

Notice

Registered Office: A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi-110028

Corp. Office: Pearl Tower, Plot No.51, Sector-32, Gurugram-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 28th Annual General Meeting of the Members of the Pearl Global Industries Limited, will be held on Thursday, 28th September, 2017 at 03:30 P.M. 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 Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss Account of the Company for the year ended on that date and Consolidated Financial Statements together with the Reports of Directors and Auditors thereon.
2. To declare dividend on equity shares for the year ended 31st March, 2017.
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 consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. B. R. Gupta & Co., Chartered Accountants, New Delhi (Regn. No. 008352N), be and are hereby appointed as the Statutory Auditors of the Company, in place of M/s. S. R. Dinodia & Co. LLP, Chartered Accountants, the retiring Statutory Auditors, to hold office for a term of five years from the conclusion of this Annual General Meeting till the conclusion of Thirty Third Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the Members at every Annual General Meeting till the Thirty Second Annual General Meeting, at such remuneration as may be decided by the Audit Committee/ Board of Directors of the Company.”

SPECIAL BUSINESS

6. **TO APPOINT MR. ABHISHEK GOYAL (DIN 01928855) AS NON-EXECUTIVE INDEPENDENT DIRECTOR**

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

“RESOLVED THAT pursuant to provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Regulation 16(1)(b) and 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Abhishek Goyal (DIN 01928855), who has been appointed as an Additional Director of the Company in the category of Independent Director by the Board of Directors with effect from 26th May, 2017, in terms of Section 161(1) of the Companies Act, 2013 and Article 86 of the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Non-Executive Independent Director of the Company to hold office for a term of five years up to 25th May, 2022”.

7. **To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:**

“RESOLVED THAT in partial modification of the earlier Resolution passed by the shareholder at the 27th Annual General Meeting of the Company held on 27th September, 2016 and pursuant to the provisions of Sections 196, 197, 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), consent of the Company be and is hereby accorded for payment of remuneration to Mr. Pulkit Seth, Managing Director of the Company with effect from 1st June, 2017 as set out below, with liberty to the Board of Directors

Notice

including any Committee thereof to alter and vary the terms and conditions and / or remuneration.”

“RESOLVED FURTHER THAT Mr. Pulkit Seth will be entitled for the following remuneration as Managing Director of the Company:

Salary : Rs. 10.00 Lakh per month.
 Car : A Company maintained car for official purpose.
 Mobile/Telephone : A mobile for official purpose.
 Provident Fund : As per Company's rules.
 & Gratuity

“RESOLVED FURTHER THAT Mr. Pulkit Seth, Managing Director shall not only manage the day-to-day affairs of the Company but shall also carry out all duties and functions subject to the supervision, control and directions of the Board of Directors of the Company and shall 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 be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT in partial modification of the earlier Resolution passed by the shareholder at the 26th Annual General Meeting of the Company held on 22nd September, 2015 and pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), consent of the Company be and is hereby accorded for payment of remuneration to Mrs. Shefali Seth, Whole-Time Director of the Company with effect from 1st June, 2017 as set out below, with liberty to the Board of Directors including any Committee thereof to alter and vary the terms and conditions and / or remuneration.”

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

Salary : Rs. 6.25 Lakh per month.
 Car : A Company maintained car for official purpose.
 Mobile / Telephone : A mobile for official purpose.
 Provident Fund : As per Company's rules.
 & Gratuity

“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 do all such acts and deeds as may be necessary to give effect to this Resolution.”

9. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 188 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the consent of the Audit Committee and the Board of Directors, the consent of the Company be and is hereby accorded for entering into contract or arrangement with the related parties as defined under the Act and the Rules made there under, namely Norp Knit Industries Limited, PT Pinnacle Apparels, Pearl Global (HK) Limited, Pearl Global Fareast Limited, DSSP Global Limited, Multinational Textile Group Limited, PDS Multinational Fashions Limited, Norwest Industries Limited, Pearl Grass Creations Limited, Pearl Apparel Fashions Limited, Nor Delhi Manufacturing Limited, PG Group Limited, Poeticgem Limited, Nor Lanka Manufacturing Limited, Zamira Fashions Limited, Poeticgem Australia Limited, Simple Approach Limited, Prudent Fashions Limited, Vin Pearl Global Vietnam Limited, Pearl Global F.Z.E., PGIC Investment limited, Pearl Global (Chang Zhou) Textile Technology Co. Limited, as per details and terms & conditions as set out under the Explanatory Statement annexed to this Notice.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to perform and execute all such acts, deeds, matters and things including delegate such authority, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto.”

By order of the Board of Directors
 for Pearl Global Industries Limited

Place: Gurugram
 Date: May 26, 2017

(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 Friday, the 22nd September, 2017 to Thursday, the 28th September 2017 (both days inclusive).

The dividend of Rs. 3/- per equity share of Rs.10/- each, as recommended by the Board of Directors of the Company, if declared at the meeting, will be paid on or before Thursday, 26th October, 2017 to those members:

- whose names appear as Beneficial Owners as at the end of business hours on Thursday, 21st September, 2017 in the lists of Beneficial Owners furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the shares held in electronic form; and
- whose names appear as members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before Thursday, 21st September, 2017.

3. The relevant Explanatory Statements pursuant to Section 102 of the Companies Act, 2013 and Regulation 36(3) of LODR (Listing Obligations and Disclosure Requirements) in respect of re-appointment (s) of Directors are mentioned below.

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 the Auditorium 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.

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
31.03.2013	10.00% (Final)	27.09.2013	25.10.2020	24.11.2020
31.03.2014	20.00% (Final)	26.09.2014	24.10.2021	23.11.2021
31.03.2015	22.50% (Final)	22.09.2015	20.10.2022	19.11.2022
31.03.2016	25.00% (Interim)	11.03.2016	09.04.2023	08.05.2023
31.03.2016	5.00% (Final)	27.09.2016	26.10.2023	25.11.2023

Members who have not en-cashed 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.

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

9. Soft copy of the Annual Report for the financial year 2016-17 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 2016-17 are being sent in the permitted mode.

10. NO GIFT(S) SHALL BE DISTRIBUTED AT THE ENSUING 28TH ANNUAL GENERAL MEETING OF YOUR COMPANY.

Notice

11. 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, as amended from time to time and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote at the 28th Annual General Meeting (AGM) by electronic means and the business contained herein may be transacted through e-voting Services provided by Central Depository Services Limited (CDSL):

The instructions for e-voting are as under:-

- (i) The voting period begins on Monday, 25th September, 2017 at 10:00 A.M. and ends on Wednesday, 27th September, 2017 at 5:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date

21st September, 2017 (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
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - 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 Postal Ballot/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.
- (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

Notice

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 changed 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) Shareholder can also cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) 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.co.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.

(xx) 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 21st September, 2017 may follow the same instructions as mentioned above for e-Voting.

(xxi) 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 along with 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

Notice

ITEM No. 3:

Mr. Deepak Seth, aged about 66 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.

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, Digital Ecom Techno Private Limited.

Foreign Companies:

Pearl Global Fareast Limited, HK, Pearl Global (HK) Limited, HK, DSSP Global Ltd., HK, Pearl Grass Creations Limited, HK, PT Pinnacle Apparels, Indonesia, Norp Knit Industries Limited, Bangladesh, Prudent Fashions Limited, Bangladesh, Vin Pearl Global Vietnam Limited, FX Import Company Limited, UK, FX Imports Hongkong Limited, HK, Multinational Textile Group Limited, Mauritius, Global Textile Group Limited, Mauritius, NAFS Limited, UK, Premier Pearl Garment Joint Stock Co. Limited, Vietnam, Pallas Holdings Limited, Maritius, PG Group Limited, HK, PG Home Group Limited, HK, Nor Lanka Manufacturing Limited, SACB Holdings Limited, Mauritius, Transnational Textile Group Limited, Mauritius, Zamira Fashion Limited, HK, JSM Trading (F.Z.E.), UAE, Pearl Global F.Z.E. Nor India Manufacturing Co. Ltd., Spring Near East Manufacturing Co.

Ltd., Superb Mind Holdings Ltd., Poetic Knitwear Limited, UK, Norwest Industries Limited, Nor Lanka Colombo Manufacturing Limited, Sri Lanka, Design Arc Asia Ltd., HK, PDS Asia Star Corporation Limited, HK, Designed and Sourced Limited, Techno Design HK Limited, Poeticgem Australia Limited, Kleider Sourcing Hongkong Limited, Design Arc Europe Limited, Nor Delhi Manufacturing Limited, Techno Manufacturing Co. Limited, Propur Investment Limited, Simple Approach Canada Limited, Razamtazz Limited, Green Apparels Industries Limited, Blueprint Design Limited, Fareast Vogue Limited, Grupo Sourcing Limited, Hong Kong, JJ Star Industrial Limited, Krayons Sourcing Limited, Sourcing Solutions Limited, Techno Manufacturing Limited, Twins Asia Limited, PDS Far-east Limited, Kindred Brands Limited, Casa Forma London Limited, Kleider Sourcing Ltd – Bangladesh, Grupo Sourcing Limited– Bangladesh, Progress Apparels (Bangladesh) Limited, Green Smart Shirts Limited, Poeticgem International Limited and Zamira Denim Lab Limited. Multitech Ventures Limited, Mauritius, Redwood Internet Ventures Limited, Digital Internet Technologies Limited, Progress Manufacturing Group Limited, PG Home Group SPA, Norwest Inc., Styleberry Limited, PDS Global Investment Limited.

He is member of Nomination and Remuneration 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 members 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 about 37 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 thirteen 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

Notice

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:

Lerros Moden, GmbH, Germany, NAFS Limited, UK, Norp Knit Industries Limited, Bangladesh, PAF International Limited, Bangladesh, Pallas Holdings Limited, Mauritius, Pearl Global (HK) Ltd., Transnational Textile Group Limited, Mauritius, PT Pinnacle Apparels, Indonesia, DSSP Global Limited, HK, Pearl Global Fareast Limited, HK, Prudent Fashions Limited, Bangladesh, Pearl Grass Creations Limited, Hong Kong and Vin Pearl Global Vietnam Limited, PGIC Investment Limited.

Committee Membership

- i) Stakeholders Relationship Committee; and
- ii) CSR Committee

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

Mr. Pulkit Seth holds 32.07% equity shares in the Company.

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 members of the Company.

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. 5: Appointment of M/s B. R. Gupta & Co., Chartered Accountants as Statutory Auditors of the Company

In accordance with Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. S. R. Dinodia & Co. LLP, Chartered Accountants, Statutory Auditors of the Company shall retire at the conclusion of this Annual General Meeting of the Company. Pursuant to the provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Board of Directors has, on recommendation of the Audit Committee, recommended for the appointment of M/s. B. R. Gupta & Co., Chartered Accountants, New Delhi (Regn. No. 008352N) as the Statutory Auditors at the Annual

General Meeting for a period of five years i.e. to hold office from the conclusion of this Annual General Meeting till the conclusion of the Thirty Third Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the Members at every AGM, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors. Consent and certificate u/s 139 of the Companies Act, 2013 have been obtained from M/s. B. R. Gupta & Co., Chartered Accountants, to the effect that their appointment, if made, shall be in accordance with the applicable provisions of the Act and the Rules issued there under.

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. B. R. Gupta & Co., Chartered Accountants, has confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

None of the Directors and Key Managerial Personnel of the Company is interested, whether directly or indirectly, in this resolution.

Item No. 6: Appointment of Mr. Abhishek Goyal as Non-Executive Independent Director

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, appointed Mr. Abhishek Goyal (DIN 01928855) as an Additional Director with effect from 26th May, 2017 under Section 161(1) of the Companies Act, 2013 and Article 86 of the Articles of Association of the Company and as an Non-Executive Independent Director of the Company under Section 149 of the Companies Act, 2013 to hold office upto 25th May, 2022. His appointment is subject to the approval of the members. A notice has been received from a member proposing Mr. Abhishek Goyal as a candidate for the office of Director of the Company.

Mr. Abhishek Goyal, aged about 36 years, is graduated in Finance and Economics from The University of Virginia in 2002.

He worked with Andor Capital Management (\$11B AUM Long/Short Equity Fund) in Manhattan (between 2002-2008), as Senior Analyst, covering technology companies with a focus on hardware and software. He then moved to Hong Kong (2008 - 2009) to start Andor's office there and invest in Asian companies.

In 2009, he joined White Elm Capital, as Senior Analyst and managed a \$80M India-focused portfolio.

In 2013, he co-founded OnCourse Vantage Pvt Ltd. OnCourse is India's foremost creative and alternate

Notice

education company. The mission of the company is to bridge the gap between formal classroom education and real-world skills, by offering a plethora of institutional and non-institutional programs to help develop life-skills along with assisting students who are looking for a world-class education abroad.

The Board of Directors has in its Meeting held on 26th May, 2017, inducted Mr. Abhishek Goyal as Member in Audit Committee and Chairman in Nomination and Remuneration Committee.

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

(i) Indo Nippon Foods Private Limited (ii) Harki Properties And Investments Private Limited (iii) Kolar Food Specialities Private Limited (iv) Indicon Westfalia Limited (v) Precious Pet Services Private Limited (vi) House of Grains (India) Private Limited

Mr. Abhishek Goyal does not hold any shares in the Company. He has given a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Mr. Abhishek Goyal fulfils the conditions specified in the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for his appointment as a Non-Executive Independent Director of the Company.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Abhishek Goyal as Non-Executive Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Abhishek Goyal as Non-Executive Independent Director for a period of five years upto 25th May, 2022, for the approval by the members of the Company.

Except Mr. Abhishek Goyal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, directly or indirectly, in the resolution set out at Item No. 6.

Item No. 7: Revision in Remuneration of Mr. Pulkit Seth, Managing Director of the Company

Members of the Company at last Annual General Meeting held on 27th September, 2016 had approved the re-appointment and remuneration of Mr. Pulkit Seth as Managing Director of the Company for the period of three years w.e.f. 1st June, 2016.

In view of the growth in the business activities, increased volume of work the Nomination and Remuneration Committee and subsequently the Board of Directors considered it just, fair and reasonable to revise remuneration of Mr. Pulkit Seth for the remaining tenure as Managing Director of the Company.

Shareholders' approval is sought for the variation in terms of remuneration of Mr. Pulkit Seth as Managing Director of the Company. The Remuneration payable to Mr. Pulkit Seth is within the limits provided under Section 197 read with Schedule V and other applicable provisions of the Companies Act, 2013.

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:

Lerros Moden, GmbH, Germany, NAFS Limited, UK, Norp Knit Industries Limited, Bangladesh, PAF International Limited, Bangladesh, Pallas Holdings Limited, Mauritius, Pearl Global (HK) Ltd., Transnational Textile Group Limited, Mauritius, PT Pinnacle Apparels, Indonesia, DSSP Global Limited, HK, Pearl Global Fareast Limited, HK, Prudent Fashions Limited, Bangladesh, Pearl Grass Creations Limited, Hong Kong and Vin Pearl Global Vietnam Limited, PGIC Investment Limited.

Committee Membership

- i) Stakeholders Relationship Committee; and
- ii) CSR Committee

Your Directors recommend the passing of the resolution at Item no. 7 as an Ordinary Resolution.

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

Item No. 8: Revision in Remuneration of Mrs. Shefali Seth, as Whole-Time Director of the Company

Members of the Company at its Annual General Meeting held on 22nd September, 2015 had approved the appointment and remuneration of Mrs. Shefali Seth as Whole-Time Director of the Company for the period of three years w.e.f. 19th January, 2015.

Notice

In view of the growth in the business activities, increased volume of work the Nomination and Remuneration Committee and subsequently the Board of Directors considered it just, fair and reasonable to revise remuneration of Mrs. Shefali Seth for the remaining tenure as Whole-Time Director of the Company.

Shareholders' approval is sought for the variation in terms of remuneration of Mrs. Shefali Seth as Whole-Time Director of the Company. The Remuneration payable to Mrs. Shefali Seth is within the limits provided under Section 197 read with Schedule V and other applicable provisions of the Companies Act, 2013.

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

Directorship

- (i) PS Arts Private Limited (ii) Pixel Industries Limited
(iii) Pearl Grass Creations Limited

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

Your Directors recommend the passing of the resolution at Item no. 8 as an Ordinary 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.

THE STATEMENT PURSUANT TO SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013 FOR ITEM NO. 7 & 8

I. GENERAL INFORMATION:

1. NATURE OF INDUSTRY

Pearl Global Industries Limited is engaged in manufacture and exports of Readymade Garments. Textile Industries plays a major role in the economy of the country. Indian textile industry is the second largest after agriculture in the country in terms of employment generation. Indian textile industry currently generates employment to more than 45 million people directly and 60 million people indirectly. The Indian Textile Industry contributes approximately 5% to India's gross domestic product (GDP) and contributes to nearly 30% of the total exports.

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 Rs 894.53 Crore. The Profit before Tax for the year is Rs 10.23 Crore against Rs. 18.72 Crore last year. The Company managed to have PAT of Rs.8.73 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 Rs.758.63 Crore during the current financial year 2016-17, and Rs. 697.13 Crore in the last year.

5. FOREIGN INVESTMENTS OR COLLABORATORS, IF ANY

The Company has no foreign collaboration.

Apart from holding 4741270 equity shares of Rs.10/- each of your Company by 189 NRI / OCB's Members/ Folios representing 21.89% of the total paid up Capital of the Company as on 31st March, 2017, there is no other foreign investment in the Company.

Notice

II. INFORMATION ABOUT THE APPOINTEE:

Information	Mr. Pulkit Seth	Mrs. Shefali Seth
Background Details	Mr. Pulkit Seth, age about 37 years, a resident Indian, has a Bachelor degree in Business Management from Leonard N. Stern School of Business, University of New York, U.S. He has vast 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 relationships with leading retailers in the U.S.	Mrs. Shefali Seth aged about 36 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.
Past Remuneration	Rs. 8.35 Lac Per Month	Rs. 5 Lac Per Month
Recognition or Awards	NIL	NIL
<u>Job Profile and their Suitability</u>	Mr. Pulkit Seth, Managing Director, shall manage the day-to-day affairs of the Company and shall also carry out all duties and functions subject to the supervision, control and directions of the Board of Directors of the Company and shall perform such other duties and services as shall from time to time be entrusted to him by the Board of Directors of the Company.	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.
Remuneration Proposed	Salary: Rs.10 Lac 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.	Salary: Rs.6.25 Lac 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
Comparative Remuneration profile with respect to industry, size of the company profile of position and person	Arvind Limited Period: 2015-16 Turnover: Rs.5,407.26 Crore Managerial Personnel: Chairman and Managing Director Annual Managerial Remuneration: Rs.7.62 Crore	Kitex Garments Ltd Period:- 2015-16 Turnover: Rs.565.63 Crore Managerial Personnel: Chairman & Managing Director Annual Managerial Remuneration: Rs.8.89 Crore
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. Mr. Pulkit Seth is related to Mr. Deepak Seth, and Mrs. Shefali Seth. He holds 69,47,621 Equity Shares of the Company.	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 2,01,478 Equity Shares of 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 2016-17 was Rs. 781.47 Crore. The Company's PAT stood at Rs. 8.73 Crore during 2016-17.

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's profitability during 2017-18 should increase by 20% and productivity by 15% to 20%.

IV. DISCLOSURES:

Remuneration package of the Managerial Person(s) paid for the year 2016-17:

(Amount in Rs.)

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	96,00,000	60,00,000	12,69,096	--
Others (Provident Fund)	21,600	21,600	21,600	--
Service Contract	3 years	3 years	2 years	
Notice Period, Severance fees	Nil	Nil	Nil	Nil
Sitting Fees	Nil	NIL	NIL	Rs.10,000/- for attending each Board Meeting
Total	96,21,600	60,21,600	12,90,696	--

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 May 26, 2017.

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.

Item No. 9: Related Party transactions:

The Board of Directors of the Company has approved a proposal for entering into the following related party transactions for the financial year 2018-19:

Notice

Sl. No.	Name of Related Party	Nature of relationship	Name of the Director or Key Managerial Personnel who is related, if any	Nature of Transactions	Amount (Rs. In Crore)
1	Norp Knit Industries Limited	Subsidiary	Mr. Deepak Seth Mr. Pulkit Seth	Purchase of Goods Sale of Goods SAP Facilities Charges Expenses incurred by them on our behalf Expenses paid by us on their behalf	225.00 25.00 1.00 3.00 1.00
2	PT Pinnacle Apparels	Step down subsidiary	Mr. Pulkit Seth	Purchase of Goods Sale of Goods SAP Facilities Charges Expenses incurred by them on our behalf Expenses paid by us on their behalf	125.00 5.00 1.00 2.00 2.00
3	Pear Global (HK) Limited	Wholly owned subsidiary	Mr. Deepak Seth Mr. Pulkit Seth	Purchase of Goods Sale of Goods SAP Facilities Charges Expenses incurred by them on our behalf Expenses paid by us on their behalf	10.00 50.00 1.50 7.50 15.00
4	Pearl Global Fareast Limited	Wholly owned subsidiary	Mr. Deepak Seth Mr. Pulkit Seth	Purchase of Goods Sale of Goods SAP Facilities Charges Expenses incurred by them on our behalf Expenses paid by us on their behalf	10.00 60.00 1.00 2.50 0.75
5	DSSP Global Limited	Step down subsidiary	Mr. Deepak Seth Mr. Pulkit Seth	Purchase of Goods SAP Facilities Charges Expenses incurred by them on our behalf Expenses paid by us on their behalf	10.00 1.00 1.00 1.00
6	Multinational Textile Group Ltd.	Enterprise over KMP has significant influence	Mr. Deepak Seth	SAP Facilities Charges Expenses incurred by them on our behalf Expenses paid by us on their behalf	1.00 1.00 1.00
7	PDS Multinational Fashions Limited	Enterprise over KMP has significant influence	Mr. Deepak Seth	SAP Facilities Charges Expenses incurred by them on our behalf Expenses paid by us on their behalf	1.00 1.00 1.00

Notice

Sl. No.	Name of Related Party	Nature of relationship	Name of the Director or Key Managerial Personnel who is related, if any	Nature of Transactions	Amount (Rs. In Crore)
8	Norwest Industries Limited	Enterprise over KMP has significant influence	Mr. Deepak Seth	Sale of Goods Sale of Samples SAP Facilities Charges Expenses incurred by them on our behalf Expenses paid by us on their behalf	1.00 1.00 1.00 1.00 1.00
9	Pearl Grass Creations Limited (Formerly Pearl Tiger HK Limited)	Step down subsidiary	Mr. Deepak Seth Mr. Pulkit Seth	Purchase of Goods Sale of Goods	5.00 5.00
10	Pearl Apparel Fashions Limited (Formerly Lerros Fashions India Limited)	Wholly owned subsidiary	Mr. Vinod Vaish	Purchase of Goods Sale of Goods Expenses incurred by them on our behalf Expenses paid by us on their behalf	25.00 25.00 0.25 0.25
11	Nor Delhi Manufacturing Limited	Enterprise over KMP has significant influence	Mr. Deepak Seth	Purchase of Goods	1.00
12	PG Group Limited	Enterprise over KMP has significant influence	Mr. Deepak Seth	Sale of Goods SAP Facilities Charges	1.00 1.00
13	Poeticgem Limited	Enterprise over KMP has significant influence	Mr. Deepak Seth	Sale of Goods SAP Facilities Charges	1.00 1.00
14	Nor Lanka Manufacturing Limited	Enterprise over KMP has significant influence	Mr. Deepak Seth	SAP Facilities Charges	1.00
15	Zamira Fashion Limited	Enterprise over KMP has significant influence	Mr. Deepak Seth	SAP Facilities Charges	1.00
16	Poeticgem Australia Limited	Enterprise over KMP has significant influence	Mr. Deepak Seth	SAP Facilities Charges	1.00
17	Simple Approach Limited	Enterprise over KMP has significant influence	Mr. Deepak Seth	SAP Facilities Charges	1.00

Notice

Sl. No.	Name of Related Party	Nature of relationship	Name of the Director or Key Managerial Personnel who is related, if any	Nature of Transactions	Amount (Rs. In Crore)
18	Prudent Fashions Limited	Step down subsidiary	Mr. Deepak Seth Mr. Pulkit Seth	Sale of Goods Sale of Samples SAP Facilities Charges Expenses incurred by them on our behalf Expenses paid by us on their behalf	1.00 1.00 1.00 1.00 1.00
19	Vin Pearl Global Vietnam Limited	Step down subsidiary	Mr. Deepak Seth Mr. Pulkit Seth	Sale of Goods Sale of Samples SAP Facilities Charges Expenses incurred by them on our behalf Expenses paid by us on their behalf	1.00 1.00 1.00 1.00 1.00
20	Pearl Global F.Z.E	Step down subsidiary	Mr. Deepak Seth	Sale of Goods Sale of Samples SAP Facilities Charges Expenses incurred by them on our behalf Expenses paid by us on their behalf	1.00 1.00 1.00 1.00 1.00
21	PGIC Investment Limited	Step down subsidiary	Mr. Deepak Seth Mr. Pulkit Seth	Sale of Goods Sale of Samples SAP Facilities Charges Expenses incurred by them on our behalf Expenses paid by us on their behalf	1.00 1.00 1.00 1.00 1.00
22	Pearl Global (Chang Zhou) Textile Technology Co. Ltd.	Step down subsidiary	-	Sale of Goods Sale of Samples SAP Facilities Charges Expenses incurred by them on our behalf Expenses paid by us on their behalf	1.00 1.00 1.00 1.00 1.00

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

Mr. Pulkit Seth is member of Norp Knit Industries Limited, PT Pinnacle Apparels and Prudent Fashions Limited.

Mr. Deepak Seth is member of Norp Knit Industries Limited and Prudent Fashions Limited.

Your Directors recommend the passing of the resolution at Item no.9 as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel or their relatives except as disclosed above are interested in this resolution.

By order of the Board of Directors
for **Pearl Global Industries Limited**

Place: Gurugram
Date: May 26, 2017

(**Sandeep Sabharwal**)
Company Secretary