

**AUDITED FINANCIAL RESULTS FOR
THE PERIOD ENDED ON 30TH SEPTEMBER 2008.**

Rs. In Lacs

Sr. No.	Particulars	Period ended 30 th September, 2008 (Audited)	Previous year ended 31 st March, 2007 (Audited)
1.	Net Sales	24,491.93	15089.49
2.	Other Income	637.58	17.62
3.	Total	25,129.51	15107.11
4.	Total Expenditure		
	a) (Increase)/Decrease in Stock in Trade	(445.32)	(442.27)
	b) Raw Materials Consumption	16,879.38	8609.75
	c) Staff Cost	2,104.58	978.17
	d) Depreciation	1,461.44	724.42
	e) Bad Debts w/off	3,162.21	--
	f) Other Expenditure	5,852.75	2726.42
	g) Total Expenditure	29,015.04	12596.49
5.	Interest	2,387.51	992.64
6.	Exceptional Items: Income/(Loss) net	365.41	--
7.	Net Profit /(Loss) before Tax	(5,907.63)	1517.98
8.	Provision for Tax	261.35	196.84
9.	Net Profit /(Loss) after Tax	(6,168.98)	1321.14
10.	Paid-up Equity Share Capital Face Value : Rs.10 Per Share	1,220.82	1181.39
11.	Reserves excluding revaluation reserves	1543.41	6945.05
12.	Basic EPS	(51.92)	11.34
	Diluted EPS	(25.64)	10.51
13.	Public Shareholding		
	-No. of Shares	88,60,179	57,24,680
	-Percentage of shareholding	72.57%	48.46%

Notes:

- The above results have been taken on record, reviewed by Audit Committee and approved by the Board of Directors at its meeting held on 29th November, 2008.
- The company has extended the Accounting year upto 30th September, 2008.(From April,2007 to March, 2008) hence same are not comparable with the previous year.
- Reasons for the losses are due to (a) Raw materials for Dope Dyed Yarn business is polyester chips and high crude prices have had direct impact on chips prices and prevalent high cotton prices. (b) Rupee appreciation affected the export orders, resulting in our lower sales from embroidery fabric to export houses during the period. (c) Increase in interest cost & depreciation on account of expansion/ acquisition. (d) Margin pressure as prevalent in Indian Textile Industry. (e) Identification of non-moving /slow moving stocks during the restructuring process valued at less than cost price considering depressed market conditions (f) Production loss on relocation of plant.
- Other income includes sum of Rs.5.59 Crores towards exchange rate difference.
- Bad debts w/off Rs. 31.62 Crores pertains to Hakoba Lifestyle Limited (a subsidiary of the Company).
- Exceptional Items include Rs.6.50 Crores being income from joint development agreement and building demolished w/off Rs.2.85 Crores.
- Company has submitted a restructuring scheme to Corporate Debt Restructure Cell (CDR) with the support of majority of lenders, which was admitted at CDR-EG meeting held on 22nd October, 2008. State Bank of India, Monitoring Institution, is in the process of preparing the final restructuring package of the Company.
- The balance Share Warrant holders holding 43,30,000 Share Warrants have not exercised their option for conversion into equity shares and the same has been forfeited by the Company and advance money received of Rs. 441.66 lacs has been credited to Capital Reserve.
- The Company is engaged in production of textile products having integrated working. For management purpose, Company is organized into one major operating activity of the textile products. Accordingly the Company is of the view that it has only single business segment.
- The above results are on a stand-alone basis and do not include results of Subsidiaries of the Company viz. Hakoba Lifestyle Limited, Mas Embroideries Private Limited, Pioneer Realty Limited and S R Investment Limited.
- The details of Investors Complaints received during the September quarter: Opening Balance- Nil; Received during the quarter- 10; Disposed Off- 10; Pending- Nil.
- FCCB issue proceeds have been utilized as per the norms either in Joint Ventures or acquisition of assets. Pending full utilization, the balance funds have been invested in deposits with banks abroad.
- The figures are regrouped and reclassified wherever necessary.

For & on behalf of Board of Directors

Place : **Mumbai**
Date : **29th November, 2008.**

HARSH VARDHAN BASSI
Executive Director