Himatsingka Seide Limited

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

Ref: SEC:0001:2:0798:KGN

November 10, 2016

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: Unaudited Financial Results for the quarter ended September 30, 2016 pursuant to Regulation 30(2) and Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We are enclosing herewith the Unaudited Financial Results for the quarter ended September 30, 2016 along with a copy of the Limited Review Report in respect of Standalone Results pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approved by the Board in the Meeting held on November 10, 2016.

We request you to kindly take the same on records and acknowledge the receipt.

We are making arrangements for the publication of Unaudited Results in the newspapers.

Thanking you,

Yours faithfully,
For Himatsingka Seide Limited

Ashok Sharma
Vice President – Treasury, Taxation
& Company Secretary

Encl: as above.

Phone : +91-80-4257 8000 Fax : +91-80-4147 9384
Email : hslblr@himatsingka.com Website : www.himatsingka.com CIN : L17112KA1985PLC006647

Himatsingka Seide Limited

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

Sl. No.	STATEMENT OF STANDALONE RESULTS FOR THE QUARTER and HALF YEAR ENDED 30 SEPTEMBER, 2016 (Rs. in Lakhs)					
	Particulars	Quarter Ended			Half Year Ended	
		30.09.2016	30.06.2016	30.09.2015	30.09.2016	30.09.2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Refer Notes below					
1	**Income from operations**					
	(a) Net sales	27,688	26,853	25,109	54,541	49,640
	(b) Other operating income	2,107	1,294	743	3,401	1,629
	Total Income from operations (net)	**29,795**	**28,147**	**25,852**	**57,942**	**51,269**
2	**Expenses**					
	(a) Cost of raw materials consumed	17,323	14,959	15,450	32,282	28,817
	(b) Purchases of stock-in-trade	-	-	-	-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(983)	214	(1,455)	(769)	(1,111)
	(d) Employee benefit expenses	3,502	3,280	2,541	6,782	5,332
	(e) Depreciation and amortisation expenses	943	956	977	1,899	1,924
	(f) Foreign exchange fluctuation loss/(gain) - net	288	(868)	(442)	(580)	(1,059)
	(g) Other expenses	2,842	3,034	3,501	5,876	6,803
	Total expenses	**23,915**	**21,575**	**20,572**	**45,490**	**40,706**
3	**Profit from operations before other income, interest and finance costs and exceptional items**	**5,880**	**6,572**	**5,280**	**12,452**	**10,563**
4	Other income	1,208	748	697	1,956	1,282
5	**Profit from ordinary activities before interest and finance costs and exceptional items**	**7,088**	**7,320**	**5,977**	**14,408**	**11,845**
6	Interest and finance costs	1,261	1,647	1,456	2,908	2,847
7	**Profit from ordinary activities after interest and finance costs but before exceptional items**	**5,827**	**5,673**	**4,521**	**11,500**	**8,998**
8	Exceptional items gain/(loss) - net	-	-	-	-	-
9	**Profit from ordinary activities before tax**	**5,827**	**5,673**	**4,521**	**11,500**	**8,998**
10	Tax expense	1,416	1,060	1,000	2,476	1,963
11	**Net profit for the period**	**4,411**	**4,613**	**3,521**	**9,024**	**7,035**
12	Other comprehensive income	(107)	(145)	(214)	(252)	(705)
13	**Total comprehensive income for the period**	**4,304**	**4,468**	**3,307**	**8,772**	**6,330**
14	Paid up equity share capital Face value of Rs. 5 per equity share	4,923	4,923	4,923	4,923	4,923
15	Earnings per share (Basic and Diluted)	4.48	4.69	3.58	9.17	7.15

DELOITTE HASKINS & SELLS * CHARTERED ACCOUNTANTS * BANGALORE

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

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STATEMENT OF ASSETS AND LIABILITIES		
Sl.No.	Particulars	As at 30.09.2016 (Unaudited)
	ASSETS	
1	**Non-current assets**	
	(a) Property, Plant & Equipment	51,471
	(b) Capital Work in Progress	21,149
	(c) Other Intangible assets	810
	(d) Financial Assets	
	(i) Investments	29,356
	(ii) Loans	24,560
	(iii) Other Financial Assets	985
	(e) Income Tax assets	599
	(f) Deferred Tax assets (net)	5,800
	(g) Other Non-Current Assets	6,329
		141,059
II	**Current assets**	
	(a) Inventories	18,279
	(b) Financial Assets	
	(i) Trade Receivables	27,545
	(ii) Cash & Cash equivalents	13,003
	(iii) Loans	512
	(iv) Other Financial Assets	3,308
	(c) Other Current Assets	6,147
		68,794
	TOTAL - ASSETS	**209,853**
	EQUITY AND LIABILITIES	
	Equity	
	(a) Equity Share Capital	4,923
	(b) Other Equity	90,994
	Total Equity	**95,917**
	LIABILITIES	
I	**Non-current Liabilities**	
	(a) Financial Liabilities	
	(i) Borrowings	57,103
	(ii) Other Financial Liabilities	-
	(b) Provisions	716
	(c) Deferred Tax Liabilities (Net)	-
	(d) Other Non-Current Liabilities	1,120
		58,939
II	**Current Liabilities**	
	(a) Financial Liabilities	
	(i) Borrowings	32,109
	(ii) Trade Payables	13,881
	(iii) Other Financial Liabilities	4,644
	(b) Other Current Liabilities	282
	(c) Provisions	141
	(d) Income Tax Liabilities (net)	3,940
		54,997
	TOTAL EQUITY and LIABILITIES	**209,853**

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NOTES:

1 The above standalone financial results ("the Statement") for the period ended September 30, 2016 were reviewed by Audit Committee and thereafter approved by the Board of Directors at its meeting held on November 10, 2016. The Statutory Auditors have carried out a Limited review of the above standalone financial results for the quarter and half year ended September 30, 2016.

2 The Statement has been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Company adopted Ind AS from April 01, 2016, with a transition date of April 01, 2015, and accordingly, these financial results (including for all the periods presented in accordance with Ind AS 101 - First-time Adoption of Indian Accounting Standards) have been prepared in accordance with the recognition and measurement principles in Ind AS 34 - Interim Financial Reporting, prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and polices to the extent applicable.

3 The reconciliation of net profit reported in accordance with previous GAAP to total comprehensive income in accordance with Ind AS is given below:

Particulars	Notes	Quarter Ended 30.09.2015	Half year ended 30.09.2015
Net Profit as per previous GAAP		4,612	9,068
Reconciling Items			
Impact of depreciation on account of deemed cost and amortization of capital subsidy	3.i	(45)	(93)
Adjustment arising from restatement of term borrowing at amortised cost	3.ii	(112)	(18)
Other Ind AS Adjustments	3.iii	66	41
Tax expense	3.iv	(1,000)	(1,963)
Profit After Tax (PAT) as per Ind AS		3,521	7,035
Other Comprehensive Income ("OCI")			
Impact of forward exchange contracts and interest rate swap classified as cash flow hedges (routed through OCI)	3.v	(214)	(705)
Total Comprehensive income as per Ind AS		3,307	6,330

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Notes:

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

3.ii Under previous GAAP, the Company had charged off certain loan origination/upfront fees paid to the banks for facilitating the term loans, as finance cost in the respective year of incurrence. Under Ind AS, such financial liabilities, classified to be carried at amortised cost basis, have resulted in a change in the current period finance cost (net) with an adjustment to the retained earning balance as of April 01, 2015.

3.iii Other Ind AS adjustments mainly includes the effect of measurement of financial assets and liabilities, either at fair value or amortised cost etc.

3.iv The Company has recognised the deferred tax impact arising from Ind AS adjustments as well as evaluated the status of the deferred tax asset arising from unabsorbed depreciation existing as of March 31, 2015 not recognised as per previous GAAP in the absence of virtual certainty and has adjusted the same in the reserves as of April 01, 2015. Based on the utilisation of the unabsorbed depreciation during the period(s), such reversal of deferred tax asset is recognised in statement of profit and loss.

3.v Under previous GAAP, for foreign currency derivative contracts, not classified as cash flow hedges, taken as a hedge against recorded exposures on the balance sheet date, were restated at the year end rate and the discount or premium, as applicable, was amortised over the period of the contract. Under Ind AS, such derivative financial instruments are recognised at fair value and the movement is recognised in other comprehensive income, net of tax.

4 The Company has evaluated its operating segments in accordance with Ind AS 108, and has concluded that it is engaged in a single operating segment viz. Home Textiles, with a product base of different cotton and silk blended products, on the basis of decisions taken for allocation of resources and the internal business reporting system for evaluation of operational results.

Bengaluru
November 10, 2016

Dinesh Himatsingka
Executive Chairman

Shrikant Himatsingka
Managing Director & CEO

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Deloitte
Haskins & Sells

Chartered Accountants
Deloitte Centre
Anchorage II
100/2 Richmond Road
Bengaluru – 560 025
India

Tel: +91 (080) 6627 6000
Fax: +91 (080) 6627 6013

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF HIMATSINGKA SEIDE LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **HIMATSINGKA SEIDE LIMITED** ("the Company") for the quarter and half year ended September 30, 2016 and Standalone Unaudited Balance Sheet as at September 30, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

   This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

Monisha Parikh
Partner
Membership No. 47840

BENGALURU, November 10, 2016

Himatsingka Seide Limited

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

STATEMENT OF CONSOLIDATED RESULTS FOR THE QUARTER and HALF YEAR ENDED 30 SEPTEMBER , 2016 (Rs. in Lakhs)						
Sl. No.	Particulars	Quarter Ended			Half Year Ended	
		30.09.2016	30.06.2016	30.09.2015	30.09.2016	30.09.2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Refer Notes below					
1	Income from operations					
	(a) Net sales	49,981	45,864	51,637	95,845	96,944
	(b) Other operating income	2,621	2,184	1,816	4,805	3,614
	Total Income from operations (net)	52,602	48,048	53,453	100,650	100,558
2	Expenses					
	(a) Cost of raw materials consumed	17,323	14,960	15,455	32,283	28,822
	(b) Purchases of stock-in-trade	14,794	12,648	21,124	27,442	36,172
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,301)	292	(1,760)	(1,009)	(2,445)
	(d) Employee benefit expenses	5,556	5,291	4,498	10,847	9,293
	(e) Depreciation and amortisation expenses	1,287	1,298	1,779	2,585	3,447
	(f) Foreign exchange fluctuation loss/(gain) - net	322	(898)	(463)	(576)	(1,117)
	(g) Other expenses	6,855	6,780	7,078	13,635	14,752
	Total expenses	44,836	40,371	47,711	85,207	88,924
3	Profit from operations before other income, interest and finance costs and exceptional items	7,766	7,677	5,742	15,443	11,634
4	Other income	260	248	94	508	163
5	Profit from ordinary activities before interest and finance costs and exceptional items	8,026	7,925	5,836	15,951	11,797
6	Interest and finance costs	2,001	2,330	2,264	4,331	4,477
7	Profit from ordinary activities after interest and finance costs but before exceptional items	6,025	5,595	3,572	11,620	7,320
8	Exceptional items gain/(loss) - net	-	-	-	-	-
9	Profit from ordinary activities before tax	6,025	5,595	3,572	11,620	7,320
10	Tax expense	1,416	1,060	534	2,476	1,604
11	Net Profit after tax	4,609	4,535	3,038	9,144	5,716
12	Other comprehensive income	(381)	174	656	(207)	867
13	Total comprehensive income for the period	4,228	4,709	3,694	8,937	6,583
14	Paid up equity share capital Face value of Rs. 5 per equity share	4,923	4,923	4,923	4,923	4,923
15	Earnings per share (Basic and Diluted)	4.68	4.61	3.09	9.29	5.81

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CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES		
Sl.No.	Particulars	As at 30.09.2016 (Unaudited)
	ASSETS	
1	**Non-current assets**	
	(a) Property, Plant & Equipment	64,592
	(b) Capital Work in Progress	22,683
	(c) Investment property	
	(d) Goodwill	35,344
	(e) Other Intangible assets	3,801
	(f) Financial Assets -	
	(i) Investments	19
	(ii) Loans	98
	(iii) Other Financial Assets	1,599
	(g) Income Tax assets	892
	(h) Deferred Tax assets (net)	5,800
	(i) Other Non-Current Assets	7,999
		142,827
II	**Current assets**	
	(a) Inventories	59,901
	(b) Financial Assets -	
	(i) Trade Receivables	9,230
	(ii) Cash & Cash equivalents	13,491
	(iii) Loans	134
	(iv) Other Financial Assets	1,084
	(c) Other Current Assets	12,652
		96,492
	TOTAL - ASSETS	**239,319**
	EQUITY AND LIABILITIES	
	Equity	
	(a) Equity Share Capital	4,923
	(b) Other Equity	91,189
	Total Equity	**96,112**
	LIABILITIES	
I	**Non-current Liabilities**	
	(a) Financial Liabilities	
	(i) Borrowings	63,283
	(ii) Other Financial Liabilities	
	(b) Provisions	790
	(c) Deferred Tax Liabilities	(1,146)
	(d) Other Non-Current Liabilities	1,120
		64,047
II	**Current Liabilities**	
	(a) Financial Liabilities	
	(i) Borrowings	45,555
	(ii) Trade Payables	22,758
	(iii) Other Financial Liabilities	4,505
	(b) Other Current Liabilities	2,252
	(c) Provisions	150
	(d) Income Tax Liabilities (net)	3,940
		79,160
	TOTAL EQUITY and LIABILITIES	**239,319**

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NOTES:

1 The above financial results for the quarter ended September 30, 2016 were reviewed by Audit Committee and thereafter approved by the Board of Directors at its meeting held on November 10,2016.

2 The IND AS compliant financial results pertaining to the relevant periods have not been subjected to Limited Review/Audit. However the Company's Management has exercised necesssary due diligence to ensure that the financial results provide a true and fair view of its affairs.

3 The Statement has been prepared in accordance with the Indian Accounting Standards (Ind AS) notifed under the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Company adopted Ind AS from April 01, 2016, with a transition date of April 01, 2015, and accordingly, these financial results (including for all the periods presented in accordance with Ind AS 101 - First-time Adoption of Indian Accounting Standards) have been prepared in accordance with the recognition and measurement principles in Ind AS 34 - Interim Financial Reporting, prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and polices to the extent applicable.

4 The reconciliation of net profit reported in accordance with Indian GAAP to total comprehensive income in accordance with Ind AS is given below:

Particulars	Notes	Quarter Ended	Half year ended
		30.09.2015	30.09.2015
Net Profit as per previous GAAP		4,158	8,237
Reconciling Items			
Additional Depreciation on account of deemed cost	4.i	(57)	(113)
Adjustment arising from restatement of term borrowing at amortised cost	4.ii	(112)	(18)
Other Ind AS Adjustments	4.iii	(24)	(21)
Tax expense	4.iv	(416)	(1,376)
Depreciation on Intangibles recognised at acquisition	4.v	(511)	(993)
Profit After Tax (PAT) as per Ind AS		3,038	5,716
Other Comprehensive Income ("OCI")			
Impact of forward exchange contracts and interest rate swap classified as cash flow hedges (routed through OCI) [earlier disclosed directly in Hedge Reserve]	4.vi	(214)	(705)
Exchange differences in translating the financial statements of foreign operations	4.vii	870	1,572
Total Comprehensive income as per Ind AS		3,694	6,583

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4.i Ind AS 101 (First-time Adoption of Indian Accounting Standards) provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. Ind AS 101 allows first-time adopters exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the exemption in its standalone financial results for its Property, Plant and Equipment, as well as Intangible Assets and Investment Properties (referred to as "fixed assets" in aggregate). The Company has opted to determine the deemed cost of such fixed assets as of April 01, 2015 to be represented by the fair value of certain land and buildings and restating the other items of equipment in accordance with Ind AS, instead of considering the value of the fixed assets as carried in the statement of financial position prepared under previous GAAP as at 31st March, 2015. This resulted in the value of land and building to be recorded at a value higher than those carried in it previous GAAP books as well as the Equipments being grossed up for the capital subsidies received in the prior years (net of amortisation). Accordingly, the increase in the deemed cost of building and equipment resulted in higher depreciation charge for the period.The amortisation of the capital subsidy has been routed as other income, as applicable.

4.ii Under previous GAAP, the Company had charged off certain loan origination / upfront fees paid to the banks for facilitating the term loans, as finance cost in the respective year of incurrance. Under Ind AS, such financial liabilities, classified to be carried at amortised cost basis, have resulted in a change in the current period finance cost (net) with an adjustment to the retained earning balance as of April 01, 2015.

4.iii Other Ind AS adjustments mainly includes the effect of measurment of financial assets and liabilities, either at fair value or amortised cost etc.

4.iv The Company has recognised the deferred tax impact arising from Ind AS adjustments as well as evaluated the status of the deferred tax asset arising from unabsorbed depreciation existing as of March 31, 2015 not recognised as per previous GAAP in the absence of virtual certainty and has adjusted the same in the reserves as of April 01, 2015. Based on the utilisation of the unabsorbed depreciation during the period (s), such reversal of deferred tax asset is recognised in statement of profit and loss.

4.v The Company has opted to apply the optional exemption provided in Ind AS 101, with regard to business combinations wherein the Company has considered January 01, 2007 as the effective date for applying business combinations retrospectively. This has resulted in the Company recognising certain items of intangibles, earlier subsumed within goodwill as well as adjusting the goodwill recognised in previous GAAP from additional interest acquired in subsidiaries to be adjusted directly to shareholders funds and retained earnings as of April 01, 2015, net of necessary amortisation of the intangibles. As the intangibles recognised had an estimated useful life expiring during 2015-16, the Company has recognised certain amortisation charges towards the same. Additionally, Ind AS 103 did not permit transaction costs to be considered as part of investment/purchase consideration resulting in the same being adjusted to retained earnings/ statement of profit and loss as necessary.

4.vi Under previous GAAP, for foreign currency derivative contracts, not classified as cash flow hedges, taken as a hedge against recorded exposures on the balance sheet date, were restated at the year end rate and the discount or premium, as applicable, was amortised over the period of the contract. Under Ind AS, such derivative financial instruments are to be recognised at fair value and the movement is recognised in the statement of profit and loss.

4.vii Restatement of foreign operations termed as 'integral operations' under the Previous GAAP and included as an adjustment to the income statement, has under Ind AS 21 been considered as an element of other comprehensive income due to conversion of functional and reporting currency.

5 The Company has evaluated its operating segments in accordance with Ind AS 108, and has concluded that it is engaged in a single operating segment viz. Home Textiles, with a product base of different cotton and silk blended products, on the basis of decisions taken for allocation of resources and the internal business reporting system for evaluation of operational results.

Bengaluru
November 10, 2016

Dinesh Himatsingka
Executive Chairman

Shrikant Himatsingka
Managing Director & CEO