

HOUSE OF PEARL		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 SEPTEMBER 2008.									
											(Rs. in Lacs)
		Consolidated					Standalone				
		Quarter Ended	Quarter Ended	Half Year Ended	Half Year Ended	Financial Year Ended	Quarter Ended	Quarter Ended	Half Year Ended	Half Year Ended	Financial Year Ended
Sl. No.	Particulars	30.09.2008 (Unaudited)	30.09.2007 (Unaudited)	30.09.2008 (Unaudited)	30.09.2007 (Unaudited)	31.03.2008 (Audited)	30.09.2008 (Unaudited)	30.09.2007 (Unaudited)	30.09.2008 (Unaudited)	30.09.2007 (Unaudited)	31.03.2008 (Audited)
1	a) Net Sales/ Income from Operations	32957.87	25210.66	65343.51	52191.84	108002.57	434.13	0.00	612.37	0.00	1512.88
	b) Other Operating Income	1195.04	1024.26	1467.78	1344.01	1035.61	0.00	0.00	0.00	0.00	0.00
	Total	34152.91	26234.92	66811.29	53535.85	109038.18	434.13	0.00	612.37	0.00	1512.88
2	Expenditure										
	a) (Increase)/Decrease in stock in trade & work in Progress	265.15	(118.40)	1046.67	342.71	(568.71)	0.00	0.00	0.00	0.00	0.00
	b) Consumption of raw materials	3903.65	5641.05	7403.57	8744.50	16268.98	0.00	0.00	0.00	0.00	0.00
	c) Purchase of Traded Goods	19475.64	11109.88	36590.78	24934.39	55697.81	369.70	0.00	524.99	0.00	1437.76
	d) Employees Cost	4512.98	2910.06	8134.61	5915.58	12265.48	41.33	15.60	66.83	33.46	86.39
	e) Depreciation	429.47	294.51	808.83	627.59	1329.26	5.04	0.36	9.14	0.71	4.31
	f) Manufacturing Expenses	1738.93	2148.25	4161.56	4289.13	8368.37	17.66	7.99	19.93	7.99	3.92
	g) Other Expenditure	3249.09	2828.22	6754.87	5612.18	9513.45	121.94	77.46	246.93	132.12	306.73
	h) Total	33574.91	24813.57	64900.89	50466.08	102874.64	555.67	101.41	867.82	174.28	1839.11
3	Profit from operations before other income,interest & exceptional items (1-2)	578.00	1421.35	1910.40	3069.77	6163.54	(121.54)	(101.41)	(255.45)	(174.28)	(326.23)
4	Other Income	278.37	525.68	924.33	1226.21	2671.47	862.56	492.45	1292.28	871.51	1498.95
5	Profit before interest & exceptional items (3+4)	856.37	1947.03	2834.73	4295.98	8835.01	741.02	391.04	1036.83	697.23	1172.72
6	Interest	300.09	266.99	624.45	708.66	1322.18	2.90	0.00	5.86	1.43	1.43
7	Profit after interest but before exceptional items (5-6)	556.28	1680.04	2210.28	3587.32	7512.83	738.12	391.04	1030.97	695.80	1171.29
8	Exceptional Items	0.00	0.00	0.00	0.00	1280.27	0.00	0.00	0.00	0.00	0.00
9	Profit(+)/Loss (-) from Ordinary Activities before tax (7+8)	556.28	1680.04	2210.28	3587.32	6232.56	738.12	391.04	1030.97	695.80	1171.29
10	Tax Expenses	135.10	249.00	579.38	682.92	1213.24	53.57	15.29	81.42	32.05	105.29
11	Net Profit (+)/Loss (-) from Ordinary Activities After tax (9-10)	421.18	1431.04	1630.90	2904.40	5019.32	684.55	375.75	949.55	663.75	1066.00
12	Extraordinary Item (net of tax expense)	-	-	-	-	-	-	-	-	-	(0.28)
13	Net Profit(+)/ loss(-) for the Period (11-12)	421.18	1431.04	1630.90	2904.40	5019.32	684.55	375.75	949.55	663.75	1066.26
	Minority Interest	182.96	(12.04)	53.08	(15.72)	(18.29)	0.00	0.00	0.00	0.00	0.00
	Net Profit(+)/ loss(-) after Minority Interest for the Period (11+12)	604.14	1419.00	1683.98	2888.68	5001.03	684.55	375.75	949.55	663.75	1066.26
14	Paid-up equity share capital (Face value of Rs.10/-each)	1950.03	1950.03	1950.03	1950.03	1950.03	1950.03	1950.03	1950.03	1950.03	1950.03
15	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year.					41546.24					28695.09
16	Earning Per Share (EPS)										
	a) Basic and diluted EPS before Extraordinary items.										
	- Basic	3.10	7.28	8.64	14.81	25.65	3.51	1.93	4.87	3.40	5.47
	- Diluted	3.10	7.28	8.64	14.81	25.65	3.51	1.93	4.87	3.40	5.47
	b) Basic and diluted EPS after Extraordinary items.										
	- Basic	3.10	7.28	8.64	14.81	25.65	3.51	1.93	4.87	3.40	5.47
	- Diluted	3.10	7.28	8.64	14.81	25.65	3.51	1.93	4.87	3.40	5.47
17	Public shareholding										
	No.of Shares	6,755,506	6,755,506	6,755,506	6,755,506	6,755,506	6,755,506	6,755,506	6,755,506	6,755,506	6,755,506
	Percentage of Shareholding	34.64	34.64	34.64	34.64	34.64	34.64	34.64	34.64	34.64	34.64

Segment Reporting

<u>Geographical Segment</u>	Qtr Ended	%	Qtr Ended	%	Six Months	%	Six Months	%	Year Ended	%
<u>Particulars</u>	30.09.2008		30.09.2007		30.09.2008		30.09.2007		31.03.2008	
<u>Segment Revenue</u>										
USA	2,339.14	6.28	2,316.66	7.29	3,996.57	5.51	5,628.11	8.97	9,421.85	7.97
UK	6,017.76	16.15	7,476.82	23.53	15,609.59	21.50	16,265.78	25.93	25,962.40	21.97
Hong Kong	16,196.13	43.45	9,887.06	31.11	27,924.68	38.47	18,076.86	28.82	38,296.74	32.41
India	7,675.71	20.59	8,146.35	25.63	16,384.30	22.57	15,618.75	24.90	31,415.35	26.59
Bangladesh	2,690.15	7.22	2,561.03	8.06	4,817.41	6.64	4,356.13	6.95	7,643.73	6.47
Others	2,352.31	6.31	1,394.52	4.39	3,854.36	5.31	2,773.79	4.42	5,420.05	4.59
Total	37,271.20		31,782.44		72,586.91	100.00	62,719.42		118,160.12	
Less: Inter Segment Revenue	4,313.34		2,996.62		7,243.40		5,725.66		11,242.56	
Net Segment Revenue	32,957.86		28,785.82		65,343.51		56,993.76		106,917.56	
<u>Segment Results</u>										
<u>Profit/(Loss) before Tax and Interest</u>										
USA	(259.38)	14.82	64.45	3.03	(459.93)	10.79	332.07	7.51	194.47	2.19
UK	153.68	10.31	621.78	29.27	563.05	14.81	1,500.37	33.93	2,399.83	26.97
Hong Kong	570.26	38.25	898.98	42.32	1,171.71	30.81	1,730.18	39.13	3,591.53	40.37
India	164.71	11.05	97.82	4.60	1,031.45	27.12	104.34	2.36	1,582.52	17.79
Bangladesh	150.19	10.07	345.49	16.26	274.64	7.22	544.95	12.32	725.27	8.15
Others	451.96	30.32	95.85	4.51	761.88	20.04	209.81	4.74	403.18	4.53
Total	1,231.42		2,124.37		3,342.80		4,421.72		8,896.80	
Less : (i) Interest	322.12		-		624.45		-		1,263.98	
(ii) Other Un-allocable Expenditure net off.	353.02		-		508.22		-		1,398.82	
Total Profit before Tax	556.28		2,124.37		2,210.13		4,421.72		6,234.00	
<u>Capital Employed per Segment</u>										
USA	1,962.69	3.57	1,823.21	3.46	1,962.69	3.57	1,823.21	3.46	2,079.02	5.59
UK	2,663.75	4.85	11,645.08	22.10	2,663.75	4.85	11,645.08	22.10	3,713.73	9.98
Hong Kong	11,654.65	21.22	7,078.89	13.44	11,654.65	21.22	7,078.89	13.44	7,385.02	19.84
India	30,268.00	55.11	26,287.90	49.89	30,268.00	55.11	26,287.90	49.89	19,019.07	51.10
Bangladesh	5,775.42	10.52	4,163.33	7.90	5,775.42	10.52	4,163.33	7.90	2,871.29	7.71
Others	2,595.14	4.73	1,688.61	3.20	2,595.14	4.73	1,688.61	3.20	2,151.26	5.78
Total	54,919.65		52,687.02		54,919.65		52,687.02		37,219.39	

<u>Business Segment</u>	Qtr Ended	%	Qtr Ended	%	Six Months	%	Six Months	%	Year Ended	%
<u>Particulars</u>	30.09.2008		30.09.2007		30.09.2008		30.09.2007		31.03.2008	
<u>Segment Revenue</u>										
Manufacturing	12,718.17	34.12	12,064.00	37.96	24,621.36	33.92	22,703.55	36.20	44,479.13	37.64
Marketing, Distribution	24,553.03	65.88	19,718.44	62.04	47,965.55	66.08	40,015.87	63.80	73,680.98	62.36
Total	37,271.20		31,782.44		72,586.91		62,719.42		118,160.11	
Less inter Segment Revenue	4,313.34		2,996.62		7,243.40		5,725.66		11,242.56	
Net Segment Revenue	32,957.86		28,785.82		65,343.51		56,993.76		106,917.55	
<u>Segment Results</u>										
<u>Profit/(Loss) before Tax and Interest</u>										
Manufacturing	546.35	44.37	538.74	25.31	1,484.41	44.41	882.09	19.90	2,738.42	30.78
Marketing, Distribution	685.07	55.63	1,590.06	74.69	1,858.39	55.59	3,549.92	80.10	6,158.38	69.22
Total	1,231.42		2,128.80		3,342.80		4,432.01		8,896.80	
Less : (i) Interest	322.12		-		624.45		-		1,263.98	
(ii) Other Un-allocable Expenditure net off.	353.02		4.43		508.22		10.29		1,398.82	
Total Profit before Tax	556.28		2,124.37		2,210.13		4,421.72		6,234.00	
<u>Capital employed per segment</u>										
Manufacturing	37,804.20	68.84	31,255.86	59.32	37,383.19	68.07	31,255.86	59.32	22,978.73	61.74
Marketing, Distribution	17,115.45	31.16	20,563.62	39.03	17,536.46	31.93	20,563.62	39.03	14,240.65	38.26
Others	-	-	867.54	1.65	-	-	867.54	1.65	-	-
Total	54,919.65		52,687.02		54,919.65		52,687.02		37,219.38	

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.

NOTES TO INDEPENDENT AND CONSOLIDATED FINANCIALS:

- 1) Unaudited Financial Results of the company for the second quarter ended 30.09.2008 have been reviewed by the Audit Committee and taken on record by the Board of Directors at meeting held on 31.10.2008, subjects to limited review by the Statutory Auditors of the Company.
- 2) The profitability for the quarter has been adversely impacted primarily due to new ventures which are at the gestation period. Also, the global slow down has put pressure on the margins.
- 3) During the quarter ended 30th September 2008, two investor complaints were received and resolved. There were no compliants pending at the beginning and end of the quarter.

- 4) Statement of Utilization of issue proceeds as on 30th September 2008.

(Rs.in Lacs)

Purpose of Utilisation of Funds	Projected Utilisation	Actual Utilisation upto 30.09.08
Investment in Subsidiary Companies to increase the Group's production capacity	2990.00	849.70
Investment in Subsidiary Companies for establishment of a Design Centre and corporate office in Gurgaon.	380.00	-
Setting up an Integrated Information Technology System.	1,430.00	1,025.24
Pre-payment of Certain Term Loans availed by the company and its subsidiaries.	4,923.50	4,923.75
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.	4917.00	4,917.29
Setting up a Domstic Branded apparel retail business.	2,520.00	813.00
Acquisition or existing companies of setting up joint venture companies for marketing and distribution or wholesale / brands and supply business in the apparel, accessories or related segments within or outside India.	8,579.70	436.26
General Corporate purposes	877.00	493.20
Share issue Expenses	1,920.00	1,920.17
Total	28,537.20	15,378.61

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.

- 5) Arising from the announcement of the Institute of Chartered Accountants of India on the March 29, 2008, the company had chosen for adopting of Accounting Standard (AS-30) " Financial Instruments : Recognition & Measurment in its entirety from the quarter ended March 31, 2008. The figures of corresponding quarter of the previous year have not been restated.
- 6) 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.
- 7) The standalone results for the quarter ended 30th September 2008 are available at the website of the company @ www.houseofpearl.com, besides the websites of Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd.
- 8) Figures of the previous period/ year (except mentioned in note no. 5) have been regrouped and rearranged to make them comparable with those of the current period.

For **House of Pearl Fashions Limited.**

Sd/-

(PULKIT SETH)
MANAGING DIRECTOR

Place : Gurgaon
Date : 31st October 2008