



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 QUARTER ENDED 30TH SEPTEMBER 2010

(Rs. In Lacs)

| SI No. | Particulars | Consolidated | | | | | | Standalone | | | | | |
|--------|--|--------------------------------------|--------------------------------------|--|--|---|--------------------------------------|--------------------------------------|--|--|---|--|--|
| | | Quarter Ended 30.09.2010 (Unaudited) | Quarter Ended 30.09.2009 (Unaudited) | Half Year Ended 30.09.2010 (Unaudited) | Half Year Ended 30.09.2009 (Unaudited) | Financial Year Ended 31.03.2010 (Audited) | Quarter Ended 30.09.2010 (Unaudited) | Quarter Ended 30.09.2009 (Unaudited) | Half Year Ended 30.09.2010 (Unaudited) | Half Year Ended 30.09.2009 (Unaudited) | Financial Year Ended 31.03.2010 (Audited) | | |
| 1 | a) Net Sales/ Income from Operations | 55302.23 | 43832.19 | 111297.26 | 88174.85 | 183234.85 | 532.97 | 672.25 | 1733.32 | 1743.58 | 4484.25 | | |
| 2 | b) Other Operating Income | 224.69 | 38.91 | 411.38 | 300.23 | 953.40 | 532.97 | 872.26 | 1733.32 | 1743.58 | 4484.25 | | |
| 3 | Total | 57526.92 | 43971.10 | 111708.66 | 88475.08 | 184188.26 | 532.97 | 872.26 | 1733.32 | 1743.58 | 4484.25 | | |
| 4 | Expenditure | 3772.74 | 1175.52 | 1200.77 | 526.55 | 11340.61 | 446.31 | 847.41 | 1614.53 | 1681.75 | 4213.07 | | |
| 5 | a) Consumption of raw materials | 6896.20 | 4175.56 | 14927.44 | 9791.75 | 23273.56 | 125.42 | 83.14 | 243.02 | 174.53 | 314.54 | | |
| 6 | b) Purchase of Traded Goods | 33712.76 | 26219.82 | 62531.78 | 52178.53 | 107711.95 | 93.84 | 99.44 | 182.39 | 74.59 | 212.10 | | |
| 7 | c) Employees Cost | 5739.65 | 5347.03 | 10057.63 | 40273.80 | 20740.92 | 17.86 | 78.22 | 36.28 | 145.92 | 404.30 | | |
| 8 | d) Depreciation | 981.63 | 590.08 | 1074.69 | 991.59 | 2135.80 | 283.45 | 225.92 | 203.94 | 462.30 | 1085.64 | | |
| 9 | e) Manufacturing Expenses | 3805.97 | 2767.94 | 9195.30 | 5777.92 | 11052.48 | 1304.13 | 1304.13 | 2319.88 | 2538.79 | 5930.61 | | |
| 10 | f) Other Expenditure | 6088.74 | 5600.01 | 11389.02 | 10318.71 | 20280.30 | 444.40 | 431.87 | 926.84 | 780.11 | 1446.36 | | |
| 11 | g) Total | 58470.18 | 44388.92 | 111197.13 | 90488.86 | 184234.44 | 278.00 | 438.80 | 527.60 | 883.92 | 1117.45 | | |
| 12 | Profit before interest & exceptional items (3+4) | 244.09 | 1231.81 | 2118.01 | 3243.03 | 3579.48 | 145.80 | 6.83 | 0.88 | 106.19 | 326.01 | | |
| 13 | Interest | 822.88 | 289.01 | 1307.18 | 685.48 | 1889.69 | 13.88 | 16.53 | 26.04 | 35.92 | 81.54 | | |
| 14 | Profit after interest but before exceptional items (6-5) | 307.87 | 643.98 | 1323.38 | 533.67 | 1613.62 | (179.79) | (9.00) | (27.39) | (141.71) | (410.58) | | |
| 15 | Exceptional items | 507.87 | 643.98 | 1323.38 | 533.67 | 1613.62 | (179.79) | (9.00) | (27.39) | (141.71) | (410.58) | | |
| 16 | Profit (+) / Loss (-) from Ordinary Activities before tax (7+8) | 130.90 | 299.90 | 599.99 | 100.00 | 200.00 | 0.12 | 12.00 | 0.88 | 0.88 | 0.40 | | |
| 17 | Tax Expenses | (130.90) | (299.90) | (599.99) | (100.00) | (200.00) | (0.12) | (12.00) | (0.88) | (0.88) | (0.40) | | |
| 18 | Deferred Tax Income Credit | 132.22 | 10.50 | 132.22 | 10.50 | 132.22 | 0.12 | 12.00 | 0.88 | 0.88 | 0.40 | | |
| 19 | MAT Credit | 38.44 | 10.50 | 132.22 | 10.50 | 132.22 | 0.12 | 12.00 | 0.88 | 0.88 | 0.40 | | |
| 20 | Net Profit (+) / Loss (-) from Ordinary Activities After tax (9-18) | 290.18 | 623.60 | 1010.37 | 188.82 | 1413.76 | (158.64) | (28.12) | (31.58) | (103.18) | (404.85) | | |
| 21 | Extraordinary Item (net of tax expense Rs. Nil) | 290.18 | 623.60 | 1010.37 | 188.82 | 1413.76 | (158.64) | (28.12) | (31.58) | (103.18) | (404.85) | | |
| 22 | Net Profit (+) / Loss (-) for the Period (11-12) | 290.18 | 623.60 | 1010.37 | 188.82 | 1413.76 | (158.64) | (28.12) | (31.58) | (103.18) | (404.85) | | |
| 23 | Minority Interest | 23.57 | 158.78 | 188.82 | 46.76 | 530.48 | | | | | | | |
| 24 | Net Profit (+) / Loss (-) after Minority Interest for the Period (13+13a) | 313.76 | 680.38 | 923.53 | 242.56 | 883.27 | (158.64) | (28.12) | (31.58) | (103.18) | (404.85) | | |
| 25 | Paid-up equity share capital (Face value of Rs. 10/- each) | 1950.03 | 1950.03 | 1950.03 | 1950.03 | 1950.03 | | | | | | | |
| 26 | Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year | | | | | 43248.02 | | | | | 29241.68 | | |
| 27 | Earning Per Share (EPS) | | | | | | | | | | | | |
| 28 | a) Basic and diluted EPS before Extraordinary Items | 1.61 | 3.49 | 4.74 | 1.24 | 4.53 | (0.81) | (0.33) | (0.16) | (0.53) | (2.08) | | |
| 29 | b) Basic and diluted EPS after Extraordinary Items | 1.61 | 3.49 | 4.74 | 1.24 | 4.53 | (0.81) | (0.33) | (0.16) | (0.53) | (2.08) | | |
| 30 | - Diluted | 1.61 | 3.49 | 4.74 | 1.24 | 4.53 | (0.81) | (0.33) | (0.16) | (0.53) | (2.08) | | |

| Sl. No. | Particulars | Consolidated | | | | | Standalone | | | | | |
|---------|--|--------------------------------------|--------------------------------------|--|--|---|--------------------------------------|--------------------------------------|--|--|---|-----------|
| | | Quarter Ended 30.09.2010 (Unaudited) | Quarter Ended 30.09.2009 (Unaudited) | Half Year Ended 30.09.2010 (Unaudited) | Half Year Ended 30.09.2009 (Unaudited) | Financial Year Ended 31.03.2010 (Audited) | Quarter Ended 30.09.2010 (Unaudited) | Quarter Ended 30.09.2009 (Unaudited) | Half Year Ended 30.09.2010 (Unaudited) | Half Year Ended 30.09.2009 (Unaudited) | Financial Year Ended 31.03.2010 (Audited) | |
| 17 | Public shareholding | | | | | | | | | | | |
| | No. of Shares | 6,585,255 | 6,585,255 | 6,585,255 | 6,585,255 | 6,585,255 | 6,585,255 | 6,585,255 | 6,585,255 | 6,585,255 | 6,585,255 | 6,585,255 |
| | Percentage of Shareholding | 33.77 | 33.77 | 33.77 | 33.77 | 33.77 | 33.77 | 33.77 | 33.77 | 33.77 | 33.77 | 33.77 |
| 18 | Promoters and Promoter Group Shareholding | | | | | | | | | | | |
| | a) Pledged (Number) | | | | | | | | | | | |
| | Number of Shares | | | | | | | | | | | |
| | Percentage of shares (as a % of the total shareholding of promoter and Promoter Group) | | | | | | | | | | | |
| | Percentage of shares (as a % of the total share capital of the Company) | | | | | | | | | | | |
| | Number of Shares | 12915088 | 12915089 | 12915088 | 12915088 | 12915088 | 12915088 | 12915088 | 12915089 | 12915088 | 12915088 | 12915088 |
| | Percentage of shares (as a % of the total shareholding of Promoter and Promoter Group) | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| | Percentage of shares (as a % of the total share capital of the Company) | 66.23 | 66.23 | 66.23 | 66.23 | 66.23 | 66.23 | 66.23 | 66.23 | 66.23 | 66.23 | 66.23 |

NOTES TO FINANCIAL RESULTS:

1) Un-audited Financial Results of the company for the quarter ended 30th September 2010 have been reviewed by the Audit Committee and taken on record by the Board of Directors at their meetings held on 13th November 2010.

2) During the quarter ended 30th September 2010, no investor complaint was received. There were no complaints pending at the beginning and end of the quarter. As such no complaint to be resolved.

3) Statement of Utilization of issue proceeds as on 30th September 2010.

| Particulars | Projected Utilization | Actual Utilization upto 30th September 2010 | (Rs. in Lacs) |
|---|-----------------------|---|---------------|
| Investment in Subsidiary Companies to increase the Group's production capacity | 2880.00 | 1,455.84 | |
| Investment in Subsidiary Companies for establishment of a Design Centre and corporate office in Gurgaon | 386.00 | 386.00 | |
| Setting up an Integrated Information Technology System | 1,430.00 | 1,430.00 | |
| Pre-purchase of Certain Term Loans availed by the company and its subsidiaries | 4,923.80 | 4,923.75 | |
| Investment in the subsidiary company M/s. Multinational Textiles Group Ltd. for payment of purchase in consideration to SMCB Holding Limited and Pallas Holding Limited as part of the group restructuring | 4917.00 | 4,917.89 | |
| Setting up a Domestic Branded apparel retail business | 2,820.00 | 2,290.68 | |
| Acquisition or exiting companies of setting up joint venture companies for marketing and distribution of wholesale / brands and supply business in the apparel, accessories or related segments within or outside India | 8,979.70 | 4,925.06 | |
| General Corporate Purposes # | 877.00 | 866.02 | |
| Expanded working capital & temporary loans to its subsidiaries as an interim use of funds | 1,820.00 | 5,752.07 | |
| Share Issue Expenses | 28,537.20 | 1,819.92 | |
| Total | | 28,354.00 | |

Unutilised funds have been invested in Bank Fixed Deposits & Inter corporate deposits and Rs. 2,008 Lacs has been given to Pearl Global Ltd. a subsidiary for repayment of its high interest bearing working capital loan as interim use of proceeds, the company has also extended working capital support of Rs. 560.96 lacs to its WOS, House of Pearl Fashions (US) Ltd., Rs. 1367.02 lacs to Nor Pearl Knitwear Ltd., Rs. 812.81 lacs to Pearl Global Ltd.

Being expenses on integrated technology system, in excess of projected utilisation.

- Except for Bangladesh entities, which are located in Export promoter zone and are in the Tax holidays period Pearl Global (Australia) Pty Ltd and Pearl Global Fashion Ltd. the Deferred tax has been reckoned for all other entities.
- The standalone results for the quarter ended 30th September 2010 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.
- Financial performance on stand alone basis for the Quarter are (Rs. in Lacs): a) Turnover 532,97.76 and b) Loss Before Tax Rs.179.76 and c) Loss after Tax Rs.158.64.
- Figures of the previous period/year have been regrouped and rearranged to make them comparable with those of the current period.

Place : Gurgaon.
Date : 13th November 2010.

By order of the Board
for House of Pearl Fashions Limited

Chairman

Segment Reporting

(Rs. in Lacs)

| Geographical Segment | Qtr Ended | % | Qtr Ended | % | Half Year | % | Half Year | % | Year Ended | % |
|--|-----------------|---------------|-----------------|---------------|------------------|---------------|-----------------|---------------|------------------|---------------|
| Particulars | 30.9.2010 | | 30.9.2009 | | 30.9.2010 | | 30.9.2009 | | 31.03.2010 | |
| Segment Revenue | | | | | | | | | | |
| UK | 2905.42 | 4.82984 | 3126.01 | 6.53 | 6002.83 | 6.11 | 8478.07 | 8.78 | 15637.78 | 7.86 |
| Hong Kong | 35230.92 | 58.5663 | 25109.05 | 52.41 | 59650.05 | 50.74 | 44441.70 | 46.04 | 93060.32 | 46.77 |
| India | 15228.42 | 25.3151 | 11829.73 | 24.69 | 38066.36 | 32.38 | 27573.73 | 28.56 | 60485.67 | 30.40 |
| Others | 6790.83 | 11.2888 | 7841.39 | 16.37 | 13838.64 | 11.77 | 16038.45 | 16.61 | 29774.33 | 14.97 |
| Total | 60155.59 | 100.00 | 47906.18 | 100.00 | 117557.88 | 100.00 | 96531.95 | 100.00 | 198958.10 | 100.00 |
| Less: Inter Segment Revenue | 3223.36 | | 4089.62 | | 6260.60 | | 8382.73 | | 15753.24 | |
| Net Segment Revenue | 56932.23 | | 43806.56 | | 111297.28 | | 88149.22 | | 183204.86 | |
| Segment Results | | | | | | | | | | |
| Profit/(Loss) before Tax and Interest | | | | | | | | | | |
| UK | (103.93) | 8.55 | 747.20 | 50.50 | (24.10) | 0.87 | 326.39 | 12.02 | (138.98) | 2.60 |
| Hong Kong | 1179.00 | 96.95 | 732.36 | 49.50 | 2096.30 | 76.96 | 2191.56 | 80.72 | 4487.13 | 83.48 |
| India | (92.38) | 7.60 | (107.80) | 7.29 | 530.60 | 19.23 | 197.18 | 7.28 | 886.54 | 16.54 |
| Others | 37.15 | 3.05 | (307.45) | 20.78 | 132.85 | 4.81 | (1185.61) | 43.87 | (1307.09) | 24.42 |
| Total | 1019.84 | 116.14 | 1084.30 | 128.07 | 2736.65 | 100.87 | 1629.52 | 143.67 | 3906.80 | 127.02 |
| Less: (i) Interest | 622.96 | | 289.00 | | 1307.18 | | 685.47 | | 1889.69 | |
| (ii) Other Un-allocable Expen net off. | 89.01 | | 231.32 | | 105.11 | | 310.38 | | 403.29 | |
| Total Profit before Tax | 307.87 | | 543.98 | | 1323.38 | | 533.67 | | 1613.62 | |
| Capital Employed per Segment | | | | | | | | | | |
| UK | 9,631.95 | 11.3127 | 6,584.46 | 10.44 | 9,631.95 | 11.31 | 6,584.46 | 10.44 | 8,660.22 | 11.43 |
| Hong Kong | 23,071.03 | 27.0969 | 11,719.78 | 18.59 | 23,071.03 | 27.10 | 11,719.78 | 18.59 | 18,866.47 | 20.95 |
| India | 39,813.51 | 46.7609 | 35,666.23 | 56.58 | 39,813.51 | 46.76 | 35,666.23 | 56.58 | 40,185.45 | 53.06 |
| Others | 12,626.19 | 14.8294 | 9,071.50 | 14.39 | 12,626.19 | 14.83 | 9,071.50 | 14.39 | 11,027.33 | 14.56 |
| Total | 85142.68 | 100.00 | 63041.97 | 100.00 | 85142.68 | 100.00 | 63041.97 | 100.00 | 75739.47 | 100.00 |

| Business Segment | Qtr Ended 30.9.2010 | % | Qtr Ended 30.9.2009 | % | Half Year 30.9.2010 | % | Half Year 30.9.2009 | % | Year Ended 31.03.2010 | % |
|--|------------------------|---------|------------------------|--------|------------------------|--------|------------------------|--------|--------------------------|--------|
| Particulars | | | | | | | | | | |
| Segment Revenue | | | | | | | | | | |
| Manufacturing | 18700.37 | 31.09 | 15520.70 | 32.40 | 44816.04 | 38.12 | 34286.03 | 35.52 | 73816.66 | 37.10 |
| Marketing, Distribution | 41377.48 | 68.78 | 32100.24 | 67.01 | 72575.96 | 61.74 | 61708.30 | 63.93 | 123692.75 | 62.17 |
| Branding & Retailing | 77.74 | 0.13 | 285.24 | 0.60 | 165.88 | 0.14 | 537.62 | 0.56 | 1448.69 | 0.73 |
| Total | 60155.59 | 100.00 | 47906.18 | 100.00 | 117557.88 | 100.00 | 96531.95 | 100.00 | 198958.10 | 100.00 |
| Less inter Segment Revenue | 3223.36 | | 4099.62 | | 6260.60 | | 8382.73 | | 15753.24 | |
| Net Segment Revenue | 56,932.23 | | 43,806.56 | | 111297.28 | | 88149.22 | | 183204.86 | |
| Segment Results | | | | | | | | | | |
| Profit/Loss before Tax and Interest | | | | | | | | | | |
| Manufacturing | 368.68 | 25.98 | 128.85 | 9.31 | 1400.62 | 40.09 | 246.58 | 12.53 | 2029.76 | 41.32 |
| Marketing, Distribution | 1050.29 | 74.02 | 1255.49 | 90.69 | 2093.13 | 59.91 | 1721.86 | 87.47 | 2882.31 | 58.68 |
| Branding & Retailing | (398.03) | 28.12 | (320.04) | 23.12 | (758.10) | 21.70 | (438.92) | 22.30 | (1005.47) | 20.47 |
| Total | 1019.94 | 128.12 | 1064.30 | 123.12 | 2735.65 | 121.70 | 1629.62 | 122.30 | 3906.60 | 120.47 |
| Less: (i) Interest | 622.96 | | 289.00 | | 1307.16 | | 685.47 | | 1889.69 | |
| (ii) Other Un-allocable Expen net off. | 89.01 | | 231.32 | | 105.11 | | 310.38 | | 403.29 | |
| Total Profit before Tax | 307.87 | | 643.98 | | 1323.38 | | 633.67 | | 1613.62 | |
| Capital employed per segment | | | | | | | | | | |
| Manufacturing | 46010.23 | 54.039 | 40667.84 | 64.51 | 46010.23 | 54.04 | 40667.84 | 64.51 | 45500.50 | 80.08 |
| Marketing, Distribution | 38208.53 | 44.8759 | 21228.63 | 33.67 | 38208.53 | 44.88 | 21228.63 | 33.67 | 29005.67 | 38.30 |
| Branding & Retailing | 923.92 | 1.08514 | 1145.50 | 1.82 | 923.92 | 1.09 | 1145.50 | 1.82 | 1233.30 | 1.63 |
| Total | 85142.68 | 100.00 | 63041.97 | 100.00 | 85142.68 | 100.00 | 63041.97 | 100.00 | 75739.47 | 100.00 |

For current period & previous year the geographical segments of the Company based on the location of assets are United Kingdom, Hong Kong, India & Others

Statement of Assets and Liabilities

(Rs./Lacs)

| Particulars | Consolidated | | Standalone | |
|---|--------------------|--------------------|--------------------|--------------------|
| | (Un audited) | (Un audited) | (Un audited) | (Un audited) |
| | As on 30th Sept | As on 30th Sept | As on 30th Sept | As on 30th Sept |
| | 2010 | 2009 | 2010 | 2009 |
| <u>SOURCES OF FUNDS</u> | | | | |
| Shareholder's Funds | | | | |
| (a) Share Capital | 1,950.03 | 1,950.03 | 1,950.03 | 1,950.03 |
| (b) Reserves & Surplus | 43,889.74 | 43,993.51 | 28,810.60 | 29,143.67 |
| Loan Funds | 33,303.40 | 20,855.65 | 444.64 | 749.82 |
| Total | 83,981.99 | 70,375.93 | 31,205.27 | 31,843.52 |
| <u>APPLICATION OF FUNDS</u> | | | | |
| Fixed Assets (Incl. CWIP) | 27,277.23 | 25,949.11 | 1,640.53 | 1,609.87 |
| Investments | 472.81 | 897.00 | 19,125.19 | 15,173.58 |
| Deferred Tax Asset (Net) | 297.16 | 599.60 | 73.29 | 109.33 |
| Current Assets, Loans & Advances | | | | |
| (a) Inventories | 16,256.09 | 13,610.82 | - | - |
| (b) Sundry Debtors | 36,965.02 | 27,443.16 | 842.05 | 844.00 |
| (c) Cash and Bank Balances | 14,705.30 | 8,344.81 | 777.45 | 1,305.93 |
| (d) Loans & Advances | 12,501.17 | 11,781.21 | 9,804.95 | 13,103.53 |
| Less :Current Liabilities & Provisions | | | | |
| Current Liabilities | (23,887.48) | (17,848.01) | (1,034.14) | (274.50) |
| Provisions | (605.30) | (401.77) | (24.04) | (28.22) |
| Net Current Assets | 55,934.79 | 42,930.22 | 10,366.26 | 14,950.74 |
| Total | 83,981.99 | 70,375.93 | 31,205.27 | 31,843.52 |