

SHARAD JAIN ASSOCIATES
CHARTERED ACCOUNTANTS

213, HANS BHAWAN,
1, BAHADUR SHAH ZAFAR MARG,
DELHI-110002
TEL. NO.- 23379477, 23379588

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF M/S TRANSFORMING RETAIL PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Transforming Retail Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow for the period then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial control relevant to the Company's

preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, its loss and its cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the 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 purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, 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 Accounting Standards 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, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of sub-section (2) of section 164 of the Act.
 - (f) 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.

Place: New Delhi
Date: 07.05.2015

For Sharad Jain Associates
Chartered Accountants
(F. Regn. No.015201N)



R. Jain
(Rajat Jain)
Partner
M.No.516618

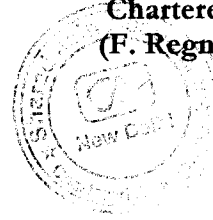
As required by the Companies (Auditor's Report) Order, 2015 issued by Central Government of India in terms of sub-section (11) of section 143 of Companies Act 2013 we further report that:-

- (i) The company does not have any fixed assets. Accordingly, the provisions of clauses 3(i)(a) and 3(i)(b) of the Order are not applicable.
- (ii) The company has not maintained any inventory during the period. Accordingly, the provisions of clauses 3(ii)(a), 3(ii)(b) and 3(ii)(c) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable.
- (iv) The company has not purchased any inventory and fixed assets, nor made any sale of goods and services during the period. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the period-end for a period of more than six months from the date they became payable.
- (b) There are no dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess which have not been deposited on account of any dispute.
- (c) There are no dues required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder.
- (viii) The company has not been in existence for a period exceeding five years as on March 31, 2015. Therefore clause 3(viii) of the Order is not applicable.
- (ix) The Company has no dues payable to a bank, a financial institution or debenture-holders during the period. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 3(x) of the Order are not applicable.
- (xi) The Company has not availed any term loans during the period. Accordingly, the provisions of clause 3(xi) of the Order are not applicable.

(xii) No fraud on or by the Company has been noticed or reported during the period.

Place: New Delhi
Date: 07.05.2015

For Sharad Jain Associates
Chartered Accountants
(F. Regn. No.015201N)



R. Jain
(Rajat Jain)
Partner
M.No.516618


Transforming Retail Private Limited
Balance Sheet as at March 31, 2015

Particulars	Notes	As at March 31, 2015 ₹
Equity and liabilities		
Shareholders' funds		
Share capital	3	1,00,000
Reserves and surplus	4	(31,325)
		<u>68,675</u>
Current liabilities		
Other current liabilities	5	7,865
		<u>7,865</u>
		<u>76,540</u>
Assets		
Current assets		
Cash and cash equivalents	6	76,540
		<u>76,540</u>
		<u>76,540</u>

Notes 1 to 13 form an integral part of these financial statements
This is the balance sheet referred to in our report of even date


For Transforming Retail Private Limited

for **Sharad Jain Associates**
Chartered Accountants
FRN: 015201N


Rajat Jain
Partner
(M. No. 516618)




Balram Garg
Director
DIN-00032083


Padam Chand Gupta
Director
DIN-00032794

Place: New Delhi
Date: May 07, 2015

Transforming Retail Private Limited

Statement of profit and loss for the period September 24, 2014 to March 31, 2015

Particulars	Notes	For the period ended March 31, 2015 ₹
Revenue		
Revenue from operations		-
Total revenue		-
Expenses		
Other expenses	7	31,325
Total expenses		31,325
Profit before tax		(31,325)
Tax expense		
Current Tax		-
Deferred tax		-
Profit for the year		(31,325)
Earnings per equity share (₹)	8	
- Basic		(3.13)
- Diluted		(3.13)

Notes 1 to 13 form an integral part of these financial statements

This is the profit and loss account referred to in our report of even date.

For Transforming Retail Private Limited

for Sharad Jain Associates

Chartered Accountants

FRN: 015201N



Rajat Jain

Partner

(M. No. 516618)

Place: New Delhi

Date: May 07, 2015



Balram Garg

Director

DIN-00032083



Padam Chand Gupta

Director

DIN-00032794

Transforming Retail Private Limited
Cash Flow Statement for the period ended March 31, 2015

	As at March 31, 2015
	<u>₹</u>
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net profit before tax and prior period adjustments	(31,325)
Adjustments for:	
Depreciation and amortisation	-
Operating profit before working capital changes	<u>(31,325)</u>
Adjustments for:	
Increase/ (Decrease) in current liabilities	7,865
Net cash (used in) from operating activities	<u>(23,460)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES	
Purchases of fixed assets	-
Net cash used in investing activities	<u>-</u>
C. CASH FLOW FROM FINANCING ACTIVITIES	
Issue Of Share Capital	1,00,000
Net cash generated from financing activities	<u>1,00,000</u>
Net (decrease) in cash and cash equivalents (A+B+C)	<u>76,540</u>
Opening cash and cash equivalents	-
Closing cash and cash equivalents*	<u>76,540</u>
* Reconciliation of cash and cash equivalents	
Cash in hand	-
Bank Balances	76,540
	<u>76,540</u>

Notes 1 to 13 form an integral part of these financial statements
This is the Cash flow statement referred to in our report of even date.

for Sharad Jain Associates
Chartered Accountants
FRN: 015201N



Rajat Jain
Partner
(M. No. 516618)

Place: New Delhi
Date: May 07, 2015

For Transforming Retail Private Limited



Balram Garg
Director
DIN-00032083



Padam Chand Gupta
Director
DIN-00032794

Transforming Retail Private Limited
Summary of significant accounting policies and other explanatory information
for the year ended March 31, 2015

1. COMPANY OVERVIEW

Transforming Retail Private Limited (the Company) was incorporated on September 24, 2014 with the main objects of dealing in manufacturing, trading and/or distribution of jewellery, accessories, gift items, etc. through retail stores, online stores, etc. However the Company has not started any business as yet.

2. BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the generally accepted accounting principles in India and including the Accounting Standards specified under section 133 of the Companies Act, 2013 (the 'Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company unless otherwise stated.

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) USE OF ESTIMATES

The preparation of financial statements in conformity with the principles generally accepted in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in the current and future periods.

b) FIXED ASSETS

The company does not have any Fixed assets.

c) REVENUE RECOGNITION

During the period, no revenue has been recognised by the company in the financial statements.

d) VALUATION OF INVENTORIES

No inventory is being maintained by the company at the end of the period.

e) FOREIGN EXCHANGE TRANSACTIONS

The company has not entered into any foreign currency transactions during the period. There are no monetary assets of the company denominated in foreign currencies outstanding at the balance sheet date.

f) EMPLOYEES BENEFIT

There are no employees on payroll of the company. Therefore, no employee benefit plans have been provided by the company.

g) TAXATION

Current tax is determined as the amount of tax payable in respect of taxable income for the period. The provision for current income-tax is recorded based on assessable income and the tax rate applicable to the relevant assessment year.

Transforming Retail Private Limited
Summary of significant accounting policies and other explanatory information
for the year ended March 31, 2015

h) IMPAIRMENT OF ASSETS

The Company on an annual basis makes an assessment of any indicator that may lead to impairment of assets. If any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount is less than the carrying amount, then the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is charged to the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

i) EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

j) PROVISIONS AND CONTINGENCIES

The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

A disclosure is made for a contingent liability when there is a:

- possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company; or
- present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- present obligation, where a reliable estimate cannot be made.

Transforming Retail Private Limited

Summary of significant accounting policies and other explanatory information for the period ended 31 March 2015

	As at March 31, 2015	
	Number	₹
3 Share capital		
Authorised share capital		
Equity shares of Rs 10 each	10,000	1,00,000
Issued, subscribed and fully paid up		
Equity shares of Rs 10 each	10,000	1,00,000
a) Reconciliation of equity share capital		
Balance at the beginning of the period	-	-
Add: share issued during the period	10,000	1,00,000
Balance at the end of the period	10,000	1,00,000
b) Shareholding structure		
Shares held by holding company, ultimate holding company, subsidiaries / associates of holding company or ultimate holding company		
Equity shares of Rs 10 each		
PC Jeweller Limited - Holding Company*	9,990	99,900
Balram Garg - Nominee PC Jeweller Ltd	10	100
	10,000	1,00,000
* 10 equity shares of Rs 10 each held by Mr. Balram Garg as nominee for PC Jeweller Limited.		
Shareholders holding more than 5% of the shares of the company		
Equity shares of Rs 10 each		
PC Jeweller Ltd	10,000	1,00,000
	10,000	1,00,000
c) The Company has only one class of equity shares having a par value of Rs 10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holders of equity shares will be entitled to receive any of the 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 March 31, 2015
		₹
4 Reserves and surplus		
Deficit in the statement of profit and loss		
Balance at the beginning of the period		-
Add : transferred from statement of profit and loss		(31,325)
Balance at the end of the period		(31,325)
5 Other Current Liabilities		
Other accrued liabilities		7,865
		7,865
6 Cash and cash equivalents		
Balances with banks in current accounts		76,540
		76,540

Transforming Retail Private Limited

Summary of significant accounting policies and other explanatory information for the period ended 31 March 2015

For the period ended
March 31, 2015

₹

7 Other expenses

Legal & Professional	7,865
Filing Fees	2,100
Preliminary Expenses W/off	21,360
	31,325

8 Earning per share

a) Computation of profit per Statement of Profit and Loss attributable to equity shareholders

Net profit/(loss) attributable to equity shareholders	(31,325)
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b) Computation of weighted average number of shares

Basic earnings per share	10,000
Diluted earnings per share	10,000

c) Nominal value of shares

10

d) Earning per share

Basic earnings per share	(3.13)
Diluted earnings per share	(3.13)

9 Related party transactions

Related party disclosures, as required by Accounting Standard 18 - Related Party Disclosures, notified under the Companies Act, 2013 are given below:

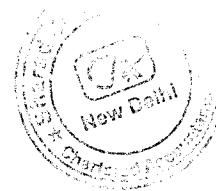
(i) **Holding Company** : PC Jeweller Limited

(ii) Key management personnel

Mr. Padam Chand Gupta : Director
Mr. Balram Garg : Director

(iii) Transactions with related parties during the period

Particulars	Holding Company March 31, 2015
Share Capital issued	1,00,000
<i>PC Jeweller Ltd</i>	<i>1,00,000</i>
Share Application money received	1,00,000
<i>PC Jeweller Ltd</i>	<i>1,00,000</i>
Balances at the end of the period	
Share Capital issued	1,00,000
<i>PC Jeweller Ltd</i>	<i>1,00,000</i>



Transforming Retail Private Limited

Summary of significant accounting policies and other explanatory information for the period ended 31 March 2015

10 Segment reporting

As business in the company has not started in the period under consideration, there are no reportable segments.

For the period ended
March 31, 2015
₹

11 Payments to auditors

As auditor

Statutory audit

Service tax

7,000

865

7,865

12 Realisibility of current assets/ adequacy of provisions

In the opinion of the Board, current assets, loans and advances are realizable at a value, which is at least equal to the amount at which these are stated, in the ordinary course of business and provision for all known and determined liabilities are adequate and not in excess of the amount stated.

13 The accounts of the company have been drawn for the period from the date of incorporation i.e. September 24, 2014 till March 31, 2015. These being the first accounts of the company, no corresponding figures for previous year have been given.

For Transforming Retail Private Limited



Balram Garg
Director
DIN-00032083



Padam Chand Gupta
Director
DIN-00032794

Place: New Delhi
Date: May 07, 2015

