



HOUSE OF PEARL FASHIONS LIMITED

Regd. Office: "Pearl House", A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi-110 028
UNAUDITED RESULTS FOR THE QUATER ENDED 30TH JUNE 2007.

(Rs.in Lacs)

Sl. No.	Particulars	Consolidated		
		Financial QTR Ended 30.06.2007	Financial QTR Ended 30.06.2006	Financial Year Ended 31.03.2007
		(Unaudited)	(Audited)	(Audited)
1	Net Sales/Income from Operations	27,300.93	20,668.35	94,126.89
2	Other Income	700.53	346.82	1,120.97
	Total Revenue	28,001.46	21,015.17	95,247.86
3	Total Expenditure			
	a) (Increase)/Decrease in stock in trade	461.11	866.87	(4,144.03)
	b) Consumption of raw material	3,103.45	3,147.51	11,541.18
	c) Purchase of Traded Goods (including cost of raw material sold)	13,824.51	8,619.71	49,904.20
	d) Staff Cost	3,005.52	2,233.21	10,255.06
	e) Manufacturing Expenses	2,140.88	1,323.31	7,154.63
	f) Other Expenditure	2,783.96	2,406.19	10,598.55
4	Interest	441.67	261.07	1,396.69
5	Depreciation	333.08	250.30	1,176.63
6	Profit(+) /Loss (-) before tax (1+2-3-4-5)	1,907.28	1,907.00	7,364.95
7	Provision for taxation			
	- Current Tax	(595.26)	(640.59)	(1,853.16)
	- Wealth Tax	(0.55)	-	(2.25)
	- Deferred Tax	167.96	(23.88)	(299.97)
	- Fringe Tax	(6.07)	(6.56)	(33.86)
	- Tax Adjustment earlier Year	-		87.74
8	Net Profit (+)/Loss (-)	1,473.36	1,235.97	5,263.45
9	Provision For Doubtful Debts	-	0.00	1.45
	Prior Period Expenses		2.14	
10	Profit after tax,	1,473.36	1,238.11	5,264.90
11	Paid-up Equity Share capital (Face Value of Rs. 10/- each)	1,950.03	1,397.00	1,950.03
12	Reserves excluding Revaluation Reserves (as per balance sheet)	-	6,868.62	31,513.28
13	Basic and diluted EPS for the period, for the year to date and for the previous year	7.56	7.45	32.23
14	Aggregate of Non-Promoter's shareholding			
	- No. of shares	6,755,506	NIL	6,755,506
	- Percentage of shareholding	34.64	NIL	35.42

NOTES TO INDEPENDENT AND CONSOLIDATED FINANCIALS:

- 1) The above financial results were reviewed by the Audit Committee and taken on record by the Board of Directors in their meeting held on 31st July 2007.
- 2) During the quarter ended 30th June 2007, Company received and resolved 117 complaints, there were no pending complaints at the end of the quarter.
- 3) Company has allotted 429906 equity shares to JM Morgan Stanley Pvt Ltd. on March 21, 2007 under Green Shoe option as per Companies Prospectus dated January 29, 2007, for transfer to Green Shoe Lender, Mr. Pulkit Seth. These shares were not reflected in the shareholding pattern of the Company as on March 31, 2007, as the Corporate Action for these shares was pending. These shares were listed on BSE and NSE on April 19, 2007.

4) **Statement of Utilization of issue proceeds as on 30th June 2007.**

Purpose of Utilisation of Funds	Projected Utilisation upto 31st March,2008	Actual Utilisation upto 30th June,2007
Investment in Subsidiary Company to increase the Group's production capacity	4,206.00	500.00
Investment in Subsidiary for establishment of a Design Centre and corporate office in Gurgaon.	380.00	-
Setting up an Integrated Information Technology System.	1,223.00	66.10
Pre-payment of Certain Term Loans availed by the company and its subsidiaries.	5,504.00	3,039.57
Investment in its subsidiary company M/s.Multinational Textiles Group Ltd,for payment of purchase in consideration to SACB Holding Limited and Pallas Holding Limited as part of the Group restructuring.	5,107.00	4,917.29
Setting up a Domstic Branded apparel retail business.	1,774.00	23.38
Acquisition of an existing brand in UK or the US for retail outside India.	4,000.00	-
Share issue Expenses	1,786.00	1,909.58
Total	23,980.00	10,455.92

Unutilised funds have been invested in Debt Mutual funds & fixed Deposits and Rs.2,575 Lacs has been given to a subsidiary for repayment of its high interest bearing working capital loan as interim use of proceeds,this is subject to approval of shareholders.

- 5) The figures for the previous period / year have been regrouped /rearranged / recast wherever necessary to confirm to this years / quarters classifications.
- 6) The company shares were listed on the stock Exchange, first time in Feb'07,before listing company was not publishing its results. The company made its first q results for the quarter ended June'06 duly audited during IPO process, and same are given as comparative figures.
- 7) The Company completed a restructuring and combined its domestic and international operations under one Company, House of Pearl Fashions Ltd. As a result previous year figures are not comparable.
- 8) The subsidiaries in Bangladesh were acquired on March 28,2006,our Subsidiary in Mauritius, Multinational Textiles Ltd, was incorporated on March28, 2006 and our other overseas subsidiaries, other than Norwest Industries (HK) were acquired in March 2006. The subsidiary in Hong Kong, Norwest Industries Ltd., was acquired on May 31, 2006 as a result consolidated results of operation for this financial year are understated to the extent of performance of Hong Kong subsidiary for the period April - May 2006.
- 9) Adjustments,if any,would be made at the year end that may arise with regard to revised Accounting Standard 15 on "Employee Benefits" issued by Institute of Chartered Accountants of India.
- 10.) Except for Bangladesh entites,which are located in Export promotion zone and are in the Tax holidays period,the Deferred tax has been reckoned for all other

11) **Segment Reporting**

Geographical Segment	Qtr Ended	%	Year Ended	%
Particulars	30.06.2007		31.03.2007	
Segment Revenue				
USA	3,311.45	10.70	12,186.98	11.72
UK	8,788.96	28.41	28,983.74	27.87
Hong Kong	8,189.80	26.47	29,049.66	27.94
India	7,472.40	24.15	21,356.19	20.54
Bangladesh	1,795.10	5.80	7,527.59	7.24
Others	1,379.27	4.46	4,883.28	4.70
Total	30,936.98		103,987.44	
Less: Inter Segment Revenue	2,729.04		8,739.58	
Net Segment Revenue	28,207.94		95,247.86	
Segment results before Tax And Interest				
USA	267.62	11.65	618.52	7.04
UK	878.59	38.24	2,777.62	31.63
Hong Kong	831.20	36.18	2,556.41	29.11
India	6.52	0.28	1,718.48	19.57
Bangladesh	199.46	8.68	657.72	7.49
Others	113.96	4.96	452.29	5.15
Total	2,297.35		8,781.04	
Capital Employed per Segment				
USA	2,115.85	4.26	2,040.08	4.64
UK	10,621.92	21.37	7,909.54	18.01
Hong Kong	6,459.55	13.00	7,552.46	17.19
India	25,139.56	50.58	21,550.19	49.06
Bangladesh	3,941.27	7.93	3,980.58	9.06
Others	1,423.76	2.86	890.18	2.03
Total	49,701.91		43,923.03	

Business Segment		%		%
Particulars				
Segment Revenue				
Manufacturing	10639.55	34.39	33,662.88	32.37
Marketing, Distribution	20297.43	65.61	70,322.15	67.63
Others	0	-	2.41	0.002
Total	<u>30,936.98</u>		<u>103,987.44</u>	
Less: Inter Segment Revenue	2729.04		8,739.58	
Net Segment Revenue	<u>28,207.94</u>		<u>95,247.86</u>	
Segment results before Tax And Interest				
Manufacturing	343.35	14.95	2,791.49	31.79
Marketing, Distribution	1959.86	85.31	6,009.92	68.44
Others	-5.86	(0.26)	(20.36)	(0.23)
Total	<u>2,297.35</u>		<u>8,781.05</u>	
Capital employed per segment				
Manufacturing	30368.50	61.10	26,343.83	59.98
Marketing, Distribution	19220.67	38.67	17,501.88	39.85
Others	112.74	0.23	77.32	0.18
Total	<u>49,701.91</u>		<u>43,923.03</u>	

For current period & previous year, the geographical segments of the Company based on the location of assets are United States of America, United Kingdom, India and Bangladesh.

The business segments considered by the Company are:

- Manufacturing
- Marketing, Distribution, Sourcing and Trading.

For HOUSE OF PEARL FASHIONS LIMITED

Place : Gurgaon
Date : 31st July 2007

(PULKIT SETH)
MANAGING DIRECTOR