



HOUSE OF PEARL FASHIONS LIMITED

Regd. Office: "Pearl House", A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi-110 028
UNAUDITED FINANCIAL RESULTS FOR THE SECOND QUARTER & HALF YEAR ENDED 30TH SEPTEMBER 2007.

(Indian Rs.In Lacs)

Sl. No.	Particulars	Consolidated				
		Financial QTR Ended 30.09.2007	Financial QTR Ended 30.09.2006	Financial Half Year Ended 30.09.2007	Financial Half Year Ended 30.09.2006	Financial Year Ended 31.03.2007
		(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Net Sales/Income from Operations	26,419.29	23,621.25	53,720.22	44,289.60	94,126.89
2	Other Income	529.25	203.98	1,229.78	550.80	1,120.97
	Total Revenue	26,948.54	23,825.23	54,950.00	44,840.40	95,247.86
3	Total Expenditure					
	a) (Increase)/Decrease in stock in trade	12.76	(1,162.82)	473.87	(295.95)	(4,144.03)
	b) Consumption of raw material	5,641.05	3,292.59	8,744.50	6,440.10	11,541.18
	c) Purchase of Traded Goods (including cost of raw material sold)	11,131.23	12,584.41	24,955.74	21,204.12	49,904.20
	d) Staff Cost	2,910.06	2,871.46	5,915.58	5,104.67	10,255.06
	e) Manufacturing Expenses	2,151.81	827.91	4,292.69	2,151.22	7,154.63
	f) Other Expenditure	2,828.22	2,895.91	5,612.18	5,302.10	10,598.55
4	Interest	266.99	353.35	708.66	614.42	1,396.69
5	Depreciation	294.51	269.53	627.59	519.83	1,176.63
6	Profit(+) /Loss (-) before tax (1+2-3-4-5)	1,711.91	1,892.89	3,619.19	3,799.89	7,364.95
	Prior Period Income/(Expenses)					
7	Provision for taxation					
	- Current Tax	(396.19)	(406.63)	(991.45)	(1,047.22)	(1,853.16)
	- Wealth Tax	-	-	(0.55)	-	(2.25)
	- Deferred Tax	154.04	(137.67)	322.00	(161.55)	(299.97)
	- Fringe Tax	(6.85)	(4.35)	(12.92)	(10.91)	(33.86)
	- Tax Adjustment earlier Year	-	-	-	-	87.74
8	Net Profit (+)/Loss (-)	1,462.91	1,344.24	2,936.27	2,580.21	5,263.45
9	Provision For Doubtful Debts	-	-	-	0.00	1.45
	Prior Period Expenses				2.24	
10	Profit after tax,	1,462.91	1,344.24	2,936.27	2,582.45	5,264.90
11	Paid-up Equity Share capital (Face Value of Rs. 10/- each)	1,950.03	1,397.00	1,950.03	1,397.00	1,950.03
12	Reserves excluding Revaluation Reserves (as per balance sheet)	-	-	-	-	31,513.28
13	Basic and diluted EPS for the period, for the year to date and for the previous year	7.50	9.62	15.06	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:

- The above financial results were reviewed by the Audit Committee and taken on record by the Board of Directors in their meeting held on 29th OCT 2007.
- During the quarter ended 30th September 2007, Company received and resolved 54 complaints, there were no pending complaints at the beginning or at the end of the quarter.

3) **Statement of Utilization of issue proceeds as on 30th Sep 2007.**

Purpose of Utilisation of Funds	Projected Utilisation upto 31st March,2008	Actual Utilisation upto 30th Sep,2007
Investment in Subsidiary Company to increase the Group's production capacity	4,206.00	540.00
Investment in Subsidiary for establishment of a Design Centre and corporate office in Gurgaon.	380	-
Setting up an Integrated Information Technology System.	1,223.00	298.90
Pre-payment of Certain Term Loans availed by the company and its subsidiaries.	5,504	3,871.57
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	4923.16
Setting up a Domstic Branded apparel retail business.	1774.00	-
Acquisition of an existing brand in UK or the US for retail outside India.	4,000.00	-
Share issue Expenses	1,786.00	1,911.15
Total	23,960.00	11,544.78

Unutilised funds have been invested in Debt Mutual funds & fixed Deposits and Rs.2,000 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.

- 4) The figures for the previous period / year have been regrouped /rearranged / recast wherever necessary to confirm to this years / quarters classifications.
- 5) 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 second quarterly results for the quarter ended September' 2007 duly audited during IPO process, and same are given as comparative figures.
- 6) 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.
- 7) 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.
- 8) 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 entites.
- 9) The Company has published its consolidated results and its standalone results can be viewed at "Website" of Bombay Stock Exchange at www.bseindia.com and National Stock Exchange at www.nseindia.com.
- 10) **Segment Reporting**

Geographical Segment	Qtr Ended	%	Qtr Ended	%	Six Months	%	Six Months	%	Year Ended	%
Particulars	30.09.2007		30.09.2006		30.09.2007		30.09.2006		31.03.2007	
Segment Revenue										
USA	2,316.66	7.29	3,020.40	11.95	5,628.11	8.97	6,188.46	13.02	12,186.98	11.72
UK	7,476.82	23.53	6,285.15	24.88	16,265.78	25.93	13,862.41	29.21	28,983.74	27.87
Hong Kong	9,887.06	31.11	8,980.48	35.54	18,076.86	28.82	12,424.66	26.15	29,049.66	27.94
India	8,146.35	25.63	3,368.38	13.33	15,618.75	24.90	8,935.24	18.80	21,356.19	20.54
Bangladesh	2,561.03	8.06	2,610.08	10.33	4,356.13	6.95	3,803.27	8.00	7,527.59	7.24
Others	1,394.52	4.39	1,001.70	3.96	2,773.79	4.42	2,287.52	4.81	4,883.28	4.70
Total	31,782.44		25,266.19		62,719.42		47,521.56		103,987.44	
Less: Inter Segment Revenue	2,996.62		1,263.68		5,725.66		2,503.88		8,739.58	
Net Segment Revenue	28,785.82		24,002.51		56,993.76		45,017.68		95,247.86	
Segment results before Tax And Interest										
USA	64.45	3.03	173.86	9.96	332.07	7.51	536.61	12.16	618.52	7.04
UK	621.78	29.27	803.13	46.01	1,500.37	33.93	1,458.52	33.04	2,777.62	31.63
Hong Kong	898.98	42.32	616.41	35.31	1,730.18	39.13	1,046.97	23.72	2,556.42	29.11
India	97.82	4.60	166.20	9.52	104.34	2.36	917.87	20.79	1,718.48	19.57
Bangladesh	345.49	16.26	131.96	7.56	544.95	12.32	287.59	6.51	657.72	7.49
Others	95.85	4.51	(145.90)	(8.36)	209.81	4.74	166.76	3.78	452.29	5.15
Total	2,124.37		1,745.66		4,421.72		4,414.32		8,781.05	
Capital Employed per Segment										
USA	1,823.21	3.46	2,555.16	6.38	1,823.21	3.46	2,555.16	6.38	2,040.08	4.64
UK	11,645.08	22.10	9,346.15	23.33	11,645.08	22.10	9,346.15	23.33	7,909.54	18.01
Hong Kong	7,078.89	13.44	8,633.31	21.55	7,078.89	13.44	8,633.31	21.55	7,552.46	17.19
India	26,287.90	49.89	15,051.52	37.57	26,287.90	49.89	15,051.53	37.57	21,550.19	49.06
Bangladesh	4,163.33	7.90	3,490.16	8.71	4,163.33	7.90	3,490.17	8.71	3,980.58	9.06
Others	1,688.61	3.20	986.81	2.46	1,688.61	3.20	986.80	2.46	890.18	2.03
Total	52,687.02		40,063.12		52,687.02		40,063.12		43,923.03	

Business Segment	Qtr Ended	%	Qtr Ended	%	Six Months	%	Six Months	%	Year Ended	
Particulars	30.09.2007		30.09.2006		30.09.2007		30.09.2006		31.03.2007	
Segment Revenue										
Manufacturing	12,064.00	37.96	6,922.31	27.40	22,703.55	36.20	14,871.44	31.29	33,662.88	32.37
Marketing, Distribution	19,718.44	62.04	18,343.86	72.60	40,015.87	63.80	32,650.04	68.71	70,322.15	67.63
Others	0	-	0.02	0.000	-	-	0.08	0.00	2.41	0.00
Total	31,782.44		25,266.19		62,719.42		47,521.56		103,987.44	
Less: Inter Segment Revenue	2,996.62		1,263.68		5,725.66		2,503.88		8,739.58	
Net Segment Revenue	28,785.82		24,002.51		56,993.76		45,017.68		95,247.86	
Segment results before Tax And Interest										
Manufacturing	538.74	25.36	159.76	9.15	882.09	19.95	1,377.97	31.22	2,791.49	31.79
Marketing, Distribution	1,590.06	74.85	1,594.34	91.33	3,549.92	80.28	3,049.39	69.08	6,009.92	68.44
Others	(4.43)	(0.21)	(8.44)	(0.48)	(10.29)	(0.23)	(13.04)	(0.30)	(20.36)	(0.23)
Total	2,124.37		1,745.66		4,421.72		4,414.32		8,781.05	
Capital employed per segment										
Manufacturing	31255.86	59.32	19,560.50	48.82	31255.86	59.32	19,560.50	48.82	26,343.83	59.98
Marketing, Distribution	20563.62	39.03	20,534.63	51.26	20563.62	39.03	20,534.63	51.26	17,501.88	39.85
Others	867.54	1.65	(32.01)	(0.08)	867.54	1.65	(32.01)	(0.08)	77.32	0.18
Total	52,687.02		40,063.12		52687.02		40,063.12		43,923.03	

For current period & previous year, the geographical segments of the Company based on the location of assets are United States of America, United Kingdom, Hong Kong, 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 : 29th Oct 2007

(PULKIT SETH)
MANAGING DIRECTOR