

Early Warning System

IFC-46454

Himatsingka Loan

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Quick Facts

Countries	India
Specific Location	Karnatka- Hassan and Doddaballapur
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2022-12-12
Borrower	HIMATSINGKA SEIDE LTD
Investment Type(s)	Loan
Investment Amount (USD)	$ 69.00 million
Project Cost (USD)	$ 85.00 million

Project Description

According to IFC documents, the proposed investment is a loan of up to $ 69 million to HSL. The proceeds will be utilized towards part financing HSL’s terry towel plant capacity expansion through debottlenecking, implement specified decarbonization actions and to refinance long term debt (“the Project”). The debottlenecking is expected to increase HSLs terry towel production capacity by 60% to 40,000 tpa at its Terry Division located at HSLs integrated Hassan Plant campus (Plant co-ordinates: 12°57'21.9N 76°05'51.6E) in Karnataka. The proposed debottlenecking based expansion includes neither additional land parcel requirements nor any major building infrastructure to be developed. IFC does not have any past investment experience with the Company.

Investment Description

- International Finance Corporation (IFC)

The total Project cost is approximately US$85 million. IFC will provide a financing package of upto US$69 million equivalent. The financing package will include (i) INR denominated Non-Convertible Debenture (NCD) of up to INR 4,600 million (approximately US$56.5 million) and (ii) and Foreign Currency Convertible Bond (FCCB) of up to US$12.50 million.

Private Actor Relationship

The Company was founded in 1985 by Dinesh Kumar Himatsingka. It is currently listed on both Bombay Stock Exchange and National Stock Exchange. The majority ownership of HSL is with the Himatsingka family (“the Sponsors”) with about 48% shareholding, and the balance is held by public and institutional shareholders.

Private Actors Description

Himatsingka Seide Limited (“HSL” or the “Company”) is one of the leading vertically integrated home textile manufacturing companies that designs, develops, manufactures and distributes a suite of home textile products. Himatsingka Seide Limited (“HSL” or “the Company”) is one of the leading vertically integrated textile enterprises in India (https://www.himatsingka.com/) and operational since 1985. HSL has full range of capability in textile design, development, manufacture, and distribution with a suite of textile products ranging from made-up bedding products, terry towels, drapery and upholstery fabrics. With over 15 brands, the Company has amongst the largest portfolio of home textile brands, catering to its markets in about 32 countries across North America, Europe and India-Asia.

Going forward, the Company intends to add more brands as part of its long-term growth strategy and enhance its market share in branded home textiles segment. HSL’s own & licensed brands (Pimacott, Organicott and Home Grown Cotton) are also equipped with the DNA-tagged technology which provides its clients with the ability to trace raw materials and ensure purity of cotton across supply chain.HSL operates four integrated manufacturing plants across two locations in the state of Karnataka in India. The installed capacities for manufacturing bedding and bath products, drapery and upholstery fabrics, and fine-count cotton yarn are amongst the largest in the world.

Contact Information

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ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org