



## Himatsingka Seide Limited

Registered Office : 10/24, Kumarakrupa road, High Grounds, Bangalore - 560 001

Consolidated Audited Results			
Particulars	Quarter ended	Year ended	Year ended
	31.03.2008 (Unaudited)	31.03.2008 (Audited)	31.03.2007 (Audited)
	(Rs. Lakhs)		
1 Net sales	28,546.58	87,028.35	20,911.29
2 Other income	(32.84)	2,203.92	3,546.88
<b>3 Total revenue</b>	<b>28,513.74</b>	<b>89,232.27</b>	<b>24,458.17</b>
<b>4 Expenditure</b>			
a. (Increase)/decrease in stock	(4,530.66)	(4,177.90)	(1,738.61)
b. Consumption of raw materials	21,447.17	56,147.59	9,190.43
c. Personnel expenses	4,056.64	12,445.51	3,352.55
d. Depreciation	1,322.36	3,587.57	1,570.09
e. Manufacturing expenses	2,259.24	6,334.25	1,677.95
f. Admn., sales & other expenses	4,524.71	12,014.31	3,310.38
<b>Total</b>	<b>29,079.46</b>	<b>86,351.33</b>	<b>17,362.79</b>
5 Interest	823.34	2,479.80	96.41
6 Exceptional items	2,433.20	2,565.25	-
<b>Profit! (loss) from ordinary activities before tax</b>	<b>(3,822.26)</b>	<b>(2,164.11)</b>	<b>6,998.97</b>
8 Tax expense	139.14	539.46	687.53
<b>9 Net profit! (loss) before minority interest</b>	<b>(3,961.40)</b>	<b>(2,703.57)</b>	<b>6)11.44</b>
10 Minority interest	147.71	(304.86)	168.44
<b>11 Net profit! (loss)</b>	<b>(4,109.11)</b>	<b>(2,398.71)</b>	<b>6,143.00</b>
12 Paid up equity share capital	4,922.86	4,922.86	4,871.66
Face value of each share (Rs)	5	5	5
II Reserves		54,024.97	54,585.75
Dividend	-	-	2,435.83
Dividend per share (Rs)	-	-	2.5
12 Basic & Diluted EPS (Rs) (Non annualised)	(4.17)	(2.46)	6.30
13 Aggregate of public shareholding			
- No of shares	48,042,983	48,042,983	48,042,983
- % of holding (to total shareholding)	48.8	48.8	49.31

1. Commercial production at the Hassan Bed-Linen facility and Made-ups facility at Doddaballapur Apparel Park commenced from October 12, 2007 and December 31, 2007 respectively. The above results include an amount of Rs 2243 lakhs and Rs 4028.37 lakhs, being the loss on account of Hassan facility for the quarter and the year respectively. The results for the year are net of the following income and expenses pertaining to these projects which have been capitalised: Sales - Rs.1592.53lakhs (Previous year - Rs. Nil); Other Income - Rs.35.42lakhs (Previous year - Rs. Nil); Consumption of raw material - Rs.3105.87 lakhs (Previous year - Rs.17.03 lakhs); Personnel expenses - Rs.341.30 lakhs (previous year - Rs.177.06 lakhs); Depreciation - Rs.53.46 lakhs (previous year- Rs.25.21lakhs); Manufacturing expenses - Rs.704.31 lakhs (Previous year Rs.124.63 lakhs); Admn.,sales & other expenses Rs.190.16 lakhs (Previous year - Rs.104.92 lakhs) and Interest - Rs.501.59 lakhs (Previous year - Rs.381.03 lakhs).

2. The Company through its wholly owned subsidiary, Himatsingka America Inc, USA, acquired on June 30, 2007, 80% of the share capital of Divatex Home Fashions, Inc. USA and on October 18, 2007, 100% of the share capital of DWI Holdings Inc. USA.

3. Himatsingka Wovens Private Limited (wholly owned subsidiary) has launched retail operations in Singapore under the "Atmosphere" brand with effect from October 12, 2007, through its 100% subsidiary Himatsingka Singapore Pte Limited, Singapore.

4. The above consolidated financial results include figures in respect of all subsidiaries except, GBT SrL (a subsidiary of Giuseppe Bellora SpA) a company under liquidation.

5. During the quarter, the shareholding of Giuseppe Bellora S.p.A. (GB), in one of its subsidiary companies, BP Venture Sri (BPV) has reduced from 52% to 15%. This is in line with the strategic intent of GB to consolidate its retail operations. The reduction in the shareholding is a result of lower participation in fresh infusion of capital of BPV. Consequentially, BPV and its subsidiary are no longer subsidiaries of the Group and hence not consolidated in the above results. The exceptional items include profit on dilution of stake amounting to Rs 342.78 lakhs.

6. During the quarter, Interbrand Srl a 100% subsidiary of GB has been merged into GB with effect from April 1, 2007.

7. Since, the Company is primarily in the business of Home Textiles, segment information is not disclosed.

8. The notes to standalone results should also be considered as notes to consolidated results.

Bangalore  
29-Jun-08

**Dinesh Himatsingka**  
Managing Director

Standalone Audited Results				
Particulars	Quarter ended	Quarter ended	Year ended	Year ended
	31.03.2008 (Unaudited)	31.03.2007 (Unaudited)	31.03.2008 (Audited)	31.03.2007 (Audited)
1 Net sales	8,427.09	4,317.35	23,267.68	17,416.35
2 Other income	350.98	712.61	1,696.88	2,705.65
3 <b>Total revenue</b>	<b>8,778.07</b>	<b>5,029.96</b>	<b>24,964.56</b>	<b>20,122.00</b>
4 <b>Expenditure</b>				
a. (Increase)/decrease in stock	(533.83)	1.81	(1,577.37)	(974.75)
b. Consumption of raw materials	5,363.61	1,637.41	12,879.35	7,080.39
c. Personnel expenses	1,244.38	859.56	4,137.07	2,521.65
d. Depreciation	978.21	305.99	2,636.88	1,404.43
e. Manufacturing expenses	1,435.65	382.83	3,249.79	1,626.97
f. Admn., sales & other expenses	931.80	855.94	2,846.46	2,324.68
<b>Total</b>	<b>9,419.82</b>	<b>4,043.54</b>	<b>24,172.18</b>	<b>13,983.37</b>
5 Interest	385.15	11.14	904.97	44.72
6 Exceptional item	2,776.99	-	2,776.99	-
<b>Profit (+)/ loss (-) from ordinary activities before tax</b>	<b>(3,803.89)</b>	<b>975.28</b>	<b>(2,889.58)</b>	<b>6,093.91</b>
8 Tax expense	26.70	85.00	(285.80)	633.00
<b>Net profit (+)/ loss (-) from ordinary activities after tax</b>	<b>(3,830.59)</b>	<b>890.28</b>	<b>(2,603.78)</b>	<b>5,460.91</b>
10 Paid up equity share capital	4,922.86	4,871.66	4,922.86	4,871.66
Face value of each share (Rs)	5	5	5	5
II Reserves			53,870.83	55,238.88
Dividend	Nil	1,217.92	Nil	2,435.83
Dividend per share (Rs)	Nil	1.25	Nil	2.5
12 Basic & Diluted EPS (Rs) (Non annualised)	(3.89)	0.91	(2.67)	5.60
13 Aggregate of public shareholding				
- No of shares	48,042,983	48,042,983	48,042,983	48,042,983
- % of holding (to total shareholding)	48.8	49.31	48.8	49.31

1. Commercial production at the Hassan Bed-Linen facility commenced from October 12, 2007. The above results include an amount of Rs.2243 lakhs and Rs.4028.37 lakhs, being the loss on account of Hassan facility for the quarter and the year respectively. The results for the year are net of the following income and expenses pertaining to Hassan project, which have been capitalised: Sales -Rs.1463.54 lakhs (Previous year - Rs.Nil); Consumption of raw material - Rs.3057.12 lakhs (Previous year -Rs.17.03 lakhs); Personnel expenses - Rs.270.40 lakhs (Previous year - Rs.177.06 lakhs); Depreciation - Rs.53.46 lakhs (Previous year - Rs.25.21 lakhs); Manufacturing expenses - Rs.684.30 lakhs (previous year - Rs.124.63 lakhs); Admn., sales & other expenses - Rs.160.48 lakhs (Previous year - Rs.104.92lakhs) and Interest - Rs.465.02 lakhs (Previous year - Rs.354.36 lakhs).

2. Exceptional item represents mark-to-market loss of Rs.2777 lakhs recognised by the Company in respect of one foreign exchange derivative contract.

3. The Company has repudiated a foreign exchange derivative contract entered into with a bank, based on legal advice, as the same was not in compliance with the stipulated statutory / regulatory requirements and was therefore, inter alia, void ab initio, unenforceable and not binding on the Company. The Company has filed a suit in the Court of the Principal Civil Judge at Bangalore and pending final adjudication of this case, no provision has been made in the financial statements.

As per communication from the above bank on March 24, 2008, the mark-to-market valuation indicates a loss of USD 41.50 million (equivalent to Rs.16650 lakhs). The bank has also filed a suit with the Debt Recovery Tribunal Bangalore, inter alia for recovery of a sum of Rs 453 lakhs allegedly due from the Company as on March 31, 2008.

4. In respect of another foreign exchange derivative contract with a bank, the determination of the liability is dependent on the occurrence of a future uncertain event and hence no provision has been made for an amount of Rs.685 lakhs being the mark-to-market loss as indicated by the bank as on March 31, 2008.

5. Pursuant to the adoption of Accounting Standards as prescribed by Companies (Accounting Standards) Rules, 2006 issued by Ministry of Corporate Affairs vide notification no. G.S.R. 739 (E) dated December 7, 2006, as required by Accounting Standard - I I on "The effect of changes in foreign exchange rates", the Company has recognised net loss arising on account of foreign exchange differences amounting to Rs.185 lakhs in the profit and loss account relating to the acquisition of fixed assets. Had there been no change, the same would have been adjusted against the carrying amount of fixed assets. Consequently, profit before tax is lower to that extent.

6. Pursuant to the Accounting Standard - 15 (Revised) on "Employee benefits", being made mandatory as per transitional provision, an amount of Rs.44 lakhs has been debited to General Reserves on account of employee benefits upto March 31, 2007. The compensated leave balances have been considered as short term benefits and accordingly accounted. Had there been no change, the personnel expenses would have been lower by Rs.48 lakhs and consequently, profit before tax would have been higher to that extent.

7. Pursuant to Shareholders' approval in the Annual General Meeting held on September 26, 2007, the Company has on October 9, 2007, allotted 58,00,000 warrants to promoters/ promoter group, at an issue price of Rs.130/- convertible into equity shares at the same price within 18 months from the date of issue. The Company has allotted 2,56,000 equity shares of Rs.5/- each on each of the following dates: November 28, 2007, January 2, January 31 and March 7, 2008, aggregating to 10,24,000 shares on conversion of equivalent number of warrants.

8. Mr N Vaghul has resigned from the Board with effect from April 1, 2008. Mr Dilip J Thakkar has been appointed as Chairman of the Board of Directors w.e.f. April 16, 2008.

9. There were no pending investor complaints at the beginning of the quarter. During the quarter ended 31st March 2008, the Company received 17 investor complaints, which have been attended to and no complaints remain unresolved as on March 31, 2008.

10 Previous years/quarters figures have been regrouped/ recast, wherever necessary.

Bangalore  
29-Jun-08

Dinesh Himatsingka  
Managing Director