

Independent Auditor's Report

To the Board of Directors of Pearl Apparel Fashions Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Pearl Apparel Fashions Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "The Financial Statements").

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 Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with Indian Accounting Standard (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the Loss (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note no. 2 of Financial Statements i.e. basis of preparation and presentation in financial statements, which indicates that in absence of any realistic business plans as at March 31, 2020, the Board of Directors, by resolution dated March 20, 2020, has decided to discontinue all business operations of the Company and apply for voluntary liquidation. In effect of said resolution, these accounts have been prepared on non-going concern basis. Accordingly, all the remaining assets & liabilities in the financial statements have been recognized at the value of its realization and payment. Our opinion is not modified in respect of this matter.

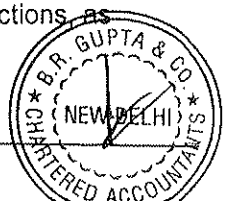
Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.



Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. 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 "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 and the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
 - 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. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. With respect to the matter to be included in the Auditors' report under Section 197(16):

In our opinion and according to the information and explanations given to us, since no remuneration has been paid by the Company to its directors during the current year, therefore the provisions of section 197 of the Act are not applicable to the Company. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

For B.R.Gupta & Co.

Chartered Accountants,

Firm's Registration Number 008352N



(Deepak Agarwal)

Partner

Membership Number 073696

UDIN: 20073696AAAABR4648



Place of Signature: New Delhi

Date: 28 JUL 2020

Annexure 'A' to the Independent Auditors' Report of even date on the financial statement of Pearl Apparel Fashions Limited

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2020; we report that:

- i) The Company does not hold any Fixed Assets (Property, Plant & Equipment) as at March 31, 2020. Hence provisions of paragraph 3(i) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- ii) The Company does not hold any inventory as at March 31, 2020. 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 186 of the Companies Act, 2013. Therefore, the provisions of clause 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) In respect to statutory dues:
 - a) The Company is generally been regular in depositing undisputed statutory dues including, Income Tax, Goods and Service Tax (GST), Cess and any other material statutory dues applicable to it with the appropriate authorities. The provisions of Employees' State Insurance, Provident Fund, duty of Customs and duty of Excise are not applicable to the Company. There were no undisputed amounts payable in respect of, Income Tax, GST, Cess and any other material statutory dues in arrears as at March 31, 2020 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 given to us, there were no dues of Income Tax or GST which have not been deposited on account of any dispute.
- viii) The Company has not taken any loans or borrowing from any bank, financial institution, Government and also there were no dues to debenture holders. 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) or term loan 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.



- 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 section 197 read with Schedule V to the Companies Act 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) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 of the Companies Act, 2013, wherever applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. Further, in respect of Section 177 of Companies Act 2013, the Company has availed the exemption of MCA Notification dated September 5, 2017 for appointment of Independent Director and constitution of Audit committee after the Independent Directors resigned from the Company with effect from December 28, 2019
- 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 B.R. Gupta & Co.

Chartered Accountants,

Firm's Registration Number 008352N



(Deepak Agarwal)

Partner

Membership Number 073696

UDIN: 20073696AAAAAR7648



Place of Signature: New Delhi

Date: 28 JUL 2020

Annexure 'B' to the Independent Auditors' Report of even date on the financial statement of Pearl Apparel Fashions 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 with reference to financial statements of **Pearl Apparel Fashions Limited ("the Company")** as of March 31, 2020 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 with reference to financial statements 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 Act.

Auditors' Responsibility

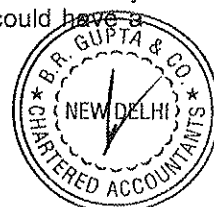
Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements 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.



Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

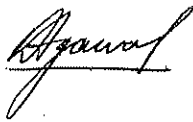
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements 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 B.R. Gupta & Co.

Chartered Accountants,

Firm's Registration Number 008352N



(Deepak Agarwal)

Partner

Membership Number 073696

UDIN: 200473696 AAAABR 4648



Place of Signature: New Delhi

Date: 28 JUL 2020

Pearl Apparel Fashions Limited
Balance Sheet as at March 31, 2020

(Amount in ₹ 'Lakhs' unless otherwise stated)					
Particulars	Notes No.	As March 31, 2020	At March 31, 2019	As March 31, 2020	At March 31, 2019
I. Assets					
Non-current assets					
(a) Property, plant and equipment	4	-		0.23	
(b) Financial Assets					
(i) Other financial assets	5	4.41		5.63	
(c) Deferred tax assets (Net)	6	-		-	
(d) Non current tax assets (Net)	7	1.48		7.61	
Total Non-current assets		5.89		13.46	
Current assets					
(a) Financial assets					
(i) Trade Receivables	8	-		61.31	
(ii) Cash and cash equivalents	9	269.31		8.07	
(iii) Bank Balances other than (ii) above	10	-		166.91	
(iv) Other financial assets	5	1.50		78.37	
(b) Other current assets	11	27.50		0.18	
Total current assets		298.31		314.84	
Total Assets		304.20		328.30	
Equity And Liabilities					
Equity					
(a) Equity share capital	12	2,763.91		2,763.91	
(b) Other equity	13	(2,760.00)		(2,736.27)	
Total equity		3.91		27.64	
Liabilities					
Non- current liabilities					
(a) Financial liabilities					
(i) Borrowings	14	-		300.00	
Total non- current liabilities		-		300.00	
Current liabilities					
(a) Financial liabilities					
(i) Borrowings	14	300.00		-	
(ii) Trade payables	15	-		-	
- Total outstanding dues of micro enterprises and small enterprises		-		-	
-Total outstanding dues of creditors other than micro enterprises and small enterprises		0.29		0.42	
(b) Other current liabilities	16	-		0.24	
Total current liabilities		300.29		0.66	
Total equity and liabilities		304.20		328.30	

Summary of Significant Accounting Policies

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For B.R. Gupta & Co.

Chartered Accountants

Firm's Registration Number 008352N

(Signature)

(Deepak Agarwal)

Partner

Membership Number 073696



For & on behalf of Board of Directors of
 Pearl Apparel Fashions Limited

(Signature)

(Rajpal Yadav)
 Managing Director
 DIN No.07072062

(Signature)

(Anod Valsh)
 Director
 DIN No.01945795

(Signature)
 (Ashish Khatri)

Chief Financial Officer

Place of Signature: New Delhi

Date: 28 JUL 2020

Pearl Apparel Fashions Limited

Statement of Profit & Loss for the year ended March 31, 2020

(Amount in ₹ 'Lakhs' unless otherwise stated)			
Particulars	Notes No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I Revenue from Operations	17	-	51.74
II Other Income	18	14.96	53.25
III Total income (I+II)		<u>14.96</u>	<u>104.99</u>
IV Expenses			
Purchase of stock in trade		-	47.03
Employee Benefit Expenses	19	2.40	2.33
Depreciation and amortization expense	4	-	1.08
Finance costs	20	-	13.59
Other expenses	21	31.10	40.03
Total Expenses		<u>33.50</u>	<u>104.06</u>
V Profit/ (loss) before exceptional items and tax (III-IV)		<u>(18.54)</u>	<u>0.93</u>
VI Exceptional Items	22	0.23	184.03
VII Profit/ (loss) before tax (V-VI)		<u>(18.77)</u>	<u>(183.10)</u>
IV Tax expense:			
(a) Current tax		-	-
(b) Deferred tax charge/(release)	6	-	126.24
(c) Tax adjustment for earlier years		4.96	-
Total tax expense		<u>4.96</u>	<u>126.24</u>
IX Profit/(loss) for the year (VII-VIII)		<u>(23.73)</u>	<u>(309.34)</u>
Other Comprehensive Income			
(A) (i) Items that will not be reclassified subsequently to profit or loss		-	-
(ii) Income tax on items that will not be reclassified subsequently to profit or loss		-	-
(B) (i) Items that will be reclassified subsequently to profit or loss		-	-
(ii) Income tax on items that will be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the year (A+B)		<u>-</u>	<u>-</u>
XI Total comprehensive income of the year, net of tax		<u>(23.73)</u>	<u>(309.34)</u>
XII Earnings per share: (Face Value ₹ 10 per share)	23		
1) Basic (Amount in ₹)		(0.09)	(1.12)
2) Diluted (Amount in ₹)		(0.09)	(1.12)

Summary of Significant Accounting Policies

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The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For B.R. Gupta & Co.

Chartered Accountants

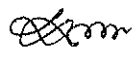
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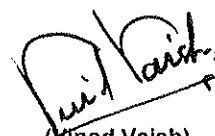
For & on behalf of Board of Directors of
Pearl Apparel Fashions Limited

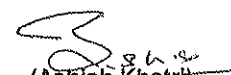

(Deepak Agarwal)

Partner
Membership Number 073696




(Rajpal Yadav)
Managing Director
DIN No.07072062


(Vinod Vaish)
Director
DIN No.01945795


(Ashish Khatri)
Chief Financial Officer

Place of Signature: New Delhi

Date: 28 JUL 2020

Pearl Apparel Fashions Limited
Statement of Cash Flow for the year ended March 31, 2020

Particulars	(Amount in 'Lakhs' unless otherwise stated)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
A. <u>Cash flows from operating activities</u>		
Profit/(Loss) before tax	(23.73)	(183.10)
<u>Adjustments for :</u>		
Depreciation & amortization expenses	-	1.08
Unwinding discount on preference share capital	-	12.98
Interest income	(14.80)	(15.37)
Restatement of fair value of preference shares	-	178.83
Operating profit/(loss) before working capital changes	(38.54)	(5.58)
<u>Adjustments for :</u>		
Increase/(decrease) in trade payables	(0.13)	(0.33)
Increase/(decrease) in other current liabilities	(0.23)	0.28
Decrease/(Increase) in other current assets	(27.32)	0.99
Decrease / (Increase) in Trade Receivables	61.31	-
Decrease/(Increase) in other non-current financial assets	1.22	(1.42)
Decrease/(Increase) in other current financial assets	(1.50)	-
Cash generated from/ (used in) operations	(5.20)	(6.06)
Direct Tax paid/ (Refunds)	(6.13)	1.54
Cash flow before exceptional items	0.93	(7.59)
<u>Exceptional items</u>		
Items of Property plant and equipment written off	0.23	5.19
Net cash flow from (used in) operating activities (A)	1.16	(2.40)
B. <u>Cash flows from Investing activities</u>		
Interest Income	14.80	15.09
Investment in Fixed Deposit	245.28	(245.28)
Net cash flow/ (used)in investing activities (B)	260.09	(230.19)
C. <u>Cash flows from financing activities</u>		
Net cash from / (used) in financing activities (C)	-	-
Net increase (decrease) in cash and cash equivalents (A+B+C)	261.24	(232.6)
Cash and cash equivalents		
- At beginning of year	8.07	240.66
- At end of year	269.31	8.07



Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash & Cash Equivalents Includes :		
- Cash on hand	0.01	0.01
- Balance with Scheduled Banks :		
In Current Account	269.30	8.06
	269.31	8.07

Note : The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

Summary of significant accounting policies

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The accompanying notes form an integral part of these financial statements

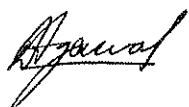
As per our report of even date attached

For B.R. Gupta & Co.

Chartered Accountants

Firm's Registration Number 008352N

For & on behalf of Board of Directors of
Pearl Apparel Fashions Limited



(Deepak Agarwal)

Partner

Membership Number 073696




(Rajpal Yadav)

Managing Director

DIN No.07072062



(Vinod Vaish)

Director

DIN No.01945795

Place of Signature: New Delhi

Date: 28 JUL 2020



(Ashish-Khatri)

Chief Financial Officer

Pearl Apparel Fashions Limited

Statement of Changes in equity for the year ended March 31, 2020

(Amount in ₹ 'Lakhs' unless otherwise stated)

A. Equity Share Capital

As at April 1, 2018	2,763.91
Changes during the year	-
As at March 31, 2019	2,763.91
Changes during the year	-
As at March 31, 2020	2,763.91

B. Other Equity

Balance as at April 1, 2018
Add: Profit/(Loss) for the year
Add: Other Comprehensive Income/(Loss)
Balance as at March 31, 2019
Add: Profit/(Loss) for the year
Add: Other Comprehensive Income/(Loss)
Balance as at March 31, 2020

Reserves and surplus	Total Other Equity
Retained Earnings	
(2,426.93)	(2,427)
(309.34)	(309)
-	-
(2,736.27)	(2,736.27)
(23.73)	(23.73)
-	-
(2,760.00)	(2,760.00)

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 B.R. Gupta & Co.

Chartered Accountants

Firm's Registration Number 008352N



(Deepak Agarwal)

Partner

Membership Number 073696



(Rajpal Yadav)
Managing Director
DIN No.07072062

For & on behalf of Board of Directors of Pearl Apparel Fashions Limited



(Vinod Valish)

Director

DIN No.01945795

(Ashish Khatri)

Chief Financial Officer

Place of Signature: New Delhi

Date: 28 JUL 2020

Pearl Apparel Fashions Limited

Summary of significant accounting policies and other explanatory information

Note 1

Corporate Information

Pearl Apparel Fashions Limited (Formerly known as Lerros Fashions India Limited) is a limited company domiciled in India and incorporated on March 30, 2007 under the provisions of the Companies Act, 1956. The company is primarily engaged in distribution and retailing of ready to wear apparels in India.

The financial Statements were authorised for issue in accordance with a resolution of the board of directors on July 28, 2020

Note 2 : Basis of preparation and measurement

Statement of Compliance: The financial statements have been prepared non going concern basis 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.

Further, Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. However, there is no such notification which would have been applicable from April 1, 2020.

Basis of Preparation and presentation: The financial statements has been prepared under historical cost convention on accrual basis except for certain financial instruments which are measured at fair value as required by relevant Ind AS at the end of each reporting year, as explained in the relevant accounting policies mentioned.

The financial statements are presented in ₹ and all values are rounded to the nearest lakhs upto two decimal places except otherwise stated.

Going Concern:

The Board of Directors have considered the financial position of the Company as at March 31, 2020 and in absence of any future business plans, has decided to liquidate the Company on Voluntary basis by passing resolution dated March 20, 2020. Accordingly, these financial statements have been prepared on Non-Going Concern basis, where the assets and liabilities have been disclosed on realizable basis.

In effect of above, the balance of PPE has been written off during the year and all other assets & liabilities have been recognized at the value of its realization and its payment.

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 year in which the estimates are revised and future years 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 year in which the results are known/materialised.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting year.

Estimates and Assumptions: The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Since these financial statements have been prepared on non going concern basis and for the purpose of filing voluntary liquidation, the circumstances and assumptions about future developments including impact of changes in industry, evolving impact of COVID -19 on businesses etc. are not assessed.

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 year in which such determination is made.

b) Current versus non-current classification

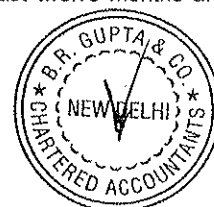
The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets:

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting year, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

All other assets are classified as non-current.



Pearl Apparel Fashions Limited

Summary of significant accounting policies and other explanatory information

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 year, or
 - (d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year
- 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.

c) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct services, any other costs directly attributable to bringing the assets to its working condition for their intended use and cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount) is recognised in profit or loss. Depreciation is provided on a pro-rata basis on the straight-line basis on the estimated useful life prescribed under Schedule II to Companies Act, 2013.

The company has written off the available carrying balance of Property, Plant & Equipment during the year in line with the resolution dated March 20, 2020 passed by the company in view of Voluntary Liquidation of the Company.

Subsequent costs: The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment are recognised in statement of profit and loss as and when incurred.

Transition to Ind AS: On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

d) Revenue recognition

The Company operates distribution and retailing of ready apparels

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers'. The effect on adoption of Ind-AS 115 was insignificant.

Revenue from contract with customer

Revenue from contract with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding the amount collected on behalf of third parties (for example, taxes and duties collected on behalf of government) and net of returns & discounts. The company has concluded that it is acting as principal in its

Following are the specific revenue recognition criteria:

(i) Sale of products

Sales are recognized, at values as per agreements, net of returns, trade discounts and volume discounts, if any, on transfer of significant risks and rewards of ownership/effective Control to the buyer, which coincides with dispatch/delivery to customers, as applicable. Sales exclude Goods and Service Tax. For the year ended March 31, 2020, the Company has not booked any revenue on account of sale of products.

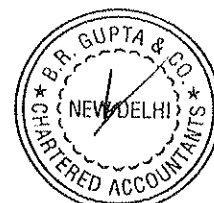
(ii) Interest Income

In respect of interest income, revenue is recognised on the time proportion basis, taking into account the amount outstanding and the rate of interest applicable.

e) Provisions, Contingent liabilities and contingent assets

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.



Pearl Apparel Fashions Limited

Summary of significant accounting policies and other explanatory information

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 year 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.

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 year in which the change occurs.

f) Financial Instruments

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.

g) 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)

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.

h) 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 payables 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



Pearl Apparel Fashions Limited

Summary of significant accounting policies and other explanatory information

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.

i) Impairment of financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

j) 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 year 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 years are assessed at end of each reporting year 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.

k) 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 in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

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 year.

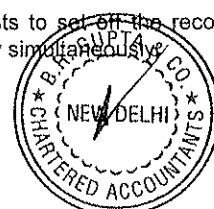
l) Taxes

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 yearly 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.



Pearl Apparel Fashions Limited

Summary of significant accounting policies and other explanatory information

m) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes 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, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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.

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.

Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in the year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified year, i.e., the year for which MAT credit is allowed to be carried forward. In the year in which Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified year. In accordance with Ind AS 12 Company is grouping MAT credit entitlement with Deferred Tax Assets / Liability (Net).

n) 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.

o) 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 year.

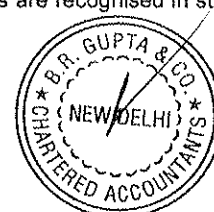
Diluted EPS amounts are calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity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

p) Exceptional items

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the year, the nature and amount of such material items are disclosed separately as exceptional items.

q) Employee Benefits

All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries are recognised in statement of profit and loss in the period in which the employee renders the related service.



Pearl Apparel Fashions Limited

Notes to the financial statements for the year ended March 31, 2020

(Amount in ₹ 'Lakhs' unless otherwise stated)

Note 4 : Property, Plant and Equipment

Particulars	Plant and Equipment	Furniture and Fittings	Office Equipments	Computers	Total
Gross carrying amount					
As at April 1, 2018	6.28	1.40	0.01	0.97	8.66
Add: Additions made during the year	-	-	-	-	-
Less: Disposals / adjustments during the year	6.12	1.38	0.01	0.92	8.43
As at March 31, 2019	0.16	0.02	-	0.05	0.23
Add: Additions made during the year	-	-	-	-	-
Less: Disposals / adjustments during the year	0.16	0.02	-	0.05	0.23
As at March 31, 2020	-	-	-	-	-
Accumulated Depreciation					
As at April 1, 2018	1.51	0.65	-	-	2.16
Add: Depreciation charge for the year	0.76	0.32	-	-	1.08
Less: On disposals / adjustments during the year	2.27	0.97	-	-	3.24
As at March 31, 2019	-	-	-	-	-
Add: Depreciation charge for the year	-	-	-	-	-
Less: On disposals / adjustments during the year	-	-	-	-	-
As at March 31, 2020	-	-	-	-	-
Net carrying Amount					
As at March 31, 2020	-	-	-	-	-
As at March 31, 2019	0.16	0.02	-	0.05	0.23



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Pearl Apparel Fashions Limited

Notes to the financial statements for the year ended March 31, 2020

(Amount in ₹ 'Lakhs' unless otherwise stated)

Note 5 : Other Financial Assets

(Unsecured, considered good unless otherwise stated)

	Non - Current		Current	
	As At March 31, 2020	As At March 31, 2019	As At March 31, 2020	As At March 31, 2019
Deposits with original maturity of more than 12 months**	4.09	3.33	-	74.03
Interest accrued on FDR's	0.32	0.80	-	4.34
Security Deposit *#	-	1.50	1.50	-
Total	4.41	5.63	1.50	78.37

* Security deposits are not in the nature of loans hence classified as part of other financial assets.

This represents Deposit with NSDL, since the company has initiated the process of liquidation, this deposit is disclosed as current financial assets.

**The amount of ₹ 78.37 lakhs (Deposits with original maturity of more than 12 months - ₹ 74.03 lakhs and interest on accrued - ₹ 4.34 lakhs) has been reclassified for comparative year i.e. FY 2018-19 from Cash & Cash Equivalent to Current Financial Assets. However, It does not have any material impact on the information in the Balance Sheet at the beginning of the preceding year. Therefore, as per para 40A of Ind AS -1 - 'Presentation of Financial Statements, the third Balance Sheet as at beginning of preceding year has not been prepared.



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(Amount in ₹ 'Lakhs' unless otherwise stated)

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

	As March 31, 2020	At March 31, 2019
Tax Expense:		
a) Current tax	-	-
b) Tax Adjustments in respect of earlier years	4.96	-
c) Deferred tax	-	126.24
Income tax expense reported in the statement of profit or loss	4.96	126.24

	AS	AL	AS	AL
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Deferred tax related to items recognised in OCI during the year	-	-	-	-
Income tax charged to OCI	-	-	-	-

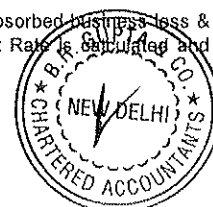
	As March 31, 2020	At March 31, 2019
Accounting profit before tax from continuing operations	-	(183.10)
Accounting profit before income tax	-	-
At India's statutory income tax rate of 26% (March 31, 2019: 26%)	-	-
Tax effect of the amounts which are Non-deductible/(taxable) for tax purposes:		
Impact of tax at different tax rate	-	126.24
Total (A)	-	126.24
Income tax expense reported in the statement of profit and loss (B)	-	126.24
Variance (A-B)	-	-

Deferred tax:	Balance Sheet			
	As March 31, 2020	At March 31, 2019	As March 31, 2020	At March 31, 2019
Deferred tax assets relates to the following:				
Property, plant and equipment	-	-	-	-
Provision for Bad and Doubtful Debts	-	-	-	-
Unabsorbed Depreciation & Losses	-	-	-	-
MAT Credit	-	-	-	-

Fair value of Redeemable preference share capital (Borrowings)	-	-
	-	-
Total deferred tax assets/(liabilities) (Net)	-	-

Deferred tax expense/income:	Statement of Profit and Loss	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Deferred tax assets relates to the following :		
Property, plant and equipment	-	(2.24)
Provision for Bad and Doubtful Debts	-	(9.85)
Unabsorbed Depreciation and losses	-	(146.12)
MAT credit	-	(17.91)
	-	(176.11)
Deferred tax liability relates to the following :		
Fair value of Redeemable preference share capital (Borrowings)	-	(49.87)
	-	(49.87)
Net deferred tax charge	-	(126.24)

b) Since the financial statements as at March 31, 2020 are prepared for liquidation purpose and the company has unabsorbed business loss & unabsorbed depreciation, there is no component recognised in current tax and deferred tax, hence no Effective Tax Rate is calculated and disclosed above for March 31, 2020.



Pearl Apparel Fashions Limited
Notes to the financial statements for the year ended March 31, 2020

(Amount in ₹ 'Lakhs' unless otherwise stated)

Note 7 : Non Current Tax Assets

Advance Tax
[Net of provision of ₹ Nil (March 31, 2019 : ₹ Nil)]

As March 31, 2020	At March 31, 2019
1.48	7.61
1.48	7.61

Note 8 : Trade Receivables

Considered good - secured
Considered good - unsecured
Trade receivables which have significant increase in credit risk
Credit impaired
Less: Loss allowance

As March 31, 2020	At March 31, 2019
-	-
-	61.31
-	-
-	-
-	-
-	61.31

- a) Trade receivables are non-interest bearing and are generally on terms of 45 - 60 days.
b) The company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 26.

Note 9 : Cash and Cash Equivalents

Balances with Banks:-
On current accounts
Cash on hand

As March 31, 2020	At March 31, 2019
269.30	8.06
0.01	0.01
269.31	8.07

- a) For the purpose of the statement of cash flow, cash and cash equivalents are the same as given above.

Note 10 : Other Bank Balances

	Non - Current		Current	
	As March 31, 2020	At March 31, 2019	As March 31, 2020	At March 31, 2019
Deposits with original maturity of more than three months but less than twelve months*	-	-	-	166.91
Deposits with original maturity of more than 12 months	4.09	3.33	-	166.91
Less: Deposits with original maturity of more than 12 months, disclosed under Note No. 5 Other Non Current Financial Assets	4.09	3.33	-	-
	-	-	-	166.91

*The above amount has been reclassified for comparative year i.e. FY 2018-19 from Cash & Cash Equivalent to Other Bank Balances. However, it does not have any material impact on the information in the Balance Sheet at the beginning of the preceding year. Therefore, as per para 40A of Ind AS -1 - 'Presentation of Financial Statements, the third Balance Sheet as at beginning of preceding year has not been prepared.

Note 11 : Other Current Assets

(Unsecured, considered good, unless otherwise stated)

Balance with government authorities
Other Receivables
Total

As March 31, 2020	At March 31, 2019
-	0.18
27.50	-
27.50	0.18

Note 12 : Share Capital

Authorised
30,500,000* (March 31, 2019 : 30,500,000) equity shares* of ₹ 10 each
6,000,000* (March 31, 2019: 6,000,000) 10.5 % Non Cumulative Redeemable Preference Shares of ₹ 10 each

As March 31, 2020	At March 31, 2019
3,050.00	3,050.00
600.00	600.00
3,650.00	3,650.00
Issued, subscribed and fully paid up 27,639,145* (March 31, 2019 :27,639,145) equity shares* of ₹10 each	2,763.91
2,763.91	2,763.91

- * Number of Shares are given in absolute numbers.

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

Equity shares of ₹ 10 each issued, subscribed and fully paid
Balance as at April 1, 2018
Add: Shares issued during the year
Balance as at March 31, 2019
Add: Shares issued during the year
Balance as at March 31, 2020



No. of shares in lakhs	Amount
2,763.91	2,763.91
-	-
2,763.91	2,763.91
-	-
2,763.91	2,763.91

(Amount in ₹ 'Lakhs' unless otherwise stated)

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.

As At	As At
March 31, 2020	March 31, 2019
27,639,085	27,639,085
100.00%	100.00%

As March 31, 2020	At	As March 31, 2019	At
	(2,760.00)		(2,736.27)
	(2,760.00)		(2,736.27)

Non-current		Current	
As At	As At	As At	As At
March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
-	121.16	300.00	-
-	178.84	-	-
-	300.00	300.00	-

As	At	As	At
<u>March 31, 2020</u>		<u>March 31, 2019</u>	
	0.29		0.42
	0.29		0.42

As	At	As	At
March 31, 2020		March 31, 2019	



As	At	As	At
<u>March 31, 2020</u>		<u>March 31, 2019</u>	
"			0.24
<u>"</u>		<u>"</u>	0.24

Pearl Apparel Fashions Limited

Notes to the financial statements for the year ended March 31, 2020

(Amount in ₹ 'Lakhs' unless otherwise stated)

Note 17 : Revenue from Operations

	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of product	-	51.74
Revenue from operations	-	51.74

a) Performance obligation and reconciliation of revenue from operations with contracted price

Revenue is recognised upon transfer of control of products.

For the year ended March 31, 2020 & March 31, 2019, the Company has not entered into long term contracts with its customers and accordingly disclosure of unsatisfied or remaining performance obligation (which is affected by several factors like changes in scope of contracts, year wise revaluations, adjustment for revenue that has not been materialized, tax laws etc.) and reconciliation of revenue from operations with contracted price is not applicable to the Company. For the year ended March 31, 2020, the Company has not booked any revenue on account of sale of products.

b) Disaggregation of revenue: The table below presents disaggregated revenues from contracts with customers on the basis of business segment of the Company. The Company believes that this disaggregation best depicts how the nature, amount of revenues and cash flows are affected by market and other economic factors:

Revenue based on Business product

	For the year ended March 31, 2020	For the year ended March 31, 2019
Garments	-	51.74
Total Revenue From operations	-	51.74

Note 18 : Other Income

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income		
- on Fixed Deposit	14.80	15.37
- on Income Tax Refund	0.16	-
Provision for Doubtful Debts Written Back	-	37.87
Sundry Balance Written Back	-	0.01
	14.96	53.25

Note 19 : Employee Benefit Expenses

	For the year ended March 31, 2020	For the year ended March 31, 2019
Salary	2.40	2.33
	2.40	2.33

Note 20 : Finance Cost

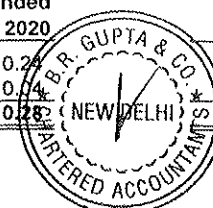
	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest expense		
- delayed payment of taxes	-	0.60
Unwinding of discount on preference shares	-	12.98
	-	13.59

Note 21 : Other Expenses

	For the year ended March 31, 2020	For the year ended March 31, 2019
Bad Debts written off	26.31	37.87
Payment to the auditors (refer note 'a' below)	0.28	0.27
Bank Charges	0.01	0.03
Rates and taxes	1.24	0.24
Legal & Professional expenses	2.31	1.18
Custody Fee	0.89	0.30
Miscellaneous expenses	0.08	0.14
	31.10	40.03

a) Details of payment made to auditors is as follows:

	For the year ended March 31, 2020	For the year ended March 31, 2019
- Statutory Audit	0.28	0.22
- Goods and Service Tax (GST)	0.00	0.06
	0.28	0.27



Pearl Apparel Fashions Limited

Notes to the financial statements for the year ended March 31, 2020

(Amount in ₹ 'Lakhs' unless otherwise stated)

Note 22 : Exceptional Items

	For the year ended March 31, 2020	For the year ended March 31, 2019
Restatement of Preference share capital at its original value (refer Note 14b)	-	178.84
Items of Property plant and equipment written off	0.23	5.19
	<u>0.23</u>	<u>184.03</u>

Note 23 : Earnings Per Share (EPS)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit attributable to the equity shareholders (A)	(23.73)	(309.34)
Number/Weighted average number of equity shares outstanding at the end of the year (B)	27,639,145	27,639,145
Nominal value of Equity shares	10	10.00
Basic/Diluted Earning per share (A/B) (in ₹)	(0.09)	(1.12)



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Pearl Apparel Fashions Limited

Notes to the financial statements for the year ended March 31, 2020

(Amount in ₹ 'Lakhs' unless otherwise stated)

Note 24 : Capital Management

For the purpose of Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. At the time of continuing operations, the primary objective of the Company's capital management was to maximise the shareholder value. The Company managed its capital structure and made adjustments in light of changes in economic conditions and the requirements of the financial covenants. The financial statements as at March 31, 2020 have been prepared on non going concern basis and the Company has passed necessary resolution for voluntary liquidation. Hence the assets and liabilities have been presented on realization basis. Total Debt & Capital Position as at March 31, 2020 (March 31, 2019) are as under :-

Particulars	As March 31, 2020	At March 31, 2019
Borrowings (refer to note 14)	300.00	300.00
Trade payables (refer Note 15)	0.29	0.42
Other payables (refer Note 16)	-	0.24
Less: Cash and Cash Equivalents (Refer note 9)	269.31	8.07
Net debt (A)	30.98	292.59
Equity share capital (refer to note 12)	2,763.91	2,763.91
Other equity (refer to note 13)	(2,760.00)	(2,736.27)
Total Capital (B)	3.91	27.64
Capital and Net Debt (C=A-B)	34.89	320.23
Gearing Ratio (A/C)	88.79%	91.37%



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Pearl Apparel Fashions Limited

Notes to the financial statements for the year ended March 31, 2020

(Amount in ₹ 'Lakhs' unless otherwise stated)

Note 25 : 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 reasonable approximations of fair values:

a) Fair value of financial assets:

	Carrying values				Fair values			
	As	At	As	At	As	At	As	At
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial assets measured at amortised cost								
Security deposits		1.50		1.50		1.50		1.50
Deposits with original maturity of more than 12 months		4.09		77.36		4.09		77.36
Interest accrued on fixed deposits		0.32		5.14		0.32		5.14
Trade receivable		-		61.31		-		61.31
Cash and cash equivalents		269.31		8.07		269.31		8.07
Other Bank Balances		-		166.91		-		166.91
Total B		275.22		320.29		275.22		320.29

b) Fair value of financial liabilities:

	Carrying values				Fair values			
	As	At	As	At	As	At	As	At
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial liabilities measured at amortised cost								
Borrowings		300.00		300.00		300.00		300.00
Trade payables		0.29		0.42		0.29		0.42
Total		300.29		300.42		300.29		300.42

Management has assessed that trade receivables, cash and cash equivalents & 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:

- Fair values of the Company's borrowings (Preference share capital) and loans are determined by using DCF method using discount rate that reflects the rate as at the end of the reporting year.
- Fair value for all other non-current assets and liabilities is equivalent to the amortised cost, interest rate on them is equivalent to the market rate of interest.
- For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.



Pearl Apparel Fashions Limited

Notes to the financial statements for the year ended March 31, 2020

(Amount in ₹ 'Lakhs' unless otherwise stated)

Note 26 : Fair Value 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

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020:

Particulars	As March 31, 2020	At March 31, 2020	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							
Security deposits		1.50	1.50	-	-	-	1.50
Deposits with original maturity of more than 12 months		4.09	4.09	-	-	-	4.09
Interest accrued on fixed deposits		0.32	0.32	-	-	-	0.32
Trade receivables*		-	-	-	-	-	-
Cash and cash equivalents*		269.31	269.31	-	-	-	269.31
Other Bank Balances		-	-	-	-	-	-
Total		275.22	275.22	-	-	-	275.22

Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2020:

Particulars	As March 31, 2020	At March 31, 2020	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							
Borrowings		300.00	300.00	-	-	-	300.00
Trade payables*		0.29	0.29	-	-	-	0.29
		300.29	300.29	-	-	-	300.29

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:

Particulars	As March 31, 2019	At March 31, 2019	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							
Security deposits		1.50	1.50	-	-	-	1.50
Deposits with original maturity of more than 12 months		77.36	77.36	-	-	-	77.36
Interest accrued on fixed deposits		5.14	5.14	-	-	-	5.14
Trade receivables*		61.31	61.31	-	-	-	61.31
Cash and cash equivalents*		8.07	8.07	-	-	-	8.07
Other Bank Balances		166.91	166.91	-	-	-	166.91
Total B		320.29	320.29	-	-	-	320.29

Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2019:

Particulars	As At March 31, 2019	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						
Borrowings	300.00	300.00	-	-	-	300.00
Trade payables*	0.42	0.42	-	-	-	0.42
	300.42	300.42	-	-	-	300.42

* Management has assessed that trade receivables, 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 year.



Pearl Apparel Fashions Limited

Notes to the financial statements for the year ended March 31, 2020

(Amount in ₹ 'Lakhs' unless otherwise stated)

Note 27 : Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade payables and borrowings. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior level management 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 mainly interest rate risk & currency risk. The Company is not exposed to any of these risks.

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 exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Less than 30 days	30 to 90 days	90 to 180 days	More than 180 days	Total
Trade Receivables as of March 31, 2020	-	-	-	-	-
Trade Receivables as of March 31, 2019	-	-	-	61.31	61.31

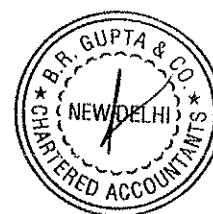
C. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash obligations without incurring unacceptable losses.

The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing 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, 2020	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade payables	0.29	-	-	-	0
Total	0.29	-	-	-	0
As at March 31, 2019	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade payables	0.42	-	-	-	0
Total	0.42	-	-	-	0



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Pearl Apparel Fashions Limited

Notes to the financial statements for the year ended March 31, 2020

(Amount in ₹ 'Lakhs' unless otherwise stated)

Note 28 : Disclosure of Related parties/ Related parties transactions :

A Name of the Related Parties and description of relationship

Nature of Relationship	Name of Related Party
Holding Company	Pearl Global Industries Limited
Enterprise over which KMP exercise Significant Influence	Little People Education Society Pearl Apparels Limited
Key Management Personnel	Mr. Rajpal Yadav Mrs. Payel Seth Ms. Aarti Jain Mr. Ashish Khatri
	Managing Director Director Company Secretary Chief Financial Officer

B. Disclosure of Related Parties Transactions (including Material Transactions):

(i) Holding Company

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Purchase of Traded Goods	-	49.39

(ii) Key Managerial Personnel

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Remuneration		
Mr. Ashish Khatri	0.60	0.60
Ms. Aarti Jain	1.80	1.73

(iii) There are no balances outstanding as at March 31, 2020 and March 31, 2019

(iv) Terms and conditions of transactions with related parties

All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions.

Note 29 : The balances of trade payables, financials assets and other assets have realisation value in ordinary course of business equal to amount at which they are stated in the financial statements. 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.

Further, the Company believes that the globally declared pandemic COVID 19 is not likely to have any material impact on its financial statements, or ability to service its debt or other obligations.

Note 30 : There is no Reportable Segments of the Company in view of the Ind As-108 "Operating Segments" as notified under Companies (Indian Accounting Standards) Rules, 2015.

Note 31 : Figures have been rounded off to the nearest lakhs upto two decimal places except otherwise stated.

For & on behalf of Board of Directors of
Pearl Apparel Fashions Limited



(Signature)
(Rajpal Yadav)
Managing Director
DIN No.07072062

(Signature)
(Vinod Vaish)
Director
DIN No.01945795

(Signature)
(Ashish Khatri)
Chief Financial Officer

Place of Signature: New Delhi

Date: 28 JUL 2020