

AUDITORS' 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 Community Centre, Naraina Industrial Area, Phase-II, New Delhi-110028 (hereinafter referred to as 'HOPFL/the Company')** for the period ended 31st December, 2010 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. 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 provide 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 subsidiaries/foreign branch financial statements; whether reviewed by other auditors or by management for the purpose of limited review. Also for the purpose of Segment reporting, we have relied upon the information compiled by the management based on the reviewed financial statements by the overseas auditors.*
- 2. The expenses for Gratuity and leave encashment have been prepared for as per management estimate and as explained to us, the adjustments, if any, arising on account of Accounting Standard-15 on "Accounting for Retirement Benefits for Employees" will be recognized by the company at the year end.*

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: 14 FEB 2011