

NOTICE

NOTICE IS HEREBY GIVEN THAT the Thirtieth Annual General Meeting of the Company will be held, as scheduled below:

Day	:	Tuesday
Date	:	September 15, 2015
Time	:	2.00 p.m.
Place	:	The LaLiT Ashok, Bangalore

To transact the following business:

As Ordinary Business:

1. To consider and adopt the Profit and Loss Account of the Company for the Financial Year ended March 31, 2015, the Balance Sheet as at that date, and the Report of the Directors and Auditors thereon.
2. To declare Dividend for the financial year ended March 31, 2015.
3. To elect a Director in place of Sri. A K Himatsingka (DIN No. 00183698), who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of Auditors and fix their remuneration and in this connection, to consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions if any of the Companies Act, 2013 and the rules framed there under, as amended from time to time, and pursuant to the resolution passed by the members at the AGM held on September 23, 2014, the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 008072S), be and is hereby ratified as Auditors of the Company, to hold office until the conclusion of the thirty-second Annual General Meeting of the Company to be held in the year 2017 (subject to the ratification of their appointment at every AGM) and the Board of Directors of the Company be and is hereby authorized to fix their remuneration, plus service tax and out-of-pocket expenses payable to them."

As Special Business

5. To appoint Ms. Jayshree Poddar as an Executive Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and subject to such approvals or permissions from any authorities as may be necessary and subject to such modifications or stipulations as may be advised/ stipulated by such authorities, Ms. Jayshree Poddar (DIN No. 07091651), be and is hereby appointed as a Whole time Director designated as Executive Director of the Company liable to retire by rotation, for a period of 5 years with effect from March 1, 2015 on the following terms and remunerations:

- a. **Salary:** Rs. 1,65,000/- per month in the scale of Rs. 1,65,000-16,500-2,31,000/-. This will include dearness allowance and all other allowances not otherwise specified herein.
- b. **Commission:** Such amount of commission (in addition to salary and perquisites hereinafter stated) calculated with reference to the net profit of the Company for each financial year as may be fixed by the Board of Directors or a Sub-Committee of Directors which together with the salary and monetary value of perquisites shall not exceed the ceiling laid down in Section 197 of the Companies Act, 2013.
- c. **Perquisites** as follows:
 - i. **Housing:** Provision of a furnished accommodation, owned / hired by the Company and to deduct 10% of the monthly salary. If no accommodation is provided by the Company, house rent allowance will be payable at 50% of salary.

Explanation:

The expenditure incurred by the Company on electricity, water and furnishing, will be valued as per the Income tax Rules, 1962.

- ii. Leave Travel concession for self and family.
- iii. Club Fee.
- iv. Personal Accident Insurance.

- v. Medical expenses and Medical Insurance for self
- vi. Contribution to Provident Fund, Pension Fund, Superannuation Fund and Annuity Fund to the extent the same are not taxable under the Income Tax Act
- vii. Gratuity as per the provisions of the Payment of Gratuity Act, or as per the Gratuity scheme of the Company, whichever is higher.
- viii. Company maintained Car with Driver for official and personal use.
- ix. Telecommunication facilities at residence.
- x. Leave unavailed of, to be allowed to be accumulated/ encashed as per the rules of the Company."

"RESOLVED FURTHER THAT in the event of inadequacy or absence of profit in any financial year, Ms. Jayshree Poddar, Executive Director, shall be paid the same remuneration as stated hereinabove, as minimum remuneration but subject to the upper limit, if any, prescribed under the Companies Act, 2013 from time to time."

"RESOLVED FURTHER THAT in the event of loss of his office as Executive Director, Ms. Jayshree Poddar shall be paid compensation in the manner and to the extent permissible under the provisions of Section 202 of the Companies Act, 2013."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby further authorized to take all such steps and to do all such acts, deeds and things, as may be necessary to implement the above resolution."

6. To appoint Mr. Dilip J Thakkar as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Dilip J Thakkar (DIN No. 00007339), who was appointed as an Additional Director with effect from February 11, 2015, be and is hereby appointed as an Independent Director for a period up to February 10, 2020, not liable to retire by rotation.

7. To appoint Dr. K R S Murthy as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. K R S Murthy (DIN No. 00167877), who was appointed as an Additional Director with effect from February 11, 2015, be and is hereby appointed as an Independent Director for a period up to February 10, 2020, not liable to retire by rotation.

8. To appoint Mr. Rajiv Khaitan as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Rajiv Khaitan (DIN No. 00071487), who was appointed as an Additional Director with effect from February 11, 2015, be and is hereby appointed as an Independent Director for a period up to February 10, 2020, not liable to retire by rotation.

9. To appoint Mr. Berjis Desai as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Berjis Desai (DIN No. 00153675), who was appointed as an Additional Director with effect from February 11, 2015, be and is hereby appointed as an Independent Director for a period up to February 10, 2020, not liable to retire by rotation.

10. To consider and, if thought fit, to pass with or without modification the following resolution as a **Special Resolution**.

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and all other enabling provisions, if any, and in supersession of the Special Resolution passed at the Annual General Meeting of the Company held on 23rd September, 2014, the consent of the Company be and is hereby accorded to the Board of Directors of the Company, to borrow such sum or sums of monies in any manner from time to time with or without security and upon such terms and conditions as they may think fit, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will or may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that, the total amount upto which monies may be borrowed by the Board of Directors shall not at any time exceed ₹1,000 Crores (Rupees One Thousand Crores) over and above the paid-up capital of the Company and its free reserves."

11. To consider and if thought fit, to pass, with or without modification (s), the following resolution as a **Special Resolution** :-

"RESOLVED THAT in accordance with the provisions of Section 42 and Section 62 and other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modifications or re-enactments thereof for the time being in force), and

- a) subject to the relevant provisions of the Memorandum and Articles of Association of the Company;
- b) subject to the requirements of the Listing Agreement entered into by the Company with the Stock Exchanges on which the Company's Shares are presently listed;
- c) subject to the provisions of the Foreign Exchange Management Act, 1999 (FEMA), as amended, and all applicable regulations framed and notifications issued thereunder;
- d) subject to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI Regulations"), as applicable; including the Regulations for Qualified Institutions Placement prescribed in Chapter VIII thereof;
- e) pursuant to all other applicable rules, regulations, circulars, notifications, guidelines issued by the Government of India, Ministry of Finance, the Reserve Bank of India (RBI), the Securities and Exchange Board of India (SEBI) and all other governmental or regulatory bodies in India;
- f) subject to obtaining and compliance with all necessary approvals, consents, permissions and /or sanctions, as applicable from Government of India (GOI), Ministry of Finance, Ministry of Commerce and Industry, the Foreign Investment Promotion Board (FIPB), RBI, SEBI, relevant Stock Exchanges whether in India or overseas, all other appropriate regulatory and governmental authorities whether in India or overseas, any institutions, lenders and any other third parties and subject to such conditions and modifications as may be prescribed by any of them whilst granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any Committee(s) constituted or to be constituted for the purpose of any offering(s) to be made by the Company in pursuance of this Resolution);

consent of the Members/Company be and is hereby accorded to the Board to create, offer, issue and allot: i) in the course of one or more domestic offering(s), and /or ii) in the course of one or more international offering(s), in one or more foreign markets such number of equity shares of the Company ("**Equity Shares**"), including those to be issued pursuant to Rights Issue, Qualified Institutions Placements (QIPs), Private Placement, Global Depository Receipts (GDRs), Foreign Currency Convertible Bonds (FCCBs), and / or convertible bonds, debentures and /or any other securities fully or partly convertible into or exchangeable with Equity Shares and /or other securities convertible into Equity Shares at the option of the Company and /or the holder(s) of such securities and /or securities linked to Equity Shares and /or securities with or without detachable /non-detachable warrants and /or warrants with a right exercisable by the warrant holders to subscribe to Equity Shares and /or any instruments which would be converted into /exchanged with Equity Shares at a later date whether rupee denominated or denominated in any foreign currency, naked or otherwise, either in registered or bearer forms or any combination of the Equity Shares and securities, with or without premium or at Discount as the Board in its sole discretion may decide, whether secured by way of creating charge on the assets of the Company or unsecured (hereinafter collectively referred to as "**the Securities**"), in one or more tranches, with or without green shoe option, to any eligible person including but not limited to foreign, resident (whether institutions, incorporated bodies,

Banks, Trusts, Insurance Companies, Mutual Funds and /or individuals or otherwise) Qualified Institutional Buyers, Foreign Institutional Investors, Indian and /or Multilateral Financial Institutions, Non-resident Indians, and /or other categories of investors whether they be holders of Equity Shares in the Company or not (collectively called as "Investors") who are eligible to acquire the Securities in accordance with all applicable laws, rules, regulations, guidelines and approvals including those of the Government of India through public issue(s), right issue, qualified institutional placement, preferential issue(s), private placement(s) or any combination thereof, through prospectus, offer document, offer letter, offer circular, placement document, information memorandum, private placement memorandum or otherwise, at such time or times and at such price or prices subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, at a discount or premium to market price or prices in such manner and on such terms and conditions including as regards security, rate of interest, etc. as may be deemed appropriate by the Board in its discretion, for an aggregate amount, in one or more offering(s) and /or in one or more tranches, not exceeding an amount of ₹300 Crores (Rupees Three Hundred Crores) inclusive of any premium, green shoe or over- allotment option, as may be approved by the Board, who shall have the discretion to determine the categories of investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of investors and the time of such offer, issue and allotment considering the prevailing market conditions and all other relevant factors, and wherever necessary, in consultation with Advisor(s), Lead Manager(s) and Underwriter(s).

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid offering(s) of Securities, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, may have all or any terms, or combination of terms, in accordance with accepted practice, including but not limited to, conditions in relation to payment of interest, additional interest, premium(s) on redemption, prepayment and any other debt service payments whatsoever and all such terms as are provided in domestic /international offerings of this nature including terms for issue of such Securities or variation of the conversion price of the Securities during the duration of the Securities.

RESOLVED FURTHER THAT the Board is entitled to appoint, enter into and execute all such agreements with any Advisor(s), Lead Manager(s), Underwriter(s), Guarantor(s), Depository(ies), Trustee(s), Custodian(s), Legal Counsel(s) and all such other relevant agencies as may be involved or concerned in such offerings of Securities and to remunerate all such agencies including by payment of commissions, brokerage, fees or the like.

RESOLVED FURTHER THAT the Board may, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, issue receipts and /or certificates representing the Securities with such features and attributes as are prevalent in international and /or domestic capital markets for instruments of such nature and to provide for the tradability or transferability thereof as per the international and /or domestic practices and regulations, and in the forms and practices prevalent in such international and /or domestic markets.

RESOLVED FURTHER THAT the Company may enter into any arrangement with any agency or body authorized by the Company for the issue of Securities with such features and attributes as are prevalent in capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the domestic and/or international practice and regulations, and under the norms and practices prevalent in securities markets.

RESOLVED FURTHER THAT the Company do apply for listing of the Securities, as may be issued pursuant to this Resolution, on the domestic stock exchanges and /or one or more international stock exchanges, as may be necessary and permissible, and to apply for admission thereof to the domestic and /or international Depositories.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion, redemption or cancellation of any of the Securities or as may be necessary in accordance with the terms of the offering(s), all such Equity Shares shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank paripassu with the existing Equity Shares of the Company in all respects, except as may be provided under the terms of the issue and in the offer document, if any.

RESOLVED FURTHER THAT in the event the Equity Shares are issued in the course of QIP under Chapter VIII of SEBI (ICDR) Regulations, as amended from time to time, the pricing shall be in accordance with regulation 85 of Chapter VIII of the SEBI (ICDR) Regulations, as amended from time to time. The Company may offer a discount of not more than 5% (Five percent) on the price calculated for the QIP or such other discount as may be permitted under SEBI (ICDR) Regulations, as amended from time to time.

RESOLVED FURTHER THAT the "relevant date" means the date of the meeting in which the Board decides to open the proposed issue or such date that may be determined in accordance with applicable laws, rules, regulations, guidelines and approvals.

RESOLVED FURTHER THAT such of the Securities to be issued and not subscribed may be disposed off by the Board to such persons and in such manner and on terms as the Board in its absolute discretion thinks fit in the best interest of the Company and as permissible at law.

RESOLVED FURTHER THAT for the purpose of giving effect to these resolutions and any issue or allotment of Securities as described in the above paragraphs, the Board be and is hereby authorized, on behalf of the Company, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, to do all such acts, deeds, matters and things as it may, in its discretion, deem necessary or desirable for such purpose, as regards, inter-alia, the issue and /or allotment of Securities, the utilization of issue proceeds and with power, on behalf of the Company, to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may, in its discretion, deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorised to finalise, approve and make all filings including as regards the requisite listing application /prospectus /offer document /offer letter /offer circular /placement document / information memorandum / private placement memorandum or otherwise, or any draft(s) thereof, or any amendments or supplements thereof, and of any other relevant documents with the stock exchanges, RBI, SEBI and such other authorities or institutions in India and / or abroad for this purpose.

RESOLVED FURTHER THAT the acts, deeds and things already done by the Board in this regard be and are hereby confirmed, approved and ratified.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of its powers herein conferred to any Committee along with the authority to the said Committee to further delegate specific powers to anyone or more Directors / Executives of the Company, in order to give effect to the aforesaid Resolution."

Registered Office:
10/24, Kumara Krupa Road
High Grounds
Bengaluru - 560 001
Date: July 23, 2015

By order of the Board
for Himatsingka Seide Ltd.,

Ashok Sharma
Company Secretary

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
2. The Register of members and share transfer books of the Company shall remain closed from 08.09.2015 to 15.09.2015(both days inclusive).
3. Members desiring any information as regards accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
4. The Company has already transferred, unclaimed dividend declared upto the financial year ended March 31, 1995 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the Central Revenue Account of the Central Government) Rules. Those shareholders who have so far not claimed or collected their dividend upto the aforesaid financial year may claim their dividend from the Registrar of Companies, Karnataka, 2nd Floor "E" Wing, Kendriya Sadan, Koramangala, Bangalore - 560 034.

Unclaimed Final Dividend 2005-06 Interim Dividend 2006-07 and 2nd Interim Dividend 2006-07 has been transferred to the Investor Education and Protection Fund. The unclaimed Dividend 2009-10, 2011-12, 2012-13 and 2013-14 is due for transfer to the Investor Education and Protection Fund on October 15, 2017, October, 2, 2019, September 18, 2020 & October 30, 2021 respectively. Members, who have not encashed the dividend warrant/s for the said dividend, are requested to immediately forward to the Company the said Dividend Warrant/s for cancellation and issue of demand draft/s in lieu thereof. In case the said Dividend Warrant/s has/have been lost or misplaced or not received by any member for any reason whatsoever, such member may please apply for issue of demand drafts in lieu thereof. Members may note that after the dividend is transferred to the Investor Education and Protection Fund, members will lose their right to claim such dividend. Members who have not encashed the dividend warrant/s for the dividends declared after the above mentioned dividend may claim the same in a similar manner.

5. Members are requested to notify immediately any change of name, address, bank details, e-mail address, contact numbers etc. to the Company/ Registrars (for shares held in physical form) and Depository Participants (for shares held in dematerialized form).
6. The Notice of the AGM along with the Annual Report 2014-15 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
7. To support the green initiative, the Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same by sending a written signed request to the Registrar and Transfer Agents, Karvy Computershare Private Limited.
8. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 forms part of this Notice.
9. Voting through electronic means:

In compliance with the provisions of clause 35B of the listing agreement read with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rule 2014, the Company is pleased to inform that all the resolutions as stated in the notice can be transacted by electronic voting system and the Company has provided members with the facility to exercise their right to vote at the 30th Annual General Meeting (AGM) by electronic means through e-voting services provided by M/s Karvy Computershare Private Limited.

Further, to enable members who do not have access to e-voting facility, to send their assent or dissent in writing with respect to the resolutions set out in this Notice, a postal ballot Form is annexed. A member desiring to exercise vote by postal ballot shall complete the enclosed Ballot Form with assent (for) or dissent (against) and send it to Mr. Prakash Kamath, Scrutinizer at 10/24, Kumara Krupa Road, High Grounds, Bangalore- 560 001, so as to reach him on or before 14.09.2015 by 6.00 p.m. Any Ballot Form received after the said date shall be treated as if the reply from the Members has not been received.

Kindly note that members can opt for only one mode of voting i.e., either by postal ballot or through e-voting. Members opting for e-voting do not need to vote by postal ballot or vice versa. However, in case a member has voted using both e-voting and postal ballot facilities, the vote exercised via the e-voting mechanism shall prevail.

The instructions for e-voting are given in the enclosed e-voting instruction slip.

Registered Office:
10/24, Kumara Krupa Road
High Grounds
Bengaluru - 560 001
Date: July 23, 2015

By order of the Board
for Himatsingka Seide Ltd.,

Ashok Sharma
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

ITEM NO. 5

The Board, pursuant to the requirement under Section 152 of the Companies Act, 2013 and Clause 49 of the Listing Agreement had appointed Ms. Jayshree Poddar as Additional Director (Woman Director) at its meeting held on February 11, 2015 with effect from March 1, 2015 for a term of 5 years. The appointment as well as the remuneration payable to her has to be approved by the Company in general meeting and hence, the resolution as per item 5 is placed for your approval.

The salary last drawn by Ms. Jayshree Poddar prior to her appointment as additional director was Rs. 1,50,000. With effect from the date of her appointment the monthly salary payable to Ms. Jayshree Poddar is ₹1,65,000/- per month to ₹1,65,000 - 16,500.- 2,31,000 on the stated time scale with effect from the date of her appointment. Consequently the salary related perquisites, such as, Provident/ Pension Fund, Gratuity etc., will also increase accordingly.

Considering the background, competence and experience of Ms. Jayshree Poddar and also her association with the Himatsingka Group and compared to the remuneration packages of similarly placed personnel of other corporate bodies in the country, the term of her remuneration as set out in the resolution are considered to be fair, just and reasonable.

The draft of the contract of service to be entered into with Ms. Jayshree Poddar, is open for inspection, at the registered office of the Company, during the business hours on any working day.

Appointment of Executive Director and payment of remuneration, require the approval of shareholders, by an Ordinary Resolution.

Pursuant to provisions of Section 161 of the Companies Act, 2013, Ms. Jayshree Poddar will hold office up to the date of the ensuing Annual General Meeting. The Company has received notice in writing from a member along with a deposit of ₹1,00,000/- pursuant to Section 160 of the Companies Act, 2013, proposing the candidature of Ms. Jayshree Poddar for the office of Executive Director to be appointed under the provisions of Section 149 of Companies Act, 2013.

None of the Directors or Key Managerial Personnel or any relative of any of the Directors of the Company or the relatives of any Key Managerial Personnel are interested in this resolution except Mrs. Rajshree Himatsingka (wife of Mr. Dinesh Himatsingka - Managing Director) who is the sister of Ms. Jayshree Poddar.

The Board recommends to resolution for the approval of the members.

ITEM NO.6

The Board, pursuant to the requirement under Section 152 of the Companies Act, 2013 and Clause 49 of the Listing Agreement had appointed Mr. Dilip J Thakkar as Additional Director (Independent) at its meeting held on February 11, 2015.

Pursuant to provisions of Section 161 of the Companies Act, 2013, Mr. Dilip J Thakkar will hold office up to the date of the ensuing Annual General Meeting. The Company has received notice in writing from a member along with a deposit of ₹1,00,000/- pursuant to Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Dilip J Thakkar for the office of Independent Director to be appointed under the provisions of Section 149 of Companies Act, 2013.

In the opinion of the Board, Mr. Dilip J Thakkar, who is proposed to be appointed as an independent director, fulfils the conditions specified under the Companies Act, 2013 and the relevant rules made thereunder and he is independent of the management.

None of the Directors or Key Managerial Personnel or any relative of any of the Directors of the Company or the relatives of any Key Managerial Personnel are interested in this resolution.

The Board recommends to resolution for the approval of the members.

Item No. 7

The Board, pursuant to the requirement under Section 152 of the Companies Act, 2013 and Clause 49 of the Listing Agreement had appointed Dr. K R S Murthy as Additional Director (Independent) at its meeting held on February 11, 2015.

Pursuant to provisions of Section 161 of the Companies Act, 2013, Dr. K R S Murthy will hold office up to the date of the ensuing Annual General Meeting. The Company has received notice in writing from a member along with a deposit of ₹1,00,000/- pursuant to Section 160 of the Companies Act, 2013, proposing the candidature of Dr. K R S Murthy for the office of Independent Director to be appointed under the provisions of Section 149 of Companies Act, 2013.

In the opinion of the Board, Dr. K R S Murthy, who is proposed to be appointed as an independent director, fulfils the conditions specified under the Companies Act, 2013 and the relevant rules made thereunder and he is independent of the management.

None of the Directors or Key Managerial Personnel or any relative of any of the Directors of the Company or the relatives of any Key Managerial Personnel are interested in this resolution.

The Board recommends to resolution for the approval of the members.

Item No. 8.

The Board, pursuant to the requirement under Section 152 of the Companies Act, 2013 and Clause 49 of the Listing Agreement had appointed Mr. Rajiv Khaitan as Additional Director (Independent) at its meeting held on February 11, 2015.

Pursuant to provisions of Section 161 of the Companies Act, 2013, Mr. Rajiv Khaitan will hold office up to the date of the ensuing Annual General Meeting. The Company has received notice in writing from a member along with a deposit of ₹1,00,000/- pursuant to Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Rajiv Khaitan for the office of Independent Director to be appointed under the provisions of Section 149 of Companies Act, 2013.

In the opinion of the Board, Mr. Rajiv Khaitan, who is proposed to be appointed as an independent director, fulfils the conditions specified under the Companies Act, 2013 and the relevant rules made thereunder and he is independent of the management.

None of the Directors or Key Managerial Personnel or any relative of any of the Directors of the Company or the relatives of any Key Managerial Personnel are interested in this resolution.

The Board recommends to resolution for the approval of the members.

Item No. 9.

The Board, pursuant to the requirement under Section 152 of the Companies Act, 2013 and Clause 49 of the Listing Agreement had appointed Mr. Berjis Desai as Additional Director (Independent) at its meeting held on February 11, 2015.

Pursuant to provisions of Section 161 of the Companies Act, 2013, Mr. Berjis Desai will hold office up to the date of the ensuing Annual General Meeting. The Company has received notice in writing from a member along with a deposit of ₹ 1,00,000/- pursuant to Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Berjis Desai for the office of Independent Director to be appointed under the provisions of Section 149 of Companies Act, 2013.

In the opinion of the Board, Mr. Berjis Desai, who is proposed to be appointed as an independent director, fulfils the conditions specified under the Companies Act, 2013 and the relevant rules made thereunder and he is independent of the management.

None of the Directors or Key Managerial Personnel or any relative of any of the Directors of the Company or the relatives of any Key Managerial Personnel are interested in this resolution.

The Board recommends to resolution for the approval of the members.

Item No. 10.

The members at the Annual General Meeting held on September 23, 2014 passed a special resolution under Section 180(1)(c) of Companies Act, 2013 enabling borrowing by the Company upto ₹500 Crores over and above the paid-up share capital and free reserves of the Company.

The Company is presently planning certain expansion activities which could require infusion of additional funds into the business. In this regard, it is proposed to increase the borrowing limit to ₹1,000 Crores over and above the paid-up share capital and free reserves. The Board of directors recommend the resolution for the approval of the members.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is interested in this resolution.

Item No. 11.

With a view to augment long term financial resources for funding its growth, meeting working capital requirements, reducing the debt of the company and/or for general corporate purposes, the Company proposes to raise an amount not exceeding ₹300 Crores (Rupees Three Hundred Crores). This amount will be raised by way of issue of further Equity Shares against either of Qualified Institutions Placements (QIPs), Right Issues, Global Depository Receipts (GDRs), Foreign Currency Convertible Bonds (FCCBs), and / or convertible bonds, debentures and /or any other securities fully or partly convertible into or exchangeable with Equity Shares and /or other securities convertible into Equity Shares at the option of the Company and /or the holder(s) of such

securities and /or securities linked to Equity Shares and /or securities with or without detachable /non-detachable warrants and /or warrants with a right exercisable by the warrant holders to subscribe to Equity Shares and /or any instruments which would be converted into /exchanged with Equity Shares at a later date (collectively "Securities").

The proposed Special Resolution seeks the enabling authorization of the Members of the Company for the Board of Directors, without the need of any further approval from the Members, to undertake the issue of such Securities in accordance to applicable laws and subject to consents of concerned governmental and regulatory authorities. Pursuant to above the Board may, in one or more tranche(s), issue and allot equity shares and Securities on such date as may be determined by the Board.

Section 42 and Section 62 of the Companies Act, 2013 and the Listing Agreement entered with the Stock Exchanges provide, inter alia, that where it is proposed to increase the subscribed share capital of the Company by allotment of further shares, such further shares shall be offered to persons who on the date of the offer are holders of equity shares of the Company, in proportion to the capital paid up on those shares as of that date unless the Members decide otherwise. The Special Resolution seeks the consent and authorization of the Members to the Board of Directors to make the proposed issue of the Securities, in consultation with Lead Managers, Legal Advisors and other intermediaries and in the event it is decided to issue Securities convertible into equity shares, to issue to the holders of such convertible Securities in such manner and such number of equity shares as may be required to be issued in accordance with the terms of the issue, keeping in view the then prevailing market conditions and in accordance with the applicable provision of rules, regulations or guidelines.

The Board of Directors accordingly recommends the resolution set out in Item No. 10 of the accompanying notice for the approval of the shareholders.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is interested in this resolution.

Registered Office:
10/24, Kumara Krupa Road
High Grounds
Bengaluru - 560 001
Date: July 23, 2015

By order of the Board
for Himatsingka Seide Ltd.,

Ashok Sharma
Company Secretary

Additional Information on Directors Recommended for Appointment or seeking Election at the Annual General Meeting.

The following paragraphs provide biographical data about the Directors seeking re-election or recommended for appointment as a Director.

Sri. A.K. Himatsingka, Age 75 is one of the first Directors of the Company. He has obtained a degree of Bachelor of Commerce from Calcutta University. He is a member of Share Transfer Committee, Investors Grievance Committee, Investment Committee and Corporate Social Responsibility Committee of the Board. He is a Director of Bihar Mercantile Union Ltd, Maud Tea & Seeds Company Ltd, Priya Resources Ltd, Awdhan Trading Company Ltd, Orient Silk Pvt. Ltd and Himatsingka America Inc., USA. Sri A.K Himatsingka holds 25,60,675 Equity shares in the Company.

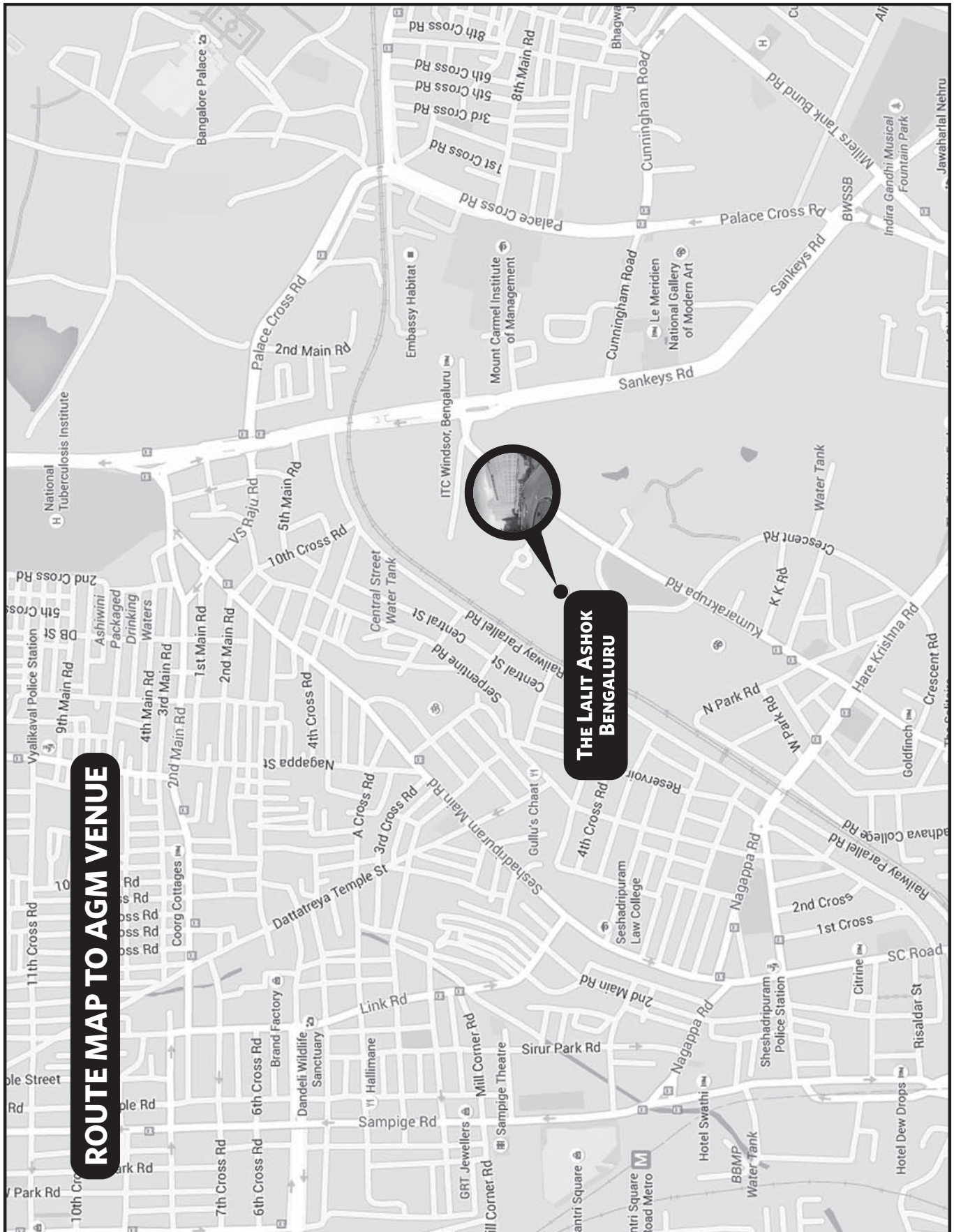
Ms. Jayshree Poddar Age 57, is the Head of Design of the Company. She is a Science Graduate from Calcutta University and holds a Diploma in Textile Designing from the National Institute of Design, Ahmedabad. She joined the Company as Chief Designer on August 1987 and was promoted as Design Director in June 1993. She is having over 27 years of rich experience in designing fabrics for export market. She has worked with Textiles Designers of International repute in Europe and USA. The Company's Design department has made rapid progress under the able leadership of Ms. Jayshree Poddar.

Sri. Dilip J Thakkar, Age 79 has been a Director of the Company since January 2001 and he was appointed as Chairman of the Board on 16th April 2008. He is the Chairman of the Audit Committee, Member of Nomination & Remuneration Committee of the Company. He is Chartered Accountant since 1961 and is a senior partner of the eminent firms, M/s. Jayantilal Thakkar & Co., Mumbai and M/s. Jayantilal Thakkar Associates, Mumbai and has sound knowledge of accountancy and corporate governance. He has extensively traveled abroad in the course of his professional practice. He specializes in Foreign Exchange Management Act and extensively advises Non Resident Indian, Overseas Corporations and large Indian Companies on investments, Taxation, collaboration etc. He was the Chairman and a member of the Indian Advisory Board of Hongkong and Shanghai Banking Corporation Limited. He is a Director of Poddar Developers Ltd, Essar Oil Limited, Indo Count Industries Ltd, Walchandnagar Industries Ltd, Essar Ports Ltd, Premier Limited, Westlife Development Ltd, Rajasvi Properties Holdings Private Ltd, Starrock Investments and Trading Private Ltd, Blueberry Trading Company Private Ltd, Township Real Estate Developers Private Ltd, Hamlet Constructions India (Private) Ltd, Windmere Hospitality (India) Private Ltd, Skidata (India) Pvt Ltd, Provenance Land Private Ltd and Universal Trustees Private Ltd. He is a trustee of HSBC Mutual Fund. He is the Chairman of the Audit Committee of Essar Oil Ltd, and Walchandnagar Industries Ltd. He is a member of the Audit Committee of Premier Ltd, Provenance Land Pvt. Ltd and Westlife Development Ltd. He is a member of shareholder Grievances Committee of Walchandnagar Industries Ltd, a member of Investors Relations Committee of Essar Oil Ltd. Mr. Thakkar does not hold any shares in the Company.

Dr. K.R.S. Murthy, age 77 years, has been a Director of the Company since September, 2005. He obtained his Doctorate in Business Administration from the Harvard Business School and his Masters in Management from Sloan School, MIT. He studied Statistics for his graduate and under graduate programmes at Maharaja's College, University of Mysore. He is the Former Director, Indian Institute of Management, Bangalore and former Chairman, Board of Information Technology Education Standards, BITES. He is the member of Audit Committee, Warrant committee, Nomination & Remuneration Committee, Risk Management Committee, QIP Committee, Corporate Social Responsibility Committee and Stakeholder Relationship Committee of the Company. As the Public Interest Director on the Board of National Stock Exchange of India Ltd. he is a member of the regulatory oversight committees. He is a Director and Chairman of Shareholder Grievances Committee of Brigade Enterprises Ltd. He is a Director of Himatsingka Wovens Pvt. Ltd. Dr. K.R.S. Murthy holds 1000 shares in the Company.

Sri. Rajiv Khaitan, Advocate, age 56, has been a Director of the Company since October, 1996. Sri. Rajiv Khaitan is a partner of the law firm, Messers Khaitan & Co. LLP, Advocates, Notaries, Patent & Trade Mark Attornies. He has vast experience and is specialized on subjects concerning corporate, tax, contracts, real estate and intellectual property laws. He is the Chairman of Stakeholder Relationship Committee, member of Audit Committee, Investment Committee, Warrant Committee and Nomination & Remuneration Committee of the Company. He is a Chairman of IDC for Open Offer and Member of Audit Committee and Compensation Committee of Onmobile Global Ltd. He is a Director of EFD Induction Private Limited, Khaitan Consultants Limited, ABC Consolidated Pvt. Ltd, Bharat Fritz Werner Ltd and Himatsingka Wovens Pvt. Ltd. Sri. Rajiv Khaitan holds 4200 shares in the Company.

Sri Berjis M Desai, Age 59, has been a Director of the Company since September, 2010. Sri Desai is the Managing Partner of J. Sagar Associates and specializes in banking and finance, dispute resolution and private client practice. In addition, he has extensive experience both as an Arbitrator and Counsel, in international, commercial and domestic Arbitrations. Mr. Berjis M Desai has been practicing Law since 1980. He is a Director of The Great Eastern Shipping Company Ltd, Praj Industries Ltd, Edelweiss Financial Services Ltd, Man Infraconstruction Ltd, Adani Enterprises Ltd, Greatship (India) Ltd, Financial Technologies (India) Ltd and Emcure Pharmaceuticals Ltd, Praj Hi Purity Systems Limited, Inventurus Knowledge Solutions Pvt. Ltd, JSA Lex Holdings Ltd, Mauritius and Divatex Home Fashions Inc. He is the Chairman of Audit Committee, Nomination & Remuneration Committee of Praj Industries Ltd. He is the member of Audit Committee, Remuneration Committee of The Great Eastern Shipping Co Ltd. He is a member of Stakeholders and Audit Committee of Edelweiss Financial Services Ltd. He is a member of Audit Committee and Remuneration Committee of Greatship (India) Ltd. He is a member of Audit Committee and Remuneration Committee of Emcure Pharmaceuticals Ltd. He is a member of Nomination & Remuneration Committee and Chairman of Stakeholders Relation Committee of Man Infraconstruction Ltd. Mr. Berjis M Desai does not hold any shares in the Company.



ROUTE MAP TO AGM VENUE

**THE LALIT ASHOK
BENGALURU**

Himatsingka Seide Limited

Registered Office :

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

CIN :L17112KA1985PLC006647

PROXY FORM

(Form No. MGT-11)

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s)

Registered Address:

E-mail id :

Folio No./ Client id :

DP ID:

I/We, being the member(s) of shares of the above named company, hereby appoint

Name : Email :

Address :

..... Signature.....

Or failing him/ her

Name : Email :

Address :

..... Signature.....

Or failing him/ her

Name : Email :

Address :

..... Signature.....

as my/our proxy to vote for me/us on my/our behalf at the THIRTIETH ANNUAL GENERAL MEETING of the Company to be held on September 15, 2015 and at any adjournment thereof in respect of resolutions as are indicated below:

Item no.	Resolution	Type of resolution (Ordinary/ Special)	I assent to the resolution Please tick(✓)	I dissent from the resolution Please tick (✓)
Ordinary business				
1	Adoption of Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the financial year ended March 31, 2015	Ordinary		
2	Approve the dividend for the financial year ended March 31, 2015	Ordinary		

Item no.	Resolution	Type of resolution (Ordinary/Special)	I assent to the resolution Please tick(✓)	I dissent from the resolution Please tick (✓)
3	Re-appointment of Mr. A K Himatsingka, Director retiring by rotation, has offered himself for re-appointment	Ordinary		
4	Ratification of the appointment of Auditors of the Company	Ordinary		
Special business				
5	Appointment of Ms. Jayshree Poddar as Executive Director	Ordinary		
6	Appointment of Mr. Dilip J Thakkar as Independent Director	Ordinary		
7	Appointment of Dr. K R S Murthy as Independent Director	Ordinary		
8	Appointment of Mr. Rajiv Khaitan as Independent Director	Ordinary		
9	Appointment of Mr. Berjis M Desai as Independent Director	Ordinary		
10	Approval of borrowing limits under section 180(1)(c)	Special		
11	Approval to create, offer, issue and allot shares of the Company	Special		

Signed this day of 2015

Signature.....

Re.1/-
Revenue
Stamp

Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

.....

Himatsingka Seide Limited

Registered Office :

10/24, Kumara Krupa Road, High Grounds, Bangalore – 560 001

CIN :L17112KA1985PLC006647

ATTENDANCE SLIP

AGM – 15/09/2015

Registered Folio No.

No. of shares.....

Or

DP ID No.

Client ID No.

I certify that I am a Registered Shareholder/Proxy for the Registered Shareholder of the Company

I hereby record my presence at the THIRTIETH ANNUAL GENERAL MEETING of the Company at The LaLiT Ashok, Bangalore .

Member's / Proxy's name in BLOCK Letters: -----

Member's / Proxy's Signature : -----

Note : Please fill in this Attendance Slip and hand it over at the Entrance of the Meeting Hall.

Himatsingka Seide Limited

CIN: L17112KA1985PLC006647

Registered Office : 10/24, Kumara Krupa Road, High Grounds, Bangalore - 560 001

Phone: +91-80-2237 8000 Fax: +91-80-4147 9384

Email: investors@himatsingka.com Website: www.himatsingka.com

POSTAL BALLOT FORM

(in lieu of E-voting at the AGM)

30th Annual General Meeting - September 15, 2015

Name of Sole / First Member	
Name(s) of Joint Member(s), if any	
Registered Folio No./DP ID No./Client ID No.	
No. of shares held	

I/we hereby exercise my/ our vote in respect of Ordinary / Special resolution enumerated below by recording my/ our assent or dissent to the said resolution in the following manner:

Item no.	Resolution	Type of resolution (Ordinary/ Special)	I assent to the resolution Please tick (✓)	I dissent from the resolution Please tick (✓)
Ordinary business				
1	Adoption of Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the financial year ended March 31, 2015	Ordinary		
2	Approve the dividend for the financial year ended March 31, 2015	Ordinary		
3	Re-appointment of Mr. A K Himatsingka, Director retiring by rotation, has offered himself for re-appointment	Ordinary		
4	Ratification of the appointment of Auditors of the Company	Ordinary		
Special business				
5	Appointment of Ms. Jayshree Poddar as Executive Director	Ordinary		
6	Appointment of Mr. Dilip J Thakkar as Independent Director	Ordinary		
7	Appointment of Dr. K R S Murthy as Independent Director	Ordinary		
8	Appointment of Mr. Rajiv Khaitan as Independent Director	Special		
9	Appointment of Mr. Berjis Desai as Independent Director	Special		
10	Approval of borrowing limits under section 180(1)(c)	Special		
11	Approval to create, offer, issue and allot shares of the Company	Special		

Place:

Date:

Signature of the member

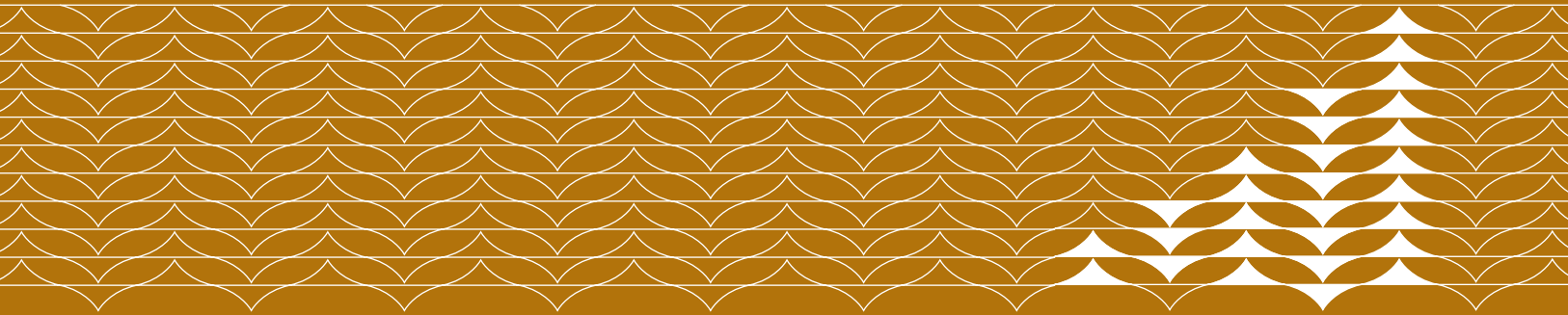
Note: Kindly read the instructions printed overleaf before filling the form. Last date for receipt of postal ballot forms by the Scrutiniser is 14.09.2015.

INSTRUCTIONS

01. In terms of Clause-35B of the Listing Agreement, those members, who do not have access to e-voting facility provided by the Company for the AGM may send their assent or dissent in writing on the Postal Ballot Form. Accordingly, this Postal Ballot Form is being provided as per Clause 35B of the Listing Agreement.
02. A member desiring to exercise his/her vote by Postal Ballot Form should complete this Postal Ballot Form, sign and send the same to the Scrutinizer Mr. Prakash Kamath so as to reach him as per instruction 5 below at the address 10/24, Kumara Krupa Road, High Grounds, Bangalore- 560 001. Postal ballots, if deposited in person will also be accepted.
03. The postal ballot form should be completed and signed by the members. In the case of joint shareholding, this form should be completed and signed by the first named member and in his absence, by the next named member(s). Unsigned postal ballot forms will be rejected. The signature on the postal ballot form must tally with the specimen signature registered with the Company.
04. Where the postal ballot form has been signed by an Authorised Representative of a body corporate, a certified copy of the relevant authorisations to vote on the postal ballot should accompany the postal ballot form. A member may sign the form through an Attorney appointed specifically for this purpose, in which case an attested true copy of the Power of Attorney should be attached to the postal ballot form.
05. Duly completed postal ballot forms should reach the Scrutinizer not later than 6.00 p.m. on 14th September, 2015. Any postal ballot form received after this time and date will be treated as if the reply from the member has not been received.
06. A member may request for a duplicate postal ballot form, if so required. However, the duly filled in duplicate postal ballot form should reach the Scrutinizer not later than the time and date specified at Item No.5 above.
07. Voting rights will be reckoned on the paid up value of shares registered in the name of the member on 07 September, 2015 which is the cut-off date fixed for this purpose.
08. There will be only one postal ballot form for every folio irrespective of the number of joint member(s).
09. A member need not use all the votes nor does he need to cast all the votes in the same way.
10. The Scrutiniser's decision on the validity of a postal ballot will be final and binding.
11. Incomplete, unsigned or incorrect postal ballot forms will be rejected.
12. The date of AGM will be the deemed date of passing resolution(s) through e-voting / postal ballot. It may also be noted that, in terms of Section 114 of the Act, the Resolutions contained in the AGM Notice will be deemed to have been passed through the e-voting and postal ballot form. Accordingly, the results shall be declared in terms of Rules 20 or 21 of the Companies (Management and Administration) Rules 2014.
13. The right of vote under e-voting and postal ballot shall not be exercised by a proxy.

2015

ANNUAL REPORT



Himatsingka Seide

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OUTLOOK

Dinesh Himatsingka - Managing Director



Dear Shareholders

As I began to compose this letter, I realized how quickly the year has passed. It has been a year of rewarding moments and transition as we have made meaningful progress in consolidating and integrating our Manufacturing and Retail & Distribution businesses.

Our legacy of producing high quality products and servicing our customers as efficiently as possible continues. We have relentlessly taken steps to differentiate and position ourselves for leadership in the new era now taking shape. It is evident that India is an integral part of global textile trade and in the back drop of increasing global competition, our efforts to create a model of high value addition across the textile value chain from manufacturing through distribution is timely.

Our approach is effective, in the right direction and is reflected in our Consolidated Financial Performance for 2014-15. While, Consolidated Revenues were range bound and stood at ₹1940.57 crores versus ₹2028.15 crores

during the previous year, the Consolidated EBITDA improved by 8.2% and stood at ₹221.30 crores. The Consolidated Profit After Tax rose 50.70% and stood at Rs. 95.44 crores versus ₹63.35 crores during the previous year.

On the Profit & Loss front, we remain focused on sweating our assets, improving operating margins and driving cost optimization measures. We will continue to see the positive impact of such initiatives going into Fiscal 2016. On the Balance sheet front, we saw our consolidated Net worth grow to ₹805 crores while Consolidated Net Debt decreased to ₹730 crores. With the improvement in operating profitability, leverage ratios and a strong business model, our Long Term Credit Rating also improved from 'CRISIL BBB+' to 'CRISIL A-'.

Your trust in our performance potential paid off. The Consolidated EPS increased from ₹6.43 to ₹9.69 for Fiscal 14-15. In addition, we are delighted to propose a dividend of 40 % (₹2 per share) representing a payout ratio of 25%.

All in all, we systematically continued along our charted path last year. And we did so in spite of unstable and weak economic growth globally. Our performance last year has strengthened our foundation to deliver more in the time to come.

This is the work that energizes my team and me. I am deeply grateful to them

and my colleagues on the Board for bringing us here and to you, our shareholders, for your support.

Thank You

Dinesh Himatsingka

Managing Director

Himatsingka Seide Limited

CORPORATE INFORMATION

Board of Directors

Dilip J. Thakkar
Chairman

A.K. Himatsingka
Vice Chairman

Dr. K.R.S. Murthy

Berjis M. Desai

Rajiv Khaitan

D.K. Himatsingka
Managing Director

Aditya Himatsingka
Executive Director

Shrikant Himatsingka
Executive Director

Jayshree Poddar
Executive Director

Audit Committee

Dilip J. Thakkar - Chairman

Rajiv Khaitan - Member

Dr. K.R.S. Murthy - Member

Stakeholder Relationship Committee

Rajiv Khaitan - Chairman

A.K. Himatsingka - Member

Dr. K R S Murthy - Member

Investment Committee

D.K. Himatsingka - Member

A.K. Himatsingka - Member

Rajiv Khaitan - Member

Share Transfer Committee

A.K. Himatsingka - Member

D.K. Himatsingka - Member

Aditya Himatsingka - Member

Nomination and Remuneration Committee

Rajiv Khaitan - Chairman

Dr. K.R.S. Murthy - Member

Dilip J Thakkar - Member

Risk Management Committee

Dr. K.R.S. Murthy - Member

Aditya Himatsingka - Member

Shrikant Himatsingka - Member

QIP Committee

Dr. K.R.S. Murthy - Member

D.K. Himatsingka - Member

Aditya Himatsingka - Member

Shrikant Himatsingka - Member

Corporate Social Responsibility Committee

Dr. K R S Murthy - Chairman

A.K. Himatsingka - Member

D.K. Himatsingka - Member

Shrikant Himatsingka - Member

Senior Executives

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

Pradeep K.P.
President - Finance & Group CFO

Vasudevan V
President - Manufacturing Operations
(Group)

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

Shanmuga Sundaram
President - Manufacturing Operations
(Hassan)

Company Secretary

Ashok Sharma

Bankers

Axis Bank Ltd

Canara Bank

Export - Import Bank of India

ICICI Bank Ltd

The Hongkong & Shanghai
Banking Corporation Ltd

Statutory Auditors

Deloitte Haskins & Sells

Registered Office

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

Works

Drapery and Upholstery Unit :
23A KIADB Industrial Area
Veerapura Village
Doddaballapur Taluk P O-561 203
Bangalore District
Karnataka, India

Bed Linen Unit :

Plot No.1, SEZ, Textile Specific
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 2014 showed marginal improvement and stood at 2.6% vs 2.1% clocked during 2013. While most economies have seen a shift in Gross Domestic Product (GDP) growth to a noticeably lower path compared to pre-crisis levels, there seem to be signs of improvement on the horizon. Global GDP is forecast to grow at a slightly faster, yet moderate pace of 3.1 and 3.3 per cent in 2015 and 2016, respectively.

On the global trade front, the growth of world merchandise trade moved up by 2.8 per cent as against a growth of 2.3 per cent in 2013. The prospects for global trade are expected to improve, driven by better economic conditions in Europe, further recovery in the United States and dynamic trade in East Asia.

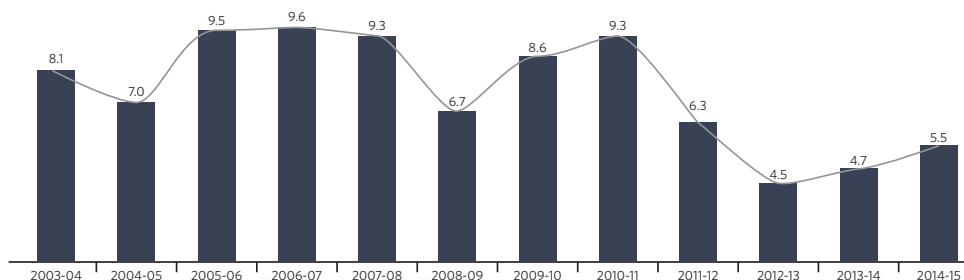
INDIAN ECONOMIC OVERVIEW

At a time when concerns have been raised about global growth, there seems to be an optimistic undertone about the growth prospects of the Indian economy in the medium term. The country seems to be well placed to cope with external shocks, given its intrinsic strength in the manufacturing and services sectors, the policy reforms on the horizon and its strong domestic consumption.

The Indian economy finally saw a bounce back from the lows seen over the last two years. Government data shows that GDP grew by 5.5% in the first two quarters of the Financial Year 2015 (FY15) in accordance with the older format of calculating growth numbers. Growth benefitted from both a revival in sentiment and a cyclical bounce back during the year. There were encouraging signs of growth in the industrial sector as all the three major components namely the mining, manufacturing and electricity picked up pace from last year.

Growth in the current year, while not spectacular, has moved up firmly into the 5%+ handle. This improvement has come on the back of improved performance in the industrial sector, stable growth in the services sector and a surprisingly resilient agriculture sector. In addition, reasonably strong intent of ushering in reforms in the back drop of political head winds should continue to augur well for both the manufacturing and services sector in the medium term.

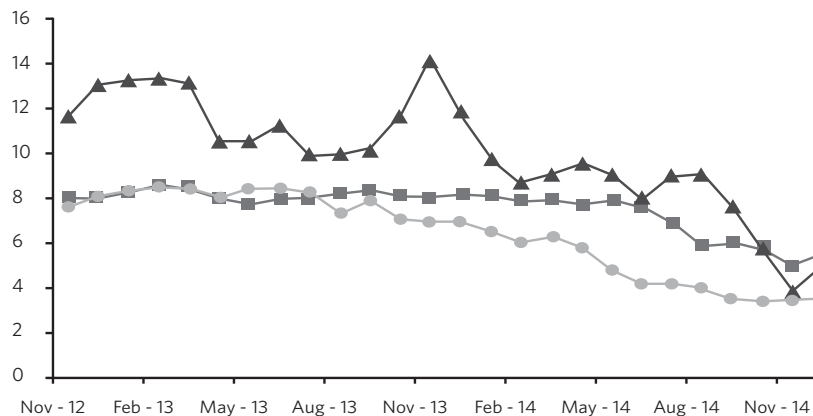
Table 1: GDP Growth Rates %



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

It is interesting to note, that the pick-up in growth is coinciding with a downward movement in inflation, given 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 finally started its rate cutting cycle with its first rate cut in January earlier this 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.

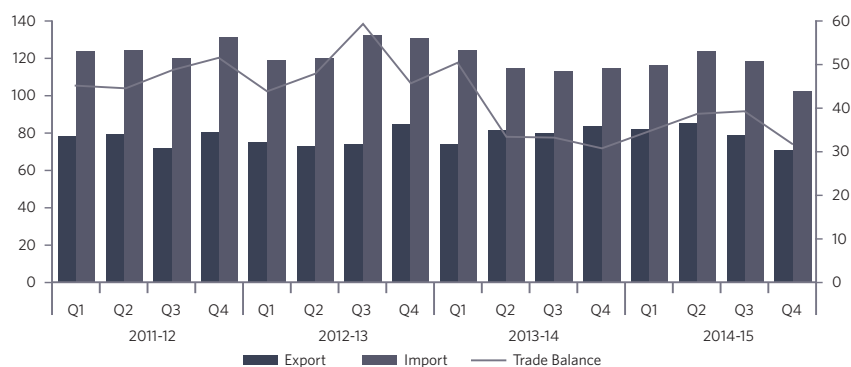
Table 2: Inflation Indices - 2012-14



(Source: Reserve Bank of India)

During 2014-15 the Export and Trade Deficit numbers were range bound. Total exports for 2014-15 stood at USD 310 Billion compared to USD 314 Billion in 2013-14. Trade deficit for 2014-15 stood at USD 137 Billion compared to USD 136 Billion in 2013-14.

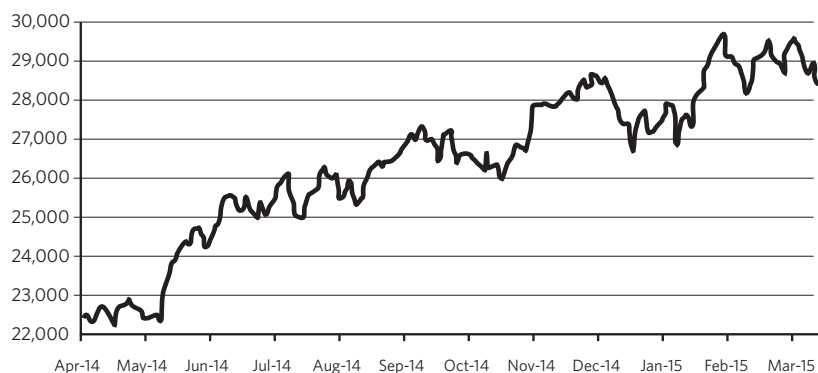
Table 3: Quarterly Trade Figures : USD Billion



(Source: Reserve Bank of India)

The capital markets have continued to scale record levels as euphoria has built up on the possible trajectory of the Indian economy. The markets seem to have priced in a favourable policy environment and a consequent increase in corporate performance in the coming years.

Table 4: Movement of Sensex Apr 2014 to Mar 2015



(Source: SEBI)

On the domestic currency front, improving fundamentals have caused the domestic currency to remain stable for most of the year, barring small episodes wherein a global risk off sentiment has led to some depreciation. The crucial point to note is that while the Rupee has depreciated against the dollar, it has in fact appreciated against most of the other major global currencies. The rupee saw a high of close to 58 to the US Dollar in May 2014 in the aftermath of the Union elections. Thereafter, it traded in a band of 61.5 to 63 to the US Dollar through the rest of Fiscal 2014-15.

Table 5: Exchange Rate - INR against USD

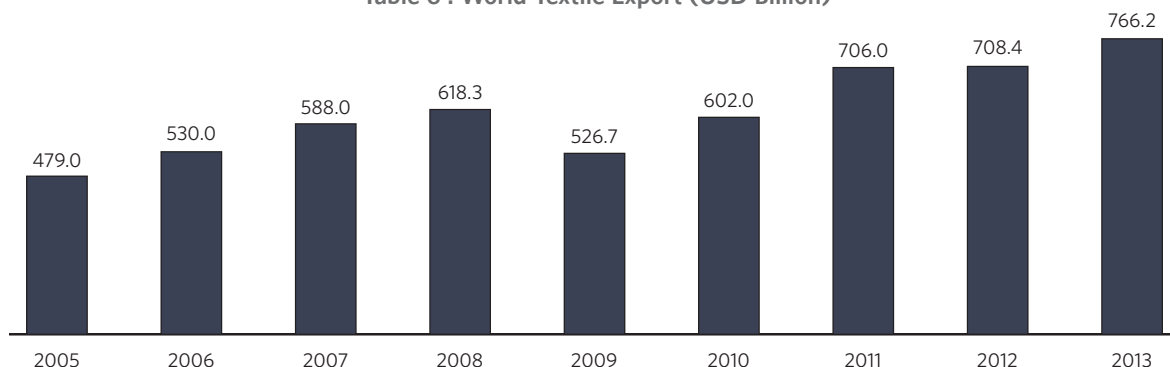


GLOBAL TEXTILE INDUSTRY

The Global Textile & Apparel trade stood at USD 766 Billion and contributed to 4.2% of Global trade during 2013. Of USD 766 Billion, USD 460 Billion came from the Apparel sector and USD 306 Billion came from the Textiles sector. This is an improvement over the USD 708 Billion Global Textile & Apparel trade witnessed during 2012. (Source: *International Trade Statistics 2014*, WTO)

The Global Textile and Apparel trade has witnessed a Compounded Annual Growth Rate (CAGR) of 6.0% from 2005 through 2013 and is expected to grow at a rate of 6.4% CAGR for the next seven years. At this rate of growth, Global trade of Textile and Apparel products is expected to reach USD 1.18 Trillion by 2020. (Source: UN Comtrade, CII Knowledge report and Wisedge Analysis)

Table 6 : World Textile Export (USD Billion)



(Source: International Trade Statistics 2014, WTO)

Zooming into 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.

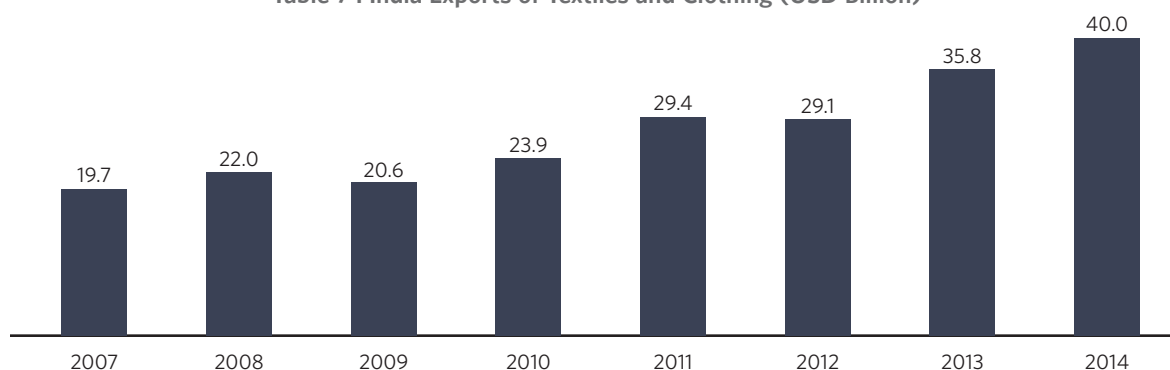
The United States Home Textile market is an extremely mature market with the organized retail sector contributing over 99% of total throughput in that geography. The market is dominated by retailers who operate large Specialty store chains, Department store chains and Big Box discount chains.

INDIAN TEXTILE SCENARIO

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

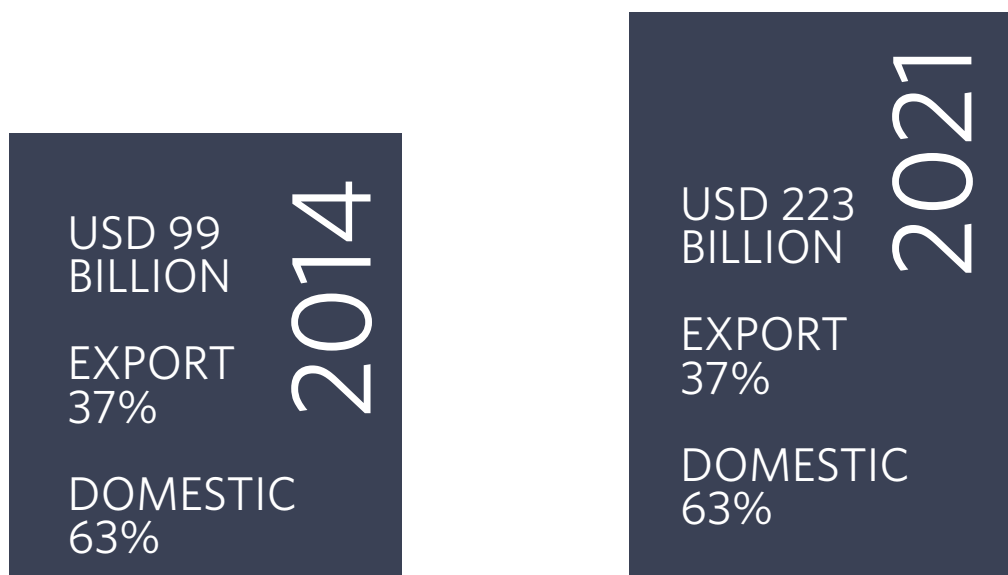
With a contribution of close to 4% of GDP, a direct employment base of approximately 45 million people, a 13% share of India's exports basket and a contribution of 12% to Industrial production, the Indian Textile Industry is a powerful sector and will play an important role in the economic growth of the country.

Table 7 : India Exports of Textiles and Clothing (USD Billion)



(Source : International Trade Statistics 2014, WTO)

The size of India's Textile and Apparel Industry (Domestic and Exports) is estimated at USD 99 Billion in the year 2014 (Source: *IBEF*). This is projected to grow at a CAGR of 8.7% 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 40 Billion in 2014 to USD 82 Billion in 2021, the domestic market is likely to grow from USD 67 Billion to USD 141 Billion during the same period. (Source: *FICCI, Ministry of Textiles*). As seen in Table 7 below, Indian textile and apparel exports have seen a steady rise over the years. Exports have clocked a CAGR of 10.6% from 2007 through 2014

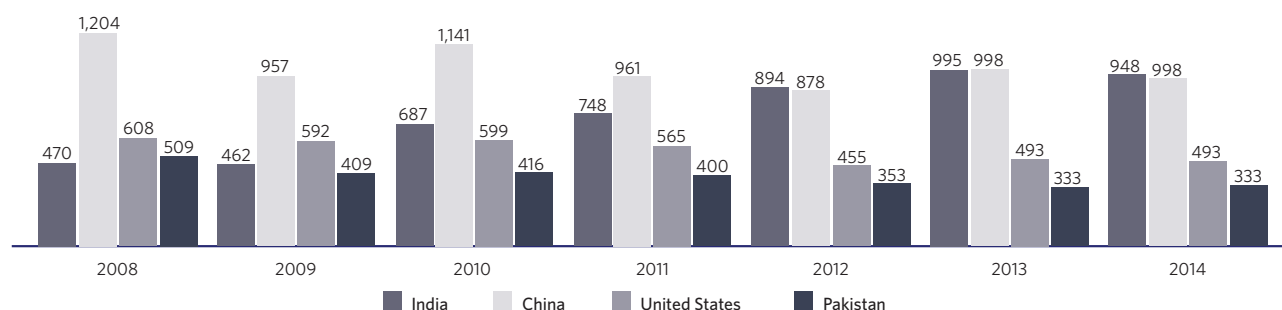


With a potential to cross USD 200 Billion by the end of the 13th Five Year Plan, it is evident that the Indian Textile Industry is poised to occupy an important place in the Global textile map. This growth will be fueled by the significant strengths and advantages India enjoys particularly in Cotton 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 8 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 470 Million in 2008, the same has grown to almost USD 1 Billion in 2014. This translates to a CAGR of 12.8% over the same period. China, however, has clocked CAGR of a negative 3.9% 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.

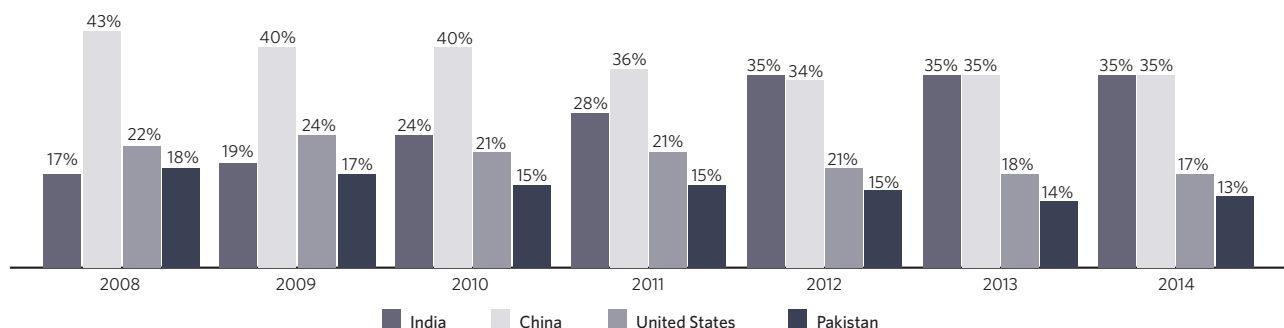
Table 8 : US Imports - USD Million



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

Further, Table 9 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 17% in 2008 to 35% in 2014.

Table 9 : US Imports - Shares of Countries



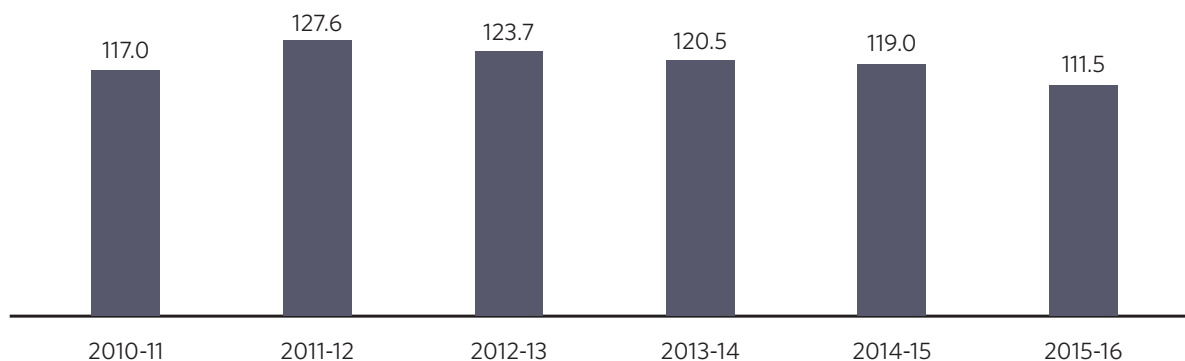
(Source: OTEXA, Department of Commerce, United States of America)

THE INDIA ADVANTAGE

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 five years and stood at 119 million bales of 480 lbs during 2014-15, approximately 25 million tons. Table 10 below shows the Global Cotton Production over the last five years.

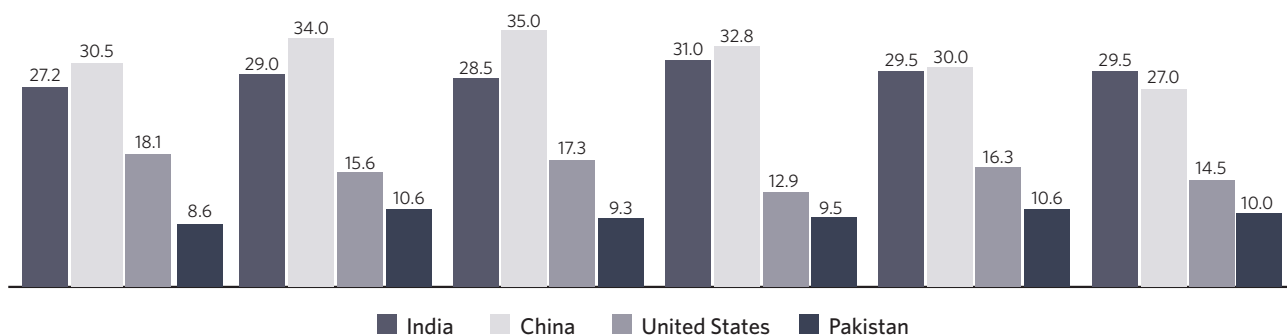
Table 10 : World Cotton Production - Million Bales of 480 Lbs.



(Source: United States Department of Agriculture)

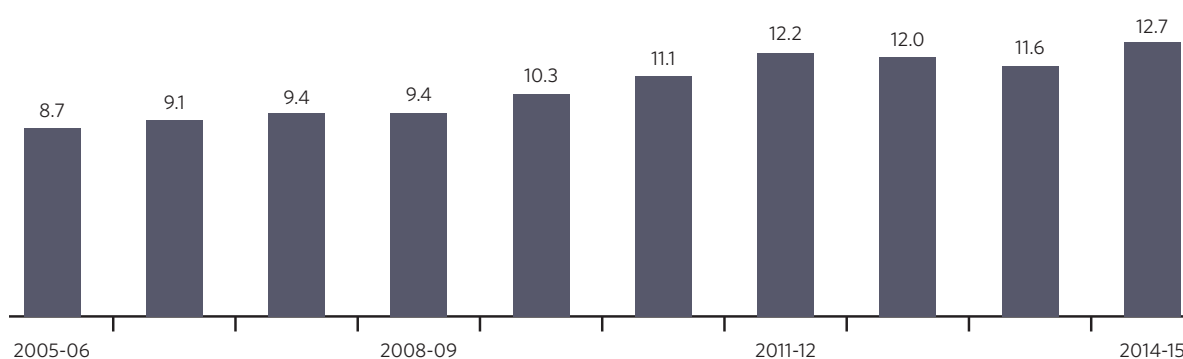
India and China contribute to more than 50% of global cotton output. With over 126.6 lakh hectares under cultivation and yields of approximately 537 kgs per hectare, the total output of cotton from India is close to 29.5 million bales of 480 lbs per annum. (Source: Cotton Advisory Board, India). This makes India the second largest producer of cotton in the world and the largest from a perspective of the total area under cultivation. Table 11 and 12 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 five years.

Table 11 : Cotton Production in Million Bales of 480 Lbs.



(Source: United States Department of Agriculture)

Table 12 : Area under Production - Million Hectares



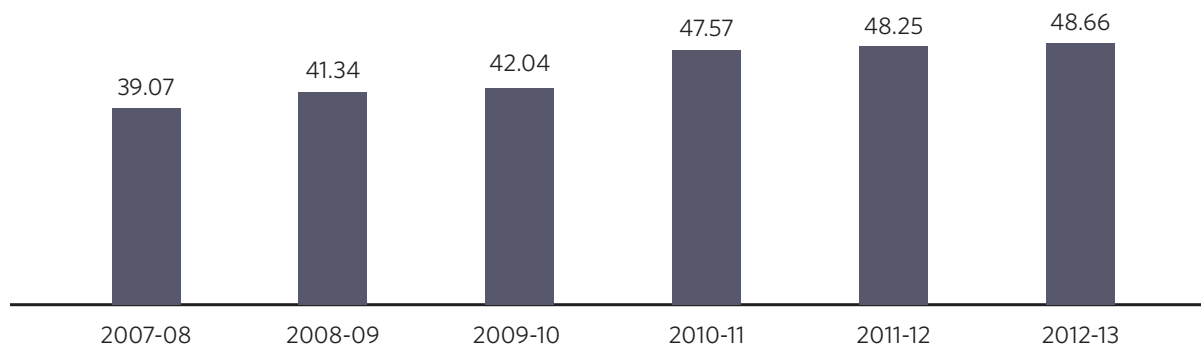
(Source: Cotton Advisory Board, Cotton Corporation of India)

Strong Manufacturing Base

On the manufacturing front, India has a great advantage given its superior manufacturing capabilities, expertise and access to vast raw material resources. Over the last two decades, India has consistently invested in fresh capacities across the cotton value chain including Spinning, Weaving, Processing and Confectioning capacities.

Therefore, as shown in Table 13 below, the estimated installed spindlage has grown from 39.07 million spindles in 2008 to 48.66 million spindles in 2013, a CAGR of 4.5%.

Table 13 : Installed Capacity - in Million Spindles



(Source : Ministry of Textiles, India)

Manpower Advantage

On the employment front, The Textiles Sector is the second largest employer after agriculture. As per the National Skill Development Council report, the overall employment in the Textile sector is likely to grow from an approximate 45 million in the current year to about 60 to 62 million by 2022. (Source: Ministry of Textiles). This would translate to an incremental human resource requirement of about 25 million persons. Given India's vast manpower resources, it is well positioned to absorb this additional requirement over the years to come. In addition, the cost of manpower will continue to be largely competitive vis-à-vis competing countries, given the sheer size of India's resources vis-à-vis most major textile producing countries.

HIMATSingKA GROUP 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.

With an installed capacity of 25 mmpa (million meters per annum), the Group is amongst the largest manufacturers of Drapery, Upholstery and Bedding products out of India. The manufacturing facilities are state-of-the-art and vertically integrated.

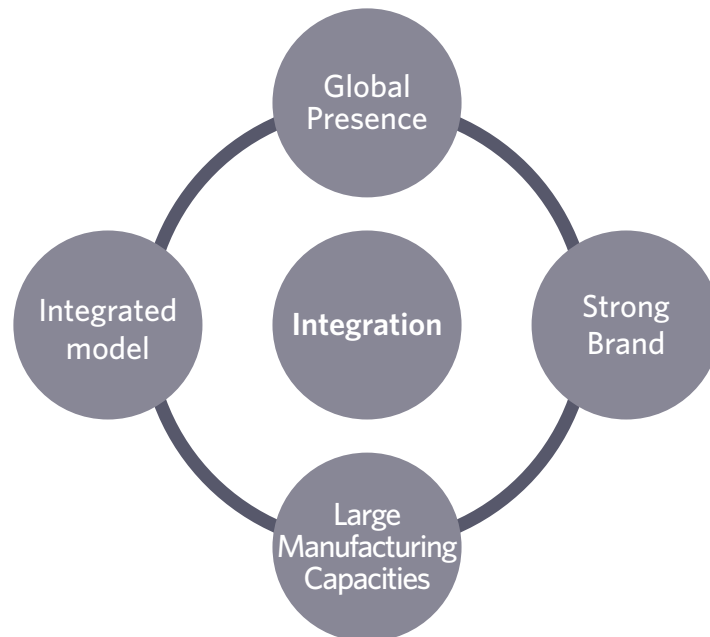
On the retail and distribution front, North America is the largest market for the Group. Revenues from North America stood at 84.6% of Consolidated Revenues of the Group. The Group has an extremely strong presence in the North American market through its subsidiaries DWI Holdings Inc. (DWI) and Divatex Home Fashion Inc. (DHF). The Group operates a strong portfolio of brands that caters to the North American markets including marquee brands like Calvin Klein Home, Barbara Barry and Esprit among others.

The Group also has a strong presence in India and Europe through its Atmosphere and Bellora brands respectively. While in North America the Group is focused on servicing major retailers, in Europe and India/Asia, the Group operates exclusive stores for its brands and also reaches the end consumer through high end Multi Brand Outlets and Department stores.

Globally, the Group has substantial reach in the Home Textile market and its products are present in over 7000 points of sale.

THE HIMATSingKA ADVANTAGE

The Himatsingka Group has continued to build on its vertically integrated model. The Group has made significant investments in the four key areas it believes will strengthen its global leadership in the Home Textile industry.



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.

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.

EMERGING OPPORTUNITIES AND OUTLOOK

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

- The Group is seeing enhanced demand for its products and offerings in certain markets like North America driven by the positive economic environment that prevails in those geographies that in turn stimulates product demand.
- There is potential to tap new markets where the Group has negligible or no presence. With the current concentration in North America, there is scope to look at new markets where Home Textile product categories are seeing significant growth.
- We believe that the shift to the East in reference to manufacturing activities will continue, thereby positioning geographies like India to be desirable sourcing hubs catering to the growing global demand.

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.

DISCUSSION ON CONSOLIDATED FINANCIAL PERFORMANCE

A summary of our financial performance for the year ended March 31, 2015 and 2014 is as follows:

₹ In Lakhs			
Particulars	2014-15	2013-14	Change %
Revenue	194,057	202,815	-4.3%
Other income	2,088	473	341.4%
Cost of Materials consumed	125,121	131,920	-5.2%
As a % of Revenue	64.5%	65.0%	
Employee benefit expenses	19,344	20,014	-3.3%
Other expenses	29,527	30,877	-4.4%
EBITDA	22,153	20,477	8.2%
Depreciation	4,464	5,438	-17.9%
EBIT	17,689	15,039	17.6%
Interest and finance costs	8,544	8,283	3.2%
Profit before exceptional items	9,145	6,756	35.4%
Exceptional gain / (loss)	-	(414)	-
Profit before tax	9,145	6,342	44.2%
Profit after tax	9,544	6,335	50.7%

Revenue analysis

Consolidated Revenue for the year decreased by 4.3% to ₹194,057 lakhs.

- Revenue from manufacturing operations decreased by 3.6%
- Revenue from Retail and Distribution business decreased by 3.9%.

Expenditure analysis

- The Cost of Materials consumed stood at ₹125,121 lakhs during the year. Material costs as a percentage of revenue decreased marginally from 65% to 64.5%.
- Employee benefit expenses decreased by 3.3% to ₹19,344 lakhs reflecting rationalization of costs at specific divisions.
- Interest and Finance charges increased by 3.2% to ₹8,544 lakhs. This includes foreign exchange losses of ₹140 lakhs (Previous year : ₹1,147 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 increased by 17.8% to ₹8,404 lakhs. This increase was mainly due to reset of interest rate as per 'interest reset' clause in the agreement on TUFs loan taken for Bed Linen unit and working capital borrowings.

Profitability analysis

- EBITDA increased by 8.2% to ₹22,153 lakhs. The EBITDA margins improved to 11.4% compared to 10.1% in the previous year.
- The Consolidated Profit after tax for the year increased by 50.7% to ₹9,544 lakhs.

CONSOLIDATED BALANCE SHEET

An analysis of our Consolidated Balance Sheet as at the year ended March 31, 2015 and 2014 is as follows:

₹ In Lakhs

Particulars	As on 31.03.2015	As on 31.03.2014
Share capital	4,923	4,923
Reserves and surplus	75,567	69,578
Shareholders' funds	80,490	74,501
Total Borrowings	75,629	80,473
Deferred tax liabilities	1,383	1,655
Other long term and current liabilities	35,651	37,446
Minority interests	-	(3,322)
Total liabilities	193,153	190,753
Fixed assets	46,496	45,363
Goodwill	63,962	60,083
Investments	17	21
Deferred tax assets (Net)	103	103
Inventories	55,430	63,825
Trade receivables	5,288	1,368
Cash and cash equivalents	2,638	2,656
Loans and advances	16,576	14,712
Other current assets	2,643	2,622
Total current assets	82,575	85,183
Total assets	193,153	190,753

Analysis of Liabilities

- Total borrowings decreased by ₹4,844 lakhs to ₹75,629 lakhs due to repayment of term loans and decrease in working capital borrowings.
- Deferred tax liabilities decreased by ₹272 lakhs to ₹1,383 lakhs during the year. This is due to tax effects on unabsorbed losses of North American subsidiaries.
- Other long term and current liabilities decreased by ₹1,795 lakhs to ₹35,651 lakhs mainly due to decrease in trade payables by ₹4,085 lakhs but set off by increase in provision for tax by ₹1240 lakhs and proposed dividend and dividend tax by ₹653 lakhs and other liabilities by ₹397 lakhs.
- Minority interest is nil in the current year due to take over of 30% minority share in European subsidiary, Giuseppe Bellora S.p.A.

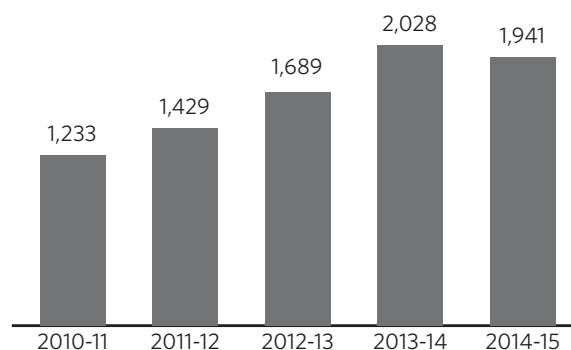
Analysis of Assets

- Fixed assets including capital work-in-progress increased by ₹1,133 lakhs to ₹46,496 lakhs mainly due to addition of ₹2,919 lakhs to the fixed assets and increase in capital work-in-progress by ₹3,544 lakhs during the year, off set by depreciation and amortization expense of ₹4,464 lakhs, deletion of ₹615 lakhs, foreign exchange translation of ₹150 lakhs and ₹101 lakhs pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013.
- Goodwill increased by ₹3,879 lakhs to ₹63,962 lakhs mainly due to acquisition of 30% stake in European subsidiary of ₹5,452 lakhs offset by translation impact of ₹1,573 lakhs.
- Inventories decreased by ₹8,395 lakhs mainly due to decrease of ₹4,493 lakhs in the manufacturing division and ₹3,898 lakhs in the North American subsidiaries.
- Trade receivable increased by ₹2,192 lakhs in the distribution business and ₹1,728 lakhs in the manufacturing division, a total increase of ₹3,920 lakhs.
- Loans and advances and other current assets increased by ₹1,886 lakhs mainly due to MAT credit entitlement.

KEY FINANCIAL PARAMETERS

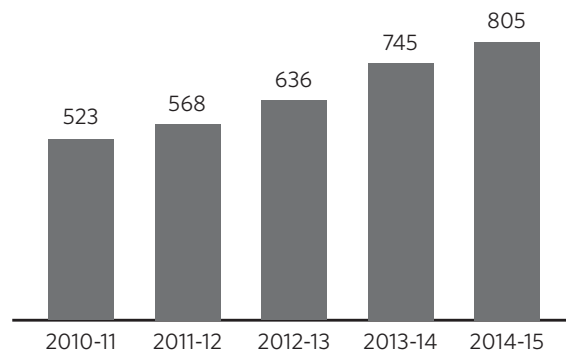
Consolidated Revenue

₹ Crores



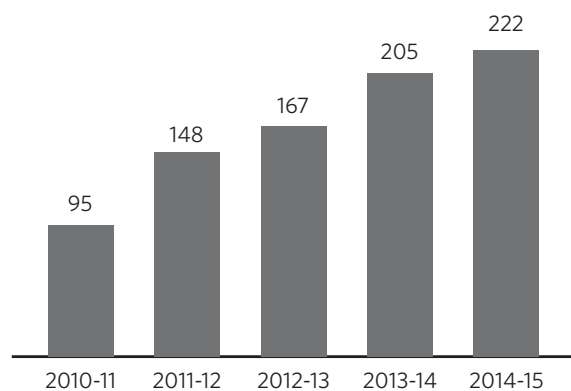
Networth

₹ Crores



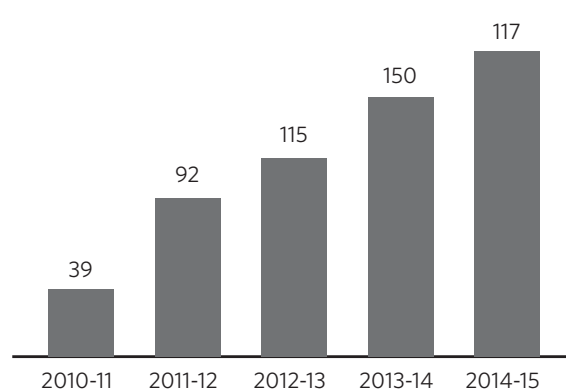
EBITDA

₹ Crores

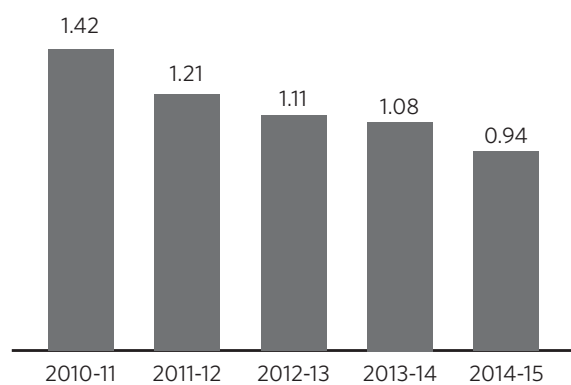


EBIT

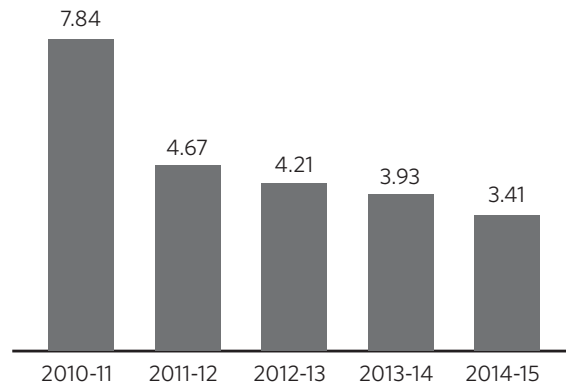
₹ Crores



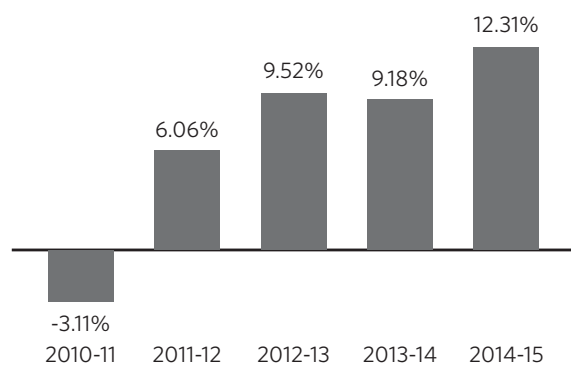
Total Debt / Equity



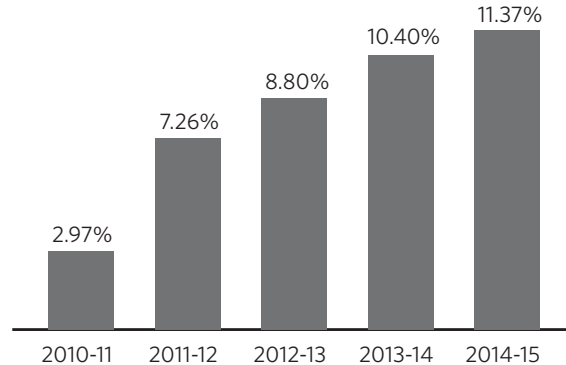
Total Debt / EBITDA



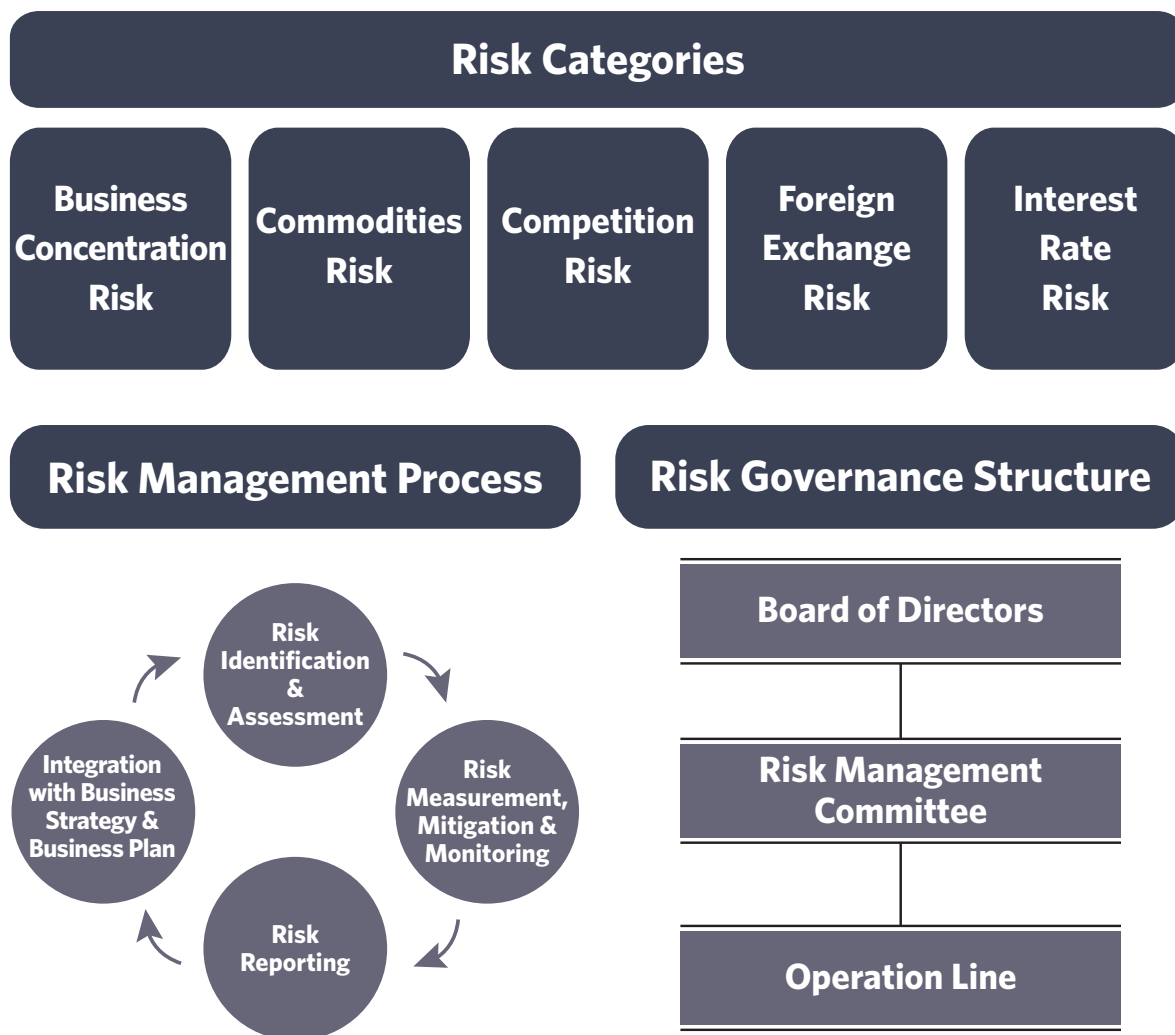
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RISK MANAGEMENT



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.

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. 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, 2015 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 the Listing Agreement and exceeds the percentages stipulated in the subject clause.

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 Clause 49 of the listing agreement), 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, 2015.

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:

Executive Directors:

Name	Designation	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, Founder (DIN: 00139516)	Managing Director	5/7	Yes	3	Nil
Aditya Himatsingka (DIN: 00138970)	Executive Director	6/7	No	5	1
Shrikant Himatsingka (DIN: 00122103)	Executive Director	7/7	Yes	3	Nil
Jayshree Poddar (DIN: 07091651)#	Executive Director	--	N.A.	Nil	Nil

Non-Executive and Independent Directors

Name	Designation	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*
Dilip J Thakkar (DIN: 00007339)	Chairman	5/7	Yes	16	5 and 2
Dr. K R S Murthy (DIN: 00167877)	Director	7/7	Yes	3	Nil and 2
Berjis M Desai (DIN: 00153675)	Director	1/7	No	14	4 and 2

Name	Designation	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*
A K Himatsingka, Founder (DIN: 00183698)	Vice Chairman (Non-Independent)	5/7	Yes	5	Nil
Rajiv Khaitan (DIN: 00071487)	Director	6/7	Yes	6	1 and Nil

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.

Appointed on February 11, 2015 w.e.f. March 1, 2015.

During the year 2014-15, the Board of Directors met seven times on the following dates: May 15, 2014, July 24, 2014, August 7, 2014, September 23, 2014, November 11, 2014, December 20, 2014 and February 11, 2015.

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 (DIN: 00167877)	Listing fees paid to National Stock Exchange of India Limited	1.57
Rajiv Khaitan (DIN: 00071487)	Professional fees paid to Khaitan & Co. LLP.	1.21

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 has been placed to the Board for its consideration.

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. Since the constitution of the committee is in line with the requirements under section 177 of the Companies Act, 2013 as well, no changes were required to be made to the committee structure during the year, however, the functions of the Audit Committee were modified to bring the same in line with the Companies Act, 2013.

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 2014-15, the Audit Committee met on four occasions i.e. May 15, 2014, August 7, 2014, November 11, 2014 and February 11, 2015. The necessary quorum was present in all the meetings.

The Constitution of Audit Committee and attendance of the Members for the year 2014-15 is as under:

Name of Director	Position	No. of Meetings attended/ held
Dilip J Thakkar (DIN: 00007339)	Chairman	4/4
Rajiv Khaitan(DIN: 00071487)	Member	4/4
Dr. K.R.S. Murthy (DIN: 00167877)	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 2014-15, the Remuneration Committee met on May 15, 2014 & February 11, 2015.

The annual compensation of the Executive Directors is approved by the Remuneration 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. The Policy is enclosed as an annexure to the Directors' Report.

The following Directors are the members of the Remuneration Committee:

Name of Director	Position	No. of Meetings attended/ held
Rajiv Khaitan (DIN: 00071487)	Chairman	2/2
Dilip J Thakkar (DIN: 00007339)	Member	2/2
Dr. K.R.S. Murthy (DIN: 00167877)	Member	2/2

The Company Secretary acts as the secretary to the Committee.

Reappointment of directors

In accordance with the provisions of the Companies Act, 2013, and Articles of Association of the Company, Mr. A.K. 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.

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, 2015 and remuneration during the financial year 2014-15 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 (DIN: 00007339)	Nil	1.10	Nil	10.00	11.10
A K Himatsingka (DIN: 00183698)	25,60,675	0.50	Nil	10.00	10.50
Rajiv Khaitan (paid to Khaitan & Co., LLP) (DIN: 00071487)	4,200	1.20	Nil	5.00	6.20
Dr. K R S Murthy (DIN: 00167877)	1,000	1.40	Nil	5.00	6.40
Berjis M Desai (DIN: 00153675)	Nil	0.10	Nil	5.00	5.10
D K Himatsingka (DIN: 00139516)	1,11,35,424	Nil	98.89	168.75	267.64
Aditya Himatsingka (DIN: 00138970)	29,78,200	Nil	53.53	68.33	121.86
Shrikant Himatsingka (DIN: 00122103)	66,80,964	Nil	66.70	168.75	235.45
Jayshree Poddar *	363,400	Nil	2.88	2.75	5.63

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*

*Ms. Jayshree Poddar has been appointed for a period of 5 years from March 1, 2015 to February 29, 2020, at its meeting held on February 11, 2015 subject to the approval of the shareholders of the meeting. The Approval for appointment of Ms. Jayshree Poddar is being placed before the ensuing Annual General Meeting.

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 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 Rs. 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 15, 2014, August 7, 2014, November 11, 2015 and February 11, 2015. 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, 2015 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 2014-15, the Company received 107 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.

During the year, two meeting of the committee was held on September 20, 2014 and March 30, 2015.

The minutes of the Risk Management Committee meetings are placed before the Board of Directors in the subsequent Board meeting.

Constitution of Risk Management Committee as on March 31, 2015 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 November 11, 2014 and February 11, 2015.

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, 2015 and related information:

Name of the Director	Position
Dr K R S Murthy	Chairman
A.K. Himatsingka	Member
D.K. Himatsingka	Member
Shrikant Himatsingka	Member

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 23, 2014	2013-14	Annual General Meeting	2.00 p.m.	The LaLiT Ashok Kumara Krupa Road, High Grounds, Bangalore - 560 001	3
August 12, 2013	2012-13	Annual General Meeting	4.00 p.m.	The LaLiT Ashok Kumara Krupa Road, High Grounds, Bangalore - 560 001	Nil
August 25, 2012	2011-12	Annual General Meeting	3.30 p.m.	The LaLiT Ashok Kumara Krupa Road, High Grounds, Bangalore - 560 001	1

Postal Ballot

The Company successfully completed the process of obtaining approval of its shareholders for special resolutions on the items detailed above vide post ballot.

Special Resolution	Votes cast in assent		Votes cast dissent		Date of declaration of results
	No. of votes	%	No. of votes	%	
Approval under section 180(1)(a) of Companies Act, 2013, for Creation of charges/ mortgages/ hypothecation on the movable and immovable assets of the Company, both present and future, in respect of borrowings.	56,260,814	99.99	4,373	0.01	12.02.2015

Prakash Kamath, Company Secretary was appointed as the scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

Procedure for Postal Ballot:

In compliance with Clause 35B of the Listing Agreement and Section 108,110 and other applicable provisions of the Companies Act, 2013, read with the related rules, the Company provided electronic voting facility to all its Members, to enable them to cast their votes electronically. The Company engaged the services of M/s Karvy Computershare Pvt. Ltd for the purpose of providing e-voting facility to all its Members. The Members had the option to vote either by physical ballot or e-voting. The Company dispatched the postal ballot notices and forms along with postage business reply envelopes to its Members whose names appeared on register of members / list of beneficiaries as on a cut-off date. The postal ballot notice was sent to the Members in electronic form to the e-mail addresses registered with their depository participant (in case of electronic shareholding) / the Company's registrar and share transfer agents (in case of physical shareholding).

The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights were reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date. Members desiring to exercise their votes by physical ballot forms were requested to return the forms duly completed and signed, to the scrutinizer on or before the closure of the voting period. Members desiring to exercise their vote by electronic mode were requested to vote before closure of business hours on the last date of e-voting. The scrutinizer submitted his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot were then announced by the Chairman / authorised officer. The results were also displayed on the website of the Company, www.himatsingka.com besides being communicated to the stock exchanges, depository and registrar and share transfer agent. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

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, Bangalore - 560 001	5

No special resolution requiring a postal ballot is being proposed for the ensuing Annual General Meeting.

11. Means of Communication

- 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.
- The Quarterly and Annual Financial Results of the Company are forwarded to the Stock Exchanges and were published in Business Standard - English Newspaper (all editions) and Business Line & Financial Express (all editions) and Vartha Bharati - Kannada newspaper, Bangalore.
- 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.
- Reminders for unclaimed dividend are sent to the shareholders, as per records, every year.
- 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 49.

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 :-

Ashok Sharma,
Asso. 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 2014-2015 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 2014-15.

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. Familiarisation Programme and Training

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the company's procedures and practices. In addition, presentations are 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 familiarisation programmes 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, 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.

18. General Shareholders' information

Corporate

Himatsingka Seide Limited was incorporated at Bangalore, 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, Bangalore 560 001.

Listing on Stock Exchanges	<p>Bangalore Stock Exchange Ltd Stock Exchange Towers, No. 51, 1st Cross, J C Road, Bangalore 560 027 Stock Exchange Code : HIMATSEIDE (During the year the stock exchange has voluntarily surrendered its recognition and has ceased to be an exchange)</p> <p>Bombay Stock Exchange Ltd Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 Stock Exchange Code : 514043</p> <p>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</p>
Listing Fees	Paid for 2014-2015 for all the above stock exchanges and for only BSE and NSE for 2015-2016
Custodial Fees	<p>Paid to Central Depository Services (India) Ltd for 2014-15. The Company has paid one time fees to National Securities Depository Limited.</p> <p>Demat ISIN : INE049A01027</p>

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	Dividend	0.25	September 8, 2010	October 15, 2017
2012	Dividend	0.50	August 25, 2012	October 2, 2019
2013	Dividend	1.00	August 12, 2013	September 18, 2020
2014	Dividend	1.50	September 23, 2014	October 30, 2021

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 15.09.2015 at 2.00 pm
The LaLiT Ashok Bangalore,
Kumara Krupa Road, High Grounds,
Bangalore - 560 001

Financial year 1st April to 31st March

Financial Calendar Board Meetings for approval of

Financial Results for 1 st Quarter 2015-16	July- August 15, 2015
Financial Results for 2 nd Quarter 2015-16	October-November 15, 2015
Financial Results for 3 rd Quarter 2015-16	January- February 15, 2016
Annual Accounts 2015-16	April- May 30, 2016

Date of Book Closure 08.09.2015 to 15.09.2015
(both days inclusive)

Dividend payment date on or before October 14, 2015

Share Price

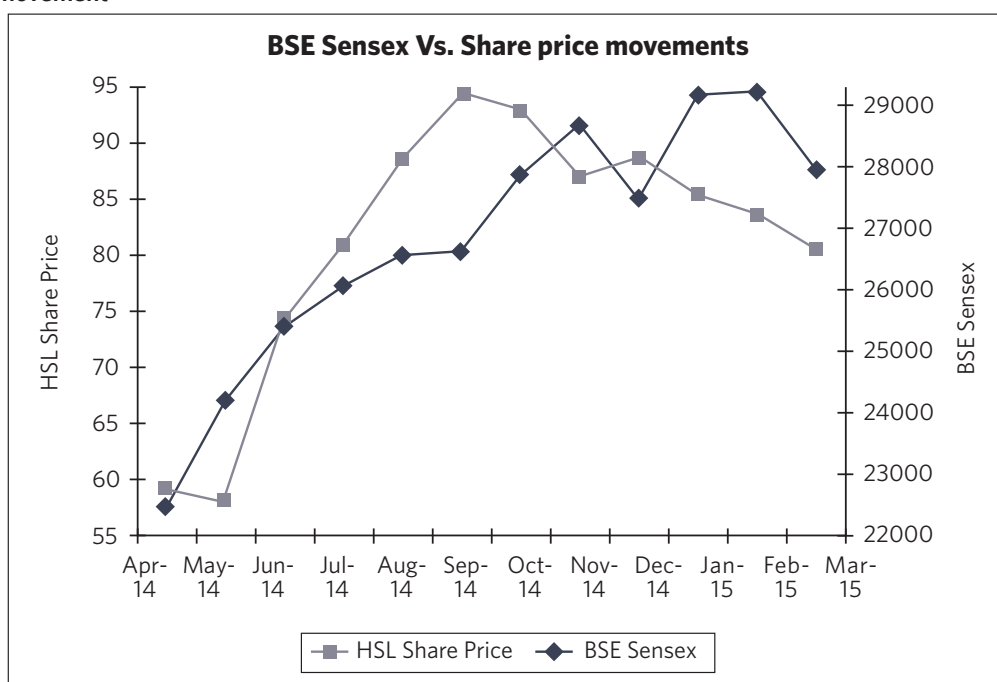
The monthly high and low quotations of the closing price and volume of shares traded at Bombay Stock Exchange and National Stock Exchange during the year were as follows:

Month	Bombay Stock Exchange			National Stock Exchange		
	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)
Apr-14	61.50	56.00	628,621	61.60	56.30	2,177,902
May-14	66.35	57.90	2,070,869	66.15	58.10	11,704,381
Jun-14	79.20	58.85	6,593,555	78.95	58.40	18,875,174
Jul-14	84.90	74.25	3,424,991	84.75	74.10	9,117,431
Aug-14	90.80	80.00	2,123,486	90.55	80.00	5,626,718
Sep-14	103.55	86.25	3,849,875	104.30	86.30	9,330,456
Oct-14	96.40	90.00	927,526	96.45	90.15	8,904,931
Nov-14	102.15	86.55	1,737,336	102.20	86.40	5,620,136
Dec-14	94.25	87.10	1,470,107	94.35	87.05	4,198,188
Jan-15	94.20	85.50	1,579,459	94.25	85.40	3,207,587
Feb-15	88.75	79.90	1,116,974	89.20	79.90	2,640,048
Mar-15	86.90	76.15	649,031	86.85	76.30	2,062,874
Total			26,171,830			83,465,826

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) 2300 1153
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 Exchanges and files a copy of the certificate with the Stock Exchanges.

Transfer period in days	2014-2015	
	No. of shares	Percentage
1 - 10	9,520	43.59
11 - 20	12,320	56.41
21 - 30	-	-
Total	1,800	100.00

Complaints received from Investors during the year

Nature of Complaints	Received	Cleared
1. Non-receipt of share certificates	9	9
2. Non-receipt of dividend warrants	77	77
3. Non-receipt of Annual Report	21	21
4. Complaints received through SEBI (SCORES)	-	-
TOTAL	107	107

The Company attended to most of the investors' grievances/ correspondence within seven days from the date of receipt of the same during the year 2014-15.

Distribution of shareholding as on March 31, 2015

No. of equity shares	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1 - 5000	17,852	83.20	4,486,097	4.56
5001 - 10000	1,665	7.76	2,614,388	2.65
10001 - 20000	902	4.20	2,686,128	2.72
20001 - 30000	369	1.72	1,868,108	1.90
30001 - 40000	157	0.73	1,109,296	1.13
40001 - 50000	121	0.57	1,119,838	1.14
50001 - 100000	206	0.96	2,915,264	2.96
100001 and above	185	0.86	81,658,041	82.94
Total	21,457	100.00	98,457,160	100.00

Shareholding Pattern as on March 31, 2015 :-

Category of Shareholder	No. of Shareholders	No. of Equity shares	As a percentage of (A+B+C)
Shareholding of Promoter and Promoter Group Indian			
Individuals/Hindu Undivided Family	10	37,062,059	37.64
Bodies Corporate	6	17,891,420	18.17
Sub Total (A)(1)	16	54,953,479	55.81
Foreign			
Individual (Non-Resident Individual/Foreign Individual)	2	1,237,800	1.26
Sub Total (A)(2)	2	1,237,800	1.26
Total Shareholding of Promoter and Promoter Group (A)(1)+(A)(2)	18	56,191,279	57.07
Public Shareholding			
Institutions			
Mutual Funds/UTI	14	14,661,731	14.89
Financial Institutions/ Banks	9	27,160	0.03
Foreign Institutional Investors	14	869,092	0.88
Sub-Total (B)(1)	37	15,557,983	15.80
Non-Institutions			
Bodies Corporate	609	4,199,825	4.27
Individuals			
i. Individual Shareholders holding nominal share capital up to ₹1 lakh	20,216	14,734,982	14.97
ii. Individual Shareholders holding nominal share capital in excess of ₹1 lakh	114	6,627,589	6.73
Any other (specify)			
- NRI/OCB	403	1,095,523	1.11
Trusts	1	12,200	0.01
- Clearing Member	59	37,779	0.04
Sub-Total (B)(2)	21,402	26,707,898	27.13
Total Public Shareholding (B)(1)+(B)(2)	21,439	42,265,881	42.93
Total (A)+(B)	21,457	98,457,160	100
Shares held by Custodians and against which Depository Receipts have been issued (C)	Nil	Nil	Nil
Grand Total (A+B+C)	21,457	98,457,160	100

Note: Promoter Group has not pledged any of their shares as on March 31, 2015

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, 2015, 98.55% 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, 2015

Category	Number of		% to total equity
	Shareholders	Shares	
Demat Mode			
NSDL	13,826	91,300,914	92.73
CDSL	6,734	5,727,496	5.82
Total	20,560	97,028,410	98.55
Physical Mode	897	14,28,750	1.45
Grand Total	21,457	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, Bangalore Dist., Karnataka, India.

Bed Linen Unit : Plot No. 1, SEZ, Textile Specific, 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).

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-materialisation 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, Associate Vice President - Treasury, Taxation & Company Secretary, Himatsingka Seide Limited, 10/24, Kumara Krupa Road, High Grounds, Bangalore 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 relating to Corporate Governance. With regard to the non-mandatory requirements of clause 49, 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, 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, 2015.

Place: Bengaluru

Date: July 23, 2015

Dinesh Himatsingka

Managing Director

CERTIFICATE

To the Members of HIMATSINGKA SEIDE LIMITED

We have examined the compliance of conditions of Corporate Governance by **HIMATSINGKA SEIDE LIMITED** ("the Company") for the year ended on March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with the said Stock Exchanges.

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

In our opinion and to the best of our information and according to 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 above mentioned Listing Agreement.

We further 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

S. Sundaresan
Partner
Membership No. 25776

BENGALURU,
July 23, 2015

DIRECTORS' REPORT

Your Directors are pleased to present the Thirtieth Annual Report on the operations and performance of your Company, together with audited financial statements and auditors' report for the year ended March 31, 2015.

1. Business Operations Overview

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

(₹ in Lakhs)

Particulars	Standalone			Consolidated		
	2014-15	2013-14	Change %	2014-15	2013-14	Change %
Revenue	94,841	98,369	-3.6%	194,057	202,815	-4.3%
Other Income	3,728	1,252	197.8%	2,088	473	341.4%
Material cost	54,530	60,083	-9.2%	125,121	131,920	-5.2%
% to Revenue	57.5%	61.1%		64.5%	65.0%	
EBITDA	18,981	15,154	25.3%	22,153	20,477	8.2%
EBIT	15,439	10,508	46.9%	17,689	15,039	17.6%
Profit before exceptional items	10,934	5,832	87.5%	9,145	6,756	35.4%
Exceptional items	-	47		-	(414)	
Profit before tax	10,934	5,879	86.0%	9,145	6,342	44.2%
Profit after tax	10,934	5,884	85.8%	9,544	6,335	50.7%

In the Fiscal year 2014 - 15 the group revenue marginally declined by 4.3% to ₹194,057 lakhs and EBITDA grew by 8.2% to ₹22,153 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 like cotton and silk have softened when compared to previous year and are currently stable.

Prospects

Growth and efficiency initiatives during the year

During the year 2014-15 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

- 'Vector Flow', software based on the principle of Theory of Constraints, was implemented in the Bed Linen unit which helped improve overall raw material usage efficiencies, increase capacity utilization and enhance On-Time-In-Full Order deliveries.
- Warehouse consolidation and Corporate Office consolidation in the North Americas. This is expected to bring in efficiencies in operating costs from the next year.
- Enhancing our branded portfolio through innovative licensing models in the North Americas.
- In the process of implementing the SAP ERP system in the US - which will help drive visibility and overall efficiency.
- Focus on Private Label manufacturing in European markets to enhance overall business offering.
- Focus Brand Bellora at large Box retail formats in the US markets.
- Acquired the remaining 30% stake in its European subsidiary G.B.Spa from its minority partner and quickly realigned market focus.
- Implementation of a comprehensive Risk Management Structure for the Enterprise
- Implementation of an Internal Financial Control (IFC) system to help address overall control requirements and build scalability
- The long term credit rating (CRISIL rating) of the company was upgraded from BBB + ve to A -ve and helped drive efficiencies in funding

Subsidiary Companies

As on March 31, 2015, the Company had the following subsidiaries:

Himatsingka Wovens Private Limited, Himatsingka America Inc., Divatex Home Fashions Inc., DWI Holdings Inc., Giuseppe Bellora S.p.A. Himatsingka Singapore Pte. Limited and Twill & Oxford LLC.

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 the Clause 49 of the Listing Agreement, 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 exports and has helped us to keep pace with a dynamically changing market. 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 have recommended a dividend of 40% (₹2.00 per equity share), 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.

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, 2015 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 Board's 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 Board's Report.

In the abovementioned 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."

Board's Response

During the year, the Company has constituted a Corporate Social Responsibility (CSR) committee and has also 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 2014-15 was ₹89.83 lakhs.

During the year, an amount of ₹1 lakh was spent by the Company. The remaining amount has not been spent as the company was involved with engaging a credible agency and building a framework of CSR.

The Company has subsequently through its CSR committee, shortlisted certain projects for CSR and will expend the appropriate amounts to facilitate the activity.

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 Board's Report as Annexure 6.

The Company has also formulated a policy on dealing with Related Parties Transactions as required under Clause 49 of the Listing Agreement. 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. Conservation of energy, Technology absorption & Foreign exchange

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

14. 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.

15. Corporate Social Responsibility

During the year, the Company has constituted a Corporate Social Responsibility (CSR) committee. The committee consists of the following directors:

- Dr. K R S Murthy
- Mr. A K Himatsingka
- Mr. D K 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 2014-15 was ₹89.83 lakhs.

During the year, an amount of ₹1 lakh 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.

16. 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.

17. Directors

The Board of Directors at its meeting held on February 11, 2015 appointed Mr. Dilip J Thakkar, Dr. K R S Murthy, Mr. Berjis Desai, Mr. Rajiv Khaitan as additional directors (independent) and Ms. Jayashree Poddar as an additional director (Executive, with effect from March 1, 2015). Pursuant to provisions under section 160 and 161 of the 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 Directors for a period of 5 years.

In accordance with the provisions of the Companies Act, 2013, and Articles of Association of the Company, Mr. A K 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.

18. 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:

- Mr. Dilip J Thakkar
- Dr. K R S Murthy
- Mr. Rajiv Khaitan

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

19. 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.

20. Remuneration of Directors and Key Managerial Personnel

a) Details of Directors' remuneration

₹ In lakhs

Director	Sitting fees	Salaries and perquisites	Commission	Total	Ratio to Median remuneration of employees	Percentage increase over previous year
Dilip J Thakkar (DIN: 00007339)	1.10	Nil	10.00	11.10	11.90 : 1	38.75%
A K Himatsingka (DIN: 00183698)*	0.50	Nil	10.00	10.50	11.25 : 1	-80.92%
Rajiv Khaitan (paid to Khaitan & Co., LLP) (Din: 00071487)	1.20	Nil	5.00	6.20	6.64 : 1	58.97%
Dr. K R S Murthy (DIN: 00167877)	1.40	Nil	5.00	6.40	6.86 : 1	56.10%
Berjis M Desai (DIN: 00153675)	0.10	Nil	5.00	5.10	5.47 : 1	64.52%
D K Himatsingka (DIN: 00139516)	Nil	98.90	168.75	267.65	286.83 : 1	123.83%
Aditya Himatsingka (DIN: 00138970)	Nil	53.53	68.33	121.86	130.60 : 1	31.85%
Shrikant Himatsingka (DIN: 00122103)	Nil	66.70	168.75	235.45	252.33 : 1	80.39%
Jayshree Poddar#	Nil	2.88	2.75	5.63	6.03 : 1	NA

* Mr. A K Himatsingka who was an Executive Director during the previous year, was re-appointed as a Non-Executive Director with effect from April 1, 2014.

Ms. Jayshree Poddar was appointed as a director with effect from March 1, 2015.

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 executive directors mentioned above)

Name of the Key Managerial Personnel	Designation	Total Remuneration (₹ In Lakhs)	Percentage increase over previous year
K P Pradeep	President - Finance and Group CFO	117.43	21.59%
Ashok Kumar Sharma	Associate Vice President - Treasury, Taxation cum Company Secretary	39.17	18.80%

- c) The percentage increase in median remuneration of the employees is 16.32%
- d) The number of permanent employees in the rolls of the Company is 2,885
- e) The average increase in the remuneration of the employees was 15.50% during the year while the Company's profit before tax grew by 85.84% from ₹5,879.37 lakhs to ₹10,934.04 lakhs. The revenues for the same period saw a marginal dip of 3.59% to ₹94,840.76 lakhs from ₹98,368.70 lakhs of the previous year. The remuneration of the Key Managerial personnel (KMP) during the year grew by 65.50%. The increase in the remuneration is in correlation to the performance of the Company. The comparison of the remuneration of each KMP against the performance of the Company is given below:

Name of the KMP	Designation	Total Remuneration (₹ In Lakhs)	Percentage increase over previous year	Profit Before Tax (₹ in lakhs)	Percentage Increase over previous year
D K Himatsingka	Managing Director	267.65	123.82%	10,934.04	85.84%
Aditya Himatsingka	Executive Director	121.86	31.86%		
Shrikant Himatsingka	Executive Director	235.45	80.40%		
Jayshree Poddar *	Executive Director	5.63	NA		
K P Pradeep	President - Finance and Group CFO	117.43	21.59%		
Ashok Kumar Sharma	Associate Vice President - Treasury, Taxation cum Company Secretary	39.17	18.80%		

*Ms. Jayshree Poddar was appointed as an executive director with effect from March 1, 2015.

- f) The average increase in the salaries of employees other than managerial personnel during the year was 15.50% and the average increase of the remuneration of managerial personnel was 65.50%. The increase in the remuneration of managerial personnel is in correlation to their individual performance and to the performance of the Company.
- g) 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.
- h) During the year, there were no employees whose remuneration was higher than that of the highest paid director.
- i) Statement of particulars of employees as required under rule 5(2) of the Companies (Appointment and Remuneration) Rules, 2014:

Name of the Employee	Gross Remuneration (₹)	Qualification	Experience	Date of joining	Age	Previous employment
D K Himatsingka	2,67,64,503	B.A.(Hons.)	40 years	1-Aug-85	66	Managing Director, Bihar Mercantile Union Ltd.
Aditya Himatsingka	1,21,86,247	B.Com. (Hons.) Diploma in Textiles	28 years	1-Jan-88	51	-
Shrikant Himatsingka	2,35,45,332	B.S (Econ.)	13 years	15-May-01	35	-
Pradeep K P	1,17,43,236	ACA, AICWA, B.Com	21 years	2-Nov-07	44	Director Finance, Fidelity Business Services India Ltd
Vasudevan V	82,20,112	B.Sc	35 years	14-Feb-13	59	Vice President – Raymond Zambaiti
Wilson Maria Doss Y R	85,74,628	MSW	29 years	1-Sep-06	56	Vice-President – Human resources, Arvind Brands Ltd
Shanmuga Sundaram S	63,84,631	B.Tech (Textile)	30 years	2-Dec-09	56	General Manager cum CEO, PT Delta Surya Group

- k) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31, 2015	March 31, 2014	Percentage Increase/ (decrease)
Market Capitalisation (₹ Crores)	792.58	566.62	39.88%
Closing price (₹)	80.50	57.55	39.88%
No. of Shares	98,457,160	98,457,160	--
Earnings Per Share	11.11	5.98	85.79%
Price Earnings Ratio	7.25	9.62	(24.64)%

21. 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.

22. Insurance

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

23. Public Deposits

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

24. 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 is no requirement to furnish cost audit of cost records of the Company for its units at Hassan (SEZ) and Doddaballapur (EOU).

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

Dilip J Thakkar

Date: July 23, 2015

Chairman

ANNEXURES TO THE DIRECTORS' REPORT

Annexure 1

Statement regarding subsidiary companies as of March 31, 2015

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

(₹ lakhs)

	Name of the Subsidiary	Himatsingka Wovens Private Limited	Twill & Oxford LLC	Himatsingka Singapore Pte Ltd.	DWI Holdings Inc.	Himatsingka America Inc.	Divatex Home Fashions Inc.	Giuseppe Bellora SpA
1	Capital (including preference capital and share application money)	1,250.00	37.35	1,082.77	-	29,135.74	0.03	18,091.83
2	Reserves	828.94	(298.08)	(1,785.35)	11,450.45	465.65	17,840.01	(20,230.82)
3	Total Assets	5,997.49	389.00	117.79	22,427.03	84,827.46	27,940.56	7,675.73
4	Total Liabilities (excluding Capital and Reserves and including current liabilities and provisions)	3,919.00	649.56	820.38	10,976.58	55,226.07	10,100.52	9,831.64
5	Investments (Other than in subsidiaries)	-	-	-	-	-	-	16.93
6	Turnover	4,086.42	1,190.14	314.81	46,050.21	24,843.26	117,235.01	8,632.84
7	Profit/(Loss) Before Tax	(168.90)	(124.69)	(210.82)	(1,327.98)	(3,448.60)	4,106.70	(240.20)
8	Provision for Taxation	(78.08)	-	-	(651.44)	(1,601.40)	647.59	-
9	Profit/(Loss) After Tax	(90.82)	(124.69)	(210.82)	(676.54)	(1,847.20)	3,459.11	(240.20)
10	Proposed Dividend	-	-	-	-	-	-	-
11	Closing exchange rate	-	₹17.06/ AED	₹45.56/ Singapore dollar	₹62.66/ USD	₹62.66/ USD	₹62.66/ USD	₹67.63/ Euro
12	Average exchange rate	-	₹16.71/ AED	₹47.80/ Singapore dollar	₹61.15/ USD	₹61.15/ USD	₹61.15/ USD	₹77.49/ Euro

Note:

- i) The above information has been extracted from the individual financial statements under the respective country accounting principles as adjusted to Indian Accounting Principles and restated to Indian Rupees.

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2014

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (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, Bangalore 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

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	14.74
2	Manufacture of other textiles	139	85.26

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, Bangalore 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	DWI Holdings Inc	261 Fifth Avenue, Suite 1400, New York, NY 10016	N.A.	Subsidiary	100	2(87)(ii)
4	Divatex Home Fashions Inc	261 Fifth Avenue, Suite 501, New York, NY 10016	N.A.	Subsidiary	100	2(87)(ii)
5	Giuseppe Bellora SpA	Via XXV Luglio, 13, Fagnano Olona (VA)	N.A.	Subsidiary	100	2(87)(ii)

Sl. No.	Name & Address of the Company	Address of Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
6	Himatsingka Singapore Pte Ltd	1 Nassim Road No 01-04, Singapore 258458	N.A.	Subsidiary	100	2(87)(ii)
7	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)

IV. SHAREHOLDING PATTERN (Equity Share capital Break up 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	37,062,059	-	37,062,059	37.64	37,062,059	-	37,062,059	37.64	-
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	17,891,420	-	17,891,420	18.17	17,891,420	-	17,891,420	18.17	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	54,953,479	-	54,953,479	55.81	54,953,479	-	54,953,479	55.81	-
(2) Foreign									
a) NRI-Individuals	1,237,800	-	1,237,800	1.26	1,237,800	-	1,237,800	1.26	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	1,237,800	-	1,237,800	1.26	1,237,800	-	1,237,800	1.26	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	56,191,279	-	56,191,279	57.07	56,191,279	-	56,191,279	57.07	-

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	
B. PUBLIC SHAREHOLDING									
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	11,728,177	400	11,728,577	11.91	14,661,331	400	14,661,731	14.89	2.98
b) Banks/FI	34,315	2,000	36,315	0.04	25,160	2,000	27,160	0.03	-0.01
C) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	884,699	400	885,099	0.90	868,692	400	869,092	0.88	-0.02
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	12,647,191	2,800	12,649,991	12.85	15,555,183	2,800	15,557,983	15.80	2.95
(2) Non Institutions									
a) Bodies corporates	4,841,781	15,720	4,857,501	4.93	4,184,105	15,720	4,199,825	4.27	-0.67
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹1 lakhs	13,261,455	1,280,710	14,542,165	14.77	13,537,452	1,197,530	14,734,982	14.97	0.20
ii) Individuals shareholders holding nominal share capital in excess of ₹1 lakhs	8,628,641	23,640	8,652,281	8.79	6,603,949	23,640	6,627,589	6.73	-2.06
c) Others (specify)									
- NRI/OCB	1,115,618	189,060	1,304,678	1.33	906,463	189,060	1,095,523	1.11	-0.21
- Trusts	12,200	-	12,200	0.01	12,200	-	12,200	0.01	-
-Clearing Member	247,065	-	247,065	0.25	37,779	-	37,779	0.04	-0.21
SUB TOTAL (B)(2):	28,106,760	1,509,130	29,615,890	30.08	25,281,948	1,425,950	26,707,898	27.13	-2.95
Total Public Shareholding (B)= (B)(1)+(B)(2)	40,753,951	1,511,930	42,265,881	42.93	40,837,131	1,428,750	42,265,881	42.93	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	96,945,230	1,511,930	98,457,160	100	97,028,410	1,428,750	98,457,160	100	-

(ii) SHAREHOLDING 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	A.K. Himatsingka	2,560,675	2.60	-	2,560,675	2.60	-	-
2	Aditya Himatsingka	2,978,200	3.02	-	2,978,200	3.02	-	-
3	D. K. Himatsingka	11,135,424	11.31	-	11,135,424	11.31	-	-
4	D.K. Himatsingka (HUF)	5,432,056	5.52	-	5,432,056	5.52	-	-
5	Anuradha Himatsingka	133,100	0.14	-	133,100	0.14	-	-
6	Leela Devi Himatsingka	1,024,120	1.04	-	1,024,120	1.04	-	-
7	Rajshree Himatsingka	5,457,260	5.54	-	5,457,260	5.54	-	-
8	Shrikant Himatsingka	6,680,964	6.79	-	6,680,964	6.79	-	-
9	Ranjana Himatsingka	1,660,260	1.69	-	1,660,260	1.69	-	-
10	Bihar Mercantile Union Ltd	5,706,000	5.80	-	5,706,000	5.80	-	-
11	Aditya Resources Ltd	2,993,560	3.04	-	2,993,560	3.04	-	-
12	Priya Resources Ltd	2,828,800	2.87	-	2,828,800	2.87	-	-
13	Awdhan Trading Co. Ltd	3,634,697	3.69	-	3,634,697	3.69	-	-
14	Orient Silk Pvt. Ltd	2,727,511	2.77	-	2,727,511	2.77	-	-
15	Credit Himatsingka Pvt. Ltd	852	-	-	852	-	-	-
16	Amitabh Himatsingka	1,000,000	1.02	-	1,000,000	1.02	-	-
17	Priyadarshini Himatsingka	237,800	0.24	-	237,800	0.24	-	-
	Total	56,191,279	57.07	-	56,191,279	57.07	-	-

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	No change			
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	At the end of the year				

(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS & HOLDERS OF GDRS & ADRS)

Sl. No	Name	Shareholding at the beginning of (01.04.14)/ end of the year (31.03.2015)		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No.of shares at the beginning (01.04.14)/ end of the year (31.3.15)	% of total shares of the company				No of shares	% of total shares of the company
1	Radhakishan S Damani jt. Gopikkishan S Damani	708,261	0.72	01.04.2014				
				11.04.2014	-5,000	Transfer	703,261	0.71
				18.04.2014	-2,317	Transfer	700,944	0.71
				25.04.2014	-2,683	Transfer	698,261	0.71
				09.05.2014	-5,000	Transfer	693,261	0.70
				23.05.2014	-25,000	Transfer	668,261	0.68
				20.06.2014	-55,000	Transfer	613,261	0.62
				30.06.2014	-502,500	Transfer	110,761	0.11
				04.07.2014	-17,500	Transfer	93,261	0.09
				11.07.2014	-25,000	Transfer	68,261	0.07
				18.07.2014	6,288	purchase	74,549	0.08
				25.07.2014	-21,288	Transfer	53,261	0.05
				19.12.2014	65,916	purchase	119,177	0.12
				31.12.2014	-67,916	Transfer	51,261	0.05
				06.03.2015	20,000	purchase	71,261	0.07
				13.03.2015	-20,000	Transfer	51,261	0.05
		51,261	0.05	31.03.2015			51,261	0.05

Sl. No	Name	Shareholding at the beginning of (01.04.14)/ end of the year (31.03.2015)		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No.of shares at the beginning (01.04.14)/ end of the year (31.3.15)	% of total shares of the company				No of shares	% of total shares of the company
2	Citigroup Global Markets Mauritius Private Ltd #	558,399	0.57	01.04.2014				
				06.06.2014	-50,000	Transfer	508,399	0.52
				13.06.2014	-50,000	Transfer	458,399	0.47
				20.06.2014	-75,000	Transfer	383,399	0.39
				30.06.2014	-100,000	Transfer	283,399	0.29
				04.07.2014	-75,000	Transfer	208,399	0.21
				11.07.2014	-75,000	Transfer	133,399	0.14
				18.07.2014	-133,399	Transfer	-	-
		-	-	31.03.2015			-	-
3	HDFC Trustee Company Limited - HDFC Equity Fund #	3,230,127	3.28	01.04.2014				
				23.05.2014	-3,230,127	Transfer	-	-
		-	-	31.03.2015			-	-
4	HDFC Trustee Company Limited - HDFC Prudence Fund #	700,245	0.71	01.04.2014				
				13.06.2014	-63,677	Transfer	636,568	0.65
				20.06.2014	-636,568	Transfer	-	-
		-	-	31.03.2015			-	-
5	HDFC Equity Fund - GDR Cancellation A/c. #	1,976,150	2.01	01.04.2014	-1,761,463	Transfer	214,687	0.22
				13.06.2014	-214,687	Transfer	-	-
		-	-	31.03.2015			-	-
6	HDFC Prudence Fund - GDR Cancellation A/c. #	988,075	1.00	01.04.2014				
				20.06.2014	-988,075	Transfer	-	-
		-	-	31.03.2015			-	-
7	Mirae Asset India Opportunities Fund #	676,959	0.69	01.04.2014				
				04.04.2014	-55,000	Transfer	621,959	0.63
				16.05.2014	-120,000	Transfer	501,959	0.51
				23.05.2014	-501,959	Transfer	-	-
		-	-	31.03.2015			-	-

Sl. No	Name	Shareholding at the beginning of (01.04.14)/ end of the year (31.03.2015)		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No.of shares at the beginning (01.04.14)/ end of the year (31.3.15)	% of total shares of the company				No of shares	% of total shares of the company
8	ICICI Prudential Value Fund Series 2	1,204,668	1.22	01.04.2014				
				23.05.2014	46,529	purchase	1,251,197	1.27
				20.06.2014	405,521	purchase	1,656,718	1.68
				12.09.2014	-250,000	Transfer	1,406,718	1.43
				03.10.2014	-4,153	Transfer	1,402,565	1.42
				10.10.2014	-220,000	Transfer	1,182,565	1.20
				19.12.2014	71,035	purchase	1,253,600	1.27
				20.03.2015	17,582	purchase	1,271,182	1.29
				27.03.2015	224,335	purchase	1,495,517	1.52
		1,495,517	1.52	31.03.2015			1,495,517	1.52
9	Franklin Templeton Mutual Fund A/c Franklin India - Prima Fund	869,276	0.88	01.04.2014				
				11.04.2014	7,283	purchase	876,559	0.89
				18.04.2014	38,431	purchase	914,990	0.93
				25.04.2014	74,421	purchase	989,411	1.00
				02.05.2014	175,092	purchase	1,164,503	1.18
				09.05.2014	246,740	purchase	1,411,243	1.43
				16.05.2014	392,479	purchase	1,803,722	1.83
				23.05.2014	65,554	purchase	1,869,276	1.90
				18.07.2014	21,700	purchase	1,890,976	1.92
				25.07.2014	11,339	purchase	1,902,315	1.93
				01.08.2014	7,723	purchase	1,910,038	1.94
				08.08.2014	14,737	purchase	1,924,775	1.95
				22.08.2014	15,210	purchase	1,939,985	1.97
				29.08.2014	1,484	purchase	1,941,469	1.97
				05.09.2014	127,807	purchase	2,069,276	2.10
				19.09.2014	61,365	purchase	2,130,641	2.16
				30.09.2014	43,653	purchase	2,174,294	2.21
				10.10.2014	120,000	purchase	2,294,294	2.33
				31.10.2014	400,000	purchase	2,694,294	2.74
		2,694,294	2.74	31.03.2015			2,694,294	2.74

Sl. No	Name	Shareholding at the beginning of (01.04.14)/ end of the year (31.03.2015)		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No.of shares at the beginning (01.04.14)/ end of the year (31.3.15)	% of total shares of the company				No of shares	% of total shares of the company
10	Franklin India Smaller Companies Fund	1,536,769	1.56	01.04.2014				
				04.04.2014	218,388	purchase	1,755,157	1.78
				11.04.2014	19,843	purchase	1,775,000	1.80
				30.09.2014	668	purchase	1,775,668	1.80
				10.10.2014	100,000	purchase	1,875,668	1.91
				17.10.2014	17,060	purchase	1,892,728	1.92
				24.10.2014	73,423	purchase	1,966,151	2.00
				31.10.2014	804,144	purchase	2,770,295	2.81
				14.11.2014	-66,549	Transfer	2,703,746	2.75
				28.11.2014	100,000	purchase	2,803,746	2.85
				12.12.2014	50,000	purchase	2,853,746	2.90
				30.01.2014	1,350,000	purchase	4,203,746	4.27
		4,203,746	4.27	31.03.2015			4,203,746	4.27
11	Bright Star Investments Pvt. Ltd	550,000	0.56	1.04.2014			550,000	0.56
		550,000	0.56	31.03.2015			550,000	0.56
12	IDFC Premier Equity Fund*	-	-	01.04.2014	-		-	-
				31.10.2014	3,199,221	purchase	3,199,221	3.25
				07.11.2014	779		3,200,000	3.25
		3,200,000	3.25	31.03.2015			3,200,000	3.25

Sl. No	Name	Shareholding at the beginning of (01.04.14)/ end of the year (31.03.2015)		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No.of shares at the beginning (01.04.14)/ end of the year (31.3.15)	% of total shares of the company				No of shares	% of total shares of the company
13	Sundaram Mutual Fund A/c Sundaram Smile Fund*	-	-	01.04.2014	-		-	-
				20.06.2014	865,090	purchase	865,090	0.88
				04.07.2014	10,000	purchase	875,090	0.89
				18.07.2014	19,247	purchase	894,337	0.91
				25.07.2014	40,764	purchase	935,101	0.95
				22.08.2014	47,811	purchase	982,912	1.00
				31.10.2014	129,595	purchase	1112507	1.13
				14.11.2014	50,000	purchase	1,162,507	1.18
				06.03.2015	31,389	purchase	1,193,896	1.21
		1,193,896	1.21	31.03.2015			1,193,896	1.21
14	Sundaram Mutual Fund A/c. Sundaram Select Microcap Services VI*	-	-	01.04.2014	-		-	-
				31.10.2014	1,054,512		1,054,512	1.07
				07.11.2014	-125,000	Transfer	929,512	0.94
		929,512	0.94	31.03.2015			929,512	0.94
15	Sundaram Mutual Fund A/c. Sundaram Select Microcap Services VII*	-	-	01.04.2014	-		-	-
				31.10.2014	465,893	purchase	465,893	0.47
		465,893	0.47	31.03.2015			465,893	0.47
16	Abbott Hotels Pvt. Ltd	550,000	0.56	01.04.2014			550,000	0.56
		550,000	0.56	31.03.2015			550,000	0.56
17	Radha Madhav Investments Ltd	503,689	0.51	01.04.2014			503,689	0.51
		503,689	0.51	31.03.2015			503,689	0.51

* Not in the list of Top 10 shareholders as on 1.4.2014. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31.03.2015

Ceased to be in the list of Top 10 shareholders as on 31.03.2015. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01.04.2014

(v) Shareholding of Directors & KMP

Sl. No	For Each of the Directors & KMP	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (1.4.14 to 31.3.15)	
		No.of shares at the beginning (1.4.14) / end of the year (31.3.15)	% of total shares of the company				No of shares	% of total shares of the company
A	DIRECTORS							
1	Dilip J Thakkar Chairman	-	-	1.4.2014	-	Nil Movement during the year	-	-
		-	-	31.3.2015	-		-	-
2	A.K.Himatsingka Vice Chairman	2,560,675	2.6	1.4.2014	-	Nil Movement during the year	-	-
		2,560,675	2.6	31.3.2015	-		2,560,675	2.6
3	Dr. K.R.S. Murthy Non-Executive Director	1,000	-	1.4.2014	-	Nil Movement during the year	-	-
		1,000	-	31.3.2015	-		1,000	-
4	Rajiv Khaitan Non-Executive Director	4,200	-	1.4.2014	-	Nil Movement during the year		
		4,200	-	31.3.2015	-		4,200	-
5	Berjis M Desai Non-Executive Director	-	-	1.4.2014	-	Nil Movement during the year	-	-
		-	-	31.3.2015	-		-	-
6	Dinesh Kumar Himatsingka Managing Director	11,135,424	11.31	1.4.2014	-	Nil Movement during the year	-	-
		11,135,424	11.31	31.3.2015	-		11,135,424	11.31
7	Aditya Himatsingka Executive Director	2,978,200	3.025	1.4.2014	-	Nil Movement during the year	-	-
		2,978,200	3.025	31.3.2015	-		2,978,200	3.02
8	Shrikant Himatsingka Executive Director	6,680,964	6.79	1.4.2014	-	Nil Movement during the year	-	-
		6,680,964	6.79	31.3.2015	-		6,680,964	6.79
9	Jayshree Poddar Executive Director (Appointed as a Director on 11.2.2015)	363,400	0.37	1.4.2014	-	Nil Movement during the year	-	-
		363,400	0.37	31.3.2015	-		363,400	0.37
B	Key Managerial Personnel (KMP's)							
1	K.P. Pradeep	-	-	1.4.2014	-	Nil Holding	-	-
		-	-	31.3.2015	-		-	-
2	Ashok Kumar Sharma	200	-	1.4.2014	-			
		200	-	31.3.2015	-	Nil Movement during the year	200	-

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	27,161.02	2,145.3	-	29,306.32
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	68.28	-	-	68.28
Total (i+ii+iii)	27,229.3	2,145.3	-	29,374.6
Change in Indebtedness during the financial year				
Additions	16,167.57	-	-	16,167.57
Reduction	6,768.23	700	-	7,468.23
Net Change	22,935.8	700	-	23,635.8
Indebtedness at the end of the financial year				
i) Principal Amount	36,401.14	1,445.3	-	37,846.44
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	227.5	-	-	227.5
Total (i+ii+iii)	36,628.64	1,445.3	-	38,073.94

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	Aditya Himatsingka	Shrikant Himatsingka	Jayshree Poddar	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	98.50	53.14	66.31	2.85	240.18
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.40	0.40	0.40	0.03	1.58
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2	Stock option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission as % of profit	168.75	68.33	168.75	2.75	408.58
5	Others, please specify	-	-	-	-	-
	Total (A)	267.65	121.86	235.45	5.63	630.59
	Ceiling as per the Act					1,280.93

B. Remuneration to other directors:

₹ In Lakhs

Sl. No	Particulars of Remuneration	Name of the Directors					Total Amount
1	Independent Directors	Dilip J Thakkar	Dr. K.R.S. Murthy	Rajiv Khaitan	Berjis M Desi	A.K. Himatsingka	
	(a) Fee for attending board committee meetings	1.10	1.40	1.20	0.10		3.80
	(b) Commission	10.00	5.00	5.00	5.00		25.00
	(c) Others, please specify	-	-	-	-		-
	Total (1)	11.10	6.40	6.20	5.10		28.80
2	Other Non Executive Directors						
	(a) Fee for attending board committee meetings					0.50	0.50
	(b) Commission					10.00	10.00
	(c) Others, please specify.					-	-
	Total (2)	-	-	-	-	10.50	10.50
	Total (B)=(1+2)	11.10	6.40	6.20	5.10	10.50	39.30
	Total Managerial Remuneration	11.10	6.40	6.20	5.10	10.50	39.30
	Overall Ceiling as per the Act.						110.77

C. Remuneration to key managerial personnel other than MD/Manager/WTD

₹ In Lakhs

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		K P Pradeep (CFO)	Ashok Sharma (Company Secretary)	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	117.04	38.77	155.81
	(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	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit	-	-	-
	others, specify			
5	Others, please specify			
	Total	117.43	39.17	156.61

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	NIL				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NIL				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
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

Dilip J Thakkar

Date: July 23, 2015

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).

Effective Date

The policy shall take effect 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 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 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.

B. 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.

C. 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.

D. 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, 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.

Dilip J. Thakkar

Dated : February 11, 2015

Effective Date : February 11, 2015

Annexure 5

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March 2015

[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, Bangalore - 56000

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, 2015, 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, 2015 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.

Place : Bengaluru

Date : May 22, 2015

VIVEK BHAT

Practicing Company Secretary
CP : 8426

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 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	Amount (₹ In lakhs)
1	Himatsingka America, Inc.	Wholly owned subsidiaries	Sale of goods (net)	Based on Transfer Pricing guidelines	24,890
			Interest income	Based on Transfer Pricing guidelines	1,188
			Claims	Based on Transfer Pricing guidelines	1,061
			Expenses incurred on behalf of	Based on Transfer Pricing guidelines	711
			Inter corporate loans given during the year	As per Agreement	13,371
			Inter corporate loans recovered during the year	As per Agreement	201
2	Divatex Home Fashion, Inc.	Wholly owned subsidiaries	Sale of goods (net)	Based on Transfer Pricing guidelines	32,969
			Claims	Based on Transfer Pricing guidelines	330
3	DWI Holdings, Inc.	Wholly owned subsidiaries	Sale of goods (net)	Based on Transfer Pricing guidelines	15,145
			Claims	Based on Transfer Pricing guidelines	318

Annexure 7

Conservation of energy:

			2014-15	2013-14
(A)	Power and fuel consumption:			
1.	Electricity			
a)	Purchased	Units	9,170,677	10,989,984
	Total amount	₹	61,597,338	68,938,889
	Rate / unit	₹	6.72	6.27
b)	Own generation			
i)	Through Diesel generator			
	Units	Units	97,351	27,436
	Units/ Litre of Diesel Oil	Units	11.25	3.17
	Cost / unit	₹	12.64	14.96
ii)	Through Steam turbine / Generator			
	Units	Units	97,271,434	69,538,264
	Cost / unit	₹	5.60	8.08
2.	Coal			
	Quantity	Tons	130,776	99,480
	Total amount	₹	570,213,407	421,809,292
	Average rate / tonne	₹	4,380	4,240
3.	Furnace oil			
	Quantity	KL	105	1,066
	Total amount	₹	4,768,881	47,897,684
	Average rate / KL	₹	45,427	44,947
4.	Other/Internal Generation			
a)	Liquefied Petroleum Gas			
	Quantity	Kg	330,720	374,718
	Total amount	₹	18,440,313	24,167,701
	Average rate / kg	₹	56	64
b)	Briquette Generation			
	Quantity	Kg	2,684,736	-
	Total amount	₹	15,392,050	-
	Average rate / kg	₹	6	-
(B)	Consumption:			
	Product			
(a)	Draperies and Upholstery fabric (per meter)			
	Electricity	Unit	8.79	7.99
	Furnace oil	Litre	1.00	1.03
	Coal / Others		Nil	Nil
	Reasons for variation: Due to changes in product-mix.			

			2014-15	2013-14
(b)	Spun Silk/ Blended yarns (per Kg)			
	Electricity	Units/Kg	20.45	21.17
	Furnace oil		Nil	Nil
	Liquefied Petroleum Gas	₹/Kg	64.80	32.40
	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	9.30	12.31
	Furnace oil	Liter/set	-	-
	Liquefied Petroleum Gas	₹/set	0.33	3.77
	Coal / Others	₹/set	109.23	71.67

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/KI to ₹28/KI 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 impact on 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 2013-14, the Company incurred ₹355.57 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)	88,627.59
Interest	1,190.81
Outgo	
Import of raw material and other inputs	26,035.50
Other expenses	2,474.01
Net foreign exchange earnings from operations	61,308.89
Import of capital goods	2,399.24

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

During the year, the Company has constituted a Corporate Social Responsibility (CSR) committee. The committee consists of the following directors:

- Dr. K R S Murthy - Chairman
- Mr. A K Himatsingka - Member
- Mr. D K Himatsingka - Member
- Mr. Shrikant Himatsingka - Member

3. Average net profit of the Company for last three financial years is ₹4,491.41 Lakhs.

4. The prescribed CSR expenditure for the year is ₹89.83 lakhs, taken at 2% of the abovementioned average net profit.

5. Details of CSR spent during the financial year

- a. Total amount to be spent for the financial year was ₹89.83 Lakhs
- b. Amount unspent at the end of the year was ₹88.83 Lakhs
- c. Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. 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 programs	Cumulative expenditure upto the reporting period	Amount spent direct or through implementing agency
1.	Donation towards student home for 4 children	Clause ii of Schedule VII	Bengaluru, Karnataka, (Local Area)	₹1,00,000	₹1,00,000 (as direct expenditure towards the project)	₹1,00,000	Spent through NGO - AIM for Seva, Bengaluru

6. The remaining amount has not been spent as the company was involved in engaging a credible agency and building a framework of CSR. The Company has subsequently shortlisted certain projects through its committee, for CSR and will expend the appropriate amount to facilitate the activity. The same had 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/-

D K Himatsingka
(Managing Director)

Sd/-

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

INDEPENDENT AUDITORS' 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, 2015, 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

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 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 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, 2015, 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 the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) 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 note 30 (a) (i) to the standalone financial statements;
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

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

S. Sundaresan
Partner
Membership No. 25776

BENGALURU, May 23, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

(i) In respect of its fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a programme 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 size of the Company and nature of its assets. Pursuant to the programme, certain fixed assets are physically verified by the management. According to information and explanation given to us, no material discrepancies were noticed on such verification.

(ii) In respect of its inventories:

- (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanation given to us, the Company has granted loans, secured or unsecured, to companies, firms, or other parties covered in the Register maintained under Section 189 of the Companies Act 2013. In respect of such loans:

- (a) The receipt of principal amounts and interest have been as per the stipulation.
- (b) There are no overdue amounts remaining outstanding as at the year-end.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and there were no unclaimed deposits as at March 31, 2015.

(vi) According to the information and explanations given to us in our opinion, the Company have, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under subsection (1) of Section 148 of the Companies Act, 2013. 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, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, , Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- (c) Details of dues of, Income-tax, Sales tax, Wealth tax, Service Tax, Custom duty, Excise duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 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	Income Taxes	Supreme Court	AY 1994-95	39.23
		High Court of Karnataka	AY 1995-96	125.75
		Commissioner of Income Tax (Appeals)	AY 2004-05	24.46
			AY 2006-07	23.68
			AY 2009-10	6.82
Central Excise Act	Excise Duty	Central Excise and Service Tax Appellate Tribunal	FY 2003-04 to 2008 - 09	265.40
			February 2009 to December 2009	71.40
		Commissioner of Central Excise	August 2012 to March 2013	32.58

- (d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (viii) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, prima facie, prejudicial to the interests of the Company.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (xii) 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 has been noticed or reported during the year.

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

S. Sundaresan
(Partner)
(Membership No. 25776)

BENGALURU, May 23, 2015

BALANCE SHEET

Himatsingka Seide Limited | As at March 31, 2015

	Note No.	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	4,922.86	4,922.86
Reserves and surplus	3	63,536.36	54,994.12
		68,459.22	59,916.98
Non-current liabilities			
Long-term borrowings	4	29,241.52	22,106.18
Other long-term liabilities	5	476.82	318.89
Long-term provisions	6	633.94	604.02
		30,352.28	23,029.09
Current liabilities			
Short-term borrowings	7	12,144.66	14,949.55
Trade payables	8	10,833.77	18,643.59
Other current liabilities	9	10,464.11	8,016.52
Short-term provisions	10	4,806.41	2,753.91
		38,248.95	44,363.57
TOTAL		137,060.45	127,309.64
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	33,902.18	36,380.88
Intangible assets	11	605.72	453.30
Capital work-in-progress		3,318.23	806.73
Intangible assets under development		330.42	139.41
		38,156.55	37,780.32
Non-current investments	12	39,541.07	35,825.83
Deferred tax asset (net)	13	102.97	102.97
Long-term loans and advances	14	31,733.33	15,913.80
Other non-current assets			
Long-term trade receivables (Refer Note 28)		-	1,541.43
		109,533.92	91,164.35
Current assets			
Inventories	15	14,990.14	19,483.03
Trade receivables	16	6,091.55	10,612.46
Cash and cash equivalents	17	1,039.94	1,106.90
Short-term loans and advances	18	1,983.58	2,197.57
Other current assets	19	3,421.32	2,745.33
		27,526.53	36,145.29
TOTAL		137,060.45	127,309.64

See accompanying notes 1 to 39 forming part of the financial statements

In terms of our audit report attached

for Deloitte Haskins & Sells

Chartered Accountants

S.Sundaresan

Partner

Bengaluru,

Date: May 23, 2015

Dilip J. Thakkar

Chairman

DIN : 00007339

Shrikant Himatsingka

Executive Director

DIN : 00122103

A.K.Himatsingka

Vice Chairman

DIN : 00183698

Pradeep K.P.

Chief Financial Officer

Bengaluru,

Date: May 23, 2015

For and on behalf of the Board of Directors

D.K.Himatsingka

Managing Director

DIN : 00139516

Ashok Sharma

Company Secretary

STATEMENT OF PROFIT AND LOSS

Himatsingka Seide Limited | For the year ended March 31, 2015

	Note No.	For the year ended 31.03.2015 ₹ in lakhs	For the year ended 31.03.2014 ₹ in lakhs
Revenue from operations	20	95,139.17	98,682.99
Less: Excise duty		298.41	314.29
		94,840.76	98,368.70
Other income	21	3,728.27	1,252.51
Total revenue		98,569.03	99,621.21
Expenses:			
Cost of materials consumed	22A	49,547.63	62,397.51
Purchase of traded goods	22B	2,977.85	808.69
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	2,004.02	(3,123.58)
Employee benefit expenses	24	9,810.88	9,620.18
Interest and finance costs	25	4,505.29	4,676.41
Depreciation and amortization expenses	11	3,541.39	4,645.34
Other expenses	26	15,247.93	14,764.29
Total expenses		87,634.99	93,788.84
Profit before exceptional items and tax		10,934.04	5,832.37
Exceptional items - gain	36	-	47.00
Profit before tax		10,934.04	5,879.37
Tax expense:			
Current tax		2,326.00	1,195.00
Minimum alternate tax credit entitlement		(2,326.00)	(1,195.00)
Provision for tax relating to prior years		-	-
Deferred tax		-	(4.18)
Profit for the year		10,934.04	5,883.55
Basic and diluted earnings per equity share (₹) (Par value of ₹5 each)	33	11.11	5.98

See accompanying notes 1 to 39 forming part of the financial statements

In terms of our audit report attached

for Deloitte Haskins & Sells

Chartered Accountants

Dilip J. Thakkar

Chairman

DIN : 00007339

A.K.Himatsingka

Vice Chairman

DIN : 00183698

D.K.Himatsingka

Managing Director

DIN : 00139516

S.Sundaresan

Partner

Shrikant Himatsingka

Executive Director

DIN : 00122103

Pradeep K.P.

Chief Financial Officer

Ashok Sharma

Company Secretary

Bengaluru,

Date: May 23, 2015

Bengaluru,

Date: May 23, 2015

For and on behalf of the Board of Directors

CASH FLOW STATEMENT

Himatsingka Seide Limited | For the year ended March 31, 2015

	For the year Ended 31.03.2015 ₹ in lakhs	For the year Ended 31.03.2014 ₹ in lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	10,934.04	5,879.37
(Profit)/loss on sale of assets	(400.47)	11.94
Profit on sale of investments	(87.76)	(84.66)
Investment written off (Refer note 36 (b))	-	1,189.00
Depreciation and amortisation expense	3,541.39	4,645.34
Exchange loss on non-operating activities	(34.76)	(499.99)
Interest income	(1,283.47)	(947.32)
Interest and finance costs	4,505.29	4,676.41
Operating cash profit before working capital changes	17,174.26	14,870.09
(Increase)/decrease in trade and other receivables	6,062.34	(3,952.58)
(Increase)/decrease in inventories	4,492.89	(5,045.12)
(Increase)/decrease in short-term loans and advances, long-term loans and advances and other current assets	421.70	(1,324.06)
Increase/(decrease) in current and non current liabilities and provisions	(7,045.70)	6,485.41
Cash generated from operations	21,105.49	11,033.74
Income tax (paid) /refund	(1,252.30)	(765.84)
Net cash from operations	19,853.19	10,267.90
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Investment in wholly owned subsidiary	(1,852.56)	-
Share application money	(1,862.68)	(1,855.27)
Purchase of investments	(8,529.06)	(9,290.74)
Sale of investments	8,616.82	9,375.40
Loans to subsidiaries (net)	(13,255.28)	(400.00)
Purchase of fixed assets	(3,988.61)	(1,320.14)
Sale proceeds of fixed assets	934.22	3.05
Interest received	595.08	1,696.92
Net cash from investing activities	(19,342.07)	(1,790.78)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Interest and finance costs paid	(5,051.25)	(5,751.38)
Subsidy received	662.43	808.51
Proceeds from long-term borrowings	15,800.11	524.00
Repayment of long-term borrowings	(7,399.98)	(6,979.65)
Proceeds/(repayment) of short-term borrowings	(2,853.27)	3,716.74
Dividends paid	(1,485.13)	(987.61)
Tax on Distributed Profits	(250.99)	(167.33)
Net cash from financing activities	(578.08)	(8,836.72)
Total (Decrease)/increase in cash and cash equivalents	(66.96)	(359.60)
Cash and cash equivalents at the beginning of the period	1,106.90	1,466.50
Cash and cash equivalents at the end of the year (Refer Note 37)	1,039.94	1,106.90

In terms of our audit report attached

for Deloitte Haskins & Sells

Chartered Accountants

S.Sundaresan

Partner

Bengaluru,

Date: May 23, 2015

Dilip J. Thakkar

Chairman

DIN : 00007339

Shrikant Himatsingka

Executive Director

DIN : 00122103

Bengaluru,

Date: May 23, 2015

For and on behalf of the Board of Directors

A.K.Himatsingka

Vice Chairman

DIN : 00183698

Pradeep K.P.

Chief Financial Officer

D.K.Himatsingka

Managing Director

DIN : 00139516

Ashok Sharma

Company Secretary

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, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. 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 on straight line method as follows:

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

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SHARE CAPITAL

Authorised

134,000,000 equity shares of ₹5 each
(Previous year: 134,000,000 equity shares of ₹5 each)

Issued

98,496,160 equity shares of ₹5 each fully called up
(Previous year: 98,496,160 equity shares of ₹5 each)

Subscribed and paid-up

98,457,160 equity shares of ₹5 each fully paid up
(Previous year: 98,457,160 equity shares of ₹5 each)

	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
	6,700.00	6,700.00
	4,924.81	4,924.81
	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 attaching 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 exist. 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	11,135,424	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, 2015 and 2014.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - RESERVES AND SURPLUS

	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Capital reserve	620.88	620.88
Securities premium account	27,675.71	27,675.71
Debt redemption reserve		
Opening balance	800.00	400.00
Add: Transferred from Statement of profit and loss	400.00	400.00
Closing balance	1,200.00	800.00
General reserve		
Opening balance	15,670.17	15,081.67
Add: Transferred from Statement of profit and loss	-	588.50
Closing balance	15,670.17	15,670.17
Hedge reserve		
Opening balance	791.12	210.01
Add: Effect of foreign exchange rate variations on hedging instruments transferred during the year	(2,432.44)	(3,384.47)
Less: Transferred to Statement of profit and loss	(2,520.96)	(3,965.58)
Closing balance (Refer Note 35(1)(a) and 35(2))	879.64	791.12
Surplus in Statement of Profit and Loss		
Opening balance	9,436.24	6,269.04
Add: Transferred from surplus in Statement of profit and loss	10,934.04	5,883.55
Less: Transitional provision towards depreciation (Refer Note 38)	99.14	-
Less: Transferred to Debt redemption reserve	400.00	400.00
Less: Transferred to General Reserve	-	588.50
Less: Proposed dividend	1,969.14	1,476.86
Less: Tax on proposed dividend	412.04	250.99
	17,489.96	9,436.24
	63,536.36	54,994.12

NOTE 4 - LONG TERM BORROWINGS

Secured		
Term loan from financial institution (Refer (i) below)	7,168.86	8,273.58
Term loan from banks (Refer (i) below)	21,272.66	12,387.30
Unsecured		
Non-Convertible Debentures (Refer (i) below)	800.00	1,200.00
Loan from related parties (Refer (i) below)	-	245.30
	29,241.52	22,106.18

NOTES TO FINANCIAL STATEMENTS

Notes:

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

	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Term loan from financial institution		
Exim Bank - Loan 1	2,727.27	5,454.54
[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, 2015 was 4 installments]		
[Interest rate : Long term minimum lending rate plus 100 basis points p.a.]		
[The amount includes the current maturity of ₹2,727.27 lakhs (Previous year: ₹2,727.27 lakhs) included in Note 9]		
Exim Bank - Loan 2	-	138.28
[Nature of security : Secured by charge over certain moveable and immovable fixed assets, both present and future]		
[Repayment terms : 32 Quarterly installments commencing 2 years from the date of first disbursement. The outstanding term as of March 31, 2015 was Nil]		
[Interest rate : 8% p.a.]		
[The amount includes the current maturity of ₹Nil (Previous year: ₹138.28 lakhs) included in Note 9]		
Exim Bank - Loan 3	1,658.95	1,815.54
[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, 2015 was 21 installments]		
[Interest rate : Long term minimum lending rate plus 210 basis points p.a.]		
[The amount includes the current maturity of ₹250.56 lakhs (Previous year: ₹156.59 lakhs) included in Note 9]		
Exim Bank - Loan 4	3,508.82	3,363.36
[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, 2015 was 20 installments]		
[Interest rate : Libor (6 months) plus 550 bps p.a.]		
[The amount includes the current maturity of ₹701.77 lakhs (Previous year: ₹ Nil) included in Note 9]		

NOTES TO FINANCIAL STATEMENTS

	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Term loan from financial institution (contd.)		
Exim Bank - Loan 5	1,884.42	524.00
[Nature of security : First pari passu charge on certain moveable and immovable 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, 2015 was 32 installments]		
[Interest rate : Long term minimum lending rate plus 150 basis points]		
[The amount includes the current maturity of ₹45.31 lakhs (Previous year: ₹ Nil) included in Note 9]		
Exim bank - Loan 6	1,069.00	-
[Nature of security : First pari passu charge on certain fixed assets (both moveable and immovable) of the company (in both units) including the proposed project assets, both present and future excluding the fixed assets charged on exclusive basis. The said security is hypothecated with Bank post balance sheet date.]		
[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, 2015 was 28 installments]		
[Interest rate : Long term minimum lending rate plus 125 basis points]		
Total - Term loans from financial institutions	10,848.46	11,295.72
Term loans from bank:		
Canara Bank - Loan 1	4,770.00	7,498.00
[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, 2015 was 7 installments]		
[Interest rate : Base rate plus 300 basis points p.a.]		
[The amount includes the current maturity of ₹2,728 lakhs (Previous year: ₹2,728 lakhs) included in Note 9]		
Canara Bank - Loan 2	2,812.50	3,562.50
[Nature of security : Secured by charge over certain moveable and immovable fixed assets, both present and future]		
[Repayment terms : 32 Quarterly installments commencing 2 years from the date of first disbursement. The outstanding term as of March 31, 2015 was 15 installments]		
[Interest rate : Base rate plus 400 basis points p.a.]		
[The amount includes the current maturity of ₹750 lakhs (Previous year: ₹750 lakhs) included in Note 9]		

NOTES TO FINANCIAL STATEMENTS

	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Term loans from bank: (contd.)		
ICICI Bank - Loan 3	4,812.10	4,804.80
[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, 2015 was 21 installments]		
[Interest rate : Libor (6 months) plus 495 basis points p.a.]		
[The amount includes the current maturity of ₹802.02 lakhs (Previous year: ₹Nil) included in Note 9]		
Axis Bank - ECB	13,158.08	-
[Nature of security : Secured by charge over certain fixed assets and pledge of shares of wholly owned subsidiary]		
[Interest rate : Libor (3 months) plus 495 basis p.a.]		
[Repayment terms : 20 quarterly installments after initial moratorium period of 2 years with ballooning provision at 5th, 10th, 15th, 19th & 20th installments]		
Total - Term loans from bank	25,552.68	15,865.30
Debentures issued by the Company		
11.25 % Non - convertible and redeemable debentures	1,200.00	1,600.00
[Redemption terms : In four equal annual installments commencing 2 years from the date of issue. The outstanding term as of March 31, 2015 was 3 installments]		
[The amount includes the current maturity of ₹400 lakhs (Previous year: ₹400 lakhs) included in Note 9]		
	1,200.00	1,600.00
Loan from related parties:		
Credit Himatsingka Private Limited	245.30	545.30
Repayment terms : 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, 2015 was 10 installments		
[Interest rate : 8% p.a.]		
[The amount includes the current maturity of ₹245.3 lakhs (Previous year: ₹300 lakhs) as referred in Note 9]		
Total - Loan from related parties	245.30	545.30
Total long term borrowings including current maturities	37,846.44	29,306.32

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

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - OTHER LONG TERM LIABILITIES

Towards gratuity

As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
476.82	318.89
476.82	318.89

NOTE 5A - EMPLOYEE BENEFITS

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 (ICICI Prudential Life Insurance). 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.

	31.03.2015	31.03.2014
Change in defined benefit obligation during the year		
Projected Benefit Obligation at the beginning of the year	980.57	871.29
Service cost	87.61	81.64
Interest cost	84.43	68.86
Liabilities assumed on acquisition	-	0.41
Benefits paid	(87.17)	(48.92)
Actuarial loss	105.98	7.29
Projected Benefit Obligation at the end of the year	1,171.42	980.57
Change in fair value of assets during the year		
Fair value of plan assets at the beginning of the year	661.68	660.59
Expected return on plan assets	47.80	49.43
Employer contributions	-	-
Benefits paid	(67.18)	(48.92)
Actuarial gain	52.30	0.58
Fair value of plan assets at the end of the year	694.60	661.68
Composition of plan assets is as follows		
Insurer managed funds - invested in 80% debt funds and 20% equity	694.60	661.68
Funded status [Deficit]	476.82	318.89
Unrecognized past service costs	-	-
Recognized liability (unfunded obligations)	476.82	318.89
Less: Current portion of liability	-	-
Non-current liability	476.82	318.89
Estimate of amount of contribution in the immediate next year	-	100.00
Net gratuity cost for the year ended is as follows		
Service cost	87.61	81.64
Interest cost	84.43	68.86
Expected return on plan assets	(47.80)	(49.43)
Actuarial loss	53.68	6.70
Net gratuity cost	177.92	107.77
Actual return on plan assets	102.03	61.46
Actuarial assumptions at the valuation date:		
a) Discount rate (p.a.) *	8.00%	8.85%
b) Expected rate of return on assets (p.a.)**	8.00%	8.00%
c) Salary escalation rate ***	6.00%	6.00%
d) Retirement age	58 yrs	58 yrs

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

f) 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

NOTES TO FINANCIAL STATEMENTS

Five year data:	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Projected benefit obligation	1,171.42	980.57	871.29	707.72	620.94
Plan assets	694.60	661.68	660.59	569.92	552.65
Surplus/(deficit)	(476.82)	(318.89)	(210.70)	(137.80)	(68.29)
Exp. adj. on plan liabilities	26.01	71.84	55.86	(1.55)	(25.18)
Exp. adj. on plan assets	54.23	12.03	26.35	25.73	(8.89)

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.

	31.03.2015	31.03.2014
Provident fund	450.97	452.99
Employee state insurance scheme*	256.91	7.56
Superannuation fund	18.11	20.80

*Note : Included as part of 'Workmen and staff welfare expenses' in Note 24 Employee benefit expense

NOTE 6 - LONG TERM PROVISIONS

	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Provision for taxes (Net of advance tax ₹263.39 lakhs (Previous year: ₹263.39 lakhs))	390.61	390.61
Provision for accumulated leave credits (Refer Note 6A)	243.33	213.41
	633.94	604.02

NOTE 6A - FINANCIAL ASSUMPTIONS ON VALUATION DATE

Current portion	115.34	87.67
Non-current portion	243.33	213.41
Total provision	358.67	301.08

* Actuarial assumptions considered to determine the provision required is same as gratuity provision (Refer Note 5A)

NOTE 7 - SHORT TERM BORROWINGS

Working capital loan from banks (secured)		
ICICI Bank (Packing credit)	3,292.41	2,696.53
Canara Bank (Packing credit)	3,160.03	2,788.41
HSBC Bank (Packing credit)	4,186.18	7,107.43
ICICI Bank (Buyers credit)	1,506.04	2,357.18
(Working capital limits are secured against present and future stock and book debts on pari-passu basis.)		
	12,144.66	14,949.55

NOTE 8 - TRADE PAYABLES

Trade Payables	10,833.77	18,643.59
	10,833.77	18,643.59
(i) Includes dues to subsidiaries		
Himatsingka Wovens Private Limited	18.75	11.93
Giuseppe Bellora S.p.A.	207.74	32.24
Divatex Home Fashion, Inc.	70.61	-
DWI Holdings, Inc.	181.17	120.90
(ii) Includes dues to Directors	446.85	164.00

NOTES TO FINANCIAL STATEMENTS

NOTE 8A

Information related to micro, small and medium enterprises

	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	185.71	140.29
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.28	4.44
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	321.04	1,633.30
(iv) The amount of interest due and payable for the year	5.94	61.92
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	21.24	98.25
(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	3.92	-

NOTE 9 - OTHER CURRENT LIABILITIES

Current maturities of long term debt (Refer note 4(i))

Term loan from financial institution (Secured)	3,679.60	3,022.14
Term loan from banks (Secured)	4,280.02	3,478.00
Loan from related parties (Unsecured)	245.30	300.00
Non-Convertible Debentures (Unsecured)	400.00	400.00

	8,604.92	7,200.14
Interest accrued but not due on borrowings	227.50	68.28
Unpaid dividend	12.71	20.98
Other liabilities		
Taxes	49.41	71.25
Payables on purchase of fixed assets	507.49	36.51
Employees	80.59	68.37
Advances received from customers	127.29	210.92
Advances from subsidiaries		
Himatsingka America, Inc.	854.20	290.57
Payable on mark to market of fair value derivatives (Refer note 35 (3))	-	49.50
	10,464.11	8,016.52

NOTE 10 - SHORT TERM PROVISIONS

Provision for accumulated leave credits (Refer note 6A)	115.34	87.67
Provision for losses on derivative contracts (Refer note 35 (2))	55.19	14.69
Provision for taxes (Net of advance tax ₹221.29 lakhs (Previous year: ₹333.30 lakhs))	2,254.70	923.70
Provision for dividend	1,969.14	1,476.86
Provision for tax on proposed dividend	412.04	250.99
	4,806.41	2,753.91

NOTES TO FINANCIAL STATEMENTS

NOTE 11 - FIXED ASSETS

₹ in lakhs

Particulars	Gross block			Depreciation				Net block		
	Balance as at 01.04.2014	Additions	Deletions	Balance as at 31.03.2015	Balance as at 01.04.2014	For the year	On deletions	Other Adjust- ments **	Balance as at 31.03.2015	Balance as at 31.03.2014
Tangible Assets										
Owned:										
Land*	747.38 (747.38)	-	-	747.38 (747.38)	-	-	-	-	747.38 (747.38)	747.38 (747.38)
Buildings	13,602.51 (13,427.18)	59.83 (175.33)	-	13,662.34 (13,602.51)	3,132.21 (2,688.06)	633.88 (444.15)	-	83.79	3,849.88 (3,132.21)	10,470.30 (10,739.12)
Plant and machinery	58,540.76 (58,081.56)	1,492.98 (490.80)	1,919.63 (31.60)	58,114.11 (58,540.76)	35,121.74 (31,196.35)	2,637.22 (3,942.17)	1,385.88 (16.78)	-	36,373.08 (35,121.74)	23,419.02 (26,885.21)
Furniture and fixtures	622.35 (613.27)	8.21 (9.46)	-	630.56 (622.35)	450.78 (399.47)	48.29 (51.69)	-	-	499.07 (450.78)	131.49 (171.57)
Leasehold improvements	103.30 (103.30)	-	-	103.30 (103.30)	97.71 (95.48)	2.31 (2.23)	-	-	100.02 (97.71)	5.59 (7.82)
Office equipments	1,115.10 (1,071.88)	54.38 (43.22)	-	1,169.48 (1,115.10)	909.29 (830.18)	73.46 (79.11)	-	15.35	998.10 (909.29)	205.81 (241.70)
Vehicles	145.46 (88.55)	-	21.00 (4.68)	124.46 (145.46)	62.22 (53.16)	26.73 (13.57)	21.00 (4.51)	-	67.95 (62.22)	83.24 (35.39)
Taken on operating lease :										
Land	1,183.65 (1,171.84)	-	-	1,183.65 (1,183.65)	113.37 (93.48)	20.00 (19.89)	-	-	133.37 (113.37)	1,070.28 (1,078.36)
Given on operating lease :										
Buildings	578.36 (578.36)	-	-	578.36 (578.36)	370.67 (351.35)	19.32 (19.32)	-	-	389.99 (370.67)	207.69 (227.01)
Total	76,638.87 (75,883.32)	1,615.40 (792.21)	1,940.63 (36.66)	76,313.64 (76,638.87)	40,257.99 (35,707.53)	3,461.21 (4,572.13)	1,406.88 (21.67)	99.14 -	42,411.46 (40,257.99)	36,380.88 (40,175.79)
Intangible Assets - Others										
Software and other related costs	696.72 (673.77)	232.60 (22.95)	-	929.32 (696.72)	243.42 (170.21)	80.18 (73.21)	-	-	323.60 (243.42)	453.30 (503.56)
Total	696.72 (673.77)	232.60 (22.95)	-	929.32 (696.72)	243.42 (170.21)	80.18 (73.21)	-	-	323.60 (243.42)	453.30 (503.56)
Previous year - Intangible Total Fixed Assets	77,335.59 (76,557.09)	1,848.00 (815.16)	1,940.63 (36.66)	77,242.96 (77,335.59)	40,501.41 (35,877.74)	3,541.39 (4,645.34)	1,406.88 (21.67)	99.14 -	42,735.06 (40,501.41)	36,834.18 (40,679.35)

* 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.

** Refer Note 38 for transitional provision towards depreciation

Figures in brackets represent previous year numbers

NOTES TO FINANCIAL STATEMENTS

NOTE 12 - NON CURRENT INVESTMENTS

Investments, at cost

Trade (Unlisted, unquoted)

Investment in equity instruments of subsidiary companies

	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Himatsingka Wovens Private Limited	1,164.12	1,164.12
Equity shares of ₹100 each fully paid up [No. of shares: 1,250,000 (Previous year: 1,250,000)]		
Himatsingka America, Inc.	20,240.33	20,240.33
Equity shares of USD 10,000 each fully paid up [No. of shares: 4,650 (Previous year: 4,650)]		
Twill & Oxford LLC	37.35	37.35
Equity shares of AED 100 each fully paid up [No. of shares: 1,470 (Previous year: 1,470)]		
Giuseppe Bellora S.p.A.	8,728.06	6,875.50
Equity shares of Euro 1 each fully paid up [No. of shares: 7,515,501 (Previous year: 7,515,501)]		
Share application money (Giuseppe Bellora S.p.A.) net (Refer note 36)	9,371.21	7,508.53
	39,541.07	35,825.83

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	(4,105.34)	(4,037.09)
--	------------	------------

Tax effect of items constituting deferred tax assets

Provision for compensated absences, gratuity and other employee benefits	215.52	102.97
Unabsorbed depreciation	3,992.79	4,037.09
	102.97	102.97

Deferred tax asset/(liability) net

The Company has recognized a deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax.

NOTE 14 - LONG TERM LOANS AND ADVANCES

(unsecured, considered good)

Security deposits	354.22	359.06
Advance income tax [net of provisions ₹3,145.93 lakhs (Previous year ₹1,888.93 lakhs)]	498.99	391.69
Loans to subsidiaries*		
Himatsingka Wovens Private Limited [Maximum amount outstanding during the year ₹1,000 lakhs (Previous year: ₹926 lakhs)]	1,000.00	926.00
Himatsingka America, Inc. [Maximum amount outstanding during the year ₹24,145.65 lakhs (Previous year: ₹11,593.62 lakhs)]	23,859.98	10,450.44
MAT credit entitlement	5,753.57	3,427.57
Loans and advances to employees	139.13	140.67
Capital advances to vendors	127.44	218.37
	31,733.33	15,913.80

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

NOTES TO FINANCIAL STATEMENTS

NOTE 15 - INVENTORIES

	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Raw materials	1,887.99	3,555.49
Raw materials - in transit	708.48	1,526.17
	2,596.47	5,081.66
Work-in-progress	8,113.74	11,160.36
Finished goods	3,030.08	1,987.48
Stores and spares	1,249.85	1,253.53
Stores and spares - in transit	-	-
	12,393.67	14,401.37
	14,990.14	19,483.03
Details of inventory of work-in-progress		
Drapery and upholstery fabric	1,616.91	1,678.38
Bed linen	6,391.52	9,307.12
Silk/blended yarn	105.31	174.86
	8,113.74	11,160.36
Details of inventory of Finished goods		
Drapery and upholstery fabric	1,263.03	1,434.44
Bed linen sets	1,581.84	499.94
Silk/blended yarn	185.21	53.10
	3,030.08	1,987.48

NOTE 16 - TRADE RECEIVABLES

(Unsecured, considered good)

Outstanding for a period exceeding six months from the date they were due for payment*	272.32	490.35
Others **	5,819.23	10,122.11
	6,091.55	10,612.46
* includes dues from subsidiaries Giuseppe Bellora S.p.A	-	268.35
** includes dues from subsidiaries Himatsingka America, Inc.	1,879.88	1,691.04
Himatsingka Wovens Private Limited	1,417.99	878.61
Divatex Home Fashion, Inc.	-	3,494.02
Giuseppe Bellora S.p.A.	-	557.54
DWI Holdings, Inc.	868.23	3,455.73

NOTE 17 - CASH AND CASH EQUIVALENTS

Cash in hand	15.06	12.49
Balances with banks		
in current account	871.67	1,008.43
in deposit account	140.50	65.00
in Earmarked accounts		
Unpaid dividend account	12.71	20.98
	1,039.94	1,106.90
Of the above, the balances that meet the definition of cash and cash equivalents as per AS3 Cash flow statement is	1,027.23	1,085.92

NOTES TO FINANCIAL STATEMENTS

NOTE 18 - SHORT TERM LOANS AND ADVANCES

(unsecured, considered good)

	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Security deposits	66.24	28.48
Interest subsidy receivable	979.35	790.41
Prepaid expenses	73.25	300.51
Loans and advances to employees	103.70	95.50
Balances with Government authorities		
VAT credit receivable	213.60	215.84
Cenvat and service tax receivable	202.52	269.60
CST receivable	9.99	13.87
Entry tax receivable	10.00	10.00
Others	106.37	106.37
Advances to vendors	146.28	351.34
Advances to subsidiaries		
Himatsingka Wovens Private Limited	1.62	-
Giuseppe Bellora S.p.A	17.75	-
Divatex Home Fashion, Inc.	40.98	10.51
DWI Holdings, Inc.	11.93	5.14
	1,983.58	2,197.57

NOTE 19 - OTHER CURRENT ASSETS

Advances recoverable in cash or in kind or for value to be received	12.07	15.07
Interest receivable *	766.95	78.56
Power subsidy receivable (Refer note 36 (a))	1,236.00	1,236.00
Subsidy under Focus product and Status holder incentive schemes	295.52	353.17
Receivable on Mark to market of fair value derivative	1,110.78	1,062.53
	3,421.32	2,745.33

* includes interest due from subsidiaries

Himatsingka Wovens Private Limited	72.92	-
Himatsingka America, Inc.	646.88	23.20
Giuseppe Bellora S.p.A.	47.15	55.36

NOTES TO FINANCIAL STATEMENTS

NOTE 20 - REVENUE FROM OPERATIONS

Sale of products (Refer Note i)

Other operating income (Refer Note ii)

Less: Excise duty

Notes :

(i) Sale of products (net of excise duty) comprises of :

Manufactured goods

Drapery and upholstery

Fabric

Silk/ Blended Yarn

Bed linen

Fabric

Sheet sets

Traded goods

Bed linen - fabric

Total

(ii) Other operating income comprises of :

Sale of power

Sale of waste / scrap

Income under Focus Product and Status Holder incentive Scheme

Government grants

Corporate expense recovered from subsidiary

NOTE 20A - FOREIGN CURRENCY EARNINGS

Revenue from operations

Exports on FOB basis - net of returns (includes deemed export sales)

Other Income

Interest income

NOTE 21 - OTHER INCOME

Interest income

Interest on inter corporate loan

Interest others

Net gain on foreign currency transactions and translation

Other non-operating income

Profit on sale of assets

Profit on sale of current investments

Rent income

Liabilities/provisions no longer required written back

Miscellaneous income

	For the year ended 31.03.2015 ₹ in lakhs	For the year ended 31.03.2014 ₹ in lakhs
	91,685.51	96,123.69
	3,453.66	2,559.30
	95,139.17	98,682.99
	298.41	314.29
	94,840.76	98,368.70
	11,476.12	10,765.95
	1,083.94	1,232.14
	911.33	862.95
	74,804.43	82,120.22
	88,275.82	94,981.26
	3,111.28	828.14
	3,111.28	828.14
	91,387.10	95,809.40
	2,077.52	976.43
	705.50	689.86
	70.63	360.21
	-	2.80
	600.00	530.00
	3,453.65	2,559.30
	88,627.59	93,102.89
	88,627.59	93,102.89
	1,190.81	901.26
	1,190.81	901.26
	1,271.84	947.19
	11.63	0.13
	1,844.20	-
	400.47	-
	87.76	84.66
	51.92	36.34
	58.59	-
	1.86	184.19
	3,728.27	1,252.51

NOTES TO FINANCIAL STATEMENTS

NOTE 22 - COST OF MATERIALS CONSUMED AND PURCHASES OF STOCK IN TRADE

A. Raw material and packing material consumed

	For the year ended 31.03.2015 ₹ in lakhs	For the year ended 31.03.2014 ₹ in lakhs
Opening stock	5,081.66	3,630.08
Add : Purchases	39,463.16	55,326.87
	44,544.82	58,956.95
Less : Closing stock	2,596.47	5,081.66
	41,948.35	53,875.29
Dyes, chemicals and accessories consumed	7,599.28	8,522.22
Raw material and packing material consumed *	49,547.63	62,397.51

B. Purchase of traded goods - Bed linen

	2,977.85	808.69
--	----------	--------

Material consumed comprises:

Raw materials, packing materials and chemicals consumed

Silk yarn	2,859.36	2,655.54
Silk waste / tops	1,108.73	984.55
Cotton fabric	2,240.35	16,224.04
Cotton yarn	35,610.64	33,354.26
Others	7,728.55	9,179.12
	49,547.63	62,397.51

* The Raw material and packing material consumed in current year is net off ₹64.19 lakhs (Previous year ₹24.94 lakhs) capitalised as Intangible asset under development.

Value of imported and indigenous raw materials and packing materials consumed

Imported	27,306.08	24,786.61
Percentage to the total consumption	55%	40%
Indigenous	22,241.55	37,610.90
Percentage to the total consumption	45%	60%
	49,547.63	62,397.51

CIF value of imports

Raw materials and chemicals	25,590.92	24,080.40
Components, spares and others	444.58	338.64
Capital goods	2,399.24	220.64
	28,434.74	24,639.68

Note: The value of imports is as per customer copies of bills/licenses which, is certified by the Company to the auditors and covers the entire imports during the year excluding goods in transit.

NOTE 23 - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Opening stock		
Finished goods	1,987.48	1,325.58
Work in progress	11,160.36	8,698.68
Closing stock :		
Finished goods	3,030.08	1,987.48
Work in progress	8,113.74	11,160.36
Net (increase) / decrease	2,004.02	(3,123.58)

NOTES TO FINANCIAL STATEMENTS

	For the year ended 31.03.2015 ₹ in lakhs	For the year ended 31.03.2014 ₹ in lakhs
NOTE 24 - EMPLOYEE BENEFIT EXPENSES		
Salaries and wages	8,316.04	8,284.96
Contribution to provident and other funds	647.09	569.39
Workmen and staff welfare expenses	1,050.83	934.52
Less: Expenses capitalized (Refer Note 31)	(203.08)	(168.69)
	9,810.88	9,620.18
NOTE 25 - INTEREST AND FINANCE COSTS		
Interest expense on :		
Borrowings		
Interest on term loan (net of subsidy under TUFs ₹851.37 lakhs (Previous year: ₹1,093.58 lakhs))	2,064.81	1,745.57
Interest on Non-Convertible Debentures	153.25	180.00
Interest on working capital loans	1,745.80	817.90
Interest on delayed payment of Income tax	150.00	62.00
Trade payables	5.94	66.35
Other borrowing costs - Finance charges	245.53	657.52
Net loss on foreign currency transactions and translation	139.96	1,147.07
	4,505.29	4,676.41
NOTE 26 - OTHER EXPENSES		
Power and fuel	6,917.70	5,896.76
Consumption of stores and spare parts (Refer Note 26A)	1,072.48	832.95
Job work charges	194.95	475.23
Other manufacturing expenses	775.96	781.43
Rent	438.67	388.55
Travelling and conveyance	985.08	887.44
Communication expenses	115.36	116.12
Printing and stationery	75.93	49.75
Insurance	127.00	119.02
Repairs and maintenance		
Plant and machinery	395.28	337.76
Building	194.07	122.05
Others	63.24	63.20
Rates and taxes	90.69	70.14
Professional and consultancy charges (Refer Note 26B)	355.37	285.30
Bank charges	59.41	59.38
Contribution and donation*	18.95	3.45
Advertisement and publicity	12.02	11.33
Bad trade and other receivables, loans and advances written off	-	-
Selling and distribution		
Commission on sales	169.71	310.18
Selling expenses	1,997.47	190.87
Freight outward, net of reimbursement	1,019.26	1,411.67
Net loss on foreign currency transactions and translation	-	2,050.10
Other expenses	344.15	327.97
Loss on sale of asset	-	11.94
Less: Expenses capitalized (Refer Note 31)	(174.82)	(38.30)
	15,247.93	14,764.29

* Note: The current year amount includes expenses towards Corporate Social Responsibility ₹1 lakh.

NOTES TO FINANCIAL STATEMENTS

NOTE 26A - VALUE OF IMPORTED AND INDIGENOUS STORES AND SPARES CONSUMED

	For the year ended 31.03.2015 ₹ in lakhs	For the year ended 31.03.2014 ₹ in lakhs
Imported	317.86	263.94
Percentage to the total consumption	30%	32%
Indigenous	754.62	569.01
Percentage to the total consumption	70%	68%
	1,072.48	832.95

NOTE 26B - PROFESSIONAL AND CONSULTANCY CHARGES INCLUDE PAYMENT TO AUDITORS

Statutory auditor		
Audit fees	42.00	42.00
Tax audit fees	4.00	3.00
Taxation matters	6.00	2.05
Other services	3.20	-
Service tax	7.76	6.26
Out of pocket expenses	4.84	2.24
	67.80	55.55

NOTE 26C - EXPENDITURE IN FOREIGN CURRENCY

Travel	91.21	12.98
Commission on sales	168.46	301.62
Professional and other service charges	4.80	22.82
Interest	712.55	476.77
Export Claim & Discounts	1,470.66	72.40
Others	26.33	21.25
	2,474.01	907.84

NOTE 27 - SEGMENT REPORTING

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

NOTES TO 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 America, Inc. (Hima) Divatex Home Fashion, Inc. (Divatex) DWI Holdings, Inc. (DWI) Himatsingka Singapore Pte Ltd (HSPL) Giuseppe Bellora S.p.A. (GB)
Other subsidiaries (OS)	Twill & Oxford LLC (T&O) GBT Srl
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 Dilip J. Thakkar - Chairman Rajiv Khaitan - Independent Director Dr.K.R.S Murthy - Independent Director Berjis M Desai - Independent Director Pradeep K.P - Chief Financial officer Ashok Sharma - Company Secretary
Relatives of key management personnel (Relatives)	Amitabh Himatsingka Rajshree Himatsingka Ranjana Himatsingka Supriya Himatsingka Priyadarshini Himatsingka Akanksha Himatsingka
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 D.K. Himatsingka HUF Satin Reed America, Inc. (SR)

NOTES TO FINANCIAL STATEMENTS

Note 28 - Related party disclosures

(₹ in Lakhs)

Particulars	HWPL WOS 31.03.2015 (31.03.2014)	Hima WOS 31.03.2015	Divatex WOS 31.03.2015 (31.03.2014)	GB OS 31.03.2015 (31.03.2014)	DWI WOS 31.03.2015 (31.03.2014)	Others 31.03.2015 (31.03.2014)	Total 31.03.2015 (31.03.2014)
Sale of goods (net)	1,823.06 (1,797.42)	24,890.29 (6,887.19)	32,969.35 (57,611.01)	530.47 (565.32)	15,145.22 (10,254.26)	5.65 -	75,364.04 (77,115.20)
Interest income	81.03 (45.93)	1,187.98 (901.26)	-	2.83	-	-	1,271.84 (947.19)
Rental income	49.48 (29.54)	-	-	-	-	-	49.48 (29.54)
Job work charges	165.93 (125.53)	-	-	-	-	-	165.93 (125.53)
Sales commission	-	-	-	- (14.60)	57.39 (106.61)	-	57.39 (121.21)
Lease rent expense	22.75 (45.10)	-	-	-	-	-	22.75 (45.10)
Claims	-	1,061.49	330.20 (17.18)	179.21	318.26 (0.81)	-	1,889.16 (17.99)
Expenses incurred on behalf of	-	710.67 (530.00)	29.58	17.90	13.73	-	771.88 (530.00)
Inter corporate loans given during the year	600.00 (400.00)	13,370.70	-	76.99	-	-	14,047.69 (400.00)
Inter corporate loans recovered during the year	526.00	200.50	-	67.63	-	-	794.13
	-	-	-	-	-	-	-
Investment made during the year	-	-	-	1,852.56	-	-	1,852.56
	-	-	-	-	-	-	-
Share application money given	-	-	-	1,862.68 (1,855.27)	-	-	1,862.68 (1,855.27)
Guarantees given on behalf of subsidiaries	-	6,265.75 (6,265.75)	- (192.45)	6,356.86	-	-	12,622.61 (6,458.20)
Balances outstanding as at year end							
Amounts receivable	1,417.99 (878.61)	1,879.88 (1,691.04)	- (3,494.02)	- (2,367.32)	868.23 (3,455.73)	-	4,166.10 (11,886.72)
Advances recoverable	1.62 -	-	40.98 (10.51)	17.75	11.93 (5.14)	-	72.28 (15.65)
Inter corporate loans receivable	1,000.00 (926.00)	23,859.98 (10,450.44)	-	-	-	-	24,859.98 (11,376.44)
Interest receivable	72.92 -	646.88 (23.20)	-	47.15 (55.36)	-	-	766.95 (78.56)
Share application money	-	-	-	9,371.21 (8,697.53)	-	-	9,371.21 (8,697.53)
Amounts payable	18.75 (11.93)	854.20 (290.57)	70.61 -	207.74 (32.24)	181.17 (120.90)	-	1,332.47 (455.64)
Guarantees	1,200.00 (1,300.00)	12,732.27 (16,856.76)	200.77 (192.45)	6,511.62 (564.37)	-	-	20,644.66 (18,913.58)

NOTES TO FINANCIAL STATEMENTS

Note 28 - Related party disclosures

(₹ in Lakhs)

	DKH KMP 31.03.2015 (31.03.2014)	AKH KMP 31.03.2015 (31.03.2014)	SKH KMP 31.03.2015 (31.03.2014)	ADH KMP 31.03.2015 (31.03.2014)	Others KMP 31.03.2015 (31.03.2014)	CHPL Enterprise 31.03.2015 (31.03.2014)	Total 31.03.2015 (31.03.2014)
Remuneration	267.65 (119.58)	- (55.03)	235.45 (130.52)	121.86 (92.42)	5.63 -	- -	630.59 (397.55)
Professional fees	- -	- -	- -	- -	1.21 -	- -	1.21 -
Interest expense	- -	- -	- -	- -	- -	34.95 (137.42)	34.95 (137.42)
Inter corporate loans repaid during the year	- -	- -	- -	- -	- -	300.00 (1,600.00)	300.00 (1,600.00)
Balances outstanding as at year end							
Inter corporate loans payable	- -	- -	- -	- -	- -	245.30 (545.30)	245.30 (545.30)
Amounts payable	165.40 (33.00)	10.00 -	165.37 (70.00)	68.33 (45.00)	2.75 -	- -	411.85 (148.00)

*Includes Nil (Previous year : Rs. 1,541.43) considered under Long-term trade receivable

Figures in brackets represent previous year numbers

NOTE 29 - LEASES

The Company has entered into operating lease agreements mainly in respect of the office premises, accommodation and vehicles provided to employees and guest houses. 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
 - later than one year and not later than five years
 - later than five years
- ii) lease payments recognized in the statement of profit and loss for the year

B. Lease income

- i) The Company has entered into operating lease arrangements with Himatsingka Wovens Private Limited, a wholly owned subsidiary company, for leasing a portion of building. The details are as follows:
 - Gross carrying amount
 - Accumulated depreciation
 - Depreciation recognized in the profit and loss statement

	For the year ended 31.03.2015 ₹ in lakhs	For the year ended 31.03.2014 ₹ in lakhs
	143.91	137.95
	233.29	304.41
	-	-
	438.67	388.55
	578.36	578.36
	389.99	370.67
	19.32	19.32

NOTES TO FINANCIAL STATEMENTS

	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
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	464.79	536.72
Excise duty	374.38	341.80
Others	35.25	35.25
(ii) Corporate guarantee given towards credit facilities on behalf of subsidiaries		
Financial institutions	12,531.50	100.00
Banks	7,711.62	18,428.67
Others	401.55	384.90
(iii) Bill discounted	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	83.30	647.29
* Does not include value of materials to be supplied to the ongoing civil work.		

NOTE 31

(a) The Company is improving the operating and reporting process through implementation of an ERP system at each of its group operations. The below mentioned costs have been identified to be relating to the said processes and have accordingly been capitalized as part of the asset / capital work in progress:		
Employee benefit expenses	109.46	73.57
Other expenses	141.62	18.94
Total expenses capitalized	251.08	92.51
(b) During the previous year, the Company on meeting the necessary criteria commenced capitalising cost associated with development of designs pertaining to specific brands. The below mentioned costs have been identified to be relating to the said brands and have accordingly been capitalized as part of the asset /intangibles under development:		
Raw material and packing material consumed	64.19	24.94
Employee benefit expenses	93.62	95.12
Other expenses	33.20	19.36
Total expenses capitalized	191.01	139.42

NOTES TO FINANCIAL STATEMENTS

NOTE 32 - DESIGN AND DEVELOPMENT EXPENSES

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

	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Employee benefit expenses	143.87	184.81
Other expenses	132.42	165.11
Depreciation	8.35	5.66
	284.64	355.58

NOTE 33 - EARNING PER SHARE

Net profit for the year (being entirely attributable to the equity shareholders)

Basic / diluted

Weighted average number of equity shares	10,934.04	5,883.55
Par value per share	98,457,160	98,457,160
Earnings per share - Basic / diluted	5.00	5.00
	11.11	5.98

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 on derivative instruments and unhedged foreign currency exposures

1. Forward covers

(a) The Company has designated certain highly probable forecasted foreign currency denominated sales transactions and certain forward contracts to sell 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 ₹ 934.83 lakhs as at March 31, 2015 (Previous year : ₹ 805.81 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 31.03.2015		As at 31.03.2014	
		Amount	₹ in lakhs	Amount	₹ in lakhs
Export of goods- Forward covers					
USD * INR	Sell	72,873,100	47,511.05	25,790,000	16,931.74
EURO * INR	Sell	4,125,000	3,362.23	3,000,000	2,625.88
GBP * INR	Sell	2,860,020	2,971.39	2,080,000	2,174.14

2. Interest rate swap

The Company has entered into an interest rate swap for hedging its cash flows arising the floating interest rate exposure on borrowings in foreign currency of USD 8,000,000, which has a mark to market loss of ₹55.19 lakhs (previous year: ₹14.69 lakhs), taken to hedge reserve being an effective hedge.

3. During the previous year, the Company had designated certain Pre-shipment credit 'PCFC' which was taken in foreign currency (US dollars) against confirmed sales orders in hand considered as firm commitments as hedged items and hedging instruments respectively, in a Fair value Hedge to hedge the foreign exchange risk arising from fluctuations in the exchange rate of Indian rupee and the US dollar between the contract acceptance and fulfillment dates. The exchange loss (net) on restatement of hedging instruments to the extent hedge is considered effective amounting to ₹ 49.50 lakhs had been accounted as 'Mark-to-Market of fair value derivatives' under 'Other current liabilities' in the financial statements.

Particulars		As on 31.03.2015		As on 31.03.2014	
		Amount	₹ in lakhs	Amount	₹ in lakhs
Fair value hedge					
PCFC	Buy	-	-	4,887,549	2,935.46

NOTES TO FINANCIAL STATEMENTS

4. 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 on 31.03.2015		As on 31.03.2014	
		Amount	₹ in lakhs	Amount	₹ in lakhs
a. Amounts receivable in foreign currency on account of					
Inter corporate loan	USD	38,080,000	23,859.98	17,400,000	10,450.44
Interest receivable on Inter corporate loan	USD	1,033,615	647.64	38,625	23.20
	EURO	69,723	47.15	65,834	54.36
Receivables	EURO	-	-	2,458,502	2,030.45
Advance to vendors	EURO	273,842	185.19	10,703	8.84
	USD	440,080	275.74	47,480	28.52
	CHF	1,244	0.80	3,516	2.38
	JPY	50,232	0.26	-	-
Bank balance	USD	2,999	1.88	56,877	34.16
b. Amounts payable in foreign currency on account of					
Term loans	USD	34,280,000	21,478.99	13,600,000	8,168.16
Import of goods and services	USD	518,606	324.95	1,277,175	767.07
	EURO	411,727	278.43	758,228	626.21
	CHF	64,599	59.84	-	-
Import of capital goods	USD	239,290	149.93	-	-
	GBP	-	-	56,116	56.01
Advance from subsidiaries	USD	1,359,595	854.20	483,792	290.57

NOTE 36 - EXCEPTIONAL ITEMS INCLUDE:

	(₹ In Lakhs)	
	As at 31.03.2015	As at 31.03.2014
(a) Government Grants under Suvarna Vastra Neethi (Refer Note a)	-	1,236.00
(b) Investment written off (Refer Note b)	-	(1,189.00)
	-	47.00

Note a : In the previous year, the Company made an application for capital and revenue subsidy under the 'mega project' of the 'Suvarna Vasthra Neethi Scheme 2008-13 for its investments in the Bed Linen and Co-generation Power Plants. Based on the application, the amount eligible and specified in the scheme for subsidy pertaining to power consumption was accrued as receivable.

Note b : In the previous year, the Company invested an amount of ₹1,189.00 lakhs in its subsidiary Giuseppe Bellora S.p.A towards funding of certain one time restructuring costs on account of a change in business model. This amount was written off as an exceptional item.

NOTES TO FINANCIAL STATEMENTS

NOTE 37 - NOTES RELATING TO CASH FLOW STATEMENT

- (i) The cash flow statement has been prepared under the "Indirect Method" as set out in the Companies (Accounting Standards) Rules, 2006.
- (ii) Cash and cash equivalents include balances with scheduled banks on dividend account not available for use by the Company: ₹12.73 lakhs (Previous year: ₹20.98 lakhs)
- (iii) Cash and cash equivalents comprises of:

	(₹ In Lakhs)	
	As at 31.03.2015	As at 31.03.2014
(a) Cash on hand	15.06	12.49
(b) Balance with banks		
- in current account	871.67	1,008.43
- in deposit account	140.50	65.00
- in unpaid dividend account	12.71	20.98
	1,039.94	1,106.90

NOTE 38

During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. Further, assets individually costing ₹ 5,000/- or less that were depreciated fully in the year of purchase are now depreciated based on the useful life considered by the Company for the respective category of assets. The details of previously applied depreciation method, rates/useful life are as follows:

Asset	Depreciation method	Previous useful life	Revised useful life
Factory Building	SLM	29.94 years/ 3.34%	30 years
Office Building	SLM	61.35 years/ 1.63%	60 years
Office Equipments - SAP Server	SLM	10 years/ 10%	6 years
Office Equipments - Desktop, Laptops, PC, UPS	SLM	4 years/ 25%	3 years
Office Equipments - Others	SLM	6.67 years/ 15%	5 years
Vehicles - Two Wheelers	SLM	6.67 years/ 15%	10 years
Vehicles - Four Wheelers	SLM	6.67 years/ 15%	8 years
Plant & Machinery	SLM	9.67 to 21 years/ 4.75% to 10.34%	5 to 25 years
Power Plant	SLM	18.94 years/ 5.28%	40 years
Electrical Installations	SLM	14.14 years/ 7.07%	10 years

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 opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

The depreciation expense in the Statement of Profit and Loss for the year is lower by ₹1,227.71 lakhs consequent to the change in the useful life of the assets.

NOTE 39 - Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

INDEPENDENT AUDITORS' 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 "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2015, 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 (herein after 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

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 but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. 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 subparagraph (a) of 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, 2015, and their consolidated profit and its 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 ₹8,110.10 Lakhs as at March 31, 2015, total revenues of ₹9,190.00 Lakhs and net cash inflows amounting to ₹263.11 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, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, based on the comments in the auditors' reports of the Holding company and the subsidiary company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
 - (e) On the basis of the written representations received from the directors, of the Holding company and the subsidiary incorporated in India as on March 31, 2015 taken on record by the Board of Directors, of the Holding company and the subsidiary company incorporated in India, none of the directors, is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group in Note 29 of its consolidated financial statements;
 - (ii) The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - (iii) There has been no delay in transferring amounts, 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

S. Sundaresan
Partner
Membership No. 25776

BENGALURU, May 23, 2015

ANNEXURE 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)

Our reporting on the Order includes one subsidiary company incorporated in India, to which the Order is applicable, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

- (i) In respect of the fixed assets of the Holding Company and the subsidiary company incorporated in India:
 - (a) The respective entity has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
 - (b) The fixed assets were physically verified during the year by the Management of the respective entities in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of the inventories of the Holding Company and subsidiary company incorporated in India:
 - (a) As explained to us the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
 - (c) In our opinion and according to the information and explanations given to us, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanation given to us, the company has granted loans, secured or unsecured, to companies, firms, or other parties covered in the Register maintained under Section 189 of the Companies Act 2013. In respect of such loans:
 - (a) The receipt of principal amounts and interest have been as per the stipulation.
 - (b) In respect of overdue amounts of ₹1 lakh remaining outstanding as at the year end, as explained to us, management has taken reasonable steps for recovery of the principal amounts and interest
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system in the Holding Company and the subsidiary company incorporated in India commensurate with the size of the respective entities and the nature of their business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, no major weakness in such internal control system has been observed.
- (v) According to the information and explanations given to us, the Holding Company and the subsidiary company incorporated in India have not accepted any deposit during the year and there were no unclaimed deposits as at March 31, 2015.
- (vi) According to the information and explanations given to us in our opinion, the Holding Company and the subsidiary company incorporated in India have, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under subsection (1) of Section 148 of the Companies Act, 2013. 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 of the Holding Company and the subsidiary company incorporated in India:
 - (a) The respective entities have been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities.

- (b) There were no undisputed amounts payable by the respective entities in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 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	Income Tax	Supreme Court	AY 1994-95	39.23
Income Tax Act	Income Tax	High Court of Karnataka	AY 1995-96	125.75
Income Tax Act	Income Tax	Commissioner of Income Tax (Appeals)	AY 2004-05	24.46
Income Tax Act	Income Tax	Commissioner of Income Tax (Appeals)	AY 2006-07	23.68
Income Tax Act	Income Tax	Commissioner of Income Tax (Appeals)	AY 2009-10	6.82
Central Excise Act	Excise Duty	Central Excise and Service Tax Appellate Tribunal	FY 2003-04 to 2008 - 09	265.40
Central Excise Act	Excise Duty & Penalty	Central Excise and Service Tax Appellate Tribunal	February 2009 to December 2009	71.40
		Commissioner of Central Excise	August 2012 to March 2013	32.58

- (d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (viii) The Group does not have consolidated accumulated losses at the end of the financial year and the Group has not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Holding Company and the subsidiary company, incorporated in India have not defaulted in the repayment of dues to financial institutions, banks and Debenture holders.
- (x) According to the information and explanations given to us, the Holding Company, and the subsidiary company incorporated in India have not given guarantees for loans taken by others outside of the Group from banks and financial institutions.
- (xi) In our opinion and according to the information and explanations given to us the term loans have been applied by the Holding Company and subsidiary company incorporated in India during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Holding Company, and its subsidiary company incorporated in India and no material fraud on the Holding Company and its subsidiary company incorporated in India has been noticed or reported during the year.

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

S. Sundaresan
Partner
Membership No. 25776

BENGALURU, May 23, 2015

CONSOLIDATED BALANCE SHEET

Himatsingka Seide Limited | As at March 31, 2015

	Note No.	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	4,922.86	4,922.86
Reserves and surplus	3	75,567.13	69,578.36
		80,489.99	74,501.22
Minority interest		-	(3,322.12)
Non-current liabilities			
Long-term borrowings	4	35,515.75	36,068.30
Deferred tax liabilities (Net)	5	1,383.47	1,655.49
Other long-term liabilities	6	476.82	318.89
Long-term provisions	7	719.99	657.44
		38,096.03	38,700.12
Current liabilities			
Short-term borrowings	8	31,289.52	32,296.71
Trade payables	9	27,304.04	31,389.01
Other current liabilities	10	11,157.83	14,256.30
Short-term provisions	11	4,816.03	2,931.38
		74,567.42	80,873.40
TOTAL		193,153.44	190,752.62
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	40,715.84	43,518.14
Intangible assets	12	1,149.95	758.88
Capital work-in-progress		4,299.64	946.75
Intangible assets under development		330.42	139.41
		46,495.85	45,363.18
Goodwill on consolidation (Refer Note 39)		63,962.33	60,082.72
Non-current investments	13	16.92	20.68
Deferred tax assets (Net)	5A	102.97	102.97
Long-term loans and advances	14	7,708.57	5,999.54
		118,286.64	111,569.09
Current assets			
Inventories	15	55,430.22	63,825.41
Trade receivables	16	5,287.85	1,368.07
Cash and cash equivalents	17	2,637.51	2,656.11
Short-term loans and advances	18	8,868.29	8,711.93
Other current assets	19	2,642.93	2,622.01
		74,866.80	79,183.53
TOTAL		193,153.44	190,752.62

See accompanying notes (1 to 40) forming part of the consolidated financial statements

In terms of our audit report attached

for Deloitte Haskins & Sells
Chartered Accountants

S.Sundaresan
Partner

Bengaluru,
Date: May 23, 2015

For and on behalf of the Board of Directors

Dilip J. Thakkar
Chairman
DIN : 00007339

Shrikant Himatsingka
Executive Director
DIN : 00122103

Bengaluru,
Date: May 23, 2015

A.K.Himatsingka
Vice Chairman
DIN : 00183698

Pradeep K.P.
Chief Financial Officer

D.K.Himatsingka
Managing Director
DIN : 00139516

Ashok Sharma
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Himatsingka Seide Limited | For the year ended March 31, 2015

	Note No.	For the year ended 31.03.2015 ₹ in lakhs	For the year ended 31.03.2014 ₹ in lakhs
Revenue from operations	20	194,355.57	203,129.36
Less: Excise Duty	20	298.41	314.29
Revenue from operations (net)		194,057.16	202,815.07
Other income	21	2,088.01	472.49
Total revenue		196,145.17	203,287.56
Expenses:			
Cost of materials consumed	22A	49,640.61	66,406.37
Purchase of traded goods	22B	69,561.00	86,684.00
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22C	5,919.66	(21,169.92)
Employee benefit expenses	23	19,343.84	20,013.57
Interest and finance costs	24	8,544.26	8,283.42
Depreciation and amortization expenses	12	4,464.41	5,437.56
Other expenses	25	29,526.79	30,876.96
Total expenses		187,000.57	196,531.96
Profit before exceptional items and tax		9,144.60	6,755.60
Exceptional items - gain/(loss)	35	-	(413.84)
Profit before tax		9,144.60	6,341.76
Tax expense:			
Current tax		2,354.72	1,242.81
Minimum alternate tax credit entitlement		(2,326.00)	(1,195.00)
Deferred tax		(333.25)	843.05
Profit after tax before share of profit attributable to minority interest		9,449.13	5,450.90
Less: Share of loss attributable to minority interest (net)		(94.37)	(883.73)
Profit for the year attributable to shareholders of the Company		9,543.50	6,334.63
Basic and diluted earnings per equity share (₹) (Refer note 32)		9.69	6.43
(Par value of ₹5 each)			
See accompanying notes (1 to 40) forming part of the consolidated financial statements			

In terms of our report attached

for Deloitte Haskins & Sells
Chartered Accountants

S.Sundaresan
Partner

Bengaluru,
Date: May 23, 2015

For and on behalf of the Board of Directors

Dilip J. Thakkar
Chairman
DIN : 00007339

Shrikant Himatsingka
Executive Director
DIN : 00122103

Bengaluru,
Date: May 23, 2015

A.K.Himatsingka
Vice Chairman
DIN : 00183698

Pradeep K.P.
Chief Financial Officer

D.K.Himatsingka
Managing Director
DIN : 00139516

Ashok Sharma
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

Himatsingka Seide Limited | For the year ended March 31, 2015

	For the year Ended 31.03.2015 ₹ in lakhs	For the year Ended 31.03.2014 ₹ in lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	9,144.60	6,341.76
Profit on sale of assets	(389.35)	(74.22)
Profit on sale of investments	(87.76)	(84.66)
Depreciation and amortisation expense	4,464.41	5,437.56
Exchange loss on non-operating activities	(10.10)	(508.85)
Investments written off	-	378.48
Provision for doubtful trade receivables	-	180.33
Interest income	(32.62)	(2.86)
Interest and Finance costs	8,544.26	8,283.42
Operating cash profit before working capital changes	21,633.44	19,950.96
(Increase) / Decrease in trade and other receivables	(6,873.68)	4,720.17
(Increase) / Decrease in inventories	9,360.26	(20,363.46)
Increase in short term, long-term loan and advances and other current assets	(215.62)	(6,428.59)
Increase in current and non current liabilities and provisions	335.32	7,946.98
Cash generated from operations	24,239.72	5,826.06
Income tax paid	(1,374.19)	(958.87)
Net cash from operations	22,865.53	4,867.19
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of investments	(8,529.06)	(9,290.74)
Sale of investments	8,616.82	9,375.40
Acquisition of additional stake in subsidiaries	(1,852.56)	(235.58)
Purchase of fixed assets	(5,879.24)	(4,305.22)
Sale proceeds of fixed assets	1,001.63	183.47
Interest received	32.62	2.86
Net cash from investing activities	(6,609.79)	(4,269.81)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Interest and Finance costs paid	(9,758.04)	(8,666.67)
Subsidy / subvention received	662.43	808.51
Proceeds from long-term borrowings	21,870.76	1,017.91
Repayment of long-term borrowings	(25,365.38)	(10,082.44)
Proceeds / (repayments) of short term borrowings (net)	(1,466.25)	16,951.23
Dividend paid	(1,485.13)	(987.61)
Tax on distributed profits	(250.99)	(167.33)
Net cash from financing activities	(15,792.60)	(1,126.40)
Total increase / (decrease) in cash and cash equivalents	463.14	(529.02)
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(481.74)	288.06
Cash and cash equivalents at the beginning of the period	2,656.11	2,897.07
Cash and cash equivalents at the end of the year (Refer Note 36)	2,637.51	2,656.11

In terms of our report attached

for Deloitte Haskins & Sells
Chartered Accountants

S.Sundaresan
Partner

Bengaluru,
Date: May 23, 2015

For and on behalf of the Board of Directors

Dilip J. Thakkar
Chairman
DIN : 00007339

Shrikant Himatsingka
Executive Director
DIN : 00122103

Bengaluru,
Date: May 23, 2015

A.K.Himatsingka
Vice Chairman
DIN : 00183698

Pradeep K.P.
Chief Financial Officer

D.K.Himatsingka
Managing Director
DIN : 00139516

Ashok Sharma
Company Secretary

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, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. 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, 2015.

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, 2015	March 31, 2014
Himatsingka Wovens Private Limited	India	100%	100%
Himatsingka America, Inc.	United States of America	100%	100%
Giuseppe Bellora S.p.A.	Italy	100%	70%
DWI Holdings, Inc.	United States of America	100%	100%
Divatex Home Fashions, Inc	United States of America	100%	100%
Twill & Oxford LLC	United Arab Emirates	49%	49%
Himatsingka Singapore Pte Limited	Singapore	100%	100%

- 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 Divatex Home Fashions, Inc. and DWI Holdings, Inc., ownership is held through Himatsingka America, Inc.
- In respect of Himatsingka Singapore Pte Limited, ownership is held through Himatsingka Wovens Private Limited.
- During the current year, the Company has acquired balance 30% in Giuseppe Bellora S.p.A (Bellora), from minority shareholders of Bellora for a total purchase consideration of Rs. 1,852.55 Lakhs (including cost directly incurred towards

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for such acquisition). As at March 31, 2015, Bellora is wholly owned subsidiary of the Company. As at March 31, 2014, the losses applicable to the minority shareholder in Giuseppe Bellora S.p.A. exceeded the minority interest in its equity and the excess was shown as receivable from the minority interest since the minority has a binding obligation to, and will be able to, make good the losses.

- GBT S.r.L. (a subsidiary of Giuseppe Bellora S.p.A.) is under liquidation and therefore has not been considered for consolidation. Provisions for losses of GBT S.r.L. has been made in the financial statements.
- Figures pertaining to the subsidiary companies have been regrouped / reclassified wherever necessary to bring them in line with the Company's financial statements.

3. Use of estimates

The preparation of the consolidated financial statements in conformity with 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 on straight line method as follows:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 (13), below, for accounting for forward exchange contracts relating to firm commitments and highly probable forecast transactions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 - SHARE CAPITAL

Authorised

134,000,000 equity shares of ₹5 each
(Previous year: 134,000,000 equity shares of ₹5 each)

Issued

98,496,160 equity shares of ₹5 each fully called up
(Previous year: 98,496,160 equity shares of ₹5 each)

Subscribed and paid-up

98,457,160 equity shares of ₹5 each fully paid up
(Previous year: 98,457,160 equity shares of ₹5 each)

	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
	6,700.00	6,700.00
	4,924.81	4,924.81
	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 attaching 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 exist. 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	11,135,424	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, 2015 and 2014.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 - RESERVES AND SURPLUS

	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
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	800.00	400.00
Add: Transferred from Consolidated Statement of profit and loss	400.00	400.00
Closing balance	1,200.00	800.00
General reserve		
Opening balance	15,670.17	15,081.67
Add: Transferred from Consolidated Statement of profit and loss	-	588.50
Closing balance	15,670.17	15,670.17
Hedge reserve		
Opening balance	732.75	91.66
Add / (less): Effect of foreign exchange rate variations on hedging instruments outstanding at the end of the year	(2,432.44)	(3,312.05)
Less: Transferred to Consolidated Statement of profit and loss	(2,579.34)	(3,953.14)
Closing balance (Refer Note 34(1) and (2))	879.64	732.75
Legal reserve		
Opening balance	8.81	7.42
Movement during the year	(1.60)	1.39
Closing balance	7.21	8.81
Foreign currency translation reserve (on consolidation)		
Opening balance	13,082.35	7,388.35
Movement during the year	(1,217.68)	5,694.00
Closing balance	11,864.67	13,082.35
Surplus in Consolidated Statement of Profit and Loss		
Opening balance	10,920.95	7,302.67
Add: Transferred from surplus in Statement of profit and loss	9,543.50	6,334.63
Less: Transitional provision towards depreciation (Refer Note 37)	101.16	-
Less: Transferred to Debenture redemption reserve	400.00	400.00
Less: Transferred to General Reserve	-	588.50
Less: Proposed dividend	1,969.14	1,476.86
Less: Tax on proposed dividend	412.04	250.99
	17,582.11	10,920.95
	75,567.13	69,578.36

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
NOTE 4 - LONG TERM BORROWINGS		
Secured		
Term loan from financial institution (Refer Note 4A)	7,168.86	8,273.58
Term loan from banks (Refer note 4A)	27,546.89	26,349.42
Unsecured		
Loan from related parties (Refer note 4A)	-	245.30
Non-Convertible Debentures (Refer note 4A)	800.00	1,200.00
	35,515.75	36,068.30

NOTE 4 - 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:

	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Term loan from financial institution		
Exim Bank - Loan 1	2,727.27	5,454.54
[Nature of security : Secured by charge over moveable and certain 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, 2015 was 4 installments]		
[Interest rate : Long term minimum lending rate plus 100 basis points p.a.]		
[The amount includes the current maturity of ₹2,727.27 lakhs (Previous year: ₹2,727.27 lakhs) included in Note 9]		
Exim Bank - Loan 2	-	138.28
[Nature of security : Secured by charge over moveable and certain immovable fixed assets, both present and future]		
[Repayment terms : 32 Quarterly installments commencing 2 years from the date of first disbursement. The outstanding term as of March 31, 2015 was Nil]		
[Interest rate : 8% p.a.]		
[The amount includes the current maturity of ₹Nil (Previous year: ₹138.28 lakhs) included in Note 9]		
Exim Bank - Loan 3	1,658.95	1,815.54
[Nature of security : Secured by charge over moveable and certain 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, 2015 was 21 installments]		
[Interest rate : Long term minimum lending rate plus 210 basis points p.a.]		
[The amount includes the current maturity of ₹250.56 lakhs (Previous year: ₹156.59 lakhs) included in Note 9]		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Term loan from financial institution (contd.)

	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Exim Bank - Loan 4	3,508.82	3,363.36
[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, 2015 was 20 installments]		
[Interest rate : Libor (6 months) plus 550 bps p.a.]		
[The amount includes the current maturity of ₹701.77 lakhs (Previous year: ₹ Nil) included in Note 9]		
Exim Bank - Loan 5	1,884.42	524.00
[Nature of security : First pari passu charge on entire moveable and immovable 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, 2015 was 32 installments]		
[Interest rate : Long term minimum lending rate plus 150 basis points]		
[The amount includes the current maturity of ₹45.31 lakhs (Previous year: ₹ Nil) included in Note 9]		
Exim bank - Loan 6	1,069.00	-
[Nature of security : First pari passu charge on certain fixed assets (both moveable and immoveable) of the company (in both units) including the proposed project assets, both present and future excluding the fixed assets charged on exclusive basis. The said security is hypothecated with Bank post balance sheet date.]		
[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, 2015 was 28 installments]		
[Interest rate : Long term minimum lending rate plus 125 basis points]		
Exim bank - Loan 7	-	100.00
[Nature of security : Secured by charge on certain movable & immovable fixed assets, both present & future and guarantee by the Holding Company.]		
[Repayment terms : 33 Quarterly installments commencing 2 years from the date of 1st disbursement with step up repayment in the ratio of 1:2:3. The outstanding term as of March 31, 2015 was Nil.]		
[Interest rate : Long term minimum lending rate plus 250 basis points p.a.]		
Total - Term loans from financial institutions	10,848.46	11,395.72

NOTES TO FINANCIAL STATEMENTS

	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Term loans from bank:		
Canara Bank - Loan 1	4,770.00	7,498.00
[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, 2015 was 7 installments]		
[Interest rate : Base rate plus 300 basis points p.a.]		
[The amount includes the current maturity of ₹2,728 lakhs (Previous year: ₹2,728 lakhs) included in Note 9]		
Canara Bank - Loan 2	2,812.50	3,562.50
[Nature of security : Secured by charge over certain moveable and immovable fixed assets, both present and future]		
[Repayment terms : 32 Quarterly installments commencing 2 years from the date of first disbursement. The outstanding term as of March 31, 2015 was 14 installments]		
[Interest rate : Base rate plus 400 basis points p.a.]		
[The amount includes the current maturity of ₹750 lakhs (Previous year: ₹750 lakhs) included in Note 9]		
Canara Bank - Loan 3	-	5,129.12
[Nature of security : Pledge of Shares of Himatsingka America, Inc., Divatex Home Fashion, Inc. and DWI Holdings, Inc.]		
[Repayment terms : Nine Half Yearly Installments commencing December 2012. The outstanding term as of March 31, 2015 was Nil]		
[Interest rate : LIBOR (6months) plus 500 basis points p.a.]		
[The amount includes the current maturity of ₹750 lakhs (Previous year: ₹750 lakhs) included in Note 9]		
ICICI Bank - Loan 4	4,812.10	4,804.80
[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, 2015 was 21 installments]		
[The amount includes the current maturity of ₹750 lakhs (Previous year: ₹750 lakhs) included in Note 10]		
[Interest rate : Libor (6 months) plus 495 basis points p.a.]		
[The amount includes the current maturity of ₹802.02 lakhs (Previous year: ₹Nil) included in Note 9]		
ICICI Bank - Loan 5	-	9,699.69
[Nature of security : First paripassu charge on certain movable fixed assets of the parent Company and pledge of shares of Himatsingka America, Inc., Divatex Home Fashion, Inc. and DWI Holdings, Inc. and DSRA account.]		
[Repayment terms : Twenty Equal Installments-5% of the Loan amount on quarterly basis commencing 27th month from drawdown-Dec.2013. The outstanding term as of March 31, 2015 was Nil]		
[Interest rate : LIBOR (3 months) plus 575 basis points p.a.]		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Term loans from bank (contd.)		
Axis Bank - ECB	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]		
[Interest rate : Libor (3 months) plus 495 basis points p.a.]		
Sun Trust Bank	731.00	760.76
[Nature of security : Real Estate in Timberlake, North Carolina]		
[Repayment terms : Monthly instalments of \$8333, with the final ballon instalment of \$1,008,334. The outstanding term as of March 31, 2015 was 47]		
[Interest rate : Libor (1 months) plus 275 basis points p.a.]		
CIT term loan	352.45	487.99
[Nature of security : Lease hold improvements at warehouse in Spartanburg, South Carolina]		
[Repayment terms : 48 equal monthly installments. The outstanding term as of March 31, 2015 was 27]		
[Interest rate : 3.75% p.a.]		
Banca Intesa Mortgage Loan	-	1,560.34
[Nature of security : Mortgage on the Property Fagnano Olano, Italy]		
[Repayment terms : 5 installments with step up repayment. The outstanding term as of March 31, 2015 was Nil]		
[Interest rate : EURIBOR (3 months) plus 150 basis points p.a.]		
Banca Naz.Del Lav. Loan	-	264.12
[Nature of security : Mortgage on the Property Biella, Italy]		
[Repayment terms : 21 Installments of Eur 0.02 Mio commencing Apr 12. The outstanding term as of March 31, 2015 was Nil]		
[Interest rate : EURIBOR (6 months) plus 165 basis points p.a.]		
Banca Pop. Milana Loan	-	396.76
[Nature of security : Unsecured]		
[Repayment terms : Thirteen Installments of Euro 0.11 Million commencing from June 2012.The outstanding term as of March 31, 2015 was Nil]		
[Interest rate : EURIBOR (3 months) plus 98 basis points p.a.]		
ICICI bank	5,410.07	-
[Nature of security : Exclusive charge over all Fixed assets of Bellora except for Plant & Machinery, Inventory, Shares of Bellora held by HSL and DSRA account]		
[Repayment terms : Eighteen Equal Installments commencing 33 months from drawdown.The outstanding term as of March 31, 2015 was 18]		
[Interest rate : 5.55% p.a. of the Loan amount on quarterly basis]		
Banco Brescia Loan	-	471.21
[Nature of security : Secured by SBLC by HSBC backed by certain immovable fixed assets of parent Company.]		
[Repayment terms : Thirteen Installments of Euro 0.11 Million commencing from June 2012.The outstanding term as of March 31, 2015 was Nil]		
[Interest rate : EURIBOR (6 months) plus 60 basis points p.a.]		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Debentures issued by the Company		
Non-convertible and redeemable debentures	1,200.00	1,600.00
[Nature of security : Unsecured]		
[Redemption terms : Four equal annual installments commencing 2 years from the date of issue. The outstanding term as of March 31, 2015 was 3 installments]		
[Interest rate : 11.25% p.a.]		
	1,200.00	1,600.00
Loan from related parties:		
Credit Himatsingka Private Limited	245.30	545.30
[Nature of security : Unsecured]		
[Repayment terms : 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, 2015 was 10 installments]		
[Interest rate : 8% p.a.]		
	245.30	545.30
	44,339.96	48,176.31

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	6,219.91	5,389.07
Tax effect of items constituting deferred tax assets		
Unabsorbed depreciation/losses	(4,555.12)	(3,363.56)
Other timing differences	(281.32)	(370.02)
Deferred tax Liability (Net)	1,383.47	1,655.49

NOTE 5A - DEFERRED TAX (ASSET)

	(4,105.34)	(4,037.09)
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets		
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	215.52	102.97
Unabsorbed depreciation/losses	3,992.79	4,037.09
Deferred tax Asset (Net)	102.97	102.97

The Company has recognized deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax.

NOTE 6 - OTHER LONG TERM LIABILITIES

Towards gratuity (Refer Note 6A)	476.82	318.89
	476.82	318.89

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 lumpsum 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 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Change in the defined benefit obligation during the year		
Projected Benefit Obligation at the beginning of the year	1,011.23	900.46
Service cost	92.05	85.93
Interest cost	87.28	71.25
Benefits paid	(93.95)	(52.95)
Actuarial loss/(gain)	108.43	6.54
Projected Benefit Obligation at the end of the year	1,205.04	1,011.23
Change in fair value of assets during the year		
Fair value of plan assets at the beginning of the year	685.20	684.55
Expected return on plan assets	50.65	52.29
Employer contributions	-	-
Benefits paid	(73.96)	(52.95)
Actuarial gain	51.26	1.31
Fair value of plan assets at the end of the year	713.15	685.20
Composition of plan assets is as follows		
Insurer managed funds - Debt Funds	574.25	552.88
Insurer managed funds - Equity Funds	138.90	132.32
Funded status deficit	491.89	326.03
Unrecognised past service costs	-	-
Recognised liability	491.89	326.03
Less: Current portion of liability	(15.07)	(7.14)
Non-current liability	476.82	318.89
Estimate of amount of contribution in the immediate next year	-	100.00
Net gratuity cost for the year ended is as follows		
Service cost	92.05	85.93
Interest cost	87.28	71.25
Expected return on plan assets	(50.65)	(46.57)
Actuarial loss	57.17	5.95
Net gratuity cost	185.85	116.56
Actual return on plan assets	103.83	65.04
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%	8.85%
c) Salary escalation rate***	6.00%	6.00%
d) Retirement age	58 yrs	58 yrs
e) Mortality : Published rates under the LIC (2006-08) mortality tables have been used		
f) 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Five year data:	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Projected benefit obligation	1,205.04	1,011.23	900.46	735.45	646.35
Plan assets	713.15	685.20	684.55	569.91	552.66
Surplus/(deficit)	(491.89)	(326.03)	(215.91)	(165.54)	(93.69)
Exp. adj. on plan liabilities	27.15	67.75	52.96	(5.95)	(31.37)
Exp. adj. on plan assets	53.19	12.76	26.35	25.73	(8.90)

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	53.27	40.16
Exchange fluctuation	2.27	2.65
Provision during the year	(0.54)	10.46
Closing balance	55.00	53.27

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.

	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Provident Fund	470.46	472.38
Superannuation Fund	20.11	9.56
Employee State Insurance	257.26	21.38
Other retirement funds	339.75	624.15

NOTE 7 - LONG TERM PROVISIONS

Provision for taxes (net of advance taxes)	399.90	390.76
Provision for gratuity, unfunded	55.01	53.27
Provision for accumulated leave credits (Refer Note 7A)	265.08	213.41
	719.99	657.44

NOTE 7A - FINANCIAL ASSUMPTIONS ON VALUATION DATE

Current portion	124.96	115.76
Non - current portion	265.08	213.41
Total provision	390.04	329.17

NOTE 8 - SHORT TERM BORROWINGS

Secured		
From banks	31,289.52	32,296.71
(Working capital limits are secured against present and future Stock and book debts on pari-passu basis)	-	
	31,289.52	32,296.71

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9 - TRADE PAYABLES

Trade Payables

As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
27,304.04	31,389.01
27,304.04	31,389.01

NOTE 10 - OTHER CURRENT LIABILITIES

Current maturities of long term debt

Term loan from financial institution (Secured)

Term loan from banks (Secured)

Loan from related parties (Unsecured)

Non-Convertible Debentures

Interest accrued but not due on borrowings

Unpaid dividend

Other liabilities

Security Deposit

Towards gratuity (Refer note 6A)

Advances received from customers

3,679.60	3,122.14
4,499.31	8,285.87
245.30	300.00
400.00	400.00
286.50	177.96
12.72	20.98
1,767.33	1,521.12
44.80	49.34
15.07	7.14
207.20	371.75
11,157.83	14,256.30

NOTE 11 - SHORT TERM PROVISIONS

Provision for accumulated leave credits (Refer note 7A)

Provision for taxes (net of advance taxes)

Provision for losses on derivative contracts (Refer Note 34 (2))

Provision for dividend

Provision for tax on proposed dividend

124.96	115.76
2,254.70	1,014.71
55.19	73.06
1,969.14	1,476.86
412.04	250.99
4,816.03	2,931.38

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12 - FIXED ASSETS

(₹ in Lakhs)

Particulars	Gross block				Depreciation				Net block		
	As at 01.04.2014	Additions	Deletions	Other adjustments **	As at 31.03.2015	Upto 31.03.2014	For the year	On deletions	Other adjustments **	As at 31.03.2015	As at 31.03.2014
Tangible Assets											
Owned:											
Freehold land	1,076.71 (1,071.60)	-	-	2.32 (5.11)	1,079.03 (1,076.71)	-	-	-	-	1,079.03 (1,076.71)	1,076.71 (1,071.60)
Buildings	19,610.01 (18,727.29)	59.83 (175.33)	-	(624.97) (707.39)	19,044.87 (19,610.01)	6,121.56 (5,214.40)	717.04 (516.15)	-	(293.08) (391.01)	6,545.52 (6,121.56)	12,499.35 (13,488.45)
Leasehold improvements	3,241.46 (1,531.92)	296.83 (1,849.47)	287.47 (213.35)	(140.18) (73.42)	3,110.64 (3,241.46)	1,446.15 (1,373.80)	253.26 (164.37)	240.92 (149.92)	(195.67) (57.90)	1,262.82 (1,446.15)	1,847.82 (1,795.31)
Buildings	398.63 (154.52)	142.44 (311.48)	(49.34)	17.24 (18.03)	558.31 (398.63)	64.13 (83.63)	60.64 (23.39)	-	3.35 (7.02)	128.12 (64.13)	430.19 (334.50)
Plant and machinery	60,595.94 (60,351.63)	1,538.91 (532.71)	2,145.20 (503.17)	(148.74) (214.77)	59,840.91 (60,595.94)	36,710.38 (32,960.73)	2,690.51 (4,038.93)	1,606.24 (505.13)	(150.84) (215.85)	37,643.81 (36,710.38)	22,197.10 (23,885.56)
Furniture and fixtures	3,155.80 (2,555.94)	45.38 (354.47)	88.91 (2.50)	(123.65) (247.89)	2,988.62 (3,155.80)	2,074.57 (1,632.22)	220.94 (262.80)	84.60 (2.29)	(154.53) (181.84)	2,056.38 (2,074.57)	932.24 (1,081.23)
Office equipment	4,482.67 (4,296.97)	145.50 (180.94)	2.06 (453.59)	(320.04) (458.35)	4,306.07 (4,482.67)	3,941.91 (3,768.10)	233.50 (192.68)	2.06 (444.12)	(318.64) (425.25)	3,854.71 (3,941.91)	451.36 (540.76)
Vehicles	350.45 (284.26)	28.60 (61.59)	87.30 (24.95)	(25.60) (29.55)	266.15 (350.45)	222.64 (184.37)	33.23 (39.87)	62.30 (21.24)	(19.02) (19.64)	174.55 (222.64)	91.60 (127.81)
Other property	255.47 (171.16)	74.53 (68.30)	54.81 (1.99)	11.05 (18.00)	286.24 (255.47)	137.94 (94.29)	58.59 (34.59)	54.81 (-)	7.34 (9.06)	149.06 (137.94)	137.18 (117.53)
Taken on operating lease :											
Land	1,183.65 (1,171.84)	(11.81)	-	-	1,183.65 (1,183.65)	113.37 (93.48)	20.30 (19.89)	-	0.01 (-)	133.68 (113.37)	1,049.97 (1,070.28)
Tangible assets- CY	94,350.79 (90,317.13)	2,332.02 (3,546.10)	2,665.75 (1,248.89)	(1,352.57) (1,736.45)	92,664.49 (94,350.79)	50,832.65 (45,405.02)	4,288.01 (5,292.67)	2,050.93 (1,172.61)	(1,121.08) (1,307.57)	51,948.65 (50,832.65)	40,715.84 (43,518.14)
Tangible assets-PY											
Intangible assets											
Owned:											
Goodwill	462.37 (389.52)	-	-	(83.77) (72.85)	378.60 (462.37)	333.34 (254.56)	-	-	(60.39) (48.09)	272.95 (333.34)	105.65 (129.03)
Other Intangibles	991.09 (868.87)	587.48 (106.03)	0.15 (-)	(14.30) (16.19)	1,564.12 (991.09)	361.24 (237.18)	176.40 (114.20)	-	(17.82) (9.86)	519.82 (361.24)	1,044.30 (629.85)
Intangible assets- CY	1,453.46 (1,258.39)	587.48 (106.03)	0.15 (-)	(98.07) (89.04)	1,942.72 (1,453.46)	694.58 (491.74)	176.40 (144.89)	-	(78.21) (57.95)	792.77 (694.58)	1,149.95 (758.88)
Intangible assets-PY											
Total- CY	95,804.25 (91,575.52)	2,919.50 (3,652.13)	2,665.90 (1,248.89)	(1,450.64) (1,825.49)	94,607.21 (95,804.25)	51,527.23 (45,896.76)	4,464.41 (5,437.56)	2,050.93 (1,172.61)	(1,199.29) (1,365.52)	52,741.42 (51,527.23)	41,865.79 (44,277.02)
Total Fixed Assets- PY											

* Land includes ₹17.91 lakhs (Previous year ₹17.91 lakhs) being the share in land jointly owned with others

** 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 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.

Figures in brackets represent previous year numbers

Refer Note 37 for transitional provision towards depreciation.

NOTE 13 - NON CURRENT INVESTMENTS

Trade (Unlisted, unquoted)

Milano Confezioni S.r.l (No. of shares 100,000)

BP Venture S.r.l.

Industria e Università S.r.l (No. of shares 13,005,000)

Consorzio Tutela Lino (No. of shares 11,638)

Provision for diminution in value of investments

(unsecured, considered good)

Security deposits

Advance income tax (net of provisions)

MAT credit entitlement

Capital advances

Other long term advances

Raw materials (including goods in transit)

Work - in - progress

Finished goods

Stores and spares

Traded goods

Outstanding for a period exceeding six months from the date they were due for payment

Unsecured considered good

Doubtful

Less: Provision for doubtful trade receivables

Other Trade receivables

Unsecured considered good

Cash in hand

Balances with banks

- in current account

- in deposit account

- in Earmarked accounts

Unpaid dividend account

Balances held as margin money

Of the above, the balances that meet the definition of cash and cash equivalents as per AS3 Cash flow statement is

As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
1.33	1.63
998.54	1,219.48
14.72	17.98
0.87	1.07
1,015.46 (998.54)	1,240.16 (1,219.48)
16.92	20.68
985.08	977.87
703.08	1,201.12
5,753.57	3,427.57
127.44	250.54
139.40	142.44
7,708.57	5,999.54
2,621.69	5,093.53
8,905.27	12,378.22
1,909.70	2,106.99
1,249.85	1,253.54
40,743.71	42,993.13
55,430.22	63,825.41
408.34	636.41
344.62	420.87
752.96	1,057.28
344.62	420.87
408.34	636.41
4,879.51	731.66
5,287.85	1,368.07
37.17	46.66
2,441.76	2,355.20
140.50	228.36
12.71	20.98
5.37	4.91
2,637.51	2,656.11
2,619.43	2,630.22

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 18 - SHORT TERM LOANS AND ADVANCES (unsecured, considered good)

	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Security deposits	106.27	200.59
Interest subsidy receivable	980.86	794.58
Advance to suppliers	2,476.22	1,501.62
Prepaid Expenses	3,743.88	3,599.82
Balances with Government authorities	605.61	630.91
Other advances	955.45	1,984.41
	8,868.29	8,711.93

NOTE 19 - OTHER CURRENT ASSETS

Advances recoverable in cash or in kind or for value to be received	0.63	19.80
Power subsidy receivable((Refer note 35(a))	1,236.00	1,236.00
Subsidy under Focus product and Status holder incentive schemes	295.52	353.17
Receivable on Mark to market of fair value derivative	1,110.78	1,013.04
	2,642.93	2,622.01

For the year ended 31.03.2015 ₹ in lakhs	For the year ended 31.03.2014 ₹ in lakhs
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NOTE 20 - REVENUE FROM OPERATIONS

Sale of products (Refer Note (i))	190,693.53	200,187.40
Sale of services	474.04	566.32
Other operating income (Refer Note (ii))	3,188.00	2,375.64
	194,355.57	203,129.36
	298.41	314.29
	194,057.16	202,815.07
Less: Excise duty		
(i) Sale of products (net of excise duty) comprises of		
Manufactured goods	88,275.82	94,981.26
Traded goods	102,119.30	104,891.85
	190,395.12	199,873.11
(ii) Other operating income comprises of :		
Sale of power	2,077.52	976.43
Royalty income	334.34	52.42
Sale of waste / scrap	705.51	986.57
Income under Focus Product Scheme and Status Holder Incentive Scheme	70.63	360.22
	3,188.00	2,375.64

NOTE 21- OTHER INCOME

Interest income	32.62	2.86
Other non-operating income		
Profit on sale of assets	389.35	74.22
Profit on sale of current investments	87.76	84.66
Rent income	38.93	109.01
Liabilities/provisions no longer required written back	58.59	-
Miscellaneous income	95.19	201.74
Reversal of Impairment losses	-	-
Net gain of foreign currency transactions and translation	1,385.57	-
	2,088.01	472.49

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 22 - COST OF MATERIALS

A. Raw material and packing material consumed

	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Opening stock:	5,093.53	3,658.47
Add: Purchases	39,569.49	59,319.21
	44,663.02	62,977.68
Less: Closing stock	2,621.69	5,093.53
	42,041.33	57,884.15
Dyes and chemicals consumed	7,599.28	8,522.22
Raw material and packing material consumed *	49,640.61	66,406.37
B. Purchase of traded goods	69,561.00	86,684.00
C. Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Opening stock		
Finished goods	2,106.99	9,506.06
Work in progress	12,378.22	1,431.61
Traded goods	42,993.13	25,370.75
	57,478.34	36,308.42
Closing stock	1,909.70	2,106.99
Finished goods	8,905.27	12,378.22
Work in progress	40,743.71	42,993.13
Traded goods	51,558.68	57,478.34
Net (increase)/decrease	5,919.66	(21,169.92)

* The Raw material and packing material consumed in current year is net of ₹64.19 lakhs (Previous year: ₹24.94 lakhs) capitalised as Intangible asset under development.

NOTE 23 - EMPLOYEE BENEFIT EXPENSES

Salaries and wages	17,348.98	17,431.50
Contribution to provident and other funds	1,016.26	1,213.73
Workmen and staff welfare expenses	1,636.60	1,544.67
Less: Expenses capitalized (Refer Note 30)	(658.00)	(176.33)
	19,343.84	20,013.57

NOTE 24 - INTEREST AND FINANCE COSTS

Interest expense on :

Borrowings		
Interest on term loan (net of subsidy under TUF ₹852.69 lakhs (Previous year: ₹1,100.73 lakhs))	5,281.18	4,490.76
Interest on Non-Convertible Debentures	153.25	180.00
Interest on working capital loans	1,993.11	1,022.69
Other borrowing costs - Finance charges	976.76	1,442.90
Net loss on foreign currency transactions and translation	139.96	1,147.07
	8,544.26	8,283.42

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 25 - OTHER EXPENSES

	For the year ended 31.03.2015 ₹ in lakhs	For the year ended 31.03.2014 ₹ in lakhs
Power and fuel	7,124.98	6,087.40
Consumption of stores and spare parts	1,074.82	859.90
Other manufacturing expenses including job work charges	3,274.37	3,625.94
Rent	3,012.83	3,053.99
Travelling and conveyance	2,400.12	1,734.79
Communication expenses	320.95	383.88
Printing and stationery	177.39	177.79
Insurance	485.30	500.97
Repairs and maintenance	923.59	865.11
Rates and taxes	379.63	268.63
Professional and consultancy charges (Refer Note 25A)	2,528.89	2,348.31
Bank charges	184.22	189.70
Contribution and donation*	34.85	16.58
Advertisement and publicity	1,012.38	931.85
Selling and distribution		
- Commission on sales	819.05	1,057.59
- Selling expenses	1,325.54	1,632.71
- Freight outward, net of reimbursement	1,156.79	1,624.08
Net loss on foreign currency transactions and translation	-	1,973.22
Other expenses	783.63	400.54
Royalty	3,402.46	3,199.25
Diminution in value of investments	-	-
Less: Expenses capitalized (Refer Note 30)	(895.00)	(55.27)
	29,526.79	30,876.96

*Note: The current year amount includes expenses towards Corporate Social Responsibility ₹1 lakh.

NOTE 25A - PROFESSIONAL AND CONSULTANCY CHARGES INCLUDE PAYMENT TO AUDITORS

	For the year ended 31.03.2015 ₹ in lakhs	For the year ended 31.03.2014 ₹ in lakhs
Statutory auditor		
Audit fees	97.00	87.50
Tax audit fees	6.00	4.50
Taxation matters	7.00	3.05
Other services	5.40	-
Service tax	14.50	12.27
Out of pocket expenses	5.19	2.88
	135.09	110.20
Remuneration to other auditors for the subsidiaries		
Audit fees	35.45	40.12
Taxation matters	-	0.40
Out of pocket expenses	6.51	0.17
	41.96	40.69

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended
31.03.2015
₹ in lakhs

For the year ended
31.03.2014
₹ in lakhs

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

Geographic segment

Distribution of the Group's consolidated sales by geographic location of customers

India	2,845.03	3,526.81
North America	168,251.55	174,499.95
Europe	15,039.53	16,120.44
Others	4,259.01	5,725.91
	190,395.12	199,873.11

Carrying amount of segment assets based on their location of components

India	81,968.18	83,182.07
North America	409.74	412.92
Europe	96,507.43	93,824.23
Others	7,708.47	8,601.74
	186,593.82	186,020.96

Additions of fixed assets

India	2,144.82	1,188.59
North America	504.77	2,441.50
Europe	269.91	22.04
	2,919.50	3,652.13

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 Jayashree Poddar (JP)-Executive Director Dilip J. Thakkar-Chairman Rajiv Khaitan-Independent Director Dr. K.R.S. Murthy-Independent Director Berjis M Desai-Independent Director Pradeep K.P.-Chief Financial Officer Ashok Sharma-Company Secretary
Relatives of key management personnel (Relatives)	Amitabh Himatsingka Rajshree Himatsingka Ranjana Himatsingka Supriya Himatsingka Priyadarshini Himatsingka Akanksha Himatsingka
Enterprises owned or significantly influenced by KMP, directors or their relatives (Referred as "enterprises")	Credit Himatsingka Private Limited (CHPL) Bihar Mercantile Union Limited (BMU) Satin Reed America, Inc. (SR) Khaitan & Co LLP D.K. Himatsingka HUF BMU International

NOTE 27 - RELATED PARTY DISCLOSURES

(₹ in Lakhs)

Details of related party transactions during the year ended 31 March, 2015 and balances outstanding as at 31 March, 2015

	DKH KMP	AKH KMP	SKH KMP	ADH KMP	JP KMP	CHPL Enterprise	BMU Enterprise	Khaitan & Co Enterprise	Total
	31.03.2015 (31.03.2014)	31.03.2015 (31.03.2014)	31.03.2015 (31.03.2014)	31.03.2015 (31.03.2014)	31.03.2015 (31.03.2014)	31.03.2015 (31.03.2014)	31.03.2015 (31.03.2014)	31.03.2015 (31.03.2015)	31.03.2015 (31.03.2014)
Sales of goods	-	-	-	-	-	-	5.65	-	5.65
	-	-	-	-	-	-	-	-	-
Purchase of goods	-	-	-	-	-	-	815.75	-	815.75
	-	-	-	-	-	-	(1,139.55)	-	(1,139.55)
Lease rent expense	-	-	-	-	-	-	-	-	-
Remuneration	267.65 (119.58)	- (55.03)	235.45 (130.52)	121.86 (92.42)	5.63	-	-	-	630.59 (397.55)
Professional fees	-	-	-	-	-	-	-	1.21	1.21
	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	34.95	-	-	34.95
	-	-	-	-	-	(137.42)	-	-	(137.42)
Inter corporate loans repaid during the year	-	-	-	-	-	300.00	-	-	300.00
	-	-	-	-	-	(1,600.00)	-	-	(1,600.00)
Inter corporate loans recovered during the year	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Balance Outstanding as at year end									
Amounts payable	165.40 (33.00)	10.00 -	165.37 (70.00)	68.33 (45.00)	2.75	-	53.23	-	465.08 (148.00)
Inter corporate loans payable	-	-	-	-	-	245.30	-	-	245.30
	-	-	-	-	-	(545.30)	-	-	(545.30)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended 31.03.2015 ₹ in lakhs	For the year ended 31.03.2014 ₹ in lakhs
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NOTE 28 - LEASES

The Group has entered into operating lease agreements mainly in respect of the office premises, accommodation and vehicles provided to employees and guest houses. 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	1,313.11	1,892.53
later than one year and not later than five years	5,813.39	7,494.22
later than five years	2,095.36	7,253.90
ii) lease payments recognised in the statement of profit and loss for the year	3,012.83	3,053.99
	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs

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

Excise duty

Others

Corporate guarantee given:

Banks in favour of Government authorities

Bill discounted

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

* Does not include value of materials to be supplied to the ongoing civil work.

NOTE 30

a) The Company is improving the operating and reporting process through implementation of an ERP system at each of its group operations. The below mentioned costs have been identified to be relating to the said processes and have accordingly been capitalized as part of the asset/capital work in progress.

Employee benefit expenses	559.09	73.57
Other expenses	834.55	18.94
Total expenses capitalized	1,393.64	92.51

(b) During the previous year, the Company on meeting the necessary criteria commenced capitalising cost associated with development of designs pertaining to specific brands. The below mentioned costs have been identified to be relating to the said brands and have accordingly been capitalized as part of the asset /intangibles under development:

Raw material and packing material consumed	64.19	24.94
Employee benefit expenses	93.62	95.12
Other expenses	33.20	19.36
Total expenses capitalized	191.01	139.42

(c) The company on meeting the necessary criteria commenced capitalising cost associated with opening/relocation of showrooms. The below mentioned costs have been identified to be relating to the said activities and have accordingly been capitalised as part of the asset/capital work in progress.

Employee benefit expenses	5.13	7.64
Others expenses	27.13	16.98
Total expenses capitalized	32.26	24.62

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
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	143.87	184.81
Other expenses	132.42	165.11
Depreciation	8.35	5.66
	284.64	355.58
NOTE 32 - EARNING PER SHARE		
Net profit for the year (being entirely attributable to the equity shareholders)	9,543.50	6,334.63
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	9.59	6.43

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 ON DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURES

1. Forward covers

- (a) The Group has designated certain highly probable forecasted foreign currency denominated sales transactions and certain forward contracts to sell 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 ₹934.83 lakhs as at March 31, 2015 (Previous year : ₹805.81 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 31.03.2015		As on 31.03.2014	
		Amount	₹ in lakhs	Amount	₹ in lakhs
Export of goods- Forward covers					
USD * INR	Sell	72,873,100	47,511.05	25,790,000	16,931.74
EURO * INR	Sell	4,125,000	3,362.23	3,000,000	2,625.88
GBP * INR	Sell	2,860,020	2,971.39	2,080,000	2,174.14

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 ₹55.91 lakhs (previous year: ₹73.06 lakhs), taken to hedge reserve being an effective hedge.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 on 31.03.2015		As on 31.03.2014	
		Amount	₹ in lakhs	Amount	₹ in lakhs
a. Amounts receivable in foreign currency on account of					
Inter corporate loan	USD	38,080,000	23,859.98	17,400,000	10,450.44
	SGD	1,340,000	610.53	70,000	33.34
Interest receivable on Inter corporate loan	EURO	69,723	47.15	67,031	55.36
	SGD	249,115	113.50	198,740	94.64
	USD	1,033,615	647.64	38,625	23.20
Receivables	EURO	-	-	2,458,502	2,030.45
	USD	834,554	522.91	1,165,021	699.71
	GBP	1,923	1.78	-	-
	AED	236,588	4036	-	-
	SGD	208,634	95.06	565,233	269.18
Advance to vendors	EURO	274,742	185.80	10,703	8.84
	USD	440,113	275.76	47,480	28.52
	CHF	1,244	0.80	3,516	2.38
	JPY	50,232	0.26	-	-
Bank balance	USD	2,999	1.88	56,877	34.16

b. Amounts payable in foreign currency on account of

Particulars	Foreign currency	As on 31.03.2015		As on 31.03.2014	
		Amount	₹ in lakhs	Amount	₹ in lakhs
Term loans	USD	34,280,000	21,478.99	13,600,000	8,168.16
Import of goods and services	USD	518,606	324.95	1,277,175	767.07
	EURO	412,810	279.17	770,378	636.25
	SGD	-	-	1,635	0.78
	CHF	64,599	59.84	-	-
Import of capital goods	GBP	-	-	56,116	56.01
	USD	239,290	149.93	-	-
Advance from subsidiaries	USD	1,359,595	854.20	483,792	290.57
Advance from Customers	USD	-	-	19,437	11.67

NOTE 35 - EXCEPTIONAL ITEMS INCLUDE :

	31.03.2015	31.03.2014
(a) Government Grants under Suvarna Vastra Neethi	-	1,236.00
(b) Business restructuring costs and severance costs	-	(1,271.36)
(c) Investment written off	-	(378.48)
	-	(413.84)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 36 - NOTES RELATING TO CASH FLOW STATEMENT

- (i) The cash flow statement has been prepared under the "Indirect Method" as set out in the Companies (Accounting Standards) Rules, 2006.
- (ii) Cash and cash equivalents include balances with scheduled banks on dividend account not available for use by the Company: ₹12.71 lakhs (Previous year: ₹20.98 lakhs) .
- (iii) Cash and cash equivalents comprises of:

	As at 31.03.2015	As at 31.03.2014
(a) Cash on hand	37.17	46.66
(b) Balance with banks		
- in current account	2,441.76	2,355.20
- in deposit account	140.50	228.36
- in unpaid dividend account	12.71	20.98
- Balances held as margin money	5.37	4.91
	2,637.51	2,656.11

NOTE 37 - During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Holding Company and its subsidiary in India revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. Further, assets individually costing ₹5,000/- or less that were depreciated fully in the year of purchase are now depreciated based on the useful life considered by the Company for the respective category of assets. The details of previously applied depreciation method, rates / useful life are as follows:

Asset	Depreciation method	Previous useful life	Revised useful life
Factory Building	SLM	29.94 years/ 3.34%	30 years
Office Building	SLM	61.35 years/ 1.63%	60 years
Office Equipments - SAP Server	SLM	10 years/ 10%	6 years
Office Equipments - Desktop, Laptops, PC, UPS	SLM	4 years/ 25%	3 years
Office Equipments - Others	SLM	6.67 years/ 15%	5 years
Vehicles - Two Wheelers	SLM	6.67 years/ 15%	10 years
Vehicles - Four Wheelers	SLM	6.67 years/ 15%	8 years
Plant & Machinery	SLM	9.67 to 21 years/ 4.75% to 10.34%	5 to 25 years
Power Plant	SLM	18.94 years/5.28%	40 years
Electrical Installations	SLM	14.14 years/ 7.07%	10 years

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 ₹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.

The depreciation expense in the Statement of Profit and Loss for the year is lower by ₹1,267.29 lakhs consequent to the change in the useful life of the assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 38-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]			
	31.03.2015		31.03.2014		31.03.2015		31.03.2014	
	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	77.53%	62,406.49	93.07%	69,337.60	111.48%	10,534.04	128.34%	6,995.92
Himatsingka Seide Limited								
Subsidiaries (excluding share of Minority Interest)								
Indian								
1 Himatsingka Wovens Private Limited (HWPL)	3.76%	3,030.13	3.76%	2,797.79	-0.96%	(90.77)	0.73%	39.75
Foreign								
1 Himatsingka America, Inc. (HimA)	-32.70%	(26,322.16)	-30.80%	(22,945.22)	-34.19%	(3,230.42)	-64.67%	(3,524.91)
2 Divatex Home Fashion, Inc. (Divatex)	36.14%	29,087.62	20.23%	15,074.72	43.42%	4,102.38	61.95%	3,376.79
3 DWI Holdings, Inc. (DWI)	17.02%	13,701.23	21.47%	15,992.89	-13.69%	(1,293.98)	26.57%	1,448.15
4 Himatsingka Singapore Pte Ltd (HSPL)	0.01%	9.61	0.12%	87.52	-2.23%	(210.82)	-3.92%	(213.88)
5 Twill & Oxford LLC (T&O)	0.35%	283.30	0.24%	176.73	-1.32%	(124.69)	0.58%	31.37
6 Giuseppe Bellora S.p.A. (GB)	-2.12%	(1,706.23)	-3.62%	(2,698.80)	-1.51%	(142.23)	-33.36%	(1,818.57)
Minority Interests in all subsidiaries	0%	-	-4.46%	(3,322.00)	-1.00%	(94.37)	-16.21%	(883.73)
TOTAL (Including Minority)	100.00%	80,489.99	100.00%	74,501.22	100.00%	9,449.13	100.00%	5,450.90

Note :

1. The details of the net assets for the Parent and each of the subsidiaries extracted from the individual standalone financial information and 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 amounts of share of profit or loss is net of adjustments associated with unrealized profits/(losses) arising from Inter-company transactions amounting to ₹400 Lakhs (Previous Year : ₹1,112.56 Lakhs)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 39 -Additional disclosures related to Consolidated Financial Statements

Particulars	As at 31.03.2015	As at 31.03.2014
Goodwill on consolidation		
Opening Balance	60,082.72	53,263.16
Add: On additions during the year	5,451.70	-
Add/(less): Exchange difference during the year on translation of Goodwill of foreign subsidiaries	(1,572.09)	6,819.56
	63,962.33	60,082.72
Less: Accumulated impairment	-	-
	63,962.33	60,082.72

Note 40 - Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

FINANCIAL HIGHLIGHTS - CONSOLIDATED

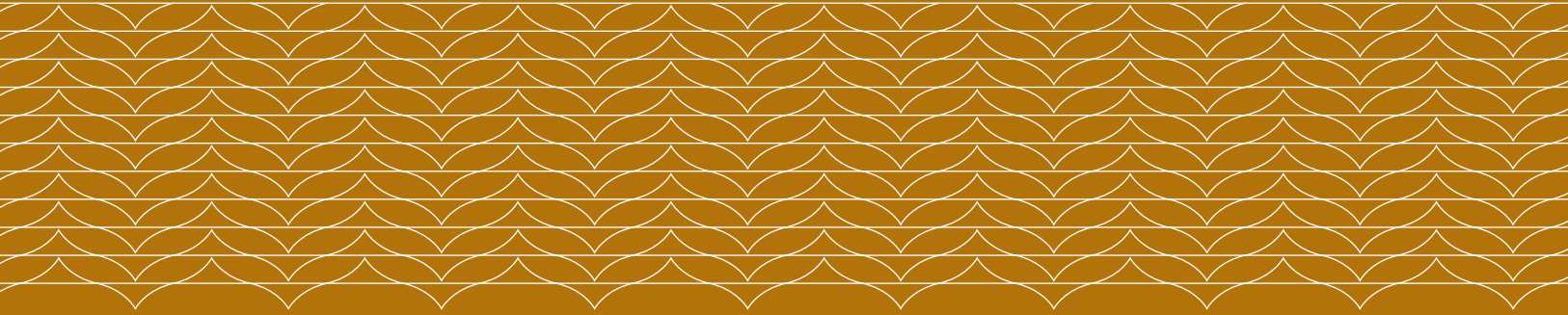
(₹ Lakhs, except ratios)

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Share Capital	4,872	4,872	4,923	4,923	4,923	4,923	4,923	4,923	4,923	4,923
Reserves	52,143	54,586	54,025	49,894	49,227	47,375	51,923	58,635	69,578	75,567
Networth	57,015	59,457	59,569	55,438	54,150	52,298	56,846	63,558	74,501	80,490
Total Debt	3,975	31,884	59,636	65,311	79,433	74,457	69,837	70,301	80,473	75,629
Gross Fixed Assets	22,721	33,990	77,451	83,351	89,314	90,980	90,608	91,576	95,804	94,607
Net Fixed Assets	10,341	14,860	53,611	55,167	56,972	54,811	48,719	45,679	44,277	41,866
Average Capital Employed	47,588	76,165	105,273	119,977	127,166	130,169	126,719	130,271	144,417	155,547
Total Revenue	17,716	24,458	89,147	103,960	108,330	124,068	143,162	169,841	202,815	194,057
EBITDA	6,786	8,665	6,933	6,703	10,685	9,510	14,762	16,683	20,477	22,153
Depreciation	1,502	1,570	3,588	5,988	5,471	5,646	5,557	5,216	5,438	4,464
EBIT	5,283	7,095	3,345	715	5,215	3,863	9,205	11,468	15,039	17,689
Interest and Finance Charges	115	96	2,944	4,248	4,922	5,262	5,284	6,528	8,283	8,544
Profit Before Tax	5,168	6,999	(2,164)	(7,788)	1,146	(1,398)	4,476	5,175	6,342	9,145
Profit After Tax	4,863	6,143	(2,399)	(7,442)	1,179	(1,658)	3,306	5,732	6,335	9,544
No. of Equity Shares (In Lakhs)	974.33	974.33	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)	58.52	61.02	60.50	56.31	55.00	53.12	57.74	64.55	75.67	81.75
Earnings Per Share (INR)	4.99	6.30	(2.44)	(7.56)	1.20	(1.68)	3.36	5.82	6.43	9.69
Dividend Per Share (INR)	2.50	2.50	-	-	0.25	-	0.50	1.00	1.50	2.00
Total Dividend (INR Lakhs)	2,436	2,436	-	-	246	-	492	985	1,477	1,969.14
ROCE	11.1%	9.3%	3.2%	0.6%	4.1%	3.0%	7.3%	8.8%	10.4%	11.4%
ROE	11.4%	10.5%	-4.0%	-12.9%	2.2%	-3.1%	6.1%	9.5%	9.2%	12.3%
Debt Equity Ratio	0.07	0.54	1.00	1.18	1.47	1.42	1.23	1.11	1.08	0.94




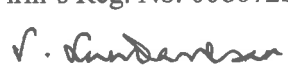
Note:

Forward looking statements in this Annual Report should be read in conjunction with the following cautionary statements.

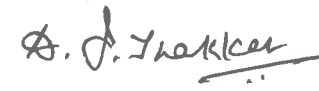

Certain expectations and projections regarding future performance of the company referenced in this Annual Report are forward - looking statements. These expectations and projections are based on currently available information along with the company's operating plans and are subject to certain future events and uncertainties, that could cause actual results to differ materially from those that may be indicated in such statements.



FORM A

1	Name of the Company	Himatsingka Seide Limited
2	Annual Standalone financial statements for the year ended	31 st March, 2015
3	Type of Audit observation	Un-qualified / Matter of Emphasis
4	Frequency of observation	Not applicable
5	To be signed by –	<div style="display: flex; flex-direction: column; align-items: flex-start;"> <ul style="list-style-type: none"> • CEO/ Managing Director • CFO • Audit Committee Chairman • Auditor of the Company <div style="margin-top: 20px;"> <p> D.K.Himatsingka</p> <p> Pradeep K.P.</p> <p> Dilip J. Thakkar</p> <p>Refer to our Audit Report dated May 23, 2015 on the standalone financial statements of the Company</p> <p>For Deloitte Haskins & Sells Chartered Accountants (Firm's Reg. No. 008072S)</p> <p> S. Sundaresan Partner (M. No. 25776)</p> </div> </div>

FORM A

1	Name of the Company	Himatsingka Seide Limited
2	Annual consolidated financial statements for the year ended	31 st March, 2015
3	Type of Audit observation	Un-qualified / Matter of Emphasis
4	Frequency of observation	Not applicable
5	To be signed by –	<p>  D.K.Himatsingka </p> <p>  Pradeep K.P. </p> <p>  Dilip J. Thakkar </p> <p>Refer to our Audit Report dated May 23, 2015 on the consolidated financial statements of the Company</p> <p>For Deloitte Haskins & Sells Chartered Accountants (Firm's Reg. No. 008072S)</p> <p>  S. Sundaresan Partner (M. No. 25776) </p>