S.R. DINODIA & Co. LLP
CHARTERED ACCOUNTANTS
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Independent Auditor's Report

To The Members of Pixel Industries Limited

Report on the Ind AS Financial Statements
We have audited the accompanying Ind AS financial statements of **Pixel Industries Limited**, which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit & loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act read with the companies (Indian accounting Standards) Rule 2015 as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Ind AS 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 Ind AS 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 of Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018 and its **Loss** (including other comprehensive income), its cash flows and the changes in the equity for the year ended on that date.

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Other Matters

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by predecessor auditor whose report for the year ended March 31, 2017 & March 31, 2016 dated May 26, 2017 and May 25, 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion is not modified in respect of above matter.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss(including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Companies (Indian Accounting Standards) specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure-A'.

   (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 representations received from the management of the Company, the Company has no pending litigations which could impact its financial position in its financial statements.

      ii According to the information provide and explanation provided to us, the company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      ii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure- 'B', a statement on the matters specified in the paragraph 3 and 4 of the order.

For S.R. Dinodia & Co. LLP.
Chartered Accountants,
Firm's Registration Number 001478N/N500005

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

(Sandeep Dinodia)
Partner
Membership Number 083689

Place of Signature: Gurugram
Date: 29 MAY 2018

Annexure 'A' to the Independent Auditors' Report of even date on the financial statement of Pixel Industries Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Pixel Industries Limited ("the Company")** as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operatingeffectively as at March 31, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Dinodia& Co. LLP.
Chartered Accountants,
Firm's Registration Number 001478N/N500005

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

(Sandeep Dinodia)
Partner
Membership Number083689

Place of Signature: Gurugram
Date: 29 MAY 2018

Annexure 'B' To the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended March 31, 2018; we report that:

i) The Company does not have any fixed assets; hence provision of paragraph 3(i) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

ii) The Company does not hold any inventory; hence provision of paragraph 3(ii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

iii) According to the information and explanation given to us, the Company had 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 paragraph 3 (iii) (a) to (c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

iv) According to the information and explanation given to us, the Company has no loans, investments, guarantees, and security covered under the provisions of section 185 and I86 of the Companies Act, 20I3. Therefore, the provisions of paragraph 3(iv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

v) The Company has not accepted any deposits from the public. Accordingly, the provisions of paragraph 3(v) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

vi) On the basis of available information and explanation provided to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2016 dated July 14, 2016 to the current operations carried out by the Company. Accordingly, the provisions of paragraph 3(vi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

vii) a) Since the Company has not carried out any operation during the year, the Company has not provided and accordingly not deposited; the statutory dues including Provident fund, Employees' state insurance, Income tax, Sales tax, Service tax, Goods and Service Tax, Duty of customs, Duty of excise, Value added tax, cess and any other statutory dues with appropriate authorities. Hence, there were no undisputed outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.

b) According to the records of the Company examined by us and the information and explanations available with us, there were no dues of Income tax or Sales tax or Service tax or Duty of customs or Duty of excise or Value added tax which have not been deposited on account of any dispute.

viii) There were no dues payable to banks, financial institutions, debenture holder or government by the Company. Accordingly, the provisions of paragraph 3(viii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

ix) The Company did not raise any money by the way of initial public or further public offer (including debt instruments) during the year. Accordingly, the provisions of paragraph 3(ix) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

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

xi) In our opinion and on the basis of available information and explanation provided to us, the Company has not paid any managerial remuneration to any director. Hence the provisions of paragraph 3(xi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company

xii) The Company is not a nidhi company. Hence, the provisions of paragraph 3(xii) of the Order are not applicable to the Company.

xiii) During the course of our examination of the books and records of the Company, all transactions entered with the related parties are in compliance with section 188 of Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards. Further in pursuance of section 177, the Company is not required to form audit committee.

xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of paragraph 3(xiv) of the Order are not applicable to the Company.

xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of paragraph 3(xv) of the Order are not applicable to the Company.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of paragraph 3(xvi) of the Order are not applicable to the Company.

For S.R. Dinodia & Co. LLP
Chartered Accountants,
Firm Registration Number 001478N/N500005

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

(Sandeep Dinodia)
Partner
Membership No. 083689

Place of Signature: Gurgaon
Date: 29 MAY 2018

Pixel Industries Limited
Balance Sheet as at March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	Note No.	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
I. Assets				
Current Assets				
(a) Financial assets				
(i) Cash and cash equivalents	4	2.60	2.84	2.88
Total current assets		**2.60**	**2.84**	**2.88**
Total assets		**2.60**	**2.84**	**2.88**
II. Equity and liabilities				
Equity				
(a) Equity share capital	5	5.00	5.00	5.00
(b) Other equity	6	(3.00)	(2.74)	(2.35)
Total equity		**2.00**	**2.26**	**2.65**
Liabilities				
Current Liabilities				
(a) Financial liabilities				
(i) Trade payables	7	0.60	0.58	0.23
Total current liabilities		**0.60**	**0.58**	**0.23**
Total equity and liabilities		**2.60**	**2.84**	**2.88**
		-	-	-
Summary of Significant Accounting Policies	3			

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
Firm's Registration Number 001478N/N500005

For & on behalf of Board of Directors of Pixel Industries Limited

(Sandeep Dinodia)
Partner
Membership No. 083689

(Pulkit Seth)
Director
DIN: 00003044

(Shefali Seth)
Director
DIN: 01388430

Place of Signature: Gurugram
Date: 29 MAY 2018

Pixel Industries Limited

Statement of Profit & Loss for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I Other income	8	-	-
II **Total Income (A)**		-	-
III **Expenses**			
(a) Other expenses	9	0.26	0.39
Total expenses (B)		0.26	0.39
IV **Profit/ (loss) before exceptional items and tax (A-B)**		(0.26)	(0.39)
V **Exceptional Items**		-	-
VI **Profit/ (loss) before tax (IV-V)**		(0.26)	(0.39)
VII **Tax expense**		-	-
VIII **Profit/(loss) for the year (VI-VII)**		(0.26)	(0.39)
IX **Other comprehensive income**			
(A) (i) Items that will not be reclassified subsequently to statement of profit and loss		-	-
(ii) Income tax on items that will not be reclassified subsequently to statement of profit and loss		-	-
(B) (i) Items that will be reclassified subsequently to statement of profit and loss		-	-
(ii) Income tax on items that will be reclassified subsequently to statement of profit and loss		-	-
Other comprehensive income for the year, net of tax		-	-
X **Total comprehensive income for the year, net of tax**		(0.26)	(0.39)
Earnings per equity share: (face value ` 10 per share)			
Basic (amount in `)	10	(0.53)	(0.78)
Diluted (amount in `)		(0.53)	(0.78)
Summary of Significant Accounting Policies	3		

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
Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)
Partner
Membership No. 083689

For & on behalf of Board of Directors of Pixel Industries Limited

(Pulkit Seth)
Director
DIN: 00003044

(Shefali Seth)
Director
DIN: 01388430

Place of Signature: Gurugram
Date: 29 MAY 2018

Pixel Industries Limited

Statement of changes in equity for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

A. Equity Share Capital

As at April 01, 2016	5.00
Changes during the year	-
As at March 31, 2017	**5.00**
Changes during the year	-
As at March 31, 2018	**5.00**

B. Other Equity

	Reserve & Surplus	
	General Reserve	Total Other Equity
Balance as at April 01, 2016	(2.35)	**(2.35)**
Profit / (loss) for the year	(0.39)	**(0.39)**
Other Comprehensive Income	-	-
Total Comprehensive Income for the year	(0.39)	**(0.39)**
Dividend	-	-
Dividend Distribution Tax	-	-
Balance as at March 31, 2017	**(2.74)**	**(2.74)**
Balance as at April 01, 2017	(2.74)	**(2.74)**
Profit / (loss) for the year	(0.26)	**(0.26)**
Other Comprehensive Income	-	-
Total Comprehensive Income for the year	(0.26)	**(0.26)**
Dividend	-	-
Dividend Distribution Tax	-	-
Balance as at March 31, 2018	**(3.00)**	**(3.00)**

Summary of Significant Accounting Policies 3

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For S.R. Dinodia & Co. LLP.
Chartered Accountants
Firm's Registration Number 001478N/N500005

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

(Sandeep Dinodia)
Partner
Membership No. 083689

For & on behalf of Board of Directors of Pixel Industries Limited

(Pulkit Seth)
Director
DIN: 00003044

(Shefali Seth)
Director
DIN: 01388430

Place of Signature: Gurugram
Date: 29 MAY 2018

Pixel Industries Limited
Cash Flow Statement for the year ended on March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A. Cash flow from Operating Activities :		
Net Profit Before Tax and Exceptional Items	(0.26)	(0.39)
Adjustments for Non cash flow items	-	-
Operating Profit /(loss) before working capital changes	**(0.26)**	**(0.39)**
Adjustments for working capital changes :		
Trade Payables & Other liabilities	0.02	0.35
Cash Generated from operations	**(0.24)**	**(0.04)**
Direct Taxes (Paid)/ Refunds	-	-
Net Cash Generated / (used) in operating Activties	**(0.24)**	**(0.04)**
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	-	-
Net cash Generated /(used) in Financing Activities	-	-
Net Increase in Cash/Cash equivalents(A+B+C)	**(0.24)**	**(0.04)**
Cash / Cash equivalents at the beginning of the year	**2.84**	**2.88**
Cash / Cash equivalents at the end of the year	**2.60**	**2.84**
Components of Cash and Cash equivalents		
Cash and Cheques on hand	-	-
Balances with Scheduled Banks		
- In Current Accounts	2.60	2.84
	2.60	**2.84**

Summary of Significant Accounting Policies 3

The accompanying notes form an integral part of these financial statements

For S.R. Dinodia & Co. LLP.
Chartered Accountants
Firm's Registration Number 001478N/N500005

For & on behalf of Board of Directors of Pixel Industries Limited

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

(Sandeep Dinodia)
Partner
Membership No. 083689

(Pulkit Seth)
Director
DIN: 00003044

(Shefali Seth)
Director
DIN: 01388430

Place of Signature: Gurugram
Date: 29 MAY 2018

Pixel Industries Limited

Notes to the financial statements for the year ended on March 31, 2018

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.

The financial statements were authorised for issue in accordance with a resolution of the board of directors on May 29, 2018.

Note 2: Basis of preparation and measurement

Statement of Compliance: The financial statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.
Upto the year ended March 31, 2017, the Company prepared the financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006 and other relevant provisions of the Act. These are the Company's first Ind AS financial statements. The date of transition to the Ind AS is April 01, 2016. Refer to note 15 for the details of first-time adoption exemptions availed by the Company.

Basis of Preparation and presentation: The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.
The principal accounting policies are set out below.
All assets and liabilities have been classified as current or noncurrent according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current non-current classification of assets and liabilities.
The financial statements are presented in ` and all values are rounded to the nearest lakhs upto two decimal places except otherwise stated.

Recent accounting pronouncements

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 12 'Income Taxes', Ind AS 21, 'The effects of changes in foreign exchange rates and also introduced new revenue recognition standard Ind AS 115 'Revenue from contracts with customers'. These amendments rules are applicable to the Company from April 1, 2018.

Ind AS 115 'Revenue from Contracts with Customers' (Ind AS 115)
Ministry of Corporate Affairs ('MCA') has notified new standard for revenue recognition which overhauls the existing revenue recognition standards including Ind AS 18 - Revenue. The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:
(i) Identification of the contracts with the customer
(ii) Identification of the performance obligations in the contract
(iii) Determination of the transaction price
(iv) Allocation of transaction price to the performance obligations in the contract (as identified in step ii)
(v) Recognition of revenue when performance obligation is satisfied.

The standard permits two possible methods of transition:
• Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
• Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.
The management is yet to assess the impact of this new standard on the Company's financial statements.

Amendment to Ind AS 12
The amendment to Ind AS 12 requires the entities to consider restriction in tax laws in sources of taxable profit against which entity may make deductions on reversal of deductible temporary difference (may or may not have arisen from the same source) and also consider probable future taxable profit. The Company is evaluating the requirements of the amendment and its impact on the financial statements.

Amendment to Ind AS 21
The amendment to Ind AS 21 requires the entities to consider exchange rate on the date of initial recognition of advance consideration (asset/liability) for recognising related expense/income on the settlement of said asset/liability. The Company is evaluating the requirements of the amendment and its impact on the financial statements.

Note 3: Significant accounting policies

a) **Significant accounting judgements, estimates and assumptions**

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.
Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

Judgements:

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

Revenue recognition and presentation

The Company assesses its revenue arrangements against specific criteria, i.e. whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent. The Company has concluded that they operating on a principal to principal basis in all its revenue arrangements.
When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the Company and its business partners are reviewed to determine each party's respective role in the transaction.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Income taxes

The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Recoverability of deferred taxes

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment.

b) **Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets:

An asset is treated as current when it is:
a) Expected to be realised or intended to be sold or consumed in normal operating cycle.
b) Held primarily for the purpose of trading
c) Expected to be realised within twelve months after the reporting period, or
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
All other assets are classified as non-current.

Liabilities:

A liability is current when:
(a) It is expected to be settled in normal operating cycle
(b) It is held primarily for the purpose of trading
(c) It is due to be settled within twelve months after the reporting period, or
(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle: The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

h) <u>Revenue Recognition</u>

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Compay and the revenue can be reliably measured.

m) <u>Financial instruments</u>

A financial instrument is a contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

(i) Financial assets

Initial recognition and measurement

A financial asset is initially recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:
- Financial Asset carried at amortised cost
- Financial Asset at fair value through other comprehensive income (FVTOCI)
- Financial Asset at fair value through profit and loss (FVTPL)

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Financial asset carried at amortised cost
A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset at fair value through other comprehensive income (FVTOCI)
A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset at fair value through profit and loss (FVTPL)
A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

De-recognition
A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:
(i) The contractual rights to receive cash flows from the asset has expired, or
(ii) The Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(ii) Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include borrowings, trade and other payables, security deposits received etc.

Subsequent measurement
For purposes of subsequent measurement, financial liabilities are classified in two categories:
- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit and loss (FVTPL)

Financial liabilities at amortized cost

Loans and borrowings
Borrowings are initially recognised at fair value, net of transaction costs incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

De-recognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

(iii) Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously

(iv) Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps, full currency swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

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n) <u>Impairment of financial assets</u>

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:
Financial assets that are debt instruments, and are initially measured at fair value with subsequent measurement at amortised cost e.g., trade and other receivables, security deposits, loan to employees, etc.
The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables.
The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.
ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

o) **Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.
The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

An impairment loss is recognized, if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount and is recognised in statement of profit and loss.
Impairment losses recognised in prior periods are assessed at end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

p) **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
(a) In the principal market for the asset or liability, or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

q) **Taxes**

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

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Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Tax relating to items recognized directly in equity/other comprehensive income is recognized in respective head and not in the statement of profit & loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

r) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash balance on hand, cash balance at banks and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

s) Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to the shareholders of the Company by the weighted average number of equity shares outstanding as at the end of reporting period.

Diluted EPS amounts are calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

t) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

u) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.
The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognised in the statement of profit and loss as a finance cost.
Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

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Notes to financial statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

Note 4: Cash and Cash Equivalents	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
Balances with Banks:-			
On Current Account	2.60	2.84	2.88
	2.60	2.84	2.88

a) For the purpose of the statement of cash flow, cash and cash equivalents comprise of the following:

(Amount in ₹ 'Lakhs' unless otherwise stated)

	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
Balances with banks:			
- Current account	2.60	2.84	2.88
	2.60	2.84	2.88

Note 5: Share Capital			
Authorised			
5,00,000* (March 31, 2017: 5,00,000, April 01, 2016 : 5,00,000) equity shares of ₹ 10 each	5,000,000	5,000,000	5,000,000
	5,000,000	5,000,000	5,000,000
Issued, Subscribed & Paid-up			
Equity			
50,000* (March 31, 2017: 50,000, April 01, 2016 : 50,000) equity shares of ₹ 10 each	5.00	5.00	5.00
Total Issued, Subscribed & Paid-up Capital	5.00	5.00	5.00

* Number of Shares are given in absolute numbers.

a) Reconciliation of authorised, issued and subscribed share capital:

i. Reconciliation of authorised share capital as at year end :	No. of shares in lacs	Amount
Balance as at April 1, 2016	5.00	50.00
Increase/(decrease) during the year	-	-
Balance as at March 31, 2017	5.00	50.00
Increase/(decrease) during the year	-	-
Balance as at March 31, 2018	5.00	50.00

ii. Reconciliation of issued and subscribed share capital as at year end :

Equity Share of ` 10 each issued, Subscribed and fully paid	No. of shares in lacs	Amount
Balance as at April 1, 2016	0.50	5.00
Increase/(decrease) during the year	-	-
Balance as at March 31, 2017	0.50	5.00
Increase/(decrease) during the year	-	-
Balance as at March 31, 2018	0.50	5.00

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

	March 31, 2018		March 31, 2017		April 1, 2016	
Equity Shares of ₹ 10 each fully paid up	No. of Shares	holding	No. of Shares	%holding	No. of Shares	%holding
Pearl Global Industries Limited (Holding C	50,000	100%	50,000	100%	50,000	100%

(Amount in ` 'Lakhs' unless otherwise stated)

Note 6: Other Equity

a) Retained Earnings	
Balance as at April 1, 2016	(2.35)
Add: Addition during the year	(0.39)
less: Utilized during the year	-
less: Transferred	-
Balance as at March 31, 2017	(2.74)
Add: Addition during the year	(0.26)
less: Utilized during the year	-
less: Transferred	-
Balance as at March 31, 2018	(3.00)

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Notes to financial statements for the year ended March 31, 2018

Total Other equity	
Balance as at March 31, 2018	(3.00)
As at March 31, 2017	(2.74)
As at April 1, 2016	(2.35)

Nature and purpose of reserves

a) Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(Amount In ₹ 'Lakhs' unless otherwise stated)

	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
Note 7: Trade payable			
Trade Payables (Refer Note 'a' below)	0.60	0.58	0.23
	0.60	**0.58**	**0.23**

a) Trade payable are generally on a credit period of 45- 90 days.
b) It does not include any amount due to be transferred to Investor Education and Protection Fund.
c) As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007, the amount due to Micro & Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under :

Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006

	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
(i) Principal amount due to micro and small enterprises Interest due on above & the unpaid interest paid (Refer note 'd' below)	-	-	-
(ii) 'The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the payments made to the supplier beyond the appointed day during each accounting year.	-	-	-
(iii) 'The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
(v) The amount of further interest remaining due and payable even in the succeeding year,until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-	-

'This information has been compiled to the extent such parties have been identified on the basis of information available with the Company as at the reporting date).

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Notes to financial statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

Note 8: Other Income	For the year ended March 31, 2018	For the year ended March 31, 2017
Other Income	-	-
	-	-

(Amount in ₹ 'Lakhs' unless otherwise stated)

Note 9: Other Expenses	For the year ended March 31, 2018	For the year ended March 31, 2017
Filing Fee	0.01	0.01
Printing & Stationary		0.03
Payment to Auditors (refer note 'a' below)	0.25	0.35
	0.26	**0.39**

Note

(a) Details of payment made to auditors is as follows:		
As Auditor:		
- Audit Fees	0.22	0.20
In other Capacity:		
- Reimbursement of Expenses	-	0.12
- Service Tax	0.04	0.03
	0.25	**0.35**

(Amount in ₹ 'Lakhs' unless otherwise stated)

Note 10: Earnings Per Share (EPS)	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit attributable to the equity shareholders **(A)**	(0.26)	(0.39)
Number/Weighted average number of equity shares outstanding at the end of the year **(B)**	0.50	0.50
Nominal value of equity shares	10	10
Basic/Diluted Earning per share (A/B) (in `)	(0.53)	(0.78)

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(Amount in ₹ 'Lakhs' unless otherwise stated)

Note 11 : Capital management

For the purpose of Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing borrowings, trade and other payables, less cash and cash equivalents.

	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Trade payables (Refer to note 6)	0.60	0.58	0.23
Less: cash and cash equivalents (Refer to note 3)	(2.60)	(2.84)	(2.88)
Net debt	**(2.00)**	**(2.26)**	**(2.65)**
Equity share capital (Refer to note 4)	5.00	5.00	5.00
Other equity (Refer to note 5)	(3.00)	(2.74)	(2.35)
Total Capital	**2.00**	**2.26**	**2.65**
Capital and net debt	-	-	-
Gearing ratio	-	-	-

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018, March 31, 2017 and April 1,2016.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

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(Amount in ₹ 'Lakhs' unless otherwise stated)

Note 12 : Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are

a) **Fair value of financial assets:**

	Carrying values			Fair values		
	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Financial assets measured at amortised cost						
Cash and cash equivalents	2.60	2.84	2.88	2.60	2.84	2.88
Total	**2.60**	**2.84**	**2.88**	**2.60**	**2.84**	**2.88**

b) **Fair value of financial liabilities:**

	Carrying values			Fair values		
	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Financial liabilities measured at amortised cost						
Trade payables	0.60	0.58	0.23	0.60	0.58	0.23
	0.60	**0.58**	**0.23**	**0.60**	**0.58**	**0.23**

Management has assessed that cash and cash equivalents and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

c) **Discount rate used in determining fair value**

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Company and in case of financial asset is the average market rate of similar credit rated instrument. The company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

i) For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

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(Amount in ₹ 'Lakhs' unless otherwise stated)

Note 13 : Fair hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.
Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

a) **Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018:**

	As At March 31, 2018	Amortised Cost	Fair Value			Total
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets measured at amortised cost						
Cash and cash equivalents*	2.60	2.60	-	-	-	2.60
Total	**2.60**	**2.60**	**-**	**-**	**-**	**2.60**

b) **Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2018:**

	As At March 31, 2018	Amortised Cost	Fair Value			Total
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial liabilities measured at amortised cost						
Trade payables*	0.60	0.60	-	-	-	0.60
	0.60	**0.60**	**-**	**-**	**-**	**0.60**

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c) **Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:**

(Amount in ₹)

	As At March 31, 2017	Amortised Cost	Fair Value			Total
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets measured at amortised cost						
Cash and cash equivalents*	2.84	2.84	-	-	-	2.84
Total B	**2.84**	**2.84**	-	-	-	**2.84**

d) **Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2017:**

	As At March 31, 2017	Amortised Cost	Fair Value			Total
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial liabilities measured at amortised cost						
Trade payables*	0.58	0.58	-	-	-	0.58
	0.58	**0.58**	-	-	-	**0.58**

e) **Quantitative disclosures fair value measurement hierarchy for assets as at April 01, 2016:**

	As At April 01, 2016	Amortised Cost	Fair Value			Total
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets measured at amortised cost						
Cash and cash equivalents*	2.88	2.88	-	-	-	2.88
Total B	**2.88**	**2.88**	-	-	-	**2.88**

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Notes to financial statements for the year ended March 31, 2018

f) **Quantitative disclosures fair value measurement hierarchy for liabilities as at April 01, 2016:**

	As At April 01, 2016	Amortised Cost	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial liabilities measured at amortised cost						
Trade payables*	0.23	0.23	-	-	-	0.23
	0.23	**0.23**	**-**	**-**	**-**	**0.23**

* Management has assessed that cash and cash equivalents & trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.
There have been no transfers between Level 1 and Level 2 during the period.

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(Amount in ₹ 'Lakhs' unless otherwise stated)

Note 14 : Financial risk management objectives and policies

The Company's principal financial liabilities comprises of trade payables. The main purpose of these financial liabilities is to to support its operations.

The Company's principal financial assets comprises of cash and cash equivalents.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior level management oversees the management of these risks and is supported by Treasury department that advises on the appropriate financial risk governance framework.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk borrowings, short term deposits and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2018 and March 31, 2017.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company has no long-term borrowings with variable rates, which expose the Company to interest rate risk.

ii) Foreign currency risk

Foreign currency risk is the risk that arises when the fair value of future cash flows of an exposure fluctuate because of the changes in exchange rates. Foreign currency risk senstivity is the impact on the Company's profit before tax, due to changes in the fair value of monetary assets and liabilities on unhedged exposures.
Company is not exposed to foreign currency sensitivity because Company does not have any outstanding foreign currency exposure as on April 01, 2016, March 31, 2017 and March 31, 2018.

B. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities

C. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.
The Company's objective is to, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at March 31, 2018	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade payables	0.60	-	-	-	0.60
Total	**0.60**	**-**	**-**	**-**	**0.60**

As at March 31, 2017	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade payables	0.58	-	-	-	0.58
Total	**0.58**	**-**	**-**	**-**	**0.58**

As at April 01, 2016	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade payables	0.23	-	-	-	0.23
Total	**0.23**	**-**	**-**	**-**	**0.23**

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Notes to financial statements for the year ended March 31, 2018

Note 15 : 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 (Director)
		Pulkit Seth (Director)
		Shefali Seth (Director)

b) There are no transaction during the financial year ended March 31, 2018 & March31, 2017 and no balances are outstanding as at March 31, 2018 , March 31, 2017 & April 1, 2016

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Note 16 : First time adoption of Ind AS (Amount in ₹ 'Lakhs' unless otherwise stated)

As stated in note 2 (a), the financial statements for the year ended 31 March 2018 would be the first annual financial statements prepared in accordance with Ind AS. For year up to and including the year ended March 31, 2017, the Company has prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013 and other relevant provisions of the Act ('previous GAAP').

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for the period ended 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

a) Mandatory exceptions

i) Estimates

The estimates at April 01, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies, if any).

ii) De-recognition of financial assets:

The company has applied the de-recognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

b) Reconciliation of total equity as at March 31, 2017 and April 01, 2016 :

Particulars	As At March 31, 2017	As At April 01, 2016
Total Equity (Shareholder's Fund) as per Previous GAAP	2.26	2.65
Ind AS adjustments	-	-
Total equity (Shareholder's fund) as per Ind AS	**2.26**	**2.65**

c) Reconciliation of total comprehensive income for the year ended March 31, 2017 :

Particulars	As At March 31, 2017
Net Profit as per Previous GAAP	(0.39)
Other Ind AS Adjustments	-
Net Profit as per Ind AS	(0.39)
Other Comprehensive Income (Net of Tax)	-
Total Comprehensive Income for the Year under Ind AS	(0.40)

d) Reconciliation of Statement of Cash Flow for the year ended March 31, 2017

Particulars	Previous GAAP	Effect of Transition to Ind AS	Ind AS
Net Cash flow from/(used in) operating activities	(2.12)	2.08	(0.04)
Net Cash flow from/(used in) investing activities	-	-	-
Net Cash flow from/(used in) financing activities	-	-	-
Net Increase/(Decrease) in cash and cash equivalents	(2.12)	2.08	(0.04)
Cash and Cash equivalents at the beginning of the period	5.00	(2.12)	2.88
Cash and Cash equivalents at the end of the period	**2.88**	**(0.04)**	**2.84**

e) Footnotes to the reconciliation of equity as at April 01, 2016 and March 31, 2017 and profit or loss for the year ended March 31, 2018:

i. Deferred tax

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. However, Company has no deferred tax Asset/Liability as at March 31, 2018 , March 31, 2017 and April 1, 2016.

ii. Other comprehensive income

Items of income and expense that are not recognised in profit and loss but are shown in 'other comprehensive income' includes re-measurements gain/(loss) of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP. However there are no such items that are to be classified under Other Comprehensive Income.

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Notes to financial statements for the year ended March 31, 2018

Note 17 : No material events have occurred between the balance sheet date to the date of issue of these financial statements that could affect the values stated in the financial statements.

Note 18: There is no Reportable Segments of the Company in view of the Ind As-108 "Operating Segments" as notified under Companies (Indian Acoounting Standards) Rules, 2015.

Note 19 : The Company has reclassified previous year figures to conform to Ind AS Classification.

Note 20 : The balances of trade payables given are subject to reconciliation and confirmation as on March 31, 2018 and have realisation in ordinary course of business atleast equal to amount at which they are stated in the financial statements.

Note 21 : Figures have been rounded off to the nearest lakhs upto two decimal places except otherwise stated.

For & on behalf of Board of Directors of
Pixel Industries Limited

(Pulkit Seth)
Director
DIN: 00003044

(Shefali Seth)
Director
DIN: 01388430

Place of Signature: Gurugram
Date: 29 MAY 2018

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