Himatsingka Seide Limited

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

Ref: SEC:0001:2:0618:KGN

February 1, 2016

> Speed Post A/d. <

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

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

Dear Sirs,

Sub: Business Update.

We are enclosing herewith Business Update dated 1st February, 2016.

This is for your information and record.

Thanking you,

Yours faithfully,
For Himatsingka Seide Limited

Ashok Sharma
Associate Vice President – Treasury, Taxation
& Company Secretary

Encl: as above.

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

- The Drapery and Upholstery division at Doddaballapur Bangalore has changed its status from an EOU to a DTA with effect from 5th November, 2015

- The Bedding Division at Hassan was converted from a SEZ to a DTA with effect from 20th November 2015. The land contiguous with the said unit has also been converted from an SEZ to a DTA with effect from 27th January 2016.

  With these changes as mentioned above, we expect our Manufacturing divisions to get the benefit of ease of operations as well as a beneficial incentive structure typical to this industry.

- As disclosed earlier the Rs. 1281 Crores expansion plan of the Group entails investments in enhancing the group's current Sheeting capacity, backward integration into Spinning and a foray into Terry Towels. The investments are being carried out in phases over the next three years. The expansion is progressing as scheduled and as mentioned on earlier calls the group estimates to commission its enhanced sheeting capacity by June 2016.

- As stated in the earlier quarter the group remains focussed on sweating its assets across its manufacturing and distribution divisions. While we have seen an uptick on the manufacturing front over the last few quarters, we estimate a larger time frame for our initiatives to fructify on the distribution front across North America/Europe / India & Asia.

- Going into FY 17 we see a better operating performance over our manufacturing and distribution divisions. This will be further aided by the new sheeting capacities that are expected to be on stream in FY 17.

About Himatsingka

The Rs.2500 crores Himatsingka Group is a vertically integrated home textile major with a global footprint. The Group focuses on the manufacture, retail and distribution of Home Textile products. On the manufacturing front, the Group operates amongst the largest capacities in the world for upholstery fabrics, drapery fabrics and bed linen products. Spread across Asia, Europe and North America, its retail and wholesale distribution divisions carry some of the most prestigious brands in the Home Textile space and cater to Private Label programs of major retailers across these geographies.

With over 5000 people, the Group continues to expand its reach and build capacities in the Home Textile space.



www.himatsingka.com

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