

PEARL ELECTRONICS LIMITED

2ND ANNUAL REPORT

2012-2013

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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