



HOUSE OF PEARL FASHIONS LIMITED
 Regd. Office: "Pearl House", A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi-110 028
AUDITED FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2007.

(Rs In Lacs)

Sl. No.	Particulars	Consolidated	
		Financial Year Ended 31.03.2007	Financial Year Ended 31.03.2006
		(Audited)	(Audited)
1	Net Sales	92,394.55	16,595.07
2	Other Operating Income	1,732.34	197.86
3	Other Income	1,120.97	168.19
4	Total Expenditure		
	a) (Increase)/Decrease in stock in trade	(4,144.03)	107.45
	b) Consumption of raw material	11,541.18	6,947.12
	c) Purchase of Traded Goods (including cost of raw material sold)	49,904.20	988.61
	d) Staff Cost	10,255.06	1,784.14
	e) Manufacturing Expenses	7,154.63	3,750.83
	f) Other Expenditure	10,598.55	1,533.36
	- Rates & Taxes		
	- Legal & Professional Exp.		
5	Interest	1,396.69	262.12
6	Depreciation	1,176.63	276.90
7	Profit(+) /Loss (-) before tax (1+2-3-4-5)	7,364.95	1,310.59
8	Provision for taxation		
	- Current Tax	(1,853.16)	(110.16)
	- Wealth Tax	(2.25)	(1.91)
	- Deferred Tax	(299.97)	(497.96)
	- Fringe Tax	(33.86)	(24.95)
	- Tax Adjustment earlier Year	87.74	(105.00)
9	Net Profit (+)/Loss (-)	5,263.45	570.61
10	Provision For Doubtful Debts	(1.45)	(10.79)
11	Profit after tax,	5,264.90	559.82
12	Paid-up Equity Share capital (Face Value of Rs. 10/- each)	1,950.03	465.67
13	Reserves excluding Revaluation Reserves (as per balance sheet)	31513.28	5224.99
14	Basic and diluted EPS for the period, for the year to date and for the previous year	27.00	18.88
15	Aggregate of Non-Promoter's shareholding		
	- No. of shares	6,755,506	NIL
	- Percentage of shareholding	35.42	NIL

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 22nd June 2007.
- The Company came out with an Initial Public Offering during the quarter ended 31st March 2007 and got its share listed with Bombay Stock Exchange Limited and National Stock Exchange of India Limited w.e.f. 15th February 2007.
- During the quarter ended 31st March 2007, Company received and resolved 280 complaints, there were no pending complaints at the end of the quarter.
- Company has allotted 429906 equity shares to JM Morgan Stanley Pvt Ltd. on March 21, 2007 under Green Shoe option as per Companies Prospectus dated January 29, 2007, for transfer to Green Shoe Lender, Mr. Pulkit Seth. These shares were not reflected in the shareholding pattern of the Company as on March 31, 2007, as the Corporate Action for these shares was pending. These shares were listed on BSE and NSE on April 19, 2007.

5) Statement of Utilization of issue proceeds as on 31st March 2007.

Amount raised through public issue	2,854,335,000
Meeting Share Issue Expenses	173,066,230
Payment of outstanding purchase consideration for acquisition overseas subsidiaries, as a part of group restructuring.	491,729,400
Repayment of certain loans availed by the company and its subsidiaries.	
- Repayment of Bridge Loan facility taken for acquiring of Nor Pearl Knitwear Ltd and Norp Knit Industries Ltd in Bangladesh.	163,000,000
- Payment of loan taken by Global Textiles Group Ltd and Multinational Textiles Group Ltd for acquisition of Depa International Inc.U.S.A. and Poeticgem Limited U.K.and Norwest Industries, Hong Kong.	68,970,971
Infusion of Preference Share Capital in Pearl Global Limited for acquisition of Knitted Garment Unit in Khandsa Gurgaon.	50,000,000
Add: Dividend Income received from Mutual Funds	12,075,906
Balance amount lying in Mutual Fund and Fixed Deposits	1,919,644,305

- The figures for the previous period / year have been regrouped /rearranged / recast wherever necessary to confirm to this years / quarters classifications.

- 7) The Company completed a restructuring and combined its domestic and international operations under one Company, House of Pearl Fashions Ltd. The previous year figures represent consolidated results of operations for its Indian subsidiaries applicable during that year. As a result previous year figures are not comparable.
- 8) The subsidiaries in Bangladesh were acquired on March 28, 2006, our Subsidiary in Mauritius, Multinational Textiles Ltd, was incorporated on March 28, 2006 and our other overseas subsidiaries, other than Norwest Industries (HK) were acquired in March 2006. The subsidiary in Hong Kong, Norwest Industries Ltd., was acquired on May 31, 2006 as a result consolidated results of operation for this financial year are understated to the extent of performance of Hong Kong subsidiary for the period April - May 2006.
- 9) To give effect to the restructuring as if it occurred at the beginning of fiscal 2005 the unaudited combined pro forma financial summarized statements of the Company and its subsidiaries is presented below:

(Rupees in million)				
S.No.	Particulars	2006-07	2005-06	2004-05
1	Total Revenue	10,309	7,734	7,153
2	EBIDTA	1,045	575	245
3	PAT	567	251	96

Segment Reporting

<u>Geographical Segment</u>	<u>Year Ended</u>		%
<u>Particulars</u>	<u>31.03.2007</u>		
Segment Revenue			
USA	11,766.65		12.22
UK	25,744.45		26.73
Hong Kong	27,309.83		28.35
India	19,268.69		20.01
Bangladesh	7,536.21		7.82
Others	4,691.46		4.87
Total	96,317.29		
Less: Inter Segment Revenue	5,478.33		
Net Segment Revenue	90,838.96		
Segment results before Tax And Interest			
USA	652.33		7.45
UK	3,259.50		37.20
Hong Kong	2,131.73		24.33
India	1,718.48		19.61
Bangladesh	638.34		7.29
Others	361.29		4.12
Total	8,761.66		
Capital Employed per Segment			
USA	2,040.08		4.62
UK	7,909.54		17.93
Hong Kong	7,552.46		17.12
India	21,742.41		49.29
Bangladesh	3,980.58		9.02
Others	890.18		2.02
Total	44,115.26		

<u>Business Segment</u>	<u>Year Ended</u>		%
<u>Particulars</u>	<u>31.03.2007</u>		
Segment Revenue			
Manufacturing	31,496.36		32.70
Marketing, Distribution	64,820.93		67.30
Others	-		-
Total	96,317.29		
Less: Inter Segment Revenue	5,478.33		
Net Segment Revenue	90,838.96		
Segment results before Tax And Interest			
Manufacturing	2,772.10		31.64
Marketing, Distribution	6,012.33		68.62
Others	(22.78)		(0.26)
Total	8,761.66		
Capital employed per segment			
Manufacturing	26,536.06		60.15
Marketing, Distribution	17,501.88		39.67
Others	77.32		0.18
Total	44,115.26		

During the year 2005-2006 the Company acquired the assets in different geographical area at the end of the year therefore the revenue and expenses of the same have not been considered for the purpose of consolidated financial statement. Thus in the context of Accounting Standard "17" on segmental reporting, issued by Institute of Chartered Accountants of India, there is no reportable segment.

For current fiscal the geographical segments of the Company based on the location of assets are United States of America, United Kingdom, Hong Kong, India & Bangladesh.

The business segments considered by the Company are:

- Manufacturing
- Marketing, Distribution, Sourcing and Trading.

For HOUSE OF PEARL FASHIONS LIMITED

Place : Gurgaon
Date : 22nd June 2007

(PULKIT SETH)
MANAGING DIRECTOR