Pearl Global Industries Limited

ANNUAL REPORT 2014–15

PearlGlobal
Industries Limited

PearlGlobal
Industries Limited

Board of Directors

Mr.Deepak Seth	-	Chairman
Mr.Pulkit Seth	-	Vice- Chairman & Managing Director
Mrs.Shefali Seth	-	Whole-Time Director
Mr.Vinod Vaish	-	Whole-Time Director
Mr.S.B.Mohapatra	-	Non-executive Independent Director
Mr.Chittranjan Dua	-	Non-executive Independent Director
Mr.Rajendra K Aneja	-	Non-executive Independent Director
Mr.Anil Nayar	-	Non-executive Independent Director

Company Secretary

Mr.Sandeep Sabharwal

Audit Committee

Mr.Anil Nayar	-	Chairman
Mr.Vinod Vaish	-	Member Director
Mr.S.B.Mohapatra	-	Member Director

Nomination and Remuneration Committee

Mr.S.B.Mohapatra	-	Chairman
Mr.Rajendra K Aneja	-	Member Director
Mr.Anil Nayar	-	Member Director

Stakeholder Relationship Committee

Mr.S.B.Mohapatra	-	Chairman
Mr.Pulkit Seth	-	Member Director
Mr.Vinod Vaish	-	Member Director

Corporate Social Responsibility Committee

Mr.Vinod Vaish	-	Chairman
Mr.Pulkit Seth	-	Member Director
Mr.Anil Nayar	-	Member Director

Auditors

M/s S.R.Dinodia & Co. LLP
Chartered Accountants
K-39,Connaught Place
New Delhi-110001

Bankers

Punjab National Bank
Standard Chartered Bank
UCO Bank
Bank of Baroda

Registered Office

"Pearl House"
A-3,Community Centre
Naraina Industrial Area,Phase-II
New Delhi-110028

Corporate Office

Plot No.51,Sector-32
Gurgaon-122001(Haryana)

The **NEXT WAVE** of growth

We are one of the India's largest multinational Ready-to-Wear apparel manufacturer and exporter and amongst the leading players in the industry. We are an established brand in the apparel space, with product superiority and a set-up of effective international systems. We are a preferred long-term partner to most leading global brands.

Our in-house design team and insights into global fashion help us create fashion that is fresh and trendy. We have the capability to offer a comprehensive apparel portfolio with diverse design and fashion requirements due to large in-house capacities and efficient manufacturing systems. Our manufacturing scale and strict processes for producing quality garments make us even more prominent as a global vendor. Our multi-location presence allows us different skill sets for customers. We are competitively manufacturing and exporting fashion garments to leading global brands.

As the global manufacturing landscape evolves, we are primed to ride on the next wave of growth. This will be on the strengths of our efficient manufacturing systems and world-class infrastructure and approvals from leading national and international brands. Our world-class infrastructure and association with the most dynamic retailers around the globe gives us an incredible exposure to feel the market pulse. We are leveraging our already established peer industry position to significantly grow business, improve profitability and deliver healthy shareholder value.

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Proxy Form

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Registered Office: A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi-110028
Corp. Office: Plot No. 51, Sector-32, Gurgaon-122001 (Haryana) Tel: 0124-4651000, Fax: 0124-4651010, Website: www.pearlglobal.com; e-mail: investor.pgil@pearlglobal.com
CIN: L74899DL1989PLC036849

NOTICE TO MEMBERS

Notice is hereby given that the 26th Annual General Meeting of the Members of the Pearl Global Industries Limited, will be held on Tuesday, 22nd September, 2015 at 10:30 AM at Sri Sathya Sai International Centre, Pragati Vihar (Near Pragati Vihar Hostel), Lodhi Road, New Delhi-110 003, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement of the Company including consolidated financial statement for the financial year ended March 31, 2015, together with the Reports of Directors and Auditors thereon.
2. To declare dividend on equity shares for the year ended 31st March, 2015.
3. To appoint a Director in place of Mr. Deepak Seth, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Pulkit Seth, who retires by rotation and being eligible, offers himself for re-appointment.
5. To ratify the appointment of M/s S. R. Dinodia & Co. LLP. Chartered Accountants, (Regn. No. 001478N/N500005),New Delhi, as Statutory Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

6. TO RE-APPOINT MRS. SHEFALI SETH (DIN: 01388430) AS WHOLE-TIME DIRECTOR

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), and subject to approval of Central Government, if required, Mrs. Shefali Seth be and is hereby re-appointed as Whole-time Director of the Company for a further period of three years commencing from 19th January, 2015 to 18th January, 2018."

"RESOLVED FURTHER THAT Mrs. Shefali Seth will be entitled for the following remuneration per month as Whole-Time Director of the Company:

Salary : ₹ 5.00 Lacs per month.
Car : A Company maintained car for official purpose.
Mobile/Telephone : A mobile for official purpose.
Provident Fund & Gratuity: As per Company's Rules."

"RESOLVED FURTHER THAT Mrs. Shefali Seth, Whole-time Director shall be responsible for affairs of the Company with special focus on Design and Development of Products of the Company and also perform such other duties and services as shall from time to time be entrusted to her by the Board of Directors of the Company."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. TO RE-APPOINT MR. VINOD VAISH (DIN: 01945795) AS WHOLE-TIME DIRECTOR

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), and subject to approval of Central Government, if required, Mr. Vinod Vaish be and is hereby re-appointed as Whole-time Director of the Company for a further period of one year and nine months commencing from 19th January, 2015 to 18th October, 2016."

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"RESOLVED FURTHER THAT Mr. Vinod Vaish will be entitled for the following remuneration per month as Whole-Time Director of the Company:

Particulars	**(Amount in ₹)**
Basic Pay	58,600/-
House Rent Allowance	29,300/-
Special Allowance	15,570/-
Medical Allowance	1,250/-
Provident Fund & Gratuity	As per Company's rules

He will be provided a Company maintained Car and a mobile phone for official purpose, and also be entitled for reimbursement of actual business expenses.

"RESOLVED FURTHER THAT Mr. Vinod Vaish, Whole-time Director shall be responsible for affairs of the Company with special focus on HR & Administration functions of the Company and also perform such other duties and services as shall from time to time be entrusted to him by the Board of Directors of the Company."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts and deeds as may be necessary to give effect to this Resolution."

By order of the Board of Directors
for **PEARL GLOBAL INDUSTRIES LIMITED**

Place: Gurgaon.
Date: 22nd May, 2015

(Sandeep Sabharwal)
Company Secretary

Notice

NOTES:

1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED MUST REACH THE COMPANY'S REGISTERED OFFICE ATLEAST 48 HOURS BEFORE THE TIME OF THE MEETING.

2) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 15th September, 2015 to Tuesday, the 22nd September 2015 (both days inclusive).

3) The relevant Explanatory Statements pursuant to Section 102 of the Companies Act, 2013 and Clause 49 of the Listing Agreement in respect of re-appointment(s) of Directors are mentioned in this notice.

4) Members/Proxies are requested to bring their attendance slip along with copy of Annual Report to the Meeting and are requested not to bring any article, briefcase, hand bag, carry bag etc., as the same will not be allowed to be taken inside for security reasons. Further, the Company or any of its officials shall not be responsible for their articles, bags etc., being misplaced, stolen or damaged at the Meeting place.

5) Members/Proxies should fill the attendance slip for attending the meeting. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those hold shares in Physical forms are requested to write their Folio Number in the attendance slip for attending the meeting.

6) In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

7) Corporate members intending to send their authorised representative are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.

8. Pursuant to Section 124(5) of the Companies Act, 2013, the Company has transferred ₹ 2,98,674/- being the unpaid and unclaimed dividend amount pertaining to the financial year 2006-07 of erstwhile Pearl Global Limited, since merged with the Company, to the Investor Education and Protection Fund (IEPF) as established by the Central Government.

Information in respect of such unclaimed dividend including when due for transfer to the said Fund is given below:

Financial year ended	Rate of Dividend Declared on the paid-up equity share capital	Date of declaration of Dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEP Fund
31.03.2008	15%	29.08.2008	27.09.2015	26.10.2015
31.03.2013	10%	27.09.2013	25.10.2020	24.11.2020
31.03.2014	20%	26.09.2014	24.10.2021	23.11.2021

Members who have not encashed the dividend warrant(s) so far, are requested to make their claim to the Company or to the Registrar and Share Transfer Agent of the Company at Link Intime India Pvt. Limited, 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, New Delhi – 110 028.

9. Members who have not registered their e-mail addresses so for are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.

10. Soft copy of the Annual Report for the financial year 2014-15 is being sent to all the members, whose email IDs are registered with the Company/RTA/Depository Participants(s) for communication purposes. For members who have not registered their email address, physical copies of the Annual Report for the financial year 2014-15 are being sent in the permitted mode.

11. NO GIFT(S) SHALL BE DISTRIBUTED AT THE ENSUING 26TH ANNUAL GENERAL MEETING OF YOUR COMPANY.

12. Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company

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is please to provide to its members facility to exercise their right to vote at the 26th Annual General Meeting (AGM) by electronic means and the business contained herein may be transacted through e-voting Services provided by Central Depositary Services Limited (CDSL):

The instructions for e-voting are as under:-

i) The voting period begins on 19th September, 2015 at 10:00 AM and ends on 21st September, 2015 at 5:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 15th September, 2015 (record date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii) The shareholders should log on to the e-voting website www.evotingindia.com.

iii) Click on Shareholders.

iv) Now Enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

v) Next enter the Image Verification as displayed and Click on Login.

vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member ID/folio number in the Dividend Bank details field as mentioned in instruction (iv).

viii) After entering these details appropriately, click on "SUBMIT" tab.

ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

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xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xviii) Note for Non-Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com.in and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xix) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e.15/09/2015 may follow the same instructions as mentioned above for e-Voting.

xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

II Mr. Deepak Somaiya, Practicing Company Secretary (Membership No. FCS 5845) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

III The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

IV. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed immediately on the Company's website **www.pearlglobal.com** and on the website of CDSL and communicated to the BSE Limited and National Stock Exchange of India Limited simultaneously.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013 and Clause 49 of the Listing Agreement)

A brief Resume of the Director(s) offering themselves for re-election is given below:

Item No. 3

Mr. Deepak Seth, aged about 64 years, is Chairman of the Company. He is an Economics Graduate from St. Stephens College, Delhi University and holds a MBA Degree from Jamanalal Bajaj Institute of Management Studies, Bombay, India.

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Mr. Deepak Seth is one of the pioneers in the field of readymade garments and being a visionary, identified the potential of the Far East region as a major supplier to the garment industry worldwide and set up the Company as a global outfit. With his vision, Mr. Seth enabled the group to be fully geared to face the post quota regime from 2005 with major trust in setting up manufacturing units across the entire Far East to present every option to the buyer and make the group a ONE STOP SHOP for their valued customers.

Mr. Seth is an active member of the Apparel Export Promotion Council of India and held the post of "Vice Chairman" of the Eastern Region of AEPC for 2 years, he is also executive member of the Apparel Exporters & Manufacturers Association (AEMA) and was awarded the "Udyog Ratna" Award by the Haryana Govt. in 2006 for his entrepreneurial skills.

Details of other directorship/committee membership held by him in other Companies are as follows:

Directorship

Indian Companies:

PDS Multinational Fashions Limited, Pixel Industries Limited, PS Arts Pvt. Ltd., Pearl Retail Solutions Pvt. Limited,

Foreign Companies:

Pallas Holdings Ltd., SACB Holdings Ltd., Transnational Textile Group Ltd., NAFS Ltd., Multinational Textile Group Ltd, Global Textiles Group Ltd, Poeticgem International Ltd, FX Import Company Limited, FX Imports Hongkong Limited, Nor Lanka Manufacturing Limited, PG Group Limited, PG Home Group Limited, Spring Near East Manufacturing Co. Ltd. Nor India Manufacturing Co. Ltd., Pearl Global (HK) Limited, JSM Trading (F.Z.E.), UAE, Pearl Global Fareast Limited, Zamira Fashion Limited, Premier Pearl Garment Joint Stock Co. Limited, Vietnam, Superb Mind Holdings Ltd., DSSP Global Limited, Poetic Knitwear Limited, Norwest Industries Limited, Nor Lanka Colombo Manufacturing Limited, Nor France Manufacturing Co. Ltd, PDS Asia Star Corporation Limited, Designed and Sourced Limited, Gem Australia Manufacturing Limited, Kleider Sourcing Hongkong Limited, Nor Europe Manufacturing Limited, Nor Delhi Manufacturing Limited, Techno Manufacturing Limited, Propur Investment Limited, Simple Approach Canada Limited, Razamtazz Limited, Zamira Denim Lab Ltd.

He is not a member of any committee of the Company.

No remuneration except sitting fee for attending each meeting of the Board of Directors is proposed to be paid to Mr. Deepak Seth. Mr. Seth holds 7.13% equity shares in the Company.

Mr. Seth, the retiring Director, being eligible, offers himself for re-appointment.

Directors of your Company propose to appoint Mr. Deepak Seth as a Director, liable to retire by rotation and therefore this Resolution is recommended for approval of the Shareholders of the Company.

None of the Directors, except Mr. Deepak Seth, himself, Mr. Pulkit Seth and Mrs. Shefali Seth, being relatives, are interested, whether directly or indirectly, in this Resolution.

Item No. 4

Mr. Pulkit Seth, aged 35 years is Managing Director of the Company. He has a Bachelor of Business Management degree from Leonard N. Stern School of Business, University of New York, USA. He has over eleven years of experience in the Apparel Industry. He has been overseeing the domestic & overseas operations of the Group and has played an important role in streamlining business processes and enhancing our relationship with leading retailers in the U.S.

Details of other Directorship/Committee Membership held by him in other Companies are as follows:

Directorship

Indian Companies:

Pixel Industries Limited, Pearl Retail Solutions Private Limited, PS Arts Private Limited.

Foreign Companies:

Pallas Holdings Ltd., Transnational Textile Group Ltd., NAFS Ltd., PAF International Ltd., Norp Knits Industries Ltd., PT Pinnacle Apparels, Lerros Moden GmbH, Pearl Global Fareast Limited, Pearl Global (HK) Ltd., DSSP Global Limited.

Committee Membership

i) Stakeholders Relationship Committee; and

ii) CSR Committee

Mr. Pulkit Seth, the retiring Director, being eligible, offers himself for re-appointment.

Directors of your Company propose to appoint Mr. Pulkit Seth as a Director, liable to retire by rotation and therefore this Resolution is recommended for approval of the Shareholders of the Company.

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None of the Directors, except Mr. Pulkit Seth, himself and Mr. Deepak Seth and Mrs. Shefali Seth, being relatives, are interested, whether directly or indirectly, in this Resolution.

Item No. 6 & 7

Re-appointment of Mrs. Shefali Seth as Whole-Time Director

Mrs. Shefali Seth, aged about 34 years, is presently heading Design & Product Development functions of the Company. She has a Bachelor degree in Business Administration from University of Bradford, U. K., has varied exposure in Garments and Textiles Industry.

Members of the Company at its Annual General Meeting held on 19th September, 2012 had approved the appointment and remuneration of Mrs. Shefali Seth as Whole-Time Director of the Company for a period of three years w.e.f. 19th January, 2012.

Further, members of the Company at its Annual General Meeting held on 26th September, 2014 had approved the revision in remuneration of Mrs. Shefali Seth from ₹ 4.0 Lac to ₹ 5.0 Lacs per month for her remaining tenure w.e.f. 1st June, 2014.

The Nomination and Remuneration Committee, at its meeting held on 14th November, 2014, had recommended the terms of remuneration payable to Mrs. Shefli Seth as Whole-Time Director for a further period of three years commencing from 19th January, 2015. The Board of Directors, at its meeting held on 14th November, 2014, had approved her re-appointment. The Nomination and Remuneration Committee and the Board of Directors of the Company are of the opinion that she is fit and proper person to hold the said office and her re-appointment will be in the interest of the Company.

Details of other directorship/committee membership held by her in other Companies are as follows:

Directorship

Pixel Industries Limited, (II) PS Arts Private Limited (III) DSSP Global Limited

She is not a member of any committee of the Company.

Your Directors feel that the professional qualification and experiences of Mrs. Shefali Seth are of great value to the Company and her re-appointment as Whole-Time Director of the Company will be beneficial to the Company. Your Directors recommend the passing of the resolution at Item no. 6 as Special Resolution.

None of the Directors, except Mrs. Shefali Seth, herself, Mr. Deepak Seth, and Mr. Pulkit Seth being relatives, are interested, whether directly or indirectly, in this Resolution.

Re-appointment of Mr. Vinod Vaish as Whole-Time Director

Mr. Vinod Vaish, aged about 56 years, is presently heading Administration and HR functions of the Company. He is a Bachelor of Science and Long Logistics & Management. He had been in the Indian Navy for 28 years at various levels in various capacities and has achieved in depth knowledge of all aspects of Administration and Logistics Management. He has been conferred President Gold Medal for overall outstanding best officer in Naval Academy.

Members of the Company at its Annual General Meeting held on 19th September, 2012 had approved the appointment and remuneration of Mr. Vinod Vaish as Whole-Time Director of the Company for a period of three years w.e.f. 19th January, 2012.

The Nomination and Remuneration Committee, at its meeting held on 14th November, 2014, had recommended the terms of remuneration payable to Mr. Vinod Vaish as Whole-Time Director for a further period of one year and nine months *(being the attaining the age of retirement. However, the Board would recommend his re-appointment further, if they consider)* commencing from 19th January, 2015. The Board of Directors, at its meeting held on 14th November, 2014, had approved his re-appointment. The Nomination and Remuneration Committee and the Board of Directors of the Company are of the opinion that he is fit and proper person to hold the said office and his re-appointment will be in the interest of the Company.

Details of other directorship/committee membership held by him in other Companies are as follows:

Directorship

Lerros Fashions India Limited, (II) Pearl Apparels Limited

Committee Membership

He is Chairman of the CSR Committee and Member of Audit Committee of your Company.

Your Directors feel that the professional qualification and experiences of Mr. Vinod Vaish are of great value to the Company and his re-appointment as Whole-Time Director of the Company will be beneficial to the Company. Your Directors recommend the passing of the resolution at Item no. 7 as Special Resolution.

Notice

None of the Directors, except Mr. Vinod Vaish, himself are interested, whether directly or indirectly, in this Resolution.

THE STATEMENT PURSUANT TO SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013 FOR ITEM NO. 6 & 7

I. GENERAL INFORMATION:

1. NATURE OF INDUSTRY

   Pearl Global Industries Limited is engaged in manufacture and exports of Readymade Garments. Textile and Garment Industry plays a major role in the economy of the country. Indian textile and garment industry is the largest in the country in terms of employment generation. There are various international brands which source readymade garments from the Indian markets.

   The Company has large installed capacity for apparel manufacturing with state-of-the-art machinery and work process for supplying high quality products to Customers and with the continuous up-gradation of manufacturing facilities, the Company shall record further increase in Turnover and Profits in future years.

2. DATE OF COMMENCEMENT OF COMMERCIAL PRODUCTION

   The date of commencement of commercial production (in erstwhile Pearl Global Limited, since merged with the Company) was 7th December, 1988.

   IN CASE OF NEW COMPANIES, EXPECTED DATE OF COMMENCEMENT OF ACTIVITIES AS PER PROJECT APPROVED BY FINANCIAL INSTITUTIONS APPEARING IN THE PROSPECTUS

   Not Applicable

3. FINANCIAL PERFORMANCE BASED ON GIVEN INDICATORS

   The gross income of the Company stood at ₹ 651.82 Crore. The Profit before Tax for the year is ₹15.17 Crore against ₹15.47 Crore last year. The Company managed to have PAT of ₹10.21 Crore.

4. EXPORT PERFORMANCE AND NET FOREIGN EXCHANGE COLLABORATIONS

   The Readymade Garment saw exit of Multi Fibre Agreement regime to a new regime of quota free regime, this has resulted in a changing scenario in the Indian Readymade Garment Industry, which is to going through a changing face in which the Industry will have to improve upon its bottom line and upgrade its technology in line with the International norms.

   The FOB value of Export earnings of ₹ 575.12 Crores during the current financial year 2014-15, and ₹ 607.02 Crores in the last year.

5. FOREIGN INVESTMENTS OR COLLABORATORS, IF ANY

   The Company has no foreign collaboration.

   Apart from holding 414559 equity shares of ₹ 10/- each of your Company by 150 NRI / OCB's Members/ Folios representing 1.91 % of the total paid up Capital of the Company as on 31st March 2015, there is no other foreign investment in the Company.

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II. INFORMATION ABOUT THE APPOINTEE

Information	Mrs. Shefali Seth		Mr. Vinod Vaish
Background Details	Mrs. Shefali Seth aged about 34 years, a Bachelor of Science in Business Administration from University of Bradford, U. K., has varied exposure in Garments and Textiles Industry. She is Whole-Time Director of the Company and heading Design & Product Development functions since 2012. She is having International experience in trading, marketing of Readymade Garments and knowledge of Southeast Asia region for over two years.		Mr. Vinod Vaish, aged about 56 years, is a Bachelor of Science and Long Logistics Management. He had been in the Indian Navy for 28 years at various levels in various capacities and has achieved in depth knowledge of all aspects of Administration and Logistics Management. He has over 7 years experience in private sector, specifically in Administration and production.
Past Remuneration	₹ 5 Lacs Per Month		₹ 1.06 Lacs Per Month
Recognition or Awards	NIL		NIL
Job Profile and their Suitability	Mrs. Shefali Seth, Whole-Time Director shall be responsible for product design and development functions of the Company and also perform such other duties and services as shall from time to time be entrusted to her by the Board of Directors of the Company. Considering the contribution, Board considered her suitable for this position.		Mr. Vinod Vaish shall be responsible for affairs of the Company with special focus on HR & Administration functions of the Company and also perform such other duties and services as shall from time to time be entrusted to him by the Board of Directors of the Company. Considering the contribution, Board considered him suitable for this position.
Remuneration Proposed	Salary: ₹ 5.00 Lacs per month. Car: A Company maintained car for official purpose. Mobile/ Telephone: A mobile for official purpose. Provident Fund & Gratuity: As per Company's rules		Basic Salary : 58, 600/- per month HRA : 29,300/- per month Spl. Allowance : 15,570/- per month Medical Reimbursement : 15,000/- per annum Mobile/Telephone: A mobile for official purpose Provident Fund: As per Company's rules He shall also be entitled for reimbursement of actual expenses for business of the Company
Comparative Remuneration profile with respect to industry, size of the company profile of position and person	Arvind Limited Period: 2013-14 Turnover: ₹ 5,228 Crore Managerial Personnel: Managing Director Annual Managerial Remuneration: ₹ 731 Lacs	Gokaldas Exports Ltd Period: 2012-13 Turnover: ₹ 986 Crore Managerial Personnel: Directors & CEO Annual Managerial Remuneration: ₹ 100 Lacs	Bombay Rayon Fashions Ltd Period:- 2013-14 Turnover: ₹ 2,907 Crore Managerial Personnel: Managing Director Annual Managerial Remuneration: ₹ 257 Lacs
Pecuniary relationship directly or indirectly with the company or with the managerial personnel, if any	Relating to Pecuniary Relationship, information provided under Past and proposed Remuneration hereinabove. Mrs. Shefali Seth is related to Mr. Deepak Seth, and Mr. Pulkit Seth. She holds 30 Equity Shares of the Company.		Pecuniary Relationship other than Remuneration proposed above, is NIL. No relationship with Managerial Personnel. He does not hold in any Share in the Company.

Notice

III. OTHER INFORMATION:

1. REASONS OF LOSS OR INADEQUATE PROFITS
The Readymade Garments Export Industry had yet another tough year where Revenues have grown but profitability was impaired due to higher cost of production coupled with pressure on margins due to recession.

2. STEPS TAKEN OR PROPOSED TO BE UNDERTAKEN FOR IMPROVEMENTS
Your Company realises that the Buyers can only be attracted through a proper blend of cost, speed / logistics, plant efficiency, supply chain, compliance, reliability and relationship.

The Company is laying special focus on technological up-gradation, lesser breakdown time, use labour saving devices, training of managers, supervisors and operators. Besides, the Company is also outsourcing manufacturing from low cost destinations.

Maintaining quality, reducing cost with better productivity will help the Company to operate profitably.

3. EXPECTED INCREASE IN PRODUCTIVITY AND PROFITS IN MEASURABLE TERMS
The Sales Turnover of your Company during the year 2014-15 was ₹ 651.82 Crore. The Company's PAT stood at ₹ 10. 21 Crore during 2014-15.

Your Company has since identified and prioritized its targets and has been gearing up to face the perceived challenges and further enhance its presence in the International Markets. Barring under seen circumstances, your company profitability during 2015-16 should increase by 10% and productivity by 15%.

IV. DISCLOSURES:

Remuneration package of the Managerial Person(s) paid for the year 2014-15:

Name of the Director(s)	Mr. Pulkit Seth	Mrs. Shefali Seth	Mr. Vinod Vaish	All other Directors
Designation	Managing Director	Whole Time Director	Whole Time Director	
Salary	70,50,000	58,00,000	12,56,640	--
Others (Provident Fund)	16,500	16,500	16,500	--
Service Contract	3 years	3 years	1 year and 9 months	--
Notice Period, Severance fees	Nil	Nil	--	Nil
Sitting Fees	Nil	Nil	NIL	₹ 7,500/- for attending each Board Meeting
Total	**70,66,500**	**58,16,500**	**12,73,140**	**--**

The Company has no policy for stock option, pension, and performance linked incentives. The company is not paying any bonus, commission or other benefits except as above, to the Executive Directors. The details of Directors remuneration are also disclosed in Corporate Governance Report.

The above said terms and conditions of payment of remuneration are duly considered, approved and recommended by the Nomination and Remuneration Committee in its Committee Meeting held on 14th November, 2014.

Copies of the resolutions passed by the Board in respect of the above may be inspected at the Corporate Office of your Company between 11:00 a.m. and 1:00 p.m. on all working days except Saturday and holidays.

The Directors commend the resolution for your approval as a Special Resolution.

By order of the Board of Directors
for **PEARL GLOBAL INDUSTRIES LIMITED**

Place: Gurgaon
Date: May 22, 2015

(Sandeep Sabharwal)
Company Secretary

Directors' Report

To the Members,

Your Directors are pleased to present the 26th Annual Report and Audited Financial Statements for the year ended 31st March 2015, together with the Auditors' Report thereon.

WORKING RESULTS OF THE COMPANY (STANDALONE) (₹ in crore)

Particulars	2014-15	2013-14
Income from operations	623.99	663.44
Other Income	27.82	22.04
Profit before Tax	15.17	15.47
Provision for Tax	4.95	0.75
Profit After Tax	10.22	14.72
Transfer to General Reserves	---	1.10

WORKING RESULTS OF THE COMPANY (CONSOLIDATED) (₹ in crore)

Particulars	2014-15	2013-14
Income from operations	1,023.74	4,698.95
Other Income	24.05	65.28
Profit before Tax	34.21	50.76
Provision for Tax	9.90	06.70
Profit After Tax	24.31	44.06
Minorities Share in (Profit)/Loss	0.75	(5.42)
Profit for the year	25.06	38.64

Consolidated results for the year ended 2013-14 are prior to Scheme of Arrangement for demerger with PDS Multinational Fashions Limited. Hence figures for 2014-15 are not comparable with previous year.

STATE OF THE AFFAIRS OF THE COMPANY

Pearl Global Industries Limited is one of India's largest listed garment exporters, manufacturing from multiple sourcing regions within India and countries within South Asia. A preferred long-term vendor to most leading global brands, we are amongst the leading players in our industry. Our mainstay business is to create value from competitively manufacturing and exporting fashion garments to leading global brands. We have now also ventured into e-retail through established digital channels and our own e-com portal "Sbuys.in", giving consumers access to global fashion at attractive values.

Our product range includes knits, woven and bottoms (basic and complex designs) across men, women and kids wear segments. We have a well-diversified and de-risked manufacturing base across India, Indonesia and Bangladesh. We have a total capacity to manufacture around 5 million garments per month (including own and outsourced facilities). Our revenue structure is primarily export based, with a major contribution coming from exports to the United States. We provide total supply chain solutions to customers – value retailers and high-end fashion brand retails in the United States and Europe. Our business model enables us to offer superior quality products across various countries, catering to all kinds of consumers. Our esteemed global clientele include premium retailers in USA and Europe, including GAP, Banana Republic, Kohl's, Macy, Ralph Lauren, Tom Tailor and Next, among others.

We strive to be the most preferred vendor to the top global apparel brands and be ranked amongst the top garment manufacturers in the world, in terms of quality, service standards and ultimately - customer satisfaction, keeping in line with our broader vision. With additional capacities and promising growth in new markets and geographies, we bettered our operational performance during the year. We continued to amplify our strengths, while diversifying our footprint in the global market.

Currently, ~90% of our sales are accounted by United States. However, the seasonal decline in sales of wovens during the fall season (August-November) results in lower capacity utilization at our Indian facilities. Hence, we are continuously endeavouring to diversify our sales to newer geographies in Australia, UK, Germany, Canada, Mexico, Chile and South Africa.

Directors' Report

Our Manufacturing Facilities

Country	Name	Factories	Capacity Mn Pieces / Month	Machines
India	Pearl Global	7	1.68	4,500
Bangladesh	Norp Knit	5	1.8	3,400
Indonesia	PT Pinnacle	2	0.35	1,100

Our Capabilities

- *Fabric Development Centres*
  We have Fabric Development Centres in China and India as well as Design and Product Development teams across the globe. Our Fabric Development teams circulate the latest fabric ideas amongst the designers, who develop a product profile. This profile is shared with manufacturing facilities for the purpose of product development. Our design and product development teams support all three streams of our business across all the locations.

- *In-house hand-work set up in North India and Bangladesh*
  We have one of the largest in-house embroidery facility with a capacity of 500 installed heads in North India and another 100 installed heads in Bangladesh.

- *In-house washing capacity*
  Our in-house washing capacity is established in North India and Bangladesh with a capacity of 50,000 pieces a day and 35,000 pieces a day, respectively.

- *Garment dyeing facility*
  A garment dyeing facility has been established in Bangladesh, with a capacity of 10,000 pieces a day.

Multi-Speciality Manufacturing:
We have a strong foothold in the prominent garment manufacturing hubs – in India and across the globe. This enables us to diversify our manufacturing capabilities and to customize our products to market needs.

Location of Facility	Specialisation
India → Rajasthan (Access through third parties)	Hand-block printing, hand embroidery, bead work
India → NCR, Delhi	High fashion cotton knitwear and wovens
India →Bangalore & Chennai	Basic & fashion woven and knitwear
Bangladesh	Knitwears, basic shirts, jackets, bottom weights
Indonesia	High fashion polyester knitwear and wovens

DIVIDEND

Your Directors have recommended dividend ₹ 2.25/- per Equity Share of ₹ 10/- each (Previous year ₹ 2/- per equity share) for the financial year 2014-15, amounting ₹ 584.90 Lacs (inclusive of tax on dividend). The dividend payout is subject to approval of the members at the ensuing Annual General Meeting.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of your Company, Mr. Deepak Seth, Chairman and Mr. Pulkit Seth, Vice-Chairman and Managing Director would retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

The Board of Directors of your Company met four times on May 26, 2014, August 14, 2014, November 14, 2014 and February 13, 2015, during the financial year 2014-15.

The Board has appointed Mr. Raj Kumar Chawla as Chief Financial Officer of the Company with effect from 26th May, 2014.

Mr. Sandeep Sabharwal is Company Secretary of the Company since 1st May, 2008.

The Board has re-appointed Mr. Vinod Vaish and Mrs. Shefali Seth as Whole-Time Director of the Company with effect from 19th January, 2015. The Resolutions for their re-appointment are being proposed in the Notice calling this Annual General Meeting.

DIRECTORS' IDENTIFICATION NUMBER (DIN)

The following are the Directors Identification Number (DIN) of your Directors:

Mr. Deepak Seth	-	00003021	Mr. Chittranjan Dua	-	00036080
Mr. Pulkit Seth	-	00003044	Mr. Samar Ballav Mohapatra	-	00327410
Mrs.Shefali Seth	-	01388430	Mr. Rajendra Kumar Aneja	-	00731956
Mr. Anil Nayar	-	01390190	Mr. Vinod Vaish	-	01945795

Directors' Report

The Company has received necessary declaration from each independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence as laid down in Section 149(6) of the Companies Act, 2013.

The Company had already constituted Nomination and Remuneration Committee as required under Sub-Section (1) of Section 178 of the Companies Act, 2013 Comprising three non-executive Independent Directors Mr. S.B. Mohapatra, Chairman, Mr. Rajendra Kumar Aneja and Mr. Anil Nayar, Members of the Committee. The Company has also formulated a Policy for performance evaluation of Board, Committees, Independent Directors and other individual Directors which included criteria for performance evaluation of the non-executive Directors and executive Directors.

The Nomination and Remuneration Policy of the Company is annexed herewith as Annexure-I with this report.

BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, committees and individual Directors pursuant to the provisions of the Companies Act, 2013 and Rules made there under.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors, performance of non-independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and individual Directors was also discussed.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

AUDIT COMMITTEE

The Audit Committee comprises two Independent Directors, namely Mr. Anil Nayar, Chairman, Mr. S.B. Mohapatra, Member and one executive Director, Mr. Vinod Vaish, as Member of the Committee. All the recommendations made by the Audit Committee were accepted by the Board.

VIGIL MECHANISM

The Company has set up a Vigil Mechanism, which also incorporates a whistle blower policy in terms of Listing Agreement. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone no. or a letter through to the Vigilance Officer or to the Chairman of the Audit Committee. The policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: http://pearlglobal.com/investors-policy.asp

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Committee of the Company has formulated a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The CSR Policy may be accessed on the Company's website at http://pearlglobal.com/investors-policy.asp

Your Company has identified an area of education for underprivileged children for engagement under CSR activities. The Company has earmarked ₹ 15.00 Lakh for spending on the area of education, out of which ₹ 4.00 Lakh have already been spent.

The Annual Report on CSR activities is annexed herewith as Annexure-II.

SUBSIDIARY COMPANIES

During the year under review, Companies listed in Annexure-III to this report have become or ceased to be Company's subsidiaries, joint ventures or associates Companies.

Pursuant to Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of the subsidiary companies is attached to the Financial Statements in Form AOC-1. The Company will make available the said financial statements and related detailed information of the subsidiary companies upon the request by any member of the Company. These financial statements will also be kept open for inspection by any member at the Registered Office of the Company.

Directors' Report

The financial statements of the Company, consolidated financial statements along with the relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

The Policy of determining material subsidiaries as approved may be accessed on the Company's website at http://pearlglobal.com/investors-policy.asp

AUDITORS

In terms of Section 139 of the Companies Act, 2013, M/s S. R. Dinodia & Co. LLP, Chartered Accountants, (Regn. No. 001478N/N500005), New Delhi, were appointed by the Members in its 25th Annual General Meeting held on 26th September, 2014 as Statutory Auditors of the Company for a period of three years. A Resolution for ratification of their appointment as Statutory Auditors is proposed in the Notice calling the Annual General Meeting.

SECRETARIAL AUDITOR

The Board has appointed Mr. Deepak Somaiya, Practising Company Secretary, proprietor of M/s. Deepak Somaiya & Co. Company Secretary, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year 2014-15 is annexed herewith as Annexure-IV. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

COST AUDITOR

The Board has appointed M/s. D A & Associates, Cost Accountants, for conducting the audit of cost records of the Company for the financial year 2014-15.

INTERNAL AUDITOR

The Board has appointed M/s. Narula & Gupta, Chartered Accountants, New Delhi (FRN 013532N), as Internal Auditor for the financial year 2014-15.

EXTRACTS OF ANNUAL RETURN

Extract of Annual Return of the Company is annexed herewith as Annexure-V to this Report.

RELATED PARTY TRANSACTIONS

Particulars of Contracts or Arrangements with Related Parties referred to in Section 188(1) of the Companies Act, 2013 in Form AOC-2 is annexed as Annexure-VI.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Particulars of Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 is annexed as Annexure-VII.

FIXED DEPOSITS

Your Company has not accepted any Fixed Deposits from Public or Shareholders during the year, nor has any unclaimed or unpaid deposits at the end of the financial year.

RISK MANAGEMENT

The Company has implemented procedures and policies in place for risk management including identifying risk which may threaten the existence/operations of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 (5) of the Companies Act, 2013, with respect to Directors Responsibility Statement, your Directors state that:

a) in the preparation of the annual accounts for the financial year ended 31st March 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures. There are no material departures from the same;

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2015 and of the profit and loss of the Company for that period;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts on a 'going concern' basis;

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

LISTING

The shares of your Company are listed at BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai. The listing fees to the Stock Exchanges for the year 2014-15 have been paid.

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd is Company's Registrars and Share Transfer Agent (RTA) as common agency both for physical and demat shares, as required under Securities Contract (Regulation) Act, 1956. The detail of RTA forms part of the Corporate Governance Report.

CORPORATE GOVERNANCE

Report on Corporate Governance along with the certificate of the Auditors, confirming compliance of conditions of Corporate

Directors' Report

Governance as stipulated under Clause 49 of the Listing Agreement, forms part of the Annual report.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed review of operations, performance and future outlook of the Company is given separately under the head "Management Discussion and Analysis".

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The details as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure-VIII to this report.

Particulars of employees as required under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure-IX to this report.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under Section 134(3)(m) is annexed as Annexure-X to this report.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

REPORT ON SEXUAL HARASSMENT-INTERNAL COMPLAINTS COMMITTEE

Pursuant to the provisions of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. There were no complaints received during the financial year 2014-15.

ACKNOWLEDGEMENT

The Directors of your Company are thankful to Bankers, Business Associates, Customers, Members, Government Bodies & Regulators for the continuous support received from them and place on record their appreciation for the sincere services rendered by the employees at all level.

For and on behalf of the Board
for **PEARL GLOBAL INDUSTRIES LIMITED**

(VINOD VAISH)	**(PULKIT SETH)**
Whole-Time Director	Managing Director
DIN 01945795	DIN 00003044

Place: Gurgaon
Date: May 22, 2015

Annexure I to Directors Report

NOMINATION AND REMUNERATION POLICY

1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement. The Key Objectives of the Committee would be:

1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

1.2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.

1.3. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

1.4. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

1.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

1.6. To devise a policy on Board diversity

1.7. To develop a succession plan for the Board and to regularly review the plan;

2. DEFINITIONS

2.1. **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

2.2. **Board** means Board of Directors of the Company.

2.3. **Directors** mean Directors of the Company.

2.4. **Key Managerial Personnel** means

2.4.1. Chief Executive Officer or the Managing Director or the Manager;

2.4.2. Whole-time director;

2.4.3. Chief Financial Officer;

2.4.4. Company Secretary; and

2.4.5. such other officer as may be prescribed.

2.5. **Senior Management** means Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors.

3. POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

3.1. **Appointment criteria and qualifications:**

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

3.2. Term / Tenure

a) Managing Director/Whole-time Director:
The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he / she shall be eligible for appointment for one more term of 5 years only.

Annexure I to Directors Report

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

3.3. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

3.4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

3.5. Retirement

The KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

4. POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

4.1. General:

a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee or as per policies framed by the committee. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

b) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.

c) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

4.2. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

a) Fixed pay:

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board or the Committee.

b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

4.3. Remuneration to Non- Executive / Independent Director:

a) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

b) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

5. MEMBERSHIP

5.1 The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.

5.2 Minimum two (2) members shall constitute a quorum for the Committee meeting.

5.3 Membership of the Committee shall be disclosed in the Annual Report.

Annexure I to Directors Report

5.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

6. CHAIRPERSON

6.1 Chairperson of the Committee shall be an Independent Director.

6.2 Chairperson of the Board may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

6.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

6.4 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

7. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

8. COMMITTEE MEMBERS' INTERESTS

8.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

8.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

9. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

10. VOTING

10.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

10.2 In the case of equality of votes, the Chairman of the meeting will have a casting vote.

11. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

11.1 Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;

11.2 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;

11.3 Identifying and recommending Directors who are to be put forward for retirement by rotation.

11.4 Determining the appropriate size, diversity and composition of the Board;

11.5 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;

11.6 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;

11.7 Delegating any of its powers to one or more of its members or the Secretary of the Committee; and

11.8 Considering any other matters, as may be requested by the Board.

12. REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

12.1 To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

12.2 To approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

12.3 To delegate any of its powers to one or more of its members or the Secretary of the Committee.

12.4 To consider any other matters as may be requested by the Board.

12.5 Professional indemnity and liability insurance for Directors and senior management.

Annexure II Annual Report on CSR Activities

1. Over the year, we have been focusing on sustainable business practices encompassing economic, environmental and social imperatives that not only cover our business, but also that of communities around us.

   We had set up a Society namely Arpan Education Society For Underprivileged Children in the year 2006. This was done to provide the free education to underprivileged children, long before the provision of the Companies Act, 2013, stating the CSR activities undertaken by the Company has to be through a registered trust or society. Visit http://www.arpaneducation.com/index.html for more details and the activities of the Society.

2. The CSR Committee comprises Mr. Vinod Vaish, Chairman, Mr. Pulkit Seth, and Mr. Anil Nayar as Members.

3. Average net profit of the Company for last three financial years: ₹ 7.40 crore.

4. Prescribed CSR expenditure (two percent of the amount mentioned in item 3 above): ₹ 14.78 Lakh. (The Company has earmarked ₹ 15.00 Lakh for CSR activities for the year)

5. Details of CSR spent during the financial year:

   (a) Total amount to be spent for the financial year ₹ 15.00 Lakh
   (b) Amount unspent, if any: ₹ 11.00 Lakh
   (c) Manner in which the amount spent during the financial year is detailed below:

(₹in lakh)

Sr.No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programmes (1) Local Area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (Budget) Project or Program wise	Amount Spent on the Projects or Programs Sub heads: (1) Direct expenditure on projects or program (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1.	Education and other initiatives	Promoting Education	NCT of Delhi	15.00	4.00	4.00	Through Arpan Education Society For Underprivileged Children

6. Reasons for not spending the amount:
   The unspent amount will be spent as per needs and requirements of Little Pearl School. The unspent amount will be spent for and out of amount earmarked for financial year 2014-15.

7. Responsibility Statements
   The Responsibility Statement of the CSR Committee of the Board of Directors of the Company is reproduced below:

   "The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company."

(Pulkit Seth)
Managing Director

(Vinod Vaish)
Chairman of CSR Committee

Annexure-III to the Directors' Report

Details of Companies which have become or ceased to be its Subsidiaries, Joint Ventures or Associate Companies during the year:

[Pursuant to Rule 5 (iv) of the Companies (Accounts) Rules, 2014]

Name of the Company who become Subsidiary during the year:

Pixel Industries Ltd

Name of the Subsidiary Company who ceased during the year:

PDS Multinational Fashions Limited
Multinational Textile Group Ltd
Global Textiles Group Limited
Casa Forma Limited
PDS Asia Star Corporation Ltd
Simple Approach Limited
Zamira Fashion Limited
PG Group Limited
DPOD Manufacturing Ltd
Norwest Industries Limited
Poeticgem International Ltd
Nor Delhi Manufacturing Limited
Nor Lanka Manufacturing Colombo Limited
Poeticgem Limited
Simple Approach (Canada) Limited
SACB Holding Limited
PG Home Group Limited
Gem Australia Manufacturing Co. Ltd
FX Import Co. Ltd
Grand Pearl Trading Co. Limited
Razamtazz Limited
Nor France Manufacturing Co. Ltd
Nor Europe MFG Co. Limited
Kleider Sourcing Hongkong Ltd
Techno Manufacturing Ltd (Formerly Sino West MFG Co. Limited)
Nor India Manufacturing Co. Limited
Spring Near East Manufacturing Company Limited
Designed and Sourced Ltd
FX Import Hongkong Limited
Poetic Knitwear Limited
Pacific Logistics Limited
Pearl GES Home Group SPA
Nor Lanka Manufacturing Limited

Note:
Consequent upon demerger of the Company investment in Multinational Textile Group Limited (MTGL), a Wholly Owned Subsidiary of the Company stand transferred to PDS Multinational Fashions Limited and accordingly MTGL and its subsidiaries ceased to be subsidiaries of the Company.

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
Pearl Global Industries Limited
A-3, Community Centre,
Naraina Industrial Area
Phase-II, New Delhi-110028

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Pearl Global Industries Limited (hereinafter called the "Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Pearl Global Industries Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

Annexure-IV to the Directors' Report

We have examined the books, papers, minute books, forms and returns filed and there records maintained by Pearl Global Industries Limited ("the Company") for the financial year ended on 31st March, 2015, according to the provisions of (hereinafter to be referred as "Act" collectively):

(i.) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii.) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii.) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv.) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v.) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (There is no stock option scheme issued during the year)
(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company)
(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company)
(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (No such case) and
(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;(There is no buyback of Shares during the year)

(vi) No specific law applicable specifically to the company (like Banking and Insurance).

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.
(As the Secretarial Standards are not notified till 31st March 2015 are not applicable)
(ii) The Listing Agreements entered into by the Company with BSE and NSE Stock Exchange(s),

During the period under review we found that the Company has complied with the various provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above are as follows:

- Company has received the disclosure under Regulation 30(1) and 30(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and intimated to Stock Exchanges also.
- Company has received declaration under Section 149(6) of the Companies Act, 2013 and as per Clause 49 of the listing agreement from all the Independent directors.
- Company has adopted a conflict of interest policy, a code of business conduct setting out the Company's requirements and process to report and deal with non compliance.
- Company has make responsible the Compliance officer for oversight and management of these policies and procedures.
- Company has established various policies as per the Companies Act, 2013 and listing agreement like, CSR policy, Vigil Mechanism policy, Related Party Transaction Policy, Whistle Blower Policy and Directors appointment and remuneration policy.

- Company has composite various committee(s) are as under:

1. Audit Committee:

Mr. Anil Nayar	-	Chairman
Mr. Vinod Vaish	-	Member Director
Mr. S.B Mohapatra	-	Member Director

2. Nomination and Remuneration Committee:

Mr. S.B Mohapatra	-	Chairman
Mr.Rajendra K. Aneja	-	Member Director
Mr. Anil Nayar	-	Member Director

Annexure-IV to the Directors' Report

3. Stakeholder Relationship Committee:

Mr. S.B Mohapatra	-	Chairman
Mr. Pulkit Seth	-	Member Director
Mr. Vinod Vaish	-	Member Director

4. CSR Committee:

Mr. Vinod Vaish	-	Chairman
Mr.Pulkit Seth	-	Member Director
Mr.Anil Nayar	-	Member Director

5. Compliance Officer:
Mr. Sandeep Sabharwal

- The Company's shares are in compulsory demat segment and are available for trading in the depository system of both NSDL and CDSL. As on 31st March 2015 the company has 19408158 shares in NSDL A/c, 1765930 shares in CDSL A/c and balance of 489849 are in physical mode.

- The Company's shares in physical form are process by the Registrar and Share Transfer Agent (Link Intime India Pvt Ltd at 44 Community Centre, 2nd Floor, Naraina Industrial Area Phase-1, New Delhi-110028) and approved by the Stakeholders Relationship Committee. Share transfer process also reviewed by the Board.

- Investor's Grievance Report during the Financial year:

No. of Grievances Received	-	6
No. of Grievances Attended	-	6
No. of Grievances Pending	-	0

- As informed to us there is no change in general character or nature of business / disruption of operations due to natural calamity/ dispute with a material impact during year.

- The Company has published quarterly results during the year in time.

Various Committee meetings and meeting of Independent Directors:

Audit Committee: During the Financial Year 2014-15 Audit Committee met on 26.05.2014, 14.08.2014, 14.11.2014, and 13.02.2015. The Company has also maintain the proper record of the minutes of the meetings.

Stakeholders Relationship Committee: During the Financial Year 2014-15 the committee met on 17.05.2014, 05.08.2014, 14.08.2014, 05.09.2014, 18.09.2014, 30.09.2014, 14.10.2014, 10.11.2014, 20.11.2014, 23.12.2014, 23.02.2015 and 31.03.2015. The Company has also maintain the proper record of the minutes of the meetings.

Nomination and Remuneration Committee meeting:
The Committee met on 26.05.2014 and 14.11.2014 during the Financial Year 2014-15

CSR Committee:
The Committee met on 26.05.2014 during the Financial Year 2014-15.

Independent Directors' meeting:
During the Financial Year 2014-15 the Independent Directors met on 13.02.2015 and 15.03.2015. The Company has proper record of the minutes of the meetings.

We further report that
The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Composition of the Board:

Mr. Deepak Seth	-	Chairman
Mr. Pulkit Seth	-	Vice-Chairman & Managing Director
Mrs.Shefali Seth	-	Whole-Time Director
Mr. Vinod Vaish	-	Whole-Time Director
Mr. S.B.Mohapatra	-	Non-executive Independent Director
Mr. Chittranjan Dua	-	Non-executive Independent Director
Mr. Rajendra K. Aneja	-	Non-executive Independent Director
Mr. Anil Nayar	-	Non-executive Independent Director

The changes in the composition of the Board of Directors took place are as below:
Mr. Pallak Seth (Director) and Mr. Ashutosh Prabhudas Bhupatkar (Director) have resigned on 12.05.2014 and 11.05.2014 and the Board noted the same in its meeting held on 26.05.2014.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Annexure-IV to the Directors' Report

Details of Board Meeting:
Board has met four times during the Financial year on 26.05.2014, 14.08.2014, 14.11.2014 and 13.02.2015. The Company has also maintained the proper record of the minutes of the meetings.

Majority decision are carried through the Board (means unanimously) and there is no dissenting members' views are captured and recorded as part of the minutes.

Annual General Meeting:
During the Financial Year 2014-15 the Company has called 25th Annual General Meeting for the Financial Year 2013-14 on 26th September 2014 at Sri Sathya Sai International Centre, Lodi Road, New Delhi-110003. The Company has kept the date of book Closure on 19th September 2014 to 26th September 2014 (both days inclusive).

Maintenance of Statutory Registers:
The Company has maintained the following Statutory Registers required under the Companies Act 2013.

1. Register of Members
2. Register of Directors and Key Managerial personnel
3. Register of Security held by the Director
4. Register of Loans, Investment and Guarantee
5. Register of Charge
6. Register of Contracts or Arrangements
7. Register of Transfer and Transmission.
8. Register of Renewal and Duplicate Shares Certificate

Declaration and Payment of Dividend:
The Dividend declared for the Financial year ending 31st March 2014 are paid and unpaid dividend are transferred to Unpaid Dividend Account - Pearl Global Industries Ltd 2013-14 in prescribed time.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines mentioned above at para (i) to (v) and also laws listed herein below:

As the Company Carries on the business of manufacturing, Export and Merchant trade of ready made Garments the various applicable Acts are:

1. The Apprentices Act, 1961.
2. The Air (Prevention and Control of Pollution) Act, 1981.
3. The Indian Boilers Act, 1923.
4. The Child Labour (Prohibition and Regulation) Act, 1986.
5. The Child (Pledging of Labour) Act, 1933.
6. The Collection of Statistics Act, 2008.
7. The Contract Labour (Regulation and Abolition) Act, 1970.
8. Employee's Compensation Act, 1923 (earlier known as Workmen's Compensation Act, 1923)
9. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
10. The Employees' State Insurance Act, 1948.
11. The Employers' Liability Act, 1938.
12. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959.
13. The Environment (Protection) Act, 1986.
14. The Equal Remuneration Act, 1976.
15. The Factories Act, 1948.
16. The Fatal Accidents Act, 1855.
17. The Industrial Disputes Act, 1947.
18. The Industrial Employment (Standing Orders) Act, 1946.
19. The Industries (Development and Regulation) Act, 1951.
20. The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.
21. The Maternity Benefit Act, 1961.
22. The Minimum Wages Act, 1948.
23. The Payment of Bonus Act, 1965.
24. The Payment of Gratuity Act, 1972.
25. The Payment of Wages Act, 1936.
26. The Personal Injuries (Compensation Insurance) Act, 1963.
27. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
28. The Water (Prevention and Control of Pollution) Act, 1974.
29. The Weekly Holidays Act, 1942.
30. Indian Stamp Act.

Other General Laws Relating to Finance:
Income Tax Act
Sales Tax Act
Central Excise and Custom
Service Tax
Finance Act
ESI and PF

We have not checked the transactions relating to the above Financial Act, we simply rely on the Report of the Statutory Auditors for Financial Year 2014-15.

Company has establish various policy and systems as per the above applicable Acts for all units and work Places are as below:

- Hiring Policy
- Sub Contractor and Home working policy
- Anti Child Labour Policy
- Suggestion Policy
- Prevention of Sexual Harrassment Policy
- Employee Benefit Policy
- Safety Policy

Annexure-IV to the Directors' Report

- Broken Niddle Policy
- Blood Policy
- Company Policy
- Anti Forced Labour Policy
- Freedo of Association and Collective Bargaining
- Grievance Handling Policy
- Environment Policy
- Health and safety Policy
- Quality Policy
- Policy on Fire
- Overtime Policy
- Seccurity Policy
- Child Labour Policy
- Policy on fabric safety
- Human rights and Forced labour policy
- Chemical Spillage Control and Storage Policy
- Sharp Tools policy
- Social Accountability Policy
- Non Discrimination Policy
- Fast Aid Facility
- Creche Facility
- Canteen Facility
- Restroom Facility
- Medical Room

We have checked the records available and provided to us during our visit to 5(Five) units/ Plants (A) 446 Udyog Vihar Phase-V Gurgaon,Haryana (B) 751 Pace City II Sector 37 Khandsa Gurgaon Haryana, (C) 16-17 Udyog Vihar Phase VI Khandsa Gurgaon Haryana (D) 73 Udyog Vihar Phase I Gurgaon Haryana and (E) 274 Udyog Vihar Phase-II Gurgaon Haryana. During our audit we have examined the records of the Company regarding various permissions and licenses :

NOC from Department of Air and Water Pollution Control required under Air and Water (Prevention and Control of Pollution) Act. The Company Units have effluent treatment plants (ETP) duly tested from the authorised Lab and also maintain the ETP log book.

Factory license as required under the Factories Act.

Inspection report obtained from Executive Engineer generally complying with the relevant Provision of Central Electricity Authority (Measures relating to safety and Electricity Supply) Regulation 2010.

Report of Examination of pressure vessel or plants required under the Factory Act, 1948 and Boiler Act 1923.

Fire fighting systems available and Company has obtained the adequate NOC from Municipal Corporation for the units where ever required.

The Company Permissible labour license required under the Factory Act and Contract Labour Act.

The Company has got the registration under ESI and PF Act.

The Company is paying Equal Remuneration to men and women.

There is no Fatal Accident as per the Company Record during the year.

The Company is paying Wages in Cash to the workers, where workers do not have any bank account.

Various Register maintained by the Company Required under the applicable Acts:

1. Accidental Register (Required under ESI and Factory Act)
2. Register of Deduction of loss and damages as per Factory Act 1948
3. Register of Accident and dangerous occurance as per Factory Act.
4. Register of Advance
5. Register of Loans to worker and staff
6. Register of fines under Factory Act
7. Adult workers register
8. Attendance Register/ Electronic device know as Bio matrices System.
9. Wage Register / Salary Sheet
10. Bonus Register

- The Industrial Employment Standing Order Act 1956 is applicable to Company and Company has Certified Standing Orders both in Hindi and English.
- Company has paid to Bonus to eligible staffs and workers during the year for the Financial Year 2013-14 as per the Bonus Act 1965
- Company is paying gratuity to the eligible Workers as per the Payment of Gratuity Act
- Company has Constituted the Committee as required under The Sexual Harassment of Women at the Work Place (Prevention, Prohibition and Redressal) Act 2013.
- Company has appointed Welfare officer.

We further report that during the audit period the Company has not taken any major matter requiring members' approval.

For **Deepak Somaiya & Co.**
Company Secretaries

(CS Deepak Somaiya)
Proprietor
FCS: 5845, CP No. 5772

Place: New Delhi
Date: May 15, 2015

Annexure-V to Directors' Report

FORM NO.MGT-9

EXTRACTS OF ANNUAL RETURN

As on financial year ended on March 31,2015

[Pursuant to Section 92(3) of the Companies Act,2013 and rule 12(1) of the Companies (Management and Administration) Rules,2014]

REGISTRATION AND OTHER DETAILS:

I	i) **CIN**	**: L74899DL1989PLC036849**
	ii) Registriation Date	: 05-07-1989
	iii) Name of the Company	: Pearl Global Industries Ltd
	iv) Category/Sub Category of the Company	: Public Limited Company
	v) Address of the Registered Office and Contact details	: A-3,Community Centre Naraina Industrial Area Phase-II, New Delhi-110028 Tel:
	vi) Whether listed Company	: Yes
	vii) Name ,address and contact details of Registrar and Transfer Agent, if any	: Link Intime India Pvt. Ltd 44,Community Centre 2nd Floor,Naraina Industrial Area-1,Near PVR Naraina New Delhi-110028 Tel: 011-41410592-94

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company :

S.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
	Manufactruing & Exporting of Readymade Garments	141	100%

III **PARTICULARS OF HOLDING,SUBSIDIARY AND ASSOCIATE COMPANIES:**

S.No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1.	Lerros Fashions India Limited A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi-110028	U74900DL2007PLC161396	Subsidiary	59.64	2(87)(ii)
2.	Pixel Industries Ltd A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi-110028	U18101TN2014PLC096204	Wholly owned Subsidiary	100	2(87)(ii)
3.	Norp Knit Industries Limited Vill: North Khaillkur, P.O.National University,Gazipur Bangladesh	C-52664(2959)/2004	Subsidiary	99.99	2(87)(ii)

Annexure-V to Directors' Report

4.	Pearl Global Fareast Limited Unit:801-3,8/F,9 WingHong-kong Street,CheungSha Wan,Kowloon,Hongkong	Wholly owned Subsidiary	100	2(87)(ii)
5.	Pearl Global (HK) Limited Unit:801-3,8/F,9 WingHong-kong Street,CheungSha Wan,Kowloon,Hongkong	Wholly owned Subsidiary	100	2(87)(ii)
6.	DSSP Global Limited Unit:801-3,8/F,9 WingHong-kong Street,CheungSha Wan,Kowloon,Hongkong	Fellow subsidiary		2(87)(ii)
7.	PT Pinnacle Apparels Tanjung Emas Export Processing Zone,Block A 15-15a,Jl,Coaster No.8,Semarang 50174,Indo-nesia	Fellow subsidiary		2(87)(ii)

IV SHARE HOLDING PATTERN (Equity Share Capital Break up as percentage of total equity)

i Category-wise Share Holding

Category of shareholders		No of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
A. Promoters		**Demat**	**Physical**	**Total**	**% of Total shares**	**Demat**	**Physical**	**Total**	**%of Total shares**	
(1)	**Indian**									
a)	Individual/HUF	11562734	Nil	11562734	53.37	11562734	Nil	11562734	53.37	Nil
b)	Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c)	State Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d)	Bodies Corp.	30	Nil	30	0	30	Nil	30	0	Nil
e)	Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f)	Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (A) (1):-		11562764	Nil	11562764	53.37	11562764	Nil	115627064	53.37	Nil
(2)	**Foreign**									
a)	NRI's Individuals	2862145	Nil	2862145	13.21	2862145	Nil	2862145	13.21	Nil
b)	Other- Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c)	Bodies Corp.									
d)	Banks/FI									
e)	Any Other									
Sub Total (A) (2):-		2862145	Nil	2862145	13.21	2862145	Nil	2862145	13.21	Nil
Total Shareholding of Promoters										
(A)= (A)(1)+(A)(2)		14424909	Nil	14424909	66.58	14424909	Nil	14424909	66.58	Nil

Annexure-V to Directors' Report

B. Public Shareholding										
1	**Institutions**									
a)	Mutual Funds	862231	Nil	862231	3.98	856451	Nil	856451	3.95	0.03
b)	Banks/FI	61096	66	61162	0.28	54525	66	54591	0.25	0.03
c)	Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d)	State Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e)	Venture capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f)	Insurance Companies	513332	Nil	513332	2.37	492641	Nil	492641	2.27	0.10
g)	FIIs	603085	Nil	603085	2.78	1457678	Nil	1457678	6.73	3.95
h)	Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i)	Others(specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (B) (1):-		2039744	66	2039810	9.42	2861295	66	2861361	13.21	3.79
2.	**Non Institutional**									
a)	Bodies Corp									
i)	Indian	459136	929	460065	2.12	301476	929	302405	1.4	0.72
ii)	Overseas	325606	Nil	325606	1.5	325606	Nil	325606	1.5	1.5
b)	Individuals									
i)	Individual shareholders share-holding nominal share capital upto Rs.1 Lakh	2560571	145012	2705583	12.49	1814719	139638	1954357	9.02	3.47
ii)	Individual shareholders share-holding nominal share capital in excess of Rs.1 Lakh	1707964	Nil	1707964	7.88	1795299	Nil	1795299	8.29	0.41
	Others(s) (specify) Sub-total	5053277	145941	4861666	22.44	4237100	140567	4377667	20.26	2.18
(B)(2):- Total Public Shareholding (B)=(B)(1)+(B)(2)		7093021	146007	6901476	31.85	7098395	140633	7239028	32.82	0.97
C. Shares										
Held by Custodian for GDrs & ADRs		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total										
(A+B+C)		21517930	146007	21663937	100	215233304	140633	21663937	100	0

Annexure-V to Directors' Report

ii) Shareholding of Promoters

S.N	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of shares	%of total shares of the Company	%of shares pleged/encumbered to total shares	No. of shares	% of total shares of the Company	%of shares pleged/encumdered to total shares	% change in shareholding during the year
1	Mrs. Payel Seth	9849872	45.47	Nil	9849872	45.47	Nil	Nil
2	Mr. Pulkit Seth	1511384	6.98	Nil	1511384	6.98	Nil	Nil
3	Mr.Deepak Seth (NRI)	1544499	7.13	Nil	1544499	7.13	Nil	Nil
4	Mr.Pallak Seth (NRI)	1317646	6.08	Nil	1317646	6.08	Nil	Nil
5	Mr.Sunil Pal Seth	201448	0.93	Nil	201448	0.93	Nil	Nil
6	Mrs.Shefali Seth	30	0.00	Nil	30	0.00	Nil	Nil
7	Nim International Commerce Pvt.Ltd	30	0.00	Nil	30	0.00	Nil	Nil

iii) **Change in Promoters' Shareholding (please specify, if there is no change)**

S.No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	14424909	66.58	Nil	Nil
	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.)	No change During the year			
	At the end of the year	14424909	66.58	Nil	Nil

iv) Shareholding pattern of top ten Shareholders(other than Directors, Promoters and Holders of GDRs and ADRs):

S.No.	Name	No of shares at the beginning(1-4-2014)	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of shares	% of total shares of the Company
1.	Premier Investment Fund Limited	170000	0.78	01-04-2014				
				04-04-2014	+2073	Transfer	172073	0.79
				11-04-2014	+12000	Transfer	184073	0.84
				18-04-2014	+15700	Transfer	199773	0.92
				25-04-2014	+14000	Transfer	213773	0.98
				09-05-2014	+12500	Transfer	226273	1.04
				16-05-2014	+95761	Transfer	322034	1.48
				06-06-2014	+5950	Transfer	327984	1.51
				12-09-2014	+149922	Transfer	477906	2.20
				19-09-2014	+78	Transfer	477984	2.20
				30-09-2014	+35000	Transfer	512984	2.36
				28-11-2014	+209229	Transfer	722213	3.33

Annexure-V to Directors' Report

				12-12-2014	+47000	Transfer	769213	3.55
				19-12-2014	+867	Transfer	770080	3.55
				13-03-2015	+50000	Transfer	820080	3.78
				20-03-2015	+112861	Transfer	932941	4.30
				27-03-2015	+128556	Transfer	1061497	4.89
				31-03-2015			1061497	4.89
2.	LTS INVESTMENT FUND	176880	0.81	01-04-2015	-3500	Transfer	173380	0.80
				05-09-2014	-3500	Transfer	173380	0.80
				12-09-2014	-2000	Transfer	171380	0.79
				19-09-2014	-3000	Transfer	168380	0.77
				30-09-2014	-2524	Transfer	165856	0.76
				10-10-2014	-2900	Transfer	162956	0.75
				17-10-2014	-2500	Transfer	160456	0.74
				24-10-2014	-1500	Transfer	158956	0.73
				14-11-2014	-3500	Transfer	154956	0.71
				21-11-2014	-4000	Transfer	150956	0.69
				28-11-2014	-3000	Transfer	147956	0.68
				05-12-2014	-500	Transfer	147456	0.68
				27-02-2015	-2091	Transfer	145365	0.67
				06-03-2015	-3575	Transfer	141790	0.65
				13-03-2015	-3125	Transfer	138665	0.64
				20-03-2015	-450	Transfer	138215	0.63
				27-03-2015	-4242	Transfer	133973	0.61
				31-03-2015			133973	0.61
3.	Bhagwanji Manji Patel	185015	0.85	01-04-2014				
				11-04-2014	+1800	Transfer	186815	0.86
				29-08-2014	-185000	Transfer	1815	0.00
				31-03-2015			1815	0.00
4.	Chetan D shah HUF	1504	0.00	01-04-2014				
				04-04-2014	+200000	Transfer	201504	0.93
				09-05-2014	-50000	Transfer	151504	0.69
				30-05-2014	-2000	Transfer	149504	0.69
				16-01-2015	+5843	Transfer	155347	0.71
				06-02-2015	+4958	Transfer	160305	0.74
				13-02-2015	+4997	Transfer	165302	0.76
				31-03-2015			165302	0.76
5.	Cresta Fund Ltd	256205	1.18	01-04-2014				
				31-03-2015			256205	1.18
6.	General Insurance Corporation of India	256666	1.18	04-04-2014				
				31-03-2015			256666	1.18
7.	Lesing Mauritius Ltd	325606	1.50	01-04-2014				
				31-03-2015			325606	1.18
8.	Life Insurance Corporation of India	256666	1.18	01-04-2014				
				13-03-2015	-16842	Transfer	239824	1.10
				20-03-2015	-3849	Transfer	235975	1.08
				31-03-2015			235975	1.08

Annexure-V to Directors' Report

9.	Reliance Capital Trustee Co.Ltd	862231	3.9	01-04-2014				
				03-10-2014	-150	Transfer	862081	3.9
				10-10-2014	-4250	Transfer	857831	3.9
				17-10-2014	-1380	Transfer	856451	3.9
				31-03-2015			856451	3.9
10.	Sanjiv Dhireshbhai Shah	613826	2.8	01-04-2014				
				04-04-2014	-61385	Transfer	552441	2.55
				11-04-2014	-32664	Transfer	519777	2.39
				18-04-2014	-21900	Transfer	497877	2.29
				25-04-2014	-5119	Transfer	492758	2.27
				16-05-2014	+52398	Transfer	545156	2.51
				23-05-2014	+28112	Transfer	573268	2.64
				30-05-2014	+30334	Transfer	603602	2.78
				06-06-2014	+2854	Transfer	606456	2.79
				13-06-2014	+8850	Transfer	615306	2.84
				20-06-2014	+4304	Transfer	619610	2.86
				04-07-2014	+6803	Transfer	626413	2.89
				11-07-2014	+310	Transfer	626723	2.89
				25-07-2014	+10494	Transfer	637217	2.94
				29-08-2014	+12000	Transfer	649217	2.99
				05-09-2014	+357	Transfer	649574	3.02
				31-10-2014	+10984	Transfer	666558	3.07
				27-02-2015	-1000	Transfer	665594	3.07
				31-03-2015			665594	3.07

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Directors	Shareholding at the beginning of the year		Cumulative shareholding during the year	
1.	Mr. Deepak Seth, Chairman	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	1544499	7.13	Nil	Nil
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase /decrease(e.g. allotment/transfer/bonus/sweate equity etc.	No change during the year	------	------	-----
	At the end of the year	1544499	7.13	Nil	Nil
2.	Mr. Pulkit Seth Vice-Chairman & Managing Director				
	At the beginning of the year	1511384	6.98	Nil	Nil
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase /decrease(e.g. allotment/transfer/bonus/sweate equity etc.	No change during the year	----	----	----
	At the end of the year	1511384	6.98	Nil	Nil

Annexure-V to Directors' Report

3.	Mrs. Shefali Seth, Whole- Time Director				
	At the beginning of the year	30	0.00	Nil	Nil
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase /decrease(e.g. allotment/transfer/bonus/sweate equity etc.	No change during the year	----	----	----
	At the end of the year	30	0.00	Nil	Nil
4.	Mr.Vinod Vaish, Whole- Time Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase /decrease(e.g. allotment/transfer/bonus/sweate equity etc.	No change during the year	----	----	----
	At the end of the year	Nil	Nil	Nil	Nil
5.	Mr. S.B. Mohapatra, Non Executive Independent Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase /decrease(e.g. allotment/transfer/bonus/sweate equity etc.	No change during the year	----	----	----
	At the end of the year	Nil	Nil	Nil	Nil
6.	Mr.Chittranjan Dua, Non Executive Independent Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase /decrease(e.g. allotment/transfer/bonus/sweate equity etc.	No change during the year	----	----	----
	At the end of the year	Nil	Nil	Nil	Nil
7.	Mr. Rajendra K.Aneja, Non Executive Independent Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase /decrease(e.g. allotment/transfer/bonus/sweate equity etc.	No change during the year			
	At the end of the year	Nil	Nil	Nil	Nil
8.	Mr. Anil Nayar, Non Executive Independent Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase /decrease(e.g. allotment/transfer/bonus/sweate equity etc.	No change during the year	----	----	----
	At the end of the year	Nil	Nil	Nil	Nil

Annexure-V to Directors' Report

B. KEY MANAGERIAL PERSONNEL

S.No.	KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
1.	Mr. Raj Kumar Chawla, Chief Financial Officer	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase /decrease(e.g. allotment/transfer/bonus/sweate equity etc.	No change during the year	----	----	----
	At the end of the year	Nil	Nil	Nil	Nil
2.	Mr. Sandeep Sabharwal, Company Secretary	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase /decrease(e.g. allotment/transfer/bonus/sweate equity etc.	No change during the year	----	----	----
	At the end of the year	Nil	Nil	Nil	Nil

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
Principal Amount	15,85,19,292/-	2,95,78,870/-	----	18,80,98,162.72
Interest due but not paid	14,53,026/-	----	----	14,53,026.00
Interest accrued but not due	-----	----	----	----
Total (i+ii+iii)	15,99,72,318/-	2,95,78,870/-	----	18,95,51,188/-
Change in Indebtedness during the financial year				
Addition	2,77,46,000/-	----		2,77,46,000/-
Reduction	3,73,43,992/-	2,88,60,000/-		6,62,03,992/-
Net Change	-95,97,992/-	-2,88,60,000/-	----	3,84,57,992/-
Indebtedness at the end of the financial year				
Principal Amount	14,89,21,299/-	7,18,870/-	----	14,96,40,169/-
Interest due but not paid	8,36,928/-	30,006/-	----	8,66,934/-
Interest accrued but not due	2,08,327/	----	----	2,08,327/-
Total (i+ii+iii)	14,99,66,554/-	7,48,876/-	----	15,07,15,430/-

Annexure-V to Directors' Report

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole- time Directors and/or Manager:

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr.Pulkit Seth	Mrs. Shefali Seth	Mr.Vinod Vaish	
1.	Gross Salary a) Salary as per provision contained in section 17(1) of the Income Tax Act,1961 b) Value of perquisites u/s 17(2) Income tax act,1961 **c)** Profits in lieu of salary under section 17(3) Income tax Act,1961	70,50,000/- 28,800/- Nil	58,00,000/- 28,800/- Nil	12,41,640/- 23,254/- Nil	1,40,91,640/- 80,854/- Nil
2.	Stock option	Nil	Nil	Nil	Nil
3.	Sweet Equity	Nil	Nil	Nil	Nil
4.	Commission as % of profit others,specify….	Nil	Nil	Nil	Nil
5.	Others,please specify	Nil	Nil	Nil	Nil
	Total(A)	70,78,800/-	58,28,800/-	12,64,894/-	1,41,72,494/-

B. Remuneration to other directors:

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr.S.B. Mohapatra	Mr.Chittranjan Dua	Mr.Rajendra K Aneja	Mr.Anil Nayar	
1.	Independent Directors Fee for attending board committee meetings Commission Others,please specify	22,500/- Nil Nil	30,000/- Nil Nil	7,500/- Nil Nil	22,500/- Nil Nil	82,500/- Nil Nil
	Total (1)	22,500/-	30,000/-	7,500/-	22,500/-	82,500/-
		Mr. Deepak Seth				
	other Non-Executive Directors Fee for attending board committee meetings Commission Others,please specify	30,000/- Nil Nil				30,000/- Nil Nil
	Total(2)	30,000/-				30,000/-
	Total(B)=(1+2)					1,12,500/-
	Total Managerial Remuneration					1,43,65,848/-
	Overall Ceiling as per the Act					17,457,608

Annexure-V to Directors' Report

C. Remuneration to key managerial personnel other than MD/Manager/WTD:

S.No.	Particulars of Remuneration	Name of Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross Salary Salary as per provision contained in section 17(1) of the Income Tax Act,1961 Value of perquisites u/s 17(2) Income tax act,1961 Profits in lieu of salary under section 17(3) Income tax Act,1961	Nil Nil Nil	1462,956/- 32,359/- Nil	37,80,049/- Nil Nil	52,43,005/- 32,359/- Nil
2.	Stock option	Nil	Nil	Nil	Nil
3.	Sweet Equity	Nil	Nil	Nil	Nil
4.	Commission as % of profit others,specify….	Nil	Nil	Nil	Nil
5.	Others,please specify	Nil	Nil	Nil	Nil
	Total	Nil	14,95,315/-	37,80,049/-	52,75,364/-

Note: There is no CEO, other than Managing Director in the Company.

VII PENALITIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ punishment/compounding fees imposed	Authority[RD/NCLT/ Court]	Appeal made,if any (give details)
A. Company	----------	NIL ----------		----------	NIL ----------
Penalty					
Punishment					
Compounding					
B. Directors	----------	NIL ----------		----------	NIL ----------
Penalty					
Punishment					
Compounding					
C. Other officer in defaul					
Penalty	----------	NIL ----------		----------	NIL ----------
Punishment					
Compounding					

Annexure-VI to the Directors' Report

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

2. Details of material contracts or arrangement or transactions at arm's length basis:

Sl. No.	Name of the related party	Nature of the relationship	Nature of Contracts/ arrangement/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Value (Amount in ₹)	Date of approval of the Board, if any	Amount paid as advances, if any
1	Norp Knit Industries Limited	Subsidiary	Purchase of goods	01.04.2014 to 31.03.2015	-	1,20,57,51,632	26.05.2014	NIL
			Sale of goods-Raw Material			6,82,60,059		NIL
			Expenses Reimbursed			60,87,008		NIL
			Expenses paid by us on their behalf			24,23,354		NIL
			Allotment of equity shares			6,42,48,199		NIL
			SAP income			60,78,312		NIL

Annexure-VII to the Directors' Report

Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

[Pursuant to Section 134 (3)(g) of the Companies Act, 2013] (Amount in ₹)

Sl. No.	Name of the Company	Loans	Guarantees	Investments
1	Pearl Global (HK) Limited	294,702,985	751,080,000	97,050,075
2	Multinational Textile Group Limited	63,511,704	-	-
3	PDS Multinational Fashions Limited	30,000,000	-	500,000
4	Pearl Global Fareast Limited	-	-	25,337,434
5	Norp Knit Industries Limited	-	442,400,000	220,163,592
6	Lerros Fashions India Limited	-	-	164,834,870
7	Lerros Fashions India Limited(Preference Shares)	-	-	30,000,000
8	Pixel Industries Limited	-	-	500,000
9	Norwest Industries Limited		1,126,620,000	-

Note:
1. Investment are in equity shares, unless otherwise mentioned
2. Guarantees are issued d to Banks to secure the facilities extended to these Companies

Annexure-VIII to the Directors' Report

[Pursuant to Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Sl.No.	Particulars	Disclosures
I	The ratio of the remuneration of each Director to the median remuneration of the employees for the financial year	Mr. Pulkit Seth (VC&MD) 53.42x Mrs. Shefali Seth (WTD) 42.74x Mr. Vinod Vaish (WTD) 8.84x
II	The percentage increase in remuneration of each Director, CFO,CEO, CS in the financial year	Mr. Pulkit Seth (VC&MD) 56.25% Mrs. Shefali Seth (WTD) 25.00% Mr. Vinod Vaish (WTD) 4.95% Chief Financial Officer 3.37% Company Secretary 4.65%
III	The percentage increase in the median remuneration of employees in the financial year	The median remuneration of the employees in the financial year was increased by 11.43%.
IV	The number of permanent employees on the rolls of the Company	There were approx 1,230 permanent employees as on 31st March, 2015
V	The explanation on the relationship between average increase in remuneration and Company performance	The increase in remuneration is based on general inflation, performance of employee and Company's performance.
VI	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	For the FY 2014-15, KMPs were paid approx 18.28% of the net profit for the year.
VII	Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current FY and previous FY and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer	The Market capitalization of the Company has increased from ₹ 378.30 Crore as of March 31, 2014 to 531.04 Crore as of March 31, 2015. Over the same period, the price to earnings ratio moved from 25.73 to 52.07. The Company stock price as at March 31, 2015 has decreased by 55.32 % to ₹ 245.75 over the last public offering, i.e. IPO in February 2007 at the price of ₹ 550 per share. However, current price of the Company is not comparable with IPO offering price, since the Company has demerged one of its business into PDS Multinational Fashions Limited and Company's shareholders have been issued 6 shares of PDS against 5 shares of the Company.
VIII	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average percentile increase in the salary of employees other than managerial personnel in the last financial year was 7.16%. Average percentile increase in the salary of Managerial personnel in the last financial year was 28.73%. Since the remuneration of Managerial Personnel in past has been very nominal, the percentage increase seems on higher side.
IX	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	The comparison of remuneration of each of the Key Managerial personnel against the performance of the Company is as under :

Particulars	% of Net Profit for FY 2014-15
Vice-Chairman & Managing Director	6.96%
Whole-Time Director (Mrs. Shefali Seth)	5.73%
Whole-Time Director (Mr. Vinod Vaish)	1.26%
Chief Financial Officer	3.19%
Company Secretary	1.13%

X	The key parameters for any variable component of remuneration availed by the Directors	Not applicable
XI	The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year	There are no employees who receive remuneration in excess of the highest paid Director during the year.
XII	Affirmation that the remuneration is as per the remuneration policy of the Company	The remuneration paid to Directors/employees is as per remuneration policy.

Annexure-IX to the Directors' Report

[Pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel)Rules, 2014

Sl.No.	Name of Employee	Designation	Educational qualification	Age	Experience (in years)	Date of Joining	Remuneration paid	Previous employment	Percentage of equity share held	Whether employee is relative of any Director or Manager
1	Mr. Pankaj Bhasin	Vice-President (Merchandising)	B.Com and Apparel Production Management Programme	42	20	7/15/1995	8,110,606	NIL	NIL	No

Annexure X to the Director's Report

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014.

A CONSERVATION OF ENERGY

(i) Steps taken for conservation of energy:

- Installed Steam boilers in place of electrical boilers
- Replaced old office electrical items like Air Conditions, fans with energy efficient ones.
- Other measures like placing focused lighting systems and reducing lights wherever not needed.
- Effective utilization of work station for energy conservation

(ii) Steps taken by the Company for utilizing alternate sources of energy:

The Company being into garment manufacturing does not consume heavy electricity. Hence, presently Company is not exploring alternate source of energy.

(iii) The Capital investment on energy conversation equipment: NIL

B TECHNOLOGY ABSORPTION :

(i) Efforts made towards technology absorption: Not Applicable

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution: Not Applicable

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

a	Technology Imported	:	Not Applicable
b	Year of Import	:	N.A.
c	Has technology been fully absorbed?	:	N.A.
d	If not fully absorbed, areas where this has not taken place, and the reasons.	:	N.A.

The expenditure incurred on Research & Development:

(iv) The expenditure incurred on Research & Development:

Expenditure on R & D (₹ / Lacs)

		2014-15	2013-14
a)	Capital	NIL	NIL
b)	Recurring	684.45	744.06
Total		684.45	744.06

C FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings

(Amount in ₹)

Particulars	2014-15	2013-14
Export of Goods - FOB basis	5,751,268,124	6,070,226,002
Interest Income	19,965,453	22,000,180
IT/SAP Income	17,797,921	20,606,069
Total	**5,789,031,498**	**6,112,832,251**

Foreign Exchange Earnings

(Amount in ₹)

Particulars	2014-15	2013-14
Foreign Travelling	4,127,438	2,178,691
EDI Expenses	1,966,815	4,425,483
Others	11,089,016	25,987,700
Total	**17,183,269**	**32,591,874**

Corporate Governance

1. COMPANY'S PHILOSOPHY

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to Values, good governance practices stem from culture and mindset of the organization.

The Company has an unwavering commitment to uphold sound corporate governance standards and highest business conduct. Being a value driven organization, Pearl Global Industries Limited has always worked towards building trust with stakeholders based on the principles of corporate governance.

Pearl Global Industries Limited strives to foster a corporate culture in which high standard of ethical behavior, individual accountability and transparent disclosure are ingrained in all its business dealing and shared by its Board of Directors, Management and employees. Over the years governance process and systems have been strengthened at Pearl Global Industries. In addition to complying with the statutory requirements, effective governance system and practices towards improving transparency, disclosures, internal controls and promotion of ethics at work place.

Your Company is committed to best Corporate Governance and has fully complied with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges. The Company in its endeavor towards the best Corporate Governance and to provide transparency initiated various measures.

Your Company is committed towards its buyers, institutions/bankers, employees/workers and other government agencies which are directly or indirectly concerned with the Company.

This report along with the chapters on Management Discussion and Analysis reports company's compliance with clause 49 of the listing agreement.

2. BOARD OF DIRECTORS

As on 31st March 2015, the company's Board of Directors consists of 8 (Eight) members. The Chairman of the Board is non-executive Promoter Director. The Board comprises of three executive Director and five non-executive Directors, of whom four are Independent Directors. The composition of the Board is in conformity with the requirements of Clause 49 of the listing agreement. All non-executive independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board.

4 (Four) Board Meetings were held during the year. The dates on which the meetings were held are as follows:

26th May 2014, 14th August 2014, 14th November 2014 and 13th February, 2015.

Composition and Category of the Board as on 31.03.2015 and their attendance in the Board and Annual General Meetings are as hereunder:

Sr. No.	Name of Director	Category	No. of outside directorships	No. of Committee		Attendance	
				Member	Chairman	Board Meetings	Annual General Meeting
1	Mr. Deepak Seth	Non-Executive Chairman	2	--	--	4	Yes
2	Mr. Pulkit Seth	Vice Chairman & Managing Director	1	2	--	3	Yes
3	Mrs. Shefali Seth	Whole Time Director	1	--	--	2	No
4	Mr. Samar Ballav Mohapatra	Independent Director	1	2	2	3	Yes
5	Mr. Chittranjan Dua	Independent Director	6	--	--	4	No
6	Mr. Rajendra K Aneja	Independent Director	-	1	--	1	No
7	Mr. Anil Nayar	Independent Director	-	2	1	3	Yes
8	Mr. Vinod Vaish	Whole Time Director	2	2	1	4	Yes

Mr. Deepak Seth, Chairman, Mr. Pulkit Seth, Vice Chairman & Managing Director and Mrs. Shefali Seth, Whole-Time Director are relatives.

Corporate Governance

Notes:
1. The committees considered for the purpose are those prescribed under clause 49 of the Listing Agreement.
2. Foreign Companies, Bodies Corporate, Private Companies and Companies under Section 8 of the Companies Act, 2013 are excluded for the above purpose.

As stipulated by Clause 49, none of the Directors was a member of more than 10 committees, or a Chairman of more than 5 committees across all companies in which he was a director.

There is no Nominee or Institutional Directors on the Board of the Company.

Information supplied to the Board

The Board has complete access to all information with the company. Inter alia, the following information are provided to the board and the agenda papers for the meetings are circulated in advance of each meeting or are tabled.

- Annual Operating plans and budgets, Capital budgets, updates;
- Quarterly results for the company and its operating divisions or business segments;
- Minutes of meetings of Audit Committee and other committees of the board;
- Information on recruitment and remuneration of senior officers just below the board level including appointment or removal of Chief Financial Officer and Company Secretary;
- Materially important show cause, demand, prosecution and penalty notices;
- Fatal or serious accidents or dangerous occurrences;
- Any materially significant effluent or pollution problems;
- Any materially relevant default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
- Any issue, which involves possible public or product liability claims of a substantial nature;
  Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labour problems and their proposed solutions;
- Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business;
  Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement, and
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholder services such as non-payment of dividend and/or delay in share transfer.

Compliance with the Code of Conduct

The Company has adopted a "Code of Conduct for the Directors and Senior Management". The Code is available on the official website of the Company www.pearlglobal.com.

It is hereby affirmed that the Directors and Senior Management have given an annual affirmation of compliance with the code of conduct.

3. AUDIT COMMITTEE

The Audit Committee has been constituted as per Section 177 of the Companies Act, 2013 and the guidelines set out in Clause 49 of the Listing Agreement. The terms of reference includes:-

- Overseeing financial reporting processes.
- Reviewing periodic financial results, financial statements and adequacy of internal control systems.
- Discussion and review of periodic audit reports and
- Discussions with external auditors about the scope of audit including the observations of the auditors.
- Recommending the appointment, remuneration and removal of statutory auditors.
- Discussing with internal auditors any significant findings and follow up there on.
- Reviewing the adequacy of internal control systems with management, external and internal auditors and reviewing the Company's financial risk and management policies.
- Reviewing the financial statements and quarterly financial results.

During the year, the Audit Committee, met four times and discharged its responsibilities in accordance with Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The meetings of the Audit Committee were held on 26th May 2014, 14th August 2014, 14th November 2014 and 13th February 2015 during the financial year 2014-15. The maximum gap between any two meetings was less than four months.

Corporate Governance

During the year 2014-15, the members of the Audit Committee and their attendance are as under:

Audit Committee	
Composition	**No. of Meetings attended**
Mr. Anil Nayar – Chairman Director	4
Mr. Vinod Vaish – Member Director	4
Mr. S. B. Mohapatra – Member Director	4

All the members of an Audit Committee are Non- Executive Directors except Mr. Vinod Vaish and the Chairman of the Committee is Non- Executive and Independent Director. All the members of the committee posses financial/accounting expertise.

Mr. Sandeep Sabharwal, General Manager and Company Secretary acts as Secretary of the Audit Committee.

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprised of Mr. S.B. Mohapatra, Chairman, Mr. Rajendra K Aneja and Mr. Anil Nayar as members.

Terms of Reference of the Nomination and Remuneration Committee include:

- To determine the remuneration, review performance and decide on variable pay of executive Directors.
- To determine the number of stock options to be granted under the company's Employees Stock Option Schemes and administration of the stock option plan.
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Remuneration Committee.
- Establishment and administration of employee compensation and benefit plans.

All the members of the Nomination and Remuneration Committee are Non Executive and Independent Directors.

Two meetings of the Nomination and Remuneration Committee were held on 26-05-2014 and 14-11-2014 during the financial year 2014-15.

The Remuneration Policy of the Company for managerial personnel is primarily based on the following criteria:
- Performance of the Company, its divisions and units
- Track record, potential, past remuneration and performance of individual appointee
- External competitive environment.

Details of remuneration paid to all the Directors for the year 2014-15: **Amount in(₹)**

Name of the Director(s)	Mr. Deepak Seth	Mr. Pulkit Seth	Mr. Anil Nayar	Mr. C R Dua	Mr. Samar Ballav Mohapatra	Mr. Rajendra K Aneja	Mrs. Shefali Seth	Mr. Vinod Vaish
Designation	Chairman	Managing Director	Director	Director	Director	Director	Whole Time Director	Whole Time Director
Salary	--	70,50,000	--	--	--	--	58,00,000	7,03,200
Benefits	--	--	--	--	--	--	--	--
HRA	--	--	--	--	--	--	--	3,51,600
SPL..Allowance	--	--	--	--	--	--	--	1,86,840
Medical	--	--	--	--	--	--	--	15,000
Bonus	--	--	--	--	--	--	--	--
Commission	--	--	--	--	--	--	--	--
Pension	--	--	--	--	--	--	--	--
Others (Provident Fund)	--	16,500	--	--	--	--	16,500	16,500
Break up of fixed components and Performance linked incentives with performance criteria	--	--	--	--	--	--	--	--

Corporate Governance

Name of the Director(s)	Mr. Deepak Seth	Mr. Pulkit Seth	Mr. Anil Nayar	Mr. C R Dua	Mr. Samar Ballav Mohapatra	Mr. Rajendra K Aneja	Mrs. Shefali Seth	Mr. Vinod Vaish
Designation	**Chairman**	**Managing Director**	**Director**	**Director**	**Director**	**Director**	**Whole Time Director**	**Whole Time Director**
Performance Incentive	--	--	--	--	--	--	--	--
Service Contract	--	3 years	--	--	--	--	3 years	1 year 9 months
Notice Period, Severance fees	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Stock Options details (if any): Whether issued at discount. Period over which it is accrued and is exercisable	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sitting Fees	30,000	--	22,500	30,000	22,500	7,500	--	--
Total	30,000	70,66,500	22,500	30,000	22,500	7,500	58,16,500	12,73,140

Sitting fee to Non Executive Directors for attending each Board meeting ₹ 7,500/-. Besides above, the Company does not pay any other commission or remuneration to its Directors. The Company has no policy of stock option, pension or severance fee for its Directors. Notice period of executive directors are as per Company policy, i.e. 3 months. The Company do not have any separate service contract with executive directors apart from Resolution of Board/shareholder.

Mr. Deepak Seth, Chairman holds 15,44,499 equity shares (7.13%), Mr. Pulkit Seth, Vice Chairman & Managing Director holds 15,11,384 equity shares (6.98%) and Mrs. Shefali Seth, Whole Time Director holds 30 equity shares (0.00%) of the Company. No other Director holds any equity share in the Company.

As required, a brief profile and other particulars of the Director seeking re-appointment is given in the Notice of the 26th Annual General Meeting and forms part of the corporate governance report.

5. STAKEHOLDER RELATIONSHIP COMMITTEE

The Stakeholder Relationship Committee comprises of:
Mr. S.B.Mohapatra - Chairman
Mr. Pulkit Seth - Member
Mr. Vinod Vaish - Member

The Chairman of the Committee is Non- Executive and Independent Director.

The Stakeholder Relationship Committee meetings held on 17th May, 2014, 5th August, 2014, 14th August, 2014, 5th September, 2014, 18th September, 2014, 30th September, 2014, 14th October, 2014, 10th November, 2014, 20th November, 2014, 23rd December, 2014, 23rd February, 2015 and 31st March, 2015 during the year 2014-15.

Mr. Sandeep Sabharwal, Company Secretary, is the Compliance Officer of the Company.

Status of Shareholders Complaints during the year

Complaints at the beginning of the year. 1st April 2014	Complaints received during the year. 1st April 2014 – 31st March 2015	Complaints settled during the year. 1st April 2014 – 31st March 2015	Complaints pending at the ending of the year. 31st March 2015
Nil	6	6	Nil

6. CEO/CFO CERTIFICATION

The Managing Director and Chief financial Officer have certified to the Board, inter alia, the accuracy of financial statements and adequacy of Internal Controls for the financial reporting purpose as required under Clause 49(IX) of the Listing Agreement, for the year ended 31st March 2015.

Corporate Governance

7. GENERAL BODY MEETINGS

Location and time where last 3 Annual General Meetings were held:

Year	AGM	Location	Date	Time
2011-12	23rd	Sri Sathya Sai International Centre, Pragati Vihar (Near Pragati Vihar Hostel) Lodhi Road, New Delhi-110 003	19.09.2012	11.00 A.M.
2012-13	24th	Sri Sathya Sai International Centre, Pragati Vihar (Near Pragati Vihar Hostel) Lodhi Road, New Delhi-110 003	27.09.2013	10.30 A.M.
2013-14	25th	Sri Sathya Sai International Centre, Pragati Vihar (Near Pragati Vihar Hostel) Lodhi Road, New Delhi-110 003	26.09.2014	10.30 A.M.

Detail of Special Resolutions Passed During last three Annual General Meetings:

Sl. No.	Particulars of Special Resolution	Date	Financial Year
1	Payment of remuneration to Mr. Pulkit Seth as Managing Director commencing from 1st June, 2014	26th September,2014	2013-14
	Payment of remuneration to Mrs. Shefali Seth as Whole Time Director commencing from 1st June, 2014	26th September,2014	2013-14
	Borrowing powers of Board of Directors under Section 180 (1)(C) of the Companies Act,2013 not exceeding ₹ 500 Crores	26th September,2014	2013-14
	Pursuant to Section 188 of the Companies Act, 2013 for entering into contract or arrangement with related parties. (Six (6) separate resolutions)	26th September,2014	2013-14
2	Re-Appointment and payment of remuneration to Mr. Pulkit Seth as Managing Director for a period of three years commencing from 1st June, 2013 to 31st May, 2016	27th September,2013	2012-13
	Payment of remuneration to Mr. Vinod Vaish as Whole time Director for a period of three years commencing from 19th January, 2012 to 18th January, 2015	27th September,2013	2012-13
3	Appointment of Mrs. Shefali Seth as Whole time Director for a period of three years commencing from 19th January, 2012 to 18th January, 2015	19th September,2012	2011-12
	Appointment of Mr. Vinod Vaish as Whole time Director for a period of three years commencing from 19th January, 2012 to 18th January, 2015	19th September,2012	2011-12

Detail of Special Resolutions Passed during the year through Postal Ballot:

Sl. No.	Particulars of Special Resolution	Date	Financial Year
1.	Providing Security on creation of charge, mortgage etc. u/s 180(1)(a) of the Companies Act, 2013	10th October,2014	2014-15
2.	Providing Loan, Investment and guarantee by the Company u/s 186 of the Companies Act,2013	10th October,2014	2014-15

8. DISCLOSURES

1) There had been no materially significant related party transaction that might have potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in Note 29 of Notes to Financial Statement in the Annual Report.

Corporate Governance

2) There has been no non-compliance, penalties/strictures imposed on the company by Stock Exchange(s) or SEBI or any other Statutory Authority, on any matter related to capital markets, during the last three years.
3) The Company has a Whistle Blower Policy. No personnel of the Company have been denied access to the Audit Committee.
4) The Company has complied with all the mandatory requirements of Clause 49.

As regard the non-mandatory requirements, the extent of compliance has been stated in this report against each of them.

9. MEANS OF COMMUNICATION

(i) The quarterly results of the Company are published in leading and widely circulated English/Hindi National/Regional Newspapers as per the requirements of the Listing Agreement with the Stock Exchanges. The results are also mail and courier to the Stock Exchanges where the Company is listed, and are displayed on its website www.pearlglobal.com

(ii) The results normally published in Business Standard (English) and Veer Arjun Naya India (Hindi).

(iii) The Company's Financial Results, Shareholding Pattern and official news releases are displayed on the Company's website www.pearlglobal.com

(iv) The Company regularly updates the media, analysts, institutional investors, etc., through a formal presentation on its financials as well as other business developments.

Annual Report is sent to all the Stock Exchanges and Members of the Company.

The Management Discussion and Analysis forms an integral part of this 26th Annual Report.

10. GENERAL SHAREHOLDER INFORMATION

(i) Annual General Meeting

26th Annual General Meeting is scheduled as under:-

Day	Date	Time	Venue
Tuesday	22nd September, 2015	10.30 A.M.	Sri Sathya Sai International Centre, Pragati Vihar (Nr.Pragati Vihar Hostel), Lodhi Road, New Delhi-110 003

(ii) **Financial Calendar, 2014-15**

First Quarter Results	:	Second week of August, 2015
Second Quarter & Half Yearly Results	:	Second week of November, 2015
Third Quarter Results	:	Second week of February, 2016
Fourth Quarter & Annual Results	:	Last week of May, 2016

(iii) Financial year : The financial year covers the period 1st April to 31st March.

(iv) Date of Book Closure : 15th September, 2015 to 22nd September, 2015 (both days inclusive)

(v) Listing on Stock Exchanges and their Stock Code

Name of the Stock Exchanges, wherein shares of the Company are currently listed and their Script Code:

Stock Exchange	Script Code
Bombay Stock Exchange Ltd., Mumbai	532808
National Stock Exchange of India Ltd., Mumbai	PGIL

The Annual Listing Fee for the financial year 2014-2015 has been paid to the Stock Exchanges within stipulated time.
The ISIN No. of the equity shares of your Company is INE940H01014.

Corporate Governance

(vi) Market Price Data: High, Low during each month in financial year 2014-15:

MONTH(S)	BOMBAY STOCK EXCHANGE Company Code: 532808		NATIONAL STOCK EXCHANGE Company Code: PGIL	
	HIGH	LOW	HIGH	LOW
April 2014	204.00	173.50	201.80	173.00
May 2014	230.00	170.00	230.00	192.00
June 2014	184.90	161.00	184.85	161.50
July 2014	228.00	183.50	228.10	182.65
August 2014	229.80	166.00	228.00	166.30
September 2014	239.90	204.85	240.85	200.00
October 2014	237.95	218.00	237.00	216.05
November 2014	235.00	219.00	234.85	220.95
December 2014	237.60	218.00	230.90	216.00
January 2015	246.00	220.00	257.95	210.00
February 2015	272.00	212.00	268.00	204.00
March 2015	271.90	229.00	267.50	229.00

(vii) Share price performance in comparison to BSE Sensex and NSE Nifty:

MONTH(S) (As on end of last trading day of the month)	SHARE PRICES COMPARISION			
	PGIL	BSE (Sensex)	PGIL	NSE (Nifty)
April 2014	194.40	22417.80	193.35	6696.40
May 2014	170.00	24217.34	228.30	7229.95
June 2014	182.65	25413.78	184.10	7611.35
July 2014	221.00	25894.97	220.55	7721.30
August 2014	200.60	26638.11	200.00	7954.35
September 2014	233.30	26630.51	233.15	7964.80
October 2014	226.30	27,865.83	225.65	8322.20
November 2014	223.25	28,693.99	223.65	8588.25
December 2014	224.00	27,499.42	223.50	8282.70
January 2015	223.00	29,182.95	222.10	8808.90
February 2015	261.60	29,361.50	260.30	8844.60
March 2015	244.50	27,957.49	245.75	8491.00

(viii) Registrar and Share Transfer Agent

Link Intime India Pvt. Limited
44, Community Centre
2nd Floor, Naraina Industrial Area,
Phase – I, Near PVR Naraina
New Delhi - 110 028.
Tel. No. : 011 - 41410592 - 94
Fax No. : 011 - 41410591
E-mail : delhi@linkintime.co.in

(ix) Share Transfer System

The Company's shares being in compulsory demat form are transferable through the depository system. The Shares in physical form are processed by the Registrar and Transfer Agents and approved by the Stakeholder Relationship Committee. Share transfer process reviewed by the Board.

Corporate Governance

(x) Distribution Schedule

(a) Distribution of Equity Shareholding of the Company as on 31st March 2015

Number of Equity Shares * held	Shareholders		Equity shares held	
	Numbers	% to total	Numbers	% to total
Upto 2500	20892	99.45	1735312	8.01
2501 - 5000	42	00.20	155296	0.72
5001 - 10000	23	00.11	152809	0.71
10001 - 20000	16	00.08	234789	1.08
20001 - 30000	7	00.03	178365	0.82
30001 - 40000	6	00.02	204579	0.95
40001 - 50000	2	00.01	85319	0.39
50001 - 100000	3	00.02	227180	1.05
100001 and above	16	00.08	18690288	86.27
Total	**21007**	**100.00**	**21663937**	**100.00**

(b) Categories of Shareholders as on 31st March 2015

	No. of Folio's	% to total Folios	No. of Shares held	% to total Shares
PROMOTERS				
NRI	2	0.01	2862145	13.21
Indian	5	0.02	11562764	53.37
TOTAL (A)	**7**	**0.03**	**14424909**	**66.58**
Institutional Investors (Mutual Funds/UTI /Banks/FI's)	6	0.03	911042	4.21
FII's	3	0.02	1457678	6.73
Insurance Companies	2	0.01	492641	2.27
NRI's / OCB's	150	0.72	414559	1.91
Other Bodies Corporate	192	0.92	302245	1.40
Others (Clearing Members)	61	0.29	39307	0.18
Others (Individual)	20581	97.99	3621396	16.72
Others (Trusts)	1	0.01	160	0.00
TOTAL (B)	**20996**	**99.97**	**7239028**	**33.42**
TOTAL { (A) + (B) } = (C)	**21003**	**100.00**	**21663937**	**100.00**

* Equity Share of the face value of ₹ 10/- each.

(xi) Dematerialisation of Shares and liquidity

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both NSDL and CDSL. As on 31st March 2015, 21174088 equity shares of the Company forming 97.74% of the Share Capital of the Company stand dematerialized.

(xii) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs/Warrants etc. till date.

Corporate Governance

(xiii) Plant locations:

The Company have following plants at various locations in India, Bangladesh and Indonesia, as follows:

i) 446, Udyog Vihar, Phase-V, Gurgaon - 122 016 (Haryana)
ii) 751, Pace City II, Sector 37, Khandsa, Gurgaon - 122 004 (Haryana)
iii) 16-17, Udyog Vihar, Phase VI, Khandsa, Gurgaon - 122 004 (Haryana)
iv) Plot No.73,Udyog Vihar,Phase-I,Gurgaon-122016
v) Plot No.274,Udyog Vihar,Phase-II,Gurgaon-10016
vi) B-17,A2,and SA 17SA2 1st Street, SIDCO, Industrial Estate, MMDA, Arunbakkam, Chennai-600106
vii) No.64,Janakiraman Nagar,Puthagaram,Cuddapa Road,Kilattur,Chennai-600009
viii) NH-45 Chettipunniam Village near Chengalpattu,Kanchipuram district, Chennai-603204
ix) 292/9,Madharpakkam,Gummidipoondi Taluk,Thiruvallur,-601202
x) Norp Knit Industries Ltd., North Khilkar, P.O. National University, Gazipur, Bangladesh.
xi) PT Pinnacle Apparels, Tanjung Emas Export, Processing Zone, Blok A-15-15A, JL Coaster

(xiv) Registered Office of the Company:

A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi - 110 028

Corporate Office & Address for Correspondence:
Pearl Tower, Plot No.51, Sector-32
Gurgaon - 122 001, Haryana (India)

In case of any Complaint, Investors can contact Compliance Officer:
Mr. Sandeep Sabharwal
Company Secretary
Pearl Global Industries Limited
Pearl Tower, Plot No.51, Sector-32
Gurgaon - 122 001, Haryana (India)
Tel. No. : 91 - 124 - 4651714

11. In regards, shares remains unclaimed and lying in the IPO escrow A/c of the company for the financial year 2014-15, information is as follows:

- Total shares outstanding at the beginning of Financial Year are 420 & total number of shareholders is 20.
- Number of shareholders approached the company for transfer of shares: Nil
- No. of shareholders to whom shares transferred from escrow a/c: Nil
- Aggregate number of shareholders & shares at the close of the year are 20 and 420 respectively.
- Voting rights of these shares shall remain frozen till claim made against their shares.

Non-Mandatory Requirements

The status/extent of compliance of non mandatory requirements is as follows:

(1) (a) Maintenance of Non-Executive Chairman's Office
Presently, the Company is not maintaining office of the Non-Executive Chairman.

(b) Independent Directors may have tenure, not exceeding, in the aggregate, a period of nine years, on the Board of the Company.

As on date, there are no Independent Directors having a term of office exceeding nine years.

(2) Remuneration Committee.
Already constituted. Details given in the preceding paragraphs.

(3) Half-yearly financial performance and summary of significant events to be sent to each household of shareholders.

The Company's Financial Results, Shareholding Pattern and official news releases are displayed on the Company's website www.pearlglobal.com.

Corporate Governance

(4) Audit Qualifications – presently not applicable to the Company.

(5) Training of the Board Members.
Presently the Company does not have such training programme.

(6) Mechanism for evaluating Non-Executive Board Members.
The Company has a formal mechanism as contemplated for evaluating the performance of Non-Executive Board Members.

(7) Whistle Blower Policy
Presently, the Company have a Whistle Blower Policy. However, whistle blower policy may be accessed on Companies website www.parlglobal.com

Electronic Clearing Service (ECS)
SEBI had vide its Circular No. DCC/FITTCIR-3/2001 dated October 15, 2001 advised that all companies should mandatorily use ECS facility wherever available. In the absence of ECS facility, companies may use warrants for distributing the dividends and vide its Circular No. D&CC/FITTCIR-04/2001 dated November 13, 2001 had advised companies to mandatorily print the Bank Account details furnished by the Depositories, on the dividend warrants. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors. However, members who wish to receive dividend in an account other than the one specified while opening the Depository account, may notify their DPs about any change in the Bank Account details.

Depository Services

For guidance on depository services, shareholders may write to the Company or to the respective Depositories:

National Securities Depository Ltd.
Trade World, 4th Floor, Kamala Mills Compound
Senapati Bapat Marg, Lower Parel, Mumbai-400013
Telephone: 022-24994200
Facsimile: 022-24972993
E-Mail : info@nsdl.co.in
Website: www.nsdl.co.in

Central Depository Services (India) Ltd.
Phiroze Jeejeebhoy Towers
28th Floor, Dalal Street, Mumbai-400023
Telephone : 022-22723333/3224
Facsimile : 022-22723199
E-Mail : investors@cdslindia.com
Website : www.cdslindia.com

Management Discussion and Analysis

A. ECONOMIC OVERVIEW

1. Global Economy

Global growth remained broadly on track at about 2.8% in Real GDP in FY 2015 after hitting a somewhat soft patch at the start of the year. It is largely expected to pick up to 3.2% in 2016-17, in line with previous forecasts. Divergence across major economies will narrow in 2015-16 as growth plateaus in the United States and strengthens in the Euro Area and Japan. Several major forces such as soft commodity prices, persistently low interest rates, increasingly divergent monetary policies across major economies, and weak world trade have been driving the global economic outlook. Lower oil prices will support consumer spending and hold inflation at record lows in the short term, but these effects will wane by 2016. Activity in China will continue to decelerate modestly in line with expectations, with the slowdown buffered by scaled-up monetary and fiscal accommodation. (Source: worldbank.org)

A strong U.S. dollar is expected continue to weigh on exports, driven predominantly by private consumption. Growth in United States is expected to strengthen modestly to 2.7% in 2015 and further to 2.8% in 2016. Overall, policy in the United States is expected to remain accommodative and the fiscal stance will be broadly neutral. As a result of sustained job creation, the unemployment rate is approaching structural levels and inflation is expected to move closer to the U.S. Federal Reserve's target in 2016. This, together with neutral fiscal policy and healing household balance sheets, should support a steady growth trend in U.S. in 2015-16.

However, the European economy continues to be in choppy waters. Greece is facing a severe crisis in its loan repayments to the International Monetary Fund (IMF), and the trajectory shows a strong probability that any further delay or default can threaten its association with the European Union. The European economy is more stable to handle the immediate fallout from a Greek exit compared to 2012. However, a number of countries in the European economic periphery still continue to experience

Management Discussion and Analysis

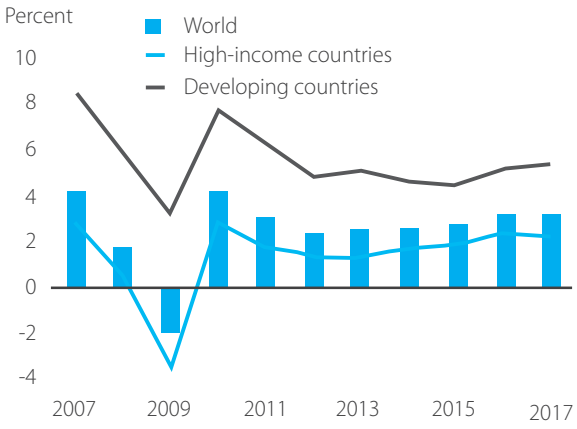
weak economic growth and continue to have very high public and private sector debt levels. This makes them especially vulnerable to swings in investor sentiment once global liquidity conditions are normalised and the perception becomes widespread that Euro membership is no longer irrevocable. Even though the Greek economy is relatively smaller to have big global impact, a sense of nervousness exists among other EU countries with high debts and repayment difficulties, dampening overall business and consumer sentiments.

2. Indian Economy

With strong global ties and a dynamic investment atmosphere, India will outgrow China and its BRIC peers with a GDP growth of 7.5% in 2016, from 7.2% in FY2015. India, a major oil importer, will be a big beneficiary of the decrease in energy prices as it is consequently increasing real income and spending. This includes removing infrastructural bottlenecks as well as implementing reforms to education, labour, and product markets for raising labour force participation and productivity. As the Government is pushing forward with subsidy reforms, lower oil prices offer an opportunity to decrease energy subsidies and replace them with better-targeted programmes.
(Source: International Monetary Fund (IMF) projections)

a. Outlook of Global Economic Growth in Real GDP

Growth is expected to be strong in the coming years on the back of reforms, pick-up in investments, rebounding consumer demand and lower prices. A ranking of investment destinations for attractiveness to foreign investors has placed India at the top among 110 countries. Based on the Baseline profitability Index (BPI), India tops the list as the most viable option for attracting investors around the world. This can be primarily attributed to drivers such as Government stability, high growth forecast and an overall sense of investment protection. (Source: Global Survey Report - Ernst & Young)



With strong global ties and a dynamic investment atmosphere, India will outgrow China and its BRIC peers with a GDP growth of 7.5% in 2016, compared to 7.2% in 2015.

Management Discussion and Analysis

B. INDUSTRY OVERVIEW

1. Global Textile and Apparel Market

The global Textile and Apparel market is expected to touch $805 billion in 2015, compared to $650 billion in 2010, according to the Global Textile and Apparel Industry: Vision 2015. This is projected to touch $1,060 billion by 2021. The global textile industry has evolved through distinct consumption and production hubs. Production was earlier located in developed economies such as the U.S. and UK, but over the years manufacturing has shifted to developing economies such as India, China, and Bangladesh, due to a specific cost advantage offered by these countries. Although textile production in developed economies is slowing down, the developing economies continue to witness robust production as they contribute over 60% of the world textile production.

The global Textile and Apparel market is expected to touch $805 billion in 2015, compared to $650 billion in 2010, according to the Global Textile and Apparel Industry: Vision 2015. This is projected to touch $1,060 billion by 2021.

Estimated Projection of Textile Industry

Segment	Production	Value ($ Billion)	CAGR between 2011-2021 (%)
Global Fiber Demand	63 Mn Tonne	123	2
Yarn Demand	89 Mn Tonne	303	3
Global Fabric Demand	477 Bn Sq.mt	477	3
Global Garment Demand	188 Bn Pieces	683	NA

a. The Evolving Global Industry Structure

The global textile and apparel industry is undergoing structural changes to sustain itself in a dynamic environment. Till a few years back, market players were focused on organic growth to increase sales. However, in the face of increased competition, companies have now started to focus on growth through mergers and acquisitions. Inorganic growth enables companies to access new markets, enhance their product portfolio and achieve value chain integration in a shorter span of time. In developed economies, value retailers (providing products that represent value for money proposition) grew by an average CAGR of 17% between 2005-2010, in comparison with average CAGR of 2% registered by brands. Going forward, the trend is expected to grow stronger as consumers will rationalize their spending, aiding the growth of value retailers at the expense of brand. (Source: Technopak)

US$ 108 Million

Size of Indian Textile & Apparel Industry

2. India's Textile Market

India's total textile and apparel industry (domestic plus exports) is a $108 billion market, of which roughly $40 billion is export oriented. This is projected to grow at a CAGR of 9.5% and almost double at $221 billion by 2021. India is one of the largest producers of textiles and apparels in the world, second only to China. Textile industry plays a significant role in India's economy, which is largely dependent on textile manufacturing and exports. The industry is the second largest employer after agriculture, providing direct employment to over 45 million people. The Indian Textile Industry contributes approximately 5% to India's GDP and 14% to overall Index of Industrial Production (IIP). Furthermore, the textile and apparel exports it contribute roughly 11% to India's export earnings. Textile exports have grown by roughly 11% over the last decade and accounts for 5% of India's total global trade. With rising GDP growth in India and a subsequent growth in consumer

Management Discussion and Analysis

spending, India's textile and apparel sector witnesses a plethora of opportunities to flourish, irrespective of the global market conditions.(Source: www.cii.in, Technopak)

a. Growth Triggers

- Political and economic stability
- Flexibility in production quantity
- Skilled and cost-efficient talent pool

b. Government Initiatives

The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100% Foreign Direct Investment (FDI) in the Indian textiles sector under the automatic route.

c. India's Trade Scenario

As per latest available statistics, exports of RMGs account for 47% of India's total textiles export. India's textiles products, including handlooms and handicrafts, are exported to more than 100 countries. However, the USA and the EU account for about two-thirds of the total textiles exports. The other major export destinations are China, U.A.E., Sri Lanka, Saudi Arabia, Republic of Korea, Bangladesh, Turkey, Pakistan, Brazil, Hong-Kong, Canada, Egypt, among other nations. (Source: Outcome budget, Textile industry)

India's overall textile exports grew by 9% CAGR since 2000, with fibre exports registering the highest CAGR in recent years. India' share of worldwide textile and apparel exports currently stands at 4%. This figure is estimated to grow to 8% by 2020 and will open up huge potential for Indian players. U.S. is the biggest export destination for Indian textiles and apparel. The US Department of Commerce, places India as the second-highest exporter of textile and garments, surpassing China. (Source: Technopak Advisors)

Management Discussion and Analysis

C. COMPANY OVERVIEW

Pearl Global Industries Limited (PGIL) is one of India's largest listed garment exporters, manufacturing from multiple sourcing regions within India and countries within South Asia. A preferred long-term vendor to most leading global brands, we are amongst the leading players in our industry. Our mainstay business is to create value from competitively manufacturing and exporting fashion garments to leading global brands. We have now also ventured into e-retail through established digital channels and our own e-com portal "Sbuys.in", giving consumers access to global fashion at attractive values.

Our product range includes knits, woven and bottoms (basic and complex designs) across men, women and kids wear segments. We have a well-diversified and de-risked manufacturing base across India, Indonesia and Bangladesh. We have a total capacity to manufacture around 5 million garments per annum (including own and outsourced facilities). Our revenue structure is primarily export based, with a major contribution coming from exports to the United States. We provide total supply chain solutions to customers – value retailers and high-end fashion brand retails in the United States and Europe. Our business model enables us to offer superior quality products across various countries, catering to all kinds of consumers. Our esteemed global clientele includes premium retailers in USA and Europe, including GAP, Banana Republic, Kohl's, Macy, Ralph Lauren, Tom Tailor and Next, among others.

We strive to be the most preferred vendor to the top global apparel brands and be ranked amongst the top garment manufacturers in the world, in terms of quality, service standards and ultimately - customer satisfaction, keeping in line with our broader vision.

1. Our Manufacturing Facilities

Country	Name	Factories	Capacity Mn Pieces / Month	Machines
India	Pearl Global	7	1.68	4,500
Bangladesh	Norp Knit	5	1.80	3,400
Indonesia	PT Pinnacle	2	0.35	1,100

Management Discussion and Analysis

a. Additional Capabilities

- **Fabric Development Centres**
  We have Fabric Development Centres in China and India as well as Design and Product Development teams across the globe. Our Fabric Development teams circulate the latest fabric ideas amongst the designers, who develop a product profile. This profile is shared with manufacturing facilities for the purpose of product development. Our design and product development teams support all three streams of our business across all the locations.

- **In-house hand-work set up in North India and Bangladesh**
  We have one of the largest in-house embroidery facility with a capacity of 500 installed heads in North India and another 100 installed heads in Bangladesh.

- **In-house washing capacity**
  Our in-house washing capacity is established in North India and Bangladesh with a capacity of 50,000 pieces a day and 35,000 pieces a day, respectively.

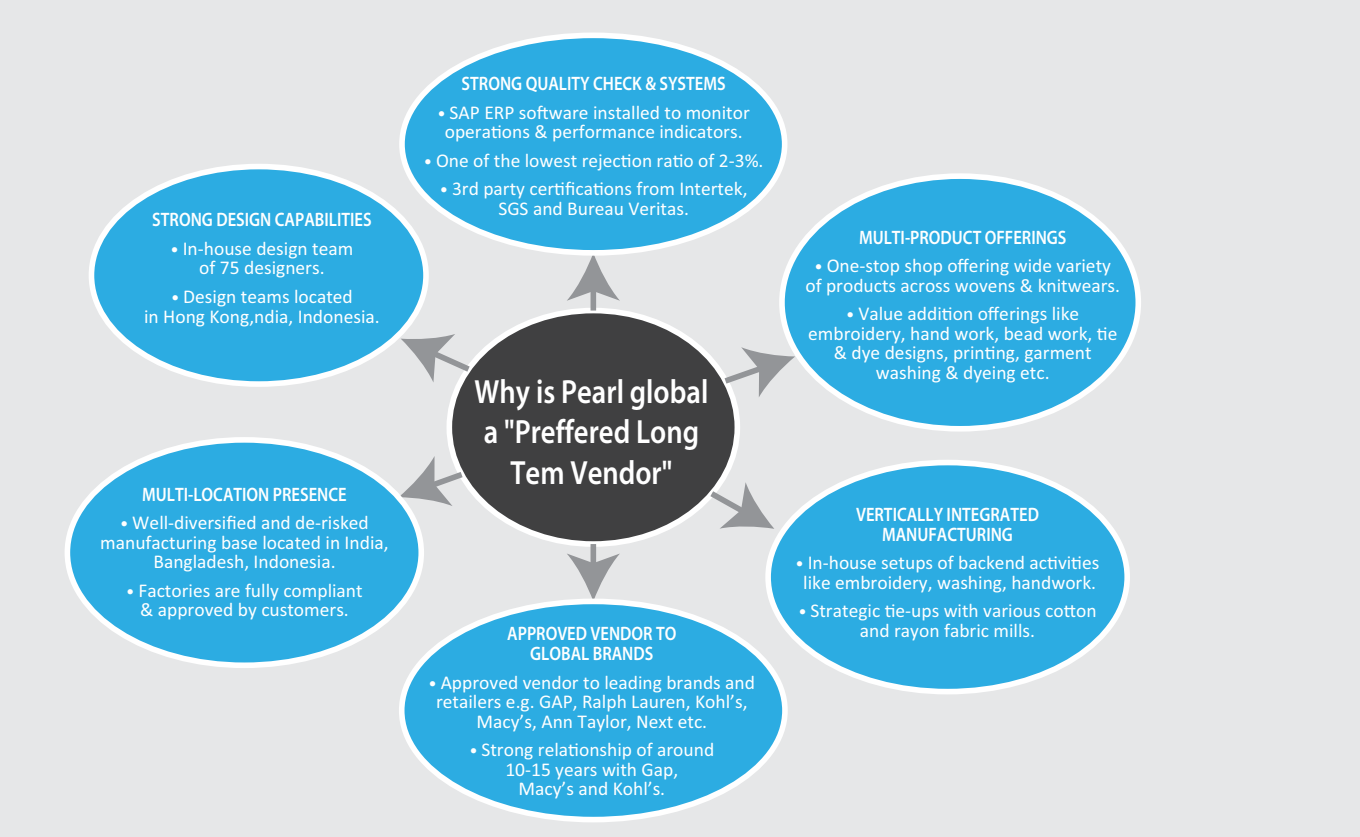
- **Garment dyeing facility**
  A garment dyeing facility has been established in Bangladesh, with a capacity of 10,000 pieces a day.

2. Multi-Speciality Manufacturing:

We have a strong foothold in the prominent garment manufacturing hubs – in I ndia and across the globe. This enables us to diversify our manufacturing capabilities and to customize our products to market needs.

Location of Facility	Specialisation
India - Rajasthan (Access through third parties)	Hand-block printing, hand embroidery, bead work
India - NCR, Delhi	High fashion cotton knitwear and wovens
India - Bangalore & Chennai	Basic & fashion woven and knitwear
Bangladesh	Knitwears, basic shirts, jackets, bottom weights
Indonesia	High fashion polyester knitwear and wovens

3. PGIL – A Preferred Vendor for all Brands



Management Discussion and Analysis

D. OPERATIONAL HIGHLIGHTS:

With additional capacities and promising growth in new markets and geographies, we bettered our operational performance during the year. We continued to amplify our strengths, while diversifying our footprint in the global market. Some of the key operational highlights during the year are as below:

- **Market Diversification**

Currently, ~90% of our sales are accounted by United States. However, the seasonal decline in sales of wovens during the fall season (August-November) results in lower capacity utilization at our Indian facilities. Hence, we are continuously endeavouring to diversify our sales to newer geographies in Australia, UK, Germany, Canada, Mexico, Chile and South Africa.

- **Capacity Growth**

We made a capex of Rs. 53.45 Crores during FY2015, which was mainly applied towards (modernization of existing plant as well as capacity expansion at Bangalore and Chennai). As a result, our aggregate production capacity is expected to increase by 8.8%, from 5 million units FY2014 to 5.44 million in FY2016.

E. OUR PILLARS OF STRENGTHS

1. A Multi Location Manufacturing Capability

Global apparel sourcing market is witnessing a shift from China to other low-cost Asian countries, primarily Bangladesh, India and Indonesia. Our Company already has a strong manufacturing presence in leading sourcing nations such as India, Bangladesh and Indonesia. Each of these countries exhibits certain core advantages.

90%

Total Sales in United States

Management Discussion and Analysis

2. Design Cell

Our Company has a dedicated in-house design team of ~75+ designers in Hong Kong, India and Indonesia. The design teams continuously observe the trends in all markets across the world and visit almost all the globally renowned fashion and textile fairs to refresh their inspiration for new design ideas. As a result, they are well-equipped to serve the global brands from concept boards to ready new samples. New design ideas also emerge from our various marketing teams, who are close to and in continuous conversations with buyers located in Hong Kong, London, USA and Germany. There is an increased focus being placed on creating brand-specific product designs to generate and accelerate business opportunities for global brands and retailers.

3. E-Commerce – a B2C Endeavour via E-Commerce Channels

In view of the phenomenal rise witnessed in the consumption of products through online retailing within India, especially in textiles, we have recently ventured into e-retail through our own retail platform "www.SBUYS.com". Our vision behind this is to provide internationally trending and fashionable garments to the Indian consumer at an attractive value. In addition to our own retail platform, we have established tie-ups with leading online retail platforms such as Flipkart, Snapdeal, Jabong, Myntra, Fashion and You, Hopscotch and Amazon. We are confident of capitalising on this growing opportunity. We expect tis channel to evolve gradually and become more significant in the coming years. Since our margin contribution through this channel is substantially more than our B2B business, our topline growth in our B2C business will have a positive effect on our bottom lines.

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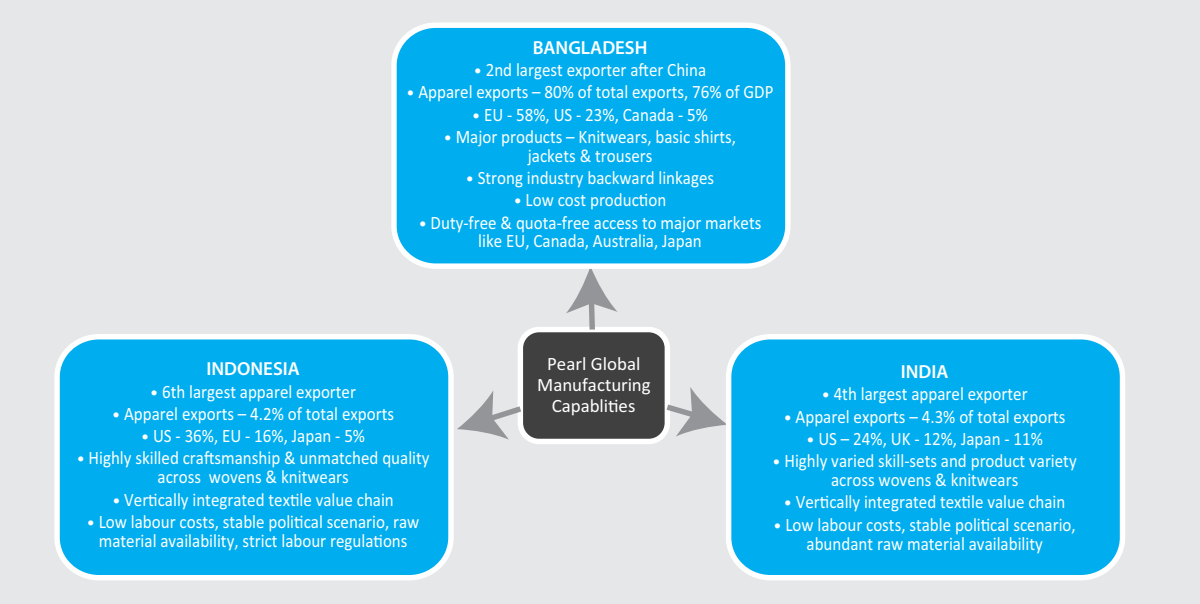

Management Discussion and Analysis

F. MANAGEMENT OUTLOOK

The future of India's textile industry looks promising. This positive outlook is driven by improving revenue prospects from rebounding economic growth in key export destinations; and by stabilising input costs and continuing favourable policies supporting our industry. The future for the domestic textile industry is also buoyant due to strong domestic consumption. With consumerism and disposable incomes on the rise, the textile sector is experiencing a rapid growth and we hope to surf forward on this positive wave.

Our main market in the USA looks relative healthy with both employment and consumption on a steady rise. We expect our business into the USA to grow consistently over the near term. Simultaneously, we expect to continue our steady penetration into other markets, allowing us to use our capacity in lean seasons and so gradually improve our ROIs. We also intend to strengthen our existing association with various apparel brands by becoming a larger, more service orientated vendor-partner to them. We are geographically well positioned to produce from the most cost-effective supply bases in Asia, keeping us highly competitive and relevant to our customers. Above all, we expect to maintain and step up our profitability from superior value-added products and meticulous management of our costs and processes.

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Management Discussion and Analysis

G. FINANCIAL OVERVIEW

Key Performance Indicators	Rs Crores
Operating Income	1,023.74
Gross Profit	487.35
EBITDA	49.65
Finance Cost	23.49
Depreciation & Amortization	15.85
Profit Before Tax	34.21
Profit After Tax	25.07
Basic Earnings Per Share (EPS)	1.16
Dividend per share – Normal	2.25
Dividend per share – Special	Nil
Net worth	317.43
Short term borrowings (including working capital loans)	145.99
Borrowings	166.68
Inventory	174.77
Debtors	1.55
Net Block	207.62
Cash & Bank Balance	94.40

Income from Operations

Income from operations for FY 2015 came in at Rs 1,023.74 Crores. The growth in income from operations was strong in second half with revenues increasing by 18.3% QoQ in the third quarter and 36.2% QoQ in the fourth quarter. The improvement in revenues was driven by demand scenario gradually improving in the US and ramp up in capacity utilization.

Earnings before interest tax depreciation and amortization (EBITDA)

EBITDA for the full year FY2015 came in at Rs 49.7 Crores at margins of 4.8%. EBITDA Margin expanded strongly in the second half of the year driven by improving capacity utilization. EBITDA margins in third quarter were 5.4% increasing by 228.2 bps QoQ and 6.1% in the fourth quarter registering an increase of 68 bps QoQ.

Interest and Depreciation

Interest Expense for FY2015 was Rs 23.49 Crores. Interest cost is minimal due to low leverage levels. Depreciation & Amortisation expense for FY2015 came in at Rs 15.85 Crores.

Profit after tax

Profit after tax for FY2015 came in at Rs 25.07 Crores. PAT margins for the full year were 2.4%. Similar, to the trend in EBITDA and Revenues, PAT margins improved in the latter half of the year. PAT margins for the third quarter and fourth quarter came in at 2.9% & 3.3% respectively, improving by 209.4 bps QoQ and 45 bps QoQ respectively. Improving demand in US coupled with the increase in utilizations levels, efficient control on operating costs drove the expansion in PAT margins in Q3FY2015 and Q4 FY2015. Capacity Utilization is expected to be over 70% during FY2016 as compared to Average of 62% in FY2015. With further improvement in capacity utilizations, the margins can improve significantly.

Leverage

Consolidated debt in FY2015 was Rs 166.68 Crores, net debt in FY2015 was Rs 61.1 Crores. In terms of leverage, the company is in a comfortable position with Net Debt to Equity ratio of 0.2. The low debt to equity ratio enables the company to undertake expansion going forward without putting too much stress on the balance sheet.

Management Discussion and Analysis

H. RISK MANAGEMENT

1. Fluctuations in the international market

Overseas buyers are reducing not only their orders, but also their prices owing to serious liquidity problems being faced by them. The fortunes of garment exporters would, therefore, continue to fluctuate in a rough weather in the international market.

₹1,023.74 Crores

PGIL's Income from Operations in FY2015

2. Changes in Labour Policy

Garment manufacturing is largely and will remain a labour intensive industry, despite the introduction of greater automation. The obsolete and antiquated labour laws have hindered the growth of this labour intensive industry. Restrictive industrial and labour laws restrain one's capability to respond professionally, effectively and speedily to the fast-changing dynamic international textile scenario. New norms are needed to enable players to compete effectively in international markets, especially when it comes to employing casual labour and deploying overtime hours to meet season-driven tight delivery schedules.

3. Labour Costs and Changing Prices of Raw materials

The industry is generally facing rising labour wages and input costs of key raw materials such as cotton.

4. Risk Mitigation:

Company is developing markets other than USA to reduce it's concentration on US business. Company has successfully been able to penetrate into Australian and European market.

Management Discussion and Analysis

The Company has established factories and operating in the region for long time, continuous effort for betterment of labour has been conducted to improve the condition both at work and home for labour. Company till now haven't faced any labour issues in terms of strike etc.

The Company is undertaking various measure like lean manufacturing at ground level to increase the productivity and further reduce rejection to improve margin.

I. INTERNAL CONTROLS

The Company's internal control system has been designed to provide for:

- Accurate recording of transactions with internal checks and prompt reporting through SAP
- Adherence to applicable Accounting Standards and policies
- Review of capital investments and long-term business plans
- Periodic review meetings to manage effective implementation of systems
- Compliance with applicable statutes, policies, listing requirements and operating guidelines
- Effective use of resources and safe-guarding of assets
- IT systems with in-built controls to facilitate all of the above

The Company has adequate systems of internal controls to ensure that transactions are properly recorded, authorized and reported, apart from safeguarding of the assets.

The Company has adequate systems of internal controls to ensure that transactions are properly recorded, authorized and reported, apart from safeguarding of the assets. It has successfully implemented SAP for its manufacturing units and will continue upgrading the same. The Company has its own Corporate Internal Audit set up which carries out periodic audits at all the locations and functions and brings out deviations to internal control procedures. The observations arising out of the audits are periodically reviewed and compliance ensured.

J. HUMAN RESOURCES

Our Company's success depends on our ability to recruit, train and retain quality personnel. Accordingly, special emphasis is placed on the human resources function in our Company. The Company adopts a "People First" approach to leverage the full potential of its employees. Systems and methods are put in place to improve employee productivity, continuing skill up gradation and training and by emphasizing the importance of quality products and customer satisfaction.

K. CAUTIONARY STATEMENT

Statement made in the Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations may be "Forward-looking statements" within the meaning of applicable securities laws & regulations. Actual results could differ from those expressed or implied.

Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic & overseas markets in which the Company operates, changes in the government regulations, tax laws & other statutes & other incidental factors.

Auditors' Certificate on Compliance of Conditions of Corporate Governance as per Clause 49 of the Listing Agreement with the Stock Exchanges

To The Members,
Pearl Global Industries Limited

We have examined the compliance of conditions of Corporate Governance by Pearl Global Industries Limited, for the year ended 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us and based on the representation by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

For S.R. Dinodia & Co. LLP
Chartered Accountants
Regn. No. 001478N/N500005

(Sandeep Dinodia)
Partner
M.No. 083689

Place: New Delhi
Dated: 21.05.2015

Certification by Managing Director and Chief Financial Officer of Pearl Global Industries Limited

We, Pulkit Seth, Managing Director and Raj Kumar Chawla, Chief Financial Officer of Pearl Global Industries Limited to the best of our knowledge and belief certify that:

a. We have reviewed the financial statements and the Cash Flow Statement for the year ended 31st March, 2015 and to best of our knowledge and belief:

   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

   ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. We also certify that to the best of our knowledge and belief, there are no transactions entered into by Pearl Global Industries Limited during the year, which are fraudulent, illegal or violate of the Company's Code of Conduct.

c. We are responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee:

   i) Significant changes, if any, in internal control over financial reporting during the year.

   ii) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

e. We affirm that we have not denied any personnel, access to the Audit Committee of the Company (in respect of matters involving misconduct, if any)

f. We further declare that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for the current year.

Place: Gurgaon
Date: 22.05.2015

(Pulkit Seth)
Managing Director

(Raj Kumar Chawla)
Chief Financial Officer

Independent Auditors' Report

To the Members of M/S PEARL GLOBAL INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of M/S Pearl Global Industries Limited ("the Company") and its subsidiary (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2015, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED 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 consolidated financial position, consolidated financial performance and consolidated 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 the 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 the 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 consolidated 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 ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give 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 accounting policies used and the reasonableness of the accounting estimates made by Company's directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the consolidated 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:

Independent Auditors' Report

To the Members of M/S PEARL GLOBAL INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
(b) in the case of the Consolidated Statement of Profit and Loss, of the Profit for the year ended on that date; and
(c) In the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

OTHER MATTERS

We did not audit the financial statements of subsidiaries, whose financial statement reflect total assets of of ₹ 30,247.60 lacs as at March 31, 2015 and total revenue of ₹ 73,286.53 lacs for the year ended March 31, 2015. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

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

(Sandeep Dinodia)
Partner
Membership No. 083689

Place: New Delhi
Date: May 22nd, 2015

Consolidated Balance Sheet
as at March 31, 2015

(Amount in ₹)

Particulars	Note No.	As At March 31, 2015	As At March 31, 2014
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	3	216,639,370	216,639,370
Reserves and Surplus	4	2,957,638,002	6,476,792,415
		3,174,277,372	6,693,431,785
Share Capital Suspense Account	5	-	259,967,240
Minority Interest		98,445,910	457,818,502
Non-Current liabilities			
Long-term borrowings	6	138,941,189	657,376,987
Deferred tax liabilities (net)	6	-	-
Other Long Term Liabilities	7	413,251,060	235,491,209
Long-term provisions	8	46,784,537	26,473,525
		598,976,786	919,341,722
Current liabilities			
Short-term borrowings	9	1,459,851,005	5,353,443,967
Trade payables	7	1,658,213,045	4,668,780,946
Other current liabilities	7	292,067,404	544,346,269
Short-term provisions	8	60,627,240	198,837,104
		3,470,758,693	10,765,408,285
TOTAL		**7,342,458,761**	**19,095,967,534**
II. ASSETS			
Non-Current assets			
Fixed assets			
Tangible assets	10	2,037,045,708	3,197,825,128
Intangible assets	10	92,411,818	523,798,302
Capital work-in-progress	10	29,983,048	153,777,129
Non-current investments	11	504,000	213,418,140
Deferred tax assets	12	27,279,150	40,327,159
Long-term loans and advances	13	431,785,647	415,394,084
Trade receivables	16	15,525,416	15,525,416
Other non-current assets	16	36,225,562	28,537,868
		2,670,760,350	4,588,603,226
Current Assets			
Current Investment	14	111,761,581	201,557,192
Inventories	15	1,747,692,768	2,942,908,331
Trade receivables	16	1,193,241,344	6,723,790,781
Cash and bank balances	17	944,021,575	2,861,803,202
Short-term loans and advances	13	389,150,293	1,536,485,483
Other current assets	16	285,830,852	240,819,318
		4,671,698,411	14,507,364,308
TOTAL		**7,342,458,761**	**19,095,967,534**
Significant Accounting policies	2		
The Notes referred to above, form an integral part of the Financial Statements			

As per our Report of even date attached

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

Sandeep Dinodia
Partner
Membership No. 083689

Place: New Delhi
Date: May 22, 2015

For & on behalf of Board of Directors of Pearl Global Industries Limited

Pulkit Seth
Managing Director
DIN 00003044

Raj Kumar Chawla
Chief Financial Officer

Vinod Vaish
Whole Time Director
DIN 01945795

Sandeep Sabharwal
Company Secretary

Consolidated Statement of Profit & Loss

for the year ended March 31, 2015

(Amount in ₹)

Particulars		Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
I	Revenue from operations	18	10,237,371,446	46,989,586,420
II	Other income	19	240,520,518	652,800,421
	Total Revenue (I + II)		**10,477,891,964**	**47,642,386,840**
III	Expenses			
	Cost of materials consumed	20	4,949,531,635	4,579,766,935
	Purchases of Stock-in-Trade	21	381,138,831	32,305,137,182
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	33,246,195	295,494,526
	Employee benefits expense	23	1,661,335,387	3,764,629,602
	Finance costs	24	234,930,331	399,217,037
	Depreciation and amortization expense	10	158,487,425	288,983,180
	Other expenses	25	2,715,665,994	5,453,450,742
	Total Expenses		**10,134,335,799**	**47,086,679,203**
IV	**Profit before exceptional and extraordinary items and tax (III - IV)**		**343,556,165**	**555,707,638**
V	Exceptional items	26	(1,432,506)	(48,053,183)
VI	**Profit before tax and extraordinary items (IV - V)**		342,123,659	507,654,455
VII	Extraordinary Items	27	-	-
VIII	**Profit before tax (VI - VII)**		**342,123,659**	**507,654,455**
IX	**Tax expense:**			
	Current Tax		72,800,494	91,330,978
	Less: MAT credit entitlement		-	(31,642,497)
	Deferred Tax		25,994,822	7,404,392
	Tax adjustment for earlier years		206,546	(51,702)
X	**Profit/(Loss) before minority share (VIII - IX)**		**2,431,21,797**	**4,406,13,285**
	Minorities Share in (Profits)/Loss			
XI	**Profit/(Loss) of the year**		7,570,411	(54,180,571)
XII	**Earnings per equity share:**	28	**250,692,208**	**386,432,713**
	Basic		11.57	17.84
	Diluted		11.57	17.84
Significant Accounting Policies		2		
The Notes referred to above, form an integral part of the Financial Statements				

As per our Report of even date attached

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

Sandeep Dinodia
Partner
Membership No. 083689

Place: New Delhi
Date: May 22, 2015

For & on behalf of Board of Directors of Pearl Global Industries Limited

Pulkit Seth
Managing Director
DIN 00003044

Raj Kumar Chawla
Chief Financial Officer

Vinod Vaish
Whole Time Director
DIN 01945795

Sandeep Sabharwal
Company Secretary

Consolidated Cash Flow Statement
for the year ended March 31, 2015

(Amount in ₹)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	342,123,659	507,654,455
Adjustments For :		
Depreciation	158,487,425	288,983,180
Inventory Written off	-	28,384,654
Prior Period Expenses	4,459,293	3,083,770
(Profit)/Loss on sale of Assets	1,432,506	19,668,529
(Profit)/Loss on sale of Investment	6,667,009	(3,729,136)
Rent received	(78,947,579)	(89,849,778)
Net Interest paid	142,947,225	301,089,670
Foreign Currency Translation Reserve	28,929,492	222,823,621
Foreign Exchange Fluctuation	-	(106,695,161)
Interest received	(32,475,956)	(60,657,956)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**573,623,075**	**1,110,755,848**
Adjustments For :		
Trade and Other Receivables	(555,935,737)	126,987,935
Inventories	(11,974,252)	(153,563,861)
Trade Payables and other payables	385,293,312	(160,948,318)
CASH GENERATED FROM OPERATIONS	**391,006,398**	**923,231,604**
Tax on dividend	(7,363,572)	(3,513,891)
Direct Taxes Paid	(56,829,915)	(77,665,246)
CASH FLOW BEFORE PRIOR PERIOD ITEMS/EXCESS PROVISION WRITTEN BACK/EXTRA ORDINARY ITEM	326,812,911	842,052,466
Prior period Items/Excess Provision w/back	(4,459,293)	(3,083,770)
NET CASH FROM OPERATING ACTIVITIES (A)	**322,353,618**	**838,968,696**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (including CWIP)	(314,119,168)	(619,383,867)
Sale of Investment during the year	88,578,824	103,120,300
Investment made during the year	(31,344,618)	(250,098,019)
Investment in bank deposits (having original maturity of more than one year)	(5,783,277)	(4,865,128)
Investment in bank deposits (having original maturity of less than one year)	(403,153,896)	(343,500,509)
Purchase consideration on acquisition of subsidiaries (net of cash acquired)	-	17,301,934
Sale of Fixed Assets	8,857,648	24,752,819
Interest Received	32,475,956	60,657,956
Rent Received	78,947,579	89,849,778
Dividend Received	-	-
NET CASH USED IN INVESTING ACTIVITIES (B)	**(545,540,951)**	**(922,164,735)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(142,947,225)	(301,089,670)
Repayment (to)/ from Minority interest	63,257,140	(10,858,635)
Dividend Paid	(43,253,954)	(22,039,324)
Proceeds from Long Term Borrowings (Net)	144,069,773	1,024,167,949
NET CASH FROM FINANCING ACTIVITES (C)	**21,125,734**	**690,180,321**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(202,061,599)	606,984,283
Adjustment for Foreign Exhange Fluctuation	-	106,695,161
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**507,938,392**	**689,076,182**
CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	**305,876,793**	**1,402,755,625**
Cash & Cash Equivalents include:		
- Cash on Hand	18,702,112	11,994,025
- Cheque on Hand	19,857,734	6,287,228
- Deposits with original maturity of less than 3 months*	60,000,000	-
Balance with Scheduled banks:		
- In Current Account	206,675,680	1,383,907,025
- Unpaid Dividend	641,267	567,347
	305,876,793	1,402,755,625

Note: Figures in brackets represent outflows.
Summary of Significant Accounting Policies

The accompanying notes are an integral part of the financials statements

As per our Report of even date attached

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

Sandeep Dinodia
Partner
Membership No. 083689

Place: New Delhi
Date: May 22, 2015

For & on behalf of Board of Directors of Pearl Global Industries Limited

Pulkit Seth
Managing Director
DIN 00003044

Raj Kumar Chawla
Chief Financial Officer

Vinod Vaish
Whole Time Director
DIN 01945795

Sandeep Sabharwal
Company Secretary

Notes
to the Consolidated Financial Statements for the year ended March 31, 2015

NOTE 1: CORPORATE INFORMATION

Pearl Global Industries Limited is a public limited company domiciled in India and incorporated under the provisions of the Companies Act,1956. The company along with its subsidiaries (collectively referred to as "the Group"), is primarily engaged in manufacturing, sourcing, distribution and export of ready to wear apparels through its domestic and global facilities and operations. The shares of the Company are listed on Bombay Stock Exchange and National Stock Exchange in India.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNT

2.1 Basis of Preparation

i) The consolidated financial statements of the Group have been prepared in compliance with Accounting Standards and relevant presentation requirements of the Companies Act, 2013 and are based on the historical cost convention and on an accrual basis of accounting in accordance with Generally Accepted Accounting Principles (GAAP) except investment available for sale and held for trading is measured at fair value and in case of the Pearl Global Industries Limited, where land and building are accounted for at revalued cost. The Company has complied in all material respects with Accounting Standard notified under section 133 of the Companies Act, 2013 read with Rule 7 of Company (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. However the financial statements of foreign subsidiaries have been prepared in compliance with the local laws and applicable accounting standards. Necessary adjustments for material variances in the accounting policies, wherever applicable, have been made in the consolidated financial statements.

ii) The Financial statements of all reporting entities under consolidation are drawn up to the financial year ended March 31, 2015.

iii) The accounting policies adopted for preparation of consolidated financial statements are consistent with those of previous year.

2.2 Uses of Estimates

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles requires making of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets & liabilities at the date of consolidated financial statements and the reported amounts of revenues and expenses during the reporting year. Differences between the actual results and estimates are recognized in the Statement of Profit & Loss in the year in which the results are known /materialized.

2.3 Summary of Significant Accounting Policies

a. Basis of Consolidation

The Consolidated Financial Statements have been prepared on the following basis:-

i) The financial statements of the company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income, and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses.

ii) To the extent possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's individual financial statements. Inconsistency, if any, between the accounting policies of the subsidiary, have been disclosed in the notes to accounts.

iii) The difference of the cost to the company of its investment in subsidiaries over its share in the equity of the investee company as at the date of acquisition of stake is recognized in financial statements as Goodwill or Capital Reserve, as the case may be.

iv) Minority interest in the equity & results of the entities that are controlled by the company is shown as a separate item in the Consolidated Financial Statement.

v) The Consolidated Financial Statements are presented, to the extent possible, in the same format as adopted by the parent company for its individual financial statements.

b. The effect of Changes in Foreign Exchange Rates

i) **Translation of Financial Statements of Foreign Operations**

- In view of Accounting Standard-"11" 'Changes in Foreign Exchange Rates', the operations of all the foreign subsidiaries are identified as non integral operations of the company in the current year and translated into Indian Rupee.
- The Assets and Liabilities of Foreign operations, including Goodwill/Capital Reserve arising on consolidation, are translated in Indian Rupee (INR) at foreign exchange rate at closing rate ruling as at the balance sheet date.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2015

- The revenue and expenses of foreign operations are translated in Indian Rupee (INR) at yearly average currency exchange rate, of the respective years.
- Foreign exchange differences arising on translation of "Non-integral Foreign Operations" are recognized as, 'foreign exchange translation reserve' in balance sheet under the head 'Reserve & Surplus and those of "Integral Foreign Operations" are recognized as Revenue and taken to Statement of Profit & Loss.

ii) Foreign Currency Transactions

- Except in case of the parent company, the Sales made in foreign currencies are translated on exchange rate prevailing on the date of transaction. In case of the parent company, the sales made in foreign currency are translated at an average monthly exchange rate which approximates the transaction date rate.
- Gain/Loss arising out of fluctuation in the exchange rate on settlement of the transaction is recognized in the Statement of Profit and Loss .
- Other transactions in foreign currency are recognized on initial recognition at the exchange rate prevailing at the time of transaction.
- Foreign Currency monetary items are reported using the closing rate as on balance sheet date. The resultant exchange gain/ loss is dealt with in the Statement of Profit & Loss.
- Premium or discount on forward contracts is amortized in the Statement of Profit and Loss over the period of the contract. Exchange differences on such contracts are recognized in the statement of Profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the period.

c. Inventories

i) Inventories of traded goods are valued at lower of procurement cost (FIFO Method) or estimated net realizable value. Cost includes expenses incurred in acquiring the inventories and bringing them to their existing location and condition.

ii) Inventory of manufactured goods, WIP and raw material are valued at lower of cost (on weighted average basis) or net realizable value, except in case of foreign subsidiaries inventories are valued at lower of cost or net realizable value on FIFO basis. Cost includes an appropriate share of overheads.

d. Revenue Recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Following are the specific revenue recognition criteria:

i) Revenue is recognized when significant risk and rewards of ownership are transferred to the buyer.
ii) Export Sales is recognized on the basis of date of Airway Bill/Bill of Lading/Forwarder Cargo Receipt.
iii) Sales are shown net of sales return/rejection & trade discounts and include freight & insurance recovered from buyers as per terms of sales.
iv) Income from job work is recognized on the basis of proportionate completion method. However, where job work income is subject to minimum assured profit, it is recognised based on that specific contract.
v) Interest income is recognized on an accrual on time proportion basis.
vi) Investment income is recognized as and when the right to receive the same is established.
vii) Handling Fee income is recognized in the period in which the services are rendered.
viii) Commission Income is recognized when the services are rendered.
ix) Dividend Income is recognized when the right to receive is established.
x) In case of High Sea Sales, revenue is recognized on transfer of title of goods to the customer.
xi) Sale of software is recognized at the delivery of complete module & patches through transfer of code.
xii) The royalty income is recognized on accrual basis.

e. Tangible Assets

- Tangible Assets are stated at cost less accumulated depreciation except in case of Pearl Global Industries Limited; where land and building are measured at revalued cost. The cost comprises the purchase price/construction cost and any attributable cost including borrowing cost of bringing the asset to its working condition for its intended use.
- Gains or losses arising from sale of fixed assets are measured as the difference between the net proceeds and the carrying amount of the asset and are recognised in the Statement of Profit & Loss in the year in which the asset is sold.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2015

- Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.
- When parts of an asset have different useful lives, they are accounted for as separate components of the fixed assets.

f. Intangible Assets

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment. All expenditures, qualifying as Intangible Assets are amortized over estimated useful life.

g. Depreciation & Amortization

- Depreciation on fixed asset is provided on Straight Line Method over the useful life in accordance with and in the manner specified in the statute governing the respective companies.
- Leasehold assets are amortised over the period of lease agreed upon in the lease agreement entered.
- Software and Trademark is amortized over the period of 5 years which in the opinion of the management is the estimated economic life.

h. Investments: The investments are classified as under:

Held for trading : Trading securities are those (both debt & equity) that are bought and held principally for the purpose of selling them in near term, such securities are valued at fair value and gain/loss is recognized in the Statement of Profit & Loss.

Held to Maturity : Investment in debt & capital guard products are classified as held to maturity only if the company has the positive intent and ability to hold these securities to maturity. Such securities are held at historical cost.

Available-for-sale financial assets : Available-for-sale financial assets are non-derivative financial assets in listed and unlisted equity & debt instruments that are designated as available for sale or are not classified in any of the other investment categories. Subsequent to initial recognition, available-for-sale financial assets are measured at fair value, with gains or loss recognized as a separate component of equity as "Investment Revaluation Reserve" until the investment is derecognized or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the Statement of Profit & Loss. 'When the fair value of unlisted equity securities cannot be reliably measured because of significant variability in the range of fair value estimates or where the probabilities of the various estimates within the range cannot be reasonably assessed, such securities are stated at cost less impairment, if any.

Fair value

The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business at the balance sheet date.

i. Derivative financial instruments and hedging

The Company uses derivative financial instruments such as forward currency contracts to hedge its risks associated with foreign currency fluctuations. Such derivative financial instruments are initially recognized at cost on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to the Statement of Profit & Loss.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

For the purpose of hedge accounting, hedges are classified as:

Fair value hedges: A hedge of the exposure to changes in the fair value of recognized asset or liability or an unrecognized firm commitment (except for foreign risk); or identified portion of such asset, liability or firm commitment (except for foreign risk), or an identified portion of such asset, liability or firm commitment that is attributable to a particular risk and could affect profit or loss.

Cash flow hedges: A hedge of the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction, and could affect profit or loss.

The effective portion of the gain or loss on the hedging instrument is recognized directly in the equity, while the ineffective portion is recognized in the Statement of Profit & Loss.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2015

j. Employee Benefits

Expense and Liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15 – Employee Benefits (Revised 2005) :

i) Short term Employee benefit

Short-term employee benefits including short term compansated absenses are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which related service is rendered. Terminal benefits are recognized as an expense immediately.

ii) Defined Contribution Plan

Contributions payable to recognised provident fund and employee state insurance scheme, which are substantially defined contribution plans, are recognised as expense in the Statement of Profit and Loss, as they incurred.

iii) Defined Benefit Plan

The obligation in respect of defined benefit plans, which cover Gratuity, are provided for on the basis of an actuarial valuation, using the projected unit credt method, at the end of each financial year. Actuarial gains/losses, if any, are recognised immediately in the Statement of Profit and Loss.

iv) Other Long Term Benefits

Long term compensated absences are provided for on the basis of actuarial valuation, using the projected unit credit method, at the end of each financial year. Actuarial gains/losses, if any, are recognised immediately in the Statement of Profit and Loss.

k. Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

l. Leases

i) In respect of lease transactions entered into prior to April 1, 2001, lease rentals of assets acquired are charged to Statement of Profit & Loss.

ii) Lease transactions entered into on or after April,1, 2001:

-Assets acquired under leases where the company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

-Assets acquired under leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit & Loss on accrual basis on straight line basis.

m. Taxes On Income

i) Domestic Companies

-Income tax on the profit or loss for the year comprises provision for current tax. The current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date.

-The Deferred tax is recognized on timing differences; being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

-The Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized if there is a virtual certainty that there will be sufficient future taxable income available to reverse such losses.

-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 period, i.e., the period 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 period.

ii) Foreign Companies

Foreign companies recognize tax liabilities and assets in accordance with applicable local laws.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2015

n. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

o. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

p. Earning per Share (EPS)

In determining earnings per share, the company considers the net profit after tax and includes the post tax effect of any extra ordinary items.

i) Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

ii) For the purpose of calculating Diluted Earning per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings.

q. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated as specified in Accounting Standard -3 (AS-3) " Cash Flow Statement".

(Amount in ₹)

NOTE 3 : SHARE CAPITAL	As At March 31, 2015	As At March 31, 2014
Authorised:		
51,440,000 (March 31, 2014: 51,440,000) Equity Shares of ₹ 10/- each	514,400,000	514,400,000
10,000 (March 31, 2014: 10,000) 4% Non Cumulative Redeemable Preference Shares of ₹ 10/- each	100,000	100,000
3,256,000 (March 31, 2014: 3,256,000) 10.5% Non Cumulative Redeemable Preference Shares of ₹ 100/- each	325,600,000	325,600,000
	840,100,000	**840,100,000**
Issued, Subscribed & Paid-up :		
21,663,937 (March 31, 2014: 21,663,937) Equity Shares of ₹ 10/- each fully paid up	216,639,370	216,639,370
	216,639,370	**216,639,370**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2015

(a) Share Capital Reconciliation

	March 31, 2015		March 31, 2014	
	No.of shares	Amount in(₹)	No. of Shares	Amount in(₹)
Balance of Shares at the beginning of the year	21,663,937	216,639,370	21,663,937	216,639,370
Add:- Addition during the year		-		-
Less:- Buy back during the year	-	-	-	-
Balance of Shares at the end of the year	21,663,937	216,639,370	21,663,937	216,639,370

(b) Terms/right attached to Equity Shares

The company has only one class of equity shares having per value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. For the year ended March 31, 2015, the amount of ₹ 2.25 per share has been proposed as dividend for distribution to equity shareholders (March 31, 2014: ₹ 2 per share). The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5 percent shares in the company

	March 31, 2015		March 31, 2014	
	No. of shares	%holding	No. of Shares	%holding
Mrs. Payel Seth	9,849,872	45.47	9,849,872	45.47
Mr. Deepak Seth	1,544,499	7.13	1,544,499	7.13
Mr. Pulkit Seth	1,511,384	6.98	1,511,384	6.98
Mr. Pallak Seth	1,317,646	6.08	1,317,646	6.08

(d) For a period of 5 years immediately preceeding the date of Balance sheet Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.

	March 31, 2015	March 31, 2014
	No. of Shares	No. of Shares
Equity Share Capital (being shares issued to shareholders of Pearl Global Limited, subsidiary since merged with the company as per Scheme of Amalgamation)	2,163,594	2,163,594
	2,163,594	**2,163,594**

Amount in(₹)

NOTE 4 : RESERVES AND SURPLUS		As At March 31, 2015	As At March 31, 2014
Share Premium			
Balance at the beginning of year		1,710,389,823	2,778,164,164
Add:- Addition during the year		-	-
Less:- Utilised during the year		-	-
Less:- Utilised under the scheme of Demerger		-	1,067,774,340
Balance at the end of year	(A)	1,710,389,823	1,710,389,823

Notes
to the Consolidated Financial Statements for the year ended March 31, 2015

Amount in(₹)

NOTE 4 : RESERVES AND SURPLUS		As At March 31, 2015	As At March 31, 2014
Capital Reserve on Reconstruction			
Balance at the beginning of year		62,594,738	62,594,738
Add:- Addition during the year		-	807,807,100
Less:- Utilised during the year		-	-
Balance at the end of year	(B)	62,594,738	870,401,839
Foreign Currency Translation Reserve			
Balance at the beginning of year		130,591,631	450,557,514
Add:- Addition during the year		41,968,224	216,491,674
Less:- Utilised during the year		-	-
Balance at the end of year	(C)	172,559,854	667,049,188
Capital Reserve on Consolidation			
Balance at the beginning of year		-	78,336,681
Add:- Addition during the year		-	1,849,018,906
Less:- Utilised during the year		-	
Balance at the end of year	(D)	-	1,927,355,587
Capital Redemption Reserve			
Balance at the beginning of year		9,500,000	9,500,000
Add:- Addition during the year		-	-
Less:- Utilised during the year		-	-
Balance at the end of year	(E)	9,500,000	9,500,000
Hedging Reserve (Refer Note 35)			
Balance at the beginning of year		25,621,584	31,113,197
Add:- Addition during the year		96,262	5,632,270
Less:- Utilised during the year		-	-
Balance at the end of year	(F)	25,717,846	36,745,467
Investment Reserve- Available for Sale			
Balance at the beginning of year		4,281,754	974,475
Add:- Addition during the year		19,842,481	2,257,343
Less:- Utilised during the year		-	-
Balance at the end of year	(G)	24,124,235	3,231,817
Revaluation Reserve			
Balance at the beginning of year		39,296,855	39,296,855
Add:- Addition during the year		-	-
Less:- Utilised during the year		-	-
Balance at the end of year	(H)	39,296,855	39,296,855
General Reserve			
Balance at the beginning of year		420,436,050	409,395,398
Add:- Addition during the year		-	11,040,652
Less:- Utilised during the year		-	-
Balance at the end of year	(I)	420,436,050	420,436,050

Notes
to the Consolidated Financial Statements for the year ended March 31, 2015

Amount in(₹)

NOTE 4 : RESERVES AND SURPLUS		As At March 31, 2015	As At March 31, 2014
Surplus / (Deficit) in the Statement of Profit & Loss			
Balance at the beginning of the year		343,638,420	2,063,298,027
Add:- Transfer from minority on change in shareholding		3,736,796	7,106,067
Add- Profit/(Loss) for the year		250,692,208	386,432,713
Less: Utilize during the year			(11,040,652)
Less:- Proposed Dividend for the year		48,743,858	43,327,874
[Dividend per share ₹ 2.25(March 31,2014: ₹2)]			
Less:- Dividend Distribution Tax for the year		9,745,904	7,363,572
Add:-Transfer from/to Capital Reserve on consolidation		-	(1,597,444,643)
Less: Unplanned Depreciation		(24,181,226)	
Add:-Tax adjustment under the scheme of demerger		-	(5,274,277)
Disposal of Partial Interest of a subsidiary without losing control		(30,539,716)	
Provision for Deferred Tax		8,161,881	
Balance at the end of year	(J)	493,018,600	792,385,789
Total Reserves & Surplus (A+B+C+D+E+F+G+H+I+J)		**2,957,638,002**	**6,476,792,415**

Amount in(₹)

NOTE 5: SHARE CAPITAL SUSPENSE ACCOUNT	As At March 31, 2015	As At March 31, 2014
25,996,724 (March 31, 2014: Nil) Equity Shares of ₹ 10/- each	-	259,967,240
	-	**259,967,240**

Amount in(₹)

NOTE 6 : LONG-TERM BORROWINGS	Non Current		Current Maturities	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Term Loans (Secured)				
From Banks				
- Loan in Functional Currency	138,941,189	657,376,987	67,663,589	43,943,744
From financial institutions				
- Long term maturities of Finance Lease Obligation	-	-	-	-
The above amounts includes -		**657,376,987**	**67,663,589**	**43,943,744**
Secured Borrowings	138,941,189	657,376,987	67,663,589	43,943,744
Unsecured Borrowings	-	-	-	-
Term Loan disclosed under "Other Current Liabilities"	-	-	(67,663,589)	(43,943,744)
Finance Lease Obligations disclosed under "Other Current Liabilities" (Refer Note 7)	-	-	-	-
	138,941,189	**657,376,987**	-	-

a) **The nature of Security for Secured Loans are as under:**
In case of Pearl Global Industries Limited (Holding company)

(i) Term Loan is secured by charge on immovable property situated at Plot No. 446, Phase-V, Udyog Vihar Industrial Estate, Haryana along with present and future structures including all present and future development rights. The loan is also secured by personal guarantee of the Promoter Director.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2015

(ii) Vehicle loans are secured against hypothecation of respective vehicles.

Amount in(₹)

(iii) Maturity profile of Secured Term Loans are as set out below :	2015-16	2016-17	2017-18	Beyond 2017-18
Term loan from banks are repayable in monthly/ quarterly/yearly installments.	35,984,547	40,591,978	39,288,759	5,356,460
Vehicle loans from banks are repayable in monthly installments.	7,747,693	7,212,376	5,742,456	8,308,041

In case of Norp Knit Industries Limited (Foreign Subsidiary)

(i) BDT Term Loans from HSBC are secured by first charge over company's Plant and Machinery, Stocks of Raw Material, Work in Process, Finished Goods, book debts and receivables, charge over deposits and Standby Letter of Credit from Holding Company bearing repayable in 18 quarterly varying installments.

Amount in(₹)

NOTE 7 : OTHER LIABILITIES	Non Current		Current	
Trade Payables	**March 31, 2015**	**March 31, 2014**	**March 31, 2015**	**March 31, 2014**
- Due to Micro Small & Medium Enterprises (Refer note 'a' below)		-	5,211,726	1,284,830
- Due to Others	-	-	1,653,001,319	4,667,496,116
(A)	-	-	**1,658,213,045**	**4,668,780,946**
Other Current Liabilities:				
- Security Deposits	141,446,652	192,399,152	-	-
- Gratuity Payable	18,906,706	16,235,220	969,943	-
- Current maturities of long-term borrowings (Refer note 6)	-	-	67,663,589	43,943,744
- Current maturities of finance lease obligations	-	-	-	-
- Unpaid dividends	-	-	641,267	567,347
- Book Overdraft	-	-	91,486,857	113,561,737
- Derivative financial instruments	-	-	-	-
- Other Payables (Refer note 'b' below)	252,897,702	26,856,837	131,305,747	386,273,440
(B)	**413,251,060**	**235,491,209**	**292,067,404**	**544,346,269**
Total (A+B) (Refer note 'c' below)	**413,251,060**	**235,491,209**	**1,950,280,448**	**5,213,127,214**

a) Details of dues to Micro, Medium and Small enterprises as defined under the MSMED Act, 2006

Amount in(₹)

	As At March 31, 2015	As At March 31, 2014
- Principal amount due	5,211,726	1,284,830
- Interest accrued and due on above	-	-
	5,211,726	**1,284,830**
i) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payments made to the supplier beyond the appointed day during each accounting year	Nil	Nil
ii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	Nil	Nil
iii) The amount of interest accured and remaining unpaid at the end of each accounting year	Nil	Nil

Notes
to the Consolidated Financial Statements for the year ended March 31, 2015

Amount in(₹)

		As At March 31, 2015	As At March 31, 2014
iv)	The amount of further interest remaining due and payable even in the succeeding year,until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	Nil	Nil

b) It includes statutory liabilities, advance from customers and other current liabilities.
c) It does not include any amount due to be transferred to Investor Education and Protection Fund.

Amount in(₹)

NOTE 8 : PROVISIONS	Non Current		Current	
Provisions for Employee Benefits	**March 31, 2015**	**March 31, 2014**	**March 31, 2015**	**March 31, 2014**
Gratuity (Refer Note 23)	14,683,932	11,234,833	95,944	45,655
Leave Encashment (Refer Note 23)	17,854,454	12,345,092	710,287	481,762
Other Employee Benefit (Refer Note 23)	11,865,249	-	-	10,068,733
Other Provision				
Provision for equalised rent	2,380,902	2,893,600	1,331,246	2,613,011
Provision for current tax [Net of advance tax]	-	-	-	134,936,496
Proposed Dividend	-	-	48,743,858	43,327,874
Tax on Proposed Dividend	-	-	9,745,904	7,363,572
	46,784,537	**26,473,525**	**60,627,240**	**198,837,104**

Amount in(₹)

NOTE 9 : SHORT TERM BORROWINGS	As At March 31, 2015	As At March 31, 2014
Loan from Banks (secured)		
Working Capital Loans		
- Loan in functional currency	954,959,094	5,049,155,071
- Foreign Currency Loan	504,143,035	263,264,540
	1,459,102,129	5,312,419,611
Loan from Related Parties (Unsecured)		
- From Directors	748,876	41,024,356
	748,876	41,024,356
Total Short Term Borrowings	**1,459,851,005**	**5,353,443,967**

i) Pearl Global Industries Limited (Holding Company)

a) In case of secured loans, the nature of security are:

- First pari-passu charge on movable fixed assets and whole of current assets including stocks of raw material, semi finished goods, finished goods, book debts, consumable stores and spares.
- Mortgage of the properties situated at Plot No. H -597-603, RICCO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan and Plot No 16-17, Phase VI, Udyog Vihar,Gurgoan (Haryana).
- FDR (Period 3 Years) amounting to ₹ 6,179,000 in the name of the Company.
- Personal Guarantee by the promoter director of the Company

ii) Norp Knit Industries Limited

Bank Loans are secured by first charge over company's plant and machinery, stock of raw material, work in process, finished goods, book debts and receivables, charge over deposits and standby letter of credit from the Holding Company.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2015

iii) Pearl Global (HK) Limited
The bank loan facilities are secured by the Group's machineries and equipment, inventories, trade receivables together with director's personal guarantee.

b) In case of unsecured loans, the details are as under:

i) Loan from Directors
Loan from director is repayable on demand and taken during the ordinary course of business. The loan carries rate of interest ranging between 7 % to 10% per annum.

ii) Loan from others
Loans from others is repayable on demand and taken during the ordinary course of business.

NOTE 10 : FIXED ASSETS

Amount in(₹)

	GROSS BLOCK					DEPRECIATION/ AMORTIZATION					NET BLOCK		
Description of Assets	**As At April 1st 2014**	**Additions during the year**	**Deductions during the year**	**Foreign Exchange Fluctuation**	**As At March 31st 2015**	**As At April 1st 2014**	**Additions during the year**	**Prior Period Adjustments**	**Deductions/ Adjustments**	**Foreign Exchange Fluctuation**	**As At March 31st 2015**	**As At March 31st 2015**	**As At March 31st 2014**
A. Tangible Assets													
Land Freehold	447,863,997	35,516,333	6,880,948	455,501	476,954,883	-	-	-	-	-	-	476,954,883	447,863,997
Land Leasehold	24,247,130	-	(0)	133,143	24,380,273	3,926,079	1,665,243	-	90,991	120,428	5,620,759	18,759,514	20,321,051
Builiding	1,169,629,817	165,372,123	399,305,048	2,177,540	937,874,432	304,567,354	21,529,856	1,262,176	140,004,976	1,612,770	188,967,181	748,907,251	865,062,463
Investment Property	1,067,291,395	-	1,067,291,395	-	-	142,198,496	-	-	142,198,496	-	-	-	925,092,899
Plant & Machinery	1,390,503,601	134,613,780	153,006,002	24,064,134	1,396,175,513	723,131,551	100,580,130	22,363,228	113,838,846	13,269,911	745,505,973	650,669,540	667,372,051
Vehicles	118,428,288	48,335,630	55,235,515	1,044,502	112,572,904	67,016,421	12,769,423	341,876	43,440,183	590,496	37,278,034	75,294,870	51,411,867
Furniture & Fixtures	628,123,725	26,813,803	500,970,218	1,685,027	155,652,337	407,422,894	12,844,540	213,966	332,307,149	1,018,434	89,192,685	66,459,652	220,700,831
Sub Total	**4,846,087,954**	**410,651,668**	**2,182,689,126**	**29,559,846**	**3,103,610,342**	**1,648,262,794**	**149,389,193**	**24,181,246**	**771,880,641**	**16,612,040**	**1,066,564,632**	**2,037,045,710**	**3,197,825,159**
B. Intangible Assets													
Goodwill	492,407,140	-	409,187,088	-	83,220,052	-	-	-	-	-	-	83,220,052	492,407,140
Software	199,569,389	4,116,172	99,536,853	-	104,148,708	168,683,936	9,098,232	-	82,825,226	-	94,956,942	9,191,766	30,885,453
Trade Mark	9,284,309	-	9,284,309	-	-	8,778,630	-	-	8,778,630	-	-	-	505,679
Sub Total	**701,260,838**	**4,116,172**	**518,008,250**	**-**	**187,368,760**	**177,462,566**	**9,098,232**	**-**	**91,603,856**	**-**	**94,956,942**	**92,411,818**	**523,798,272**
C. Capital Work-in- progress	**153,777,129**	**90,280,006**	**214,074,087**	**-**	**29,983,048**	**-**	**-**	**-**	**-**	**-**	**-**	**29,983,048**	**153,777,129**
Sub Total	**153,777,129**	**90,280,006**	**214,074,087**	**-**	**29,983,048**	**-**	**-**	**-**	**-**	**-**	**-**	**29,983,048**	**153,777,129**
Grand Total (A+B+C)	**5,701,125,921**	**505,047,846**	**2,914,771,464**	**29,559,846**	**3,320,962,149**	**1,825,725,360**	**158,487,425**	**24,181,246**	**863,484,497**	**16,612,040**	**1,161,521,574**	**2,159,440,575**	**3,875,400,560**
Previous Year	4,775,169,080	666,488,831	123,303,399	382,771,409	5,701,125,921	1,464,958,030	288,983,180	-	31,777,086	103,561,236	1,825,725,360	3,875,400,561	3,310,211,050

a) The breakup of Capital Work in Progress is as under:

(Amount in ₹)

Particulars		**As at March 31, 2015**	**As at March 31, 2014**
i)	CWIP- Pre-operative Expenses	405,632	285,815
ii)	CWIP- Building	29,187,182	129,715,945
iii)	CWIP- Furniture & Fixture	-	629,960
iv)	CWIP- Others	390,234	23,145,409
Total		**29,983,048**	**153,777,129**

b) In the earlier years, the company had initiated the process of converting its leasehold land into freehold land. However, the deed is yet to be transferred in the name of the Company as at March 31st 2015.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2015

c) Opening balance of land includes ₹ 45,229,131 on account of revaluation on 31.03.2002.
d) Opening balance of building includes ₹ 5,932,276 on account of devaluation on 31.03.2002.
e) Cost of Land include ₹ NIL (March 31, 2014: ₹ 3,070,006) being borrowing cost capitalised in accordance with Accounting Standard AS-16 on "Borrowing Cost" as specified in the Companies (Accounting Standard) Rules 2006.
f) The above assets includes Land of ₹ 15,954,319 (March 31, 2014: ₹15,954,319) & Building of ₹ 23,434,599 (March 31, 2014: ₹ 23,434,599) situated at Narshingpur, Tehsil District,Gurgaon (Haryana) for which the company has executed a construction project agreement with DLF Retail Developers Limited on November 30th 2007. However, as certified by the management, the work has not started during financial year 2014-15 due to pending receipt of license from the concerned authority.

(Amount in ₹)

NOTE 11 : NON CURRENT INVESTMENT	As At March 31, 2015	As At March 31, 2014
Non-trade investments (Valued at Cost,unless stated otherwise)		
Investment in Equity Instruments (Unquoted)		
GWD Enterprises	-	48,084,185
NIL Shares (March 31, 2014: 100 A Shares and 25 B Shares) of GBP 1 each		
India Infrastructure Opportunities LLP	-	44,583,502
NIL Shares (March 31, 2014: 721.30 Shares of $ 1,028.45 each) of $ 1,028.45 each		
Juhu Exchange Limited	-	19,292,100
NIL Preference Shares (March 31, 2014: 200,000 Preference Shares) of GBP 1 each		
Held to Maturity Investments	-	76,863,918
Investment in Unit Trusts	-	24,590,435
Investment in Government securities		
National Saving Certificate (NSC)	4,000	4,000
(Pledged with Sales Tax Authority)		
Investment in PDS Multinational Fashions Limited, India	500,000	-
	504,000	**213,418,140**
Aggregate book value of quoted investment is ₹ Nil (March 31,2014: ₹ Nil)		
Aggregate market value of quoted investment is ₹ Nil (March 31,2014: ₹ Nil)		
Aggregate book value of unquoted investment is ₹ 504,000 (March 31,2014: ₹ 213,418,140)		

(Amount in ₹)

NOTE 12 : DEFERRED TAX (LIABILITIES)/ ASSETS		As At March 31, 2015	As At March 31, 2014
Deferred Tax Liabilities (Net)			
Impact of difference between tax depreciation and depreciation charged under financial reporting and others		1,973,244	16,774,460
Total Deferred Tax Liabilities	**(A)**	**1,973,244**	**16,774,460**
Deferred Tax Assets			
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis and unabsorbed depreciation/ losses to be carried forward as per Income Tax Act		29,252,394	57,101,619
Total Deferred Tax Assets	**(B)**	**29,252,394**	**57,101,619**
Net Deferred Tax (Liabilities)/ Assets (B-A)		**27,279,150**	**40,327,159**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2015

(Amount in ₹)

NOTE 13 : LOANS AND ADVANCES	Non Current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Capital Advances				
(Unsecured, considered good)	2,322,551	24,685,098	-	-
(A)	**2,322,551**	**24,685,098**	-	-
Security Deposits				
(Unsecured, considered good)	151,020,638	143,543,298	168,774,754	82,736,988
(B)	**151,020,638**	**143,543,298**	**168,774,754**	**82,736,988**
Loan and Advances to Related Parties (Refer Note 34)				
(Unsecured, considered good)	69,898,454	30,050,000	30,044,383	170,914,035
(C)	**69,898,454**	**64,702,759**	**30,044,383**	**170,914,035**
Advances Recoverable in cash or in Kind				
Unsecured - Considered Good	74,310,495	53,602,820	32,839,548	887,489,198
Unsecured - Considered Doubtful	-	-	-	-
	74,310,495	53,602,820	32,839,548	887,489,198
Less: Provision for Doubtful advances	-	-	-	-
(D)	**74,310,495**	**53,602,820**	**32,839,548**	**887,489,198**
Other Loans and Advances				
Advance Tax [Net of provisions of ₹ 94,088,342]	70,578,956	-	-	-
MAT Credit Entitlement	25,158,861	49,793,396	-	-
Advance Rent	-	-	-	-
Balance with Government Authorities	26,113,341	20,600,179	-	-
Other Advances	12,382,351	58,466,534	157,491,608	395,345,262
(E)	**134,233,509**	**128,860,109**	**157,491,608**	**395,345,262**
Total Loans & Advances (A+B+C+D+E)	**431,785,647**	**415,394,084**	**389,150,293**	**1,536,485,483**

(Amount in ₹)

NOTE 14 : CURRENT INVESTMENTS	As At March 31, 2015	As At March 31, 2014
Quoted Investment in Mutual Fund with Citibank (Measured at fair value)		
NIL (IDFC Super Saver IP Plan Growth March 31, 2014 : 714,015.41 units of Face Value ₹ 10 per unit)	-	21,032,181
ICICI Pru Income Fund Growth NIL unit (March 31, 2014 : 542,536.194 units of Face Value ₹ 100 per unit)	-	20,272,733
BSL FTP CORPORATE BOND 1,000,000 Units of Face Value ₹ 10 per unit (March 31, 2014 : 1000,000 Units)	11,412,800	10,161,100
Birla Sunlife Interval Income NIL Units (March 31, 2014 : 2022.80 units of Face Value ₹ 10 per unit)	-	497,401
(A)	**11,412,800**	**51,963,415**
Quoted Investment in Mutual Fund with HSBC (Measured at fair value)		
ICICI Liquid Regular Plan Growth NIL units (March 31, 2014 : 40,491.03 units of Face Value ₹ 100 per unit)	-	7,685,642
Templeton India Short Term Income Plan Growth NIL units (March 31, 2014: 5,371.854 of Face Value ₹ 1000 per unit)	-	13,799,380
HDFC FMP Regular Growth NIL units (March 31, 2014 : 41,367.58 units of Face Value ₹ 10 per unit)	-	1,047,009
HDFC FMP Regular Growth 800,000 units of Face Value ₹ 10 per unit (March 31, 2014 : 800,000 units of Face Value ₹ 10 per unit))	9,382,240	8,526,560
ICICI Prudential Flexible income Regular Growth Plans - NIL Units (March31, 2014: 83,153.31 units of Face Value ₹ 10 per unit)	-	20,013,338

Notes
to the Consolidated Financial Statements for the year ended March 31, 2015

(Amount in ₹)

NOTE 14 : CURRENT INVESTMENTS	As At March 31, 2015	As At March 31, 2014
HSBC Fixed Term Series 109 Super Growth- 1,500,000 units of Face Value ₹ 10 per unit (March 31, 2014 : 1,500,000 units of Face Value ₹ 10 per unit)	16,351,200	15,021,450
HDFC Cash Management 268,356.3720 units of Face Value ₹ 10 per unit (March 31, 2014: 128,576.26 units of Face Value ₹ 10 per unit)	7,919,438	3,502,250
IDBI liquid Fund 1,750,000 units of Face Value ₹10 per unit (March 31, 2014 : 1,750,000 units of Face Value of ₹10 per unit)	19,214,825	17,608,325
HDFC FMP Regular Growth NIL units (March 31, 2014 : 782,498.20 units of Face Value ₹ 10 per unit)	-	21,314,234
IDBI Liquid Fund 2,313.3650 units of Face Value ₹ 1000 per unit (March 31, 2014 : 1,083.210 units of Face Value ₹ 1000 per unit)	3,462,706	1,490,357
Birla Sunlife Dynamic Bond Fund Retail Plan 400,000 units of Face Value ₹10 per unit(March 31, 2014 : 400,000 units of Face Value ₹10 per unit)	4,663,520	4,264,440
IDFC Banking Debt Fund Regular 1,834,307.05 Units of Face Value ₹10 per unit (March 31, 2014 : 1,834,307.05 units of Face Value ₹ 10 per unit)	-	20,123,632
Investment in Unit Trusts	-	15,197,159
Birla Sunlife Fixed Term Plan 2,000,000 units of Face Value ₹10 per unit (March 31, 2014 : NIL)	21,811,800	-
JM Arbitrage Fund 1,484,744.59 units of Face Value ₹ 10 per unit (March 31, 2014 : NIL)	15,586,106	-
ICICI Prudencial Flexible Income 7438.01030 units of Face Value ₹100 per unit (March 31, 2014 : NIL)	1,956,946	-
(B)	**100,348,781**	**149,593,777**
Total (A+B)	**111,761,581**	**201,557,192**
Aggregate book value of quoted investment is ₹ 111,761,581 (March 31, 2014 : ₹ 186,360,033)		
Aggregate market value of quoted investment is ₹ 111,761,581 (March 31, 2014 : ₹ 186,360,033)		
Aggregate amount of unquoted investment is ₹ NIL (March 31, 2014: ₹ 15,197,159)		

(Amount in ₹)

NOTE 15 : INVENTORIES (as taken, valued & certified by Management)	As At March 31, 2015	As At March 31, 2014
Raw Materials	795,527,766	1,788,663,444
Goods in Transit (Raw Material)	7,736,608	40,610,074
Work In Progress	478,193,859	457,465,122
Finished goods	444,554,156	556,875,205
Traded goods	-	81,544,525
Stores, Spares and Others	21,680,379	17,749,961
	1,747,692,768	**2,942,908,331**

(Amount in ₹)

NOTE 16 : TRADE RECEIVABLES & OTHER ASSETS	Non Current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
(Unsecured, considered good unless stated otherwise)				
16.1 - Trade Receivables				
Outstanding for a period exceeding six months from the date they are due for payment				
- Unsecured, considered good	15,525,416	15,525,416	54,601,917	84,145,672

Notes
to the Consolidated Financial Statements for the year ended March 31, 2015

(Amount in ₹)

NOTE 16 : TRADE RECEIVABLES & OTHER ASSETS		Non Current		Current	
- Unsecured, considered doubtful		32,627,750	26,844,473	9,370,065	9,370,065
		48,153,166	42,369,889	63,971,982	93,515,737
Less: Provision for doubtful receivables		32,627,750	26,844,473	9,370,065	9,370,065
	(A)	**15,525,416**	**15,525,416**	**54,601,917**	**84,145,672**
Other receivables					
- Unsecured, considered good		-	-	1,138,639,427	6,639,645,109
- Unsecured, considered doubtful		-	-	-	-
	(B)	**-**	**-**	**1,138,639,427**	**6,639,645,109**
Total (A+B)		**15,525,416**	**15,525,416**	**1,193,241,344**	**6,723,790,781**
16.2 - Other Assets					
Non-current bank balances (Refer Note 17)					
Fixed Deposit with Banks		32,627,750	26,844,473	-	-
Others					
Interest accrued but not due		3,597,812	1,693,395	4,724,885	7,392,029
Interest accrued and due		-	-	13,427,663	23,427,663
Export incentive receivable		-	-	267,678,304	209,999,626
Total		**36,225,562**	**28,537,868**	**285,830,852**	**240,819,318**

(Amount in ₹)

NOTE 17 : CASH & BANK BALANCES		Non Current		Current	
		March 31, 2015	**March 31, 2014**	**March 31, 2015**	**March 31, 2014**
Cash & Cash Equivalents					
Balances with Banks :					
In Current Accounts		-	-	206,675,680	1,383,907,025
In Unpaid Dividend Account				641,267	567,347
Cash on hand		-	-	18,702,112	11,994,025
Cheques, Drafts on hand		-	-	19,857,734	6,287,228
- Deposits with original maturity of less than 3 months*				60,000,000	-
	(A)	-	-	**305,876,793**	**1,402,755,625**
Other Balances					
Deposits with original maturity of more than 12 months		32,627,750	26,844,473	2,373,573	-
Deposits with original maturity of more than 3 months but less than 12 months		-	-	245,187,136	1,458,985,500
Balances with bank held as margin money or security against borrowing		-	-	390,584,072	62,077
		32,627,750	26,844,473	638,144,781	1,459,047,577
Amount disclosed under non-current assets (Refer Note 16.2)		32,627,750	26,844,473	-	-
	(B)	-	-	638,144,781	1,459,047,577
Total (A+B)		-	-	944,021,575	2,861,803,202

Notes
to the Consolidated Financial Statements for the year ended March 31, 2015

a) Deposits of ₹ 98,881,502 (March 31 2014: ₹ 1,338,428,770) are pledged as security with various banks.

(Amount in ₹)

NOTE 18 : REVENUE FROM OPERATIONS	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Sale of Products	9,786,084,330	46,245,592,631
Export Incentives	408,591,723	371,403,076
Job Receipts	3,090,561	12,328,802
Other operating revenues	39,604,831	360,261,910
Total	**10,237,371,446**	**46,989,586,420**

(Amount in ₹)

NOTE 19 : OTHER INCOME	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Interest Income		
- Fixed deposits	22,189,630	20,062,803
- Others	10,286,327	40,595,153
Rental Income	78,947,579	89,849,778
Profit/Loss from trading of Mutual Funds	-	3,729,136
Foreign Exchange Fluctuation	81,566,127	216,077,334
Miscellaneous Income	47,530,856	282,486,217
Total	**240,520,518**	**652,800,421**

(Amount in ₹)

NOTE 20 : COST OF RAW MATERIAL CONSUMED	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Balance of Raw Material at the beginning of the Year	663,018,155	676,722,874
Add: Impact of Exchange Difference on Reinstatement of Opening Stock	3,075,290	32,040,560
Add:- Purchases during the year	5,152,915,192	4,712,569,793
Less:Cost of Goods Sold	81,587,269	165,497,045
Less: Raw Material Inventory written off	-	13,051,092
	5,737,421,368	5,242,785,090
Less:- Balance of Raw Material at the end of the Year	787,889,734	663,018,155
Total	**4,949,531,635**	**4,579,766,935**

(Amount in ₹)

NOTE 21 : PURCHASE OF TRADED GOODS	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Finished Goods	381,138,831	32,305,137,182
	381,138,831	**32,305,137,182**

(Amount in ₹)

NOTE 22 : (INCREASE) / DECREASE IN INVENTORIES	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Changes in inventories of finished goods		
Opening Stock	556,875,205	965,719,544
Add:Effect of Exchange Difference on Reinstatement of Opening Stock	596,046	51,249,730
Less:Closing Stock	442,824,714	641,244,745
	114,646,536	**375,724,529**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2015

(Amount in ₹)

NOTE 22 : (INCREASE) / DECREASE IN INVENTORIES	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Changes in inventories of work-in-progress		
Opening Stock	343,217,366	245,323,107
Add:Effect of Exchange Difference on Reinstatement of Opening Stock	2,589,308	17,664,256
Less:Closing Stock	427,207,016	343,217,366
	(81,400,341)	**(80,230,003)**
	33,246,195	**295,494,526**

(Amount in ₹)

NOTE 23 : EMPLOYEE BENEFIT EXPENSE	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Salaries, Wages & Bonus	1,578,301,957	3,496,914,517
Contribution to Provident and Other funds	47,757,669	189,291,028
Gratuity (Refer note below)	6,419,073	5,569,674
Leave Encashment (Refer note below)	13,924,611	7,779,188
Staff Welfare Expenses	14,932,077	65,075,196
	1,661,335,387	**3,764,629,602**

The company has classified the various benefits provided to employees as under:

(I) In the case of Pearl Global Industries Limited:-

(i) Defined Contribution Plan

The company makes contribution towards Provident Fund (PF) & Employee State Insurance (ESI) as defined contribution retirement plan for the qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner and the company contributes a specified percentage of payroll cost to the said schemes to fund the benefits. Similarly, contribution is made at a specified percentage in case of Employee State Insurance.

During the year, the company recognized ₹ 38,358,171 (March 31, 2014: ₹ 26,564,804) for PF contribution & ₹ 9,374,508 (March 31, 2014: ₹ 9,302,594) for ESI in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(ii) Defined Benefit Plan: It includes:

a) Gratuity in case of Gurgaon Division (Funded & maintained by Life Insurance Corporation of India)
b) Gratuity in case of Chennai Division & Bangalore Division (Unfunded)
c) Leave encashment/Compensated absence (Unfunded)

In accordance with Accounting Standard 15 (revised 2005), an acturial valuation is carried out in respect of aforesaid defined benefit plans and other long term benefits based on the assumption given in the table with subheading 'e' below. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation at year end. The obligation for leave encashment is recognized in the same manner as of gratuity.

(iii) The details of Acturial Valuation Certificate(s) are as under:

(a) Reconciliation of opening and closing balances of Defined Benefit Obligations (Amount in ₹)

Particulars	As at March 31,2015			As at March 31,2014		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned Leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned Leave (Unfunded)
Defined benefit obligations at beginning of the year	28,494,107	4,470,333	12,826,854	25,572,903	5,795,023	12,950,733
Interest Cost	2,279,529	379,978	1,090,283	2,045,832	492,577	1,047,435

Notes
to the Consolidated Financial Statements for the year ended March 31, 2015

(Amount in ₹)

Particulars	As at March 31,2015			As at March 31,2014		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned Leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned Leave (Unfunded)
Service Cost	4,003,484	2,780,104	8,103,462	5,727,761	1,992,027	4,306,869
Benefits Paid	(2,874,137)	(742,212)	(8,186,724)	(1,384,213)	(3,386,925)	(7,903,067)
Acturial Gain / Loss on obligations	(1,981,455)	(509,354)	4,730,866	(3,468,176)	(422,369)	2,424,884
Defined benefit obligations at end of the year	**29,921,528**	**6,378,849**	**18,564,741**	**28,494,107**	**4,470,333**	**12,826,854**
(b) Reconciliation of opening and closing balances of fair value of Plan Assets						
Fair value of plan assets at beginning of the year	11,477,707	N.A	N.A	10,459,499	N.A	N.A
Expected Return on plan assets	1,032,994	-	-	797,978	-	-
Contributions	408,315	-	-	1,623,360	-	-
Benefits Paid	(2,874,137)	-	-	(1,384,213)	-	-
Actuarial gain/(loss) on plan assets	-	-	-	(18,917)	-	-
Fair value of plan assets at the end of the year	**10,044,879**	**N.A**	**N.A**	**11,477,707**	**N.A**	**N.A**
(c) Reconciliation of fair value of Plan Assets and Obligations						
Fair Value of plan assets as at the end of the year	10,044,879	-	-	11,477,707	-	-
Present Value of Obligation	29,921,528	6,378,849	18,564,741	28,494,107	4,470,333	12,826,854
Net assets/(liability) recognized in the balance sheet	**(19,876,649)**	**(6,378,849)**	**(18,564,741)**	**(17,016,400)**	**(4,470,333)**	**(12,826,854)**

(Amount in ₹)

Particulars	As at March 31, 2013			As at March 31, 2012		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned Leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned Leave (Unfunded)
Fair Value of plan assets as at the end of the period	10,459,499	-	-	9,591,222	-	-
Present Value of Obligation	25,093,886	5,795,023	12,950,733	23,616,022	4,818,213	11,882,544
Net assets/(liability) recognized in the balance sheet	(14,634,387)	(5,795,023)	(12,950,733)	(14,024,800)	(4,818,213)	(11,882,544)

Particulars	As at March 31, 2011		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned Leave (Unfunded)
Fair Value of plan assets as at the end of the year	7,472,335	-	-
Present Value of Obligation	20,668,365	5,442,441	9,546,664
Net assets/(liability) recognized in balance sheet	**(13,196,030)**	**(5,442,441)**	**(9,546,664)**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2015

(d) Expense recognized during the year

(Amount in ₹)

Particulars	As at March 31, 2015			As at March 31, 2014		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned Leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned Leave (Unfunded)
Current Service Cost	4,503,265	2,780,104	8,103,462	5,727,761	1,992,027	4,306,869
Interest Cost	2,279,529	379,978	1,090,283	2,045,832	492,577	1,047,435
Past Service Cost	-	-	-	-	-	-
Expected return on plan assets	(1,032,994)	-	-	(796,354)	-	-
Actuarial (Gain)/Loss	(1,981,455)	(509,354)	4,730,866	(3,468,176)	(422,369)	2,424,884
Net Cost	**3,768,345**	**2,650,728**	**13,924,611**	**3,509,063**	**2,062,235**	**7,779,188**

(e) Actuarial Assumptions

Particulars	As at March 31, 2015			As at March 31, 2014		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned Leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned Leave (Unfunded)
Discount Rate (per annum)	8.00%	8.00%	8.50%	8.00%	8.50%	8.50%
Future increase in compensation	6.00%	5.5%	6% / 5.5%	6.00%	6.00%	6.00%
In Service Mortality	IALM2006-08	IALM2006-08	IALM2006-08	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)
Retirement age	58 Years	58 Years	58 Years	58 Years	58 Years	58 Years
Withdrawal rates:-						
- Upto 30 years	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
- Upto 44 years	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
- Above 44 years	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Notes:

1) Acturial valuation is based on esclation in future salary on account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
2) Expected rate of return on the plan assets is based on the expectation of the average long term rate of the return expected on the investments of the fund during the estimated term of the obligations.
3) Gratuity and Leave Encashment Reconciliation- Expense & Liability as on March 31st 2014

(Amount in ₹)

Liability as at March 31, 2014	**Gratuity**	**Leave Encashment**
As per Acturial Valuation		
- Funded Plan	(17,016,400)	-
- Unfunded Plan	(4,470,333)	(12,826,854)
Total Liability	**(21,486,733)**	**(12,826,854)**
Less: Amount transferred to PDS Multinational Fashions Limited under Scheme of Demerger (Calculated on management estimate basis)	499,782	298,722
Amount Outstanding as at March 31, 2014	**(20,986,951)**	**(12,528,132)**
Expense debited to Statement of Profit & Loss	**Gratuity**	**Leave Encashment**
As per Acturial Valuation		
- Funded Plan	3,509,063	-
- Unfunded Plan	2,062,235	7,779,188
Total Expense	5,571,298	7,779,188
Less: Amount transferred to PDS Multinational Fashions Limited under Scheme of Demerger (Calculated on management estimate basis)	144,756	53,863
Amount debited for the year ended March 31, 2014	**5,426,542**	**7,725,325**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2015

(II) **In the case of Pearl Global (HK) Limited and its subsidiary (PT Pinnacle Apparels), details of Acturial Valuation are as under:-**

(i) The subsidiary provides benefits for its employees who achieve the retirement age at 55 based on the provisions of Labour Law No 13/2003 dated 25th March, 2003. The benefits are unfunded.

(ii) As of March 31, 2015 the liabilities for employee benefits were calculated by an independent actuary, PT Katsir Imam Sapto Aktuaria using the "Projected Unit Credit" method. Those calculation were also used as the basis for March 31, 2015 reporting, in their report dated April 28, 2015, with No. 2985/KIS/LA/04/2015.

(iii) As of March 31, 2014 the liabilities for employee benefits were calculated by an independent actuary, PT Katsir Imam Sapto Aktuaria using the "Projected Unit Credit" method. Those calculation were also used as the basis for March 31, 2014 reporting, in their report dated April 2, 2014, with No. 2643/KIS/LA/04/2014.

(iv) The principal assumptions used in determining employee benefits obligation as of 31 March 2015 and 2014 are as under:

Financial Assumptions	**For the year ended March 31, 2015**	**For the year ended March 31,2014**
Discount Rate	8.5%	8.5%
Future Salary Increase	3%	5%
No. of Employees	1932	1981
Other Assumptions		
Morality rate	CSO'88	CSO'88
Disability rate	10%	10%
Normal retirement age	55 years	55 years

Note: Voluntary resignation determined of 2%-37% for employee before the age of 20-22 and will linearly decreased until 0% by the age of 54

(v) Past service cost – non vested:
- Amortization method: straight line
- Amortization period: the average period until the benefits becomes vested

(vi) The amounts of employee benefits obligations recognized in the consolidated balance sheet were determined as follows:

(Amount in ₹)

Amount Recognized in Balance Sheet	**As At March 31, 2015**	**As At March 31, 2014**
Present value of obligation	11,865,249	10,068,733
Net Liability in Balance Sheet	11,865,249	10,068,733

(Amount in ₹)

Amount Recognized in Income Statement	**For the year ending March 31, 2015**	**For the year ending March 31, 2014**
Current Service Cost	2,314,772	2,459,386
Interest Cost	1,573,879	1,184,953
Difference in Foreign Exchange	-	-
Amortization of Actuarial Profit/(Loss) Accumulation	(2,475,352)	(2,498,892)
Expenses recognized in the Income Statement	**1,413,299**	**1,145,447**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2015

(Amount in ₹)

Movement in the liability recognized in Balance sheet	For the year ending March 31, 2015	For the year ending March 31, 2014
At the beginning of the year	10,068,733	8,400,372
Charge to Income statement	1,413,299	1,145,447
Actual Benefit Paid	(67,222)	(351,405)
Foreign Currency Translation Reserve	450,438	874,320
At the end of the year	**11,865,249**	**10,068,733**

(III) In the case of Norp Knit Industries Limited:- The provision for employee benefits of ₹ 8,401,027 (March 31, 2014: ₹ 6,310,373) has been estimated on the basis of Management Calculation

(Amount in ₹)

NOTE 24 : FINANCE COSTS	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Interest Expense	142,947,225	301,089,670
Interest on Directors Loan	397,819	2,080,804
Other borrowing costs	91,585,287	96,046,563
	234,930,331	**399,217,037**

(Amount in ₹)

NOTE 25 : OTHER EXPENSES	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Manufacturing Expenses	1,327,592,075	1,383,115,581
Consumption of Stores & Spare Parts	89,776,186	83,708,227
Power & Fuel	165,430,232	153,028,136
Rent	126,800,010	272,821,351
Repair & Maintenance		
- Buildings	1,918,840	1,222,664
- Plant & Machinery	16,614,055	10,716,544
- Others	58,196,285	259,454,393
Legal & Professional	36,495,103	553,056,137
Marketing & Sales Promotion	187,399,333	511,140,020
Payment to the Auditors (Refer Note 'a' below)	4,800,662	31,213,035
Other Expenses	700,643,211	2,193,974,655
	2,715,665,994	**5,453,450,742**
a) Payment to Auditors		
As Auditor:		
Audit Fees	2,588,331	29,168,784
Tax Audit Fees	275,000	360,000
Taxation Matter	10,000	-
In other Capacity:		
Other Matters	1,384,309	1,303,171
Reimbursement of Expenses	229,678	-
VAT	25,360	-
Service Tax	287,984	381,080
	4,800,662	**31,213,035**

* (March 31, 2014: ₹ 6,310,373) has been estimated on the basis of Management calculation

Notes
to the Consolidated Financial Statements for the year ended March 31, 2015

(Amount in ₹)

NOTE 25 : OTHER EXPENSES	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
b) Prior Period Expenses		
Travelling	-	37,188
Bank Charges	-	209,052
Sample Development Charges	-	58,720
Freight Charges	-	9,260
Consumables	-	81,297
Contract Labour Charges	211,786	627,497
Water Charges	-	141,969
Processing Cost	242,953	828,870
Sales & Commission	-	508,509
Others	-	581,408
Management Ex- Gratia	3,861,617	-
Power & Fuel	142,937	-
	4,459,293	**3,083,770**

(Amount in ₹)

NOTE 26 : EXCEPTIONAL ITEMS	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Profit/(loss) on Sale of Fixed Assets	(1,432,506)	(19,668,529)
Excess Depreciation written back	-	-
Inventory Written off	-	(28,384,654)
	(1,432,506)	**(48,053,183)**

(Amount in ₹)

NOTE 27 : EXTRA ORDINARY ITEMS	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Loss on disposal of subsidiary companies	-	-
	-	-

(Amount in ₹)

NOTE 28 : EARNING PER SHARE (EPS)	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Profit/(Loss) attributable to the equity shareholders	250,692,208	386,432,713
Weighted Average number of equity shares outstanding at the end of the year	21,663,937	21,663,937
Nominal value of equity shares	10	10
Basic/Diluted Earnings per share	**11.57**	**17.84**

NOTE 29: CONTINGENT LIABILITIES AND COMMITMENTS

(I) Contingent Liabilities

a) **In case of Pearl Global Industries Limited (Holding Company)**

i) **Corporate guarantees given by the company**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2015

- To HSBC Limited, Indonesia for securing credit facilities to its step down subsidiary PT Pinnacle Industry, Indonesia for Nil (March 31, 2014: USD 2,500,000 equivalent to ₹ 150,250,000)
- To Standard Chartered Bank, Hong Kong for securing credit facilities to its step down subsidiary Norwest Industries Limited for Nil (March 31, 2014: :USD 21,052,840 equivalent to ₹ 1,265,275,684)
- To BNP Paribas, Hong Kong for letter of credit facility to its step down subsidiary Norwest Industries Limited for Nil (March 31,2014: USD 10,000,000 equivalent to ₹ 601,000,000)
- To Canara Bank, Hong Kong Branch, for securing various credit facilities to its subsidiary Norwest Industries Limited for USD 15,000,000 equivalent to ₹ 938,850,000 (March 31,2014: USD 15,000,000 equivalent to ₹ 901,500,000)
- To ICICI Bank Limited, Hong Kong Branch, for securing the derivative limits to its step down subsidiary Norwest Industries Limited for USD 3,000,000 equivalent to ₹187,770,000 (March 31, 2014: USD 3,000,000 equivalent to ₹180,300,000)
- To ICICI Bank Limited, Hong Kong Branch, for securing the credit limits to its step down subsidiary Norwest Industries Limited and Nor Lanka Manufacturing Limited for Nil (March 31,2014: USD 15,000,000 equivalent to ₹ 901,500,000).
- To Punjab National Bank, Hong Kong Branch, for securing the credit limits to its step down subsidiary Norwest Industries Limited Nil (March 31,2014: USD 30,000,000 equivalent to ₹ 1,803,000,000).
- To Standard Chartered Bank, Hongkong Branch for securing credit facilities to its wholly owned subsidiary Pearl Global (HK) Limited, Hong Kong for USD 12,000,000 equivalent to ₹ 751,080,000 (March 31,2014: USD 8,200,000 equivalent to ₹492,820,000)
- To Standard Chartered Bank, Bangladesh Branch for securing credit facilities to its subsidiary Norp Knit Industries Limited, Bangladesh for BDT 560,000,000 equivalent to ₹ 442,400,000 (March 31,2014: BDT 560,000,000 equivalent to ₹ 425,600,000)
- HSBC Bank Plc. UK for securing credit facilities to its subsidiary Poeticgem Limited, UK NIl (March 31,2014: GBP 12,050,000 equivalent to ₹1,203,192,500)
- HSBC Invoice Finance (UK) Limited UK for securing credit facilities to its subsidiary Poeticgem Limited, UK Nil (March 31, 2014: GBP 5,000,000 equivalent to ₹ 499,250,000)
- Counter guarantee given by the Company to Axis Bank, Gurgaon for issue of Standby Letter of Credit to HSBC, Bangladesh for securing credit facilities to its subsidiary Norp Knit Industries Limited, Bangladesh for USD 400,000 equivalent to ₹ 25,036,000 (March 31, 2014: USD 400,000 equivalent to ₹ 24,040,000)
- To Intesa Sanpaolo S.P.A. Hongkong Branch for securing credit facilities to its step down subsidiary Norlanka Manufacturing Company Limited for USD Nil Equivalent to Nil (March 31, 2014: USD 10.00 Million equivalent to ₹ 601,000,000)
- To Intesa Sanpaolo S.P.A. Hongkong Branch for securing credit facilities to its step down subsidiary Norwest Industries Limited with sublimit to Simple Approach Limited, Zamira Fashion Limited and /or spring near East Manufacturing Limited for USD Nil equivalent to Nil (March 31, 2014: USD 22.00 Million equivalent to ₹ 1,322,200,000)

ii) Export Bills Discounted with banks ₹ 442,187,091 (March 31,2014: ₹ 359,780,763)

iii) Irrevocable letter of credit outstanding with banks ₹ 917,280,249 (March 31,2014: ₹919,723,355)

iv) Bank Guarantee given to government authorities ₹60,355,500 (March 31,2014: ₹86,081,000)

v) Counter Guarantees given by the company to the Sales Tax Department for its associate company ₹100,000 (March 31, 2014: ₹100,000), for others ₹50,000 (March 31, 2014: ₹50,000)

b) In case of Norp Knit Industries Limited (Foreign Subsidiary)
The contingent liability of Norp Knit Industries Limited is ₹ 254,646,230 (March 31, 2014: ₹ 407,533,280) in respect of letters of credit outstanding and ₹1,489,150 (March 31, 2014: ₹1,432,600) in respect of bank guarantee.

c) In case of Lerros Fashions India Limited (Amount in ₹)

Claim against the company not acknowledged as debt:	As at March 31, 2015	As at March 31, 2014
The claim represent a counter claim including interest by one of the distributor against the company's claim of ₹ 9,979,426 plus interest pending arbitration as on March 31, 2015	17,970,483	17,970,483

Notes
to the Consolidated Financial Statements for the year ended March 31, 2015

(II) Capital Commitments

	As at March 31, 2015	As at March 31, 2014
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	11,870,756	102,827,335

NOTE 30: DETAILS OF SUBSIDIARIES

	Name of the Enterprises	Country of Incorporation	% of voting power held as at March 31,2015	% of voting power held as at March 31,2014
a)	The subsidiaries considered in the Consolidation of Financial Statements are as under:			
	Norp Knit Industries Limited	Bangladesh	99.99%	99.99%
	Multinational Textile Group Limited	Mauritius	Nil	100.00%
	Lerros Fashions India Limited	India	59.64%	59.64%
	Pearl Global (HK) Limited	Hong Kong	100.00%	100.00%
	Pearl Global Fareast Limited	Hong Kong	100.00%	100.00%
	PDS Multinational Fashions Limited	India	Nil	100.00%
	Pixel Industries Limited	India	100.00%	Nil
b)	The details of subsidiaries of Pearl Global(HK) Limited are as under:			
	DSSP Global Limited	Hongkong	100.00%	100.00%
c)	The details of subsidiaries of DSSP Global Limited are as under:			
	PT Pinnacle Apparels	Indonesia	78.89%	99.87%

	Name of the Enterprises	Date of Acquisition	Country of Incorporation	% of voting power held as at March 31,2015	% of voting power held as at March 31,2014
d)	The details of holding of Pearl Global (HK) Limited are as under:				
	DSSP Global Limited	08.11.2012	HongKong	100.00%	100.00%
e)	The details of holding of DSSP Global Limited are as under:				
	PT Pinnacle Apparels	18.11.2013	Indonesia	78.89%	99.87%

NOTE 31: ALIGNMENT OF ACCOUNTING POLICY FOR CONSOLIDATION

a) In case of foreign subsidiaries, sales made in foreign currency are translated at the rate ruling at the date of transaction. This is inconsistent with the policy of parent company and its Indian subsidiaries, where sales are recognized at monthly average exchange rate. The sales from foreign subsidiaries represents 41.23% (March 31, 2014: 86.61%) i.e. ₹ 4,203,677,488 (March 31, 2014: : ₹ 40,376,723,882) of total sales of ₹ 10,194,676,054 (March 31,2014 :₹ 466,995,707)

Notes
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b) In case of Norp Knit Finished Goods, WIP and Raw Material are valued on FIFO basis, this is inconsistent with the policy of parent company and its Indian subsidiaries, where it is valued on weighted average method. The composition of inventories represents as follows :

Particulars	Total Inventory (₹)	Foreign Subsidiaries inventory on FIFO Basis (₹)	% of Total Inventory
Finished Goods	444,554,156 (556,875,205)	68,312,960 (45,299,464)	15.37 (8.13)
Work in Progress	478,193,859 (457,465,122)	188,202,860 (311,035,185)	39.36 (67.99)
Raw Material	795,527,766 (1,788,663,444)	301,702,262 (1,359,367,360)	37.92 (76.00)

Note: Figures in brackets denotes previous years figure

NOTE 32: GOODWILL/(CAPITAL RESERVE) ARISING ON ACQUISITION OF SUBSIDIARIES

(Amount in ₹)

Name of the Enterprises	As At March 31, 2015	As At March 31,2014
Norp Knit Industries Limited	33,555,837	33,555,837
M/s Multinational Textiles Limited*	-	322,626,416
M/s PDS Multinational Fashions Limited**	-	(1,840,794,939)
M/s Lerros Fashions India Ltd.	49,664,215	49,664,215

*Goodwill/(Capital Reserve) arising on consolidation of Subsidiaries to Multinational Textiles Group Limited (In the FY 2013-14, it was subsidiary, however, demerged in Financial year 2014-15 :

(Amount in ₹)

Name of the Enterprises	As At March 31, 2015	As At March 31, 2014
Global Textiles Group Limited	-	156,228,087
Norwest Industries Limited	-	(7,199,439)
Nor Lanka Manufacturing Colombo Limited	-	2,813,702
Poeticgem Limited	-	(66,756,075)
Pacific Logistic Limited	-	(12,605,134)
Poeticgem (Canada) Limited	-	-
FX Imports UK	-	66,531,602
Simple Approach Limited	-	136,415,160
Casa Forma Limited	-	47,198,513
Total	-	**322,626,416**

**Goodwill/(Capital Reserve) arising on consolidation of Subsidiaries to PDS Multinational Fashions Limited (In the FY 2013-14, it was subsidiary, however, demerged in Financial year 2014-15 :

Name of the Enterprise	As At March 31, 2015	As At March 31, 2014
Multinational Textile Group Limited	-	(1,840,794,939)
Total	-	**(1,840,794,939)**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2015

NOTE 33: SEGMENT REPORTING:

For the year ended March 31, 2015, the company has identified geographical segments as its primary segment and business segment as its secondary segment, as under:

a) The geographical segments of the company based on the location of assets are United Kingdom, Hong Kong, India and Others

b) The business segments considered by the Company are:
- Manufacturing
- Marketing, Distribution, Sourcing and Trading.
- Branding & Retailing

Geographical Segment (Amount in ₹)

Particulars	UK	Hong Kong	India	Others	Total	Elimination	Total
Segment Sales	-	2,128,722,827	5,990,998,566	2,074,954,662	10,194,676,055	-	10,194,676,055
	(1,467,232,569)	(36,921,758,836)	(6,240,271,825)	(1,987,732,427)	(46,616,995,656)	-	(46,616,995,656)
Inter Segment Sales	-	14,386,472	209,104,147	3,047,918,884	3,271,409,503	3,271,409,503	-
	(38,563,366)	(395,138,670)	(364,740,170)	(2,974,940,263)	(3,773,382,467)	(3,773,382,467)	-
Total Segment Sales	-	2,143,109,299	6,200,102,713	5,122,873,546	13,466,085,558	3,271,409,503	10,194,676,055
	(1,505,795,935)	(37,316,897,505)	(6,605,011,995)	(4,962,672,689)	(50,390,378,124)	(3,773,382,467)	(46,616,995,656)
Other Income	-	35,649,016	151,827,488	366,227	187,842,730	28,888,339	158,954,391
	(76,063,259)	(192,846,922)	(220,726,496)	(28,657,498)	(518,294,174)	(81,571,087)	(436,723,087)
Total Segment Revenue	-	2,178,758,315	6,351,930,201	5,123,239,773	13,653,928,288	3,300,297,842	10,353,630,446
	(1,581,859,193)	(37,509,744,427)	(6,825,738,491)	(4,991,330,187)	(50,908,672,297)	(3,854,953,554)	(47,053,718,743)
Total Revenue of each segment as a percentage of total revenue of all segment	-	15.96	46.52	37.52	100.00		
	(3.11)	(73.68)	(13.41)	(9.80)	(100.00)		
Total Segment Operative Profit	-	52,386,531	401,504,310	281,650,589	735,541,429	-	735,541,429
	(65,091,208)	(600,265,291)	(395,683,075)	(266,317,281)	(1,327,356,856)	-	(1,327,356,856)
Depreciation	-	1,557,216	99,639,528	57,290,681	158,487,425	-	158,487,425
	(18,583,679)	(89,767,303)	(99,413,212)	(81,218,987)	(288,983,180)	-	(288,983,180)
Unallocated Expenses							-
							(123,992,330)
Total Segment Result before Interest & Taxes/Extraordinary items	-	50,829,314	301,864,782	224,359,908	577,054,004	-	577,054,004
	(46,507,530)	(510,497,988)	(296,269,863)	(185,098,295)	(1,038,373,676)	(123,992,330)	(914,381,346)
Total EBIT of each segment as a percentage of total EBIT of all segment	-	8.81	52.31	38.88	100.00		
	(4.48)	(49.16)	(28.53)	(17.83)	(100.00)		
Net Financing Cost							234,930,331
							(406,726,889)
Income Tax Expenses							99,001,863
							(67,041,171)
Extraordinary Item							-
							-
Profit for the Year							243,121,810
							(440,613,286)
SEGMENT ASSETS	-	563,410,915	4,775,244,603	2,439,541,980	7,778,197,497	-	7,778,197,497
	(1,619,299,113)	(9,960,232,517)	(5,670,278,238)	(3,165,350,493)	(20,415,160,361)	-	(20,415,160,361)
Segment Assets as a percentage of Total assets of all segments	-	7.24	61.39	31.36	100.00		
	(7.93)	(48.79)	(27.77)	(15.50)	(100.00)		

Notes
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Particulars	UK	Hong Kong	India	Others	Total	Elimination	Total
SEGMENT LIABILITIES	-	284,903,234	1,459,689,730	1,263,520,282	3,008,113,246	-	3,008,113,246
	(747,890,539)	(3,243,349,266)	(1,276,796,787)	(1,025,632,648)	(6,293,669,239)	-	(6,293,669,239)
Segment Liabilities as a percentage of Total Liabilities of all segments	-	9.47	48.53	42.00	100.00		
	(11.88)	(51.53)	(20.29)	(16.30)	(100.00)		
Segment Capital Employed	-	278,507,681	3,315,554,873	1,176,021,697	4,770,084,251	-	4,770,084,251
	(871,408,574)	(6,716,883,252)	(4,393,481,451)	(2,139,717,845)	(14,121,491,122)	-	(14,121,491,122)
Segment Capital Employed as a percentage of Total capital employed of all segments	-	5.84	69.51	24.65	100.00		
	(6.17)	(47.56)	(31.11)	(15.15)	(100.00)		
Capital Expenditure	-	285,069	209,800,906	80,887,784	290,973,759	-	290,973,759
	(7,193,813)	(99,967,943)	(130,631,720)	(31,733)	(237,825,209)	-	(237,825,209)
Segment Capital Expenditure as a percentage of Total capital expenditure of all segments	-	0.10	72.10	27.80	100.00		
	(3.02)	(42.03)	(54.93)	(0.01)	(100.00)		
Depreciation	-	1,557,216	99,639,528	57,290,681	158,487,425	-	158,487,425
	(18,583,664)	(89,579,983)	(99,413,212)	(69,091,217)	(276,668,076)	-	(276,668,076)

Business Segment

(Amount in ₹)

Particulars	Manufacturing	Marketing Distribution Sourcing & Trading	Branding & Retailing	Total Segment	Elimination	Total
External Sales	8,045,819,419	2,147,279,186	1,577,450	10,194,676,055	-	10,194,676,055
	(8,130,343,173)	(38,473,589,704)	(13,062,779)	(46,616,995,656)	-	(46,616,995,656)
Inter Segment Sales	3,257,023,031	(4,169,887)	18,556,359	3,271,409,503	3,271,409,503	-
	(2,870,771,371)	(902,611,097)	-	(3,773,382,467)	(3,773,382,467)	-
Total Segment Sales	11,302,842,450	2,143,109,299	20,133,809	13,466,085,558	3,271,409,503	10,194,676,055
	(11,001,114,544)	(39,376,200,801)	(13,062,779)	(50,390,378,124)	(3,773,382,467)	(46,616,995,656)
Other Income	152,193,714	35,536,782	112,234	187,842,730	28,888,339	158,954,391
	(220,978,264)	(297,051,612)	(264,298)	(518,294,174)	(81,571,087)	(436,723,087)
Total Segment Revenue	11,455,036,165	2,178,646,081	20,246,043	13,653,928,288	3,300,297,842	10,353,630,446
	(11,222,092,808)	(39,673,252,412)	(13,327,077)	(50,908,672,297)	(3,854,953,554)	(47,053,718,743)
Total Revenue of each segment as a percentage of total revenue of all segment	83.90	15.96	0.15	100.00		
	(22.04)	(77.93)	(0.03)	(100.00)		
Segment Result EBIDTA	682,449,833	52,205,811	885,786	735,541,429	-	735,541,429
	(596,633,312)	(730,228,221)	(495,323)	(1,327,356,856)	-	(1,327,356,856)
Total EBIDTA of each segment as a total EBIDTA	92.78	7.10	0.12	100.00		
	(44.95)	(55.01)	(0.04)	(100.00)		
Depreciation	156,780,715	1,557,216	149,494	158,487,425	-	158,487,425
	(154,295,594)	(134,286,606)	(400,981)	(288,983,180)	-	(288,983,180)
Unallocated Expenses						-
						123,992,330
Total Segment Result before Interest & Taxes/Extraordinary items	525,669,118	50,648,594	736,292	577,054,004		577,054,004
	(442,337,718)	(595,941,616)	(94,342)	(1,038,373,676)		(914,381,346)
Total EBIT of each segment as a percentage of total EBIT of all segment	91.10	8.78	0.13	100.00		
	(42.60)	(57.39)	(0.01)	(100.00)		
Net Financing Cost						234,930,331
						(406,726,889)
Income Tax Expenses						99,001,863
						(67,041,171)
Exceptional Loss						-
						-
Profit For the Year						243,121,810
						(440,613,286)

Notes
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Business Segment (Amount in ₹)

Particulars	Manufacturing	Marketing Distribution Sourcing & Trading	Branding & Retailing	Total Segment	Elimination	Total
SEGMENT ASSETS	7,186,943,013	563,910,915	27,343,570	7,778,197,497	-	7,778,197,497
	(7,661,841,014)	(12,726,580,987)	(26,738,360)	(20,415,160,361)	-	(20,415,160,361)
Segment Assets as a percentage of total assets of all segments	92.40	7.25	0.35	100.00		
	(37.53)	(62.34)	(0.13)	(100.00)		
SEGMENT LIABILITIES	2,721,621,347	285,083,954	1,407,945	3,008,113,246	-	3,008,113,246
	(2,294,665,104)	(3,997,618,755)	(1,385,380)	(6,293,669,239)	-	(6,293,669,239)
Segment Liabilities as a percentage of total liabilities of all segments	90.48	9.48	0.05	100.00		
	(36.46)	(63.52)	(0.02)	(100.00)		
Segment Capital Employed	4,465,321,665	278,826,961	25,935,625	4,770,084,251	-	4,770,084,251
	(5,367,175,910)	(8,728,962,232)	(25,352,980)	(14,121,491,122)	-	(14,121,491,122)
Segment Capital Employed as a percentage of total capital employed of all segments	93.61	5.85	0.54	100.00		
	(38.01)	(61.81)	(0.18)	(100.00)		
Capital Expenditure	290,688,691	285,069	-	290,973,759		290,973,759
	(130,631,720)	(107,193,489)	-	(237,825,209)		(237,825,209)
Segment Capital Expenditure as a percentage of total capital expenditure of all segments	99.90	0.10	-	100.00		
	(54.93)	(45.07)	-	(100.00)		
Depreciation	156,780,715	1,557,216	149,494	158,487,425		158,487,425
	(154,295,594)	(134,286,606)	(400,981)	(288,983,180)		(288,983,180)

NOTE 34 : DISCLOSURE OF RELATED PARTIES/ RELATED PARTIES TRANSACTIONS

A. Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of the Related Party
Associate	Vau Apparels LLP*
	Little People Education Society
	Nim International Commerce LLP**
	HOPP Fashions

* Converted from Vau Apparels Private Limited to Vau Apparels LLP during the year.
** Converted from Nim International Commerce Private Limited to Nim International Commerce LLP during the year.

Enterprise over which Key Managerial Personnel are able to exercise Significant influence	**DOMESTIC**
	Pearl Wears
	PS Arts Private Limited
	PDS Multinational Fashions Limited*
	OVERSEAS
	Grupo Extremo SUR S.A
	SACB Holdings Limited
	JSM Trading (FZE.)
	Transnational Textile Group Limited
	Superb Mind Holdings Limited
	Global Textiles Group Limited *
	Multinational Textile Group Limited*
	Casa Forma Limited*
	PDS Asia Star Corporation Limited*

Notes
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Simple Approach Limited*
Zamira Fashion Limited *
PG Group Limited *
DPOD Manufacturing Limited*
Norwest Industries Limited *
Poeticgem International Limited*
Multinational OSG Services Bangladesh Limited*
Nor Delhi Manufacturing Limited*
Techno Design Gmbh*
Propur Investment Limited*
Mahidhulu Investment Limited*
Poetic Brands Limited*
Poeticgem Limited *
PDS Trading (Shanghai) Company Limited*
Simple Approach (Canada) Limited*
Zamira Denim Lab Limited*
PG Home Group Limited *
PG Shanghai Mfg Company Limited*
Gem Australia Manufacturing Company Limited*
Norwest Inc.*
Sourcing Solutions Limited*
Grand Pearl Trading Company Limited*
Razamtazz Limited*
Krayon Sourcing Limited (Formerly Souring Solutions HK Limited)*
Nor France Manufacturing Company Limited*
Nor Lanka Manufacturing Limited*
Nor Europe MFG Company Limited*
Kleider Sourcing Hongkong Limited*
Techno Manufacturing Limited (Formerly Sino West MFG Company Limited*
Nor India Manufacturing Company Limited*
Spring Near East Manufacturing Company Limited*
Designed and Sourced Limited*
FX Import Hongkong Limited*
Poetic Knitwear Limited *
Pacific Logistics Limited *
Pearl GES Home Group SPA*
Nor France SAS*
Nor Lanka Manufacturing Colombo Limited*
Nor Europe SPA*

Notes
to the Consolidated Financial Statements for the year ended March 31, 2015

Key Management Personnel (KMP)	Mr. Deepak Seth	Chairman
	Mr. Pulkit Seth	Managing Director
	Mrs. Shefali Seth	Wholetime Director
	Mr. Vinod Vaish	Wholetime Director
	Mr. Raj Kumar Chawla	Chief Financial Officer
	Mr. Sandeep Sabharwal	Company Secretary
	Mr. Sanjay Sarkar	Executive Director
	Mr. Pallak Seth	Relative of Key Managerial Personnel
	Mrs. Payel Seth	Relative of Key Managerial Personnel

B. Disclosure of Related Parties Transactions:

(i) Associates/Enterprise over which KMP has Significant Influence

(Amount in ₹)

Particulars	For the year ended March 31,2015	For the year ended March 31, 2014
Advance Given	-	112,484,369
Advance Recovered	-	4,564,054
Sale of Goods	125,561,417	-
Sampling Income	15,287,500	-
Expenses paid by us on their behalf	84,020,542	175,599
Reimbursement of Expenses	1,478,057	1,107,117
Interest Income	9,569,682	11,071,150
Loan Given	30,000,000	-
Loan Received Back	17,200,000	151,405,545
SAP Income	7,510,896	-
Purchase of Assets	-	160,500,200

Closing Balance	As at March 31, 2015	As at March 31, 2014
Amount Receivable	20,017,014	183,768,552
Others Payable	3,404,265	-
Loan & Advances Receivable	113,370,500	23,427,663

(ii) Key Management Personnel

(Amount in ₹)

Particulars	For the year ended March 31,2015	For the year ended March 31,2014
Remuneration	17,424,561	14,314,644
Loan From Director	-	40,000,000
Loan Given	-	1,030,000

Notes
to the Consolidated Financial Statements for the year ended March 31, 2015

(Amount in ₹)

Particulars	For the year ended March 31,2015	For the year ended March 31,2014
Loan Received Back	-	446,670
Loan Repaid	28,700,000	10,421,130
Expenses paid by us on their behalf	199,783	442,893
Interest Paid	397,819	2,080,804
Advance Given	203,015	185,000
Reimbursement of Expenses	2,526,803	1,563,893
Directors Sitting Fees	112,500	120,000
Incentive Paid	2,023,297	230,095
Closing Balance	**As at March 31, 2015**	**As at March 31, 2014**
Remuneration & Other Payable	1,452,047	1,833,526
Loan to Director	748,876	29,578,870

C. Disclosure of related parties having more than 10% interest in each transaction in the ordinary course of business
(ii) Associates

(Amount in ₹)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Advance Given		
Groupo Extremo		107,935,694
Advance Recovered		
Pallas Holdings Limited		4,564,054
Norwest Industries Limited	1,147,416	
Simple Approach Limited	9,152,934	
Sale of Goods		
Norwest Industries Limited	125,561,417	
Sampling Income		
Multinational Textile Group Limited	15,287,500	
Loan Given		
PDS Multinational Fashion Limited #	30,000,000	-
Loan Received Back/ Interest Received		
Little People Education Society	10,000,000	151,405,545
Vau Apparel Private Limited	7,200,000	-
Reimbursement of Expenses		
Norwest Industries Limited *	824,229	-
Poeticgem Limited *	648,897	-
Little People Education Society	-	1,107,117

Notes
to the Consolidated Financial Statements for the year ended March 31, 2015

(Amount in ₹)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Expenses paid by us on their behalf		
PDS Multinational Fashion Limited #	73,525,576	-
Nim International Commerce Private Limited	-	141,752
Vau Apparel Private Limited	-	33,847
Interest Income		
PDS Multinational Fashion Limited #	5,966,922	-
Multinational Textiles Group Limited. *	3,602,760	-
Little People Education Society	-	11,071,150
SAP Income		
Nor Lanka Manufacturing Limited *	2,115,778	-
Norwest Industries Limited *	3,547,731	-
Poeticgem Limited *	942,017	-
Purchase of Assets		
Little People Education Society	-	160,500,200
Closing Balance		
Little People Education Society	13,427,663	23,427,663
Gem Australia Manufacturing Limited *	26,601	-
Multinational Textile *	69,898,454	-
Nor Lanka Manufacturing Limited*	1,124,273	-
Norwest Industries Limited *	4,471,348	-
PDS Multinational Fashion Limited #	30,044,384	-
Pearl GES Group Limited*	6,728	-
Poeticgem Limited *	(238,150)	-
Simple Approach Limited *	74,013	-
Zamira Fashion *	(36,615)	-
Vau Apparels LLP *	14,314,050	21,514,050
Grupo Extremo SUR S.A.		121,886,466
Frou Holding Limited		40,278,619
Multinational Group Textile Limited	3,129,500	

Notes
to the Consolidated Financial Statements for the year ended March 31, 2015

(iii) Key Management Personnel

(Amount in ₹)

Particulars	For the year ended March 31, 2015	For the year ended March 31,2014
Remuneration		
Mr.Pulkit Seth	7,078,800	4,828,800
Ms. Shefali Seth	5,828,800	4,828,800
Mr. Rajkumar Chawla	1,906,752	2,014,735
Expenses paid by us on their behalf		
Mr. Deepak Seth	199,783	442,893
Loan From Directors		
Mr. Deepak Seth	-	40,000,000
Loan Given		
Mr. Vinod Vaish	-	1,030,000
Loan Received Back		
Mr. Vinod Vaish	-	446,670
Loan Repaid		
Mr. Deepak Seth	28,700,000	10,421,130
Interest Expenses		
Mr. Deepak Seth	397,819	2,080,804
Advance Given		
Mr. Sandeep Sabharwal	203,015	185,000
Reimbursement of Expenses		
Mr. Vinod Vaish	1,461,400	606,613
Mr. Raj Kumar Chawla	729,403	700,630
Mr. Sandeep Sabharwal	336,000	256,650
Directors sitting Fees		
Mr. Deepak Seth	30,000	15,000
Mr. Anil Nayar	22,500	30,000
Mr. CR Dua	30,000	15,000
Mr. S.B. Mohapatra	22,500	30,000
Mr. AP Bhupatkar	-	22,500
Incentive Paid		
Mr. Raj Kumar Chawla	1,873,297	170,095
Mr. Sandeep Sabharwal	150,000	60,000
Advance Received Back		
Mr. Sandeep Sabharwal	203,015	185,000
Closing Balance		
Mr. Vinod Vaish	103,470	663,873
Mr. Raj Kumar Chawla	158,896	203,720
Mr. Sandeep Sabharwal	109,413	135,206
Mr. Pulkit Seth	625,000	400,000
Ms. Shefali Seth	500,000	400,000
Mr. Deepak Seth	748,876	29,578,870

In the above tables:
* Last financial year 2013-14 these entities were subsidiaries (directly/ indirectly), therefore previous year transactions were disclosed as subsidiaries.
# This financial year 2014-15 these entities have become associates. Therefore, current year transactions have been disclosed as associates.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2015

NOTE 35 : CURRENCY DERIVATIVES

In case the company utilizes currency derivatives to hedge significant future transactions and cash flows and is a party to a variety of foreign currency contracts and options in the management of its exchange rate exposures.

Forward Currency Contracts

a) As at the balance sheet date, the total notional amounts of outstanding forward foreign exchange contracts that the company has committed to are as under:

Particulars	As At March 31, 2015	As At March 31, 2014
Forward Foreign Exchange Contract	(USD 22625000+EUR 600000)	USD 16,864,176
	(Equivalent to ₹ 1,524,903,753)	(Equivalent to ₹ 1,060,859,103)

b) These commitments have been entered into to hedge against future payments to suppliers and receipts from customers in the ordinary course of business. These arrangements are designed to address significant exchange exposures and are renewed on a revolving basis as required.

c) The terms of the forward currency contracts has been negotiated to match the terms & commitments of receivables and payables. The Cash Flow Hedges of the expected future sales in April 2014 to March 2015 is assessed at a profit ₹ 25,717,846 [March 31,2014 (Profit) ₹ 36,745,467].

NOTE 36 : LEASES

a) In the case of Pearl Global Industries Limited

i) Assets taken on lease

Minimum Lease Payments Payables

The Company has taken certain assets on non cancelable operating lease and lease rent changed to statement of Profit & Loss amounts to ₹ 66,437,550 (March 2014 ₹ 63,279,892) , The details of future minimum lease payments is as under :

(Amount in ₹)

Particulars	As At March 31, 2015	As At March 31, 2014
Not later than 1 year	40,447,674	55,664,460
Later than 1 year but not later than 5 years	89,437,002	75,433,619
Later than 5 years	58,619,422	23,321,308
Total	**188,504,097**	**154,419,387**

In pursuance with Para 23 of AS-19, "Leases" issued by Companies (Accounts) Rules 2014, lease rent under operating leases is recognized under statement of profit and loss on a straight line basis over the lease term. Accordingly Lease Equalisation Liability account of ₹ 3,712,148 has on March 31,2015 has been created

Particulars	(Amount in ₹)
Total Operating Lease Rent Payable (as on March 31, 2014)	5,432,810
Lease Rent on Straight line basis (debited to Statement of Profit & Loss through Rent Expense A/c pertaining to current year)	(1,720,662)
Total Operating Lease Rent Payable (as on March 31, 2015)	3,712,148

Notes
to the Consolidated Financial Statements for the year ended March 31, 2015

ii) Assets given on lease

Minimum Lease Payments Receivables

The company has given certain assets on operating lease and lease rent income amounting to ₹ 78,947,579 (March 2014 ₹ 73,136,469) has been credited in the statement of Profit & Loss . The future minimum lease payments receivable and detail of assets as at March 31, 2015 are as under :

(Amount in ₹)

Particulars	As At March 31, 2015	As At March 31, 2014
Not later than 1 year	54,567,637	71,416,671
Later than 1 year but not later than 5 years	62,238,591	110,208,228
Later than 5 years	-	-
	116,806,228	**181,624,899**
- Asset Description		
Gross Investment on Lease Assets	645,630,852	459,298,327
Accumulated Depreciation	30,084,764	23,061,534
Depreciation Charged during the Year	11,064,796	8,206,243

In pursuance with Para 23 of AS-19, "Leases" as notified under the Companies (Accounts) Rules 2014, lease rent under operating leases is recognized under statement of profit and loss on straight line basis over the lease term. Accordingly, Lease Equalisation Asset of ₹ 8,548,942 as on March 31, 2015 has been created.

Particulars	(Amount in ₹)
Total Operating Lease Rent Receivable as on March 31, 2014	6,727,863
Lease Rent on Straight line basis (credited to Statement of Profit & Loss through Rent Income A/c)	1,821,079
Total Operating Lease Rent Receivable as on March 31, 2015	**8,548,942**

NOTE 37: CORPORATE SOCIAL RESPONSIBILITY

The details of Corporate Social Responsibility as per Section 135 of the Companies Act 2013 read with Schedule VII thereof is as under:

	Particulars	(Amount in ₹)
(a)	Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits of last three years)	1,418,942
(b)	Amount spent during the year [Paid to Arapan Educational Society]	400,000
(c)	Amount earmarked by the CSR Committee for the F.Y. 2014-15	1,500,000
(d)	Minimum Amount to be Spent [(a)-(b)]	1,018,942

Notes
to the Consolidated Financial Statements for the year ended March 31, 2015

NOTE 38:
Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associates/ Joint Ventures.

Name of Enterprises	Net Assets i.e. total assets minus total liability and Minority Interest		Share in profit or loss	
	As % of consolidated net assets	Amount (₹) in lacs	As % of consolidated profit or loss	Amount (₹) in lacs
Parent				
Pearl Global Industries Limited	91%	28,790	41%	1,022
Subsidiaries				
Name of Enterprises	**Net Assets i.e. total assets minus total liability and Minority Interest**		**Share in profit or loss**	
	As % of consolidated net assets	Amount (₹) in lacs	As % of consolidated profit or loss	Amount (₹) in lacs
Indian				
Pixel Industries Limited	0%	(2)	0%	(2)
Lerros Fashions India Ltd.	-3%	(985)	-10%	(243)
Foreign				
Pearl Global Far East	2%	539	12%	293
Norp Knit Industries Limited	10%	3,314	43%	1,085
Pearl Global (HK) Limited	-4%	(1,203)	0%	3
DSSP Global Limited	0%	73	0%	(4)
PT Pinnacel Apparels	7%	2,200	11%	277
Minority Interest	-3%	(984)	3%	76

NOTE 39
In view of the management, the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated as on balance sheet date i.e. March 31st, 2015.

NOTE 40
The process of receiving confirmation from trade payables & receivables is an ongoing process and as at March 31st 2015, the Company is in process of receiving the confirmations from the parties.

NOTE 41
The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company regularly updates the documentation for the International transactions entered into with the associated enterprises during the period as required under law. The Management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation for the year ended March 31, 2015.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2015

NOTE 42
Previous year figures are not comparable since it includes figures of PDS Multinational Fashions Limited and Multinational Textiles Limited. which has demerged in Financial year 2014-15. The Opening Figures of Balance Sheet, Statement of Profit and Loss and Cash Flow Statement are not in reconciliation with the previous year closing figures due to the demerged entities impact.

NOTE 43
Figures have been rounded off to the nearest rupee.

NOTE 44
Previous year figures have been regrouped and reclassified wherever necessary.

For & on behalf of Board of Directors of Pearl Global Industries Limited

Pulkit Seth
Managing Director
DIN 00003044

Vinod Vaish
Whole Time Director
DIN 01945795

Place: New Delhi
Date: May 22, 2015

Raj Kumar Chawla
Chief Financial Officer

Sandeep Sabharwal
Company Secretary

Independent Auditor's Report

To the Members of Pearl Global Industries Limited

REPORT ON THE FINANCIAL STATEMENTS

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

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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 and presentation 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 the 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 the 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 ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 and its profit and cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 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, 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 and further proper returns adequate for the purpose of audit has been received from the branches not visited by us;

Independent Auditor's Report

To the Members of Pearl Global Industries Limited

c. The Balance Sheet, the Statement of Profit and Loss and 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 written representations received from the directors as on March 31, 2015 and 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 Section 164 (2) of the Act; and

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. On the basis of written representation received from the management of the Company, no significant litigation is pending against the Company's which would impact its financial position;

ii. The Company has entered into derivative contracts, as required under the applicable law or accounting standards, for material foreseeable losses (net), on foreign currency exposure(s)- Refer Note 12 to the financial statements

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

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

(Sandeep Dinodia)
Partner
Membership No. 083689

Place: New Delhi
Date: May 22nd, 2015

Annexure to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for year ended March 31, 2015, we report that:

i) a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this programme, certain fixed assets are verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.

ii) a) On the basis of information and explanation provided by the management, the inventory has been physically verified during the year by the management except for inventories in transit.

b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of business.

c) In our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

iii) The Company has granted unsecured loan to a company covered in the register maintained under section 189 of the Companies Act, 2013 amounting to ₹ 30,000,000. The maximum amount of loan outstanding during the year was ₹ 30,044,383.

iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods. The activities of the Company do not involve sale of services. Further, on the basis of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices, there is no continuing failure to correct the weaknesses in the aforesaid internal control systems.

v) In our opinion and according to the information and explanation given to us, since the Company has not accepted any deposits therefore the question of the compliance of any directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under does not arise.

vi) There are no cost records prescribed by the Central Government under sub section (1) of section 148 Company's Act 2013 for operations carried on by the Company. Therefore, the provisions of (Clause vi) of the Company's (Audit Report) order 2015 are not applicable to the Company.

vii) (a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of excise.

According to the information and explanation given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no material dues of income tax, sales tax, VAT, wealth tax, service tax and cess which have not been deposited with the appropriate authorities on account of any dispute.

(c) According to the information and explanations given to us the amounts which were required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.

viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.

ix) Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions during the year. There were no dues payable to debenture holders.

Annexure to the Auditors' Report

x) According to the information and explanations given to us, the Company has given the guarantees for loans taken by others from Banks or financial institutions. According to the information and explanations given to us, we are of the opinion that terms and conditions thereof are not prima facie prejudicial to the interests of the Company.

xi) In our opinion and according to the information and explanation given to us, the term loans were applied for the purposes for which the loans were obtained.

xii) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year nor have we been informed of such case by the management.

For S.R. Dinodia & Co. LLP,

Chartered Accountants
Firm's Registration Number: 001478N/N500005

sd/-
(Sandeep Dinodia)

Partner
Membership No. 083689

Place: New Delhi
Date: May 22nd, 2015

Balance Sheet
as at March 31, 2015

(Amount in ₹)

Particulars	Note No.	As At March 31, 2015	As At March 31, 2014
I EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	3	216,639,370	216,639,370
(b) Reserves and Surplus	4	2,662,394,562	2,599,052,262
		2,879,033,932	**2,815,691,632**
Non-Current Liabilities			
(a) Long-Term Borrowings	5	106,500,070	124,521,751
(b) Deferred Tax Liabilities (Net)	6	1,973,244	12,404,106
(c) Other Long Term Liabilities	7	413,251,060	235,491,209
(d) Long-Term Provisions	8	26,518,261	19,327,448
		548,242,635	**391,744,515**
Current Liabilities			
(a) Short-Term Borrowings	9	1,037,929,502	948,858,755
(b) Trade Payables	7	762,627,806	738,421,776
(c) Other Current Liabilities	7	195,076,697	260,530,127
(d) Short-Term Provisions	8	60,627,240	53,795,274
		2,056,261,246	**2,001,605,932**
TOTAL		**5,483,537,813**	**5,209,042,079**
II ASSETS			
Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	10	1,665,924,337	1,433,149,611
(ii) Intangible Assets	10	9,191,766	14,173,826
(iii) Capital Work in Progress	10	2,373,988	130,631,720
(b) Non-Current Investments	11	538,389,971	377,038,772
(c) Long-Term Loans and Advances	12	572,210,225	542,430,912
(d) Other Non-Current Assets	14	33,161,056	25,856,150
		2,821,251,343	**2,523,280,991**
Current Assets			
(a) Current Investments	15	111,761,581	186,360,033
(b) Inventories	16	1,138,645,797	1,141,997,492
(c) Trade Receivables	13	523,368,046	504,404,153
(d) Cash and Bank Balances	17	443,303,728	386,044,767
(e) Short-Term Loans and Advances	12	159,406,798	226,135,322
(f) Other Current Assets	14	285,800,520	240,819,319
		2,662,286,470	**2,685,761,088**
TOTAL		**5,483,537,813**	**5,209,042,079**
Significant Accounting Policies	2		

The accompanying notes are an integral part of the financials statements

As per our Report of even date attached

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

Sandeep Dinodia
Partner
Membership No. 083689

Place: New Delhi
Date: May 22nd 2015

For & on behalf of Board of Directors of Pearl Global Industries Limited

Pulkit Seth
Managing Director
DIN 00003044

Raj Kumar Chawla
Chief Financial Officer

Vinod Vaish
Whole Time Director
DIN 01945795

Sandeep Sabharwal
Company Secretary

Statement of Profit & Loss
for the year ended March 31, 2015

(Amount in ₹)

Particulars		Note No.	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
I	Revenue from operations	18	6,239,920,086	6,634,487,895
II	Other income	19	278,236,986	220,462,198
III	**Total Revenue (I + II)**		**6,518,157,072**	**6,854,950,092**
IV	**Expenses**			
	(a) Cost of materials consumed	20	1,756,324,132	1,804,569,524
	(b) Purchases of Stock-in-Trade	21	1,690,044,523	1,871,666,739
	(c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	37,995,697	199,590,021
	(d) Employee benefits expense	23	620,341,889	554,282,760
	(e) Finance costs	24	166,130,333	165,960,244
	(f) Depreciation and amortization expense	10	99,490,034	77,770,928
	(g) Other expenses	25	1,993,456,547	2,002,986,018
	Total Expenses		**6,363,783,155**	**6,676,826,235**
V	**Profit before exceptional and extraordinary items and tax (III - IV)**		**154,373,917**	**178,123,857**
VI	**Exceptional items**	26	(2,647,862)	(23,437,692)
VII	**Profit before tax (V - VI)**		**151,726,055**	**154,686,166**
VIII	**Tax expense:**			
	Current Tax		(51,612,613)	(31,642,497)
	MAT Credit Adjustment		-	31,642,497
	Provision for Deferred Tax		2,268,981	(7,529,180)
	Tax Adjustment for earlier year		(206,365)	51,702
IX	**Profit (Loss) of the year (VIII-IX)**		**102,176,058**	**147,208,688**
X	**Earnings per equity share:**			
	(1)Basic	27	4.72	6.80
	(2)Diluted	27	4.72	6.80
Significant Accounting Policies		2		

The accompanying notes are an integral part of the financials statements

As per our Report of even date attached

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

Sandeep Dinodia
Partner
Membership No. 083689

Place: New Delhi
Date: May 22nd 2015

For & on behalf of Board of Directors of Pearl Global Industries Limited

Pulkit Seth
Managing Director
DIN 00003044

Vinod Vaish
Whole Time Director
DIN 01945795

Raj Kumar Chawla
Chief Financial Officer

Sandeep Sabharwal
Company Secretary

Cash Flow Statement
for the year ended March 31, 2015

(Amount in ₹)

	For the year ended March 31, 2015		For the year ended March 31, 2014	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax and Prior Period Items		151,726,055		154,686,166
Adjustments For :				
Depreciation	99,490,034		77,770,928	
(Profit)/Loss on sale of Assets	2,647,862		10,386,600	
(Profit)/Loss on sale of Investment	6,667,009		(3,729,136)	
Rent Received	(78,947,579)		(73,136,469)	
Interest Paid	165,269,025		165,357,455	
(Profit)/Loss from Demerged undertaking	-		2,209,278	
Interest Received	(48,327,433)		(53,853,863)	
		146,798,917		**125,004,794**
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		298,524,972		279,690,959
Adjustments For :				
Trade and Other Receivables	(88,288,635)		(35,580,152)	
Inventories	3,351,696		210,612,480	
Trade and Other Payables	142,759,256		181,778,759	
		57,822,318		**356,811,087**
CASH GENERATED FROM OPERATIONS		356,347,290		636,502,046
Tax Paid on dividend	(7,363,572)		(3,513,891)	
Direct Taxes Paid	(33,752,544)	**(41,116,116)**	(11,597,920)	**(15,111,811)**
NET CASH FROM OPERATING ACTIVITIES (A)		**315,231,174**		**621,390,235**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets (including CWIP)	(232,946,296)		(443,023,110)	
Sale of Investment	119,118,541		101,975,858	
Investment made during the year	(128,447,618)		(130,325,001)	
Investment in bank deposits (having original maturity of more than one year)	(5,323,431)		(4,406,435)	
Investment in bank deposits (having original maturity of less than one year)	11,252,976		(33,806,488)	
Loan Given	(7,435,381)		124,591,190	
Sale of Fixed Assets	7,260,872		19,533,370	
Interest Received	48,327,433		53,853,863	
Cash flow from Demerged Undertaking	-		(35,276,455)	
Rent Received	78,947,579		73,136,469	
NET CASH USED IN INVESTING ACTIVITIES (B)		**(109,245,324)**		**(273,746,739)**

Cash Flow Statement
for the year ended March 31, 2015

(Amount in ₹)

	For the year ended March 31, 2015		For the year ended March 31, 2014	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Interest Paid	(165,269,025)		(165,357,455)	
Dividend Paid	(43,253,954)		(22,039,324)	
Repayment of Loan	-		(51,658,482)	
Proceeds from Borrowings	71,049,067		-	
NET CASH FROM FINANCING ACTIVITES (C)		**(137,473,912)**		**(239,055,260)**
Net Increase in Cash/Cash equivalents (A+B+C)		68,511,937		108,588,236
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**159,802,329**		**51,214,093**
CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR		**228,314,266**		**159,802,329**
Cash & Cash Equivalents include:				
(a) Cash on Hand		3,309,799		2,327,296
(b) Cheque on Hand		7,155,652		6,187,228
(c) Deposits with original maturity of less than 3 months		60,000,000		-
(d) Balance with Scheduled banks:				
-In Current Account(s)		157,207,548		150,720,458
-In Unpaid dividend Account		641,267		567,347
		228,314,266		**159,802,329**

As per our Report of even date attached

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

Sandeep Dinodia
Partner
Membership No. 083689

Place: New Delhi
Date: May 22nd 2015

For & on behalf of Board of Directors of Pearl Global Industries Limited

Pulkit Seth
Managing Director
DIN 00003044

Vinod Vaish
Whole Time Director
DIN 01945795

Raj Kumar Chawla
Chief Financial Officer

Sandeep Sabharwal
Company Secretary

Notes
to financial statements for the year ended on March 31,2015

NOTE 1: CORPORATE INFORMATION

Pearl Global Industries Limited is a public limited company domiciled in India and has its registered office at A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi-110028. The company is primarily engaged in manufacturing, sourcing and export of ready to wear apparels through its facilities and operations in India and overseas. The Company has its primary listings on Bombay Stock Exchange and National Stock Exchange in India.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNT

2.1 Accounting Convention

The financial statements have been prepared in accordance with applicable accounting standards and relevant presentation requirements of the Companies Act, 2013 and are based on the historical cost convention and on an accrual basis of accounting except investment available for sale and held for trading is measured at fair value and land and building which is measured at revalued cost. The Company has complied in all material respects with Accounting Standard notified under section 133 of the Companies Act, 2013 read with Rule 7 of Company (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2 Uses of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires the management to make judgement, estimates and assumptions that affect the reported amounts of revenues, expenses, assets & liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could results in the outcomes requiring a material adjustment to the carrying amount(s) of assets or liabilities in future periods. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

2.3 Summary of Significant Accounting Policies

a) Inventories

i) Inventories of finished goods manufactured by the company are valued style-wise and at lower of cost and estimated net realizable value. Cost includes material cost on weighted average basis and appropriate share of overheads.

ii) Inventories of finished goods (traded) are valued at lower of procurement cost (FIFO Method) or estimated net realizable value.

iii) Inventories of Raw Material, Work in Progress, Accessories & Consumables are valued at cost (weighted average method) or at estimated net realizable value whichever is lower. WIP cost includes appropriate portion of allocable overheads.

b) Tangible Assets and Capital Work-In-Progress

Tangible Assets are stated at cost less accumulated depreciation and impairment loss. Cost comprises the purchase price and any attributable cost including borrowing costs of bringing the asset to its working condition for its intended use and related pre-operative expenses are capitalized over the total project at the commencement of project/on start of commercial production. However, certain land and building are measured at revalued cost. Gain or loss arising on the sale of fixed assets are measured as the difference between the net proceeds and the carrying amount of the asset and are recognised in the Statement of Profit & Loss in the year in which the asset is sold. Capital work-in-progress comprises the cost of fixed assets that are not yet ready for their intended use at the reporting date.

c) Intangible Assets

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment. All expenditures, qualifying as Intangible Assets are amortized over estimated useful life.

d) Depreciation / Amortisation

i) Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets estimated by the management. Depreciation for assets purchased / sold during a period is proportionately charged to Statement of Profit & Loss. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use. The management estimates the useful lives for the other fixed assets as follows:

Notes
to financial statements for the year ended on March 31,2015

Buildings	30-60 years
Plant and Machinery	15 years
Office Equipment	5 years
Computer Equipment	3-6 years
Furniture and Fixtures	10 years
Electrical Installations	10 years
Vehicles	8-10 years

ii) Leasehold assets are amortised over the period of lease agreed upon in the lease agreement entered.

e) Revenue/ Purchase Recognition

Revenue is recognized to the extent that it is probable that economic benefits Will flow to the Company and the revenue can be reliably measured. Following are the specific revenue recognition criteria:

i) Export sale is recognized on transfer of risks and rewards to the customer and on the basis of date of Airway Bill/ Bill of lading.
ii) Sales are shown as net of trade discount and include Freight & Insurance recovered from buyers as per the terms of sale.
iii) Interest income is recognized on time proportion basis.
iv) Dividend income is recognized when the right to receive is established.
v) In case of High Sea Sales revenues are recognized on transfer of title of goods to the customer.
vi) Sale of software/ SAP income is recognized at the delivery of complete module & patches (through reimbursement from group companies).
vii) Income from job work is recognized on the basis of proportionate completion method. However, where job work income is subject to minimum assured profit, it is recognised based on that specific contract.
viii) Commission income is recognized when the services are rendered.
ix) Purchase are recognized upon receipt of such goods by the company. Purchases of imported goods are recognized after completion of custom clearance formalities and upon receipt of such goods by the company.

f) Foreign Currency Transactions

Initial Recognition: Transactions denominated in foreign currencies are recorded at an exchange rate prevailing at the time of the transaction. Sales made in foreign currency are translated on average exchange rate.

Conversion: Monetary items denominated in foreign currency are reported using the closing exchange rate on each Balance Sheet Date. Non – monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange difference: The exchange difference arising on the settlement of monetary items or reporting these items at rates different from rates at which these were initially recorded / reported in previous financial statements are recognized as income/expense in the period in which they arise.

g) Investment and Financial Assets

The company has classified its investments as under:-

Held for trading : Trading securities are those (both debt & equity) that are bought and held principally for the purpose of selling them in near term. Such securities are valued at fair value and gain/loss is recognised in the Statement of Profit & Loss.

Held to Maturity : The investments are classified as held to maturity only if the company has the positive intent and ability to hold these securities to maturity. Such securities are held at historical cost.

Available-for-sale financial assets : Available-for-sale financial assets are non-derivative financial assets in listed and unlisted equity & debt instruments that are designated as available for sale and are initially recognized at their value. Subsequent to initial recognition, available-for-sale financial assets are measured at fair value, with gains or loss recognised as a separate component of equity as "Investment Revaluation Reserve" until the investment is de-recognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement. When the fair value of unlisted equity securities cannot be reliably measured because; firstly the variability in the range of reasonable fair value estimates is significant for that investment or, secondly the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value. Such securities are stated at cost less any impairment.

Notes
to financial statements for the year ended on March 31,2015

Fair value : The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the balance sheet date.

h) Derivative financial instruments and hedging

The Company uses derivative financial instruments such as forward currency contracts to hedge its risks associated with foreign currency fluctuations. Such derivative financial instruments are initially recognized at cost on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to the Statement of Profit & Loss.

For the purpose of hedge accounting, hedges are classified as:

i) **Fair value hedges:** A hedge of the exposure to changes in the fair value of recognized asset or liability or an unrecognized firm commitment (except for foreign risk); or identified portion of such asset, liability or firm commitment (except for foreign risk),or an identified portion of such asset, liability or firm commitment that is attributable to a particular risk and could affect profit or loss.

ii) **Cash flow hedges:** A hedge of the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction, and could affect profit or loss.

The effective portion of the gain or loss on the hedging instrument is recognized directly in the equity, while the ineffective portion is recognized in the Statement of Profit & Loss.

i) Employee Benefits

Expense and Liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15 – Employee Benefits (Revised 2005) :

Short term Employee benefit

Short term employee benefits including short term compensated absences are recognised as an expense at an undiscounted amount in the Statement of Profit & Loss of the year in which the related service is rendered. Terminal Benefits are recognized as an expense immediately.

Defined Contribution Plan

Contributions payable to recognized Provident Fund and Employee State Insurance scheme, which are substantially defined contribution plans, are recognised as expense in the Statement of Profit & Loss, as they are incurred.

Defined Benefit Plan

The cost of providing defined benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight line basis over the average period until the benefit become vested. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

Other Long term Benefits

Long term compensated absences are provided for on the basis of acturial valuation, using the projected unit credit method, at the end of each financial year. Acturial gains/ losses, if any, are recognised immediately in the Statement of Profit and Loss.

j) Borrowing Costs

Borrowing costs include interest, amortisation of ancilliary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are attributable to the acquisition or construction of qualifying fixed assets are capitalized as part of the cost of assets. All other borrowing costs are recognized as expense in the year in which they are incurred."

k) Leases

i) The Lease under which the company assumes substantially all the risks and rewards of ownership are classified as finance

Notes
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leases. Such assets are capitalized at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period. ii) Assets acquired under leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit & Loss on accrual basis on straight line basis. iii) Assets leased out under operating leases are capitalized. Rental income is recognized on accrual basis over the lease term.

l) Taxes On Income

Tax expense comprises current tax and deferred tax.

Current Tax

Current Tax is measured and expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961, and based on the expected outcome of assessment/appeals. 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 the items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

Deferred Tax

Deferred tax reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Deferred tax assets subject to consideration of prudence, are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Such assets are reviewed as at each balance sheet date to re-assess realization.

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 period, i.e., the period 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 period.

m) Impairment of Assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the recoverable amount is determined. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

A previously recognised impairment loss is reversed in Statement of Profit & Loss only if there has been a change in the assumptions used to determine the assets's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

n) Provision, Contingent Liabilities And Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the Notes to Account. Contingent assets are neither recognized nor disclosed in the financial statements.

o) Earning per Share (EPS)

In determining earnings per share, the company considers the net profit after tax and includes the post tax effect of any extra ordinary items.

i) Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Notes
to financial statements for the year ended on March 31,2015

ii) For the purpose of calculating Diluted Earning per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings.

p) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated as specified in Accounting Standard -3 (AS-3) " Cash Flow Statement".

q) Cash and Cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

(Amount in ₹)

NOTE 3 : SHARE CAPITAL	As At March 31, 2015	As At March 31, 2014
Authorised:		
51,440,000 (March 31, 2014: 51,440,000) Equity Shares of ₹ 10/- each	514,400,000	514,400,000
10,000 (March 31, 2014: 10,000) 4% Non Cumulative Redeemable Preference Shares of ₹ 10/- each	100,000	100,000
3,256,000 (March 31, 2014: 3,256,000) 10.5% Non Cumulative Redeemable Preference Shares of ₹ 100/- each	325,600,000	325,600,000
	840,100,000	**840,100,000**
Issued, Subscribed & Paid-up :		
21,663,937 (March 31, 2014: 21,663,937) Equity Shares of ₹ 10/- each fully paid up	216,639,370	216,639,370
	216,639,370	**216,639,370**

(a) Reconciliation Statement of Equity Share Capital

	March 31, 2015		March 31, 2014	
	No.of shares	Amount in(₹)	No. of Shares	Amount in(₹)
Balance of Shares at the beginning of the year	21,663,937	216,639,370	21,663,937	216,639,370
Add:- Addition during the year		-		-
Less:- Buy back during the year	-	-	-	-
Balance of Shares at the end of the year	21,663,937	216,639,370	21,663,937	216,639,370

(b) Terms/rights attached to equity shares

The company has only one class of equity shares having per value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. For the year ended 31st March 2015, the amount of ₹2.25 per share (March 31, 2014: ₹2 per share) has been proposed to be declared as dividend for distribution to equity shareholders. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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.

Notes
to financial statements for the year ended on March 31,2015

(c) Details of shareholder's holding more than 5 percent shares in the company

	March 31, 2015		March 31, 2014	
	No.of shares	%holding	No. of Shares	%holding
Equity Shares of ₹10 each fully paid up				
Mrs. Payel Seth	9,849,872	45.47	9,849,872	45.47
Mr. Deepak Seth	1,544,499	7.13	1,544,499	7.13
Mr. Pulkit Seth	1,511,384	6.98	1,511,384	6.98
Mr. Pallak Seth	1,317,646	6.08	1,317,646	6.08

(d) For a period of 5 years immediately preceeding the date of balance sheet, aggregate number and class of shares allotted as fully paid pursuant to Scheme of Amalgamation without payment being recovered in cash

	March 31, 2015 No of Shares	March 31, 2014 No of Shares
Equity Share Capital (being shares issued to shareholders of Pearl Global Limited, subsidiary since merged with the company as per Scheme of Amalgamation)	2,163,594	2,163,594

NOTE 4 : RESERVES AND SURPLUS		As At March 31, 2015	As At March 31, 2014
Security Premium			
Balance at the beginning of the year		1,710,389,823	2,778,164,164
Add:- Addition during the year		-	-
Less:- Utilise during the year		-	1,067,774,340
Balance at the end of the year	(A)	**1,710,389,823**	**1,710,389,823**
Hedging Reserve (Refer Note 31)			
Balance at the beginning of the year		25,621,584	(43,978,918)
Add:- Addition during the year		96,262	69,600,502
Less:- Utilised during the year		-	-
Balance at the end of the year	(B)	**25,717,846**	**25,621,584**
Capital Redemption Reserve			
Balance at the beginning of the year		9,500,000	9,500,000
Add:- Addition during the year		-	-
Less:- Utilise during the year		-	-
Balance at the end of the year	(C)	**9,500,000**	**9,500,000**
Revaluation Reserve			
Balance at the beginning of the year		39,296,855	39,296,855
Add:- Addition during the year		-	-
Less:- Utilise during the year		-	-
Balance at the end of the year	(D)	**39,296,855**	**39,296,855**
Amalgamation Reserve			
Balance at the beginning of the year		62,594,738	62,594,738
Add:- Addition during the year		-	-
Less:- Utilise during the year		-	-
Balance at the end of the year	(E)	**62,594,738**	**62,594,738**

Notes
to financial statements for the year ended on March 31,2015

NOTE 4 : RESERVES AND SURPLUS		As At March 31, 2015	As At March 31, 2014
Foreign Currency Translation Reserve			
Balance at the beginning of the year		58,496,862	-
Add:- Addition during the year		15,567,976	58,496,862
Less:- Utilise during the year		-	-
Balance at the end of the year	(F)	**74,064,838**	**58,496,862**
Investment Revaluation Reserve			
Balance at the beginning of the year		4,281,754	1,326,778
Add:- Addition during the year		19,842,481	2,954,976
Less:- Utilise during the year		-	-
Balance at the end of the year		-	-
General Reserve	(G)	**24,124,235**	**4,281,754**
Balance at the beginning of the year		420,436,050	409,395,398
Add:- Addition during the year		-	11,040,652
Less:- Utilise during the year		-	-
Balance at the end of the year	(H)	**420,436,050**	**420,436,050**
Surplus / (Deficit) in the Statement of Profit & Loss			
Balance at the beginning of the year		268,434,595	175,862,642
Add:- Profit/(Loss) during the year		102,176,058	147,208,688
Add:- Increase on account of Scheme of Demerger		-	7,095,364
Less: - Appropriation during the year			
- Proposed Dividend on Equity Shares [Dividend amount ₹ 2.25 per share (March 31, 2014 ₹ 2 per share)]		48,743,858	43,327,874
-Dividend Distribution Tax on Proposed Dividend		9,745,904	7,363,572
- Transfer to General Reserve		-	11,040,652
Less:- Depreciation adjustment as per Schedule II to the Companies Act, 2013 (Net of Deferred Tax of ₹ 8,161,881)		15,850,714	-
Balance at the end of the year	(I)	**296,270,176**	**268,434,595**
Total Reserves & Surplus (A+B+C+D+E+F+G+H+I)		**2,662,394,562**	**2,599,052,262**

NOTE 5 : LONG TERM BORROWINGS	Non Current		Current Maturities	
Loan from Banks (Secured)	**March 31, 2015**	**March 31, 2014**	**March 31, 2015**	**March 31, 2014**
Term loans				
- Corporate Loan	85,237,197	121,345,845	35,984,547	30,635,637
Vehicle Loans	21,262,873	3,175,906	7,747,693	3,361,905
	106,500,070	**124,521,751**	**43,732,240**	**33,997,542**
The above amount includes -				
Secured borrowings	106,500,070	124,521,751	43,732,240	33,997,542
Unsecured borrowings	-	-	-	-
Less:-Amount disclosed under "Other current liabilities" (Refer Note 7)	-	-	(43,732,240)	(33,997,542)
Total Borrowings	**106,500,070**	**124,521,751**	-	-

Notes
to financial statements for the year ended on March 31,2015

a) **In case of secured loans, the nature of security are :**

(i) Term Loan is secured by charge on immovable property situated at Plot No. 446, Phase-V, Udyog Vihar Industrial Estate, Haryana along with present and future structures including all present and future development rights. The loan is also secured by personal guarantee of the Promoter Director.

(ii) Vehicle loans are secured against hypothecation of respective vehicles.

b	**Maturity profile of Secured Term Loans**	**2015-16**	**2016-17**	**2017-18**	**Beyond 2017-18**
	Term loan from banks are repayable in monthly/ quarterly / yearly installments.	35,984,547	40,591,978	39,288,759	5,356,460
	Vehicle loans from banks are repayable in monthly installments	7,747,693	7,212,376	5,742,456	8,308,041

NOTE 6 : DEFERRED TAX LIABILITIES/ (ASSETS)- NET		**As At March 31, 2015**	**As At March 31, 2014**
Deferred Tax Liability			
- Impact of difference between tax depreciation as per Income Tax Act and de preciation/amortization charged for financial reporting		84,922,376	99,903,031
- Others		2,905,785	2,182,855
Gross Deferred Tax Liability	(A)	**87,828,161**	**102,085,886**
Deferred Tax Assets			
- Unabsorbed depreciation/losses to be carried forward as per Income Tax Act		58,812,728	68,854,050
- Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis		27,042,190	20,827,729
Gross Deferred Tax Assets	(B)	**85,854,918**	**89,681,780**
Net Deferred tax Liabilities/(Assets)	(A-B)	**1,973,244**	**12,404,106**

NOTE 7 : OTHER LIABILITIES		**Non Current**		**Current Maturities**	
Trade Payables		**March 31, 2015**	**March 31, 2014**	**March 31, 2015**	**March 31, 2014**
- Due to Micro Small & Medium Enterprises (Refer note 'a' below)		-	-	5,211,726	1,284,830
- Due to Others		-	-	757,416,081	737,136,946
	(A)	-	-	**762,627,806**	**738,421,776**
Other Current Liabilities:					
Security Deposit		141,446,652	132,399,152	-	-
Gratuity Payable		18,906,706	16,235,220	969,943	281,398
Current maturities of long-term borrowings (Refer Note 5)		-	-	43,732,240	33,997,543
Unpaid dividend		-	-	641,267	567,347
Book Overdraft		-	-	91,486,857	113,561,737
Others Payables					
Statutory Liabilities		-	-	28,504,273	25,834,751
Advances from Customers		-	-	769,668	3,541,868
Interest accrued but not due		-	-	2,326,660	3,465,413
Creditors for Capital Goods		12,897,702	26,856,837	20,094,454	71,424,889
Advance received against sale of land		240,000,000	60,000,000	-	-
Other Payables		-	-	6,551,334	7,855,182
	(B)	**413,251,060**	**235,491,209**	**195,076,697**	**260,530,127**
Total (A+B) (Refer note 'b' below)		**413,251,060**	**235,491,209**	**957,704,504**	**998,951,902**

Notes
to financial statements for the year ended on March 31,2015

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

(Amount in ₹)

		As At March 31, 2015	As At March 31, 2014
	Principal amount due to micro and small enterprises	5,211,726	1,284,830
	Interest due on above and the unpaid interest paid	-	-
		5,211,726	**1,284,830**
(i)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the payments made to the supplier beyond the appointed day.	Nil	Nil
(ii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	Nil	Nil
(iii)	The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
(iv)	The amount of further interest remaining due and payable even in the succeeding year,until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	Nil	Nil

b) It does not include any amount due to be transferred to Investor Education and Protection Fund.

(Amount in ₹)

NOTE 8 : PROVISIONS	Non Current		Current	
Provisions for Employee Benefits	**March 31, 2015**	**March 31, 2014**	**March 31, 2015**	**March 31, 2014**
Gratuity (Refer Note 23)	6,282,905	4,424,678	95,944	45,655
Leave Encashment (Refer Note 23)	17,854,454	12,046,370	710,287	481,762
Other Provision				
Provision for Equalised Rent	2,380,902	2,856,400	1,331,246	2,576,411
Proposed Dividend	-	-	48,743,858	43,327,874
Provision for Tax on Proposed Dividend	-	-	9,745,904	7,363,572
	26,518,261	**19,327,448**	**60,627,240**	**53,795,274**

(Amount in ₹)

NOTE 9 : SHORT TERM BORROWINGS	As At March 31, 2015	As At March 31, 2014
Loan from Banks (secured)		
Working Capital Loans		
- Rupee Loan	533,037,591	656,015,345
- Foreign Currency Loan	504,143,035	263,264,540
Loan and advances from related parties (unsecured)	748,876	29,578,870
Total Short Term Borrowings	**1,037,929,502**	**948,858,755**
The above amount includes		
- Secured borrowings	1,037,180,626	919,279,885
- Unsecured borrowings	748,876	29,578,870

a) In case of secured loans, the nature of security are:

- First pari-passu charge on movable fixed assets and whole of current assets including stocks of raw material, semi finished goods, finished goods, book debts, consumable stores and spares.
- Mortgage of the properties situated at Plot No. H -597-603, RICCO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan and Plot No 16-17, Phase VI, Udyog Vihar,Gurgoan (Haryana).

Notes
to financial statements for the year ended on March 31,2015

- FDR (Period 3 Years) amounting to ₹ 6,179,900 in the name of the Company.
- Personal Guarantee by the promoter director of the Company

b) Loan from Directors

Loan from directors is repayable on demand, taken during ordinary course of business.

NOTE 10 : FIXED ASSETS

(Amount in ₹)

Particulars	GROSS BLOCK				DEPRECIATION/AMORTIZATION					NET BLOCK	
	As At April 01, 2014	Additions during the year	Deduction during the year	As At March 31, 2015	As At April 01, 2014	For the year	Unplanned Depreciation as per Schedule II to Companies Act 2013	Written Back/ Adjustments	As At March 31, 2015	As At March 31, 2015	As At March 31, 2014
A. Tangible Assets											
Leasehold Land	21,033,523	-	-	21,033,523	3,835,088	575,306	-	-	4,410,393	16,623,130	17,198,435
Freehold Land	429,988,836	35,516,333	-	465,505,169	-	-	-	-	-	465,505,169	429,988,836
Leasehold Improvements	-	2,658,994	-	2,658,994	-	39,516	-	-	39,516	2,619,478	-
Buildings	716,004,771	160,409,932	-	876,414,703	126,178,876	18,978,184	1,262,176	-	146,419,236	729,995,467	589,825,895
Plant and Equipment	636,320,282	91,311,474	3,432,075	724,199,680	310,916,131	51,961,602	22,194,577	1,440,344	383,631,966	340,567,715	325,404,151
Furniture and Fixtures	80,926,221	25,167,994	477,442	105,616,773	47,759,679	9,321,013	213,966	-	57,294,658	48,322,115	33,166,542
Vehicles	56,595,348	42,023,149	13,060,640	85,557,857	19,029,595	9,516,181	341,876	5,621,059	23,266,594	62,291,263	37,565,753
Sub Total	**1,940,868,982**	**357,087,875**	**16,970,157**	**2,280,986,700**	**507,719,370**	**90,391,802**	**24,012,595**	**7,061,403**	**615,062,363**	**1,665,924,337**	**1,433,149,612**
B. Intangible Assets											
Computer Software	100,032,536	4,116,172	-	104,148,708	85,858,710	9,098,232	-	-	94,956,942	9,191,766	14,173,826
Sub Total	**100,032,536**	**4,116,172**	-	**104,148,708**	**85,858,710**	**9,098,232**	-	-	**94,956,942**	**9,191,766**	**14,173,826**
C. Capital Work in Progress											
CWIP	130,631,720	62,670,946	190,928,678	2,373,988	-	-	-	-	-	2,373,988	130,631,720
Sub Total	**130,631,720**	**62,670,946**	**190,928,678**	**2,373,988**	-	-	-	-	-	**2,373,988**	**130,631,720**
Grand Total (A + B + C)	**2,171,533,238**	**423,874,993**	**207,898,835**	**2,387,509,396**	**593,578,080**	**99,490,034**	**24,012,595**	**7,061,403**	**710,019,305**	**1,677,490,091**	**1,577,955,158**
Previous Year	**1,905,929,323**	**494,123,355**	**228,519,440**	**2,171,533,238**	**605,417,653**	**97,461,842**	-	**109,301,415**	**593,578,080**	**1,577,955,158**	**1,300,511,669**

a) The breakup of Capital Work in Progress is as under:

(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
CWIP- Pre-operative Expenses	405,632	285,815
CWIP- Building	1,968,356	129,715,945
CWIP- Furniture & Fixture	-	629,960
Total	**2,373,988**	**130,631,720**

b) In the earlier years, the company had initiated the process of converting its leasehold land (situated at Plot A-3, Naraina, New Delhi) into freehold land. However, the deed is yet to be transferred in the name of the Company as at March 31, 2015.

c) The Opening balance of land includes ₹45,229,131 on account of revaluation on 31.03.2002.

d) The Opening balance of building includes ` 5,932,276 on account of reduction in revaluation on 31.03.2002.

e) The Cost of Land includes Nil (March 31, 2014: ₹3,070,006) being borrowing cost capitalised in accordance with Accounting Standard- 16 (AS-16) on "Borrowing Cost".

f) The above assets includes Land of ₹15,954,319 (March 31, 2014: ₹15,954,319) & Building of ₹23,434,599 (March 31, 2014: ₹23,434,599) situated at Narshingpur, Tehsil District,Gurgaon (Haryana) for which the company has executed a construction project agreement with DLF Retail Developers Limited on November 30th 2007. However, as certified by the management, the work has not started during financial year 2014-15 due to pending receipt of license from the concerned authority.

Notes
to financial statements for the year ended on March 31,2015

(Amount in ₹)

NOTE 11 : NON CURRENT INVESTMENT		As At March 31, 2015	As At March 31, 2014
Trade Investments (Valued at Cost, unless stated otherwise)			
Investments in Equity Instruments in Subsidiaries- (Unquoted)			
Pearl Global Far East Limited, Hong Kong			
535,000 (March 31, 2014: 535,000) Equity Shares of USD 1/- Each fully paid up		25,337,434	25,337,434
Norp Knit Industries Limited, Bangladesh			
3,381,211 (March 31, 2014: 2,415,587) Equity Shares of Taka 100 Each fully paid up		220,163,592	155,915,393
Lerros Fashions India Limited, India			
16,483,487 (March 31, 2014: 16,483,487) Equity Shares of ₹ 10 each fully paid up		164,834,870	164,834,870
Pearl Global (HK) Limited, Hong Kong			
16,10,000 (March 31, 2014: 10,000) Equity Shares of USD 1 each fully paid up		97,050,075	447,075
Pixel Industries Limited			
50,000 (March 31, 2014: Nil) Equity Shares of ₹ 10/- each fully paid up		500,000	-
Investment in Preference Share in Subsidiary Company- (Unquoted)			
Lerros Fashions India Limited., India			
3,000,000 (March 31, 2014: 3,000,000) Preference Shares of ₹10 each fully paid up		30,000,000	30,000,000
	(A)	**537,885,971**	**376,534,772**
Non-Trade Investments (Valued at Cost, unless stated otherwise)			
Investments in Government securities			
-National Saving Certificate (NSC)		4,000	4,000
(Pledged with Sales Tax Authorities)	**(B)**	**4,000**	**4,000**
Trade Investments in Equity Instruments in Others- Quoted			
PDS Multinational Fashions Limited, India			
50,000 (March 31, 2014: 50,000) Equity Shares of ₹ 10/- each fully paid up		500,000	500,000
	(C)	**500,000**	**500,000**
a) Total Non Current Investments (A+B+C)		**538,389,971**	**377,038,772**

Aggregate book value of quoted investment is ₹ 500,000 (March 31, 2014: ₹500,000)
Aggregate market value of quoted investment is ₹ 7,600,000 (March 31, 2014: ₹ 11,780,000)
Aggregate amount of unquoted investment is ₹ 538,389,971 (March 31, 2014: ₹ 377,038,772)

b) The details of investment made during the year as per Section 186(4) of Companies Act 2013 are given above.

(Amount in ₹)

NOTE 12 : LOANS AND ADVANCES		Non Current		Current	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Capital Advances		2,322,551	8,416,801	-	-
(Unsecured, Considered Good) (Refer Note 'a' below)	**(A)**	**2,322,551**	**8,416,801**	-	-
Security Deposits		51,658,623	41,235,950	-	-
(Unsecured,Considered Good)	**(B)**	**51,658,623**	**41,235,950**	-	-
Loan and Advances to Related Parties		393,748,118	294,702,985	44,819,624	120,861,400
(Unsecured - Considered Good) (Refer Note No 29)	**(C)**	**393,748,118**	**294,702,985**	**44,819,624**	**120,861,400**
Advance Recoverable in Cash or Kind		26,113,341	20,600,179	-	-
(Unsecured - Considered Good)	**(D)**	**26,113,341**	**20,600,179**	-	-

Notes
to financial statements for the year ended on March 31,2015

Share Application Money		-	64,248,199	-	-
	(E)	-	64,248,199	-	-
Other Loans and Advances					
Advance Tax [Net of Provision of ₹ 90,555,135 (March 31,2014 ₹ 62,755,800)]		60,826,379	54,258,278	-	-
MAT Credit Entitlement		25,158,861	49,793,396	-	-
Prepaid Expenses		1,598,837	2,447,260	14,685,971	11,764,547
Advance to Suppliers		-		56,936,259	31,118,702
Loans to Employees		-	-	6,123,797	5,156,288
Mark to Market Forward Contracts		-	-	25,717,846	25,621,584
Others		10,783,515	6,727,863	11,123,301	31,612,800
	(F)	**98,367,592**	**113,226,797**	**114,587,174**	**105,273,922**
Total Loans & Advances (A+B+C+D+E+F)		**572,210,225**	**542,430,912**	**159,406,798**	**226,135,322**

	As At March 31, 2015	As At March 31, 2014
a) Capital Commitment: Estimated amount of contracts remaining to be executed on the capital account (net of capital advances)	11,870,756	17,533,174

(Amount in ₹)

NOTE 13 : TRADE RECEIVABLES		**Non Current**		**Current**
(Unsecured, considered good unless stated otherwise)	**March 31, 2015**	**March 31, 2014**	**March 31, 2015**	**March 31, 2014**
Outstanding for the period exceeding six months from the date they are due for payment				
Unsecured, considered good	-	-	20,938,330	44,865,019
Unsecured,considered Doubtful	-	-	9,370,065	9,370,065
	-	-	30,308,395	54,235,084
Less: Provision for doubtful receivables	-	-	(9,370,065)	(9,370,065)
(A)	**-**	**-**	**20,938,330**	**44,865,019**
Other receivables				
Unsecured - Considered Good (Refer Note 'a' below)	-	-	502,429,716	459,539,134
(B)	-	-	**502,429,716**	**459,539,134**
TOTAL (A+B)	-	-	**523,368,046**	**504,404,153**

	As At March 31, 2015	As At March 31, 2014
a) This amount includes amount due from related parties	61,692,673	31,640,103

Notes
to financial statements for the year ended on March 31,2015

(Amount in ₹)

NOTE 14 : OTHER ASSETS	Non Current		Current	
Non Current Bank Balances				
Fixed Deposit with banks (Refer Note 17)	29,575,825	24,252,394	-	-
(A)	**29,575,825**	**24,252,394**	-	-
Others				
Interest accrued but not due on fixed deposits	3,585,231	1,603,756	4,694,553	7,392,029
Export Incentive Receivable	-	-	267,678,304	209,999,627
Interest accrued and due (Refer Note 'a' below)	-	-	13,427,663	23,427,663
(B)	**3,585,231**	**1,603,756**	**285,800,520**	**240,819,319**
TOTAL (A+B)	**33,161,056**	**25,856,150**	**285,800,520**	**240,819,319**

a) This amount represent interest accrued & due on loan of a related party.

(Amount in ₹)

NOTE 15 : CURRENT INVESTMENT	As At March 31, 2015	As At March 31, 2014
Quoted Investment in Mutual Fund with Citibank (Measured at fair value)		
IDFC Super Saver IP Plan Growth Nil (March 31, 2014: 714,015.41 units of face value of ₹ 10 per unit)	-	21,032,181
ICICI Pru Income Fund Growth Nil (March 31, 2014: 542,536.19 units of Face Value of ₹ 100 per unit)	-	20,272,733
BSL FTP Corporate Bond 1,000,000 units Face Value ₹ 10 per unit (March 31, 2014: 1,000,000 units Face Value of ₹10 per unit)	11,412,800	10,161,100
Birla Sunlife Interval Income Nil (March 31, 2014: 2,022.80 units of Face Value ₹ 10 per unit)	-	497,401
(A)	**11,412,800**	**51,963,415**
Quoted Investment in Mutual Fund with HSBC (Measured at fair value)		
ICICI Liquid Regular Plan Growth Nil (March 31, 2014: 40,491.03 units of Face Value of ₹ 100 per unit)	-	7,685,642
Templeton India Short Term Income Plan Growth Nil (March 31, 2014: 5,371.85 of Face Value of ₹ 1000 per unit)	-	13,799,380
HDFC FMP Regular Growth Nil (March 31, 2014: 41,367.58 of Face Value of ₹ 100 per unit)	-	1,047,009
HDFC FMP Regular Growth 800,000 Units of Face Value ₹10 per unit (March 31, 2014: 800,000 of Face Value ₹10 per unit)	9,382,240	8,526,560
ICICI Prudential Flexible Income Regular Growth Plan Nil (March 31, 2014: 83,153.31 of Face Value of ₹ 100 per unit)	-	20,013,338
HSBC Fixed Term Series 109 Super Growth 1,500,000 Units @ Face Value ₹ 10 per unit (March 31, 2014 1,500,000 of Face Value ₹ 10 per unit)	16,351,200 -	15,021,450
HDFC Cash Management 268,356.372 Units of Face Value of ₹ 10 per unit (March 31, 2014: 128,576.26 of Face Value ₹ 10 per unit)	7,919,438	3,502,250
IDBI Liquid Fund 1,750,000 Units of Face Value ₹10 per unit (March 31, 2014: 1,750,000 of Face Value ₹10 per unit	19,214,825	17,608,325

Notes
to financial statements for the year ended on March 31,2015

(Amount in ₹)

NOTE 15 : CURRENT INVESTMENT	As At March 31, 2015	As At March 31, 2014
HDFC FMP Regular Growth Nil (March 31, 2014: 782,498.20 of Face Value ₹ 10 per unit)	-	21,314,234
IDBI Liquid Fund Growth 2,313.365 Units of Face Value of ₹ 100 per unit (March 31, 2014: 1,083.21 of Face Value ₹ 1000 per unit)	3,462,706	1,490,357
IDFC Banking Debt Fund Regular Nil (March 31, 2014: 1,834,307.05 of Face Value ₹10 per unit)	-	20,123,632
Birla Sunlife Interval Income 400,000 Units @ Face Value ₹ 10 per unit (March 31, 2014: 400,000 @ Face Value ₹ 10 per unit)	4,663,520	4,264,440
Birla Sunlife Fixed Term Plan 2,000,000 Units of Face Value ₹10 per unit (March 31, 2014: Nil)	21,811,800	-
JM Arbitrage Fund 1,484,744.59 Units of Face Value ₹ 10 per unit (March 31, 2014: Nil)	15,586,106	-
ICICI Prudential Flexible Income 7,438.0103 Units of Face Value ₹ 100 per unit (March 31, 2014: Nil)	1,956,946	-
(B)	**100,348,781**	**134,396,618**
Total (A+B)	**111,761,581**	**186,360,033**

Aggregate book value of quoted investment is ₹ 111,761,581 (March 31, 2014: ₹186,360,033)
Aggregate market value of quoted investment is ₹ 111,761,581 (March 31, 2014: ₹ 186,360,033)
Aggregate amount of unquoted investment is ₹ Nil (March 31, 2014: ₹ Nil)

(Amount in ₹)

NOTE 16 : INVENTORIES	As At March 31, 2015	As At March 31, 2014
(as taken, valued and certified by the Management)		
Raw Materials	492,322,804	429,296,084
Goods In Transit (Raw Material)	3,129,933	36,945,769
Work In Progress	243,768,785	146,429,937
Finished Goods	376,241,196	510,067,941
Stores Spares & Others	23,183,079	19,257,761
	1,138,645,797	**1,141,997,492**

(Amount in ₹)

NOTE 17 : CASH AND BANK BALANCES	Non Current		Current	
Cash and Cash Equivalents	**March 31, 2015**	**March 31, 2014**	**March 31, 2015**	**March 31, 2014**
Balance with Banks :-				
In EEFC account(s)	-	-	100,201,742	108,016,568
In Current account(s)	-	-	57,005,806	42,703,890
Deposits with original maturity of less than 3 months	-	-	60,000,000	-
In Unpaid Dividend Account	-	-	641,267	567,347
Cash on hand	-	-	3,309,799	2,327,296
Cheque/drafts on hand	-	-	7,155,652	6,187,228
(A)	-	-	**228,314,266**	**159,802,329**

Notes
to financial statements for the year ended on March 31,2015

Other Balances				
Balance with bank (Considered good)				
Deposits with original maturity of more than 12 months	29,575,825	24,252,394	2,373,573	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	212,615,889	226,242,438
	29,575,825	24,252,394	214,989,462	226,242,438
Balance with bank (Considered doubtful)	-	-	2,500	-
Less: Provision for Doubtful Deposit	-	-	(2,500)	-
	29,575,825	24,252,394	214,989,462	226,242,438
Amount disclosed under "Other Non-current asset" (Refer Note 14)	(29,575,825)	(24,252,394)	-	-
(B)	-	-	**214,989,462**	**226,242,438**
Total (A+B)	-	-	**443,303,728**	**386,044,767**

a) Fixed Deposits with carrying value of ₹ 98,691,502 (March 31, 2014: ₹ 113,595,809) are pledged as security with various banks.

(Amount in ₹)

NOTE 18 : REVENUE FROM OPERATIONS	As At March 31, 2015	As At March 31, 2014
Sale of Product (Refer Note 'a' below)		
Other Operating Income (Refer Note 'b' below)	5,796,871,881	6,224,399,340
Job Receipts	439,957,644	397,759,752
	3,090,561	12,328,802
	6,239,920,086	**6,634,487,895**
a) Details of Products Sold		
Manufacturing - Garments		
Traded - Garments & Accessories	3,912,565,784	3,923,068,424
Manufacturing- Shoe Upper	1,762,425,720	1,879,520,747
Manufacturing- Home Décor	-	192,418,406
Sale of Fabric	-	12,308,117
Others	90,652,521	164,613,345
	31,227,856	52,470,301
b) Other Operating Income	**5,796,871,881**	**6,224,399,340**
Claims		
Rejection / left over Sale	39,632,210	1,657,579
Export Incentives	12,529,431	15,223,736
Export Sample Sale	383,097,023	367,549,876
Commission	4,698,980	4,458,356
	-	8,870,205
	439,957,644	**397,759,752**

(Amount in ₹)

NOTE 19 : OTHER INCOME	As At March 31, 2015	As At March 31, 2014
Interest Income (Refer Note 'a' below)	48,327,433	53,853,863
IT/ SAP Income	17,797,921	20,606,069
Rental Income	78,947,579	73,136,469
Profit/Loss from trading of Mutual Fund	-	3,729,136
Damages Received	-	68,376,774

Notes
to financial statements for the year ended on March 31,2015

Foreign Exchange Fluctuation	126,521,732	-
Miscellaneous Income	6,642,321	759,887
	278,236,986	**220,462,198**
a) Interest Income		
Interest on Fixed Deposit with Bank	22,046,330	19,678,265
Interest on Loan & Advances	26,281,103	34,175,598
	48,327,433	**53,853,863**
b) Earning in Foreign Currency		
Export of Goods - FOB basis	5,751,268,124	6,070,226,002
Interest Income	19,965,453	22,000,180
IT/ SAP Income	17,797,921	20,606,069
	5,789,031,497	**6,112,832,251**

(Amount in ₹)

NOTE 20 : COST OF RAW MATERIAL CONSUMED	As At March 31, 2015	As At March 31, 2014
Raw Material		
Balance of Raw Material at beginning of the year	429,296,084	465,255,178
Add:- Purchase during the year	1,902,440,820	1,947,158,568
Less:- Cost of Goods Sold	81,587,269	165,497,045
	2,250,149,636	2,246,916,700
Less:- Balance of Raw Material at the end of the year	493,825,504	429,296,084
Less:- Raw Material Inventory Written off	-	13,051,092
Total Raw Material Consumption	**1,756,324,132**	**1,804,569,524**
a) Detail of Raw Materials Consumed		
Fabric	1,271,672,431	1,178,072,749
Others	484,651,701	626,496,775
	1,756,324,132	**1,804,569,524**

(Amount in ₹)

	For the Year Ended March 31, 2015		For the Year Ended March 31, 2014	
b) Details of Imported and Indigenous Raw Material Consumed				
Indigenous	1,491,475,235	84.92%	1,442,761,855	79.95%
Imported	264,848,897	15.08%	361,807,669	20.05%
c) CIF Value Of Imports				
Raw Material	253,990,703			331,205,253
Capital Goods	48,658,058			11,739,200
Garments	1,593,401,215			1,698,395,744
	1,896,049,976			**2,041,340,197**

(Amount in ₹)

NOTE 21 : PURCHASE OF STOCK IN TRADE	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Finished Goods Purchased	1,690,044,523	1,871,666,739
	1,690,044,523	**1,871,666,739**
a) Details of Purchases		
Readymade Garments	1,608,457,254	1,706,169,694
Fabric & Others	81,587,269	165,497,045
	1,690,044,523	**1,871,666,739**

Notes
to financial statements for the year ended on March 31,2015

(Amount in ₹)

NOTE 22 : INCREASE/(DECREASE) IN INVENTORIES	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Inventories at the beginning of the year		
- Work-in-progress	146,429,937	128,739,017
- Finished goods	511,575,741	728,856,682
	658,005,678	857,595,699
Inventories at the end of the year		
- Work-in-progress	243,768,785	146,429,937
- Finished goods	376,241,196	511,575,741
	620,009,981	658,005,678
Increase/(Decrease) in Inventories (A-B)	**37,995,697**	**199,590,021**

	As At March 31, 2015	As At March 31, 2014
a) Details of Inventories		
Work in progress		
Garments	243,768,785	146,429,937
Finished goods		
Garments	376,241,196	511,575,741

(Amount in ₹)

NOTE 23 : EMPLOYEE BENEFIT EXPENSE	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Salaries, Wages & Bonus	540,627,065	486,394,599
Gratuity (Refer Note below)	6,419,073	5,426,542
Leave Encashment (Refer Note below)	13,924,611	7,725,325
Contribution to Provident and Other fund	46,344,370	35,889,327
Staff Training & Welfare Expenses	13,026,770	18,846,967
	620,341,889	**554,282,760**

(I) The Company has classified the various benefits provided to employees as under:-

(i) Defined Contribution Plan
The company makes contribution towards Provident Fund (PF) & Employee State Insurance (ESI) as defined contribution retirement plan for the qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner and the company contributes a specified percentage of payroll cost to the said schemes to fund the benefits. Similarly, contribution is made at a specified percentage in case of Employee State Insurance.

During the year, the company recognized ₹ 36,944,872 (March 31, 2014: ₹26,564,804) for PF contribution & ₹ 9,374,508 (March 31, 2014: ₹ 9,302,594) for ESI in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(ii) Defined Benefit Plan: It includes:
a) Gratuity in case of Gurgaon Division (Funded & maintained by Life Insurance Corporation of India)
b) Gratuity in case of Chennai Division & Bangalore Division (Unfunded)
c) Leave encashment/Compensated absence (Unfunded)

In accordance with Accounting Standard 15 (revised 2005), an acturial valuation is carried out in respect of aforesaid defined benefit plans and other long term benefits based on the assumption given in the table with subheading 'e' below. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each

Notes
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period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation at year end. The obligation for leave encashment is recognized in the same manner as of gratuity.

(II) The details of Acturial Valuation Certificate(s) are as under:-

(a) Reconciliation of opening and closing balances of Defined Benefit Obligations (Amount in ₹)

Particulars	As at March 31,2015			As at March 31,2014		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned Leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned Leave (Unfunded)
Defined benefit obligations at beginning of the year	28,494,107	4,470,333	12,826,854	25,572,903	5,795,023	12,950,733
Interest Cost	2,279,529	379,978	1,090,283	2,045,832	492,577	1,047,435
Service Cost	4,003,484	2,780,104	8,103,462	5,727,761	1,992,027	4,306,869
Benefits Paid	(2,874,137)	(742,212)	(8,186,724)	(1,384,213)	(3,386,925)	(7,903,067)
Acturial Gain / Loss on obligations	(1,981,455)	(509,354)	4,730,866	(3,468,176)	(422,369)	2,424,884
Defined benefit obligations at end of the year	29,921,528	6,378,849	18,564,741	28,494,107	4,470,333	12,826,854
(b) Reconciliation of opening and closing balances of Fair Value of Plan Assets						
Fair value of plan assets at beginning of the year	11,477,707	N.A	N.A	10,459,499	N.A	N.A
Expected Return on plan assets	1,032,994	-	-	797,978	-	-
Contributions	408,315	-	-	1,623,360	-	-
Benefits Paid	(2,874,137)	-	-	(1,384,213)	-	-
Actuarial gain/(loss) on plan assets	-	-	-	(18,917)	-	-
Fair value of plan assets at the end of the year	10,044,879	N.A	N.A	11,477,707	N.A	N.A
(c) Reconciliation of Fair Value of Assets and Obligations						
Fair Value of plan assets as at the end of the year	10,044,879	-	-	11,477,707	-	-
Present Value of Obligation	29,921,528	6,378,849	18,564,741	28,494,107	4,470,333	12,826,854
Net assets/(liability) recognized in the balance sheet	(19,876,649)	(6,378,849)	(18,564,741)	(17,016,400)	(4,470,333)	(12,826,854)

(Amount in ₹)

Particulars	As at March 31, 2013			As at March 31, 2012		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned Leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned Leave (Unfunded)
Fair Value of plan assets as at the end of the period	10,459,499	-	-	9,591,222	-	-
Present Value of Obligation	25,093,886	5,795,023	12,950,733	23,616,022	4,818,213	11,882,544
Net assets/(liability) recognized in the balance sheet	(14,634,387)	(5,795,023)	(12,950,733)	(14,024,800)	(4,818,213)	(11,882,544)

Notes
to financial statements for the year ended on March 31,2015

Particulars	As at March 31, 2011		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned Leave (Unfunded)
Fair Value of plan assets as at the end of the year	7,472,335	-	-
Present Value of Obligation	20,668,365	5,442,441	9,546,664
Net assets/(liability) recognized in balance sheet	(13,196,030)	(5,442,441)	(9,546,664)

(d) Expense recognized during the year

(Amount in ₹)

Particulars	As at March 31, 2015			As at March 31, 2014		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned Leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned Leave (Unfunded)
Current Service Cost	4,503,265	2,780,104	8,103,462	5,727,761	1,992,027	4,306,869
Interest Cost	2,279,529	379,978	1,090,283	2,045,832	492,577	1,047,435
Past Service Cost	-	-	-	-	-	-
Expected return on plan assets	(1,032,994)	-	-	(796,354)	-	-
Actuarial (Gain)/Loss	(1,981,455)	(509,354)	4,730,866	(3,468,176)	(422,369)	2,424,884
Net Cost	3,768,345	2,650,728	13,924,611	3,509,063	2,062,235	7,779,188

(e) Actuarial Assumptions

(Amount in ₹)

Particulars	As at March 31, 2015			As at March 31, 2014		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned Leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned Leave (Unfunded)
Discount Rate (per annum)	8.00%	8.00%	8.50%	8.00%	8.50%	8.50%
Future increase in compensation	6.00%	5.5%	6% / 5.5%	6.00%	6.00%	6.00%
In Service Mortality	IALM2006-08	IALM2006-08	IALM2006-08	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)
Retirement age	58 Years	58 Years	58 Years	58 Years	58 Years	58 Years
Withdrawal rates:-						
- Upto 30 years	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
- Upto 44 years	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
- Above 44 years	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

1) Acturial valuation is based on esclation in future salary on account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
2) Expected rate of return on the plan assets is based on the expectation of the average long term rate of the return expected on the investments of the fund during the estimated term of the obligations.
3) Gratuity and Leave Encashment Reconciliation- Expense & Liability as on March 31st 2014

(Amount in ₹)

Liability as at March 31, 2014	Gratuity	Leave Encashment
As per Acturial Valuation Certificate		
- Funded Plan	(17,016,400)	-
- Unfunded Plan	(4,470,333)	(12,826,854)
Total Liability	(21,486,733)	(12,826,854)
Less: Amount transferred to PDS Multinational Fashions Limited under Scheme of Demerger (Calculated on management estimate basis)	499,782	298,722
Amount Outstanding as at March 31, 2014	**(20,986,951)**	**(12,528,132)**

Notes
to financial statements for the year ended on March 31,2015

Expense debited to Statement of Profit & Loss	**Gratuity**	**Leave Encashment**
As per Acturial Valuation Certificate		
- Funded Plan	3,509,063	-
- Unfunded Plan	2,062,235	7,779,188
Total Expense	5,571,298	7,779,188
Less: Amount transferred to PDS Multinational Fashions Limited under Scheme of Demerger (Calculated on management estimate basis)	144,756	53,863
Amount debited for the year ended March 31, 2014	**5,426,542**	**7,725,325**

(Amount in ₹)

NOTE 24 : FINANCE COSTS	**For the Year Ended March 31, 2015**	**For the Year Ended March 31, 2014**
Interest Expense	115,126,126	109,955,651
Other Borrowing costs	49,745,080	53,321,000
Interest on Directors Loan	397,819	2,080,804
Interest on Delayed Payment of Tax	861,308	602,790
	166,130,333	**165,960,244**

(Amount in ₹)

NOTE 25 : OTHER EXPENSES	**For the Year Ended March 31, 2015**	**For the Year Ended March 31, 2014**
Manufacturing Expenses	1,261,416,992	1,299,174,876
Consumption of Stores & Spare Parts	26,129,936	43,301,748
Power & Fuel	118,528,506	109,077,620
Rent	66,437,549	63,279,892
Rates & Taxes	19,870,027	13,207,336
Travelling & Conveyance	62,864,482	48,365,459
Inward Freight & Clearing Charges	78,568,718	90,758,290
Repairs & Maintenance		
- Buildings	1,918,840	1,222,664
- Plant &Machinery	16,614,055	10,716,544
- Others	28,458,687	24,895,391
Legal & Professional Charges	32,212,295	32,003,370
Security Charges	18,285,181	15,921,334
Bank Charges	40,207,390	42,050,991
Claim to Buyers	78,442,547	32,730,146
Commission	2,164,300	3,205,244
Payment to the Auditors (Refer note 'a' below)	2,564,254	2,661,838
Foreign Exchange Fluctuation	-	59,508,476
Provision for Doubtful Receivables	-	3,780,182
Loss on sale of non- trade investments	6,667,009	-
Corporate Social Responsibility	400,000	-
Miscellaneous Expenses	131,705,777	107,124,615
	1,993,456,547	**2,002,986,018**

Notes
to financial statements for the year ended on March 31,2015

a) Payment to Auditors		
As Auditor:		
- Audit Fees	800,000	750,000
- Tax Audit Fees	275,000	250,000
In other Capacity:		
- Reimbursement of Expenses	229,678	186,355
- Other Matters	977,500	1,203,171
- Service Tax	282,076	272,312
	2,564,254	**2,661,838**
b) Expenditures in Foreign Currency		
Foreign Travelling	4,127,438	2,178,691
EDI Expenses	1,966,815	4,425,483
Others	11,089,016	25,987,700
	17,183,269	**32,591,874**
c) Prior Period Items		
Bank Charges	-	209,052
Sample Development	-	58,720
Water Charges	-	141,969
Sales & Commission	-	508,509
Power & Fuel	142,937	-
Work Labour Contract	211,786	627,497
Consumables	-	81,297
Processing Cost	242,953	828,870
Others	-	627,856
	597,676	**3,083,770**

(Amount in ₹)

NOTE 26 : EXCEPTIONAL ITEMS	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Loss on Sale of Fixed Assets	2,647,862	10,386,600
Raw Material Inventory Written off	-	13,051,092
	2,647,862	**23,437,692**

(Amount in ₹)

NOTE 27 : EARNING PER SHARE (EPS)		For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Profit attributable to the equity shareholders	**(A)**		
Number/Weighted average number of equity shares outstanding at the end of the year	**(B)**	102,176,058	147,208,688
Nominal value of Equity shares		21,663,937	21,663,937
Basic/Diluted Earning per share	**(A/B)**	10	10
		4.72	6.80

Notes
to financial statements for the year ended on March 31,2015

NOTE 28: CONTINGENT LIABILITIES AND COMMITMENTS

i) Corporate Guarantee Given By The Company (as per Section 186(4) of the Companies Act 2013)

- To HSBC Limited, Indonesia for securing credit facilities to its step down subsidiary PT Pinnacle Industry, Indonesia for Nil (March 31, 2014: USD 2,500,000 equivalent to ₹ 150,250,000)
- To Standard Chartered Bank, Hong Kong for securing credit facilities to its step down subsidiary Norwest Industries Limited for Nil (March 31, 2014: :USD 21,052,840 equivalent to ₹ 1,265,275,684)
- To BNP Paribas, Hong Kong for letter of credit facility to its step down subsidiary Norwest Industries Limited for Nil (March 31,2014: USD 10,000,000 equivalent to ₹ 601,000,000)
- To Canara Bank, Hong Kong Branch, for securing various credit facilities to its subsidiary Norwest Industries Limited for USD 15,000,000 equivalent to ₹ 938,850,000 (March 31,2014: USD 15,000,000 equivalent to ₹ 901,500,000)
- To ICICI Bank Limited, Hong Kong Branch, for securing the derivative limits to its step down subsidiary Norwest Industries Limited for USD 3,000,000 equivalent to ₹187,770,000 (March 31, 2014: USD 3,000,000 equivalent to ₹180,300,000)
- To ICICI Bank Limited, Hong Kong Branch, for securing the credit limits to its step down subsidiary Norwest Industries Limited and Nor Lanka Manufacturing Limited for Nil (March 31,2014: USD 15,000,000 equivalent to ₹901,500,000).
- To Punjab National Bank, Hong Kong Branch, for securing the credit limits to its step down subsidiary Norwest Industries Limited Nil (March 31,2014: USD 30,000,000 equivalent to ₹ 1,803,000,000).
- To Standard Chartered Bank, Hongkong Branch for securing credit facilities to its wholly owned subsidiary Pearl Global (HK) Limited, Hong Kong for USD 12,000,000 equivalent to ₹ 751,080,000 (March 31,2014: USD 8,200,000 equivalent to ₹492,820,000)
- To Standard Chartered Bank, Bangladesh Branch for securing credit facilities to its subsidiary Norp Knit Industries Limited, Bangladesh for BDT 560,000,000 equivalent to ₹ 442,400,000 (March 31,2014: BDT 560,000,000 equivalent to ₹ 425,600,000)
- HSBC Bank Plc. UK for securing credit facilities to its subsidiary Poeticgem Limited, UK NIl (March 31,2014: GBP 12,050,000 equivalent to ₹1,203,192,500)
- HSBC Invoice Finance (UK) Limited UK for securing credit facilities to its subsidiary Poeticgem Limited, UK Nil (March 31, 2014: GBP 5,000,000 equivalent to ₹ 499,250,000)
- Counter guarantee given by the Company to Axis Bank, Gurgaon for issue of Standby Letter of Credit to HSBC, Bangladesh for securing credit facilities to its subsidiary Norp Knit Industries Limited, Bangladesh for USD 400,000 equivalent to ₹ 25,036,000 (March 31, 2014: USD 400,000 equivalent to ₹ 24,040,000)
- To Intesa Sanpaolo S.P.A. Hongkong Branch for securing credit facilities to its step down subsidiary Norlanka Manufacturing Company Limited for USD Nil Equivalent to Nil (March 31, 2014: USD 10.00 Million equivalent to ₹601,000,000)
- To Intesa Sanpaolo S.P.A. Hongkong Branch for securing credit facilities to its step down subsidiary Norwest Industries Limited with sublimit to Simple Approach Limited, Zamira Fashion Limited and /or spring near East Manufacturing Limited for USD Nil equivalent to Nil (March 31, 2014: USD 22.00 Million equivalent to ₹1,322,200,000)

ii) Export Bills Discounted with banks ₹442,187,091 (March 31,2014: ₹ 359,780,763)

iii) Irrevocable letter of credit outstanding with banks ₹ 917,280,249 (March 31,2014: ₹919,723,355)

iv) Bank Guarantee given to government authorities ₹60,355,500 (March 31,2014: ₹86,081,000)

v) Counter Guarantees given by the company to the Sales Tax Department for its associate company ₹100,000 (March 31, 2014: ₹100,000), for others ₹50,000 (March 31, 2014: ₹50,000)

vi) Contingenet Liability: Claims against the Company not acknowledged as debts:
Case pending before ITAT (with respect to tax demand for AY 2009-10) for which the Company has filed appeal amounting to ₹7,347,870.

Notes
to financial statements for the year ended on March 31,2015

NOTE 29 : DISCLOSURE OF RELATED PARTIES / RELATED PARTY TRANSACTIONS

A. Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of the Related Party
Subsidiary (Direct / Indirect)	**DOMESTIC** Lerros Fashions India Limited Pixel Industries Limited **OVERSEAS** Norp Knit Industries Limited Pearl Global Fareast Limited Pearl Global (HK) Limited DSSP Global Limited PT Pinnacle Apparels (formely known as PT Norwest Industry)
Associate	Vau Apparels LLP* Little People Education Society Nim International Commerce LLP** HOPP Fashions
*Converted from Vau Apparels Private Limited to Vau Apparels LLP during the year. **Converted from Nim International Commerce Private Limited to Nim International Commerce LLP during the year.	
Enterprise over which Key Managerial Personnel are able to exercise Significant influence	**DOMESTIC** Pearl Wears Creative Arts Education Society PS Arts Private Limited PDS Multinational Fashions Limited* **OVERSEAS** Grupo Extremo SUR S.A SACB Holdings Limited JSM Trading (FZE.) Transnational Textile Group Limited Superb Mind Holdings Limited Global Textiles Group Limited * Multinational Textile Group Limited* Casa Forma Limited* PDS Asia Star Corporation Limited* Simple Approach Limited* Zamira Fashion Limited * PG Group Limited * DPOD Manufacturing Limited*
	Norwest Industries Limited * Poeticgem International Limited* Multinational OSG Services Bangladesh Limited* Nor Delhi Manufacturing Limited* Techno Design Gmbh* Propur Investment Limited* Mahidhulu Investment Limited*
	Poetic Brands Limited* Poeticgem Limited *

Notes
to financial statements for the year ended on March 31,2015

Enterprise over which Key Managerial Personnel are able to exercise Significant influence	PDS Trading (Shanghai) Company Limited* Simple Approach (Canada) Limited* Zamira Denim Lab Limited* PG Home Group Limited * PG Shanghai Mfg Company Limited* Gem Australia Manufacturing Company Limited* Norwest Inc.* Sourcing Solutions Limited* Grand Pearl Trading Company Limited* Razamtazz Limited* Krayon Sourcing Limited (Formerly Souring Solutions HK Limited)* Nor France Manufacturing Company Limited* Nor Lanka Manufacturing Limited* Nor Europe MFG Company Limited* Kleider Sourcing Hongkong Limited* Techno Manufacturing Limited (Formerly Sino West MFG Company Limited* Nor India Manufacturing Company Limited* Spring Near East Manufacturing Company Limited* Designed and Sourced Limited* FX Import Hongkong Limited* Poetic Knitwear Limited * Pacific Logistics Limited * Pearl GES Home Group SPA* Nor France SAS* Nor Lanka Manufacturing Colombo Limited* Nor Europe SPA*

Key Managerial Personnel (KMP)	Mr. Deepak Seth	Chairman
	Mr. Pulkit Seth	Managing Director
	Mrs. Shefali Seth	Wholetime Director
	Mr. Vinod Vaish	Wholetime Director
	Mr. Raj Kumar Chawla	Chief Financial Officer
	Mr. Sandeep Sabharwal	Company Secretary
	Mr. Sanjay Sarkar	Executive Director
	Mr. Pallak Seth	Relative of Key Managerial Personnel
	Mrs. Payel Seth	Relative of Key Managerial Personnel

B. Disclosure of Related Parties Transactions:

(i) Subsidiary Companies

(Amount in ₹)

Particulars	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Purchase of goods	1,420,763,287	1,281,223,251
Sale of goods - Raw Material	86,898,498	71,019,158
Sale of Goods – Readymade Garments	122,205,649	279,858,940
Sale of Samples	-	13,862,072
Investment return back	-	20,000,000

Notes
to financial statements for the year ended on March 31,2015

Loan given	-	59,375,000
Loan Received Back	-	11,085,767
Expenses paid by us on their behalf	5,940,632	6,433,181
Reimbursement of Expenses	26,238,932	28,055,847
Share application money given	500,000	-
SAP Income	10,287,024	20,606,069
Investment in Equity Shares	161,351,199	-
Interest Income	16,362,693	22,632,889

Closing Balance

(Amount in ₹)

Particulars	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Loan given to Subsidiary	323,849,664	358,214,689
Advance to Subsidiaries/Others	14,146,076	22,991,006
Amount Receivable	84,624,913	11,321,005
Others Payable	188,971,787	170,920,453

(ii) Associates/Enterprise over which KMP has Significant Influence

(Amount in ₹)

Particulars	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Expenses paid by us on their behalf	73,720,193	175,599
Reimbursement of Expenses	1,294,654	1,107,117
Rent Income	13,027,908	8,025,396
Interest Income	9,569,682	11,071,150
Loan Given	30,000,000	-
Loan Received Back	17,200,000	151,405,545
SAP Income	7,510,896	-
Purchase of Assets	-	160,500,200

Closing Balance

(Amount in ₹)

Particulars	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Amount Receivable	19,463,621	21,514,051
Others Payable	274,765	-
Loan & Advances Receivable	113,370,500	23,427,663

(iii) Key Management Personnel

(Amount in ₹)

Particulars	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Remuneration to Managing Director	17,424,561	14,314,644
Loan From Director	-	40,000,000
Loan Given	-	1,030,000
Loan Received Back	-	446,670

Notes
to financial statements for the year ended on March 31,2015

Loan Repaid	28,700,000	10,421,130
Expenses paid by us on their behalf	199,783	442,893
Interest Paid	397,819	2,080,804
Advance Given	203,015	185,000
Reimbursement of Expenses	2,526,803	1,563,893
Directors Sitting Fees	112,500	120,000
Incentive Paid	2,023,297	230,095

Closing Balance (Amount in ₹)

Particulars	As at March 31, 2015	As at arch 31, 2014
Remuneration & Other Payable	1,452,047	1,833,526
Loan to Director	748,876	29,578,870

C. Disclosure of related parties having more than 10% interest in each transaction in the ordinary course of business

(i) Subsidiary Companies

(Amount in ₹)

Particulars	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Purchase of goods		
Norp Knit Industries Limited	1,205,751,632	1,269,996,269
P.T. Pinnacle Apparels	200,172,860	-
Sale of goods - Raw Material		
Lerros Fashion India Limited	18,556,359	11,950,892
Norp Knit Industries Limited	68,269,059	58,929,666
Sale of goods - Readymate Garments		
Pearl Global (HK) Limited	122,205,650	269,552,028
Loan Given		
Multinational Textile Group Limited #	-	59,375,000
Loan Received Back		
PDS Multinational Fashion Limited #	-	11,085,767
Reimbursement of Expenses		
Norwest Industries Limited #	-	4,098,807
Norp Knit Industries Limited	6,087,008	10,673,544
Pearl Global (HK) Limited	18,501,168	8,553,714
Pearl Global Far East Limited	1,372,787	3,827,194
Investment return back		
Lerros Fashion India Limited	-	20,000,000
Expenses paid by us on their behalf		
Norwest Industries Limited #	-	4,648,050
Norp Knit Industries Limited	2,423,354	1,491,520
Pearl Global (HK) Limited	3,316,511	-
Share Application Money Given		
Pixel Industries Limited	500,000	-
Investment in Equity Shares		
Norp Knit Indusdtries Limited	64,248,199	-
Pearl Global (HK) Limited	96,603,000	-
SAP Income		

Notes
to financial statements for the year ended on March 31,2015

(Amount in ₹)

Particulars	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Norwest Industries Limited #	-	3,918,326
Pearl Global Far East Limited	4,208,712	4,100,136
Norp Knit Industries Limited	6,078,312	8,456,328
Sale of Samples		
Norwest Industries Limited #	-	13,862,072
Interest Income		
Pearl Global (HK) Limited	16,362,693	18,597,697
Multinational Textiles Group Limited. #	-	3,402,483
Closing Balance Receivable/(Payable)		
Nor Lanka Manufacturing Limited #	-	2,687,824
Norp Knit Industries Limited	(62,229,218)	(156,817,662)
Nor Lanka Manufacturing Limited #	-	(9,944,872)
Pearl Global Far East Limited	1,639,197	(432,801)
Pearl Global (HK) Limited	383,574,445	326,149,011
Poeticgem Limited #	-	57,114
PT Pinnacle Apparels	(89,496,278)	(3,617,117)
Simple Approach Limited #	-	83,188
Zamira Fashion #	-	(108,000)
Gem Australia Manufacturing Limited #	-	30,250
Pearl GES Group Limited	-	7,562
Multinational Textiles Group Limited	-	63,511,704
Pixel Industries Limited	160,720	-

(ii) Associates/ Enterprise over which KMP has significant influence

(Amount in ₹)

Particulars	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Loan Given		
PDS Multinational Fashion Limited #	30,000,000	-
Rent Income		
Creative Arts Education Society	13,027,908	8,025,396
Loan Received Back/ Interest Received		
Little People Education Society	10,000,000	151,405,545
Vau Apparel Private Limited	7,200,000	-
Reimbursement of Expenses		
Norwest Industries Limited *	640,826	-
Poeticgem Limited *	648,897	-
Little People Education Society	-	1,107,117
Expenses paid by us on their behalf		

(Amount in ₹)

Particulars	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
PDS Multinational Fashion Limited #	73,525,576	-
Nim International Commerce Private Limited	-	141,752
Vau Apparel Private Limited	-	33,847
Interest Income		
PDS Multinational Fashion Limited #	5,966,922	-

Notes
to financial statements for the year ended on March 31,2015

(Amount in ₹)

Particulars	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Multinational Textiles Group Limited. *	3,602,760	-
Little People Education Society	-	11,071,150
SAP Income		
Nor Lanka Manufacturing Limited *	2,115,778	-
Norwest Industries Limited *	3,547,731	-
Poeticgem Limited *	942,017	-
Purchase of Assets		
Little People Education Society	-	160,500,200
Closing Balance		
Little People Education Society	13,427,663	23,427,663
Gem Australia Manufacturing Limited *	26,601	-
Multinational Textile *	69,898,454	-
Nor Lanka Manufacturing Limited*	1,124,273	-
Norwest Industries Limited *	3,917,956	-
PDS Multinational Fashion Limited #	30,044,384	-
Pearl GES Group Limited*	6,728	-
Poeticgem Limited *	(238,150)	-
Simple Approach Limited *	74,013	-
Zamira Fashion *	(36,615)	-
Vau Apparels LLP *	14,314,050	21,514,050

(iii) Key Management Personnel

(Amount in ₹)

Particulars	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Remuneration		
Mr.Pulkit Seth	7,078,800	4,828,800
Ms. Shefali Seth	5,828,800	4,828,800
Mr. Rajkumar Chawla	1,906,752	2,014,735
Expenses paid by us on their behalf		
Mr. Deepak Seth	199,783	442,893
Loan From Directors		
Mr. Deepak Seth	-	40,000,000
Loan Given		
Mr. Vinod Vaish	-	1,030,000
Loan Received Back		
Mr. Vinod Vaish	-	446,670
Loan Repaid		
Mr. Deepak Seth	28,700,000	10,421,130
Interest Expenses		
Mr. Deepak Seth	397,819	2,080,804
Advance Given		

Notes
to financial statements for the year ended on March 31,2015

(Amount in ₹)

Particulars	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Mr. Sandeep Sabharwal	203,015	185,000
Reimbursement of Expenses		
Mr. Vinod Vaish	1,461,400	606,613
Mr. Raj Kumar Chawla	729,403	700,630
Mr. Sandeep Sabharwal	336,000	256,650
Directors sitting Fees		
Mr. Deepak Seth	30,000	15,000
Mr. Anil Nayar	22,500	30,000
Mr. CR Dua	30,000	15,000
Mr. S.B. Mohapatra	22,500	30,000
Mr. AP Bhupatkar	-	22,500
Incentive Paid		
Mr. Raj Kumar Chawla	1,873,297	170,095
Mr. Sandeep Sabharwal	150,000	60,000
Advance Received Back		
Mr. Sandeep Sabharwal	203,015	185,000
Closing Balance		
Mr. Vinod Vaish	103,470	663,873
Mr. Raj Kumar Chawla	158,896	203,720
Mr. Sandeep Sabharwal	109,413	135,206
Mr. Pulkit Seth	625,000	400,000
Ms. Shefali Seth	500,000	400,000
Mr. Deepak Seth	748,876	29,578,870

In the above tables:
* Last financial year 2013-14 these entities were subsidiaries (directly/ indirectly), therefore previous year transactions were disclosed as subsidiaries.
# This financial year 2014-15 these entities have become associates. Therefore, current year transactions have been disclosed as associates.

NOTE 30 : LEASES

(a) **Asset Given on Lease**

(i) Minimum Lease Payments Receivables
The company has given certain assets on operating lease and lease rent (income) amounting to ₹ 78,947,579 (March 2014 ₹ 73,136,469) has been credited in the Statement of Profit & Loss . The future minimum lease payments receivable and detail of assets as at March 31, 2015 are as under :

(Amount in ₹)

Particulars	As at March 31, 2015	As on March 31, 2014
Not later than 1 year	54,567,637	71,416,671
Later than 1 year but not later than 5 years	62,238,591	110,208,228
Later than 5 years	-	-
Total	**116,806,228**	**181,624,899**

Notes
to financial statements for the year ended on March 31,2015

(ii) **Gross Investment on Leased Assets**

(Amount in ₹)

Particulars	As at March 31, 2015	As on March 31, 2014
Gross Investment on leased Assets	645,630,852	459,298,327
Accumulated Depreciation on Lease Assets	30,084,764	23,061,534
Depreciation Charged during the year	11,064,796	8,206,243

(iii) In pursuance with Para 23 of AS-19, "Leases" as notified under the Companies (Accounts) Rules 2014, lease rent under operating leases is recognized in Statement of Profit and Loss on straight line basis over the lease term. Accordingly, Lease Equalisation Asset of ₹ 8,548,942 as on March 31, 2015 has been created.

Particulars	(Amount in ₹)
Total Operating Lease Rent Receivable as on March 31, 2014	6,727,863
Lease Rent on Straight line basis (credited to Statement of Profit & Loss through Rent Income during the year)	1,821,079
Total Operating Lease Rent Receivable as on March 31, 2015	**8,548,942**

(b) **Asset Taken on Lease**

(i) Minimum Lease Payments Payables

The Company has taken certain assets on non cancelable operating lease and lease rent charged to Statement of Profit & Loss amounts to ₹ 66,437,549 (March 2014 ₹ 63,279,892). The details of future minimum lease payments is as under :

(Amount in ₹)

Particulars	As at March 31, 2015	As on March 31, 2014
Not later than 1 year	40,447,674	55,664,460
Later than 1 year but not later than 5 years	89,437,002	75,433,619
Later than 5 years	58,619,422	23,321,308
Total	**188,504,097**	**154,419,387**

(ii) The lease In pursuance with Para 23 of AS-19, "Leases" issued under Companies (Accounts) Rules 2014, lease rent under operating leases is recognized under Statement of profit and loss on a straight line basis over the lease term as under:

Particulars	(Amount in ₹)
Total Operating Lease Rent Payable as on March 31, 2014	5,432,810
Lease Rent on Straight line basis (debited to Statement of Profit & Loss through Rent Expense A/c)	(1,720,662)
Total Operating Lease Rent Payable as on March 31, 2015	**3,712,148**

Notes
to financial statements for the year ended on March 31,2015

NOTE 31: CURRENCY DERIVATIVES

The company utilizes currency derivatives to hedge significant future transactions and cash flows and is a party to a variety of foreign currency contracts and options in the management of its exchange rate exposures. The Company has no outstanding derivative financial instrument as at the balance sheet date except for forward currency contracts as below:

Forward Currency Contracts

a) As at the balance sheet date, the total amount of outstanding forward foreign exchange contracts that the company has committed are as under:

Particulars	As At March 31, 2015 USD	As At March 31, 2014 USD
Forward Foreign Exchange Contract	USD 22,625,000 (Equivalent to ₹ 1,483,911,753)	13,100,000 (Equivalent to ₹ 834,632,125)
Forward Foreign Exchange Contract	EUR 600,000 (Equivalent to ₹ 40,992,000)	- -

b) These commitments have been entered into by the Company to hedge against future receipts from customers in the ordinary course of business. These arrangements are designed to address significant exchange exposures and are reviewed/ renewed by the Management on a revolving basis as required.

c) The terms of the forward currency contracts has been negotiated to match the terms & commitments of receivables and payables. The cash flow hedges of the expected future receivables/ payables is assessed at a profit of ₹ 25,717,846 (March 31, 2014 : ₹ 25,621,584) as on reporting date.

d) The net foreign currency exposures as on March 31, 2015 have been sufficiently hedged by derivative instruments. The currency exposures with respect to foreign currency loans as on March 31, 2015 that are not hedged by derivative instruments amounts to ₹ 3,937 Lacs (March 31, 2014: ₹ 3,582 Lacs). The unhedged exposures are naturally hedged by future foreign currency earnings and earning linked to foreign currency.

NOTE 32:

The details of Corporate Social Resbonsibility as per Section 135 of the Companies Act 2013 read with Schedule VII thereof is as under:

Particulars	(Amount in ₹)
(a) Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits of last three years)	1,418,942
(b) Amount spent during the year [Paid to Arpan Educational Society]	400,000
(c) Amount earmarked by the CSR Committee for the F.Y. 2014-15	1,500,000
(d) Minimum Amount to be Spent [(a)-(b)]	1,018,942

Notes
to financial statements for the year ended on March 31,2015

NOTE 33:
In view of the management, the current assets, loans and advances have a value on realization in the ordinary courses of business at least equal to the amount, at which they are stated in the Balance Sheet as at 31st March, 2015.

NOTE 34:
There is no reportable segment of the company in view of the Accounting Standard -17 'Segment Reporting' as issued under the Companies (Accounts) Rules,2014.

NOTE 35:
The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company regularly updates the documentation for the International transactions entered into with the associated enterprises during the period as required under law. The Management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation for the year ended March 31, 2015.

NOTE 36:
The balances of trade receivables and trade payables are subject to reconciliation and confirmation as on March 31, 2015.

NOTE 37:
Previous year figures have been regrouped & reclassified where ever considered necessary.

NOTE 38:
Figures have been rounded off to the nearest rupee.

For & on behalf of Board of Directors of Pearl Global Industries Limited

Pulkit Seth
Managing Director
DIN 00003044

Vinod Vaish
Whole Time Director
DIN 01945795

Raj Kumar Chawla
Chief Financial Officer

Sandeep Sabharwal
Company Secretary

Place: New Delhi
Date: May 22nd 2015

Statement containing salient features
of the financial statement of subsidiary companies

[Pursuant to first proviso to Sub-Section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014-AOC-1]

Sl. No.	Name of Subsidiary	Reporting Period	Reporting Currency	Exchange rate	Equity Share Capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit/ Loss before taxation	Provision for taxation	Profit after taxation	Proposed dividend	% of shareholding
1	Lerros Fashions India Limited	31-Mar-15	INR	0	2763.91	-2597.24	480.75	14.08	0.00	202.46	7.36	250.41	-243.05	-	59.64
2	Pixel Industries Limited	31-Mar-15	INR	0	5.00	-1.81	5.00	1.81	0.00	-	-1.81	0.00	-1.81	-	100
3	Norp Knit Industries Limited	31-Mar-15	BDT	0.79	2671.17	2509.34	20361.48	15180.96	0.00	36974.98	1195.56	110.15	1085.41	-	99.99
4	Peal Global (HK) Limited	31-Mar-15	USD	62.59	1007.70	411.77	8414.87	6374.46	942.06	27872.25	410.21	133.96	276.25	-	100
5	Pearl Global Fareast Limited	31-Mar-15	HKD	8.06	335.48	457.29	1471.25	678.48	0.00	8451.45	292.65	0.00	292.65	-	100
6	DSSP Global Limited	31-Mar-15	USD	62.59	942.06	1652.39	4526.51	1311.13	741.68	14313.75	372.65	99.53	273.12	-	100
7	PT Pinnacle Apparels	31-Mar-15	USD	62.59	941.33	2001.25	4252.01	1309.92	0.00	14257.42	376.69	99.53	277.16	0.50	78.89

Note:

(i) In addition to above the Company has invested in 3000000 Preference Shares of ₹ 10/- each aggregating ₹ 3,00,00,000/- of Lerros Fashions India Limited

(ii) Figures of profit & loss converted at average rate.

(iii) DSSP Global Ltd. is subsidiary company of Pearl Global (HK Ltd.)

(iv) PT Pinnacle Apparels is subsidiary company of DSSP Global Ltd.

PEARL GLOBAL INDUSTRIES LIMITED
Registered Office: A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi-110028
Corp. Office: Plot No. 51, Sector-32, Gurgaon-122001 (Haryana)
Tel: 0124-4651000, Fax: 0124-4651010, Website: www.pearlglobal.com; e-mail: investor.pgil@pearlglobal.com
CIN: L74899DL1989PLC036849

PROXY FORM

[Pusuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L74899DL1989PLC036849
Name of the Company : PEARL GLOBAL INDUSTRIES LIMITED
Registered Office : A-3, COMMUNITY CENTRE, NARAINA INDUSTRIAL AREA PHASE-II, NEW DELHI-110028

Name of the Member(s) : .....
Registered Address : .....
.....
.....
E-mail ID : .....
Folio No./Client ID : .....
DP ID : .....

I/We, being the member(s) of…….equity shares of Rs.10/each of PEARL GLOBAL INDUSTRIES Limited, hereby appoint

(i) Name ..... Address .....
.....
E-Mail ..... Signature ..... or failing him/her

(ii) Name ..... Address .....
.....
E-Mail ..... Signature ..... or failing him/her

(iii) Name ..... Address .....
.....
E-Mail ..... Signature ..... or failing him/her

As my/our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on 22nd September, 2015 ay 10.30A.M. at Sri Sathya Sai International Centre, Pragati Vihar (Near Pragati Vihar Hostel), Lodhi Road, New Delhi-110003 and at any adjournment thereof in respect of such resolutions as indicated below:

Resolution Number	Description	Optional*		
		No of Shares held by me	I assent to the resolution (For)	I dissent from the resolution (Against)
Ordinary Business				
1	To Consider and adopt Audited Financial Statement of the Company including Consolidated Financial Statement for the Financial Year ended 31st March, 2015, Reports of Board of Directors and Auditors thereon.			
2	To declare dividend on equity shares for the year ended 31st March, 2015			
3	Appointment of Mr. Deepak Seth who retire by rotation and offers himself for re-appointment			
4	Appointment of Mr. Pulkit Seth who retire by rotation and offers himself for re-appointment			
5	Ratification of appointment of M/s S.R.Dinodia & Co. LLP Chartered Accountants, (Regn No.001478N/N500005) New Delhi as Auditors and fix their remuneration for the Financial Year 2015-16.			
Special Business				
6	Re-appointment of Mrs. Shefali Seth as Whole-Time Director of the Company			
7	Re-appointment of Mr. Vinod Vaish as Whole-Time Director of the Company.			

Signed this…….day of……2015

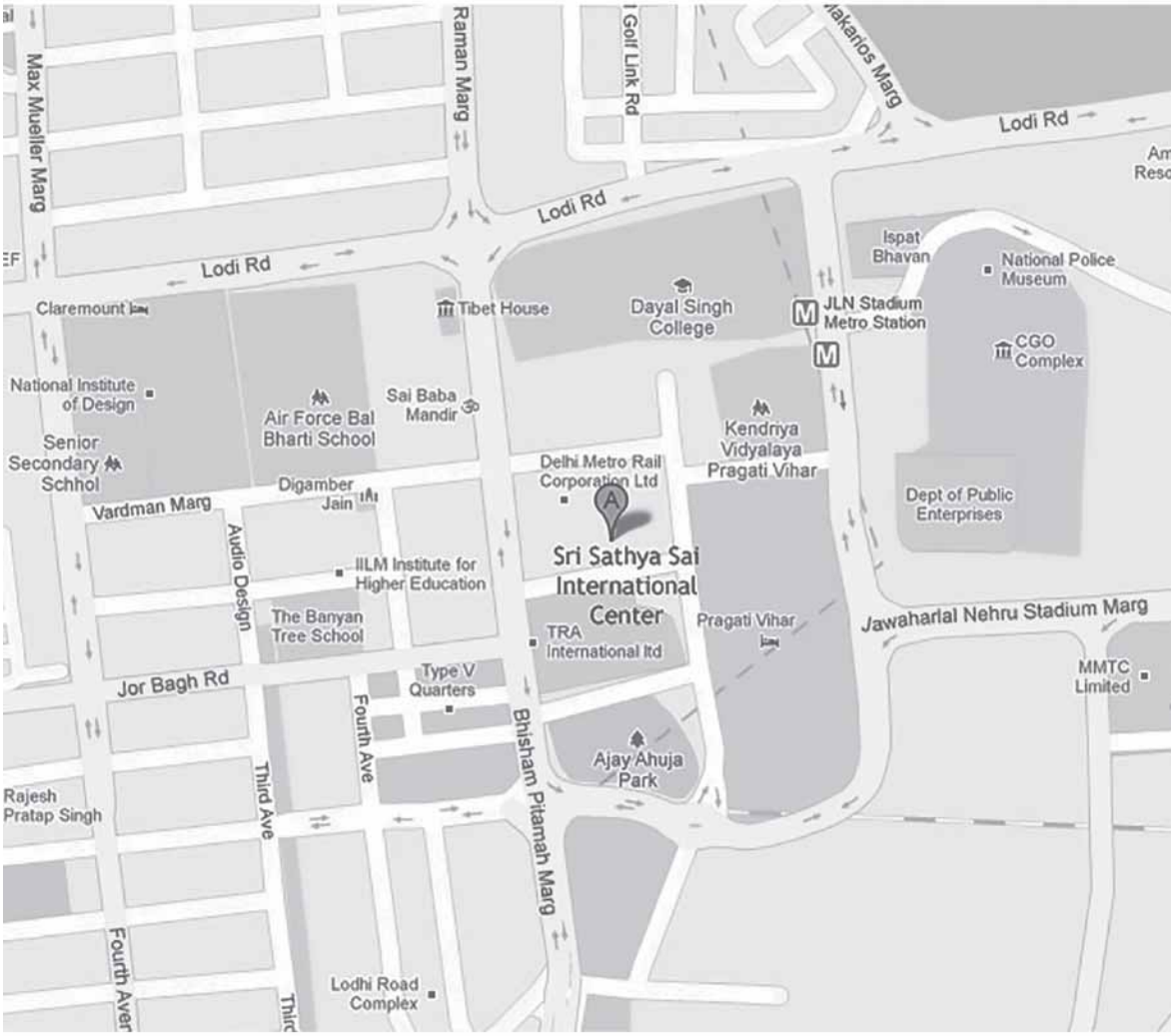
Signature of the Shareholder(s)……

Signature of the Proxy holder(s)……

Affix Revenue Stamp

Note:
1. This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the company, not less than 48 hours before the Commencement of the meeting.
2. *It is optional to put '√' in the appropriate column blank against any or all resolutions indicated in the Box. If you leave the 'For' or 'Against' any or all resolution, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
3. In case of Joint holders, the signature of any one holder will be sufficient, but names of all the shareholders should be stated.

Route Map to the venue of the 26th Annual General Meeting of Pearl Global Industries Limited



Sri Sathya Sai International Centre,
Pragati Vihar, (Near Pragati Vihar, Hostel),
Lodhi Road, New Delhi - 110003

Pearl Global Industries Limited

Registered Office
Pearl House"
A-3,Community Centre
Naraina Industrial Area,Phase-II
New Delhi-110028

CIN: L74899DL1989PLC036849

Corporate Office
Plot No.51,Sector-32
Gurgaon-122001(Haryana)