



Himatsingka

Himatsingka Seide Limited

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STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER, 2016**(Rs. in Lakhs)**

Sl. No.	Particulars	Quarter Ended			Nine Months Ended	
		31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Refer Notes below					
1	Income from operations					
	(a) Net sales	39,080	27,688	24,262	93,621	73,902
	(b) Other operating income	2,337	2,107	1,720	5,738	3,349
	Total income from operations (net)	41,417	29,795	25,982	99,359	77,251
2	Expenses					
	a. Cost of raw materials consumed	27,439	17,323	12,931	59,721	41,748
	b. Purchases of stock-in-trade	2,244	-	56	2,244	56
	c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3,265)	(983)	1,308	(4,034)	197
	d. Employee benefits expenses	3,853	3,502	2,721	10,635	8,053
	e. Depreciation and amortisation expenses	1,210	943	984	3,109	2,908
	f. Foreign exchange fluctuation loss/(gain) - net	(805)	288	(351)	(1,385)	(1,410)
	g. Other expenses	3,362	2,842	3,072	9,238	9,875
	Total expenses	34,038	23,915	20,721	79,528	61,427
3	Profit from operations before other income, interest and finance costs and exceptional items	7,379	5,880	5,261	19,831	15,824
4	Other income	894	1,208	672	2,850	1,954
5	Profit from ordinary activities before interest and finance costs and exceptional items	8,273	7,088	5,933	22,681	17,778
6	Interest and finance costs	1,963	1,261	1,309	4,871	4,156
7	Profit from ordinary activities after interest and finance costs but before exceptional items	6,310	5,827	4,624	17,810	13,622
8	Exceptional item gain/ (loss) - net	-	-	-	-	-
9	Profit from ordinary activities before tax	6,310	5,827	4,624	17,810	13,622
10	Tax expense	2,006	1,416	1,006	4,482	2,969
11	Net profit for the period	4,304	4,411	3,618	13,328	10,653
12	Other comprehensive income	356	(107)	336	104	(369)
13	Total comprehensive income for the period	4,660	4,304	3,954	13,432	10,284
14	Paid up equity share capital	4,923	4,923	4,923	4,923	4,923
	Face value of Rs. 5 per equity share					
15	Earnings per share (Basic and Diluted)	4.37	4.48	3.67	13.54	10.82

NOTES:

- 1 The above standalone financial results ("the Statement") for the period ended December 31, 2016 were reviewed by Audit Committee and thereafter approved by the Board of Directors at its meeting held on February 1, 2017. The Statutory Auditors have carried out a Limited review of the above standalone financial results for the quarter and nine months ended December 31, 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 policies 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 (Unaudited)	Nine Months ended (Unaudited)
		31.12.2015	31.12.2015
Net Profit as per previous GAAP		4,619	13,686
Reconciling Items			
Impact of depreciation on account of deemed cost and amortization of capital subsidy	3.i	(42)	(124)
Adjustment arising from restatement of term borrowing at amortised cost	3.ii	5	(13)
Other Ind AS Adjustments	3.iii	42	73
Tax expense	3.iv	(1,006)	(2,969)
Profit After Tax (PAT) as per Ind AS		3,618	10,653
Other Comprehensive Income ("OCI")			
Impact of forward exchange contracts and interest rate swap classified as cash flow hedges (routed through OCI)	3.v	336	(369)
Total Comprehensive income as per Ind AS		3,954	10,284

- 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 The company uses derivative financial instruments(hedging instruments) to manage risks associated with foreign currency exchange fluctuations relating to certain highly probable forecasted transactions. The hedging instruments initially measured at fair value, and are remeasured at subsequent reporting dates. Under the previous GAAP, changes in the fair value of these hedging instruments designated and effective, as hedge of future cash flows, were recognized directly in a Hedge Reserve (grouped under reserves and surplus) until the occurrence of the forecast transaction at which time the same was recognized in the Statement of profit and loss. As per IND AS requirements changes in the fair value are routed through Other Comprehensive income, to be disclosed in the statement of equity as a Hedge Reserve. On occurrence of the forecast transaction, the effective portion of these derivatives are adjusted against the underlying hedged item and ineffective portion is recognized as expense in the Statement of profit and loss.
- 4 The Company has evaluated its operating segments in accordance with Ind AS 108, and has concluded that it is engaged in a single operating segment viz. Home Textiles, with a product base of different cotton and silk blended products, on the basis of decisions taken for allocation of resources and the internal business reporting system for evaluation of operational results.

Bengaluru
February 1, 2017

Dinesh Himatsingka
Executive Chairman

Shrikant Himatsingka
Managing Director & CEO