

**AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST
MARCH 2006**

(Amount Rupees in thousands)						
	Particulars	Nine months ended on	Fourth Quarter ended on	Year Ended (Audited)		Consolidated for the year ended on
				31.12.2005	31.03.2006	
1	Net Sales	608,063	251,575	859,638	261,191	880,212
2	Other Income	4,386	2,770	7156	7,376	8,803
	Total Income	612,449	254,345	866,794	268,567	889,015
	Total Expenditure					
3	a. (Increase)/Decrease in stock	(51,424)	(28,187)	(79,611)	200	(81,350)
	b. Consumption of Raw materials	312,942	128,663	441,605	81,599	461,172
	c. Manufacturing Expenses	50,104	23,722	73,826	28,684	73,826
	d. Administrative Expenses	27,277	11,339	38,616	15,662	40,433
	e. Personnel Expenses	65,228	26,465	91,693	46,477	93,685
	f. Selling Expenses	68,973	25,016	93,989	27,190	94,282
	Total Expenditure	473,100	187,018	660,118	199,812	682,048
4	Depreciation & Amortization	9,684	4,219	13,903	10,572	14,915
5	Interest and Finance charges	8,307	2,478	10,785	9,394	11,256
6	Profit before tax and prior	121,358	60,632	181,990	48,789	180,796
7	Provision for Taxation	41,645	21,001	62,646	11,571	61,836
8	Net Profit after tax and before prior period items	79,713	39,630	119,344	37,218	118,960
9	Prior period items (Net of Tax)	2,848	-	2,848	(13)	2848
10	Net Profit after Tax and prior period items	76,865	39,630	116,495	37,231	116,112
11	Add : Minority Interest	-	-	-	-	399
12	Profit after Minority Interest	-	-	-	-	116,511
13	Paid up Equity Capital (Refer Note 2)	92,250	92,250	92,250	10,000	92,250
14	Reserves excluding revaluation reserves	-	-	275,987	78,517	275,987
15	Basic and diluted EPS for the period	13.58	4.30	17.81	8.09	17.81
16	Aggregate of Non-Promoter Shareholding					
	- Number of Shares	4,35,000	4,35,000	4,35,000	-	4,35,000
	- Percentage of Shareholding	4.72	4.72	4.72	-	4.72
17	Face Value of Shares (in Rs.)	10	10	10	10	10

NOTES :

- The above results have been reviewed by the Audit Committee and taken on record by the Board of Directors in their meeting held on 26th April 2006.

2. During the year the Company raised money by way of public issue of 31,00,037 equity shares through 100% book building. At year end the share application amount pending allotment and the oversubscribed amount to be refunded remains deposited in escrow account. Subsequent to year end (5th April 2006) above shares have been allotted to the share applicants. The said proceeds have not been included in paid up capital or reserves above. The aforesaid share application has not been considered for the purpose of calculation of diluted earnings per share as the allotment of shares has taken place subsequent to financial year and the amount has not been utilized in the business of the Company during the year. Post allotment of the above shares, paid up capital of the Company consist of 1,23,25,037 of equity shares.
3. Provision for Taxation Includes current tax, deferred tax and fringe benefit tax.
4. **A. Segment results of the company**

The company is primarily engaged in single business segment of manufacturing Apparels and is managed as one business unit. The geographical segmental disclosure to the extent relevant and ascertainable is as under:

Particulars	(Amount Rupees in thousands)		
	India	Outside India	Total
Sales and Services Income [Net of Excise duty]	791,924 (238,958)	67,714 (22,234)	859,638 (261,191)

(Figures in brackets indicate previous years figures)

B. Consolidated Segment results of the company

Primary Segment (By Business Segment)

Particulars	Apparel	Super market	Unallocated	Total
		(from 1/4/2005 to 20/12/2005)		
REVENUE				
External Sales	863,544	20,910	-	884,454
Internal Sales	-	129	-	129
Total Revenue	863,544	21,039	-	884,583
RESULTS				
Segment Results	178,739	(2,500)	-	176,239
Interest Income	-	-	2,522	2,522
Income from securities	-	-	2,039	2,039
Expenses	-	-	(4)	(4)
Profit before tax and prior period items	178,739	(2,500)	4,557	180,796
Provision for Tax	-	-	(61,811)	(61,811)
Profit after tax and before prior period items	178,739	(2,500)	(57,254)	118,985
Prior period depreciation	(4,331)	-	-	(4,331)
Deferred tax on above	-	-	1,458	1,458
Profit after tax and prior period items	174,408	(2,500)	(55,796)	116,112

Particulars	Apparel	Super market (from 1/4/2005 to 20/12/2005)	Unallocated	Total
OTHER INFORMATION				
Segment assets	566,484	32,919	4,844,302	5,443,705
Segment liabilities	280,632	12,149	3,980,955	4,273,737
Capital expenditure	174,970	22,862	-	197,833
Depreciation (including prior period item as shown above)	18,234	1,012	-	19,246
Non-cash expenses other than depreciation	-	-	91	91

Notes

i. The Group is engaged into two main business segments, namely:

- ▶ Apparel Business
- ▶ Supermarket Business

Segments have been identified and reported based on different lines of business in the Group and differential risk and returns and the internal financial reporting systems.

ii. Segment revenue comprises of:

- ▶ Sales and service income
- ▶ Other income excluding interest income and income from investment in securities

iii. During the year Kornerstone Retail Limited which is engaged in supermarket business, became the subsidiary of the company and ceased to be subsidiary before the year end. Kewal Kiran Retail India Private Limited which was subsidiary of the company ceased to be subsidiary of the company during the year.

iv. Previous years figures are not given as the company was primarily engaged in segment of manufacturing apparel only and was managed as one business unit.

v. Secondary Segment (By Geographical Segment):

Particulars	(Amount Rupees in thousands)		
	India	Outside India	Total
Sales and Services Income [Net of Excise duty]	812,498	67,714	880,212

5. Prior period items include Depreciation (Net of Deferred Tax) for the earlier years on immovable property which was regrouped from Investments to Fixed Assets

6. The Company in Previous Year had entered into certain transactions requiring prior approval of central government u/s 297 of the companies Act 1956. Inadvertently the said approval was not obtained. The Company's application for ratification is pending with the Company Law Board.

7. Board has recommended a dividend @ 15 % on 1,23,25,037 fully paid equity shares of Rs.10 each.

8. The company was converted into Public Company w.e.f. 2nd November 2005. Further the shares of the company were listed on the BSE and NSE on 13th April

2006. Accordingly the comparable figures for the fourth quarter ended on March 2005 are not available / required.

9. There were no complaints received and pending redressal during the quarter ended 31st March 2006.

10. The company owns four apparel brands namely KILLER , LAWMAN , INTEGRITI and EASIES and one Retail Brand K-LOUNGE . Consolidated Sales and PAT in respect of brands owned by the company and manufactured/marketed by the company and promoter group entities up to 31st March 2006 is as below.

Particulars	For the Year Ended	For the Year Ended 31st
	31st March 2006	March 2005
Net Sales (Net of intra group sales)	940,854	754,963
Profit after tax	130,478	97,471

As a result of restructuring of the group entities during the year, the entire apparel manufacturing and marketing business now vest with the Company. The results of the Company include effect of the above for part of the year and hence the previous year figures are not strictly comparable.

Place: Mumbai
Date: 26th April 2006

By Order of the Board
For Kewal Kiran Clothing Limited

Kewalchand P Jain
Chairman & Managing Director