent previous year numbers

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
NOTE 12 – NON CURRENT INVESTMENTS		
Investments, at cost		
Trade (Unlisted, unquoted)		
Investment in equity instruments of subsidiary companies		
Himatsingka Wovens Private Limited Equity shares of ₹100 each fully paid up [No. of shares: 1,750,000 (Previous year: 1,250,000)]	1,664.12	1,164.12
Himatsingka Holdings North America, Inc. Equity shares of USD 10,000 each fully paid up [No. of shares: 4,650 (Previous year: 4,650)]	20,240.33	20,240.33
Twill & Oxford LLC Equity shares of AED 100 each fully paid up [No. of shares: 1,470 (Previous year: 1,470)]	37.35	37.35
Giuseppe Bellora S.r.l. Equity shares of Euro 1 each fully paid up [No. of shares: 7,515,501 (Previous year: 7,515,501)]	8,782.58	8,728.06
Share application money (Giuseppe Bellora S.r.l.) (net)	9,371.21	9,371.21
	40,095.59	**39,541.07**
NOTE 13 – DEFERRED TAX (LIABILITY) / ASSETS		
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	(4,925.78)	(4,105.34)
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	543.75	215.52
Unabsorbed depreciation	3,879.62	3,992.79
Deferred tax (liability)/asset (net)	**(502.41)**	**102.97**
NOTE 14 – LONG TERM LOANS AND ADVANCES		
(unsecured, considered good)		
Security deposits	340.36	354.22
Advance income tax [net of provisions ₹5,621.93 Lakhs (Previous year ₹3,145.93 Lakhs)]	599.13	498.99
Loans and advances to related parties*		
Himatsingka Wovens Private Limited [Maximum amount outstanding during the year ₹1,000 Lakhs (Previous year: ₹1,000 Lakhs)]	1,000.00	1,000.00
Himatsingka Holdings North America, Inc. [Maximum amount outstanding during the year ₹23,859.98 Lakhs (Previous year: ₹24,145.65 Lakhs)]	23,852.27	23,859.98
Prepaid Expenses	307.54	12.48
MAT credit entitlement	9,676.83	5,753.57
Loans and advances to employees	116.05	139.13
Capital advances	5,551.12	127.44
	41,443.30	**31,745.81**

*The Company has given loan to its subsidiaries towards business needs.

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
NOTE 15 – INVENTORIES		
Raw materials	2,530.84	1,887.99
Goods-in-transit	1,087.28	708.48
	3,618.12	2,596.47
Work-in-progress	8,223.60	8,113.74
Finished goods	3,242.46	3,030.08
Stores and spares	1,915.77	1,249.85
Stores and spares – in transit	15.49	–
	13,397.32	12,393.67
	17,015.44	**14,990.14**

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
Details of inventory of work-in-progress		
Drapery and upholstery fabric	1,418.47	1,616.91
Bed linen	6,719.47	6,391.52
Silk/blended yarn	85.66	105.31
	8,223.60	**8,113.74**
Details of inventory of Finished goods		
Drapery and upholstery fabric	847.66	1,263.03
Bed linen	2,295.88	1,581.84
Silk/blended yarn	98.92	185.21
	3,242.46	**3,030.08**

NOTE 16 – TRADE RECEIVABLES

(Unsecured, considered good)

Outstanding for a period exceeding six months from the date they were due for payment*	316.28	272.32
Less: Provision for doubtful trade receivable	(107.43)	–
	208.85	272.32
Other trade receivable**	12,612.23	5,819.23
	12,821.08	**6,091.55**
*includes dues from subsidiaries		
Himatsingka America, Inc. (HimA)	157.39	–
Himatsingka Wovens Private Limited	1.24	–
**includes dues from subsidiaries		
Himatsingka America, Inc. (HimA)	3,102.29	868.23
Himatsingka Wovens Private Limited	1,828.33	1,417.99
Himatsingka Holdings North America, Inc. (HHNA)	5,165.45	1,879.88
Giuseppe Bellora S.r.l.	231.09	–
Twill & Oxford LLC	27.35	–

NOTE 17 – CASH AND CASH EQUIVALENTS

Cash on hand	13.78	15.06
Balances with banks		
in current account	10,030.70	871.67
in deposit account	551.68	140.50
in Earmarked accounts		
Unpaid dividend account	22.81	12.71
	10,618.97	**1,039.94**
Of the above, the balances that meet the definition of cash and cash equivalents as per AS3 Cash flow statement is	10,596.16	1,027.23

NOTE 18 – SHORT TERM LOANS AND ADVANCES

(unsecured, considered good)

Security deposits	50.46	66.24
Interest subsidy receivable	1,290.65	979.35
Prepaid expenses	148.92	60.77
Loans and advances to employees	103.63	103.70
Balances with Government authorities	2,173.01	537.48
Advances to vendors	161.12	146.28
Advances to related parties		
Himatsingka Wovens Private Limited	111.52	1.62
Giuseppe Bellora S.r.l	255.15	17.75
Himatsingka America, Inc. (HimA)	58.92	52.91
	4,353.38	**1,966.10**

NOTE 19 – OTHER CURRENT ASSETS

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
Advances recoverable in cash or in kind or for value to be received	14.58	12.07
Interest receivable*	1,836.75	766.95
Subsidy receivable under various government schemes	2,444.12	1,531.52
Receivable towards recovery of corporate expenses**	130.44	–
Receivables towards Unbilled revenue	200.71	–
Receivable on Mark to market of fair value derivative	1,402.68	1,110.78
	6,029.28	**3,421.32**
*includes interest due from subsidiaries		
Himatsingka Wovens Private Limited	149.63	72.92
Himatsingka Holdings North America, Inc. (HHNA)	1,601.82	646.88
Giuseppe Bellora S.r.l	67.72	47.15
** includes receivables from subsidiaries		
Himatsingka America, Inc. (HimA)	87.82	–
Giuseppe Bellora S.r.l	42.62	–

NOTE 20 – REVENUE FROM OPERATIONS

	For the year ended 31.03.2016 ₹ in Lakhs	For the year ended 31.03.2015 ₹ in Lakhs
Sale of products (Refer note i)	96,524.12	91,685.51
Other operating income (Refer note ii)	5,712.67	3,453.66
Revenue from operations (gross)	102,236.79	95,139.17
Less: Excise duty	170.84	298.41
Revenue from operations (net)	**102,065.95**	**94,840.76**
Notes:		
(i) Sale of products (net of excise duty) comprises of:		
Manufactured goods		
Drapery and upholstery		
Fabric	11,551.34	11,476.12
Silk/ Blended Yarn	627.75	1,083.94
Bed linen		
Fabric	1,407.74	911.33
Sheet sets	82,540.82	74,804.43
	96,127.65	**88,275.82**
Traded goods		
Bed linen		
Fabric	131.68	522.04
Sheet sets	93.95	2,589.24
TOTAL	**225.63**	**3,111.28**
(ii) Other operating income comprises of:		
Sale of power	1,748.59	2,077.52
Sale of waste / scrap*	747.54	705.50
Income under incentive schemes	3,086.09	70.63
Corporate expense recovered from subsidiary	130.44	600.00
	5,712.66	**3,453.65**

*Scrap sales includes sale of ₹ 143.88 Lakhs out of the trial production during the year.

	For the year ended 31.03.2016 ₹ in Lakhs	For the year ended 31.03.2015 ₹ in Lakhs
NOTE 20A – FOREIGN CURRENCY EARNINGS		
Revenue from operations		
Exports on FOB basis – net of returns (includes deemed export sales)	93,812.27	88,627.59
	93,812.27	**88,627.59**
Operating Income		
Corporate expense recovery from subsidiary	130.44	600.00
	130.44	**600.00**
Other Income		
Interest income	2,099.41	1,190.81
	2,099.41	**1,190.81**
NOTE 21 – OTHER INCOME		
Interest income		
Interest on inter corporate loan	2,184.88	1,271.84
Interest others	52.99	11.63
Net gain on foreign currency transactions and translation	1,502.00	1,844.20
Profit on sale of assets	30.79	400.47
Profit on sale of current investments	251.91	87.76
Rent income	53.49	51.92
Liabilities/provisions no longer required written back	–	58.59
Miscellaneous income	78.98	1.86
	4,155.04	**3,728.27**
NOTE 22 – COST OF MATERIALS CONSUMED AND PURCHASES OF STOCK IN TRADE		
A. Raw material and packing material consumed		
Opening stock	2,596.47	5,081.66
Add: Purchases	47,473.88	39,463.16
	50,070.35	44,544.82
Less: Closing stock	3,618.12	2,596.47
	46,452.23	41,948.35
Dyes, chemicals and accessories consumed	8,246.89	7,599.28
Raw material and packing material consumed*	54,699.12	49,547.63
B. Purchase of stock-in-trade – Bed linen, Fabric & Sheet sets	211.38	2,977.85
Material consumed comprises:		
Raw materials, packing materials and chemicals consumed		
Silk yarn	2,374.83	2,859.36
Silk waste / tops	648.40	1,108.73
Cotton fabric	3,439.46	2,240.35
Cotton yarn	39,230.70	35,610.64
Others	9,005.73	7,728.55
	54,699.12	**49,547.63**

*The Raw material and packing material consumed in current year is net off ₹244.29 Lakhs capitalised for trial production. (Previous year ₹64.19 Lakhs capitalised as intangible asset under development.). Also refer note 31 (b).

	For the year ended 31.03.2016 ₹ in Lakhs	For the year ended 31.03.2015 ₹ in Lakhs
Value of imported and indigenous raw materials and packing materials consumed		
Imported	27,746.88	27,306.08
Percentage to the total consumption	51%	55%
Indigenous	26,952.24	22,241.55
Percentage to the total consumption	49%	45%
	54,699.12	**49,547.63**
CIF value of imports		
Raw materials and chemicals	29,431.94	26,309.24
Components, spares and others	221.01	444.58
Capital goods	136.36	2,399.24
	29,789.31	**29,153.06**

	For the year ended 31.03.2016 ₹ in Lakhs	For the year ended 31.03.2015 ₹ in Lakhs
NOTE 23 – CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening stock		
Finished goods	3,030.08	1,987.48
Work in progress	8,113.74	11,160.36
Closing stock		
Finished goods	3,242.46	3,030.08
Work in progress	8,223.60	8,113.74
Net (increase) / decrease	**(322.24)**	**2,004.02**
NOTE 24 – EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	9,558.34	8,316.04
Contribution to provident and other funds	778.59	647.09
Workmen and staff welfare expenses	896.20	1,050.83
Less: Expenses capitalized (Refer note 31 (b))	(337.93)	(203.08)
	10,895.20	**9,810.88**
NOTE 25 – INTEREST AND FINANCE COSTS		
Interest expense on:		
Borrowings		
Interest on term loan [net of subsidy ₹496.12 Lakhs (Previous year: ₹851.37 Lakhs)]	2,846.08	2,064.81
Interest on non-convertible debentures	108.69	153.25
Interest on working capital loans	1,404.66	1,745.80
Interest on delayed payment of Income tax	239.46	150.00
Interest others	34.87	–
Trade payables	0.76	5.94
Other borrowing costs – finance charges	436.32	245.53
Net loss on foreign currency transactions and translation	1,198.40	139.96
Less: Expenses capitalized (Refer note 31 (a))	(146.35)	–
	6,122.89	**4,505.29**
NOTE 26 – OTHER EXPENSES		
Power and fuel	5,444.49	6,917.70
Consumption of stores and spare parts (Refer Note 26A)	963.87	1,072.48
Job work charges	258.52	194.95
Other manufacturing expenses	640.27	775.96
Rent	413.76	438.67
Travelling and conveyance	875.21	985.08
Communication expenses	133.73	115.36
Printing and stationery	56.41	75.93
Insurance	113.24	127.00
Repairs and maintenance		
Plant and machinery	399.54	395.28
Building	200.02	194.07
Others	90.75	63.24
Rates and taxes	189.37	90.69
Professional and consultancy charges (Refer note 26B)	596.23	355.37
Bank charges	53.81	59.41
Contribution and donation (Refer note 26D)	80.91	18.95
Advertisement and publicity	28.99	12.02
Provision for bad and doubtful trade receivables	107.43	–
Selling and distribution		
Commission on sales	171.83	169.71
Selling expenses	494.53	1,997.47
Freight outward, net of reimbursement	1,033.63	1,019.26
Other expenses	482.56	344.15
Less: Expenses capitalized (Refer note 31 (b))	(253.60)	(174.82)
	12,575.50	**15,247.93**

	For the year ended 31.03.2016 ₹ in Lakhs	For the year ended 31.03.2015 ₹ in Lakhs
NOTE 26A – VALUE OF IMPORTED AND INDIGENOUS STORES AND SPARES CONSUMED		
Imported	231.34	317.86
Percentage to the total consumption	24%	30%
Indigenous	732.53	754.62
Percentage to the total consumption	76%	70%
	963.87	**1,072.48**
NOTE 26B – PROFESSIONAL AND CONSULTANCY CHARGES INCLUDE PAYMENT TO AUDITORS		
Statutory auditor		
Audit fees	42.00	42.00
Tax audit fees	4.00	4.00
Taxation matters	–	6.00
Other services	5.00	3.20
Service tax	6.34	7.76
Out of pocket expenses	3.60	4.84
	60.94	67.80
NOTE 26C – EXPENDITURE IN FOREIGN CURRENCY		
Travel	146.74	91.21
Commission on sales	173.69	168.46
Professional and other service charges	59.03	4.80
Interest	1,248.94	712.55
Export Claim & Discounts	485.14	1,470.66
Others	15.93	26.33
	2,129.47	**2,474.01**

NOTE 26D – EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY

The Company has devised the CSR policy as required under section 135 of the Companies Act, 2013 and the relevant rules made thereunder. Gross amount required to be spent by the Company during the year: ₹ 150 Lakhs. (Previous year: ₹ 89.83 Lakhs) Amount spent during the year for purposes other than construction/acquisition of any asset was ₹77 Lakhs (Previous year: ₹ 1 Lakh) and balance to be paid as at March 31,2016 on such activities was ₹ Nil. (Previous year ₹ Nil)

NOTE 27 – SEGMENT REPORTING

Since the Company prepares consolidated financial statements, segment information has not been provided in these standalone financial statements.

NOTE 28 – RELATED PARTY DISCLOSURES

Nature of relationship	Names of the related parties
Wholly owned subsidiaries (WOS)	Himatsingka Wovens Private Limited (HWPL) Himatsingka Holdings North America, Inc. (HHNA) (formerly known as Himatsingka America, Inc.) Himatsingka America, Inc. (HimA) (Merged entity of DWI Holdings, Inc. (DWI) and Divatex Home Fashions, Inc.(DHF)) Himatsingka Singapore Pte Ltd (HSPL) Giuseppe Bellora S.r.l. (GB) (formerly known as Giuseppe Bellora S.p.A.)
Other subsidiaries (OS)	Twill & Oxford LLC (T&O)
Key management personnel (KMP)	A.K. Himatsingka (AKH) – Vice Chairman D.K. Himatsingka (DKH) – Managing Director Aditya Himatsingka (ADH) – Executive Director Jayashree Poddar(JP) – Executive Director Shrikant Himatsingka (SKH) – Executive Director & CEO
Enterprises owned or significantly influenced by KMP, directors or their relatives (Referred as "Enterprises")	Bihar Mercantile Union Limited (BMU) Credit Himatsingka Private Limited (CHPL) Khaitan & Co LLP Jacaranda Design LLC

NOTE 28 – RELATED PARTY DISCLOSURES

Details of related party transactions during the year ended 31.03.2016 and balances outstanding as at 31.03.2016 (₹ in Lakhs)

Particulars	HWPL WOS 31.03.2016 (31.03.2015)	HHNA WOS 31.03.2016 (31.03.2015)	HIMA WOS 31.03.2016 (31.03.2015)	GB WOS 31.03.2016 (31.03.2015)	Others 31.03.2016 (31.03.2015)	Total 31.03.2016 (31.03.2015)
Sale of goods (net)	1,877.62 (1,823.06)	29,720.94 (24,890.29)	49,736.03 (48,114.57)	236.50 (530.47)	28.80 (5.65)	81,599.89 (75,364.04)
Sale of services	8.57 (–)	– (–)	– (–)	– (–)	– (–)	8.57 (–)
Purchase of goods	9.04 (–)	– (–)	– (–)	– (–)	– (–)	9.04 (–)
Interest income	85.47 (81.03)	2,084.06 (1,187.98)	– (–)	15.35 (2.83)	– (–)	2,184.88 (1,271.84)
Rental income	45.63 (49.48)	– (–)	– (–)	– (–)	– (–)	45.63 (49.48)
Job work charges	220.60 (165.93)	– (–)	– (–)	– (–)	– (–)	220.60 (165.93)
Sales commission	– (–)	– (–)	51.21 (57.39)	– (–)	– (–)	51.21 (57.39)
Lease rent expense	6.33 (22.75)	– (–)	– (–)	– (–)	(–)	6.33 (22.75)
Selling expenses	– (–)	– (1,061.49)	361.68 (648.46)	– (179.21)	– (–)	361.68 (1,889.16)
Recovery of expenses	69.28 –	534.81 (710.67)	126.30 (43.31)	383.21 (17.90)	– (–)	1,113.60 (771.88)
Reimbursement of expenses	5.00 (–)	– (–)	65.07 (–)	– (–)	– (–)	70.07 (–)
Purchase of fixed asset	161.12 (–)	– (–)	– (–)	– (–)	– (–)	161.12 (–)
Inter corporate loans given during the year	– (600.00)	– (13,370.70)	– (–)	5,996.80 (76.99)	– (–)	5,996.80 (14,047.69)
Inter corporate loans recovered during the year	– (526.00)	1,391.38 (200.50)	– (–)	6,054.17 (67.63)	– (–)	7,445.55 (794.13)
Investment made during the year	500.00 (–)	– (–)	– (–)	54.52 (1,852.56)	– (–)	554.52 (1,852.56)
Share application money given	– (–)	– (–)	– (–)	– (1,862.68)	– (–)	– (1,862.68)
Guarantees given on behalf of subsidiaries	– (–)	– (6,265.75)	– (–)	6,611.10 (6,356.86)	– (–)	6,611.10 (12,622.61)
Balances outstanding as at year end						
Amounts receivable	1,829.57 (1,417.99)	5,165.45 (1,879.88)	3,259.68 (868.23)	231.09 (–)	27.35 (–)	10,513.14 (4,166.10)
Advances recoverable	111.52 (1.62)	– (–)	146.74 (52.91)	297.77 (17.75)	– (–)	556.03 (72.28)
Inter corporate loans receivable	1,000.00 (1,000.00)	23,852.27 (23,859.98)	– (–)	– (–)	– (–)	24,852.27 (24,859.98)
Interest receivable	149.63 (72.92)	1,601.82 (646.88)	– (–)	67.72 (47.15)	– (–)	1,819.17 (766.95)
Share application money	– (–)	– (–)	– (–)	9,371.21 (9,371.21)	– (–)	9,371.21 (9,371.21)
Capital Advance	150.00 (–)	– (–)	– (–)	– (–)	– (–)	150.00 (–)
Amounts payable	3.06 (18.75)	372.51 (854.20)	86.89 (251.78)	36.09 (207.74)	– (–)	498.55 (1,332.47)
Guarantees	1,200.00 (1,200.00)	13,478.54 (12,732.28)	212.54 (200.77)	6,703.75 (6,511.62)	– (–)	21,594.83 (20,644.67)

NOTE 28 – RELATED PARTY DISCLOSURES

	DKH KMP 31.03.2016 (31.03.2015)	AKH KMP 31.03.2016 (31.03.2015)	SKH KMP 31.03.2016 (31.03.2015)	ADH KMP 31.03.2016 (31.03.2015)	JP KMP 31.03.2016 (31.03.2015)	Others Enterprise 31.03.2016 (31.03.2015)	CHPL Enterprise 31.03.2016 (31.03.2015)	Total 31.03.2016 (31.03.2015)
Remuneration	318.87	–	279.07	141.55	63.74	–	–	803.23
	(267.65)	(–)	(235.45)	(121.86)	(5.63)	(–)	(–)	(630.59)
Professional fees	–	–	–	–		63.77	–	63.77
	(–)	(–)	(–)	(–)	(–)	(1.21)	(–)	(1.21)
Lease rent expense	–	–	–	–	3.60	–	–	3.60
	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)
Interest expense	–	–	–	–	–	–	4.33	4.33
	(–)	(–)	(–)	(–)	(–)	(–)	(34.95)	(34.95)
Inter corporate loans repaid during the year	–	–	–	–	–	–	245.30	245.30
	(–)	(–)	(–)	(–)	(–)	(–)	(300.00)	(300.00)
Balances outstanding as at year end								
Inter corporate loans payable	–	–	–	–	–	–	–	–
	(–)	(–)	(–)	(–)	(–)	(–)	(245.30)	(245.30)
Amounts payable	79.69	–	79.69	33.74	8.00	–	–	201.12
	(165.40)	(10.00)	(165.37)	(68.33)	(2.75)	(–)	(–)	(411.85)

Figures in brackets represent previous year numbers

	For the year ended 31.03.2016 ₹ in Lakhs	For the year ended 31.03.2015 ₹ in Lakhs
NOTE 29 – LEASES		
The Company has entered into operating lease agreements mainly in respect of the office premises, accommodation and vehicles. These leases have non cancellable periods ranging from 1 to 5 years.		
A. Lease expenses		
i) Future minimum lease payments under non-cancellable operating leases due		
not later than one year	161.63	143.91
later than one year and not later than five years	209.88	233.29
later than five years	–	–
ii) lease payments recognized in the statement of profit and loss for the year	413.76	438.67
B. Lease income		
i) The Company has entered into operating lease arrangements for a portion of its building premises. The details are as follows:		
Gross carrying amount	578.36	578.36
Accumulated depreciation	409.31	389.99
Depreciation recognized in the profit and loss statement	19.32	19.32
NOTE 30 – CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)		
a) Contingent liabilities		
i) Claims against the Company not acknowledged as debts		
Taxation matters#		
Income tax-relating to disallowances of deductions claimed	464.79	464.79
Excise duty (excludes penalties, if any) – relating to computation of the assessable value	333.33	326.34
Others (relating to miscellaneous claims and bonus)	232.57	35.25

	For the year ended 31.03.2016 ₹ in Lakhs	For the year ended 31.03.2015 ₹ in Lakhs
ii) Corporate guarantee given towards credit facilities on behalf of subsidiaries		
Financial institutions	13,266.00	12,531.50
Banks	7,903.75	7,711.62
Others	425.08	401.55
iii) Bill discounted	6,608.98	5,985.10

The above amounts have been arrived at based on the notice of demand or the Assessment Orders, as the case may be, and the Company is contesting these claims with the respective authorities. Outflows including interest and other consequential payments, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Company's rights for future appeals before the judiciary. No reimbursements are expected.

b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)		
Tangible assets	12,239.00	83.30
	41,473.50	**27,539.45**

NOTE 31

a) Details of Borrowing costs capitalised		
Borrowing costs capitalised during the year as capital work in progress	146.35	–
Total borrowing costs capitalised	**146.35**	–
b) Details of expenses capitalised		
Expenses capitalised during the year		
Raw material and packing material consumed	244.29	64.19
Employee benefit expenses	337.93	203.08
Other expenses	253.60	174.82
Total expenses capitalised	**835.82**	**442.09**

NOTE 32 – DESIGN AND DEVELOPMENT EXPENSES

Design and development expenditure of revenue nature accounted in the respective heads of Statement of Profit and Loss

Employee benefit expenses	180.44	143.87
Other expenses	224.70	132.42
Depreciation	52.35	8.35
	457.49	**284.64**

NOTE 33 – EARNING PER SHARE

Net profit for the year (being entirely attributable to the equity shareholders)	17,797.59	10,934.04
Basic / diluted		
Weighted average number of equity shares	98,457,160	98,457,160
Par value per share	5.00	5.00
Earnings per share – Basic / diluted	18.08	11.11

NOTE 34 – There is no amount due and outstanding as at Balance sheet date to be credited to the Investor Education and Protection Fund.

NOTE 35 – DETAILS OF DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURES

1. Forward covers

a) The Company has designated certain highly probable forecasted foreign currency transactions and certain forward contracts to sell and buy foreign currency as hedged items and hedging instruments respectively, in a Cash Flow Hedge to hedge the foreign exchange risk arising out of fluctuations between the India rupee and foreign currency. The exchange fluctuations arising from marking to market of the hedging instruments, to the extent relatable to the hedge being effective has been recognised in a Hedge reserve account in the Balance sheet. Accordingly, exchange fluctuations gains amounting to ₹ 1,329.49 Lakhs as at March 31, 2016 (Previous year: ₹ 934.83 Lakhs) have been recognized in the Hedge Reserve account. These exchange differences will be considered in Statement of Profit and Loss as and when the forecasted transactions occur.

b) Outstanding forward exchange contracts entered into by the Company

Currency		As at 31.03.2016		As at 31.03.2015	
		Amount	₹ in Lakhs	Amount	₹ in Lakhs
Export of goods Forward covers					
USD * INR	Sell	78,590,150	54,968.69	72,873,100	47,511.05
EURO * INR	Sell	3,987,315	3,086.11	4,125,000	3,362.23
GBP * INR	Sell	2,859,998	3,001.58	2,860,020	2,971.39
Import of goods – Forward covers					
USD * INR	Buy	532,592	365.58	–	–
EURO * INR	Buy	7,022,175	5,257.82	–	–
CHF * INR	Buy	3,228,875	2,235.70	–	–
JPY * INR	Buy	8,250,000	50.47		

2. Interest rate swap

The Company has entered into an interest rate swap for hedging its cash flows arising from the floating interest rate exposure on borrowings in foreign currency of USD 8,000,000, which has a mark to market loss of ₹65.62 Lakhs (previous year: ₹55.19 Lakhs), taken to hedge reserve being an effective hedge.

3. The foreign currency exposures at the year end that have not been hedged by a derivative instrument or otherwise are given below.

Particulars	Foreign currency	As at 31.03.2016		As on 31.03.2015	
		Amount in FC	₹ in Lakhs	Amount in FC	₹ in Lakhs
a. Amounts receivable in foreign currency on account of					
Inter corporate loan	USD	35,960,000	23,852.27	38,080,000	23,859.98
Interest receivable on inter corporate loan	USD	2,414,924	1,601.82	1,033,615	646.88
	EURO	90,160	67.72	69,723	47.15
Receivables	EURO	137,206	103.06	–	–
Advance to vendors	EURO	30,874	23.19	273,842	185.19
	USD	16,329	10.83	440,080	275.74
	CHF	2,121	1.46	1,244	0.80
	JPY	909,000	5.37	50,232	0.26
Bank balance	USD	2,950	1.96	2,999	1.88
Recoverable from subsidiaries	EURO	396,435	297.77	–	–
	USD	221,227	146.74	–	–

Particulars	Foreign currency	As at 31.03.2016		As on 31.03.2015	
		Amount in FC	₹ in Lakhs	Amount in FC	₹ in Lakhs
b. Amounts payable in foreign currency on account of					
Term loans	USD	32,160,000	21,331.73	34,280,000	21,478.99
Import of goods and services	USD	–	–	518,606	324.95
	EURO	125,670	94.39	411,727	278.43
	JPY	7,379	0.04	–	–
	GBP	18,572	17.67	–	–
	CHF	788	0.54	64,599	59.84
Import of capital goods	USD	28,605	27.22	239,290	149.93
	GBP	42,012	39.97	–	–
Advance from subsidiaries	USD	692,598	459.40	1,359,595	854.20

NOTE 36 – NOTES RELATING TO CASH FLOW STATEMENT

i) Cash and cash equivalents include balances with scheduled banks on dividend account not available for use by the Company: ₹22.81 Lakhs (Previous year: ₹12.71 Lakhs)

ii) Interest paid includes ₹146.35 Lakhs (Previous year: Nil) , interest capitalised to capital work in progress as borrowing cost.

iii) Cash and cash equivalents comprises of:

(₹ in Lakhs)

	As at 31.03.2016	As at 31.03.2015
a) Cash on hand	13.78	15.06
b) Balance with banks		
– in current account	10,030.70	871.67
– in deposit account	551.68	140.50
– in unpaid dividend account	22.81	12.71
	10,618.97	1,039.94

NOTE 37 – Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

Dilip J. Thakkar
Chairman

A.K. Himatsingka
Vice Chairman

D.K. Himatsingka
Managing Director

Shrikant Himatsingka
Executive Director & CEO

Pradeep K.P.
Chief Financial Officer

Ashok Sharma
Company Secretary

Bengaluru
Date: May 21, 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
HIMATSINGKA SEIDE LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of HIMATSINGKA SEIDE LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective 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 the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements 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 financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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 the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements / financial information of 3 subsidiaries, whose financial statements / financial information reflect total assets of ₹ 10,390.79 Lakhs as at 31st March, 2016, total revenues of ₹ 7,457.56 Lakhs and net cash outflows amounting to ₹ 627.24 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, 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 consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.

    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, incorporated in India, none of the directors of the Group companies, is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

    With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company and the subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's and subsidiary company's incorporated in India internal financial controls over financial reporting

    With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

    (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

    (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

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

Monisha Parikh
Partner
Membership No. 47840

Bengaluru, May 21, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of **HIMATSINGKA SEIDE LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Holding Company and its subsidiary company incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the aforesaid entities.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Monisha Parikh
Partner
Membership No. 47840

Bengaluru, May 21, 2016

CONSOLIDATED BALANCE SHEET

Himatsingka Seide Limited | As at March 31, 2016

	Note No.	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	4,922.86	4,922.86
Reserves and surplus	3	93,409.12	75,567.13
		98,331.98	**80,489.99**
Non-current liabilities			
Long-term borrowings	4	53,442.77	35,515.75
Deferred tax liabilities (Net)	5	1,605.55	1,383.47
Other long-term liabilities	6	721.02	476.82
Long-term provisions	7	766.93	719.99
		56,536.27	**38,096.03**
Current liabilities			
Short-term borrowings	8	37,382.26	31,280.70
Trade payables	9		
Total outstanding dues of micro enterprises and small enterprises		149.37	185.84
Total outstanding dues of creditors other than micro enterprises and small enterprises		26,101.28	27,127.02
Other current liabilities	10	6,498.15	11,157.83
Short-term provisions	11	5,291.33	4,816.03
		75,422.39	**74,567.42**
Total		**230,290.64**	**193,153.44**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	40,730.52	40,715.84
Intangible assets	12	3,890.16	1,149.95
Capital work-in-progress		4,387.26	4,299.64
Intangible assets under development		-	330.42
		49,007.94	46,495.85
Goodwill on consolidation (Refer Note 37)		68,615.02	63,962.33
Non-current investments	13	19.15	16.92
Deferred tax assets (Net)	5A	-	102.97
Long-term loans and advances	14	22,172.13	8,514.70
		139,814.24	**119,092.77**
Current assets			
Inventories	15	58,423.54	55,430.22
Trade receivables	16	7,726.01	5,287.85
Cash and cash equivalents	17	11,434.85	2,637.51
Short-term loans and advances	18	8,698.53	8,062.16
Other current assets	19	4,193.47	2,642.93
		90,476.40	**74,060.67**
Total		**230,290.64**	**193,153.44**

See accompanying notes (1 to 38) forming part of the consolidated financial statements

In terms of our report attached
for Deloitte Haskins & Sells
Chartered Accountants

Monisha Parikh
Partner

Bengaluru
Date: May 21, 2016

For and on behalf of the Board of Directors

Dilip J. Thakkar
Chairman

A.K. Himatsingka
Vice Chairman

D.K. Himatsingka
Managing Director

Shrikant Himatsingka
Executive Director & CEO

Pradeep K.P.
Chief Financial Officer

Ashok Sharma
Company Secretary

Bengaluru
Date: May 21, 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Himatsingka Seide Limited | For the year ended March 31, 2016

	Note No.	For the year ended 31.03.2016 ₹ in Lakhs	For the year ended 31.03.2015 ₹ in Lakhs
Revenue from operations (gross)	20	188,855.32	194,614.56
Less: Excise Duty	20	170.84	298.41
Revenue from operations(net)		188,684.48	194,316.15
Other income	21	2,005.71	2,088.01
Total revenue		**190,690.19**	**196,404.16**
Expenses:			
Cost of materials consumed	22A	54,745.00	52,164.43
Purchase of traded goods	22B	58,968.23	69,561.00
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22C	(1,290.74)	3,395.84
Employee benefit expense	23	18,622.82	19,343.84
Interest and finance costs	24	9,415.00	8,544.26
Depreciation and amortization expenses	12	4,867.76	4,464.41
Other expenses	25	28,439.40	29,785.78
Total expenses		**173,767.47**	**187,259.56**
Profit before tax		**16,922.72**	**9,144.60**
Tax expense:			
Current tax		3,937.74	2,354.72
Minimum alternate tax credit entitlement		(3,923.26)	(2,326.00)
Deferred tax		248.16	(333.25)
Profit after tax before share of profit attributable to minority interest		**16,660.08**	**9,449.13**
Less: Share of loss attributable to minority interest (net)		-	(94.37)
Profit for the year attributable to shareholders of the company		**16,660.08**	**9,543.50**
Basic and diluted earnings per equity share (₹) (Refer note 32) (Par value of ₹5 each)		16.92	9.69

See accompanying notes (1 to 38) forming part of the consolidated financial statements

In terms of our report attached
for Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Dilip J. Thakkar
Chairman

A.K. Himatsingka
Vice Chairman

D.K. Himatsingka
Managing Director

Monisha Parikh
Partner

Shrikant Himatsingka
Executive Director & CEO

Pradeep K.P.
Chief Financial Officer

Ashok Sharma
Company Secretary

Bengaluru
Date: May 21, 2016

Bengaluru
Date: May 21, 2016

CONSOLIDATED CASH FLOW STATEMENT

Himatsingka Seide Limited | For the year ended March 31, 2016

	For the year ended 31.03.2016 ₹ in Lakhs	For the year ended 31.03.2015 ₹ in Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	16,922.72	9,144.60
(Profit)/ Loss on sale of assets	280.93	(389.35)
Profit on sale of investments	(251.91)	(87.76)
Depreciation and amortisation expense	4,867.76	4,464.41
Exchange gain on non-operating activities	(327.08)	(10.10)
Rental income from operating lease	(98.11)	(38.93)
Provision for bad and doubtful trade receivables	107.43	-
Interest income	(57.36)	(32.62)
Write off of Investment (Net)	2.20	-
Interest and Finance costs	9,415.00	8,544.26
Operating cash profit before working capital changes	30,861.58	21,594.51
(Increase) in trade and other receivables	(1,392.31)	(6,873.68)
(Increase)/Decrease in inventories	(545.89)	9,360.26
(Increase) in short term, long term loan and advances and other current assets	(4,220.62)	(215.62)
(Decrease)/Increase in current and non current liabilities and provisions	(2,851.58)	335.32
Cash generated from operations	21,851.18	24,200.79
Income tax paid	(3,237.25)	(1,374.19)
Net cash flow from operating activities (A)	**18,613.93**	**22,826.60**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Current Investments not considered as cash and cash equivalents		
- Purchased	(19,130.19)	(8,529.06)
- Proceeds from sale	19,382.10	8,616.82
Acquisition of additional stake in subsidiaries	(54.51)	(1,852.56)
Capital expenditure on fixed assets including CWIP and capital advances	(13,890.55)	(5,879.24)
Sale proceeds of fixed assets	1,158.15	1,001.63
Interest received	70.38	32.62
Rental income from operating lease	98.11	38.93
Net cash used in investing activities (B)	**(12,366.51)**	**(6,570.86)**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Interest and Finance costs paid	(9,748.00)	(9,758.04)
Subsidy / subvention received	184.83	662.43
Write off of Investment (Net)	-	-
Proceeds from long term borrowings	44,958.40	21,870.76
Repayment of long term borrowings	(34,399.85)	(25,365.38)
Net increase/(decrease) in working capital borrowings	5,131.79	(1,466.25)
Dividend paid	(2,943.59)	(1,485.13)
Tax on distributed profits	(612.48)	(250.99)
Net cash from / (used in) financing activities (C)	2,571.10	(15,792.60)
Total increase/(decrease) in cash and cash equivalents (A+B+C)	8,818.52	463.14
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	(21.18)	(481.74)
Cash and cash equivalents at the beginning of the period	2,637.51	2,656.11
Cash and cash equivalents at the end of the year (Refer Note 35)	**11,434.85**	**2,637.51**

In terms of our report attached
for Deloitte Haskins & Sells
Chartered Accountants

Monisha Parikh
Partner

Bengaluru
Date: May 21, 2016

For and on behalf of the Board of Directors

Dilip J. Thakkar
Chairman

A.K. Himatsingka
Vice Chairman

D.K. Himatsingka
Managing Director

Shrikant Himatsingka
Executive Director & CEO

Pradeep K.P.
Chief Financial Officer

Ashok Sharma
Company Secretary

Bengaluru
Date: May 21, 2016

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1. Basis of accounting and preparation of financial statements

The consolidated financial statements of Himatsingka Seide Limited ("the Company") and its subsidiaries (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

The financial statements of the entities in the Group used in the consolidation are drawn up to the same reporting date as of the Company i.e. March 31, 2016.

2. Principles of consolidation

- The consolidated financial statements have been prepared in accordance with the principles and procedures for the preparation and presentation of consolidated financial statements as laid down under AS 21 – Consolidated Financial Statements prescribed under the 2013 Act. The consolidated financial statements are prepared by applying uniform accounting policies in use at the Group.
- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions and unrealised profits or losses. The amount shown in respect of reserves comprises the amount of the relevant reserves as per the balance sheet of the Company and its share in the post-acquisition change in the relevant reserve of subsidiaries.
- Minority interest represents the amount of equity attributable to the minority shareholders at the dates on which investment in a subsidiary is made by the Company and its share of movements in the equity subsequent to the dates of investments as stated above.
- The excess of cost to the Company of its investments in the subsidiary companies over its share of the equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as goodwill, being an asset in the consolidated financial statements. Where the share of the equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognized as capital reserve and shown under the head Reserves and surplus. Goodwill arising on consolidation is not amortised but tested for impairment.
- Information on subsidiary companies

The list of subsidiary companies included in the consolidated financial statements is as under:

Name of the entity	Country of incorporation	% ownership held either directly or through subsidiaries	
		March 31, 2016	March 31, 2015
Himatsingka Wovens Private Limited	India	100%	100%
Himatsingka Holdings North America, Inc.*	United States of America	100%	100%
Himatsingka America, Inc.**	United States of America	100%	100%
Giuseppe Bellora S.r.l***	Italy	100%	100%
Twill & Oxford LLC	United Arab Emirates	49%	49%
Himatsingka Singapore Pte Limited	Singapore	100%	100%

* formerly known as Himatsingka America, Inc.

** merged entity of erstwhile DWI Holdings, Inc. and Divatex Home Fashions, Inc.

*** formerly known as Giuseppe Bellora S.p.A

In terms of the Memorandum and Articles of Association, the composition of the Board of Directors of Twill & Oxford LLC is entirely controlled by the Company and hence it has been considered as subsidiary for the purpose of consolidation.

In respect of Himatsingka America Inc., ownership is held through Himatsingka Holdings North America, Inc.

In respect of Himatsingka Singapore Pte Limited, ownership is held through Himatsingka Wovens Private Limited.

Figures pertaining to the subsidiary companies have been regrouped / reclassified wherever necessary to bring them in line with the Company's financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1. Basis of accounting and preparation of financial statements

The consolidated financial statements of Himatsingka Seide Limited ("the Company") and its subsidiaries (together "the Group") have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

The financial statements of the entities in the Group used in the consolidation are drawn up to the same reporting date as of the Company i.e. March 31, 2016.

2. Principles of consolidation

- The consolidated financial statements have been prepared in accordance with the principles and procedures for the preparation and presentation of consolidated financial statements as laid down under AS 21 – Consolidated Financial Statements prescribed under the 2013 Act. The consolidated financial statements are prepared by applying uniform accounting policies in use at the Group.
- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions and unrealised profits or losses. The amount shown in respect of reserves comprises the amount of the relevant reserves as per the balance sheet of the Company and its share in the post-acquisition change in the relevant reserve of subsidiaries.
- Minority interest represents the amount of equity attributable to the minority shareholders at the dates on which investment in a subsidiary is made by the Company and its share of movements in the equity subsequent to the dates of investments as stated above.
- The excess of cost to the Company of its investments in the subsidiary companies over its share of the equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as goodwill, being an asset in the consolidated financial statements. Where the share of the equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognized as capital reserve and shown under the head Reserves and surplus. Goodwill arising on consolidation is not amortised but tested for impairment.
- Information on subsidiary companies

  The list of subsidiary companies included in the consolidated financial statements is ass under:

3. Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statement and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Any revision is recognised prospectively in current and future periods.

4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

6 Fixed assets

6.1 Tangible assets: Tangible assets are stated at cost less accumulated depreciation. Cost includes all costs relating to acquisition and installation of tangible assets including any incidental costs of bringing the assets to their working condition for their intended use.

6.2 Intangible assets: Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any duties and taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

6.3 Capital work in progress: Expenditure during construction period in respect of new projects, for tangible and intangible assets, is included under capital work-in-progress and the same is allocated to the fixed assets on the commissioning of the respective projects.

6.4 Intangible assets under development: Expenditure on Research and development eligible for capitalization are carried as Intangible assets under development where such assets are not yet ready for their intended use.

7 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

Borrowing costs directly attributable to acquisition or construction of qualifying fixed assets, which necessarily take a substantial period of time to get ready for their intended use, are capitalised. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

8 Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets of the Company and its India subsidiaries, has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Plant & machineries - 25 years on single shift basis.

Leasehold land is amortised over the primary period of the lease.

Depreciation on the tangible fixed assets of the Company's foreign subsidiaries has been provided on straight-line method as per the estimated useful life of such assets as follows:

Leasehold improvements – over the period of lease ranging from 3 to 5 years.

Furniture and fixtures - 4 -7 years

Office equipment - 4 -7 years

In respect of assets for which impairment loss has been recognised, the depreciation charge has been adjusted to allocate the revised carrying amount, on a systematic basis over its remaining useful life.

Intangible assets are amortised over their estimated useful life as follows:

SAP (ERP implementation cost) is amortised over a period of 10 years.

Product Designs are amortised over a period of 4 years

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

9 Impairment of assets

At each balance sheet date, the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss.

Impairment losses recognized in prior years, if any, are reversed when there is an indication that the recognised impairment losses for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

10 Investments

Long-term investments are carried individually at cost less provision for other than temporary diminution, in the value, if any.

Current investments, comprising investments in mutual funds, are stated at lower of cost and fair value, determined on a portfolio basis.

Costs of investments include acquisition charges such as brokerage, fees and duties.

11 Inventories

Inventories of raw materials, stores and spares, work-in-progress and finished goods including traded goods, are valued at lower of cost and estimated net realisable value. Cost is ascertained on weighted average basis. Cost of finished goods and work-in-progress includes an appropriate proportion of conversion cost based on normal operating capacity.

12 Government grants

Government grants related to revenue is recognized on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Government grants related to depreciable fixed assets is treated as deferred income which is recognized in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

13 Revenue recognition

Revenue from sale of goods is recognised on the transfer of title in the goods which generally coincides with dispatch and is stated net of discounts and sales tax but inclusive of excise duty.

14 Other Income

Interest Income is accounted on accrual basis. Dividend income is recognised when the right to receive the dividend is established.

15 Employee benefits

Employee benefits include provident fund, superannuation fund, gratuity fund, and employee state insurance and compensated absences.

Defined contribution plans: The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans: For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits: The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) In case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits: Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

16 Foreign currency

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated at the rate prevailing on the date of balance sheet. The exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities are recognised as income or expense in the statement of profit and loss.

Premium or discount on forward contract is amortised over the life of such contract and is recognised as income or expense. Any profit or loss arising on cancellation, renewal or restatement of forward contract is recognised in the statement of profit and loss.

Refer Note 1 (17), below, for accounting for forward exchange contracts relating to firm commitments and highly probable forecast transactions.

The financial statements of the foreign subsidiaries being integral operations are translated into Indian rupees as follows:

- Assets and liabilities other than non-monetary items are translated at the exchange rate prevailing on the balance sheet date. Non-monetary items are carried at historical cost.
- Revenue and expenses are translated at average exchange rates as applicable.
- The resulting exchange differences are recognised as income or expense in the statement of profit and loss.
- The financial statements of the foreign subsidiaries being non-integral operations are translated into Indian rupees as follows:
- Assets and liabilities, both monetary and non-monetary are translated at the exchange rate prevailing on the balance sheet date.
- Revenue and expenses are translated at average exchange rates as applicable.
- The resulting exchange differences are accumulated in a foreign currency translation reserve which is reflected under Reserves and Surplus.

17 Derivative Contracts and Hedge Accounting

The Company is exposed to currency fluctuations risk on foreign currency assets, liabilities, net investment in non-integral foreign operations and forecasted cash flows denominated in foreign currency, and is also exposed to interest rate fluctuations on floating interest rate borrowings. The Company follows a risk management policy of covering this risk through a combination of forward contracts, options, swaps and other derivative contracts.

In accordance with the principles set out in AS 30, changes in fair value of designated derivative contracts being effective hedges, are recognised directly in Hedge reserve account under Reserves and surplus and reclassified into Statement of Profit and Loss upon the occurrence of the underlying hedged transaction. In case, the hedging instrument expires, sold, terminated or the underlying transaction is no longer expected to occur the net gain or loss recognised in the Hedge reserve account is transferred to the Statement of Profit and Loss.

The changes in fair values of instruments designated at fair value through profit and loss are adjusted in the Statement of Profit and Loss.

18 Earnings per share

Basic earnings per share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding for the period. The weighted average number of shares outstanding during the period is adjusted for events of bonus issue and share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

19 Taxes on Income

Income tax comprises the current tax, fringe benefit tax and the net change in the deferred tax asset or liability during the year.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws after considering tax allowances and exemptions.

Minimum alternate tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

Deferred tax assets and liabilities are recognised for the estimated future tax consequences of temporary differences between the carrying values of the assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using substantively enacted tax rates applicable on the balance sheet date. Deferred tax assets are recognised and carried forward to the extent that there is a reasonable / virtual certainty (as applicable) that sufficient future taxable income will be available against which such deferred tax asset can be realized. The effect on deferred tax assets and liabilities resulting from change in tax rates is recognized in the income statement in the period of enactment of the change.

20 Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of designs are also charged to the Statement of Profit and Loss unless a design's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use.

21 Provisions and contingencies

A provision is recognised when the Group has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes to the financial statement. A contingent asset is neither recognised nor disclosed.

22 Segment reporting

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / Liabilities.

23 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

NOTE 2 – SHARE CAPITAL

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
Authorised		
134,000,000 equity shares of ₹ 5 each with voting rights (Previous year: 134,000,000 equity shares of ₹ 5 each)	6,700.00	6,700.00
Issued		
98,496,160 equity shares of ₹ 5 each with voting rights (Previous year: 98,496,160 equity shares of ₹ 5 each)	4,924.81	4,924.81
Subscribed and paid-up		
98,457,160 equity shares of ₹ 5 each with voting rights (Previous year: 98,457,160 equity shares of ₹ 5 each)	4,922.86	4,922.86
	4,922.86	4,922.86

(i) There is no movement in the shares outstanding from the prior year to the current year.

(ii) Details of the rights, preferences and restrictions attached to each class of shares:

The Company has only one class of equity share, having a par value of ₹ 5/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. However, as on date no such preferential amount exists. The distribution will be in proportion to number of equity shares held by the shareholders.

(iii) Number of equity shares held by each shareholder holding more than 5% shares in the Company:

Shareholder	**No. of shares**	**No. of shares**
D K Himatsingka	11,135,944	11,135,424
% of holding	11%	11%
D K Himatsingka (HUF)	5,432,056	5,432,056
% of holding	6%	6%
Shrikant Himatsingka	6,680,964	6,680,964
% of holding	7%	7%
Bihar Mercantile Union Limited	5,706,000	5,706,000
% of holding	6%	6%
Rajshree Himatsingka	5,457,260	5,457,260
% of holding	6%	6%

(iv) There were no instances of shares issued, on which there were any calls remaining unpaid or instances of any forfeitures during the years ended March 31, 2016 and 2015.

NOTE 3 – RESERVES AND SURPLUS

	As at 31.03.2016	As at 31.03.2015
Capital reserve on consolidation	66.74	66.74
Capital reserve	620.88	620.88
Securities premium account	27,675.71	27,675.71
Debenture redemption reserve		
Opening balance	1,200.00	800.00
Add: Transferred from Consolidated Statement of profit and loss	400.00	400.00
Less: Transferred to general reserve	800.00	-
Closing balance	800.00	1,200.00
General reserve		
Opening balance	15,670.17	15,670.17
Add: Transferred from Debenture redemption reserve	800.00	-
Closing balance	16,470.17	15,670.17

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
Hedge reserve		
Opening balance	879.64	732.75
Add / (less): Effect of foreign exchange rate variations on hedging instruments outstanding at the end of the year	1,786.93	2,432.44
Less: Transferred to Consolidated Statement of profit and loss	1,402.70	2,285.54
Closing balance (Refer Note 34(1)(a) and 34(2))	1,263.87	879.64
Legal reserve		
Opening balance	7.21	8.81
Movement during the year	0.80	(1.60)
Closing balance	8.01	7.21
Foreign currency translation reserve (on consolidation)		
Opening balance	11,864.67	13,082.35
Movement during the year	3,759.40	(1,217.68)
Closing balance	15,624.07	11,864.67
Surplus in Consolidated Statement of Profit and Loss		
Opening balance	17,582.11	10,920.95
Add: Transferred from surplus in Consolidated Statement of profit and loss	16,660.08	9,543.50
Less: Transitional provision towards depreciation(Refer Note 12)	-	101.16
Less: Transferred to Debenture redemption reserve	400.00	400.00
Less: Interim dividend	984.57	-
Less: Proposed final dividend	1,476.86	1,969.14
Less: Tax on interim and proposed final dividend	501.09	412.04
	30,879.67	17,582.11
	93,409.12	75,567.13

NOTE 4 – LONG TERM BORROWINGS

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
Non-Convertible Debentures		
Unsecured (Refer note 4A)	400.00	800.00
Term loans		
From financial institution (Refer note 4A)		
Secured	15,039.37	7,364.67
From banks (Refer note 4A)		
Secured	38,003.40	27,351.08
	53,442.77	35,515.75

NOTE 4A – LONG TERM BORROWINGS

Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings

Particulars	As at 31.03.2016	As at 31.03.2015	Nature of security	Repayment/ redemption / other terms
Debentures issued by the Company				
Non - convertible and redeemable debentures	800.00	1,200.00	Unsecured	Four equal annual installments commencing 2 years from the date of issue. The outstanding term as of March 31, 2016 was 2 installments [The amount includes the current maturity of ₹ 400 Lakhs (Previous year: ₹ 400 Lakhs) included in Note 10]
	800.00	**1,200.00**		
Term loan from financial institution				
Loan 1 *	-	2,727.27	Secured by charge over certain moveable and immovable fixed assets, both present and future	33 Quarterly installments commencing 2 years from the date of first disbursement with step up repayment in the ratio of 1:2:3. The outstanding term as of March 31, 2016 was Nil. [The amount includes the current maturity of ₹ Nil (Previous year: ₹ 2,727.27 Lakhs) included in Note 10]
Loan 2 *	1,408.40	1,658.95	Secured by charge over certain moveable and immovable fixed assets, both present and future	33 Quarterly installments commencing 2 years from the date of first disbursement. The outstanding term as of March 31, 2016 was 17 installments.[The amount includes the current maturity of ₹250.56 Lakhs (Previous year: ₹ 250.56 Lakhs) included in Note 10]
Loan 3	3,157.31	3,508.82	Secured by charge over certain immovable fixed assets of promoter group companies and pledge of 10% shares of wholly owned subsidiary	20 Quarterly equal installments commencing 3 years from the date of first disbursement. The outstanding term as of March 31, 2016 was 17 installments.[The amount includes the current maturity of ₹742.89 Lakhs (Previous year: ₹ 701.77 Lakhs) included in Note 10]
Loan 4 *	1,937.41	1,884.42	First paripassu charge on certain moveable and immoveable fixed assets of the company (in both units) including the proposed project assets, both present and future	32 equal quarterly installments commencing after a moratorium of 1 year from the date of Commencement of Commercial Operation (COD). The outstanding term as of March 31, 2016 was 31 installments.[The amount includes the current maturity of ₹250 Lakhs (Previous year: ₹Nil) included in Note 10]
Loan 5 *	2,388.00	1,069.00	First paripassu charge on certain fixed assets (both moveable and immoveable) of the company (in both units), both present and future excluding the fixed assets charged on exclusive basis	28 substantially equal quarterly installments commencing after a moratorium of 2 years from Scheduled Commercial Operation Date (SCOD) or Actual Commercial Operation Date (COD). The outstanding term as of March 31, 2016 was 28 installments
Loan 6 *	7,350.25	-	First paripassu charge on the entire fixed assets (both moveable and immoveable properties) of the Company (in both units) both present and future excluding the assets exclusively charged to other lenders	39 substantially equal quarterly installments commencing after a moratorium of 1 year from Scheduled Commercial Operation Date (SCOD) or Actual Commercial Operation Date (COD) which ever is earlier. The outstanding term as of March 31, 2016 was 39 installments

Particulars	As at 31.03.2016	As at 31.03.2015	Nature of security	Repayment/ redemption / other terms
Loan 7	207.28	352.45	Lease hold improvements at warehouse in Spartanburg, South Carolina	48 equal monthly installments. The outstanding term as of March 31, 2016 was 15.[The amount includes the current maturity of ₹165.83 Lakhs (Previous year: ₹ 156.64) included in Note 10]
The rate of interest on the above term loans is in the range of to 3.75% to 12.3% . (Previous year : 3.75% to 12.3%) * Interest on these term loans is eligible for government subsidies	**16,448.65**	**11,200.91**		
Term loans from bank:	-	-		
Loan 1 *	-	4,770.00	Secured by charge over certain moveable and immovable fixed assets, both present and future	33 Quarterly installments commencing 2 years from the date of first disbursement with step up repayment in the ratio of 1:2:3. The outstanding term as of March 31, 2016 was Nil.[The amount includes the current maturity of ₹ Nil (Previous year: ₹ 2,728 Lakhs) included in Note 10]
Loan 2 *	-	2,812.50	Secured by charge over certain moveable and immovable fixed assets, both present and future	32 Quarterly installments commencing 2 years from the date of first disbursement. The outstanding term as of March 31, 2016 was Nil. [The amount includes the current maturity of ₹ Nil (Previous year: ₹ 750 Lakhs) included in Note 10]
Loan 3	4,245.12	4,812.10	Secured by charge over certain immovable fixed assets and pledge of shares of wholly owned subsidiary	22 Quarterly installments commencing 27 months from the date of first disbursement. The outstanding term as of March 31, 2016 was 17 installments.[The amount includes the current maturity of ₹ 849.02 Lakhs (Previous year: ₹ 802.02 Lakhs) included in Note 10]
Loan 4	13,929.30	13,158.08	Secured by charge over certain fixed assets and pledge of shares of wholly owned subsidiary	20 quarterly installments after initial moratorium period of 2 years with ballooning provision at 5th, 10th, 15th,19th & 20th installments. The outstanding term as of March 31, 2016 was 20 installments. [The amount includes the current maturity of ₹ 331.52 Lakhs (Previous year: ₹ Nil) included in Note 10]
Loan 5 *	15,000.00	-	First paripassu charge of certain fixed assets.	20 substantially equal quarterly installments commencing on 31.12.2016.The outstanding term as of March 31, 2016 was 20 installments. [The amount includes the current maturity of ₹ 375 Lakhs (Previous year: ₹ Nil) included in Note 10]
Loan 6	-	731.00	Real Estate in Timberlake, North Carolina	Monthly installments of $8333, with the final balloon installment of $1,008,334.The outstanding term as of March 31, 2016 was Nil.[The amount includes the current maturity of ₹ Nil (Previous year: ₹ 62.65) included in Note 10]

Particulars	As at 31.03.2016	As at 31.03.2015	Nature of security	Repayment/ redemption / other terms
Loan 7	-	5,410.07	Lease hold improvements at warehouse in Spartanburg, South Carolina	48 equal monthly installments. The outstanding term as of March 31, 2016 was Nil.
Loan 8	6,384.52	-	Secured by Fagnano and Biella properties owned by Bellora and supported by a Corporate guarantee from HSL	Euro 2.25 Million to be repaid in 14 structured quarterly installments, after a moratorium of 1.5 years (i.e. starting from 31-Dec-17). Balance Euro 6.25 Million to be repaid at the end of the tenor.
The rate of interest on the above term loans is in the range of to 3.25% to 13.95% . (Previous year : 3.25% to 13.95%) * Interest on these term loans is eligible for government subsidies	**39,558.94**	**31,693.75**		
Loan from related parties:				
Credit Himatsingka Private Limited	-	245.30	Unsecured	85 equal monthly installments commencing from April 2013. Consequent to acceleration of repayment as part of a modification of terms in FY 2013-14, the outstanding term as of March 31, 2016 was Nil.
	-	245.30		
	56,807.59	**44,339.96**		

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
NOTE 5 – DEFERRED TAX LIABILITY		
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of non current assets	13,294.54	6,219.91
Tax effect of items constituting deferred tax assets		
Unabsorbed depreciation/losses	(6,351.20)	(4,555.12)
Other timing differences	(5,337.79)	(281.32)
Deferred tax Liability (Net)	**1,605.55**	**1,383.47**
NOTE 5A – DEFERRED TAX ASSET		
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	-	(4,105.34)
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	-	215.52
Unabsorbed depreciation	-	3,992.79
Deferred tax Asset (Net)	**-**	**102.97**
NOTE 6 – OTHER LONG TERM LIABILITIES		
Gratuity (Refer Note 6A)	721.02	476.82
	721.02	**476.82**

NOTE 6A – Employee benefit plans

Employee benefits pertaining to overseas subsidiaries have been accrued based on their respective local labour laws.
In accordance with applicable laws, the holding company and its subsidiary in India provides for gratuity, a defined benefit retirement plan (Gratuity plan). The Gratuity plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the respective entity.

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
Change in defined benefit obligation during the year		
Projected Benefit Obligation at the beginning of the year	1,205.04	1,011.23
Service cost	104.06	92.05
Interest cost	92.61	87.28
Benefits paid	(140.85)	(93.95)
Actuarial loss/(gain)	129.36	108.43
Projected Benefit Obligation at the end of the year	**1,390.22**	**1,205.04**
Change in fair value of assets during the year		
Fair value of plan assets at the beginning of the year	713.15	685.20
Expected return on plan assets	49.34	50.65
Employer contributions	-	-
Benefits paid	(97.83)	(73.96)
Actuarial gain/ (loss)	(12.95)	51.26
Fair value of plan assets at the end of the year	**651.71**	**713.15**
Composition of plan assets is as follows		
Insurer managed funds - Debt Funds	522.67	574.25
Insurer managed funds - Equity Funds	129.04	138.90
Funded status deficit	738.51	491.89
Unrecognised past service costs	-	-
Recognised liability	738.51	491.89
Less: Current portion of liability	(17.49)	(15.07)
Non-current liability	**721.02**	**476.82**
Estimate of amount of contribution in the immediate next year	-	-

Net gratuity cost for the year ended is as follows		
Service cost	104.06	92.05
Interest cost	92.61	87.28
Expected return on plan assets	(49.34)	(50.65)
Actuarial loss	142.31	57.17
Net gratuity cost	**289.64**	**185.85**
Actual return on plan assets	**36.39**	**103.83**

Actuarial assumptions at the valuation date:

a) Discount rate (p.a.)*	8.00%	8.00%
b) Expected rate of return on assets (p.a.)**	8.00%	8.00%
c) Salary escalation rate***	6% to 7%	6.00%

d) Mortality : Published rates under the LIC (2006-08) mortality tables have been used.

e) Rates of leaving service for various categories of employees - 2%, 12%, 15%, 20% and 40%

*The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligation.

**The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc.. In order to protect the capital and optimize returns within acceptable risk parameters, the plan assets are well diversified.

***Salary escalation rate considered takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market

Five year data:	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Projected benefit obligation	1,390.22	1,205.04	1,011.23	900.46	735.45
Plan assets	6 51.71	713.15	685.20	684.55	569.91
Surplus/(deficit)	(738.51)	(491.89)	(326.03)	(215.91)	(165.54)
Exp. adj. on plan liabilities	88.06	27.15	67.75	52.96	(5.95)
Exp. adj. on plan assets	(12.95)	53.19	12.76	26.35	25.73

As per the applicable law the overseas subsidiary provides for an end of service benefit, which is in the nature of defined benefit plan and is accrued based on the indemnity as on balance sheet date.

Opening balance	55.01	53.27
Exchange fluctuation	(5.86)	2.28
Provision during the year	7.01	(0.54)
Closing balance	56.16	55.01

Defined contribution plans

The Group makes contributions to Provident fund, Superannuation fund and Employee state insurance contributions and similar retirement benefit funds as defined contribution plans for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes. The Group has recognized the following contributions in the Statement of profit and loss.

	31.03.2016	31.03.2015
Provident fund	497.29	470.46
Superannuation fund	18.51	20.20
Employee state insurance	49.78	257.26
Other retirement funds	283.01	339.75

NOTE 7 – LONG TERM PROVISIONS

Provision for employee benefits		
Employees end of service benefits (unfunded)	56.16	55.01
Compensated absence (Refer Note 7A)	311.38	265.08
Provision - Others		
Provision for taxes (net of advance taxes)	399.39	399.90
	766.93	**719.99**

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
NOTE 7A – FINANCIAL ASSUMPTIONS ON VALUATION DATE		
Current portion	140.49	124.96
Non - current portion	311.38	265.08
Total provision	**451.87**	**390.04**
Actuarial assumptions considered to determine the provision required is same as gratuity provision (Refer Note 6A)		
NOTE 8 – SHORT TERM BORROWINGS		
Loans repayable on demand		
From Banks (Secured)	37,382.26	31,280.70
(Nature of Security: Working capital limits are secured against present and future stock and book debts on paripassu basis.)		
	37,382.26	**31,280.70**
NOTE 9 – TRADE PAYABLES		
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	149.37	185.84
Total outstanding dues of creditors other than micro enterprises and small enterprises	26,101.28	27,127.02
	26,250.65	**27,312.86**
NOTE 10 – Other current liabilities		
Current maturities of long term debt		
Term loan from financial institution (Secured)	1,409.28	3,836.24
Term loan from banks (Secured)	1,555.54	4,342.67
Loan from related parties (Unsecured)	-	245.30
Non convertible debentures	400.00	400.00
Interest accrued but not due on borrowings	374.88	286.50
Unpaid dividend	22.81	12.72
Other payables		
Statutory remittances	2,107.89	1,257.53
Payables on purchase of fixed assets	275.38	509.80
Security Deposit	44.80	44.80
Towards gratuity (Refer note 6A)	17.49	15.07
Advances from customers	290.08	207.20
	6,498.15	**11,157.83**
NOTE 11 – Short term provisions		
Provision for employee benefits		
Compensated absence (Refer note 7A)	140.49	124.96
Provision – Others		
Provision for taxes (net of advance taxes)	3,307.71	2,254.70
Provision for losses on derivative contracts (Refer Note 34 (2))	65.62	55.19
Provision for proposed equity dividend	1,476.86	1,969.14
Provision for tax on proposed dividend	300.65	412.04
	5,291.33	**4,816.03**

NOTE 12 – FIXED ASSETS

Particulars	Gross block					Depreciation					Net block
	As at 01.04.2015	Additions	Deletions	Other adjustments **	As at 31.03.2016	Upto 31.03.2015	For the year	On deletions	Other adjustments **	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
Tangible Assets												
Owned:												
Freehold land *	1,079.03	907.59	59.26	3.28	1,930.64	-	-	-	-	-	1,930.64	1,079.03
	(1,076.71)	(-)	(-)	(2.32)	(1,079.03)	(-)	(-)	(-)	(-)	(-)	(1,079.03)	(1,076.71)
Buildings	19,044.87	163.82	1,367.56	415.18	18,256.31	6,545.52	726.22	376.79	200.43	7,095.38	11,160.93	12,499.35
	(19,610.01)	(59.83)	-	624.97	(19,044.87)	(6,121.56)	(717.04)	(-)	293.08	(6,545.52)	(12,499.35)	(13,488.45)
Leasehold improvements	3,668.95	44.99	339.94	(10.68)	3,363.32	1,390.94	328.50	276.05	3.73	1,447.12	1,916.20	2,278.01
	(3,640.09)	(439.27)	(287.47)	122.94	(3,668.95)	(1,510.28)	(313.90)	(240.92)	192.32	(1,390.94)	(2,278.01)	(2,129.81)
Plant and machinery	59,840.91	3,366.23	740.04	(307.94)	62,159.16	37,643.81	2,712.26	559.24	(257.73)	39,539.10	22,620.06	22,197.10
	(60,595.94)	(1,538.91)	(2,145.20)	148.74	(59,840.91)	(36,710.38)	(2,690.51)	(1,606.24)	150.84	(37,643.81)	(22,197.10)	(23,885.56)
Furniture and fixtures	2,988.62	720.76	63.72	255.40	3,901.06	2,056.38	356.54	48.71	23.45	2,387.66	1,513.40	932.24
	(3,155.80)	(45.38)	(88.91)	123.65	(2,988.62)	(2,074.57)	(220.94)	(84.60)	154.53	(2,056.38)	(932.24)	(1,081.23)
Office equipment	4,306.07	188.58	61.70	108.34	4,541.29	3,854.71	268.04	59.95	3.98	4,066.78	474.51	451.36
	(4,482.67)	(145.50)	(2.06)	320.04	(4,306.07)	(3,941.91)	(233.50)	(2.06)	318.64	(3,854.71)	(451.36)	(540.76)
Vehicles	266.15	24.95	37.05	(50.56)	203.49	174.55	24.13	34.89	(45.71)	118.08	85.41	91.60
	(350.45)	(28.60)	(87.30)	25.60	(266.15)	(222.64)	(33.23)	(62.30)	19.02	(174.55)	(91.60)	(127.81)
Other property	286.24	-	-	(286.24)	-	149.06	-	-	(149.06)	-	-	137.18
	(255.47)	(74.53)	(54.81)	(11.05)	(286.24)	(137.94)	(58.59)	(54.81)	(7.34)	(149.06)	(137.18)	(117.53)
Taken on lease :												
Land	**1,183.65**	**-**	**-**	**-**	**1,183.65**	**133.68**	**20.60**	**-**	**-**	**154.28**	**1,029.37**	**1,049.97**
	(1,183.65)	(-)	(-)	(-)	(1,183.65)	(113.37)	(20.30)	(-)	(0.01)	(133.68)	(1,049.97)	(1,070.28)
Tangible assets- CY	**92,664.49**	**5,416.92**	**2,669.27**	**126.78**	**95,538.92**	**51,948.65**	**4,436.29**	**1,355.63**	**(220.91)**	**54,808.40**	**40,730.52**	**40,715.84**
Tangible assets-PY	**(94,350.79)**	**(2,332.02)**	**(2,665.75)**	**1,352.57**	**(92,664.49)**	**(50,832.65)**	**(4,288.01)**	**(2,050.93)**	**1,121.08**	**(51,948.65)**	**(40,715.84)**	**(43,518.14)**
Intangible assets												
Owned:												
Software and other related costs	1,786.46	2,842.56	-	(46.90)	4,582.12	792.77	344.23	-	(2.97)	1,134.03	3,448.09	993.69
	(1,453.46)	(431.22)	(0.15)	98.07	(1,786.46)	(694.58)	(176.40)	-	78.21	(792.77)	(993.69)	(758.88)
Brands and Licenses etc.,	156.26	33.49		9.35	199.10	-	37.05		0.21	37.26	161.84	156.26
	-	(156.26)	-	-	(156.26)	-	-	(-)	-	-	(156.26)	-
Product Designs	-	330.42	-	-	330.42	-	50.19	-	-	50.19	280.23	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Intangible assets- CY	**1,942.72**	**3,206.47**	**-**	**(37.55)**	**5,111.64**	**792.77**	**431.47**	**-**	**(2.76)**	**1,221.48**	**3,890.16**	**1,149.95**
Intangible assets-PY	**(1,453.46)**	**(587.48)**	**(0.15)**	**98.07**	**(1,942.72)**	**(694.58)**	**(176.40)**	**-**	**78.21**	**(792.77)**	**(1,149.95)**	**(758.88)**
Total- CY	**94,607.21**	**8,623.39**	**2,669.27**	**89.23**	**100,650.56**	**52,741.42**	**4,867.76**	**1,355.63**	**(223.67)**	**56,029.88**	**44,620.68**	**41,865.79**
Total Fixed Assets- PY	**(95,804.25)**	**(2,919.50)**	**(2,665.90)**	**1,450.64**	**(94,607.21)**	**(51,527.23)**	**(4,464.41)**	**(2,050.93)**	**1,199.29**	**(52,741.42)**	**(41,865.79)**	**(44,277.02)**

* Land includes ₹ 17.91 Lakhs (Previous year ₹ 17.91 Lakhs) being the share in land jointly owned with others. During 2003-04, the Khata in respect of one of the Company's properties was merged with those of other adjacent properties to facilitate better utilization of the property by joint construction and entitlement of proportionate undivided share of the amalgamated property.

** Other adjustments include exchange fluctuation arising on account of conversion of fixed assets from foreign currency to reporting currency and transitional provision towards depreciation ***

*** During the year ended March 31, 2015 pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the holding Company and its subsidiary in India has fully depreciated the carrying value of assets, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹101.16 Lakhs (net off deferred tax of ₹ 1.04 Lakhs) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

Figures in brackets represent previous year numbers

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
NOTE 13 – NON CURRENT INVESTMENTS		
Investments, at cost		
Trade (Unlisted, unquoted)		
Investment in equity instruments		
Milano Confezioni S.r.l.(No. of shares: 100,000)	-	1.33
BP Venture S.r.l.	-	998.54
Industria e Universita S.r.l. (No. of shares: 13,005,000)	19.15	14.72
Consorzio Tutela Lino (No. of shares: 11,638)	-	0.87
	19.15	1,015.46
Provision for diminution in value of investments	-	(998.54)
	19.15	**16.92**
NOTE 14 – LONG TERM LOANS AND ADVANCES (unsecured, considered good)		
Security deposits	1,092.62	980.08
Advance income tax (net of provisions)	891.41	703.08
MAT credit entitlement	9,676.83	5,753.57
Prepaid expenses	4,760.41	811.13
Capital advances	5,634.81	127.44
Other long term advances	116.05	139.40
	22,172.13	**8,514.70**
NOTE 15 – INVENTORIES		
Raw materials	2,555.58	1,855.04
Raw materials - in transit	1,087.28	766.66
Work-in-progress	9,214.07	8,905.27
Finished goods	1,500.99	1,909.70
Stores and spares	1,915.77	1,249.85
Stores and spares - in transit	15.49	-
Traded Goods	38,985.47	38,586.52
Traded Goods - in transit	3,148.89	2,157.18
	58,423.54	**55,430.22**
NOTE 16 – TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they were due for payment		
Unsecured considered good	350.67	408.34
Doubtful	488.11	344.62
	838.78	752.96
Less: Provision for doubtful trade receivables	488.11	344.62
	350.67	408.34
Other trade receivables	-	
Unsecured considered good	7,375.34	4,879.51
	7,375.34	4,879.51
	7,726.01	**5,287.85**
NOTE 17 – CASH AND CASH EQUIVALENTS		
Cash on hand	38.07	37.17
Balances with banks		
- in current account	10,817.62	2,441.76
- in deposit account	551.68	140.50
- in Earmarked accounts		
Unpaid dividend account	22.81	12.71
Balances held as margin money	4.67	5.37
	11,434.85	**2,637.51**
Of the above, the balances that meet the definition of cash and cash equivalents as per AS3 Cash flow statement is	11,407.37	2,619.43

NOTE 18 – SHORT TERM LOANS AND ADVANCES
(unsecured, considered good)

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
Security deposits	81.60	106.27
Interest subsidy receivable	1,291.77	980.86
Advance to suppliers	1,328.58	2,476.22
Prepaid expenses	2,534.13	2,932.75
Balances with Government authorities	2,249.56	610.61
Other advances	1,212.89	955.45
	8,698.53	**8,062.16**

NOTE 19 – OTHER CURRENT ASSETS

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
Advances recoverable in cash or in kind or for value to be received	15.44	0.63
Subsidy receivable under various government schemes	2,444.12	1,531.52
Assets held for sale	130.51	-
Unbilled revenue	200.71	-
Receivable on Mark to market of fair value derivative	1,402.69	1,110.78
	4,193.47	**2,642.93**

NOTE 20 – REVENUE FROM OPERATIONS

	For the year ended 31.03.2016 ₹ in Lakhs	For the year ended 31.03.2015 ₹ in Lakhs
Sale of products (Refer Note (i))	181,047.48	190,693.53
Sale of services	380.48	474.04
Other operating income (Refer Note (ii))	7,427.36	3,446.99
Revenue from operations (gross)	188,855.32	194,614.56
Less: Excise duty	170.84	298.41
Revenue from operations (net)	**188,684.48**	**194,316.15**
(i) Sale of products (net of excise duty) comprises of :		
Manufactured goods	96,127.65	88,275.82
Traded goods	84,748.99	102,119.30
	180,876.64	**190,395.12**
(ii) Other operating income comprises of :		
Sale of power	1,748.59	2,077.52
Royalty Income	782.87	611.03
Sale of waste / scrap *	751.58	687.81
Income under incentive schemes	3,086.09	70.63
Marketing fee	1,058.23	-
	7,427.36	**3,446.99**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

* Scrap sales includes sale of ₹ 143.88 Lakhs out of the trial production during the year.

	For the year ended 31.03.2016 ₹ in Lakhs	For the year ended 31.03.2015 ₹ in Lakhs
NOTE 21 – OTHER INCOME		
Interest income	57.36	32.62
Other non-operating income		
Profit on sale of assets	-	389.35
Profit on sale of current investments	251.91	87.76
Rent income	98.11	38.93
Liabilities/provisions no longer required written back	-	58.59
Miscellaneous income	94.90	95.19
Net gain on foreign currency transactions and translation	1,503.43	1,385.57
	2,005.71	**2,088.01**
NOTE 22 – COST OF MATERIALS CONSUMED		
A. Raw material and packing material consumed		
Opening stock:	2,621.69	7,617.36
Add: Purchases	47,519.28	39,569.48
	50,140.97	47,186.84
Less: Closing stock	3,642.86	2,621.69
	46,498.11	44,565.15
Dyes and chemicals consumed	8,246.89	7,599.28
Raw material and packing material consumed *	54,745.00	52,164.43
B. Purchase of stock-in-trade	58,968.23	69,561.00
C. Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Opening stock		
Finished goods	1,909.70	42,360.33
Work in progress	8,905.27	12,594.19
Stock-in trade	40,743.71	-
	51,558.68	54,954.52
Closing stock :		
Finished goods	1,500.99	1,909.70
Work in progress	9,214.07	8,905.27
Stock-in trade	42,134.36	40,743.71
	52,849.42	51,558.68
Net (increase) / decrease	**(1,290.74)**	**3,395.84**

* The Raw material and packing material consumed in current year is net off ₹ 244.29 Lakhs capitalised for trial production. (Previous year ₹ 64.19 Lakhs capitalised as Intangible asset under development.)

	For the year ended 31.03.2016 ₹ in Lakhs	For the year ended 31.03.2015 ₹ in Lakhs
NOTE 23 – EMPLOYEE BENEFIT EXPENSES		
Salaries and wages	18,391.70	17,348.98
Contribution to provident and other funds	1,088.45	1,016.26
Workmen and staff welfare expenses	993.61	1,636.60
Less: Expenses capitalized (Refer Note 30(b))	(1,850.94)	(658.00)
	18,622.82	**19,343.84**
NOTE 24 – INTEREST AND FINANCE COSTS		
Interest expense on:		
Borrowings		
Interest on term loan (net of subsidy ₹496.12 Lakhs (Previous year: ₹852.69 Lakhs))	3,814.68	5,281.18
Interest on Non-Convertible Debentures	108.69	153.25
Interest on working capital loans	1,534.91	1,993.11
Other borrowing costs – Finance charges	2,904.67	976.76
Net loss on foreign currency transactions and translation	1,198.40	139.96
Less: Expenses capitalized (Refer Note 30 (a))	(146.35)	-
	9,415.00	**8,544.26**

		For the year ended 31.03.2016 ₹ in Lakhs	For the year ended 31.03.2015 ₹ in Lakhs
NOTE 25 – OTHER EXPENSES			
Power and fuel		5,517.80	7,124.98
Consumption of stores and spare parts		1,010.87	1,074.82
Other manufacturing expenses including job work charges		2,026.66	3,274.37
Rent		3,308.85	3,012.83
Travelling and conveyance		1,823.60	2,400.12
Communication expenses		504.94	320.95
Printing and stationery		195.17	177.39
Insurance		665.21	485.30
Repairs and maintenance		1,038.38	923.59
Rates and taxes		406.14	379.63
Professional and consultancy charges (Refer Note 25A)		2,193.12	2,528.89
Bank charges		164.00	184.22
Contribution and donation		152.99	34.85
Advertisement and publicity		1,869.63	1,012.38
Selling and distribution			
- Commission on sales		411.18	819.05
- Selling expenses		1,166.25	1,325.54
- Freight outward, net of reimbursement		1,051.58	1,156.79
Provision for bad and doubtful trade receivables		107.43	-
Loss on sale of assets		280.93	-
Royalty		3,923.64	3,661.46
Write off of Investments	1,000.74		
Write back of provision for diminution in value of Investments	(998.54)	2.20	-
Other expenses		1,770.59	783.62
Less: Expenses capitalized (Refer Note 30 (b))		(1,151.76)	(895.00)
		28,439.40	**29,785.78**
NOTE 25A – Professional and consultancy charges include payment to auditors			
Statutory auditor			
Audit fees		105.00	97.00
Tax audit fees		6.00	6.00
Taxation matters		-	7.00
Other services		5.00	5.40
Service tax		8.83	14.50
Out of pocket expenses		12.28	5.19
		137.11	**135.09**
Remuneration to other auditors for the subsidiaries			
Audit fees		24.88	35.45
Out of pocket expenses		-	6.51
		24.88	**41.96**

NOTE 26 – SEGMENT REPORTING

a) Primary segment : Business segment

The Group is mainly engaged in the business of manufacturing, marketing and distribution of textiles consisting of fabric and yarn. Considering the nature of business and financial reporting of the Group, the Group has only one business segment viz; Home textile as primary reportable segment.

b) Information about secondary segment

	For the year ended 31.03.2016 ₹ in Lakhs	For the year ended 31.03.2015 ₹ in Lakhs
Geographic segment		
Distribution of the Group's consolidated sales by geographic location of customers		
India	2,618.08	2,845.03
North America	162,790.95	168,251.55
Europe	12,207.44	15,039.53
Others	3,260.17	4,259.01
	180,876.64	**190,395.12**
Carrying amount of segment assets based on their location of components		
India	107,234.27	81,968.18
North America	215.16	409.74
Europe	102,890.04	96,507.43
Others	9,382.93	7,708.47
	219,722.40	**186,593.82**
Additions to fixed assets		
India	4,968.85	2,144.82
North America	3,236.48	504.77
Europe	345.15	269.91
Others	72.91	-
	8,623.39	**2,919.50**

NOTE 27 – RELATED PARTY DISCLOSURES

Nature of relationship	Names of the related parties
Key management personnel (KMP)	A.K. Himatsingka (AKH) - Vice Chairman D.K. Himatsingka (DKH) - Managing Director Aditya Himatsingka (ADH) - Executive Director Shrikant Himatsingka (SKH) - Executive Director & CEO Jayashree Poddar (JP) - Executive Director
Enterprises owned or significantly influenced by KMP, directors or their relatives (Referred as "enterprises")	Credit Himatsingka Private Limited (CHPL) Bihar Mercantile Union Limited (BMU) Khaitan & Co LLP Jacaranda Design LLC BMU International

NOTE 27 – RELATED PARTY TRANSACTIONS

Details of related party transactions during the year ended 31st March, 2016 and balances outstanding as at 31st March, 2016: (₹ in Lakhs)

Particulars	KMP					Enterprise					Total
	DKH 31.03.2016 (31.03.2015)	AKH 31.03.2016 (31.03.2015)	SKH 31.03.2016 (31.03.2015)	ADH 31.03.2016 (31.03.2015)	JP 31.03.2016 (31.03.2015)	CHPL 31.03.2016 (31.03.2015)	BMU 31.03.2016 (31.03.2015)	BMU International 31.03.2016 (31.03.2015)	Khaitan & Co 31.03.2016 (31.03.2015)	Jacardana Design LLC 31.03.2016 (31.03.2015)	31.03.2016 (31.03.2015)
Sale of goods	-	-	-	-	-	-	1.73	-	-		1.73
	(-)	(-)	(-)	(-)	(-)	(-)	(5.65)	(-)	(-)	(-)	(5.65)
Purchase of goods	-	-	-	-	-	-	13.68	706.43			720.11
	(-)	(-)	(-)	(-)	(-)	(-)	(22.68)	(793.07)	(-)	(-)	(815.75)
Sale of services	-	-	-	-	-	-	10.41	-	-		10.41
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Remuneration	318.87		279.07	141.55	63.74	-	-	-	-	-	803.23
	(267.65)	(-)	(235.45)	(121.86)	(5.63)	(-)	(-)	(-)	(-)	(-)	(630.59)
Professional fees	-	-	-	-	-	-	-	-	4.74	59.03	63.77
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1.21)	(-)	(1.21)
Lease rent expense	-	-	-	-	3.60	-	-	-	-	-	3.60
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-
Interest expense	-	-	-	-		4.33	-	-	-		4.33
	(-)	(-)	(-)	(-)	(-)	(34.95)	(-)	(-)	(-)	(-)	(34.95)
Inter corporate loans repaid during the year	-	-	-	-	-	245.30	-	-	-		245.30
	(-)	(-)	(-)	(-)	(-)	(300.00)	(-)	(-)	(-)	(-)	(300.00)
Balances outstanding as at year end Amounts payable	79.69	-	79.69	33.74	8.00	-	-	214.09	-	-	415.21
	(165.40)	(10.00)	(165.37)	(68.33)	(2.75)	(-)	(-)	(53.23)	(-)	(-)	(465.08)
Inter corporate loans payable	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(245.30)	(-)	(-)	(-)	(-)	(245.30)

	For the year ended 31.03.2016 ₹ in Lakhs	For the year ended 31.03.2015 ₹ in Lakhs
NOTE 28 – Leases		
The Group has entered into operating lease agreements mainly in respect of the office premises, accommodation and vehicles. These leases have non-cancellable periods ranging from 1 to 7 years.		
(i) Future minimum lease payments under non-cancellable operating leases due		
not later than one year	1,478.69	1,313.11
later than one year and not later than five years	4,817.09	5,813.39
later than five years	2,135.54	2,095.36
(ii) lease payments recognised in the statement of profit and loss for the year	3,308.85	3,012.83
NOTE 29 – CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)		
(a) Contingent liabilities		
Claims against the company not acknowledged as debts		
Taxation matters#		
Income tax- relating to disallowances of deductions claimed	464.79	464.79
Excise duty (excludes penalties, if any) – relating to computation of the assessable value	333.33	326.34
Others (relating to miscellaneous claims and bonus)	234.78	35.25
Corporate guarantee given:		
Banks in favour of Government authorities	4.91	4.91
Bills discounted	7,218.08	6,614.62
# The above amounts have been arrived at based on the notice of demand or the Assessment Orders, as the case may be, and the Company is contesting these claims with the respective authorities. Outflows including interest and other consequential payments, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Company's rights for future appeals before the judiciary. No reimbursements are expected.		
(b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)		
Tangible Assets	12,239.00	83.30
NOTE 30 –		
(a) Details of Borrowing costs capitalised		
Borrowing costs capitalised during the year as capital work in progress	146.35	-
Total borrowing costs capitalised	**146.35**	**-**
(b) Details of expenses capitalised		
Expenses capitalised during the year		
Raw material and packing material consumed	244.29	64.19
Employee benefit expenses	1,850.94	658.00
Other expenses	1,151.76	895.00
Total expenses capitalised	**3,246.99**	**1,617.19**
NOTE 31 – DESIGN AND DEVELOPMENT EXPENSES		
Design and development expenditure of revenue nature accounted in the respective heads of Statement of Profit and Loss		
Employee benefit expenses	180.44	143.87
Other expenses	224.70	132.42
Depreciation	52.35	8.35
	457.49	**284.64**

	For the year ended 31.03.2016 ₹ in Lakhs	For the year ended 31.03.2015 ₹ in Lakhs
NOTE 32 – EARNING PER SHARE		
Net profit for the year (being entirely attributable to the equity shareholders)	16,660.08	9,543.50
Basic / diluted		
Weighted average number of equity shares	98,457,160	98,457,160
Par value per share	5.00	5.00
Earnings per share - Basic / diluted	16.92	9.69

NOTE 33 – There is no amount due and outstanding as at Balance sheet date to be credited to the Investor Education and Protection Fund.

NOTE 34 – Details of derivative instruments and unhedged foreign currency exposures

1. Forward covers

(a) The Group has designated certain highly probable forecasted foreign currency denominated transactions and certain forward contracts to sell and buy foreign currency as hedged items and hedging instruments respectively, in a Cash Flow Hedge to hedge the foreign exchange risk arising out of fluctuations between the India rupee and foreign currency. The exchange fluctuations arising from marking to market of the hedging instruments, to the extent relatable to the hedge being effective has been recognised in a Hedge reserve account in the Balance sheet. Accordingly, exchange fluctuations gains amounting to ₹1,329.49 Lakhs as at March 31, 2016 (Previous year : ₹ 934.83 Lakhs) have been recognized in the Hedge Reserve account. These exchange differences will be considered in Statement of Profit and Loss as and when the forecasted transactions occur.

(b) Outstanding forward exchange contracts entered into by the Group

Currency		As on 31.03.2016		As on 31.03.2015	
		Amount	₹ in Lakhs	Amount	₹ in Lakhs
Export of goods- Forward covers					
USD * INR	Sell	78,590,150	54,968.69	72,873,100	47,511.05
EURO * INR	Sell	3,987,315	3,086.11	4,125,000	3,362.23
GBP * INR	Sell	2,859,998	3,001.58	2,860,020	2,971.39
Import of goods- Forward covers					
USD * INR	Buy	532,592	365.58	-	-
EURO * INR	Buy	7,022,175	5,257.82	-	-
CHF * INR	Buy	3,228,875	2,235.70	-	-
JPY * INR	Buy	8,250,000	50.47	-	-

2. Interest rate swap

The Group has entered into an interest rate swap for hedging its cash flows arising from the floating interest rate exposure on borrowings which has a mark to market loss of ₹ 65.62 Lakhs (previous year: ₹ 55.19 Lakhs), taken to hedge reserve being an effective hedge.

HIMATSINGKA SEIDE LIMITED

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3. The foreign currency exposures at the year end that have not been hedged by a derivative instrument or otherwise are given below.

a. Amounts receivable in foreign currency on account of

Particulars	Foreign currency	As on 31.03.2016		As on 31.03.2015	
		Amount in FC	₹ in Lakhs	Amount in FC	₹ in Lakhs
Inter corporate loan	USD	35,960,000	23,852.27	38,080,000	23,859.98
	SGD	1,530,000	751.35	1,340,000	610.53
Interest receivable on Inter corporate loan	EURO	90,160	67.72	69,723	47.15
	SGD	372,201	182.78	249,115	113.50
	USD	2,414,924	1,601.82	1,033,615	646.88
Trade Receivables	EURO	137,356	103.17	-	-
	USD	726,066	481.60	834,554	522.91
	GBP	-	-	1,923	1.78
	AED	5,250	0.95	236,588	40.36
	SGD	364,663	179.08	208,634	95.06
Advance to vendors	EURO	31,767	23.86	274,742	185.80
	USD	16,329	10.83	440,113	275.76
	CHF	2,121	1.46	1,244	0.80
	JPY	909,000	5.37	50,232	0.26
Bank balance	USD	2,950	1.96	2,999	1.88
Recoverable from subsidiaries	EURO	396,435	297.77	-	-
	USD	221,227	146.74	-	-

b. Amounts payable in foreign currency on account of

Particulars	Foreign currency	As on 31.03.2016		As on 31.03.2015	
		Amount in FC	Rs in Lakhs	Amount in FC	Rs in Lakhs
Term loans	USD	32,160,000	21,331.73	34,280,000	21,478.99
Import of goods and services	USD	-	-	518,606	324.95
	EURO	127,826	96.01	412,810	279.17
	GBP	18,572	17.67	-	-
	JPY	7,379	0.04		
	CHF	788	0.54	64,599	59.84
Import of capital goods	GBP	42,012	39.97	-	-
	USD	28,605	27.22	239,290	149.93
Advance from subsidiaries	USD	692,598	459.40	1,359,595	854.20
Advance from Customers	USD	3,219	2.14	-	-
	SGD	747	0.37	-	-
	AED	6,000	1.08	-	-

NOTE 35 – NOTES RELATING TO CASH FLOW STATEMENT

(i) Cash and cash equivalents include balances with scheduled banks on dividend account not available for use by the Company: ₹ 22.81 Lakhs (Previous year: ₹ 12.71 Lakhs).

(ii) Cash and cash equivalents comprises of:

	As at 31.03.2016	As at 31.03.2015
(a) Cash on hand	38.07	37.17
(b) Balance with banks		
- in current account	10,817.62	2,441.76
- in deposit account	551.68	140.50
- in unpaid dividend account	22.81	12.71
Balances held as margin money	4.67	5.37
	11,434.85	**2,637.51**

NOTE 36 – Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013.

Name of the entity	Net assets, i.e., total assets minus total liabilities as on [Refer Note 1]				Share in profit or (loss) as on [Refer Note 2]			
	31.03.2016		31.03.2015		31.03.2016		31.03.2015	
	As % of consolidated net assets	Amount (₹ Lakhs)	As % of consolidated net assets	Amount (₹ Lakhs)	As % of consolidated profit or loss	Amount (₹ Lakhs)	As % of consolidated profit or loss	Amount (₹ Lakhs)
Parent Himatsingka Seide Limited	76.63%	75,350.53	77.53%	62,406.49	103.80%	17,293.25	111.48%	10,534.04
Subsidiaries (excluding share of Minority Interest)								
Indian								
1 Himatsingka Wovens Private Limited (HWPL)	3.06%	3,009.57	3.76%	3,030.13	-5.04%	(838.92)	-0.96%	(90.77)
Foreign								
1 Himatsingka Holdings North America, Inc.	-34.29%	(33,717.54)	-32.70%	(26,322.16)	-15.63%	(2,604.24)	-34.19%	(3,230.42)
2 Himatsingka America, Inc. (HimA)	56.97%	56,018.79	53.16%	42,788.85	18.80%	3,132.47	29.72%	2,808.39
3 Himatsingka Singapore Pte Ltd (HSPL)	-0.10%	(94.23)	0.01%	9.61	-2.02%	(336.84)	-2.23%	(210.82)
4 Twill & Oxford LLC (T&O)	0.13%	126.06	0.35%	283.30	-0.11%	(18.30)	-1.32%	(124.69)
5 Giuseppe Bellora S.rl. (GB)	-2.40%	(2,361.21)	-2.12%	(1,706.23)	0.20%	32.65	-1.51%	(142.23)
Minority Interests in all subsidiaries	0%	-	0%	-	0.00%	-	-1.00%	(94.37)
TOTAL (Including Minority)	**100.00%**	**98,331.98**	**100.00%**	**80,489.99**	**100.00%**	**16,660.08**	**100.00%**	**9,449.13**

Note :

1. The details of the net assets for the Parent and each of the subsidiaries extracted from the individual standalone financial information is excluding the inter-company balances which have been eliminated on consolidation and investments made in subsidiaries. The goodwill arising on consolidation is included in the parent company net assets.

2. The details of share in profit or loss for the subsidiaries are as per the standalone financial information of the respective entities, and in case of the Parent Company the amount of share of profit or loss is net of adjustments associated with unrealized profits/(losses) arising from Inter-company transactions amounting to ₹ 644.07 Lakhs [Previous Year : (₹ 400 Lakhs)]

NOTE 37 – Additional disclosures related to Consolidated Financial Statements

	For the year ended 31.03.2016 ₹ in Lakhs	For the year ended 31.03.2015 ₹ in Lakhs
Goodwill on consolidation		
Particulars		
Opening Balance	63,962.33	60,082.72
Add: On additions during the year	54.52	5,451.70
Add/(less): Exchange difference during the year on translation of Goodwill of foreign subsidiaries	4,598.17	(1,572.09)
	68,615.02	63,962.33
Less: Accumulated impairment	-	-
	68,615.02	**63,962.33**

NOTE 38 – Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

Dilip J. Thakkar
Chairman

A.K. Himatsingka
Vice Chairman

D.K. Himatsingka
Managing Director

Shrikant Himatsingka
Executive Director & CEO

Pradeep K.P.
Chief Financial Officer

Ashok Sharma
Company Secretary

Bengaluru
Date: May 21, 2016

Financial Highlights – Consolidated

Himatsingka Seide Limited

(₹ Lakhs, except ratios)

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Share Capital	4,872	4,923	4,923	4,923	4,923	4,923	4,923	4,923	4,923	4,923
Reserves	54,586	54,025	49,894	49,227	47,375	51,923	58,635	69,578	75,567	93,409
Networth	59,457	59,569	55,438	54,150	52,298	56,846	63,558	74,501	80,490	98,332
Total Debt	31,884	59,636	65,311	79,433	74,457	69,837	70,301	80,473	75,621	94,190
Gross Fixed Assets	33,990	77,451	83,351	89,314	90,980	90,608	91,576	95,804	94,607	100,651
Net Fixed Assets	14,860	53,611	55,167	56,972	54,811	48,719	45,679	44,277	41,866	44,621
Average Capital Employed	76,165	105,273	119,977	127,166	130,169	126,719	130,271	144,417	155,543	174,316
Total Revenue	20,911	88,620	101,928	107,534	123,265	142,869	168,943	202,815	194,316	188,684
EBITDA	8,665	6,933	6,703	10,685	9,510	14,762	16,683	20,477	22,153	31,206
Depreciation	1,570	3,588	5,988	5,471	5,646	5,557	5,216	5,438	4,464	4,868
EBIT	7,095	3,345	715	5,215	3,863	9,205	11,468	15,039	17,689	26,338
Interest and Finance Charges	96	2,944	4,248	4,922	5,262	5,284	6,528	8,283	8,544	9,415
Profit Before Tax	6,999	(2,164)	(7,788)	1,146	(1,398)	4,476	5,175	6,342	9,145	16,923
Profit After Tax	6,143	(2,399)	(7,442)	1,179	(1,658)	3,306	5,732	6,335	9,544	16,660
No. of Equity Shares (In Lakhs)	974.33	984.57	984.57	984.57	984.57	984.57	984.57	984.57	984.57	984.57
Face Value Per Share (INR)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Book Value Per Share (INR)	61.02	60.50	56.31	55.00	53.12	57.74	64.55	75.67	81.75	99.87
Earnings Per Share (INR)	6.30	(2.44)	(7.56)	1.20	(1.68)	3.36	5.82	6.43	9.69	16.92
Dividend Per Share (INR)	2.50	-	-	0.25	-	0.50	1.00	1.50	2.00	2.50
Total Dividend (INR Lakhs)	2,436	-	-	246	-	492	985	1,477	1,969.14	2,461.43
ROCE	9.3%	3.2%	0.6%	4.1%	3.0%	7.3%	8.8%	10.41%	11.4%	15.1%
ROE	10.5%	-4.0%	-12.9%	2.2%	-3.1%	6.1%	9.5%	9.2%	12.3%	18.6%
Debt Equity Ratio	0.54	1.00	1.18	1.47	1.42	1.21	1.06	1.04	0.91	0.84

Note:

Forward looking statements in this Annual Report should be read in conjunction with the following cautionary statements.

Certain expectations and projections regarding future performance of the company referenced in this Annual Report are forward - looking statements. These expectations and projections are based on currently available information along with the company's operating plans and are subject to certain future events and uncertainties, that could cause actual results to differ materially from those that may be indicated in such statements.