

Himatsingka Seide Limited

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

Ref: SEC:0001:2:1112:KGN

May 25, 2018

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

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: Outcome of Board Meeting – Scheme of Arrangement between Himatsingka Seide Limited and Himatsingka Wovens Private Ltd and their respective shareholders and creditors.

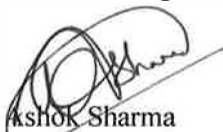
In compliance with Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”), read with SEBI Circular no. CIR/CFD/CMD/4/2015 dated September 9, 2015, this is to inform you that the Board of Directors of Himatsingka Seide Limited (“**Board**”) at its meeting held today, i.e., Friday, May 25, 2018, has approved a draft scheme of arrangement between Himatsingka Seide Limited (“**Company**” or **Transferor Company**”) and Himatsingka Wovens Private Limited (“**HWPL** or **Transferee Company**”) and their respective shareholders and creditors as may be modified from time to time (“**Draft Scheme**” or **Scheme**”) under Section 233 of the Companies Act, 2013, subject to receipt of approvals from shareholders and creditors of the Company as may be directed by the Regional Director, and approval of other regulatory or statutory authorities as may be required.

We enclose herewith the information (Annexure-I) pursuant to Regulation 30 of the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 in the prescribed format.

We request the stock exchanges to take the above on record.

Thanking you,

Yours faithfully,
For Himatsingka Seide Limited,



Akshok Sharma
Vice President – Strategic Finance
& Company Secretary

Himatsingka Seide Limited

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Annexure – I

a.	Brief details of the division(s) to be demerged	Retail business division of Himatsingka Wovens Private Limited ('HWPL') is proposed to be demerged into Himatsingka Seide Limited ('HSL')
b.	Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year	Turnover: INR 28.16 Crores % to the total turnover: 1.71%
c.	Rationale for demerger	<p>The Scheme is based on the following rationale:</p> <ul style="list-style-type: none">• To integrate the retail businesses of the HWPL in order to consolidate manufacturing, and sale / retail business at HSL level.• The proposed integration of the retail business with HSL is to optimize utilization of specialized skills and knowledge, cash flow profiles, and operational and training requirement. <p>In this scenario, the Board of Directors of HSL and HWPL are collectively of the view that it would be optimal to demerge the retail business division of HWPL into HSL and take significant advantage / benefit of economies of scale on account of the integration of the textile business under HSL.</p> <ul style="list-style-type: none">• This integration of the retail business will optimise utilization of resources, operations on economies of scale, achieve cost savings and reduction in administrative overheads, reduction in multiplicity of legal and regulatory compliances, aid rationalization and simplification of business process, optimize resources and provide focused leadership / management attention to the retail business and enhance such business by bringing in operation synergies.• To enable better and more efficient management, control and running of its various businesses and offering opportunities to the management of both the companies to vigorously pursue growth and expansion.



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d.	Brief details of change in shareholding pattern (if any) of all entities	There is no change in shareholding pattern in HSL or HWPL as a result of the Scheme of arrangement since no additional shares are issued.
e.	In case of cash consideration amount or otherwise share exchange ratio	As HWPL is a wholly owned subsidiary of HSL, there will be no consideration either in the form of cash or shares or otherwise.
f.	Whether listing would be sought for the resulting entity	The Transferee Company i.e., HSL is already listed and there will be no change to this

