



HOUSE OF PEARL FASHIONS LIMITED
Sabherwal
 COMPANY SECRETARY

S.R. DINODIA & CO.
 CHARTERED ACCOUNTANTS

AUDITOR'S LIMITED REVIEW REPORT

To the Directors,

We have reviewed the accompanying statement of unaudited financial results of **M/s House of Pearl Fashions Limited, A-3, Naraina Industrial Area, Phase-II, New Delhi-110028** for the period ended 30th September, 2008. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors/committee of Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, *Engagements to Review Financial Statements* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention, except that :

1. We have not reviewed financial statements of foreign subsidiaries reviewed by other auditors for the purpose of limited review. Also for the purpose of Segmental reporting, we have relied upon the information complied by the management based on the reviewed financial statements by the overseas auditors.
2. In the Column representing the consolidated results for the Quarter ended 30.09.2008 there was a mistake in the knocking off of inter-company transactions. Hence :
 - The amount of Rs. 19,475.64 (Lacs) under the head "Purchase of traded goods" should be read as 19,560.77 (Lacs). As a result, the amount of "Purchase of traded goods" is understated by Rs. 85.13 (Lacs) (i.e. variation is 0.44% of the published amount).
 - The amount of Rs. 3,249.09 (Lacs) under the head "Other Expenditure" should be read as 3,163.96 (Lacs). As a result, the amount of "Other Expenditure" is overstated by Rs. 85.13 (Lacs) (i.e. variation is 2.62% of the published amount).

As a result of above changes :

- There will be no change in the consolidated profit after tax .
- There will be corresponding changes in amounts reported in the respective heads in the Column "Financial Half Year Ended 2008" .

3. In the Para representing the consolidated segment results for the quarter ended 30.09.2008

Business Segment:

Head	Amount Reported	Correct Amount	Impact On Segment Result	
			Amount (overstated/ (understated)	% of the published Result
Segment Revenue				
- Manufacturing				
- Marketing, Distributing	12,718.17	12,283.46	434.71	3.42
	24,553.03	24,997.74	(434.71)	1.77
Segment Result				
- Manufacturing	546.35	409.09	137.26	25.12
- Marketing, Distributing	685.07	853.40	(168.33)	24.57
- Other Un- allocated Expenditure net off	353.02	321.96	31.06	8.8



Geographical Segment:

(Rs. in Lacs)

Head	Amount Reported	Correct Amount	Impact On Segment Result	
			Amount (overstated/ (understated)	% of the published Result
Segment Result -				
UK	153.68	184.74	(31.06)	20.21
- Bangladesh	160.19	155.47	(5.28)	3.51
- USA and Canada	(269.38)	(264.66)	(5.28)	2.03
- India	164.71	174.91	(10.27)	6.24
- Others	451.96	441.69	10.27	2.27
- Other Un- allocated Expenditure net off	353.02	321.96	31.06	8.8


that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For S.R.DINODIA & CO.,
CHARTERED ACCOUNTANTS,**


**(SANDEEP DINODIA)
PARTNER
M.NO.083689**

**PLACE: NEW DELHI
DATED: 29 NOV 2008**

BY NAME OF FIRM - S.R.DINODIA & CO.


2008