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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Krishan Khadaria	Director
Mrs. Asha Khadaria	Director
Mr. Manoj Bhatia	Director & Compliance Officer

AUDITORS

M/s. CPM & Associates
Chartered Accountants, Mumbai

BANKER

Axis Bank Ltd.

REGISTERED OFFICE

401/A, Pearl Arcade,
Opp. P. K. Jewellers,
Dawood Baug Lane,
Off J. P. Road, Andheri (West),
Mumbai – 400 058
Tel. No.: 26778155 / 26797750 / 32459097
Email id.: pearlelectronicslimited@gmail.com

REGISTRAR & TRANSFER AGENT

Bigshare Services Pvt. Ltd.
E-2, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (East), Mumbai – 400 072
Tel. No.: 022-28470652
Email id.: investor@bigshare.com

AUDIT COMMITTEE

Mr. Manoj Bhatia	Chairman
Mr. Krishan Khadaria	Member
Mrs. Asha Khadaria	Member

SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

Mr. Manoj Bhatia	Chairman
Mr. Krishan Khadaria	Member
Mrs. Asha Khadaria	Member

NOTICE

Notice is hereby given that the Second Annual General Meeting of the Members of Pearl Electronics Limited will be held on Monday, 30th September, 2013 at 12:00 P.M at Conference Room, Axis Bank, Springfield's, Lokhandwala Complex, Andheri (West), Mumbai – 400 053 to transact the following business: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss for the year ended on that date and the Report of the Directors and Auditors thereon for the said year.
2. To appoint a Director in place of Mr. Manoj Bhatia, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 224 of the Companies Act 1956, **M/s CPM & Associates**, Chartered Accountants (Firm Registration No. 114923W) who being eligible, have offered themselves for re-appointment, be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to examine and audit the accounts of the Company for the financial year 2013-2014 on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Statutory Auditors, in addition to reimbursement of service tax and out-of-pocket expenses, in connection with the audit of the Company.”

By and on behalf of the Board
for Pearl Electronics Limited

Krishan Khadaria
Director

Place : Mumbai
Dated: 29th May, 2013

Registered Office:
401/A, Pearl Arcade,
Opp. P. K. Jewellers,
Dawood Baug Lane,
Off J. P. Road, Andheri (West),
Mumbai – 400 058.

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE VALID, MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Corporate members intending to send their authorized representatives to attend the Meeting are required to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. The Register of Members and the share transfer books of the Company shall remain closed from Monday, 23rd September, 2013 to Monday, 30th September, 2013 (both days inclusive).
4. Members holding shares in physical form are requested to dematerialise their shares. Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the Registrar and Share Transfer Agent, BigShare Services Pvt. Ltd.. Members holding shares in physical form are also requested to quote their PAN details on the share transfer deed submitted for transfer of their shares.
5. Members are requested to furnish their change of address and all other required details to the Registrar and Share Transfer Agent in respect of shares if held in physical form. In case of shares held in electronic form, these information should be furnished to their respective Depository Participants (DPs).
6. For convenience of the members and for proper conduct of the Meeting, entry to the place of the Meeting will be regulated by way of attendance slip, which is annexed to this Notice. Members are requested to bring their Attendance Slip, sign the same at the place provided and hand it over at the entrance of the venue.
7. Copies of all documents referred to in notice and the statutory registers under Section 301 and 307 of the Companies Act, 1956 are available for inspection at the registered office of the Company between 11:00 A.M. to 1:00 P.M. on all working days i.e Monday to Friday, till the date of meeting and will also be available at the venue of the meeting.
8. All correspondence with regard to share transfer and matters related therewith may directly be addressed to the Company's Registrar and Share Transfer Agent address given below:

Registrar & Transfer Agent

Bigshare Services Pvt. Ltd.

E-2, Ansa Industrial Estate,

Saki Vihar Road, Saki Naka,

Andheri (East), Mumbai – 400 072

Tel: 022-28470652 Email: investor@bigshare.com

9. The Ministry of Corporate Affairs, Government of India, has taken a “Green Initiative in Corporate Governance” by allowing paperless compliances by the companies and has issued Circulars inter-alia stating that the service of notice/documents to the Members can be made in electronic mode. Companies are now permitted to send various notices/documents to its shareholders through electronic mode to the registered e-mail address of the shareholders. This move by the Ministry is welcome since it will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment. We propose to send all documents to be sent to shareholders like General Meeting Notices (including AGM), Audited Financial Statements, Directors’ Report, Auditors’ Report, etc. henceforth to the shareholders in electronic form, to the e-mail address provided by them and made available to us by the Depositories. The physical copies of the Annual Report will also be available at our Registered Office in Mumbai for inspection during office hours. Members are also requested to support this Green Initiative by registering/updating their email addresses, with the Depository Participant (in case of Shares held in dematerialised form) or with Company/ Bigshare Services Pvt. Ltd., Registrar and Share Transfer Agent of the Company (in case of Shares held in physical form).
10. Brief resume of Director proposed to be re-appointed/appointed, nature of their expertise in specific functional areas & names of the companies in which they hold directorships, memberships/chairmanships of Board/Committees as stipulated in Clause 49 of the Listing Agreement with Stock Exchange in India, is provided as follows:

Name	Mr. Manoj Bhatia
Director Identification Number	01953191
Designation	Non-Executive Independent Director
Date of Birth	15/11/1968
Qualification	B.Com, CA Inter
Date of appointment on the Board	30/08/2011

Directorships and Chairmanship and Membership of the Committees of the Boards of other companies in which he is Director as on 31.03.2013

Name of the Company	Membership of Committee	Status
Sukaniya Properties Pvt. Ltd.	NIL	Director
Nouveau Global Ventures Limited	Chairman & Member	Director
Ashadeep Multitrade Private Limited	NIL	Director
Automagical Software Pvt. Ltd.	NIL	Director
Perfect Square Pvt. Ltd.	NIL	Director
Omni Strategic Management Consultants Pvt. Ltd.	NIL	Director
Pearl Arcade Trading Private Limited	NIL	Director
Pearl Agriculture Limited	Chairman & Member	Director
Nouveau Shares & Securities Limited	NIL	Director

**By and on behalf of the Board
for Pearl Electronics Limited**

Place: Mumbai

Krishan Khadaria
Director

Dated: 29th May, 2013

DIRECTORS' REPORT

To,
The Shareholders,

The Directors have pleasure in presenting their Second Annual Report and the audited statement of accounts for the financial year ended 31st March, 2013.

FINANCIAL HIGHLIGHTS

(Rs. In Lakhs)

Particulars	31 st March, 2013
Profit before interest, depreciation, tax and Extra Ordinary Items	4.94
Depreciation/amortization	-
Profit before interest, tax and Extra Ordinary Items	4.94
Finance Costs	-
Profit before tax and Extra Ordinary Items	4.94
Less: Provision for taxes on income	
--Current tax	3.90
--Deferred tax liability / (asset)	(2.34)
Profit before Extra Ordinary Items	3.38
Extra Ordinary Items (Net of Tax)	-
Profit for the year	3.38

The Company commenced its business activities from the financial year 2012-2013.

PERFORMANCE AND FUTURE PROSPECTS

During the year the Company commenced the business of trading in Electronic goods & products. The net profit after tax amounted to Rs. 3.38 Lakhs from the operations of the Company.

There is a great demand of electronic products in the country and looking to the present market conditions, it is expected to achieve much better results in the coming years. The Company is also contemplating and is having serious thought process to augment further its business in trading of electronic products so as to be beneficial for both the Company and its members. To achieve this end, the Company is intending to employ more resources to strengthen the above trading activities which will ultimately result in increased profit margin.

SCHEME OF ARRANGEMENT

The Scheme of Arrangement (Demerger) between Nouveau Global Ventures Limited, Pearl Agriculture Limited and your Company was approved by the Honorable High Court of Judicature at Bombay vide its Order dated 9th October, 2012 under Sections 391 to 394 of the Companies Act, 1956 read with Sections 78 and 100 to 103 of the Companies Act, 1956.

The demerger resulted into transfer of

- Electronic Division of Nouveau Global Ventures Limited into your Company and;
- Agriculture Division of Nouveau Global Ventures Limited into Pearl Agriculture Limited

In accordance with the sanctioned scheme, the Company allotted 10536248 Equity Shares of Rs.10/- each on 12th December, 2012 whose detailed description is explained below under the heading Change in Capital structure as a part of this Directors' Report.

As required under the Scheme, the aforesaid Equity Shares of the Company got listed with Bombay Stock Exchange Limited (BSE Ltd.) w.e.f 18th March, 2013.

DIVIDEND

For conservation of resources, your Directors do not recommend any dividend for the year 2012-2013 and they crave your indulgence in the matter.

CHANGE IN CAPITAL STRUCTURE PURSUANT TO SCHEME OF ARRANGEMENT

Pursuant to the Scheme of Arrangement (Demerger), the existing Authorized share capital of the Company was increased to Rs. 10,54,00,000/- (Rupees Ten Crore Fifty Four Lakhs only) consisting of 10540000 Equity Shares of Rs.10/- each and the existing Paid-up share capital of the Company of Rs. 5,00,000/- (Rupees Five Lakhs only) consisting of 50000 Equity Shares of Rs. 10/- each fully paid up was cancelled and thereafter as per the aforesaid scheme, 56.79 fully paid up Equity Shares of Rs. 10/- each of the Company were issued and allotted to the shareholders of Nouveau Global Ventures Limited (the demerged company) for every 100 fully paid up Equity Shares of Rs. 10/- each held by them in the said demerged company.

In consequence of the allotment of the equity shares as per the aforesaid scheme, the Paid-up share capital of the Company was enhanced to Rs. 10,53,62,480/- (Rupees Ten Crore Fifty Three Lakhs Sixty Two Thousand Four Hundred and Eighty Only) consisting of 10536248 Equity Shares of Rs.10/- each fully paid up.

PREFERENTIAL ISSUE

The Company vide its Extra-Ordinary General Meeting held on 25th May, 2013 has decided to raise the share capital of the Company by offering further Equity Shares to Strategic Investors not forming part of the Promoter Group by way of Preferential basis pursuant to provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956 and Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI (ICDR) Regulations, 2009").

Consequent to the above mentioned Preferential Issue, the Company has further increased the Authorised Share Capital of the Company from Rs. 10,54,00,000/- (Rupees Ten Crores Fifty Four Lakhs Only) consisting of 10540000 Equity Shares of Rs.10/- each to Rs. 21,00,00,000/- (Rupees Twenty One Crores Only) comprising of 21000000 Equity Shares of Rs. 10/- each by creation of additional 10460000 Equity Shares of Rs. 10/- each, in order to make the preferential allotment of Equity Shares to such Strategic Investors not forming part of the Promoter Group.

LISTING OF SECURITIES

The Company's equity shares are listed on the BSE Limited w.e.f. March 18, 2013 and the Annual Listing fees for the Financial Year 2013-2014 to the Stock Exchange have been paid by the Company.

DIRECTORS

Mr. Manoj Bhatia, Director of the Company, will retire by rotation at the ensuing General Meeting and being eligible, offers himself for re-appointment. His requisite detail is furnished in the notes at point No. 10 of the notice of the ensuing Annual General Meeting. All the appointments of the Directors of the Company are in compliance with the provisions of Section 274 (1)(g) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm:

- i. that in the preparation of the Annual Accounts, the applicable accounting standards had been followed and there were no material departures from the same;
- ii. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period ;
- iii. that the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act ,1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and;
- iv. that the Directors had prepared the Annual Accounts on a going concern basis.

AUDITORS AND AUDITORS' REPORT

M/s. CPM & Associates, Chartered Accountants, existing Statutory Auditors will retire at the conclusion of the ensuing (2nd) Annual General Meeting and seek re-appointment as Statutory Auditors of the Company at the ensuing Annual General Meeting.

The Company has received certificate from M/s. CPM & Associates to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

The Board of Directors recommends to the shareholders the appointment of M/s. CPM & Associates as Statutory Auditors of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on Management Discussion and Analysis forms part of this annual report, which includes the following:-

- Industry Structure and Developments
- Opportunities and Threats
- Outlook
- Risk and Concerns

PERSONNEL

During the year under review there were no employees who were in receipt of the remuneration beyond the limits prescribed under Section 217 (2A) of the Companies Act, 1956. Therefore, the details as required by the provisions of the aforesaid Section of the Companies Act, 1956, read with the Companies (Particulars of Employees) (Amendment) Rules, 2002 are not applicable.

CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock Exchange, a separate section on Corporate Governance forms part of this Annual Report.

CONSERVATION OF ENERGY, TECHNOLOGICAL ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Since the Company is not engaged in any manufacturing activity, the information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is not enclosed as the same is not applicable.

ACKNOWLEDGEMENT

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and continuous efforts of employees have contributed largely to the growth and success of the Company.

The Board of Directors also wish to take this opportunity to thank all the clients, business associates, bankers, regulatory and government authorities for their continued support during the year.

The Board of Directors specially thank all the shareholders for their continued confidence and faith in the Company.

By and on behalf of the Board
for Pearl Electronics Limited

Krishan Khadaria
Director

Manoj Bhatia
Director

Place : Mumbai

Dated : 29th May, 2013

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company started its business of trading in electronics products from the commencement of the year 2012-2013 and till the end of the year ended March 2013, the Company showed an adequate profit from the business. The Company seeks to achieve more margin of profit this year which will be more profitable to the Company and its members.

The Company is involved in the trading of mobile handsets and computer hardwares till date. The Company is seeking approach in near future for increasing the trading of more electronics products. The Company is applying more resources to strengthen its trading business.

OPPORTUNITIES

1. Availability of newer variants of a product.
2. Providing Products at reasonable prices.
3. Profit margins are much higher than the other physical products.

THREATS

1. Rapid changes in technology
2. Difficulty in Sourcing of critical technologies at an economical price.
3. The Company faces stiff competition from existing multinational players that have established themselves strongly in this industry. These companies have been gaining market share over the last few years and have greater marketing budgets.
4. Continuous increase in raw material cost, commodity prices like copper and petroleum products along with wage inflation increase the cost of product, which at many times not be able to pass on the end consumer leads to the pressure on margin.

COMPANY'S PERFORMANCE

The Company has started the trading of electronics goods during the year 2012-2013 and till the end of the financial year March 2013, the Company has earned a profit of Rs. 4.94 Lakhs approx.

The Company is confident of meeting the challenges faced by the industry. Continuous efforts at improving trading and reducing stock costs have helped in maintaining the margins. Lot of effort has gone in upgrading the skills of the work force to meet the quality standards and adequate internal control systems and procedures are in place to ensure optimum utilization of resources, improve performance and compliance with statutory regulations.

OUTLOOK

Nowadays, electrical & electronic goods have become a necessity and have a strong place in human's life. We can see that in recent scenario the demand for mobile handsets and computer hardwares has taken a tremendous leap. If we look at its market opportunities, it is stupendous. The electronic market in India has been forecast to touch \$ 125 billion by 2014 from the present market of \$ 45 billion. The consumption of electronic gadgets is expected to touch US\$ 363 billion by 2015. Indigenous production of electronic equipments in India is expected to reach at US\$ 155 billion in 2015.

As people bring their devices—and their expectations of user interfaces—into every aspect of their lives, companies will need to continue to innovate in order to deliver what people expect, whether at work, in special environments, or at home. In the face of uncertainty, the challenge is to balance the need to innovate with cost effectiveness.

The price pressure on electronics will continue to grow, so companies need to be more efficient in all aspects.

The Company will continue its focus on better cost management, reducing inefficiency and improving supply chain so that it can continue to gain market share, improve its operating performance and dominate in all segments.

The strong distribution network, a powerful brand, wide product portfolio, large service infrastructure, and dedicated employees along with excellent channel partners continue to be the major areas of strength for the Company.

RISKS AND CONCERNS

As in the case with any Company, it is exposed to have a number of risks. The Company assesses the risks regularly which include regulatory risks, financial risks, competition risks etc.

Your Management tries to keep all these risks in control, to the extent it is possible, by developing a framework for risk identification, risk management and control and risk reporting and review.

FINANCIAL PERFORMANCE

The Company's financial performance was adequate. The Company's financial performance is discussed in detail under the head "Performance and Future prospects" in Directors' Report to the Members.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis, describing the Company's objectives, projections and estimates may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results may vary from those expressed or implied, depending upon conditions, Government policies and other incidental / related factors.

By and on behalf of the Board
for **Pearl Electronics Limited**

Krishan Khadaria
Director

Manoj Bhatia
Director

Place : Mumbai
Dated : 29th May, 2013

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance. Its governance framework enjoins the highest standards of ethical and responsible conduct of business to create value for all stakeholders. Pursuant to Clause 49 of the listing agreement, given below is the Corporate Governance Report of the Company:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is to conduct its business in a manner which is ethical and transparent with all stakeholders in the Company, including shareholders, lenders, creditors and employees. The Company and its Board of Directors believes that transparent accounting policies, appropriate disclosure norms, best in class board practices and consistently high standards of corporate conduct towards its stakeholders are essential for sustained corporate growth. The Corporate Governance comprises of a unique combination of factors like regulations, compliances, policies and economic environments, voluntary practices and disclosures. The management team and all other employees of the Company maintain a high level of ethical values for achieving business success.

2. BOARD OF DIRECTORS

The Company's Board consists of all Non-Executive Directors of which one is Independent Director.

A) BRIEF PROFILE OF THE DIRECTORS OF THE COMPANY

- ❖ **Mr. Krishan Kumar Khadaria** is the Promoter & Non-Executive Director of our Company. He is also the member of the Audit Committee and Shareholders Investor Grievances Committee. He is a Chartered Accountant as well as a Bachelor of Law. Mr. Krishan Khadaria has started his career at the age of 23 as a practicing partner of M/s. Saraogi & Associates, Chartered Accountants. His early career was spent promoting Nouveau as a financial consultants firm and build invaluable relationships in varied industries through his many clients. His love for media and film made him undertake production of a few movies in the regional industry of Bhojpuri. Also, a sense of giving back to the local culture caused him to release two trading magazines; one on the Bhojpuri film industry and another one on the Marathi film industry. Firmly rooted in his Rajasthani background as well, he is on the Board of trustees of Kanoria PG Mahila Mahavidyalaya Charitable Trust. Recently, he has donated prime property in Mumbai for operation and management of a Non-Profit Chartered Accountancy Students Hostel for a period of three years in order to provide a safe and suitable learning environment for students who cannot afford expensive alternatives to come and study in the financial capital of India.
- ❖ **Mrs. Asha Khadaria** is the Promoter & Non-Executive Director of our Company. She is a Bachelor of Arts. She has an experience in the field of Investment activities. She is also the member of Audit committee and Shareholders Investor Grievances Committee.
- ❖ **Mr. Manoj Bhatia** is the Independent Director of our Company. He is a Bachelor of Commerce and CA- Inter. He advises the Company in the field of finance, taxation and audit which has helped the Company in making critical financial decisions. He is the member of the Audit Committee and Shareholders Investor Grievances Committee.

B) During the year ended 31st March, 2013, Six (6) Board Meetings were held on the following dates: (i) 21st April, 2012 (ii) 15th June, 2012 (iii) 19th September, 2012 (iv) 3rd November, 2012 (v) 12th December, 2012 (vi) 8th March, 2013.

C) None of the Directors on the Board is a member in more than ten Committees and Chairman of more than five Committees across all the public companies in which he is a Director.

D) Details of composition of the Board viz; name of Director, category of Directorship, attendance of Directors at the Board Meetings and last Annual General Meeting (AGM), number of other Directorships and Committee Memberships as on 31st March, 2013 are given below:

Name	Category of Directorship	Particulars of Attendance		Number of other Directorship* and Committee Membership**		
		Board Meeting	Last AGM	Other Directorship	Committee	
					Member	Chairman
Mr. Krishan Khadaria	Non-executive and Promoter	6	Yes	25	6	0
Mrs. Asha Khadaria	Non-executive and Promoter	6	Yes	11	5	0
Mr. Manoj Bhatia	Non-executive and Independent	6	Yes	9	5	5

*Including Directorships of Private Limited Companies

**Represents Memberships / Chairmanships of Audit Committee and Shareholders' / Investors' Grievance Committee.

3. COMMITTEES OF THE BOARD

With a view to enable more focused and timely attention on the affairs of the Company, the Board has constituted the following committees with delegation in particular areas.

(i) AUDIT COMMITTEE

The Audit Committee of the Company is constituted pursuant to Clause 49 of the listing agreement and Section 292A of the Companies Act, 1956. The Committee came into existence w.e.f. 12th December, 2012 and comprises of Mr. Manoj Bhatia, Chairman of the Committee, Mr. Krishan Khadaria and Mrs. Asha Khadaria as members of the committee.

POWERS OF THE AUDIT COMMITTEE:

The Audit Committee has the following powers:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure the attendance of outsiders with relevant expertise, if it considers necessary.

REVIEW OF INFORMATION BY AUDIT COMMITTEE:

The Audit Committee reviews the following information:

- Management discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions (as defined by the Audit Committee) submitted by Management.
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors.
- Internal audit reports relating to internal control weaknesses.
- The appointment and removal of the Internal Auditor.

During the year 2012-13, the audit committee met 2 times: (i) 12th December, 2012 (ii) 8th March, 2013. The meetings were scheduled well in advance. The composition of the Audit Committee and the attendance record of members for 2012-13 are as follows:

Name of Member	Status	Category of Directors	No. of Committee meetings attended
Mr. Manoj Bhatia	Chairman	Non Executive and Independent	2
Mr. Krishan Khadaria	Member	Non-Executive, Promoter	2
Mrs. Asha Khadaria	Member	Non-Executive, Promoter	2

(ii) SHAREHOLDERS' / INVESTORS' GRIEVANCES COMMITTEE:

The Investors' Grievance Committee of the Board, under the nomenclature 'Investor Services Committee', oversees redressal of shareholder and investor grievances, and, inter alia, approves sub-division / consolidation / transmission of shares and issue of duplicate share certificates. The Committee came into existence w.e.f. 12th December, 2012 and comprises of Mr. Manoj Bhatia, as Chairman of the Committee, Mr. Krishan Khadaria and Mrs. Asha Khadaria as members of the committee.

During the year 2012-13, the shareholder and investor grievances committee met 2 times: (i) 12th December, 2012 (ii) 8th March, 2013. The meetings were scheduled well in advance. The composition of the shareholder and investor grievances committee and the attendance record of members for 2012-13 are as follows:

Name of Member	Status	Category of Directors	No. of Committee meetings attended
Mr. Manoj Bhatia	Chairman	Non Executive and Independent	2
Mr. Krishan Khadaria	Member	Non-Executive, Promoter	2
Mrs. Asha Khadaria	Member	Non-Executive, Promoter	2

INVESTOR GRIEVANCE REDRESSAL:

The Committee specifically looks into the shareholders redressal and investor complaints on matters relating to refund orders, transfer of shares, dematerialization / rematerialization, sub-division, consolidation of share certificates, issue of duplicate share certificates, non-receipt of annual report etc. In addition, the Committee advises on matters which can facilitate better investor services. As per the certificate issued by our Registrar and Share Transfer Agents (RTA), Bigshare Services Pvt. Ltd. during the year under review, no complaints were received from shareholders / investors.

4. ANNUAL GENERAL MEETING (AGMS):

The particulars of Annual General Meeting held during the last year is as follows:

Year	Date	Time	Venue
31 st March, 2012	20 th July, 2012	12:00 p.m.	401/A, Pearl Arcade, Opp. P. K. Jewellers, Dawood Baug Lane, Off J. P. Road, Andheri (West), Mumbai – 400 058

No Special Resolution was passed during the year ended 31st March, 2012.

5. CODE OF CONDUCT

Declaration by the Managing Director of the Company under Clause 49(1)(D)(ii) of the Listing Agreement with Stock Exchanges is given below:

“Pursuant to Clause 49(1)(D)(ii) of the Listing Agreement with Stock Exchanges, I hereby declare that all the Board Members and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct for the year ended 31st March, 2013.

6. WHISTLE BLOWING POLICY:

Company does not have a Whistle Blowing Policy.

7. DISCLOSURES

- a. The disclosure of related party transactions has been made in the Point No. 20 of the Notes to Accounts annexed to the Balance sheet as on March 31, 2013.
- b. The Board has received disclosures from key managerial personnel relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.
- c. There was no non-compliance during the last year by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any statutory authority.
- d. All mandatory requirements as per Clause 49 of the Listing Agreement has been complied with by the Company.
- e. The Company follows Accounting Standards issued by The Institute of Chartered Accountants of India and there are no statutory audit qualifications in this regard.

8. MEANS OF COMMUNICATION TO SHAREHOLDERS

Quarterly/ Annual Results	The results of the Company are published in the newspapers and intimation to the Stock Exchanges as required under the Listing Agreements.
Newspapers in which results are generally published	The Asian Age and Mahanayak, regional daily newspapers
Website, where displayed	At contact@pearl-electronics.com
Whether website also displays official news releases	Yes
Presentation made to institutional investors or to the analysts	The website includes all the information on presentations made, if any, to the investors and analysts.
E-mail id for investor grievance	pearlelectronicslimited@gmail.com

9. SHAREHOLDERS' INFORMATION:

Annual General Meeting	30 th September, 2013, Conference Room, Axis Bank, Springfield's, Lokhandwala Complex, Andheri (West), Mumbai - 400 053 Time - 12:00 p.m.
Financial Year	1 st April, 2012 - 31 st March, 2013
Date of Book Closure	23 rd September, 2013, Monday - 30 th September, 2013, Monday
Dividend payment date	N.A.
Financial Results Calendar	Results for the Quarter ended 30 th June, 2013 - By 14 th August, 2013 Results for the Quarter ended 30 th September, 2013 - By 4 th November, 2013 Results for the Quarter ended 31 st December, 2013 - By 14 th February, 2014 Results for the Quarter ended 30 th March, 2014 - By 29 th May, 2014
Listing on Stock Exchanges	Bombay Stock Exchange Limited, Mumbai (Code - 535205)
International Securities Identification Number (ISIN)	INE159O01017
Corporate Identification Number (CIN)	U72300MH2011PLC221448

DEMATERIALIZATION OF SHARES AS ON 31st MARCH, 2013:

Form	No. of Shares	% of Total
Held in dematerialized form in CDSL	6878533	65.29
Held in dematerialized form in NSDL	3477322	33
Physical	180393	1.71
Total	10536248	100%

STOCK MARKET PRICE ON BSE

Share prices for one equity share of Rs.10/- each after the Company's Shares got listed on 18th March, 2013 were as under:

Share Price(Rs.)

Month	Low	High	Close
April 2012 – February 2013	N.A.	N.A.	N.A.
March 2013			
19 th March, 2013	10.05	10.05	10.05
20 th March, 2013	10.55	10.55	10.55
21 st March, 2013	11.05	11.05	11.05
22 nd March, 2013	11.60	11.60	11.60
25 th March, 2013	12.15	12.15	12.15
26 th March, 2013	12.75	12.75	12.75

REGISTRAR & TRANSFER AGENT

Bigshare Services Pvt. Ltd.
E-2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East),
Mumbai – 400 072
Tel. No.: 022-28470652
Email id.: investor@bigshare.com

SHARE TRANSFER SYSTEM

With a view to provide prompt and efficient services to the investors the Company has entered into an agreement with Bigshare Services Pvt. Limited, Registrar & Transfer Agents registered with SEBI.

To supplement to the prompt services given by the Registrar & Transfer Agent the Shareholders and Investors Grievance Committee meets as and when there are transfers/transmission of shares for the approvals of periodical transfers, issue of share certificates, splitting of shares etc. All requests for dematerialization of shares are processed and confirmation thereof is sent to the shareholders within 7 to 15 days of the receipt thereof.

DISTRIBUTION SCHEDULE OF THE SHAREHOLDING AS ON 31ST MARCH, 2013

Range (In Rs.)	Total Holders	% of Total Holders	Total Holding in Rupees	% of Total Capital
Up to 5000	1349	80.54	1242750	1.18
5001 - 10000	79	4.72	515200	0.49
10001 - 20000	59	3.52	818610	0.78
20001 - 30000	36	2.15	924770	0.88
30001 - 40000	6	0.36	211000	0.20
40001 - 50000	5	0.29	211600	0.20
50001 - 100000	30	1.19	2073470	1.97
100001 and above	111	6.63	99365080	94.30
TOTAL	1675	100.00	105362480	100.00

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2013

	CATEGORY	Nos. of Equity Shares	TOTAL %age
A	Promoters Holding		
1	Indian Promoters	3863304	36.68
2	Foreign Promoters	-	
	SUB TOTAL	3863304	36.68
B.	Public Shareholding		
1.	Institutional Investors	-	
2.	Non-Institutional Investors		
	Bodies Corporate	4001428	37.98
	Individuals		
	Having Nominal Share Capital up to Rs. 1 Lakh	421891	4.00
	Having Nominal Share Capital in excess of Rs. 1 Lakh.	2237617	21.23
	Others		
	NRI's	12008	0.11
	Clearing Member	-	
	SUBTOTAL	6672944	63.32
	TOTAL	10536248	100.00

SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

Name of the Directors	No. of Shares
Mr. Krishan Khadaria	726070
Mrs. Asha Khadaria	413761
Mr. Manoj Bhatia	-

ADDRESS FOR CORRESPONDENCE

401/A, Pearl Arcade, Opp. P. K. Jewellers,
Dawood Baug Lane, Off J. P. Road,
Andheri (West), Mumbai – 400 058

**By and on behalf of the Board
for Pearl Electronics Limited**

Krishan Khadaria
Director

Manoj Bhatia
Director

Place : Mumbai
Dated : 29th May, 2013

Declaration of compliance with the Code of conduct as provided in Clause 49 of the Listing Agreement with the Exchanges

The Company has obtained from all the members of the Board and Senior Management affirmation that they have complied with the Code of Business conduct and Ethics for Directors and Senior Management in respect of the financial year 2012-2013.

By and on behalf of the Board
for **Pearl Electronics Limited**

Krishan Khadaria
Director

Manoj Bhatia
Director

Place: Mumbai

Dated : 29th May, 2013

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**To
Member,
Pearl Electronics Limited**

We have examined the compliance of the conditions of Corporate Governance procedures implemented by Pearl Electronics Limited for the year ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange of India.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the listing agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, and the representations made by the directors and the management, we hereby certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement during the year 2012-13.

We further state that our examination of such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For CPM & Associates.
Chartered Accountants

Chandra Prakash Maheshwari
Partner
Mem. No. : 036082

Place : Mumbai
Dated : 29th May , 2013

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

PEARL ELECTORNICS LIMITED.

Report on the Financial Statements

We have audited the accompanying financial statements of **M/S PEARL ELECTORNICS LIMITED**("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss Account and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for 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 Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 misstatements.

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 auditors considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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 aforesaid 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 31st March, 2013;

- (b) in the case of the Statement of Profit and Loss Account, of the Loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by The Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by Section 227(3) of the Act, 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;
 - c. The Balance Sheet, the Statement of Profit & Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in section 211 (3C) of Act 1956;
 - e. On the basis of the written representations received from the Directors as on 31st March 2013 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2013 from being appointed as a Director in terms of Section 274(1)(g) of the Companies Act, 1956.

For CPM & ASSOCIATES
Chartered Accountants
(Firm Registration No. 114923W)

Place: Mumbai
Dated: 29th May, 2013

(C.P. Maheshwari)
Partner
M.No. 36082

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE.

- (i) The Branch does not have Fixed assets. Therefore, the provisions of clause 4(i)(a), (b) and (c) of the Companies (Auditor's Report) Order, 2003 are not applicable to the branch.
- (ii) In respect of its inventories:
- a) The inventories have been physically verified by the management during the year at reasonable intervals.
 - b) The procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business
 - c) The Company has maintained proper records of its inventories. No material discrepancies were noticed on physical verification as compared to book records.
- (iii) In respect of the loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956:
- a) The Company had taken unsecured loan from one other company covered in the Register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 464.52 and the year end balance of loan taken from such parties was Rs. NIL. The Company has granted unsecured loans to one company, covered in the register maintained u/s 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1370.49 lacs and the year-end balance was Rs. 775.42 lacs.
 - b) The said loan is interest free. Other terms and conditions of such loans is prima facie not prejudicial to the interest of the Company.
 - c) In view of our comments in para (iii)(a) and (b) above, clauses 4(iii)(c) and (d) of the said Order are not applicable.
- (iv) In our opinion the internal control systems in respect of purchase of inventory and sale of goods and services needs to be strengthened considering the size of the Company and the nature of its business. We have not observed continuing failure to correct any major weaknesses in internal control system of the company.
- (v) a. The particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that needs to be entered into the register maintained under that section have been so entered.
- b. The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) The provisions of clause 4(vii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company as neither the paid up capital and reserves at the commencement of the financial year exceeds Rs 50 lacs nor the average annual turnover for preceding three consecutive financial year exceeds 5 Crores.

- (viii) The Central Government has not prescribed for maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the Company.
- (ix) a) In our opinion and according to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty and cess with the appropriate authorities.
b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2013 for a period of more than six months from the date they became payable.
c) According to the information and explanations given to us there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited on account of any dispute.
- (x) The Company does not have accumulated losses as at the end of the financial year and has not incurred cash losses during the financial year and the immediately preceding financial year.
- (xi) The company has not taken any loan from financial institutions and bank. Therefore, the provisions of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) The company is not dealing or trading in shares, securities, debentures and other investment. Therefore, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) In our opinion and according to the information and explanation given to us, the company has not given guarantees for loans taken by others. Therefore, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xvi) In our opinion and according to the information and explanation given to us the company has not taken term loans. Therefore, the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 to the Act. Therefore, the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) According to the information and explanations given to us, during the period covered

by our audit report, the company had not issued debentures. Therefore, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

(xx) The company has not raised any money by way of public issue during the year. Therefore, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

(xxi) According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported by the Company during the course of audit.

For CPM & ASSOCIATES
Chartered Accountants
(Firm Registration No. 114923W)

Place: Mumbai
Dated: 29th May, 2013

(C.P. Maheshwari)
Partner
M.No. 36082

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	NOTE NO.	AS AT 31.03.2013	AS AT 31.03.2012
(Amount in Rupees)			
EQUITY AND LIABILITIES :			
SHARE HOLDER'S FUND :			
Share Capital	1	105362480	500000
Reserves & Surplus	2	<u>1146831</u>	<u>0</u>
		106509311	500000
CURRENT LIABILITIES :			
Trade Paybles	3	279793364	0
Other Current Liabilities	4	249502	15281
Short Term Provisions	5	<u>290000</u>	<u>0</u>
		280332866	15281
TOTAL		<u><u>386842177</u></u>	<u><u>515281</u></u>

ASSETS :

NON-CURRENT ASSETS			
Pre Operative Expenses	6	0	15589
Long-Term Loans and Advances	7	25000	0
Deferred Tax Assets	8	<u>234334</u>	<u>0</u>
		259334	15589
CURRENT ASSETS			
Trade receivables	9	308432924	0
Cash & cash equivalent	10	594882	85192
Short Term Loans & Advances	11	77555037	390000
Other Current Assets:			
Un-Amortised Expenses		<u>0</u>	<u>24500</u>
		386582843	499692
TOTAL		<u><u>386842177</u></u>	<u><u>515281</u></u>

SIGNIFICANT ACCOUNTING POLICY :**NOTES ON FINANCIAL STATEMENT** 1 to 23

For CPM & Associates
Chartered Accountants
Firm Reg. No. 114923W

For and on behalf of the board of directors
for Pearl Electronics Limited

C.P. MAHESHWARI
Partner
Mem No. 36082

Krishan Khadaria
Director

Manoj Bhatia
Director

Place : Mumbai

Dated : 29th May 2013

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	NOTE NO.	FOR THE YEAR ENDED 31.03.2013 (Amount in Rupees)
INCOME :		
Revenue from operation	12	689187129
Total revenue		689187129
EXPENSES :		
Purchases of Stock -in -trade	13	684309861
Employee Benefits Expenses	14	1392696
Other Expenses	15	2990509
Total expenses		688693066
Profit before tax		494063
Tax Expenses		
Current Tax		
Deferred Tax		390000
		(234334)
Profit after tax		338397
Earning per share		
Basic	16	0.11
Diluted		0.11

**SIGNIFICANT ACCOUNTING POLICY
NOTES ON FINANCIAL STATEMENTS**

1 to 23

For CPM & Associates
Chartered Accountants
Firm Reg. No. 114923W

For and on behalf of the board of directors
for Pearl Electronics Limited

C.P. MAHESHWARI
Partner
Mem No. 36082

Krishan Khadaria
Director

Manoj Bhatia
Director

Place : Mumbai
Dated : 29th May 2013

Cash Flow Statement for the year ended 31st March, 2013

Amount (Rs.)

Sr. No. Particulars	For the year ended 31.03.2013	For the period ended 31.03.2012
A. Cash Flow from Operating Activities:		
Net profit before tax & extra ordinary items	494063	0
<u>Adjustment for:</u>		
- Share Issue Expenses	932,363	0
- Preliminary & Pre-operative expenses written off	40089	0
Operating profit before working capital changes	1466516	0
<u>Adjustment for:</u>		
Loans & Advances	(77190037)	(390000)
Trade Receivables	(308432924)	0
Trade Payables	280317585	15281
	(105305376)	(374719)
Cash Generated from Operations	(103838860)	(374719)
Taxes Paid	(390000)	0
Extra Ordinary Item	0	0
Net Cash from Operating activities	(104228860)	(374719)
B. Cash Flow From Investing Activities:		
Interest received	0	0
Net Cash from Investing activities	0	0
C. Cash Flow From Financing Activities:		
Share Issue Expenses	(932363)	(40089)
Proceeds From issue of shares	104862480	500000
Transfer of Capital Reserve on demerger	808434	0
Net Cash from Financing activities	104738551	459911
Net increase in Cash and Cash Equivalents	509690	85192
Cash & Cash Equivalents (Opening)	85192	0
Cash & Cash Equivalents (Closing)	594882	85192

Note :

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement notified by the Companies (Accounting Standard) Rules, 2006.
- Cash & Cash Equivalents at the end of the year consist of Cash in Hand and Balances with Banks and are net of Short Term Loans and Advances from banks as follows :

Particulars	Amount (Rs.)	
	As at 31-03-2013	As at 31-03-2012
Cash in Hand	78561	75346
Balances with Banks	516321	9846
Total	594882	85192

- Previous year's figures have been regrouped, rearranged wherever necessary in order to conform to current year's presentation.

As per our report of even date attached

For CPM & Associates
Chartered Accountants
Firm Reg. No. 114923W

For and on behalf of the board of directors
for Pearl Electronics Limited

C.P. MAHESHWARI
Partner
Mem No. 36082

Krishan Khadaria
Director

Manoj Bhatia
Director

PLACE : MUMBAI
DATED : 29th May 2013

SIGNIFICANT ACCOUNTING POLICIES :**1. Basis of Accounting**

- a) The Financial Statements have been prepared in compliance with the Accounting Standards notified by Companies (Accounting Standard) Rules 2006 and the relevant provisions of the Companies Act, 1956 in all material aspects.
- b) Financial Statements are based on historical cost convention and are prepared on accrual basis.

2. Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the financial statements and the reported amounts of revenues and expenses during the reporting period.

Difference between actual results and estimates are recognized in the periods in which the results are known/ materialize.

3. Revenue Recognition

- a) Profits or Losses from Stock-in-trade are recognised on trade date on “First-in-first-out” basis.
- b) Sales are recognized when all significant risks and reward of ownership of the goods are passed on to the buyer.

4. Miscellaneous Expenditure

Preliminary expenses are amortized in the year in which they are incurred.

5. Inventories

Stock in Trade is valued at cost or net realizable value whichever is lower

6. Employee Benefits

No provision has been made for retirement benefits as none of the employees has yet put the qualifying period of service for entitlement to the benefits.

7. Provisions and Contingent Liabilities

- a) Provisions are recognized in terms of Accounting Standard 29- “Provisions, Contingent Liabilities and Contingent Assets issued by The Institute of Chartered Accountants of India (ICAI), when there is a present legal or statutory obligation as a result of past events where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.
- b) Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or where reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.
- c) Contingent Liabilities are disclosed by way of notes.

8. Accounting for Taxation of Income

Current Taxes

Provision for current income-tax is recognized in accordance with the provisions of Indian Income- tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

Deferred Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the Balance Sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred tax assets are reviewed as at each Balance Sheet date.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE PARTICULARS NO.	AS AT 31.03.2013	AS AT 31.03.2012
(Amount in Rupees)		
1 SHARE CAPITAL :		
Authorised Capital:		
10540000 (50000) Equity Shares of Rs. 10/- each	105400000	500000
Issued, Subscribed & Paid up Capital :		
10536248 (50000) Equity Shares of Rs. 10/- each fully paid-up	105362480	500000
	105362480	500000

1.1. The reconciliation of number of shares outstanding and the amount of share capital as at March 31, 2013 and March 31, 2012 is set out below :

Particular	As at March 31, 2013		As at March 31, 2012	
	Numbers	Amount	Numbers	Amount
Number of share at the beginning	50000	500000	NIL	NIL
Add: Shares Issued during the year	10536248	105362480	50000	500000
Less: Cancelled during the year due to demerger	50000	500000	NIL	NIL
Number of share at the end	10536248	105362480	50000	500000

1.2. Details of Shareholders holding more than 5 percent Equity shares in the company on reporting date:

Particular	As at March 31, 2013		As at March 31, 2012	
	Number of Shares	%	Number of Shares	%
Krishan Khadaria	726070	6.89%	10000	20.00%
Asha Khadaria	413761	3.93%	10000	20.00%
M/s. Kasturi Overseas Pvt. Ltd.	779499	7.40%	0	0.00%
M/s Navyug Telefilms Pvt. Ltd.	759906	7.21%	0	0.00%
M/s. Attribute Shares and Securities Pvt. Ltd.	372913	3.54%	10000	20.00%
M/s Forever Flourishing Finance & Investment Pvt. Ltd.	43815	0.42%	5000	10.00%
M/s Kashish Multitrade Pvt. Ltd.	32195	0.31%	5000	10.00%
M/s Laxmiramuna Investments Pvt. Ltd.	0	0.00%	5000	10.00%
M/s Vibhuti Properties Pvt. Ltd.	0	0.00%	5000	10.00%

1.3. Aggregate number and class of shares allotted as fully paid up consequent upon Demerger of Electronics division from Nouveau Global Ventures Limited:

Particular	As at 31.03.2013	As at 31.03.2012
Equity shares with Voting Rights:		
Fully paid up issued pursuant to Scheme of demerger sanctioned u/s 391 to 394 by the High Court.	10536248	0
	10536248	0

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE PARTICULARS NO.	AS AT 31.03.2013	AS AT 31.03.2012
	(Amount in Rupees)	
2 RESERVES & SURPLUS:		
Capital Reserve		
Opening Balance	0	0
Add: Additions during the year:		
Arised Consequent upon demerger Scheme	808434	0
A	<u>808434</u>	<u>0</u>
Profit & Loss Account		
Opening Balance	0	0
Add: Profit for the Year	338397	0
B	<u>338397</u>	<u>0</u>
(A+B)	<u>1146831</u>	<u>0</u>
3 TRADE PAYABLES:		
Micro, Small and Medium Enterprises	0	0
Others	279793364	0
	<u>279793364</u>	<u>0</u>
3.1	The Company has not received the required information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosure, if any, relating to amounts unpaid as at the year end together with interest paid/ payable under the said Act have not been made.	
4 OTHER CURRENT LIABILITIES:		
Other Payables:		
Statutory Remmitances	183041	0
Others	66461	15281
	<u>249502</u>	<u>15281</u>
5 SHORT TERM PROVISIONS:		
Provision for Tax (Net of Advance Tax)	290000	0
	<u>290000</u>	<u>0</u>
6 PRE-OPERATIVE EXPENSES:		
Auditors Remuneration:		
For Audit	0	11236
For Certification	0	4045
Bank Charges	0	154
General Expenses	0	154
	<u>0</u>	<u>15589</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE PARTICULARS NO.	AS AT 31.03.2013	AS AT 31.03.2012
	(Amount in Rupees)	
7 <u>LONG-TERM LOANS & ADVANCES</u> (Unsecured Considered Good)		
Security Deposits	25000	0
	25000	0
8 <u>DEFERRED TAX ASSETS:</u>		
Disallowance u/s 35D of the Income Tax Act,1961	234334	0
	234334	0
9 <u>TRADE RECEIVABLES:</u> (Unsecured, considered good)		
Outstanding for a period exceeding six months	302290424	0
Others	6142500	0
	308432924	0
10 <u>CASH & CASH EQUIVALENTS:</u>		
Cash on Hand	73561	75346
Pay-Order in Hand	5000	0
Balances with scheduled banks In current accounts	516321	9846
	594882	85192
11 <u>SHORT TERM LOANS & ADVANCES:</u> (Unsecured Considered Good)		
Loans and advances to related parties	77541553	390000
Prepaid Expenses	13484	0
	77555037	390000
12 <u>REVENUE FROM OPERATIONS:</u>		
Computer Hardware	689187129	0
	689187129	0
13 <u>PURCHASES OF STOCK-IN-TRADE:</u>		
Computer Hardware	684309861	0
	684309861	0
14 <u>EMPLOYEE BENEFITS EXPENSES:</u>		
Salaries and Bonus	1357950	0
Staff Welfare	34746	0
	1392696	0

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE PARTICULARS NO.	AS AT 31.03.2013	AS AT 31.03.2012
	(Amount in Rupees)	
15 OTHER EXPENSES:		
Advertisement Expenses	34468	0
Annual Listing Fees	67416	0
Auditors Remuneration	50000	0
Service Tax	6180	0
Bank Charges	22603	0
Business Promotion Expenses	121234	0
Compliance & Legal Expenses	197889	0
Conveyance Expenses	45762	0
Electricity Charges	87241	0
Foreign Travelling Expenses	334933	0
Filing Fees	11400	0
General Expenses	92385	0
Misscellaneous Expenses	8502	0
Office Rent	158184	0
Share Issue Expenses	932363	0
Pre-operative Expenses written off	15589	0
Preliminary Expenses written off	24500	0
Legal & Professional Fees	45000	0
Publication Charges	89943	0
Postage & Courier Cahrges	69147	0
Printing & Stationery	180876	0
Telephone Charges	136441	0
Travelling Expenses	253452	0
Vat Registration Charges	5000	0
	2990509	0
16 Earnings Per Share(EPS)		
(i) Net Profit after tax as per statement of Profit and Loss attributable to Equity Shareholders	338397	0
(ii) Weighted Average number of equity shares used as denominator for calculating EPS	3175308	50000
(iii) Basic Earning Per Share (in Rs.)	0.11	0
(iv) Diluted Earning Per Share (In Rs.)	0.11	0
(v) Face value per share	10	10
Note:		
The Company does not have any dilutive potential equity shares. Consequently the basic and diluted earnings per share of the company remain the same.		
17 In the Opinion of the Board, the Current assets, loans and advances are approximately of the value stated if realised in the ordinary course of business. The provisions for all known liabilities are adequate.		
18 Commitments and Contingent Liabilities:	NIL	NIL
19 Payment to Auditors includes payment for :		
Audit Fees	35000	10000
Tax Audit fees	15000	0
Certification and Other Services	0	3600
	50000	13600

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE NO.	AS AT 31.03.2013	AS AT 31.03.2012
(Amount in Rupees)		
20 Related Party Disclosures		
As required under Accounting Standard 18 "Related Party Disclosure", following are the details of transactions during the year with the related parties of the Company as defined in AS 18 :		
a) Key Management Personnel Mr. Krishan Khadaria		Director
b) Shareholder's of the company Mr. Krishan Khadaria		
c) Name of the enterprises having same Key Management Personnel and/or their relatives as the reporting enterprise with whom the Company has entered into transactions during the year.		
Nouveau Global ventures Limited		
Nouveau Share & Securities Ltd.		
Safal Investment Limited		
Kasturi Overseas Private Limited		
Navyug Telefilm Private Limited		
Mumbadevi Finance & Investment Company Private Limited		
Forever Flourishing Finance and Investment Private Limited		
Attribute Shares & Securities Private Limited		
Coronation Polymers Limited		
Laxmiramuna Investments Private Limited		
Golden Medwos Export Private Limited		
Kenex Builders Pvt. Ltd.		
Aastha Broad Casting Network Limited		
Mitesh Polypack Private Limited		
Vibhuti Properties Private Limited		
Kashish Multitrade Private limited		
Subhkam Multimedia Private Limited		
Thai Malai Golf Resort & SPA Private Limited		
Hilton Vyaper Private Limited		
Spectrum Venture Private Limited		
ONA Farms Private Limited		
Pearl Arcade Amusement Private Limited		
Pearl Arcade Property Developers Private Limited		
Pearl Arcade Canteens and Caterers Private Limited		
Pearl Arcade consultants Pvt. Ltd.		
Pearl Agriculture Ltd.		
Suman multitrade Private Limited		
Ambit Multitrade Private Limited		
Pranjal Trading Company Pvt. Ltd.		
Rajat Commercial Enterprises Pvt. Ltd.		
Skylight Builcons Pvt. Ltd.		
Pearl Arcade Amusement Pvt. Ltd.		
Sukaniya Properties Private Limited		
Ashadeep Multitrade Private Limited		
Automagical Software Private Limited		
Perfect Square Multimedia Private Limited		
Omni Strategic Managements Consaltants Private Limited		
K.K.Khadaria & Co.		
Pearl Arcade Trading Pvt. Ltd.		

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE PARTICULARS NO.	AS AT 31.03.2013 (Rs. In Lacs)		
	(Previous years figures in bracket)		
Nature of Transactions	In relation to (a) above	In relation to (b) above	In relation to (c) above
Unsecured Loan taken			464.52 (NIL)
Repayment of Loan taken			464.52 (NIL)
Loans & Advances given			2271.75 (3.90)
Amount Outstanding as on 31st March, 2013			
Loans & Advances given			775.42 (3.90)

21 Segment reporting (AS - 17):

The Company is mainly engaged in trading in Computer hardware & other Electronic Products. All activities of the company revolve around this main business. As such there are no separate reportable segments as per the Accounting Standard on Segment Reporting (As 17).

22 Foreign Currency Transactions:

Value of Imports on CIF Basis:	0	0
Expenditure in Foreign Currency: Foreign Travelling	315241	0
Earning in Foreign Currency:	0	0

23 Pursuant to the scheme of Arrangement (Scheme) approved by the Hon'able High Court of Bombay, all the assets and liabilities of the Electronics division of Nouveau Global Ventures Limited (Demerged Company) have been transferred to and vested in the company at their respective book values on a going concern basis from 1st October 2011 being the appointed date. As per the scheme, appointed date as approved by the Hon'able High court is 1st October 2011 and effective date is 9th October 2012 being the date on which the certified copy of the order sanctioning the said scheme is filed with the Registrar of Companies, Maharashtra in accordance with the companies Act, 1956. In view of this Previous period figures are not comparable with Current year's figure.

23.1 Previous period's figures are not provided in the Statement of Profit and loss as the same has been prepared first time since the incorporation of the company.

For CPM & Associates
Chartered Accountants
Firm Reg. No. 114923W

For and on behalf of the board of directors
for Pearl Electronics Limited

C.P. MAHESHWARI
Partner
Mem No. 36082

Krishan Khadaria Manoj Bhatia
Director Director

Place : Mumbai
Dated : 29th May 2013

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PEARL ELECTRONICS LIMITED

401/A, Pearl Arcade, Opp. P. K. Jewellers, Dawood Baug Lane, Off J. P. Road, Andheri (West), Mumbai – 400 058

ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the entrance of the meeting hall

DP ID No.:		Ledger Folio:	
Client ID No.:		No. of Shares:	
Name:			
Address:			

I hereby record my presence at the **Second Annual General Meeting** of the Company held on Monday, 30th September, 2013 at 12:00 p.m. at Conference Room, Axis Bank, Springfield's, Lokhandwala Complex, Andheri (West), Mumbai – 400 053.

Signature of Shareholder/Proxy:

..... ✂ ✂ ✂

PEARL ELECTRONICS LIMITED

401/A, Pearl Arcade, Opp. P. K. Jewellers, Dawood Baug Lane, Off J. P. Road, Andheri (West), Mumbai – 400 058

PROXY FORM

I/We of being a member of Pearl Electronics Limited, hereby appoint of or failing him of as my/our proxy, to attend and vote for me/us and on my/our behalf at the **Second Annual General Meeting** of the Company to be held on Monday, 30th September, 2013 at 12:00 p.m. at Conference Room, Axis Bank, Springfield's, Lokhandwala Complex, Andheri (West), Mumbai – 400 053 and/or at any adjournment thereof.

Signed this day of, 2013



DP ID No.:		Ledger Folio:	
Client ID No.:		No. of Shares:	
Name:			
Address:			

NOTE:

- The Proxy in order to be effective must be deposited at the Registered Office of the Company duly stamped and signed, at least 48 hours before the time for holding of meeting. The Proxy need not be a member of the Company.
- The Proxy form should be signed across the stamp as per specimen signature registered with the Registrar & Share Transfer Agent/Depository.

BOOK POST

If undelivered, please return to:

Pearl Electronics Limited

401/A, Pearl Arcade, Opp. P. K. Jewellers,
Dawood Baug Lane, Off J. P. Road, Andheri (West),
Mumbai - 400 058

Tel. No.: 26778155 / 26797750 / 32459097

Email id.: pearlelectronicslimited@gmail.com

PEARL ELECTRONICS LIMITED

401/ A, Pearl Arcade, Daut Baug Lane, Off J. P. Road, Opp. P. K. Jewellers, Andheri (West), Mumbai - 400 058
Tel.: 26778155 / 26797750 / 32459097. Fax: 26781187. Email: contact@pearl-electronics.com

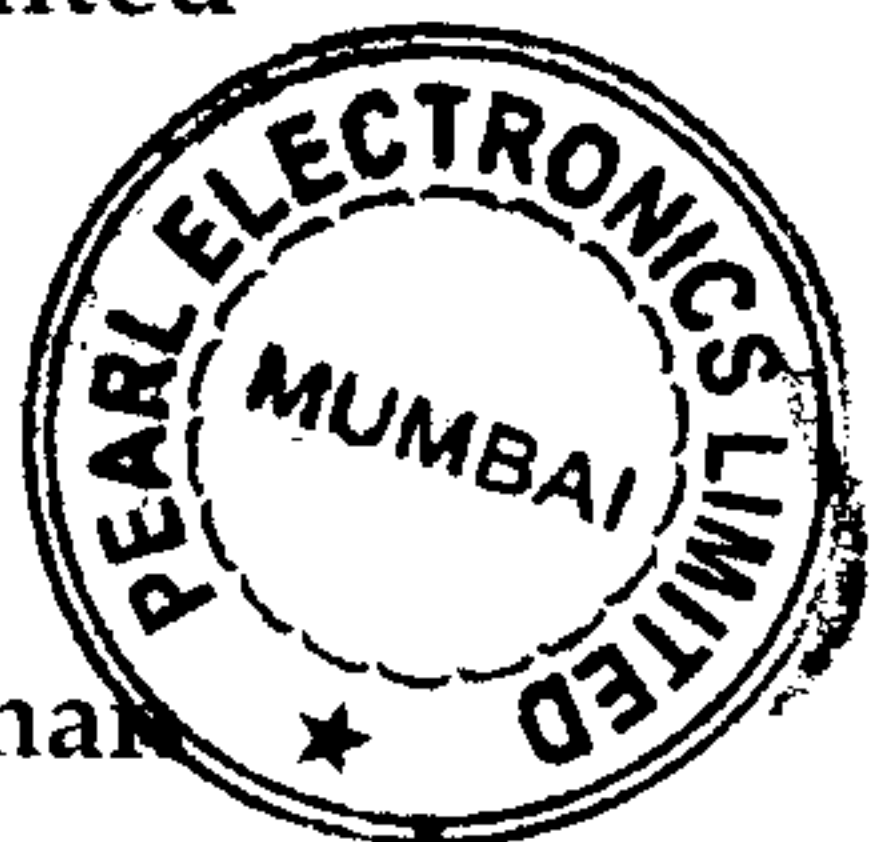
FORM A

Pursuant to clause 31(a) of Listing Agreement

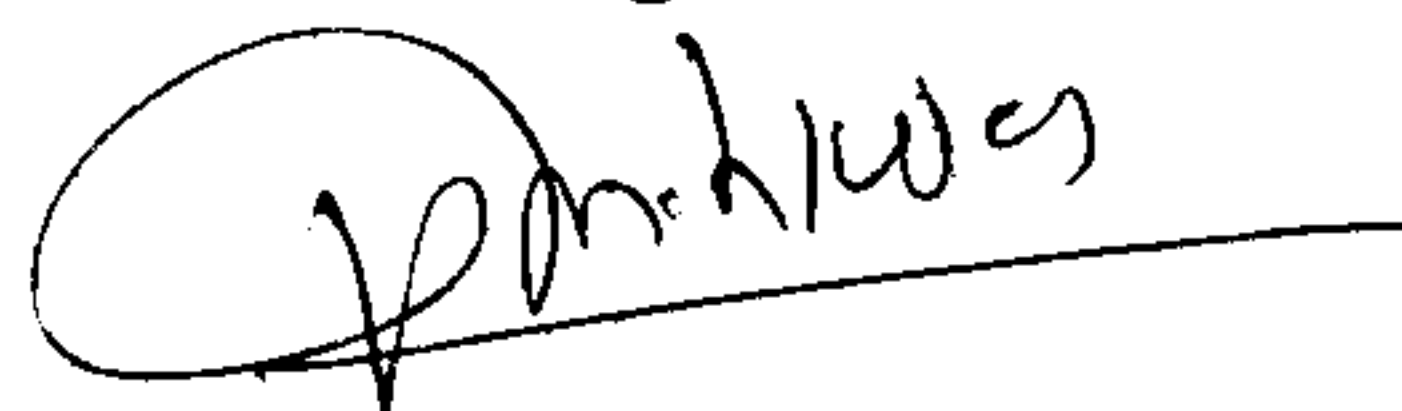
1.	Name of Company	Pearl Electronics Limited
2.	Annual Financial Statements for the year ended	31 st March, 2013
3.	Type of Audit Observation	Unqualified
4.	Frequency of Observation	N.A.

For Pearl Electronics Limited


Manoj Bhatia
Audit Committee Chairman



For CPM & Associates
Chartered Accountants
Firm reg. No. 114923W



C.P. Maheshwari
Partner
Mem No. 36082