

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

**AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

**TO THE BOARD OF DIRECTORS OF PEARL GLOBAL INDUSTRIES LIMITED (FORMERLY KNOWN AS HOUSE OF PEARL FASHIONS LIMITED) ON THE CONSOLIDATED FINANCIAL STATEMENTS OF PEARL GLOBAL INDUSTRIES LIMITED**

We have examined the attached Consolidated Balance Sheet of Pearl Global Industries Limited (Formerly Known as House of Pearl Fashions Limited) and its subsidiaries, as at March 31<sup>st</sup> 2012, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the management of Pearl Global Industries Limited. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

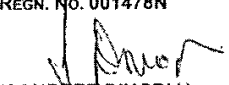
We did not audit the financial statements of certain subsidiaries, whose financial statement reflect total assets of Rs. 10,207,395,097 as at March 31<sup>st</sup> 2012 and total revenues of Rs. 23,695,697,291 for the year then ended. These financial statements have been audited by others auditors whose reports have been furnished to us, and in our opinion, in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the report of the other auditors.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21-Consolidated Financial Statements, notified by the Companies (Accounting Standards) Rules, 2006 and on the basis of separate audited/ certified financial statements of Pearl Global Industries Limited and its subsidiaries included in the consolidated financial statements.

Based on our audit and on consideration of reports of other auditors on separate financial statements and other financial information of the components of Pearl Global Industries Limited and its subsidiaries, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In case of the Consolidated Balance Sheet, of the consolidated state of affairs of Pearl Global Industries Limited and its subsidiaries as at March 31<sup>st</sup> 2012;
- (b) In case of the Consolidated Profit and Loss Account, of the consolidated results of operations of Pearl Global Industries Limited and its subsidiaries for the year ended on that date; and
- (c) In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of Pearl Global Industries Limited and its subsidiaries for the year ended on that date.

FOR S.R. DINODIA & CO.  
CHARTERED ACCOUNTANTS,  
REGN. No. 001478N

  
(SANDEEP DINODIA)  
PARTNER  
M. No : 083689  
PLACE: NEW DELHI

DATED: 29 MAY 2012