

AUDITED FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2008

(Rs. in Lacs)

Sl. No.	Particulars	Consolidated			Standalone		
		Financial Qtr. Ended 31.03.2008	Financial Year Ended 31.03.2008	Financial Year Ended 31.03.2007	Financial Qtr. Ended 31.03.2008	Financial Year Ended 31.03.2008	Financial Year Ended 31.03.2007
		(Unaudited)	(Audited)	(Audited)	(Unaudited)	(Audited)	(Audited)
1.	Net Sales/Income from Operations	31,749.67	109038.18	94,126.89	1,512.88	1,512.88	627.59
2.	Other Income	857.43	2671.47	1,122.42	243.12	1,498.95	472.86
3.	Total Income	32,607.10	111709.65	95,249.31	1,756.00	3,011.83	1,100.45
4.	Expenditure						
a)	(Increase)/Decrease in Stock in Trade	(1,028.97)	(568.71)	(4,144.03)	—	—	—
b)	Consumption of Raw Material	3,649.22	16268.98	11,541.18	—	—	116.03
c)	Purchase of Traded Goods (including Cost of Raw Material Sold)	19,982.45	55697.81	49,904.20	1,437.76	1,437.76	222.12
d)	Employee Cost	3,425.97	12265.48	10,255.06	32.83	86.39	27.37
e)	Depreciation	342.68	1329.26	1,176.63	3.15	4.31	3.85
f)	Manufacturing Expenses	2,461.04	8368.37	7,154.63	3.27	3.92	55.98
g)	Other Expenditure	1,240.70	9513.45	10,598.55	98.08	306.73	111.50
h)	Total	30,073.09	102874.64	86,486.22	1,575.09	1,839.11	536.85
5.	Interest	362.39	1322.18	1,396.69	—	1.43	132.82
6.	Exceptional Items	1,280.27	1280.27	—	—	—	—
7.	Profit/(+) /Loss (-) from Ordinary Activities before Tax (3)-(4+5+6)	891.35	6,232.56	7,366.40	180.91	1,171.29	430.78
8.	Tax Expenses	(208.99)	(1213.24)	(2,101.50)	(45.13)	(105.29)	5.67
9.	Net Profit (+)/Loss (-) from Ordinary Activities after Tax (7-8)	682.36	5019.32	5,264.90	135.78	1,066.00	436.45
10.	Extraordinary Items (Net of Tax Expenses)	—	—	—	0.26	0.26	—
11.	Net Profit(+)/Loss(-) for the Period (9-10)	682.36	5,019.32	5,264.90	136.04	1,066.26	436.45
12.	Minority Interest	144.61	18.29	(487.77)	—	—	—
13.	Net Profit after Minority Interest	826.97	5001.03	4,777.13	—	—	—
14.	Paid-up Equity Share Capital (Face Value of Rs. 10/- each)	1,950.03	1950.03	1,950.03	1,950.03	1,950.03	1,950.03
15.	Reserves excluding Revaluation Reserves as per Balance Sheet of Previous Accounting Year	—	41546.24	31,513.28	—	28695.09	27,606.15
16.	Earning Per Share						
a)	Basic and Diluted EPS before Extraordinary Items.						
—	Basic	3.50	25.74	32.23	0.70	5.47	2.24
—	Diluted	3.50	25.74	32.23	0.70	5.47	2.24
b)	Basic and Diluted EPS after Extraordinary Items.						
—	Basic	3.50	25.74	32.23	0.70	5.47	2.24
—	Diluted	3.50	25.74	32.23	0.70	5.47	2.24
17.	Public Shareholding						
—	No. of Shares	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	35.42	34.64	34.64	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 20th June 2008.
- During the quarter ended 31st March 2008, Company received and resolved 14 complaints, there were no pending complaints at the beginning or at the end of the quarter.
- Statement of Utilization of issue proceeds as on 31st March 2008.**

Purpose of Utilisation of Funds	Projected Utilisation upto 31st March, 2008	Actual Utilisation upto 31st March, 2008
Investment in Subsidiary Company to increase the Group's production capacity	4206.00	825.00
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	718.67
Pre-payment of Certain Term Loans availed by the company and its subsidiaries.	5,504.00	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.	5107.00	4,917.29
Setting up a Domestic Branded apparel retail business & Acquisition of an existing brand in UK or the US for retail outside India.	5,774.00	199.00
Share issue Expenses	1,786.00	1,915.73
Total	23,980.00	12,447.26

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.

- The figures for the previous period / year have been regrouped / rearranged / recast wherever necessary to confirm to this years / quarters classifications.
- The company shares were listed on the stock Exchange, first time in Feb'07, and published Annual Financial Results for the year ended 31st March 2007, instead of Unaudited Financial Results for the quarter ended 31 st March 2007. As a result, company has not reported comparative figures for the corresponding period.
- 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.

SEGMENT REPORTING

Geographical Segment

Particulars	Qtr. Ended 31.03.2008	%	Year Ended 31.03.2008	%	Year Ended 31.03.2007	%
Segment Revenue						
USA	2,444.35	7.77	9,421.85	7.97	11,766.65	12.13
UK	5,218.94	16.60	25,962.40	21.97	26,239.17	27.04
Hong Kong	12,075.56	38.41	38,296.74	32.41	27,682.26	28.53
India	9,132.27	29.05	31,415.35	26.59	19,143.21	19.73
Bangladesh	1,381.59	4.39	7,643.73	6.47	7,501.11	7.73
Others	1,186.41	3.77	5,420.05	4.59	4,691.46	4.84
Total	31,439.12		118,160.12		97,023.86	
Less: Inter Segment Revenue	3,624.11		11,242.56		5,483.82	
Net Segment Revenue	27,815.01		106,917.56		91,540.04	
Segment Results before Tax and Interest						
USA	55.20	2.15	194.47	2.19	618.52	7.04
UK	415.94	16.21	2,399.83	26.97	2,777.62	31.63
Hong Kong	1,195.45	46.59	3,591.53	40.37	2,556.42	29.11
India	922.40	35.95	1,582.52	17.79	1,718.48	19.57
Bangladesh	(108.80)	(4.24)	725.27	8.15	657.72	7.49
Others	85.80	3.34	403.18	4.53	452.29	5.15
Total	2,565.99		8,896.80		8,781.05	
Less: (i) Interest	304.19		1,263.98		1,396.70	
(ii) Other Un-allocable Expenditure net off.	1,398.82	—	1,398.82	—	—	—
(iii) Un-allocable income	—	—	—	—	—	—
Total Profit before Tax	862.98		6,234.00		7,384.35	
Capital Employed per Segment						
USA	2,079.02	5.59	2,079.02	5.59	2,040.08	4.64
UK	3,713.73	9.98	3,713.73	9.98	7,909.54	18.01
Hong Kong	7,385.02	19.84	7,385.02	19.84	7,552.46	17.19
India	19,019.07	51.10	19,019.07	51.10	21,550.19	49.06
Bangladesh	2,871.29	7.71	2,871.29	7.71	3,980.58	9.06
Others	2,151.26	5.78	2,151.26	5.78	890.18	2.03
Total	37,219.39		37,219.39		43,923.03	

Business Segment

Particulars	Qtr. Ended 31.03.2008	%	Year Ended 31.03.2008	%	Year Ended 31.03.2007	%
Segment Revenue (External)						
Manufacturing	7,809.13	27.95	33870.38	31.68	26669.47	29.13
Marketing, Distribution	20,127.73	72.05	73047.18	68.32	64870.57	70.87
Others	(0.01)	(0.00)	—	—	—	—
Total	27,936.85		106917.56		91540.04	
Less inter Segment Revenue	(121.84)		—		—	
Net Segment Revenue	27,815.01		106917.56		91540.04	
Segment Results before Tax and Interest						
Manufacturing	922.87	35.97	2,738.42	30.78	2,791.49	31.79
Marketing, Distribution	1,625.00	63.33	6,158.38	69.22	6,009.92	68.44
Others	18.12	0.71	—	—	(20.36)	(0.23)
Total	2,565.99		8,896.80		8,781.05	
Less: (i) Interest	304.19		1,263.98		1,396.70	
(ii) Other Un-allocable Expenditure net off.	1,398.82	—	1,398.82	—	—	—
(iii) Un-allocable income	—	—	—	—	—	—
Total Profit before Tax	862.98		6,234.00		7,384.35	
Capital Employed per Segment						
Manufacturing	22,978.73	61.74	22,978.73	61.74	26,343.83	59.98
Marketing, Distribution	14,240.65	38.26	14,240.65	38.26	17,501.88	39.85
Others	—	—	—	—	77.32	0.18
Total	37,219.38		37,219.38		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.

- Except for Bangladesh entities, which are located in Export promotion zone and are in the Tax holidays period, the Deferred tax has been reckoned for all other entities.
- The minority share in the profit stands at Rs. 108.03 Lacs for the quarter ended March'08 and Rs. 18.29 Lacs for the year ended March'08. EPS post minority stands at Rs. 3.5 & Rs. 25.74 for the Quarter & year ended 31st March 2008.
- One of the subsidiary Company has adopted a prudent approach and has adopted the recommendatory Accounting Standards - 30 announced by the Institute of Chartered Accountants of India and made a provision of derivative loss of Rs. 1280.27 lacs, shown as exceptional item. This is a mark to market loss on the balance sheet date. The loss will crystallise on the expiry of the contracts during Aug-Sep 2008, depending upon the fair market value on the expiry date. The subsidiary Company has hedged these positions and maximum loss has been provided for.
- The Board has recommended a dividend of Rs. 1.50 per equity Share.

for House of Pearl Fashions Limited

Sd/-

(PULKIT SETH)

MANAGING DIRECTOR

Place : Gurgaon
Date : 20th June, 2008



House of Pearl Fashions Limited

Regd. Office: "Pearl House", A-3, Community Centre,
Naraina Industrial Area, Phase-II, New Delhi-110028