

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of M/S PIXEL INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **M/S PIXEL INDUSTRIES LIMITED ("the Company")**, which comprise the Balance Sheet as at **March 31, 2015**, and the Statement of Profit and Loss and Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at **March 31, 2015**;
- (b) in the case of the Statement of Profit and Loss, of the **Loss** for the period ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Companies Act 2013, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and further proper returns adequate for the purpose of audit has been received from the branches not visited by us;
 - c. The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. In our opinion there are no financial transactions or matters that may have adverse effect on the functioning of the Company
 - f. On the basis of written representations received from the directors as on March 31, 2015 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013;
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. On the basis of written representation received from the management of the Company, no litigation is pending against the Company's which would impact its financial position.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

For S.R. DINODIA & CO., LLP.
CHARTERED ACCOUNTANTS
REGN. No. 001478N/N500005



(SANDEEP DINODIA)
P A R T N E R
M.NO. 083689

PLACE: NEW DELHI

DATE : 22 MAY 2015

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 1 under the heading of "Report on Other Legal & Regulatory Requirements" of our report of even date)

RE: M/S PIXEL INDUSTRIES LIMITED

- i) The Company does not have any fixed assets hence provision of clause 4(i) of the Companies (Auditor's Report) Order, 2015 is not applicable to the Company.
- ii) The company does not hold any inventory hence provision of clause 4(ii) of the Companies (Auditor's Report) Order, 2015 is not applicable to the Company.
- iii) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause (iii) (a) to (b) of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices, there is no continuing failure to correct the weaknesses in the aforesaid internal control systems.
- v) In our opinion and according to the information and explanation given to us, since the company has not accepted any deposits therefore the question of the compliance of any directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under does not arise.
- vi) Since, no operating activities are carried out during the period, the cost records and accounts prescribed by the Central Government under sub section (1) of section 148 of the Act are not maintained being the first year of operation of the Company.
- vii) According to the information and explanation provided to us, provision of clause 4(vii) (a) to (c) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company; as no statutory and other dues are applicable in the first year of operations of the Company.
- viii) The company has not completed its five years from the date of its incorporation. Hence the provision of clause (viii) of Companies (Auditor's Report) Order 2015 is not applicable to the Company.
- ix) There were no dues payable to any financial institution or bank or debenture holders during the period. Therefore, the provisions of clause 3(ix) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
- x) The company has not given guarantees for loans taken by others from banks or financial institutions. Therefore, the provisions of clause 3(x) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.



- xi) The company has not taken any term loans during the period. Therefore, the provisions of clause 3(xi) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
- xii) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have been informed of such case by the management.

For S. R. DINODIA & CO. LLP
CHARTERED ACCOUNTANTS
REGN. No. 001478N/N500005



(SANDEEP DINODIA)
P A R T N E R
M.NO. 083689

PLACE: NEW DELHI

DATE: 22 MAY 2015

PIXEL INDUSTRIES LIMITED

Balance Sheet as at March 31,2015

Particulars	Note No.	(Amount in ₹)	
		As March 31, 2015	At
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	3		500,000
Reserves and Surplus	4		(180,720)
			<u>319,280</u>
Current liabilities			
Trade Payables	5		20,000
Other current liabilities	6		160,720
			<u>180,720</u>
			<u>500,000</u>
TOTAL			
<u><u>500,000</u></u>			
ASSETS			
Current assets			
Cash and Bank balances	7		500,000
			<u>500,000</u>
			<u>500,000</u>
TOTAL			
<u><u>500,000</u></u>			
Summary of Significant Accounting Policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our Audit Report of even date attached

For S.R. DINODIA & CO. LLP.
CHARTERED ACCOUNTANTS
REGN. NO. 001478N/N500005

(SANDEEP DINODIA)
P A R T N E R
M. NO. 083689

For & on behalf of Board of Directors

(PULKIT SETH)
Director
DIN: 00003044

(SHEFALI SETH)
Director
DIN: 01388430

PLACE: NEW DELHI

DATE: 22 MAY 2015

PIXEL INDUSTRIES LIMITED

Statement of Profit & Loss for the period ended on March 31, 2015


Particulars	Note No.	(Amount in ₹)
		For the period ended March 31, 2015
Other income		-
Total Income (A)		-
Expenses:		
Other expenses	8	180,720
Total expenses (B)		180,720
Profit before tax (A-B)		(180,720)
Tax Expense		-
Profit (Loss) for the period		(180,720)
Earnings per equity share:		
Basic	9	(36.14)
Diluted		(36.14)
Summary of Significant Accounting Policies	2.1	


The accompanying notes are an integral part of the financial statements


As per our Audit Report of even date attached

For S.R. DINODIA & CO. LLP.
CHARTERED ACCOUNTANTS
REGN. NO. 001478N/N500005

For & on behalf of Board of Directors


(SANDEEP DINODIA)
PARTNER
M. NO. 083689


(PULKIT SETH)
Director
DIN: 00003044


(SHEFALI SETH)
Director
DIN: 01388430

PLACE: NEW DELHI

DATE: 22 MAY 2015

PIXEL INDUSTRIES LIMITED

Cash Flow Statement for the period ended on March 31, 2015

Particulars	(Amount in ₹)
	For the period ended March 31, 2015
A. Cash flow from Operating Activities :	
Net Profit Before Tax and Exceptional Items	(180,720)
Adjustments for Non cash flow items	-
Operating Profit /(loss) before working capital changes	(180,720)
Adjustments for working capital changes :	
Trade Payables & Other liabilities	180,720
Cash Generated from operations	-
Direct Taxes (Paid)/ Refunds	-
Net Cash Generated / (used) in operating Activities	-
B. Cash flow from Investing Activities:	
(Purchase)/Sale of Fixed Assets	-
Cash flow from Investing Activities	-
C. Cash flow from Financing Activities	
Net Proceeds from issue of Share Capital	500,000
Net Proceeds from issue Share Application	-
Net cash Generated /(used) in Financing Activities	500,000
Increase in Cash/Cash equivalents(A+B+C)	500,000
Net Increase in Cash/Cash equivalents(A+B+C)	500,000
Cash / Cash equivalents at the beginning of the year	-
Cash / Cash equivalents at the end of the year	500,000
Components of Cash and Cash equivalents	
Cash and Cheques on hand	-
Balances with Scheduled Banks	
- In Current Accounts	500,000
	500,000

As per our report of even date attached

For S.R. DINODIA & CO. LLP,
CHARTERED ACCOUNTANTS
Regn. No. 001478N/ N500005

(SANDEEP DINODIA)
P A R T N E R
M. NO.83689

For & on behalf of Board of Directors

(PULKIT SETH)
Director
DIN: 00003044

(SHEFALI SETH)
Director
DIN: 01388430

PLACE: NEW DELHI

DATE: 22 MAY 2015

PIXEL INDUSTRIES LIMITED

Notes to the financial statements for the period ended on March 31, 2015

Note 1

Corporate Information

Pixel Industries Limited is a company domiciled in India and was incorporated on June 18, 2014 under the provisions of the Companies Act, 2013. The Company is primarily engaged in the business of sourcing, manufacturing, fabrication, import/export, wholesale and retail trade in wearing apparels.

Note 2: Significant Accounting Policies and Basis of Preparation

a) Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention.

b) Uses of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) Fixed Assets & Depreciation

Fixed assets to be stated at cost of acquisition less depreciation. Depreciation on fixed assets to be provided in the manner and as per the useful life specified under Schedule II to the Companies Act, 2013. Assets costing less than ₹ 5,000 is to be fully charged in the statement of profit and loss in the year of purchase.

d) Taxes on Income

Tax expense comprises current and deferred tax.

(i) Current tax is amount of tax payable on taxable income for the year as determined in accordance with the provisions of the Income-Tax Act, 1961.

(ii) Deferred tax is recognized on timing differences being the differences between taxable income and accounting income that originate in one period and is capable of reversal in one or more subsequent periods. Deferred tax assets are recognized if there is a virtual certainty that there will be sufficient future taxable income available to reverse such losses. Such assets are reviewed by the Management on periodic basis.

e) Earning per share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating Diluted Earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

f) Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the Notes to Account. Contingent assets are neither recognized nor disclosed in the financial statements.



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PIXEL INDUSTRIES LIMITED

Notes to financial statements for the period ended March 31,2015

Note 3 : Share Capital

Authorised

5,00,000 Equity Shares of ₹ 10 each

5,000,000

Issued, Subscribed & Paid-up Equity

50,000 Equity Shares of ₹ 10 each fully paid up

500,000

Total Issued, Subscribed & Paid-up Capital

500,000

a. Share capital reconciliation

Equity Share Capital

Balance at the beginning of the period

Add: Addition during the period

Less: Buy back during the period

Balance at the end of the period

March 31, 2015	
No. of Shares	Amount (in ₹)
-	-
50,000	500,000
-	-
50,000	500,000

b. Terms/rights attached to Equity shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of Equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% shares in the company

Pearl Global Industries Limited (Holding Company)

March 31, 2015	
No. of Shares	%holding
50,000	100%

Note 4 : Reserves and Surplus

Profit & Loss

Balance at the beginning of the period

Profit/(Loss) for the period

Balance at the end of the period

-

(180,720)

(180,720)

Total Reserves and Surplus

(180,720)



PIXEL INDUSTRIES LIMITED

Notes to financial statements for the period ended on March 31, 2015

	(Amount in ₹)	
	As	At
	March 31, 2015	

Note 5 : Trade Payables

Trade Payables (Refer note below for details of dues to Micro Small and Medium enterprises)	20,000
	<u>20,000</u>

Note :

(a) As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007 & further certified by the management, there are no amount due to Micro and Small Enterprises as at March 31, 2015, hence it has not been disclosed in the financial statements. Further no interest during the period have been paid or payable under the terms of MSMED Act' 2006.

	(Amount in ₹)	
	As	At
	March 31, 2015	

Note 6 : Other Current Liabilities

Other Current Liability (Refer Note 'a' Below)	160,720
	<u>160,720</u>

a) The above amount represents amount due to holding company i.e. Pearl Global Industries Limited as at March 31, 2015.

	(Amount in ₹)	
	As	At
	March 31, 2015	

Note 7: Cash and cash equivalents

Balance with Banks:-	
On Current Account	500,000
	<u>500,000</u>



PIXEL INDUSTRIES LIMITED**Notes to financial statements for the period ended on March 31, 2015****Note 8 : Other Expenses**

	(Amount in ₹)
	For the period ended March 31, 2015
Filing Fees	160,520
Rates & Taxes	200
Payment to Auditors (Refer note 'a' below)	20,000
	<u>180,720</u>

Note**(a) Payment to Auditors**

- Audit fees	17,800
- Service Tax	2,200
	<u>20,000</u>

Note 9: Earnings Per Share(EPS)

Profit/Loss attributable to the equity shareholders	(180,720)
Number/Weighted Average number of equity shares outstanding at the end of the period	5,000
Nominal value of equity shares	100
Basic/Diluted Earnings per share	(36.14)

Note 10 : Disclosure of Related parties/ Related parties transactions :**a) List of Related Parties and relationships**

(i) Holding Company	:	Pearl Global Industries Limited
(ii) Key Managerial Personnel	:	Deepak Seth Pulkit Seth Shefali Seth

b) Transactions during the year with related party/ Material Transactions

S. No.	Particulars	Holding Company	(Amount in ₹) Total
(i)	Issue of Shares Capital	Pearl Global Industries Limited	50,000
(ii)	Reimbursement of preincorporation expenses	Pearl Global Industries Limited	160,720

c) Amount Outstanding as at March 31, 2015

S. No.	Particulars	(Amount in ₹) Total
(i)	Pearl Global Industries Limited	160,720

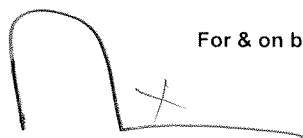
Note 11: Keeping in view of the principle of prudence as per Accounting Standard AS 22 "Accounting for taxes on Income" Deferred tax assets on losses has not being recognised as there is no reasonable certainty of future taxable income which may be available for its realization of the deferred tax assets.

Note 12: In view of the management, the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet as at March 31, 2015.

Note 13: The Company is incorporated on June 18, 2014 under Companies Act, 2013 and hence no previous year figures were available for comparison with the current period figures.

Note 14: Figures are rounded to the nearest rupee.

For & on behalf of Board of Directors


(PULKIT SETH)
Director
DIN: 00003044


(SHEFALI SETH)
Director
DIN: 01388430

Place: New Delhi

Dated: 22 MAY 2015

