

## 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)

Sl. No.	Particulars	Consolidated					Standalone				
		Quarter Ended	Quarter Ended	Half Year Ended	Half Year Ended	Financial Year Ended	Quarter Ended	Quarter Ended	Half Year Ended	Half Year Ended	Financial Year Ended
		30.09.2010 (Unaudited)	30.09.2009 (Unaudited)	30.09.2010 (Unaudited)	30.09.2009 (Unaudited)	31.03.2010 (Audited)	30.09.2010 (Unaudited)	30.09.2009 (Unaudited)	30.09.2010 (Unaudited)	30.09.2009 (Unaudited)	31.03.2010 (Audited)
1	a) Net Sales/ Income from Operations	56932.23	43832.19	111297.28	88174.85	183204.86	532.97	872.26	1793.02	1748.68	4484.25
	b) Other Operating Income	224.69	138.91	411.38	300.23	953.40	-	-	-	-	-
	<b>Total</b>	<b>57156.92</b>	<b>43971.10</b>	<b>111708.66</b>	<b>88475.08</b>	<b>184158.26</b>	<b>532.97</b>	<b>872.26</b>	<b>1793.02</b>	<b>1748.68</b>	<b>4484.25</b>
2	Expenditure										
	a) (Increase)/Decrease in stock in trade & work in Progress	(272.77)	(175.92)	1200.77	566.56	(1540.61)	-	-	-	-	-
	b) Consumption of raw materials	6896.20	4175.56	14927.44	9791.75	23273.59	-	-	-	-	-
	c) Purchase of Traded Goods	33712.76	26219.82	62531.78	52178.53	107711.95	446.81	847.41	1614.53	1681.75	4213.87
	d) Employees Cost	5739.65	5341.63	10867.63	10273.90	20740.92	125.42	83.14	243.02	174.33	314.56
	e) Depreciation	561.63	550.88	1074.59	991.59	2135.80	93.84	69.44	162.39	74.59	212.16
	f) Manufacturing Expenses	3865.97	2757.94	9195.30	5777.92	11652.49	17.85	78.22	36.28	145.82	104.38
	g) Other Expenditure	5966.74	5500.01	11399.62	10918.71	20260.30	293.45	225.92	263.64	462.30	1085.64
	h) Total	56470.18	44369.92	111197.13	90498.96	184234.44	977.37	1304.13	2319.86	2538.79	5930.61
3	Profit from operations before other income, interest & exceptional items (1-2)	686.74	(398.82)	511.53	(2023.88)	(76.18)	(444.40)	(431.87)	(526.84)	(790.11)	(1446.36)
4	Other Income	244.09	1231.81	2119.01	3243.03	3579.49	278.60	438.80	527.50	683.92	1117.45
5	Profit before interest & exceptional items (3+4)	930.83	832.99	2630.54	1219.15	3503.31	(165.80)	6.93	0.66	(106.19)	(328.91)
6	Interest	622.96	289.01	1307.16	685.48	1889.69	13.96	16.53	28.04	35.52	81.64
7	Profit after interest but before exceptional items (5-6)	307.87	543.98	1323.38	533.67	1613.62	(179.76)	(9.60)	(27.38)	(141.71)	(410.55)
8	Exceptional Items	-	-	-	-	-	-	-	-	-	-
9	<b>Profit(+)/Loss (-) from Ordinary Activities before tax (7+8)</b>	<b>307.87</b>	<b>543.98</b>	<b>1323.38</b>	<b>533.67</b>	<b>1613.62</b>	<b>(179.76)</b>	<b>(9.60)</b>	<b>(27.38)</b>	<b>(141.71)</b>	<b>(410.55)</b>
10	Tax Expenses										
	Deferred Tax	(150.98)	326.09	201.00	337.85	99.91	(21.24)	27.60	3.54	(38.55)	(6.35)
	Income Tax	132.22	(316.30)	(23.20)	-	(81.54)	0.12	(12.08)	0.66	-	0.48
	MAT Credit	36.44	10.59	135.21	-	181.50	-	-	-	-	-
11	<b>Net Profit (+)/Loss (-) from Ordinary Activities After tax (9-10)</b>	<b>290.19</b>	<b>523.60</b>	<b>1010.37</b>	<b>195.82</b>	<b>1413.75</b>	<b>(158.64)</b>	<b>(25.12)</b>	<b>(31.58)</b>	<b>(103.16)</b>	<b>(404.68)</b>
12	Extraordinary Item (net of tax expense Rs. Nil)	-	-	-	-	-	-	-	-	-	-
13	<b>Net Profit(+)/ loss(-) for the Period (11-12)</b>	<b>290.19</b>	<b>523.60</b>	<b>1010.37</b>	<b>195.82</b>	<b>1413.75</b>	<b>(158.64)</b>	<b>(25.12)</b>	<b>(31.58)</b>	<b>(103.16)</b>	<b>(404.68)</b>
13 a	Minority Interest	23.57	156.78	(86.84)	46.76	(530.48)	-	-	-	-	-
	<b>Net Profit(+)/ loss(-) after Minority Interest for the Period (13+13a)</b>	<b>313.76</b>	<b>680.38</b>	<b>923.53</b>	<b>242.58</b>	<b>883.27</b>	<b>(158.64)</b>	<b>(25.12)</b>	<b>(31.58)</b>	<b>(103.16)</b>	<b>(404.68)</b>
14	Paid-up equity share capital (Face value of Rs.10/-each)	1950.03	1950.03	1950.03	1950.03	1950.03	1950.03	1950.03	1950.03	1950.03	1950.03
15	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year.					43248.02					29241.68
16	Earning Per Share (EPS)										
	a) Basic and diluted EPS before Extraordinary items.										
	- Basic	1.61	3.49	4.74	1.24	4.53	(0.81)	(0.13)	(0.16)	(0.53)	(2.08)
	- Diluted	1.61	3.49	4.74	1.24	4.53	(0.81)	(0.13)	(0.16)	(0.53)	(2.08)
	b) Basic and diluted EPS after Extraordinary items.										
	- Basic	1.61	3.49	4.74	1.24	4.53	(0.81)	(0.13)	(0.16)	(0.53)	(2.08)
	- Diluted	1.61	3.49	4.74	1.24	4.53	(0.81)	(0.13)	(0.16)	(0.53)	(2.08)

Sl. No.	Particulars	Consolidated					Standalone				
		Quarter Ended	Quarter Ended	Half Year Ended	Half Year Ended	Financial Year Ended	Quarter Ended	Quarter Ended	Half Year Ended	Half Year Ended	Financial Year Ended
		30.09.2010 (Unaudited)	30.09.2009 (Unaudited)	30.09.2010 (Unaudited)	30.09.2009 (Unaudited)	31.03.2010 (Audited)	30.09.2010 (Unaudited)	30.09.2009 (Unaudited)	30.09.2010 (Unaudited)	30.09.2009 (Unaudited)	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
	Percentage of Shareholding	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/Encumbered										
	- 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)	-	-	-	-	-	-	-	-	-	-
	b) Non-encumbered										
	- Number of Shares	12915088	12915088	12915088	12915088	12915088	12915088	12915088	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
	- 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
<b>NOTES TO FINANCIAL RESULTS:</b>											
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.											
										( Rs.in Lacs)	
							Projected Utilisation		Actual Utilisation upto 30th September 2010		
Investment in Subsidiary Companies to increase the Group's production capacity							2990.00		1,465.84		
Investment in Subsidiary Companies for establishment of a Design Centre and corporate office in Gurgaon.							380.00		380.00		
Setting up an Integrated Information Technology System.							1,430.00		1,430.00		
Pre-payment of Certain Term Loans availed by the company and its subsidiaries.							4,923.50		4,923.75		
Investment in its subsidiary company M/s.Multinational Textiles Group Ltd,for payment of purchase in consideration to SACB Holding Limited and Pallas Holding Limited as part of the group restructuring.							4917.00		4,917.29		
Setting up a Domstic Branded apparel retail business.							2,520.00		2,298.46		
Acquisition or existing companies of setting up joint venture companies for marketing and distribution or wholesale / brands and supply business in the apparel, accessories or related segments within or outside India.							8,579.70		4,905.56		
General Corporate Purpose ##							877.00		360.82		
Extended working capital & temporary loans to its subsidiaries as an interim use of funds.							-		5,752.87		
Share issue Expenses							1,920.00		1,919.50		
<b>Total</b>							<b>28,537.20</b>		<b>28,354.09</b>		
Unutilised funds have been invested in Bank Fixed Deposits & inter corporate deposits and Rs.2.000 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., and Rs.1012.08 Lacs to other subsidiaries as an interim use of funds.											
## Being expenses on integrated technology system,in excess of projected utilisation.											
4) Except for Bangladesh entities, which are located in Export promotion zone and are in the Tax holidays period, Pearl Global (Australia) Pty Ltd and Pearl Global Fareast Ltd.,the Deferred tax has been reckoned for all other entities.											
5) 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.											
6) Financial performance on stand alone basis for the Quarter are (Rs. In Lacs):a) Turnover 532.97,b) Loss Before Tax Rs179.76 and c) Loss after Tax Rs158.64.											
7) Figures of the previous period/ year have been regrouped and rearranged to make them comparable with those of the current period.										By order of the Board for House of Pearl Fashions Limited	
										Sd/-	
Place : Gurgaon.										(Deepak Seth)	
Date : 13th November, 2010.										Chairman	

<b>Segment Reporting</b>											( Rs.in Lacs)	
<b>Geographical Segment</b>		<b>Qtr Ended</b>	<b>%</b>	<b>Qtr Ended</b>	<b>%</b>	<b>Half Year</b>	<b>%</b>	<b>Half Year</b>	<b>%</b>	<b>Year Ended</b>	<b>%</b>	
		<b>30.9.2010</b>		<b>30.9.2009</b>		<b>30.9.2010</b>		<b>30.9.2009</b>		<b>31.03.2010</b>		
Particulars												
<b>Segment Revenue</b>												
UK		2905.42	4.82984	3126.01	6.53	6002.83	5.11	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		4099.62		6260.60		8382.73		15753.24		
Net Segment Revenue		56932.23		43806.56		111297.28		88149.22		183204.86		
<b>Segment Results</b>												
<b>Profit /(Loss) before Tax and Interest</b>												
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	732.35	49.50	2096.30	75.96	2191.56	80.72	4467.13	83.46	
India		(92.38)	7.60	(107.80)	7.29	530.60	19.23	197.18	7.26	885.54	16.54	
Others		37.15	3.05	(307.45)	20.78	132.85	4.81	(1185.61)	43.67	(1307.09)	24.42	
Total		1019.84	116.14	1064.30	128.07	2735.65	100.87	1529.52	143.67	3906.60	127.02	
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		543.98		1323.38		533.67		1613.62		
<b>Capital Employed per Segment</b>												
UK		9,631.95	11.3127	6584.46	10.44	9631.95	11.31	6584.46	10.44	8660.22	11.43	
Hong Kong		23,071.03	27.0969	11719.78	18.59	23071.03	27.10	11719.78	18.59	15866.47	20.95	
India		39,813.51	46.7609	35666.23	56.58	39813.51	46.76	35666.23	56.58	40185.45	53.06	
Others		12,626.19	14.8294	9071.50	14.39	12626.19	14.83	9071.50	14.39	11027.33	14.56	
Total		85142.68	100.00	63041.97	100.00	85142.68	100.00	63041.97	100.00	75739.47	100.00	

<b>Business Segment</b>											
		<b>Qtr Ended</b>	<b>%</b>	<b>Qtr Ended</b>	<b>%</b>	<b>Half Year</b>	<b>%</b>	<b>Half Year</b>	<b>%</b>	<b>Year Ended</b>	<b>%</b>
		<b>30.9.2010</b>		<b>30.9.2009</b>		<b>30.9.2010</b>		<b>30.9.2009</b>		<b>31.03.2010</b>	
<u>Particulars</u>											
<b>Segment Revenue</b>											
	Manufacturing	<b>18700.37</b>	31.09	15520.70	32.40	44816.04	38.12	34286.03	35.52	73816.66	37.10
	Marketing, Distribution	<b>41377.48</b>	68.78	32100.24	67.01	72575.96	61.74	61708.30	63.93	123692.75	62.17
	Branding & Retailing	<b>77.74</b>	0.13	285.24	0.60	165.88	0.14	537.62	0.56	1448.69	0.73
#	Total	<b>60155.59</b>	100.00	<b>47906.18</b>	100.00	<b>117557.88</b>	100.00	<b>96531.95</b>	100.00	<b>198958.10</b>	100.00
	Less inter Segment Revenue	<b>3223.36</b>		4099.62		6260.60		8382.73		15753.24	
#	Net Segment Revenue	<b>56,932.23</b>		<b>43,806.56</b>		<b>111297.28</b>		<b>88149.22</b>		<b>183204.86</b>	
<b>Segment Results</b>											
<b>Profit/(Loss) before Tax and Interest</b>											
	Manufacturing	<b>368.58</b>	25.98	128.85	9.31	1400.62	40.09	246.58	12.53	2029.76	41.32
	Marketing, Distribution	<b>1050.29</b>	74.02	1255.49	90.69	2093.13	59.91	1721.86	87.47	2882.31	58.68
	Branding & Retailing	<b>(399.03)</b>	28.12	<b>(320.04)</b>	23.12	<b>(758.10)</b>	21.70	<b>(438.92)</b>	22.30	<b>(1005.47)</b>	20.47
	Total	<b>1019.84</b>	<b>128.12</b>	<b>1064.30</b>	<b>123.12</b>	<b>2735.65</b>	<b>121.70</b>	<b>1529.52</b>	<b>122.30</b>	<b>3906.60</b>	120.47
	Less : (i) Interest	<b>622.96</b>		289.00		1307.16		685.47		1889.69	
	(ii) Other Un-allocable Expen net off.	<b>89.01</b>		231.32		105.11		310.38		403.29	
#	Total Profit before Tax	<b>307.87</b>		<b>543.98</b>		<b>1323.38</b>		<b>533.67</b>		<b>1613.62</b>	
<b>Capital employed per segment</b>											
	Manufacturing	46010.23	54.039	40667.84	64.51	46010.23	54.04	40667.84	64.51	45500.50	60.08
	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	<b>85142.68</b>	<b>100.00</b>	<b>63041.97</b>	<b>100.00</b>	<b>85142.68</b>	<b>100.00</b>	<b>63041.97</b>	<b>100.00</b>	<b>75739.47</b>	100.00
								0.00			
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
<b><u>SOURCES OF FUNDS</u></b>				
<b>Shareholder's Funds</b>				
(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
<b>Minority Interest</b>	4,838.82	3,576.74	-	-
<b>Loan Funds</b>	33,303.40	20,855.65	444.64	749.82
<b>Total</b>	<b>83,981.99</b>	<b>70,375.93</b>	<b>31,205.27</b>	<b>31,843.52</b>
<b><u>APPLICATION OF FUNDS</u></b>				
<b>Fixed Assets (Incl. CWIP)</b>	27,277.23	25,949.11	1,640.53	1,609.87
<b>Investments</b>	472.81	897.00	19,125.19	15,173.58
<b>Deferred Tax Asset (Net)</b>	297.16	599.60	73.29	109.33
<b>Current Assets, Loans &amp; Advances</b>				
(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
<b>Less :Current Liabilities &amp; Provisions</b>				
Current Liabilities	(23,887.48)	(17,848.01)	(1,034.14)	(274.50)
Provisions	(605.30)	(401.77)	(24.04)	(28.22)
<b>Net Current Assets</b>	55,934.79	42,930.22	10,366.26	14,950.74
<b>Total</b>	<b>83,981.99</b>	<b>70,375.93</b>	<b>31,205.27</b>	<b>31,843.52</b>