

ANNUAL REPORT

2021



Pearl Global Industries Limited
GLOBAL DESIGN & 3D DESIGN



Board of Directors

Mr. Deepak Seth	-	Chairman
Mr. Pulkit Seth	-	Vice-Chairman & Managing Director
Mrs. Shifalli Seth	-	Whole-Time Director
Mr. Uma Shankar Kaushik	-	Whole-Time Director
Mr. Shailesh Kumar	-	Whole-Time Director
Mr. Chittranjan Dua	-	Non-executive Independent Director
Mr. Rajendra Kumar Aneja	-	Non-executive Independent Director
Mr. Anil Nayar	-	Non-executive Independent Director
Mr. Abhishek Goyal	-	Non-executive Independent Director
Mrs. Madhulika Bhupatkar	-	Non-executive Independent Director
Ms. Neha Khanna	-	Non-executive Independent Director

Chief Financial Officer

Mr. Narendra Kumar Somani

Company Secretary

Mr. Mayank Jain

Audit Committee

Mr. Anil Nayar	-	Chairman
Mrs. Madhulika Bhupatkar	-	Member Director
Mr. Rajendra Kumar Aneja	-	Member Director
Mr. Abhishek Goyal	-	Member Director

Nomination and Remuneration Committee

Mr. Abhishek Goyal	-	Chairman
Mr. Deepak Seth	-	Member Director
Mr. Rajendra Kumar Aneja	-	Member Director
Mr. Anil Nayar	-	Member Director

Stakeholder Relationship Committee

Mr. Anil Nayar	-	Chairman
Mr. Pulkit Seth	-	Member Director
Mr. Rajendra Kumar Aneja	-	Member Director

Risk Management Committee

Mr. Pulkit Seth	-	Chairman
Mr. Abhishek Goyal	-	Member Director
Ms. Neha Khanna	-	Member Director

Corporate Social Responsibility Committee

Mrs. Madhulika Bhupatkar	-	Chairperson
Mr. Pulkit Seth	-	Member Director
Mr. Anil Nayar	-	Member Director

Auditors

M/s B.R. Gupta & Co.
Chartered Accountants
K-55, Connaught Circus, New Delhi-110001

Registered Office

C-17/1,
Paschimi Marg,
Vasant Vihar, New Delhi-110057

Bankers

Punjab National Bank
Standard Chartered Bank
UCO Bank
State Bank of India
RBL Bank Limited
HDFC Bank Limited

Corporate Office

"Pearl Tower"
Plot No. 51, Sector-32
Gurugram-122001 (Haryana)

CONTENTS

Statutory Report & Financial Statement	
Notice	02
Directors' Report	27
Corporate Governance	51
Management Discussion and Analysis	67
Business Responsibility Report	74

Consolidated Financials	
Independent Auditors' Report	84
Consolidated Balance Sheet	92
Consolidated Statement of Profit & Loss	93
Consolidated Cash Flow Statement	95
Notes	97

Standalone Financials	
Independent Auditors' Report	157
Balance Sheet	168
Statement of Profit & Loss	169
Cash Flow Statement	171
Notes	173

Notice

PEARL GLOBAL INDUSTRIES LIMITED

Registered Office: C-17/1, Paschimi Marg, Vasant Vihar, New Delhi-110 057

Corporate Office: Plot No.51, Sector-32, Gurugram-122001 (Haryana)

Tel: 011-46012471, Tel: 0124-4651000, Website: www.pearlglobal.com; e-mail: investor.pgil@pearlglobal.com

CIN: L74899DL1989PLC036849

NOTICE TO MEMBERS

Notice is hereby given that the 32nd Annual General Meeting of the Members of Pearl Global Industries Limited will be held on Friday, September 24, 2021 at 5:00 P.M. through Video Conferencing ("VC")/other Audio Visual Means ("OAVM") ("hereinafter referred to as "electronic mode") to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2021 including the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Deepak Seth (DIN 00003021), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Pulkit Seth (DIN 00003044), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. TO APPOINT MS. NEHA KHANNA (DIN 03477800) AS AN INDEPENDENT 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 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), and the rules made thereunder, read with Schedule IV of the Act and Regulation 16(1)(b) and 17(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), and recommendation of the Nomination & Remuneration Committee, Ms. Neha Khanna (DIN 03477800), who was appointed as an Additional Director of the Company with effect from June 21, 2021, pursuant to Section 161(1) of the Act and Article 86 of the Articles of Association of the Company and who has submitted

the declaration that she meets the criteria of Independence as provided under the Act and the Listing Regulations and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as a Non-Executive Independent Director of the Company to hold office for a term of upto five (5) consecutive years commencing from June 21, 2021, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board or any Committee thereof, be and is hereby authorized to do all such things, deeds, matters and acts, as may be required to give effect to this resolution and to do all things incidental and ancillary thereto."

5. TO RE-APPOINT MR. ABHISHEK GOYAL (DIN: 01928855) AS AN INDEPENDENT DIRECTOR

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Abhishek Goyal (DIN 01928855), who holds office of Independent Director up to May 25, 2022 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities Exchange

Notice (contd...)

Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company for a second term of five (5) consecutive years commencing from May 26, 2022, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board or any Committee thereof, be and is hereby authorized to do all such things, deeds, matters and acts, as may be required to give effect to this resolution and to do all things incidental and ancillary thereto."

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

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

"RESOLVED THAT 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) and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the approval of the members of the Company be and is hereby accorded for re-appointment and payment of remuneration to Mrs. Shifalli Seth as Whole-Time Director of the Company for a further period of three years, commencing from January 19, 2021, with liberty to the Board of Directors to alter and vary the terms and conditions and / or remuneration.

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

Particulars	(Amount in ₹)
Salary	₹ 6.25 Lakh per month.
Car for official purpose.	A Company maintained car
Mobile / Telephone	A mobile for official purpose.
Provident Fund & Gratuity	As per Company's rules.

RESOLVED FURTHER THAT Mrs. Shifalli 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 or any Committee thereof, be and is hereby authorized to do all such things, deeds, matters and acts, as may be required to give effect to this resolution and to do all things incidental and ancillary thereto."

7. TO APPOINT MR. PALLAB BANERJEE (DIN 07193749) AS 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 the provisions of the Section 152 of the Companies Act, 2013 and other applicable provisions (including any modification or re-enactment thereof) if any, of the Companies Act, 2013 ("the Act") and based on the recommendation of Nomination and Remuneration Committee and Board of Directors, Mr. Pallab Banerjee (DIN 07193749) who qualifies for appointment as Director, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company with effect from October 1, 2021, liable to retire by rotation.

RESOLVED FURTHER THAT the Board or any Committee thereof, be and is hereby authorized to do all such things, deeds, matters and acts, as may be required to give effect to this resolution and to do all things incidental and ancillary thereto."

8. TO APPOINT MR. PALLAB BANERJEE (DIN 07193749) AS WHOLE-TIME DIRECTOR TO BE DESIGNATED AS JOINT MANAGING DIRECTOR

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act,

Notice (contd...)

2013 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Article of Association of the Company and as per recommendation of Nomination and Remuneration Committee, approval of the members of the Company be and is hereby accorded for appointment and payment of remuneration to Mr. Pallab Banerjee as Whole-Time Director to be designated as Joint Managing Director of the Company for a period of Three years, with effect from October 1, 2021, with liberty to the Board of Directors to alter and vary the terms and conditions and / or remuneration.”

RESOLVED FURTHER THAT Mr. Pallab Banerjee will be entitled for annual remuneration upto ₹ 2.75 Crore including incentive.

He will be provided reimbursement of actual business expenses of accommodation, Conveyance including Driver and Entertainment reimbursement, Provident Fund & Gratuity and other benefits as per Company's rules.

RESOLVED FURTHER THAT Mr. Pallab Banerjee, Joint Managing Director shall perform such duties and exercise such powers as may be entrusted to him from time to time by the Board of Directors except such matters which are specifically to be done by the Board of Directors under the Articles of Association of the Company or under the Companies Act, 2013 and the rules thereunder or under SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015.

RESOLVED FURTHER THAT the Board or any Committee thereof, be and is hereby authorized to do all such things, deeds, matters and acts, as may be required to give effect to this resolution and to do all things incidental and ancillary thereto.”

9. TO APPROVE RELATED PARTY TRANSACTION WITH MR. PULKIT SETH, MANAGING DIRECTOR OF THE COMPANY FOR HOLDING OFFICE OR PLACE OF PROFIT IN THE BRANCH OFFICE OF THE COMPANY AS CHIEF EXECUTIVE OFFICER

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 Section 188(1)(f) of the Companies Act, 2013, read with Companies (Meetings of Board and its powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (Act), including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted from time to time, the consent of the members be and is hereby accorded to the appointment of Mr. Pulkit Seth, Managing Director of the Company (son of Mr. Deepak Seth, Chairman and Non-Executive Director of the Company and husband of Mrs. Shifalli Seth, Whole-Time Director of the Company), holding office or place of profit, as Chief Executive officer of branch office of the Company in United State of America with effect from October 1, 2021 at a remuneration for an amount not exceeding ₹ 3.75 Crore per annum or its equivalent in foreign currency.

RESOLVED FURTHER THAT the consent of the members be and is hereby accorded to the Nomination & Remuneration Committee/Board of Directors of the Company, to finalise and decide the change in designation/revisions in the remuneration payable to Mr. Pulkit Seth from time to time in accordance with the Company's policy on performance measurement and such other applicable/relevant policies and to perform and execute all such acts, deeds, matters and things (including delegating 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.”

10. TO APPROVE RELATED PARTY TRANSACTIONS FOR THE FINANCIAL YEAR 2021-2022

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 Resolution passed by the members in their 31st Annual General Meeting held on November 26, 2020, for entering into related party transactions for FY 2021-22, and pursuant to Section 188 and any other applicable provisions of the Companies Act, 2013 and the rules made there under, Regulation 23 and any other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-

Notice (contd...)

enactment thereof for the time being in force), and pursuant to the consent of the Audit Committee and the Board of Directors, the approval of the members of the Company be and is hereby accorded for entering into contract or arrangement with Pearl Global (HK) Limited, a wholly owned subsidiary of the Company for the financial year 2021-22, as per following revised terms & conditions.

Name of Related Party	Nature of Transactions	Amount (₹ in Crore)
Pearl Global (HK) Limited	Sale of Goods	375.00
	Purchase of Goods	10.00
	SAP Facilities Charges	1.50
	Expenses incurred by them on our behalf	7.50
	Expenses paid by us on their behalf	30.00
	Other supporting services	15.00

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.”

11. TO APPROVE RELATED PARTY TRANSACTIONS FOR THE FINANCIAL YEAR 2022-2023

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, Regulation 23 and any other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (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 approval of the members of the Company be and is hereby accorded for entering into contract or arrangement with the related parties as defined under the Companies Act, 2013 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, PDS Multinational Fashions Limited, Pearl Grass Creations Limited, Prudent Fashions Limited, Vin Pearl Global Vietnam Limited, Pearl Global F.Z.E., PGIC Investment limited, and Pearl Global Vietnam Co. Limited, for the financial year 2022-23, 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: August 14, 2021

(**Mayank Jain**)
Company Secretary

NOTES:

1. In view of the outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and the Ministry of Corporate Affairs (“MCA”) has vide its General Circular nos. 14/2020 dated April 8, 2020; 17/2020 dated April 13, 2020; 22/2020 dated June 15, 2020; 02/2021 dated January 13, 2021 issued by MCA (hereinafter referred as “MCA Circulars”) read with Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India (“SEBI Circular”) and in compliance with the provisions of the Companies Act, 2013 (“the Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the 32nd Annual General Meeting (AGM) of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of Members at a common venue. The Registered Office of the Company shall be deemed as venue for the 32nd AGM.

Notice (contd...)

2. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
3. The Explanatory Statement pursuant to Section 102 of the Act setting out the material facts concerning the business under Item No. 4 to 11 of the accompanying Notice is annexed hereto. The Board of Directors considers that the special businesses under Item No. 4 to 11, is unavoidable, and needs to be transacted at the 32nd AGM of the Company.
4. The relevant details, pursuant 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed as **Annexure-I**.
5. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA & SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
6. Corporate members intending to send their authorized representatives to attend the AGM pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy (in PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. authorizing its representatives to attend the AGM through VC / OAVM on their behalf and to vote through remote e-voting, by e-mail to investor.pgil@pearlglobal.com
7. The Members may join the 32nd AGM through VC/ OAVM Facility by following the procedure mentioned herein below in the Notice which shall be kept open for the Members from 04:30 P.M. IST i.e. 30 (thirty) minutes before the time scheduled to start the 32nd AGM and the Company may close the window for joining the VC/OAVM Facility 30 (Thirty) minutes after the scheduled time to start the 32nd AGM. Members may note that the VC/ OAVM Facility, allows participation of at least 1,000 Members on a 'first come first served' basis. The large Shareholders (i.e. shareholders holding 2% or more), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors etc. can attend the 32nd AGM without any restriction on account of 'first come first served' basis.
8. The attendance of the Members participating in the 32nd AGM through VC/ OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. Voting rights shall be reckoned on the paid-up value of shares registered in the name of member/beneficial owners (in case of electronic shareholding) as on the cut-off date i.e. Friday, September 17, 2021.
10. In view of the outbreak of the COVID-19 pandemic, resultant difficulties involved in dispatching of physical copies of the Annual Report and in line with the MCA Circulars and SEBI Circulars, the Annual Report for the year 2020-21 including Notice of the 32nd AGM of the Company, inter alia, indicating the process and manner of e-voting is being sent only by Email, to all the Members whose Email IDs are registered with the Company/ Registrar and Share Transfer Agent or with the respective Depository Participant(s) for communication purposes to the Members and to all other persons so entitled.
11. Further, in terms of the applicable provisions of the Act, SEBI Listing Regulations read with the MCA Circulars and SEBI Circular, the Annual Report including Notice of the 32nd AGM of the Company will also be available on the website of the Company at www.pearlglobal.com. The same can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com and on the website of Link Intime India Private Limited ("**Link Intime**") at <https://instavote.linkintime.co.in>.
12. Pursuant to Section 91 of the Act, the Register of Members of the Company will remain closed from Saturday, September 18, 2021 to Friday, September 24, 2021 (both the days inclusive).
13. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical

Notice (contd...)

form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agent, LinkIntime at their address – Noble Heights, 1st floor, Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi – 110058; Email – delhi@linkintime.co.in.

14. Members must quote their Folio No. /Demat Account No. and contact details such as e-mail address, contact no. etc. in all their correspondence with the Company's Registrar and Share Transfer Agent, LinkIntime.
15. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agent.
16. The Registers maintained under Section 170 & 189 of the Act and all relevant documents as referred in the Notice calling the AGM and the Explanatory Statement will be available electronically for inspection by the Members upto the date of AGM. Members seeking to

inspect such documents can send an email to investor.pgil@pearlglobal.com.

17. In terms of the SEBI Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from April 01, 2019. In view of the above, Members are advised to dematerialize shares held by them in physical form.
18. Members are requested to note that in terms of Section 124 and 125 of the Companies Act, 2013, dividend remaining unclaimed for a period of seven years from the date of transfer to the Company's unpaid dividend Account shall be transferred to the Investor Education and Protection Fund ("IEPF") and all shares on which dividend has not been paid or claimed for seven consecutive years or more shall also be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

The Company has been transferring the unpaid or unclaimed dividends from time to time on due dates to the Investor Education and Protection Fund ("IEPF"). Information in respect of unclaimed dividend including when due for transfer to the Investor Education and Protection Fund is given below:

Financial year ended share capital	Rate of Dividend Declared on the paid-up equity Dividend	Date of declaration of Dividend	Last date for claiming unpaid IEP Fund	Due date for transfer to
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
31.03.2017	30.00% (Final)	28.09.2017	27.10.2024	26.11.2024
31.03.2018	20.00% (Final)	24.09.2018	23.10.2025	22.11.2025
31.03.2019	30.00% (Final)	24.09.2019	23.10.2026	22.11.2026

Members who have not claimed their dividend 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, Noble Heights, 1st Floor, Plot NH-2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi-110058.

19. Members who wish to obtain any information about the Company or view the financial statements for the financial year ended March 31, 2021 send their queries

at investor.pgil@pearlglobal.com at least 7 (Seven) days before the date of 32nd AGM. The same will be replied by/ on behalf of the Company suitably.

20. Members who have not registered their E-mail address so far are requested to register their e-mail for receiving all communications including Annual Report, Notices and Circulars etc. from the Company electronically. Members can do this by updating their email addresses with their depository participants.

Notice (contd...)

21. In case of joint holders attending the 32nd AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

22. E-VOTING

In compliance with provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide its Members the facility to cast their votes either for or against each resolutions set forth in the Notice of the 32nd AGM using electronic voting system ('remote e-voting') and e-voting (during the 32nd AGM), provided by Link Intime and the businesses may be transacted through such voting.

Only those Members who will be present in the 32nd AGM through VC / OAVM facility and have not cast their vote on the resolutions through remote e-voting, and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the 32nd AGM.

The voting period begins on Tuesday, September 21, 2021 (9.00 AM IST) and ends on Thursday, September 23, 2021 (5.00 PM IST). During this period, Members holding shares either in physical or dematerialized form, as on cut-off date, i.e. as on Friday, September 17, 2021 may cast their votes electronically. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice of 32nd AGM and holds shares as of the cut-off date, may obtain the login ID and password by sending a request at investor.pgil@pearlglobal.com or delhi@linkintime.co.in (RTA email id). However, if a member is already registered with Link Intime for e-voting, then he/she can use existing user id and password/PIN for casting the vote.

A. PROCESS AND MANNER FOR ATTENDING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>.

- Select the "**Company**" and '**Event Date**' and register with your following details: -

A. **Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide Folio Number** registered with the Company

B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. **Mobile No.:** Enter your mobile number

D. **Email ID:** Enter your email id, as recorded with your DP/Company.

- Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

B. INSTRUCTIONS FOR SHAREHOLDERS/ MEMBERS TO SPEAK DURING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

1. Shareholders who would like to speak during the meeting must register their request 4(Four) days in advance i.e. on or before September 20, 2021, with the company on the specific email id i.e. investor.pgil@pearlglobal.com.
2. Shareholders will get confirmation on first cum first basis.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.

Notice (contd...)

4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

C. INSTRUCTIONS FOR SHAREHOLDERS/ MEMBERS TO VOTE DURING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on ‘Submit’.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/ Against’.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else

to change your vote, click on “Back” and accordingly modify your vote.

6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently

Note:

- Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.
- Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.
- Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.
- Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175

Notice (contd...)

D. REMOTE E-VOTING INSTRUCTIONS FOR SHAREHOLDERS:

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post June 9, 2021.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

LOGIN METHOD FOR INDIVIDUAL SHAREHOLDERS

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	- If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. - After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	- Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi /Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. - After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote.

Notice (contd...)

	If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
Individual Shareholders (holding securities in demat mode) & login through their depository participants	- You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. - Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.	- Open the internet browser and launch the URL: https://instavote.linkintime.co.in - Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: - User ID: Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format) Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company. - Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above - Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter). - Click "confirm" (Your password is now generated). - Click on 'Login' under 'SHARE HOLDER' tab. - Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'. - After successful login, you will be able to see the notification for e-voting. Select 'View' icon. - E-voting page will appear.

Notice (contd...)

	6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link). 7. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.
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FOR INSTITUTIONAL SHAREHOLDERS:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution / authority letter/ power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL MODE & EVOTING SERVICE PROVIDER IS LINKINTIME, HAVE FORGOTTEN THE PASSWORD:

- Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on '**Submit**'.
 - In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
 - Shareholders/ members can set the password of his/ her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.

- The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE WITH NSDL/ CDSL HAVE FORGOTTEN THE PASSWORD:

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

HELPDESK FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

Notice (contd...)

HELPSDESK FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL MODE/ INSTITUTIONAL SHAREHOLDERS & EVOTING SERVICE PROVIDER IS LINKINTIME:

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 -4918 6000.

23. CS Jayant Sood (C.P. No. 22410) proprietor of M/s Jayant Sood and Associates (Company Secretaries) has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting during 32nd AGM in a fair and transparent manner.
24. 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.
25. 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 Link Intime India Private Limited and communicated to the BSE Limited and National Stock Exchange of India Limited simultaneously.
26. Section 72 of the Act provides for Nomination by the Members of the Company in the prescribed Form No. SH-13 for shares held in physical form. Blank forms will be supplied by Link Intime on request. Members holding shares in dematerialized form may contact their respective Depository Participants for recording of nomination.

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 the following Explanatory Statement sets out the material facts relating to the businesses under Item Nos. 4 to 11 of the accompanying Notice.

Item No. 4:

The Board of Directors, based on recommendation of the Nomination and Remuneration Committee, appointed Ms. Neha Khanna, as an Additional Director in the capacity of Independent Director of the Company with effect from June 21, 2021, pursuant to section 161 of the Companies Act, 2013. Ms. Neha Khanna shall hold office as an additional Director up to the date of this Annual General Meeting and is eligible to be appointed as an Independent Director for a term upto five (5) consecutive years.

The Company has received necessary notice from a member under Section 160(1) of the Companies Act, 2013 ("the Act") proposing her candidature for appointment as Director of the Company. Ms. Neha Khanna is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director of the Company. The Company has also received declaration from Ms. Neha Khanna that she meets the criteria of Independence as prescribed under Section 149 of the Act read with the Rules made thereunder and Regulation 16 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. She also fulfills the requirement of Section 150 of the Act, regarding registration as Independent Director in databank of Independent Directors. In the opinion of the Board, she fulfils the conditions as specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Ms. Neha Khanna, aged about 33 years, possesses experience in the field of investment banking, financial advisory, internal audit and risk management.

She trained with PwC India in the audit vertical, prior to joining ANG Group. At ANG, Neha advises early stage companies and SMEs on fundraising via ValPro, the investment banking and financial advisory firm of ANG. She co-founded Enablers, an extension of ValPro focussing on startup fund raising and financial advisory services. She is committed to building an eco-system for accelerating the growth of start-ups and SMEs in India. Her experience in end-to-end transaction execution enables her to understand different perspectives of clients' needs and helps her in concluding transactions for funding across stages, cheque sizes and sectors.

She also manages the group's proprietary investments as well as client portfolios under a PM. Asset classes include varied listed equities, unlisted equities and bonds.

Notice (contd...)

After completing her B.Com at Shri Ram College of Commerce & Chartered Accountancy, Neha pursued an MBA from Saïd Business School, University of Oxford.

The Board of Directors in its meeting held on June 21, 2021, appointed Ms. Neha Khanna as member of Risk Management Committee of the Company.

Details of other Directorship held in other Companies:

Art People Pvt. Ltd, Nehar Enterprises Pvt.Ltd, Blue Moon Real Estate Ventures Pvt.Ltd, Shobha Printers Pvt. Ltd, Kalyani Kala Mandir for Proliferation of Arts and Cultural Sciences, Valpro Corporate Advisory Pvt.Ltd, Isht Consultants Pvt. Ltd, Hopp Worldwide Excursions Limited, Cutting Edge Infrastructure Pvt. Ltd, ANG Corporate Services Pvt. Ltd, Pearl Mineral Tamilnadu Pvt. Ltd, Value Prolific Consulting Services Pvt. Ltd, N.S. Exports Pvt. Ltd, Pearl Mineral Retail Pvt. Ltd, Value Prolific Investments and Consulting Pvt. Ltd, Pearl Mineral Pvt.Ltd, ANG Wealth LLP. Anita and Gadia.

She will be paid remuneration by way of sitting fee for attending meetings of the Board or for any other purpose whatsoever as may be decided by the Board and reimbursement of expenses for participation in the meeting of Board of Directors.

Additional information in respect to Ms. Neha Khanna, pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard 2 is annexed as Annexure-1 to this Notice.

Shareholders' approval is sought for appointment of Ms. Neha Khanna as an Independent Director of the Company.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, except Ms. Neha Khanna, herself is interested, financially or otherwise, in this Resolution.

Your Directors recommend the passing of the resolution at Item no.4 as a Special Resolution.

Item No. 5:

Mr. Abhishek Goyal was appointed as Non-Executive Independent Director of the Company in the first term of five consecutive years, with effect from May 26, 2017 by the members in their 28th Annual General Meeting held on September 28, 2017. The first term of Mr. Abhishek Goyal is valid upto May 25, 2022.

The Board of Directors in its meeting held on August 14, 2021, on the recommendation of Nomination and Remuneration Committee, have re-appointed Mr. Abhishek

Goyal (DIN 01928855) as Non-Executive Independent Director of the Company in the second term of five consecutive years, with effect from May 26, 2022.

Mr. Abhishek Goyal is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Independent Director of the Company in the second term. The Company has also received declaration from Mr. Abhishek Goyal that he meets the criteria of Independence as prescribed under Section 149 of the Act read with the Rules made thereunder and Regulation 16 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. He also fulfills the requirement of Section 150 of the Act, regarding registration as Independent Director in databank of Independent Directors. In the opinion of the Board, he fulfils the conditions as specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Abhishek Goyal, aged about 40 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 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.

Details of other Directorship held by him in other Companies (excluding foreign companies and bodies corporate) are as follows:

Indo Nippon Foods Private Limited, Harki Properties and Investments Private Limited, Kolar Food Specialties Private Limited, Indicon Westfalia Limited, House of Grains (India) Private Limited, Decimal Wealth Partners Pvt Ltd., On-Course Vantage Pvt Ltd., Lakshmi Milk Products Pvt Ltd.

Notice (contd...)

Mr. Abhishek Goyal is Chairman of Nomination and Remuneration Committee and Member of Audit Committee and Risk Management Committee 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 in the second term of five consecutive years. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Abhishek Goyal as Non-Executive Independent Director in the second term of five consecutive years with effect from May 26, 2022, for the approval by the members of the Company.

Additional information in respect to Mr. Abhishek Goyal, pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard 2 is annexed as Annexure-1 to this Notice.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, except Mr. Abhishek Goyal, himself is interested, financially or otherwise, in this Resolution.

Your Directors recommend the passing of the resolution at Item no.5 as a Special Resolution.

Item No. 6:

Mrs. Shifalli Seth was re-appointed as Whole-Time Director of the Company for a period of three years, commencing from January 19, 2018 to January 18, 2021, by the members in their 29th Annual General Meeting held on September 24, 2018.

The Board of Directors on the recommendation of Nomination and Remuneration Committee, at their meetings held on November 12, 2020, has approved the re-appointment of Mrs. Shifalli Seth as Whole-Time Director for a further period of three years and payment of remuneration, commencing from January 19, 2021. 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.

Mrs. Shifalli Seth aged about 40 years, is a Bachelor of Science in Business Administration from University of Bradford, U.K., has varied exposure in Garments and Textiles Industry. She is heading Design & Product Development functions of the Company. She is having international experience in trading, marketing of Readymade Garments

and knowledge of Southeast Asia region. She is wife of Mr. Pulkit Seth, Vice-Chairman and Managing Director of your Company.

She holds membership in finance committee of the Company.

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

Directorship (excluding foreign companies)

(i) Pearl Global Kaushal Vikas Limited (ii) PS Arts Private Limited (iii) SBUYS E-Commerce Limited

She is Designated Partner in PSS Estates LLP.

Shareholders' approval is sought for re- appointment of Mrs. Shifalli Seth as Whole-Time Director of the Company. The re-appointment and Remuneration payable to Mrs. Shifalli Seth is within the limits provided under Section 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013.

The terms as set out in the resolution and explanatory statement may be treated as a written memorandum setting out terms of re-appointment of Mrs. Shifalli Seth under Section 190 of the Companies Act, 2013.

Additional information in respect to Mrs. Shifalli Seth, pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard 2 is annexed as Annexure-1 to this Notice.

None of the Directors and Key Managerial Personnel, except Mrs. Shifalli Seth, herself, Mr. Deepak Seth, and Mr. Pulkit Seth being relatives, are interested, financially or otherwise, in this Resolution.

Your Directors recommend the passing of the resolution at Item no. 6 as a Special Resolution.

Item No. 7 & 8:

The Board of Directors on the recommendation of Nomination and Remuneration Committee, at their meetings held on August 14, 2021, has approved, and recommended for appointment of Mr. Pallab Banerjee as Director and Whole-Time Director to be designated as Joint Managing Director and payment of remuneration for a period of three years, commencing from October 1, 2021.

Mr. Pallab Banerjee, aged about 53 years, holds B. Sc (Hons) degree and Post Graduate in Apparel Manufacturing and Marketing from NIFT and Financial Management from eCornell and having more than 29 years of experience in the field of apparel manufacturing and marketing.

Notice (contd...)

He has been associated with the Company as Group President. Before joining the Company, he was Vice President- Global Sourcing (Wovens) in GAP and Managing Director in GAP International Sourcing (India) Private Limited.

He does not hold any directorship and membership in any other Company.

The Company has received necessary notice from a member under Section 160(1) of the Companies Act, 2013, proposing his candidature for appointment as Director of the Company. Mr. Pallab Banerjee fulfills the criteria to appoint as Director and Whole-Time Director as prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 appointment will be in the interest of the Company.

Shareholders' approval is sought for appointment of Mr.

Pallab Banerjee as Director and Whole-Time Director of the Company. The appointment and Remuneration payable to Mr. Pallab Banerjee is within the limits provided under Section 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013.

The terms as set out in the resolution and explanatory statement may be treated as a written memorandum setting out terms of appointment of Mr. Pallab Banerjee under Section 190 of the Companies Act, 2013.

Additional information in respect to Mr. Pallab Banerjee, pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard 2 is annexed as Annexure-1 to this Notice.

Your Directors recommend the passing of the resolution at Item no. 7 as an Ordinary Resolution and Item no. 8 as a Special Resolution.

None of the Directors and Key Managerial Personnel are interested, financially or otherwise, in this Resolution.

THE STATEMENT PURSUANT TO SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013

I. GENERAL INFORMATION:

1.	Nature of industry	Pearl Global Industries Limited is engaged in manufacture and exports of Readymade Garments. Garment and Textile Industries plays a major role in the economy of the country. Indian garment and textile industry is the second largest after agriculture in the country in terms of employment generation. The Company has large installed capacity for apparel manufacturing with <i>state-of-the-art</i> 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 or expected date of commencement of commercial production	The date of commencement of commercial production (in erstwhile Pearl Global Limited, since merged with the Company) was 7 th December, 1987.
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4.	Financial performance based on given indicators	The gross income of the Company stood at ₹ 795.48 Crore as on March 31, 2021. The Loss before Tax for the year 2020-21 is ₹ 9.19 Crore as against profit of ₹ 10.90 Crore for the year 2019-20. The Company's PAT stood at ₹ 0.77 Crore during the year 2020-21.

Notice (contd...)

5.	Foreign investments or collaborators, if any	Apart from holding 33,56,112 equity shares of ₹ 10/- each of your Company by 77 NRI/FPI/ Members/Folios representing approx 15.49% of the total paid up Capital of the Company as on 31 st March, 2021, there is no other foreign investment in the Company.
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II. INFORMATION ABOUT THE APPOINTEE:

Information	Mrs. Shifalli Seth	Mr. Pallab Banerjee
1. Background Details	Mrs. Shifalli Seth aged about 40 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.	Mr. Pallab Banerjee, aged about 53 years, holds B.Sc (Hons) degree and Post Graduate in Apparel Manufacturing and Marketing from NIFT and Financial Management from eCornell and having more than 29 years of experience in the field of apparel manufacturing and marketing. He was Vice President- Global Sourcing (Wovens) in GAP and Managing Director in GAP International Sourcing (India) Private Limited.
2. Past Remuneration	₹ 6.25 Lakh Per Month	N.A.
3. Recognition or Awards	N.A.	N.A.
4. Job Profile and their Suitability	Mrs. Shifalli 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.	Mr. Pallab Banerjee shall perform such duties and services as shall from time to time be entrusted to her by the Board of Directors of the Company.
5. Remuneration Proposed	Details of proposed remuneration is provided in the AGM Notice.	
6. Comparative Remuneration profile with respect to industry, size of the company profile of position and person	Considering the turnover of the Company and the experience and responsibilities of Mrs. Shifalli Seth the remuneration being proposed to be paid to her is reasonable and in line with remuneration levels in the industry.	Considering the turnover of the Company and the experience and responsibilities of Mr. Pallab Banerjee the remuneration being proposed to be paid to him is reasonable and in line with remuneration levels in the industry.
7. 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. Shifalli Seth is related to Mr. Deepak Seth, and Mr. Pulkit Seth. She holds 2,01,478 Equity Shares of the Company	NIL

Notice (contd...)

III. OTHER INFORMATION:

1.	Reasons of loss or inadequate profits	The Readymade Garments Export Industry had yet another tough year where profitability was low due to Covid 19 pandemic.
2.	Steps taken or proposed to be undertaken for improvements	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 2020-21 was ₹ 795.48 Crore. The Company's PAT stood at ₹ 0.77 Crore during 2020-21. Your Company has since identified and prioritized its targets and has been gearing up to face the perceived challenges due to and further enhance its presence in the International Markets.

IV. DISCLOSURES:

Disclosures in the Board of Directors' report under the heading 'Corporate Governance' included in Annual Report 2020-21: The requisite details of remuneration etc. of Directors are included in the Corporate Governance Report, forming part of the Annual Report of FY 2020-21 of the Company. The Company has no policy for stock option, pension, and performance linked incentives.

Item No. 9:

The provisions of section 188(1)(f) of the Companies Act, 2013, that govern the related party transactions require a Company to obtain prior approval of the Audit Committee, Board of Directors and shareholders for the related party's appointment to any office or place of profit.

The Board of Directors of the Company on the recommendation of the Audit Committee, at their meetings held on August 14, 2021, has approved the appointment of Mr. Pulkit Seth as Chief Executive Officer of branch office of the Company in USA, subject to approval of the Shareholders by way of an Ordinary Resolution.

The details of the remuneration payable to Mr. Pulkit Seth is given in the resolution no. 9. As per section 188(1)(f) of the Companies Act, 2013.

None of the Directors and Key Managerial Personnel, except Mr. Pulkit Seth, himself, Mr. Deepak Seth and Mrs. Shifalli Seth, being relatives, are interested, financially or otherwise, in this Resolution

Your Directors recommend the passing of the resolution at Item no.9 as a Special Resolution.

Item No. 10:

The Members of the Company at their 31st Annual General Meeting held on November 26, 2020, were approved related party transactions for the financial year 2021-22. The Board of Directors considered that the value of transaction to be entered with Pearl Global (HK) Limited, wholly owned subsidiary of the Company may exceed the maximum value as approved by the members for the financial year 2021-22.

Hence, the Audit Committee and Board of Directors of the Company have, in their meetings held on August 14, 2021, approved a proposal with revised value of transactions with Pearl Global (HK) Limited as mentioned in the resolution, for the financial year 2021-22.

None of the Directors and Key Managerial Personnel, except Mr. Pulkit Seth, Managing Director, Mr. Deepak Seth, Chairman and Mrs. Shifalli Seth, Whole-Time Director, are interested, financially or otherwise, in this Resolution.

Your Directors recommend the passing of the resolution at Item no.10 as an Ordinary Resolution.

Notice (contd...)

Item No. 11:

The Audit Committee and Board of Directors of the Company have, in their meetings held on August 14, 2021, approved a proposal for entering into the following related party transactions for the financial year 2022-23:

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 (₹ in Crore)
1.	Norp Knit Industries Limited	Subsidiary	Mr. Deepak Seth Mr. Pulkit Seth Mr. Anil Nayar	Purchase of Goods	100.00
				Sale of Goods	25.00
				SAP Facilities Charges	0.25
				Expenses incurred by them on our behalf	12.00
				Expenses paid by us on their behalf	1.00
				Other supporting services	3.00
2.	PT Pinnacle Apparels	Step down subsidiary	Mr. Deepak Seth Mr. Pulkit Seth	Purchase of Goods	15.00
				Sale of Goods	1.00
				SAP Facilities Charges	0.10
				Expenses incurred by them on our behalf	2.00
				Expenses paid by us on their behalf	2.00
3.	Pear Global (HK) Limited	Wholly owned subsidiary	Mr. Deepak Seth Mr. Pulkit Seth Mr. Abhishek Goyal	Purchase of Goods	10.00
				Sale of Goods	400.00
				SAP Facilities Charges	1.50
				Expenses incurred by them on our behalf	7.50
				Expenses paid by us on their behalf	30.00
				Other supporting services	15.00
4.	Pearl Global Fareast Limited	Wholly owned subsidiary	Mr. Deepak Seth Mr. Pulkit Seth	Purchase of Goods	10.00
				Sale of Goods	60.00
				SAP Facilities Charges	0.50
				Expenses incurred by them on our behalf	2.50
				Expenses paid by us on their behalf	1.00
				Other supporting services	1.50
5.	DSSP Global Limited	Step down subsidiary	Mr. Deepak Seth Mr. Pulkit Seth	Purchase of Goods	10.00
				Sale of Goods	10.00
				SAP Facilities Charges	0.10
				Expenses incurred by them on our behalf	1.00
				Expenses paid by us on their behalf	1.00

Notice (contd...)

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 (₹ in Crore)
6.	PDS Multinational Fashions Limited	Enterprise over KMP has significant influence	Mr. Deepak Seth	Expenses incurred by them on our behalf	1.00
				Expenses paid by us on their behalf	1.00
7.	Pearl Grass Creations Limited	Step down subsidiary	Mr. Deepak Seth Mr. Pulkit Seth Mrs. Shifalli Seth	Purchase of Goods	6.00
				Sale of Goods	6.00
				Expenses incurred by them on our behalf	1.00
				Expenses paid by us on their behalf	1.00
				SAP Facilities Charges	0.25
8.	Prudent Fashions Limited	Step down subsidiary	Mr. Deepak Seth Mr. Pulkit Seth	Sale of Goods	1.00
				Sale of Samples	1.00
				SAP Facilities Charges	0.10
				Expenses incurred by them on our behalf	1.00
				Expenses paid by us on their behalf	1.00
9.	Vin Pearl Global Vietnam Limited	Step down subsidiary	Mr. Deepak Seth Mr. Pulkit Seth	Sale of Goods	5.00
				Sale of Samples	1.00
				SAP Facilities Charges	0.25
				Expenses incurred by them on our behalf	1.00
				Expenses paid by us on their behalf	1.00
10.	Pearl Global F.Z.E	Step down subsidiary	Mr. Deepak Seth	Sale of Goods	1.00
				Sale of Samples	1.00
				SAP Facilities Charges	0.10
				Expenses incurred by them on our behalf	1.00
				Expenses paid by us on their behalf	1.00
11.	PGIC Investment Limited	Step down subsidiary	Mr. Deepak Seth Mr. Pulkit Seth	Sale of Goods	1.00
				Sale of Samples	1.00
				SAP Facilities Charges	0.10
				Expenses incurred by them on our behalf	1.00
				Expenses paid by us on their behalf	1.00

Notice (contd...)

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 (₹ in Crore)
12.	Pearl Global Vietnam Co. Limited	Step down subsidiary	Mr. Pulkit Seth	Purchase of Goods	10.00
				Sale of Goods	30.00
				SAP Facilities Charges	1.00
				Expenses incurred by them on our behalf	1.00
				Expenses paid by us on their behalf	1.00

Mr. Deepak Seth, Chairman, Mr. Pulkit Seth, Managing Director, Mrs. Shifalli Seth, Whole-Time Director, and Mrs. Payel 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.11 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: August 14, 2021

(Mayank Jain)
Company Secretary

Notice (contd...)

Annexure-1 to the Notice:

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

[Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2]

Item no. 2: Mr. Deepak Seth (DIN: 00003021)

Age	: 70 Years	
Qualifications	: Master of Business Administration (MBA) and B.A. (Economics)	
Experience (including expertise in specific functional area)/Brief resume	: Mr. Deepak Seth is an active member of the Apparel Export Promotion Council of India (“AEPC”) and has held the post of “Vice Chairman” of the Eastern Region of AEPC for 2 years. He is also an 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. His knowledge of the business environment and vast experience in general management has been an asset to the Company.	
Date of first appointment on the Board	: 22-03-1994	
Shareholding in the Company as on 31 st March, 2021	: 28,62,145 Equity Shares	
Directorships and Committee memberships held in other companies as on 31 st March, 2021	: Directorship (excluding Foreign Companies/Bodies Corporate)	Membership in committees
	PDS Multinational Fashions Limited	Member of Audit Committee and Stakeholders Relationship Committee in PDS Multinational Fashions Limited
	SBUYS E-Commerce Limited	
	PS Arts Private Limited	
	Pearl Global Kaushal Vikas Limited	
	Digital Ecom Techno Private Limited	
Technocian Fashions Private Limited		
Inter-se relationships between Directors, Manager and other Key Managerial Personnel	: Father of Mr. Pulkit Seth; and Father in-Law of Mrs. Shifalli Seth	
No. of Board Meetings attended during the Financial year 2020-21	: 5	
Terms and conditions of re-appointment	: All terms and conditions of appointment as per applicable polices of the Company. As a Director he is liable to retire by rotation.	
Details of last drawn remuneration and proposed remuneration	: Not Applicable	

Item no. 3: Mr. Pulkit Seth (DIN: 00003044)

Age	: 41 Years
Qualifications	: Bachelor of Business Management degree from Leonard N. Stern School of Business, University of New York, USA

Notice (contd...)

Experience (including expertise in specific functional area) / Brief resume	: He has over seventeen 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.		
Date of first appointment on the Board	: 01-11-2004		
Shareholding in the Company as on 31 st March, 2021	: 69,47,621 Equity Shares		
Directorships and Committee memberships held in other companies as on 31 st March, 2021	:	Directorship (excluding Foreign Companies/Bodies Corporate)	Membership in committees
		SBUYS E-Commerce Limited	NIL
		PS Arts Private Limited	
		Pearl Global Kaushal Vikas Limited	
Inter-se relationships between Directors, Manager and other Key Managerial Personnel	:	Son of Mr. Deepak Seth, Chairman; and Husband of Mrs. Shifalli Seth, Whole-Time Director	
No. of Board Meetings attended during the financial year 2020-21	:	5	
Terms and conditions of re-appointment	:	All terms and conditions of appointment as per applicable policies of the Company. As a Director he is liable to retire by rotation.	
Details of last drawn remuneration and proposed remuneration	:	He is getting remuneration of ₹ 15 Lakh per month in the capacity of Managing Director.	

Mr. Deepak Seth and Mr. Pulkit Seth, the retiring Director, being eligible, offers themselves for re-appointment. The Board of Directors of your Company propose to appoint Mr. Deepak Seth and 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.

None of the Directors & Key Managerial Personnel, except Mr. Deepak Seth, Mr. Pulkit Seth, themselves and Mrs. Shifalli Seth, being relative, are interested, financially or otherwise, in this Resolution.

Your Directors recommend the passing of the resolutions at Item no. 2 and 3 as an Ordinary Resolution.

Item no. 4: Ms. Neha Khanna (DIN: 03477800)

Age	: 33 Years
Qualifications	: B.Com, CA and MBA
Experience (including expertise in specific functional area) / Brief resume	: Ms. Neha Khanna possesses experience in the field of investment banking, financial advisory, internal audit and risk management.
Date of first appointment on the Board	: 21-06-2021
Shareholding in the Company as on 31 st March, 2021	: NIL
Directorships and Committee memberships held in other companies as on 31 st March, 2021	: Same as disclosed in explanatory statements.
Inter-se relationships between Directors, Manager and other Key Managerial Personnel	: None

Notice (contd...)

No. of Board Meetings attended during the financial year 2020-21	: Not applicable
Terms and conditions of appointment	: Ms. Neha Khanna will be appointed as Non-Executive Independent Director for a period of five consecutive years.
Details of last drawn remuneration and proposed remuneration	: No remuneration except sitting fee for attending meeting of the Board, will be paid to Ms. Neha Khanna, as may be decided by the Board of Directors from time to time.

Item no. 5: Mr. Abhishek Goyal (DIN: 01928855)

Age	: 40 Years
Qualifications	: Graduate in Finance and Economics from The University of Virginia.
Experience (including expertise in specific functional area)/Brief resume	: Mr. Abhishek Goyal 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 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.
Date of first appointment on the Board	: 26-05-2017
Shareholding in the Company as on 31 st March, 2021	: NIL
Directorships and Committee memberships held in other companies as on 31 st March, 2021	: Same as disclosed in explanatory statements.
Inter-se relationships between Directors, Manager and other Key Managerial Personnel	: None
No. of Board Meetings attended during the Financial year 2020-21	: 5
Terms and conditions of re-appointment	: Mr. Abhishek Goyal will be re-appointed as Non-Executive Independent Director for a period of five consecutive years.
Details of last drawn remuneration and proposed remuneration	: No remuneration except sitting fee for attending meeting of the Board, is being paid and will be paid to Mr. Abhishek Goyal, as may be decided by the Board of Directors from time to time.

Notice (contd...)

Item no. 6: Mrs. Shifalli Seth (DIN: 01388430)

Age	: 40 Years
Qualifications	: Bachelor of Science in Business Administration from University of Bradford, U.K.
Experience (including expertise in specific functional area)/Brief resume	: She has varied exposure in Garments and Textiles Industry. She is heading Design & Product Development functions of the Company. She is having international experience in trading, marketing of Readymade Garments and knowledge of Southeast Asia region.
Date of first appointment on the Board	: 19-01-2012
Shareholding in the Company as on 31 st March, 2021	: 201478 equity shares
Directorships and Committee memberships held in other companies as on 31 st March, 2021	: She does not hold directorship in any other listed entity. Details of other directorship and membership held is disclosed in explanatory statements.
Inter-se relationships between Directors, Manager and other Key Managerial Personnel	: She is wife of Mr. Pulkit Seth, Vice-Chairman and Managing Director of your Company.
No. of Board Meetings attended during the Financial year 2020-21	: 2
Terms and conditions of re-appointment	: As per resolution no.6 of the Notice convening this meeting read with explanatory statements thereto, Mrs. Shifalli Seth is proposed to be re-appointed as Whole-Time Director for a period of Three (3) years w.e.f. January 19, 2021.
Details of last drawn remuneration and proposed remuneration	: Last drawn remuneration: ₹ 6.25 Lakh per month. Proposed remuneration: ₹ 6.25 Lakh per month.

Item no. 7 & 8: Mr. Pallab Banerjee (DIN: 01388430)

Age	: 53 Years
Qualifications	: B.Sc (Hons), Post Graduate in Apparel Manufacturing and Marketing from NIFT and Financial Management from eCornell.
Experience (including expertise in specific functional area)/Brief resume	: He has more than 29 years of experience in the field of apparel manufacturing and marketing. He was Vice President-Global Sourcing (Wovens) in GAP and Managing Director in GAP International Sourcing (India) Private Limited.
Date of first appointment on the Board	: Not Applicable
Shareholding in the Company as on 31 st March, 2021	: 400 Equity Shares
Directorships and Committee memberships held in other companies as on 31 st March, 2021	: He does not hold directorship in any other Company.
Inter-se relationships between Directors, Manager and other Key Managerial Personnel	: None

Notice (contd...)

No. of Board Meetings attended during the Financial year 2020-21	:	Not Applicable
Terms and conditions of appointment	:	As per the resolution at Item No.7 of the Notice convening this meeting read with explanatory statement thereto, Mr. Pallab Banerjee is proposed to be appointed as Director liable to retire by rotation. Further, as per the resolution at Item No. 8 of the Notice convening this meeting read with explanatory statement thereto, Mr. Pallab Banerjee is proposed to be appointed as Whole-Time Director, to be designated as Joint Managing Director for a period of Three (3) years w.e.f. October 1, 2021.
Details of last drawn remuneration and proposed remuneration	:	Last drawn remuneration: Nil Proposed remuneration: ₹ 2.75 crore per annum.

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

Place: Gurugram
Date: August 14, 2021

(Mayank Jain)
Company Secretary

Directors' Report

To the Members,

Your Directors are pleased to present the 32nd Annual Report and Audited Financial Statements for the financial year ended 31st March 2021, together with the Auditors' Report thereon.

WORKING RESULTS OF THE COMPANY

(₹ in Lakh)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Income from operations	77,140.04	82,533.33	1,49,092.65	1,68,512.58
Other Income	2,408.39	3,338.77	2,350.49	4,905.49
Profit before Tax	(919.52)	1,090.51	1,135.56	3,123.41
Provision for Tax	(996.92)	589.62	(612.76)	950.58
Profit After Tax	77.40	500.89	1,748.32	2,172.83
Other comprehensive income	706.70	(557.31)	(86.91)	2,173.90
Total comprehensive income	784.10	(56.42)	1,661.41	4,346.73

STATE OF THE AFFAIRS OF THE COMPANY

During the year, your Company's consolidated income from operations was ₹ 1,49,092.65 Lakh as against ₹ 1,68,512.58 Lakh in the previous year and Net Profit of ₹ 1,748.32 Lakh as against Net Profit of ₹ 2,172.83 Lakh in the previous year.

The income from operations for the year under review for the Company on Standalone basis was ₹ 77,140.04 Lakh as compared to ₹ 82,533.33 Lakh in the previous year and Net Profit of ₹ 77.40 Lakh as compared to Net Profit of ₹ 500.89 Lakh in the previous year.

Pearl Global Industries Limited (PGIL) is one of the 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 player in our Industry. Our mainstay business is to create value from competitively manufacturing and exporting fashion garments to leading global brands.

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, Bangladesh and Vietnam. We have a total capacity to manufacture around 6.25 million garments per month (75 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, next, Old Navy, MUJI, Bass Pro Shops, Belk, Ross, ZARA, Bershka, American Eagle Outfitters, Joe Fresh, Walmart Canada, NORDSTROM, Kroger, PVH, TOMMY HILFIGER, Calvin Klein, CHAPS, PRIMARK, Sainsbury's, MANGO, TALBOTS, TARGET, Kmart, MARKS & SPENCER, LANE BRYANT, LOFT, ANN TAYOR, Brooks Brothers, Quince 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-customers satisfaction, keeping in line with our broader vision.

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. We expect to maintain and step up our profitability from superior value added products and meticulous management of our costs and processes.

MATERIAL IMPACT OF COVID-19 PANDEMIC ON COMPANY

Due to the outbreak of COVID-19 Pandemic and subsequent lockdown ordered by the Central and State Government(s) in India, the manufacturing facilities of the Company remained suspended during the period of

Directors' Report (contd...)

lockdown. The Company in compliance with necessary instructions and guidelines, resumed its operations post lifting of lockdown in a phased manner, while ensuring health and safety of all the stakeholders. This situation resulted in temporary disturbance in the economic activities through interruption in manufacturing processes, supply chain etc. during the year ended March 31, 2021. Further, the recent second wave of COVID-19 has resulted in partial lockdown/ restriction in various states. The impact of the pandemic is dependent on the situations as they evolve and hence may be different from that estimated as at the date of approval of these standalone and consolidated financial results. The Company is closely monitoring the impact of the aforesaid pandemic and believes that there will not be any adverse impact on the long term operations and performance of the Company.

DIVIDEND

The Board of Directors has not recommended any dividend for the financial year 2020-21.

TRANSFER TO GENERAL RESERVES

The Board of Directors do not propose to transfer any amount to Reserve.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Change in Directors during FY 2020-21

During the year Mr. Vinod Vaish, Whole-Time Director has resigned from the Board of the Company with effect from April 30, 2020, due to personal reasons. Mr. Uma Shankar Kaushik and Mr. Shailesh Kumar have been appointed as Whole-Time Directors of the Company by the Board of Directors in their meetings held on July 28, 2020 and October 7, 2020, respectively. Their appointment have also been approved by the Shareholders in the 31st Annual General Meeting held on November 26, 2020.

Mrs. Shifalli Seth

The Board of Directors in its meeting held on November 12, 2020 have, on the recommendation of Nomination and Remuneration Committee, re-appointed Mrs. Shifalli Seth as Whole-Time Director for a further period of three years with effect from January 19, 2021, subject to approval of the shareholders in the ensuing Annual General Meeting. Resolution for re-appointment of Mrs. Shifalli Seth as Whole-Time Director is proposed in the Notice calling 32nd Annual General Meeting.

Mrs. Shifalli Seth aged about 40 years, is a Bachelor of Science in Business Administration from University of Bradford, U.K., has varied exposure in Garments and Textiles Industry. She is heading Design & Product Development functions of the Company. She is having international experience in trading, marketing of Readymade Garments and knowledge of Southeast Asia region.

Ms. Neha Khanna

The Board of Directors have, on the recommendation of Nomination and Remuneration Committee, appointed Ms. Neha Khanna as Additional Director (Non-Executive Independent Director) of the Company with effect from June 21, 2021, subject to approval of the shareholders in the ensuing Annual General Meeting. Resolution for appointment of Ms. Neha Khanna as Independent Director is proposed in the Notice calling 32nd Annual General Meeting.

Ms. Neha Khanna is a qualified Chartered Accountant and holds B.Com degree from Shri Ram College of Commerce and MBA from Saïd Business School, University of Oxford.

Ms. Neha Khanna possesses experience in the field of investment banking, financial advisory, internal audit and risk management.

Presently she is Director in the ANG Group and advises early stage companies and SMEs on fund raising via ValPro, the investment banking and financial advisory firm of ANG. She co-founded Enablers, an extension of ValPro, focusing on startup fund raising and financial advisory services. She is committed to building an eco-system for accelerating the growth of start-ups and SMEs in India.

Mr. Pallab Banerjee

The Board of Directors on the recommendation of Nomination and Remuneration Committee, recommended for appointment of Mr. Pallab Banerjee as Director and Whole-Time Director to be designated as Joint Managing Director of the Company for a period of three years with effect from October 01, 2021. Resolution for appointment of Mr. Pallab Banerjee as Director and Joint Managing Director is proposed in the Notice calling 32nd Annual General Meeting.

Mr. Pallab Banerjee, aged about 53 years, holds B.Sc (Hons) degree and Post Graduate in Apparel Manufacturing and Marketing from NIFT and Financial Management from eCornell and having more than 29 years of experience in the field of apparel manufacturing and marketing. He has served

Directors' Report (contd...)

as Vice President- Global Sourcing (Woven) in GAP and Managing Director in GAP International Sourcing (India) Private Limited.

Before appointment as Joint Managing Director, Mr. Banerjee held the position as Group President in the Company.

Mr. Abhishek Goyal

The Board of Directors have, on the recommendation of Nomination and Remuneration Committee, re-appointed Mr. Abhishek Goyal as Independent Director of the Company in the second term for a period of five years with effect from May 26, 2022, subject to approval of the shareholders in the ensuing Annual General Meeting. Resolution for Re-appointment of Mr. Abhishek Goyal as Independent Director is proposed in the Notice calling 32nd Annual General Meeting.

Mr. Abhishek Goyal, aged about 40 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 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 Company has received necessary declaration from each Independent Director of the Company that the Independent Directors meet with the criteria of their Independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors of your Company met five times on July 28, 2020, September 14, 2020, October 7, 2020, November 12, 2020, and February 12, 2021 during the

financial year 2020-21.

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

Change in Chief Financial Officer

Mr. Kashmir Singh Rathour was appointed as Chief Financial Officer of the Company by the Board of Directors at its meeting held on July 28, 2020 in place of Mr. Raghav Garg, who resigned from the office of CFO of the Company with effect from June 30, 2020 due to his personal reasons.

Mr. Kashmir Singh Rathour has resigned from the office of CFO of the Company with effect from April, 20, 2021 due to his personal reasons. The Board of Directors in its meeting held on June 21, 2021 have on the recommendation of Audit Committee and Nomination and Remuneration Committee appointed Mr. Narendra Kumar Somani as CFO of the Company with effect from June 21, 2021.

Mr. Narendra Kumar Somani, aged about 51 years, holds B.Com and Chartered Accountants degree and having more than 26 years of experience in Finance & Accounts as well as Commercial Operations and General Administration, Taxation, Corporate Affairs, Strategic & Business Planning, Financial Planning, Budgeting, Working Capital Management, designing internal control systems, etc.

Mr. Somani has worked with Surya Roshni Ltd, SU-KAM Power Systems Ltd, Surya Manufacturing, Intex Technologies and as CFO of Modelama Exports.

Change in Company Secretary

Mr. Sandeep Sabharwal, Company Secretary of the Company has resigned from the office Company Secretary and Compliance Officer of the Company with effect from February 15, 2021 due to personal reasons.

The Board of Directors in its meeting held on June 21, 2021 have, on the recommendation of Nomination and Remuneration Committee appointed Mr. Mayank Jain as Company Secretary and Compliance Officer and Nodal Officer of the Company with effect from June 21, 2021.

Mr. Mayank Jain, aged about 38 years, having Associate Membership (ACS-26620) of Institute of Company Secretaries of India and B.Com degree from Shivaji College, Delhi University and L.L.B from CCS University.

Directors' Report (contd...)

He has over 11 years of experience in Corporate Laws and Listing Regulations. As a Company Secretary, he has worked with Fortis Group, DXC Technology Co, CSC, Xchanging Solutions, The Hi-Tech Group, etc.

DIRECTORS' IDENTIFICATION NUMBER (DIN)

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

Name	DIN	Name	DIN
Mr. Deepak Seth	- 00003021	Mr. Chitranjan Dua	- 00036080
Mr. Pulkit Seth	- 00003044	Mr. Abhishek Goyal	- 01928855
Mrs. Shifalli Seth	- 01388430	Mr. Rajendra Kumar Aneja	- 00731956
Ms. Neha Khanna	- 03477800	Mr. Anil Nayar	- 01390190
Mr. Uma Shankar Kaushik	- 06867819	Mrs. Madhulika Bhupatkar	- 08712718
Mr. Shailesh Kumar	- 08897225		

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.

NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Policy of the Company is annexed herewith as **Annexure-I** with this report and also available on the website of the Company at <http://pearlglobal.com/investors/policy>

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal control system commensurate with the size, scale and complexity of operations. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

AUDIT COMMITTEE

The current composition of the Audit Committee comprises four Non-executive Independent Directors, namely Mr. Anil Nayar, Chairman, Mr. Abhishek Goyal, Mr. Rajendra Kumar Aneja and Mrs. Madhulika Bhupatkar, as Members 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/Regulations made by the SEBI. Protected disclosures can be made by a whistle blower through a letter 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>. During the year, no complaint is received.

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>

Your Company has identified an area of education and health care activities for the financial year 2020-21. The prescribed CSR amount for the financial year 2020-21 was ₹ 22.26 Lakh. However, the company has spent ₹ 27.10 Lakh during the financial year 2020-21.

Directors' Report (contd...)

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

SUBSIDIARY COMPANIES

During the year under review, no Company has become or ceased subsidiary, Joint Venture or Associate of the Company.

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.

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>

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s B.R. Gupta & Co. Chartered Accountants, New Delhi (Regn. No. 008352N) were appointed as Statutory Auditors of the Company, by the members of the Company in their 28th Annual General Meeting held on 28th September, 2017, for a period of five years, with effect from financial year 2017-18.

STATUTORY AUDITORS' REPORT

The Auditors' Reports (Consolidated & Standalone) for the financial year ended 31st March, 2021 do not contain any qualification, reservation or adverse remark. The Auditors' Reports are enclosed with the financial statements in this Annual Report.

SECRETARIAL AUDITOR

The Board has appointed Mr. Jayant Sood, Practising Company Secretary, proprietor of M/s Jayant Sood & Associates (Company Secretaries) to conduct Secretarial Audit for the financial year 2020-21. The Secretarial Audit Report for the financial year 2020-21 is annexed herewith as **Annexure-III**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

INTERNAL AUDITOR

The Board has appointed M/s. S.S. Kothari Mehta & Company, Chartered Accountants, New Delhi (FRN. 000756N), as Internal Auditor for the financial year 2020-21.

COST AUDIT

Maintaining of cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013 is not applicable to your Company.

ANNUAL RETURN

Pursuant to the Section 92(3) of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, Annual Return of the Company for the financial year 2020-21 in the prescribed Form MGT-7 is available on the website of the Company at <http://www.pearlglobal.com/investors/annual-return>.

RELATED PARTY TRANSACTIONS

All related party transactions entered during the financial year were in ordinary course of the business and on arm's length basis. Details of material related party transaction entered during the financial year by the Company is annexed in Form AOC-2 as **Annexure-IV**.

Members may refer to Note 46 to the standalone financial statement which sets out related party disclosures pursuant to Ind AS-24.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Particulars of Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 forms part of the notes to the standalone financial statements.

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

Pursuant to Regulation 21 and other applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Board of Directors have in its meeting held on June 21, 2021, constituted Risk Management Committee with following members and approved the Risk Management Policy.

Directors' Report (contd...)

Name	Designation
Mr. Pulkit Seth	Chairman
Mr. Abhishek Goyal	Member
Ms. Neha Khanna	Member

The Risk Management Committee shall periodically review the Risk Management Policy so that the Management controls the risk through properly defined network. The Risk Management Committee shall provide oversight and will report to the Board of Directors.

DIVIDEND DISTRIBUTION POLICY

The Board of Directors have in its meeting held on June 21, 2021, approved the Dividend Distribution Policy as required under Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

The Dividend Distribution Policy as approved may be accessed on the Company's website at <http://pearlglobal.com/investors/policy>

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:

- in the preparation of the annual accounts for the financial year ended 31st March 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures. There are no material departures from the same;
- 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, 2021 and of the profit and loss of the Company for that period;
- 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;
- the Directors have prepared the annual accounts on a 'going concern' basis;
- 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

- 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 and National Stock Exchange of India Limited, Mumbai. The listing fees to the Stock Exchanges for the year 2020-21 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 from the Practicing Company Secretary, confirming compliance of conditions of Corporate Governance as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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".

BUSINESS RESPONSIBILITY REPORT

As per Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Business Responsibility Report is attached and forms part of this Annual Report.

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, as amended from time to time, is annexed as **Annexure-V** to this report.

Particulars of employees as required under Rule 5(2) and

Directors' Report (contd...)

(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, is annexed as **Annexure-VI** 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-VII** to this report.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

The Company has transferred ₹ 1,79,912/- during the Financial Year 2020-21 to Investor Education and Protection Fund (IEPF) established by the Central Government, in compliance with the Companies Act, 2013. The above said amount represents unclaimed dividend for the year 2012-13 which was lying with the Company for a period of seven years. Further, the Company has transferred 71,944 shares to Investor Education and Protection Fund Authority established by the Central Government, in compliance with the Companies Act, 2013.

Any shareholder whose shares or unclaimed dividend have been transferred to the IEPF, may claim the shares under provision to Section 124(6) or apply for refund under Section 125(3) as the case may be, to the Authority by making an application in Web Form IEPF-5 available on website www.iepf.gov.in.

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. No complaint received during the financial year 2020-21.

SECRETARIAL STANDARDS

The Company has complied with applicable Secretarial Standards issued by the Institute of the Company Secretaries of India.

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**

(DEEPAK SETH)
CHAIRMAN
DIN 00003021

Place: Gurugram
Date: August 14, 2021

Annexure-I to the Directors' Report

NOMINATION AND REMUNERATION POLICY

1. OBJECTIVE

The 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 requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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

Annexure-I to the Directors' Report

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.*
- 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,

Annexure-I to the Directors' Report

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.

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

Annexure-I to the Directors' Report

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. Brief out line of CSR Policy of the Company:

Pearl Global Industries Limited recognizes that its business activities have wide impact on the societies in which it operates, and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities, and other organizations. The company endeavors to make CSR a key business process for sustainable development.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mrs. Madhulika Bhupatkar	Chairperson / Independent Director	1	1
2	Mr. Pulkit Seth	Member / Executive Director	1	1
3	Mr. Anil Nayar	Member / Independent Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. <http://www.pearlglobal.com/investors/policy/>
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable. Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
Not Applicable			

6. Average net profit of the company as per section 135(5). ₹ 1,113.23 Lakh
7. (a) Two percent of average net profit of the company as per section 135(5) ₹ 22.26 Lakh
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. Nil
- (c) Amount required to be set off or the financial year, if any Nil
- (d) Total CSR obligation for the financial year (7a+7b-7c). ₹ 22.26 Lakh

Annexure-II Annual Report on CSR activities

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹/Lakh)	Amount Unspent (in ₹/Lakh)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
27.10	NIL				

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (in ₹)	Mode of Implementation- Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
Not Applicable												

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹/ Lakh)	Mode of Implementation- Direct (Yes/No)	Mode of Implementation- Through Implementing Agency	
				State	District			Name	CSR registration number
1.	Education	Promoting Education	Yes	Delhi	New Delhi	26.10	No	Arpan Educational Society for Underprivileged Children	CSR00008260
2.	Health	Promoting health care	No	Chandigarh	Chandigarh	1.00	No	Veeranwali Foundation-Nanhi Jaan	

(d) Amount spent in Administrative Overheads Nil

(e) Amount spent on Impact Assessment, if applicable Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) 27.10

Annexure-II Annual Report on CSR activities

(g) Excess amount for set off, if any

Sl. No	Particulars	Amount (in ₹/Lakh)
(i)	Two percent of average net profit of the company as per section 135(5)	Not Applicable
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years:

SL No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
NIL							

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project- Completed/ Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

(a)	Date of creation or acquisition of the capital asset(s).	Not Applicable
(b)	Amount of CSR spent for creation or acquisition of capital asset.	
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	

11. Specify the reason(s) if the company has failed to spend two per cent of the average net profit as per section 135(5).

Not applicable, as the Company has spent more than the minimum prescribed amount for CSR activities.

Place: Gurugram
Date: August 14, 2021

(Pulkit Seth)
Managing Director

(Madhulika Bhupatkar)
Chairman of CSR Committee

Annexure-III to the Directors' Report

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2021

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

**To,
The Members
Pearl Global Industries Limited
CIN: L74899DL1989PLC036849
C-17/1, Paschimi Marg, Vasant Vihar,
New Delhi - 110 057**

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). 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.

We report that:

- a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- (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;

- (g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and Securities and Exchange Board of India (Buy-back of Securities) regulations, 2018; and
- (i) The Securities and Exchange Board of India (Listing obligations and Disclosures requirements) Regulations, 2015;

*No event took place under these regulations during the audit period.

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and on General Meetings issued by The Institute of Company Secretaries of India, with which the company has generally complied with.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines to the extent applicable.

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, 2021 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:

We have examined the books, papers, minute books, forms and returns filed and their records maintained by Pearl Global Industries Limited ("the Company") for the financial year ended on 31st March, 2021, according to the provisions of (hereinafter to be referred as "Act" collectively) (Many of the Records were examined online due to Covid 19):

We have also examined compliance with the applicable Clauses / Regulations of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with

Annexure-III to the Directors' Report

BSE and NSE Stock Exchange(s).

- iii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 disclosures from promoters as intimated to the Stock Exchanges under Regulation 30(1) and 30(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- Company has received declaration under Section 149(6) of the Companies Act, 2013 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 made 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 / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, like, CSR policy, Vigil Mechanism policy, Related Party Transaction Policy, Whistle Blower Policy and Directors appointment and remuneration policy.
- Company has various committee(s) as under:

1. Audit Committee:

Mr. Anil Nayar	- Chairman
Mr. Rajendra K. Aneja	- Member Director
Mr. Abhishek Goyal	- Member Director
Mrs. Madhulika Bhupatkar	- Member Director

2. Nomination and Remuneration Committee:

Mr. Abhishek Goyal	- Chairman
Mr. Rajendra K. Aneja	- Member Director
Mr. Anil Nayar	- Member Director
Mr. Deepak Seth	- Member Director

3. Stakeholders Relationship Committee:

Mr. Anil Nayar	- Chairman
Mr. Pulkit Seth	- Member Director
Mr. Rajendra K. Aneja	- Member Director

4. CSR Committee:

Mrs. Madhulika Bhupatkar	- Chairperson
Mr. Pulkit Seth	- Member Director
Mr. Anil Nayar	- Member Director

5. Finance Committee

Mr. Pulkit Seth	- Chairman
Mrs. Shifalli Seth	- Member Director
Mr. Abhishek Goyal	- Member Director

6. Compliance Officer:

Mr. Sandeep Sabharwal *

**(Resigned from Services of the Company on 15th February 2021)*

- 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 2021 the Company has 19184893 shares in NSDL A/c, 2404154 shares in CDSL A/c and balance of 74890 are in physical mode.

The Company's shares in physical form are processed by the Registrar and Share Transfer Agent Link Intime India Pvt Ltd having office at Noble Heights, 1st Floor, NH 2 C-1 LSC, Near Shavitri Market, Janakpuri, New Delhi – 110 058, 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	- 0
No. of Grievances Attended	- 0
No. of Grievances Pending	- 0

- As informed to us there is no change in general character or nature of business during year.
- The Company has published quarterly results during the year in time.

Various Committee meetings and meeting of Independent Directors: Audit Committee:

Annexure-III to the Directors' Report

Audit Committee:

Date of Meeting	Date of notice	Place of Meeting/ VC	Total No. of members on date of	Leave of Absence Granted meeting	Total No. of members Present	Chairman of the Meeting
28.07.2020	17.07.2020	VC	4	nil	4	Mr. Anil Nayar
14.09.2020	04.09.2020	VC	4	nil	4	Mr. Anil Nayar
12.11.2020	02.11.2020	VC	4	nil	4	Mr. Anil Nayar
12.02.2021	01.02.2021	VC	4	nil	4	Mr. Anil Nayar

The Company has also maintained the proper record of the minutes of the meetings.

Stakeholders Relationship Committee: During the Financial Year 2020-21 the committee met on 28.10.2020, 09.12.2020, and 21.12.2020. The Company has also maintained the proper record of the minutes of the meetings.

Nomination and Remuneration Committee meeting:

The Committee met on 28.07.2020, 24.09.2020 and 12.11.2020 during the Financial Year 2020-21. The Company has also maintained the proper record of the minutes of the meetings.

CSR Committee:

The Committee met on 28.07.2020 during the Financial Year 2020-21. The Company has also maintained the proper record of the minutes of the meetings.

Composition of the Board:

Finance Committee:

The Committee met on 27.04.2020, 30.07.2020, 12.10.2020, 11.12.2020, 22.01.2021, 02.02.2021, 11.02.2021, 01.03.2021, 10.03.2021 and 31.03.2021 during the Financial Year 2020-21. The Company has also maintained the proper record of the minutes of the meetings.

Independent Directors' meeting:

During the Financial Year 2020-21 the Independent Directors met on 26/03/2021.

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.

LIST OF DIRECTORS AS ON 31.03.2021

S. NO.	NAME OF THE DIRECTORS	DESIGNATION	DIN	DIRECTOR SINCE
1	MR. DEEPAK SETH	Chairman	00003021	22.03.1994
2	MR. PULKIT SETH	Managing Director	00003044	01.11.2004
3	MR. CHITTRANJAN DUA	Independent Director	00036080	12.09.2006
4	MR. RAJENDRA KUMAR ANEJA	Independent Director	00731956	12.09.2006
5	MRS. SHIFALLI SETH	Whole-Time Director	01388430	19.01.2012
6	MR. ANIL NAYAR	Independent Director	01390190	19.01.2012
7	MR. ABHISHEK GOYAL	Independent Director	01928855	26.05.2017
8	MRS. MADHULIKA BHUPATKAR	Independent Director	08712718	18.03.2020
9	MR. UMA SHANKAR KAUSHIK	Whole-Time Director	06867819	28.07.2020
10	MR. SHAILESH KUMAR	Whole-Time Director	08897225	07.10.2020

Annexure-III to the Directors' Report

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.

Details of Board Meeting:

Board has met five times during the financial year on:

Date of Meeting	Date of serving the notice	Meeting Held Physically/ VC	Total No. of Directors on the Board on date of meeting	Leave of Absence granted to Director	Total No. of Directors Present	Chairman of the Meeting
28.07.2020	17.07.2020	VC	9	—	9	Mr. Deepak Seth
14.09.2020	04.09.2020	VC	9	—	9	Mr. Deepak Seth
07.10.2020	28.09.2020	VC	10	1	9	Mr. Deepak Seth
12.11.2020	02.11.2020	VC	10	1	9	Mr. Deepak Seth
12.02.2021	01.02.2021	VC	10	1	9	Mr. Deepak Seth

The Company has also maintained the proper record of the minutes of the meetings.

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

Annual General Meeting:

During the Financial Year 2020-21 the Company has called 31st Annual General Meeting for the Financial Year 2019-20 on 26th November 2020, through Video Conferencing facility The Company has kept the e-voting period from 23rd November 2020 to 25th November 2020 (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:

No dividend was declared for the financial year ending 31st March 2020.

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 and also laws listed herein below:

As the Company carries on the business of manufacturing and Export of readymade Garments. As informed by the management, the following laws are the specific laws, specifically applicable to the Company;

1. The Air (Prevention and Control of Pollution) Act, 1981.
2. The Indian Boilers Act, 1923.
3. The Child Labour (Prohibition and Regulation) Act, 1986.
4. The Contract Labour (Regulation and Abolition) Act, 1970.
5. The Factories Act, 1948.
6. The Fatal Accidents Act, 1855.
7. The Industrial Disputes Act, 1947.
8. The Industrial Employment (Standing Orders) Act, 1946.

Annexure-III to the Directors' Report

9. The Industries (Development and Regulation) Act, 1951.

The Board of Directors through Circular Resolution on April 20, 2021, have approved for change of Registered office from A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi to C-17/1, Paschimi Marg, Vasant Vihar, New Delhi-110057 w.e.f. 1st May, 2021.

Due to current Covid Guidelines all the records were examined online without physical visit.

For **Jayant Sood and Associates**
Company Secretaries

(**CS Jayant K Sood**)

Proprietor

FCS: 4482, CP No. 22410

Place: Gurugram

Date: 14th June, 2021

UDIN: F004482C000456307

Peer Review Certificate No. 1061/2021

Annexure-IV to the Directors' Report

Form No. AOC-2

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

- Details of contracts or arrangements or transactions not at arm's length basis: **NIL**
- 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 (Rs. in Lakh)	Date of approval of the Board, if any	Amount paid as advances, if any
1	Norp Knit Industries Limited	Subsidiary	Purchase of goods	01.04.2020 to 31.03.2021	-	19,319.41	13.08.2019	NIL
			Sale of goods			77.76		
			Expenses incurred by them on our behalf			4.13		
			Income on Corporate guarantee			46.06		
			Expenses paid by us on their behalf			8.64		

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

(**DEEPAK SETH**)

CHAIRMAN

DIN 00003021

Place: Gurugram

Date: August 14, 2021

Annexure-V 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) 60.00x Mrs. Shifalli Seth (WTD) 25.00x Mr. Vinod Vaish (WTD)* 5.91x Mr. Uma Shankar Kaushik (WTD) 7.5x Mr. Kumar Shailesh (WTD) 6.0x
II	The percentage increase in remuneration of each Director, CFO, CS in the financial year	NIL
III	The percentage increase in the median remuneration of employees in the financial year	NIL
IV	The number of permanent employees on the rolls of the Company	There were approx 5,126 permanent employees as on 31 st March, 2021
V	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 NIL. Average percentile increase in the salary of Managerial personnel in the last financial year NIL.
VI	Affirmation that the remuneration is as per the remuneration policy of the Company	The remuneration paid to Directors/employees is as per remuneration policy.

*Mr. Vinod Vaish has resigned w.e.f. April 30, 2020.

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

(DEEPAK SETH)
CHAIRMAN
DIN 00003021

Place: Gurugram
Date: August 14, 2021

Annexure-VI to the Directors' Report

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

List of top ten employee in terms of remuneration drawn

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. Pallab Banerjee	Group President	B.Sc. (Hons) and Post Graduate in Apparel Merchandising & Marketing from NIFT	53	29	01.06.2019	8,655,311	VP-Global Sourcing (Wovens) - GAP, MD-Global International Sourcing India Pvt. Ltd.	NIL	No
2	Mr. Sanjay Gandhi	Group CFO	B.Com (Hons), CA	45	21	18.12.2019	5,414,120	CFO-Solutions, Sterlite Power	NIL	No
3	Mr. Pankaj Bhasin	CEO-Sampling & Merchandising	B.Com and Apparel Production Management	48	26	15.07.1995	3,917,921	NIL	NIL	No
4	Mr. Sundeep Chatrath	COO-Knits Division (India)	B.A.	54	33	01.06.2017	3,899,292	Head-Merchandising, Gupta Exim, Faridabad	NIL	No
5	Mr. Anand Bhatia	Vice-President (Production)	B.Sc., MBA	52	29	09.08.2011	3,381,311	Factory Manager, Texport Fashion Ltd	NIL	No
6	Mr. Sumit Kumar	Executive Assistant-Chairman	B.E. (M.E.), PGDMA, CFA-II	39	14	08.02.2017	2,956,222	AGM, Punj Lloyd	NIL	No
7	Mr. Hari S	COO	Post Graduate In Garment Manufacturing Technology , NIFT	48	23	01.10.2019	2,452,420	GM-Operations, JMS Garments	NIL	No
8	Mr. Kashmir Singh Rathore	Chief Financial Officer	MBA -Finance	50	23	01.07.2020	2,034,099	Chief Financial Officer, NorpKnit Industries Ltd	NIL	No
9	Ms. Ratna Singh	Chief Human Resource Officer	B.A.	46	26	19.10.2020	1,925,049	Director-HR, Flipkart	NIL	No
10	Mr. Raghav Garg*	Chief Financial Officer	B.Com (Hons), CA	38	14	21.01.2019	1,310,676	Vice President - F&A - Trident Ltd.	NIL	No

Note: Nature of employment is non contractual

** Mr. Raghav Garg resigned from the Company w.e.f. June 30, 2020.*

Annexure VII 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. However, the Company has installed 200 KW capacity of solar energy plant at its factory located at Chennai.

(iii) The Capital investment on energy conservation equipment:

The Company has invested approx ₹ 1.07 Crore for installation of solar energy plant.

B. TECHNOLOGY ABSORPTION :

(i) Efforts made towards technology absorption:

Nil

(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. |

(iv) The expenditure incurred on Research & Development:

Expenditure on R & D		(₹/Lakh)
	2020-21	2019-20
a) Capital	NIL	NIL
b) Recurring	517.85	783.95
Total	517.85	783.95

C. Foreign Exchange Earnings and Outgo

Foreign Exchange Earnings

(₹/Lakh)

Particulars	2020-21	2019-20
Export of Goods - FOB basis	73,525.71	74,130.24
Interest Income	32.21	30.11
IT/SAP Income	117.07	98.11
Total	73,674.99	74,258.46

Annexure VII to the Director's Report (contd...)

Foreign Exchange Outgo

(₹/Lakh)

Particulars	2020-21	2019-20
Imports	601.67	12,730.23
Foreign Travelling	43.67	68.73
EDI Expenses	41.12	63.07
Others	102.12	59.41
Total	788.58	12,921.44

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

(**DEEPAK SETH**)
CHAIRMAN
DIN 00003021

Place: Gurugram
Date: August 14, 2021

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]

(₹ in Lakh)

Sl. No.	Name of Subsidiary	Date of Acquisition	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 / Loss after taxation	Proposed dividend	% of shareholding	Other comprehensive (Expenses) Income	Total Comprehensive income for the Year
1	Pearl Global Kaushal Vikas Limited	18.06.2014	31-Mar-21	INR	NA	5.00	-4.90	0.36	0.25	0.00	0.00	-0.65	0.00	-0.65	-	100	-	(0.65)
2	SBUYS E-Commerce Limited	20.09.2019	31-Mar-21	INR	NA	1.00	-0.26	65.56	64.81	0.00	27.10	-0.01	0.00	-0.01	-	100	-	(0.01)
3	Norp Knit Industries Limited	22.03.2006	31-Mar-21	USD	73.50	3540.37	10254.92	35641.72	21846.43	954.73	56037.47	344.73	330.68	14.05	-	99.99	-	14.05
4	Pearl Global Farcast Limited#	16.03.2009	31-Mar-21	USD	73.50	3186.43	3943.71	9775.88	2645.74	2148.98	13088.06	116.07	0.00	116.07	-	100	24.12	140.19
5	Peal Global (HK) Limited#	22.12.2009	31-Mar-21	USD	73.50	6659.53	6415.68	38256.57	25181.36	12968.08	77390.90	1144.47	49.88	1094.59	-	100	13.56	1,108.15
6	PGIC Investment Limited	16.08.2016	31-Mar-21	USD	73.50	0.0	-473.95	4022.23	4496.19	0.00	0.00	-209.58	0.00	-209.58	-	100	-	(209.58)
7	Pearl Grass Creations Limited	11.07.2016	31-Mar-21	USD	73.50	294.02	-1523.50	1193.08	2422.56	0.00	8945.15	-79.72	0.00	-79.72	-	80	-	(79.72)
8	Vin Pearl Global Vietnam Limited#	11.07.2016	31-Mar-21	USD	73.50	8.82	-1136.78	9233.55	10381.51	3031.55	15006.38	122.15	0.00	122.15	-	100	4.13	126.28
9	Pearl Global Vietnam Co. Limited	01.05.2017	31-Mar-21	VND	0.00	2287.44	-1791.33	7981.97	7485.86	0.00	14926.72	87.64	0.00	87.64	-	100	-	87.64
10	Prudent Fashions Limited	02.03.2017	31-Mar-21	BDT	0.85	1666.07	-341.22	4254.41	2929.56	0.00	0.00	-219.79	0.79	-220.58	-	99.95	-	(220.58)
11	DSSP Global Limited#	08.11.2012	31-Mar-21	USD	73.50	1106.33	4560.51	9410.28	3743.44	771.78	18524.34	96.32	49.88	46.44	-	100	(31.35)	15.09
12	PT Pinnacle Apparels	30.03.2006	31-Mar-21	USD	73.50	1105.48	4355.59	6678.75	1217.68	0.00	12316.40	177.15	49.88	127.26	-	69.91	(31.35)	95.92

Figurers are on consolidated basis.

For and on behalf of Board
for **Pearl Global Industries Limited**

(Pulkit Seth)
Managing Director
DIN 00003044

(Deepak Seth)
Chairman
DIN 00003021

(Narendra Somani)
Chief Financial Officer

(Mayank Jain)
Company Secretary
M. No. ACS - 26620

Place: Gurugram
Date: June 21, 2021

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 workplace.

Your Company is committed to best Corporate Governance and has fully complied with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The Company in its endeavor towards the best Corporate Governance and to provide transparency initiated various measures.

This report along with the chapters on Management Discussion and Analysis reports company's compliance with SEBI Listing Regulations.

2. BOARD OF DIRECTORS

As on 31st March 2021, the Company's Board of Directors consists of 10 (Ten) members. The Chairman of the Board is non-executive Promoter Director. The Board comprises of four executive Directors of whom one women Director and six non-executive Directors, of whom five are Independent Directors including one women Independent Director. The composition of the Board is in conformity with the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All non-executive independent Directors are persons of eminence and brings a wide range of expertise and experience to the Board.

Composition and Category of the Board as on 31.03.2021 and their attendance in the Board and last Annual General Meetings are as hereunder:

S. No.	Name of Director	Category	Attendance		Number of other Directorships, committee memberships/chairmanships		
			Board Meetings	Annual General Meeting	Other Directorships*	Memberships**	Chairmanships**
1	Mr. Deepak Seth	Promoter, Non-Executive	5	Yes	3	2	-
2	Mr. Pulkit Seth	Promoter, Executive	5	Yes	2	-	-
3	Mrs. Shifalli Seth	Promoter, Executive	2	No	2	-	-
4	Mr. Uma Shankar Kaushik	Executive	5	Yes	-	-	-
5	Mr. Shailesh Kumar	Executive	3	Yes	-	-	-
6	Mr. Chitranjan Dua	Non-executive Independent	5	Yes	6	5	2
7	Mr. Rajendra Kumar Aneja	Non-executive Independent	5	Yes	-	-	-
8	Mr. Anil Nayar	Non-executive Independent	5	Yes	-	-	-
9	Mr. Abhishek Goyal	Non-executive Independent	5	Yes	1	-	-
10	Mrs. Madhulika Bhupatkar	Non-executive Independent	5	Yes	-	-	-

* For other Directorships, Foreign Companies, Bodies Corporate, Private Companies and Companies under Section 8 are not included.

**For membership and chairmanship in Committees, includes Audit Committee and Stakeholders' Relationship Committee as per Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for all public limited companies whether listed or not, excluding the memberships and chairmanships in the Company.

Corporate Governance (contd...)

Name of other listed entities where Directors of the Company is Directors and category of Directorship:

Name of Director	DIN	Name of listed entities in which the concerned Director is a Director	Category of Directorship
Mr. Deepak Seth	00003021	PDS Multinational Fashions Limited	Promoter, Non-Executive Director
Mr. Pulkit Seth	00003044	NIL	NIL
Mrs. Shifalli Seth	01388430	NIL	NIL
Mr. Uma Shankar Kaushik	06867819	NIL	NIL
Mr. Shailesh Kumar	08897225	NIL	NIL
Mr. Chittranjan Dua	00036080	TVS Motor Company Limited	Non-Executive Independent Director
		Gillette India Limited	Non-Executive Independent Director
		Procter & Gable Hygiene and Health Care Limited	Chairman of the Board and Non-Executive Independent Director
Mr. Rajendra Kumar Aneja	00731956	NIL	NIL
Mr. Anil Nayar	01390190	NIL	NIL
Mr. Abhishek Goyal	01928855	NIL	NIL
Mrs. Madhulika Bhupatkar	08712718	NIL	NIL

Mr. Deepak Seth, Chairman, Mr. Pulkit Seth, Vice Chairman & Managing Director and Mrs. Shifalli Seth, Whole-Time Director are relatives. Mrs. Shifalli Seth is wife of Mr. Pulkit Seth, Mr. Pulkit Seth is Son of Mr. Deepak Seth.

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

During the financial year 2020-21, five (5) Board Meetings were held on 28th July 2020, 14th September 2020, 7th October 2020, 12th November 2020, and 12th February, 2021.

Mr. Deepak Seth, Chairman holds 28,62,145 equity shares (13.21%), Mr. Pulkit Seth, Vice Chairman & Managing Director holds 69,47,621 equity shares (32.07%) and Mrs. Shifalli Seth, Whole Time Director holds 2,01,478 equity shares (0.93%) of the Company. No other Director holds any equity share in the Company.

Details of familiarisation programmes imparted to Independent Directors are disclosed at Company's website at <http://www.pearlglobal.com/investors/policy>

Skills/Expertise/Competence of the Board of Directors

The Board comprises qualified members who bring the required skill, competence and expertise that allow them to make effective contribution to the Board.

The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of the business of the Company for it to function effectively and those actually available the Board:

Skill area	Description	Number of Directors having particular skills
Product design, Manufacturing, Sales and Marketing	Experience in design and manufacturing of products and developing strategies to increase sales and market share.	5
Finance	Qualification and experience in accounting and finance and ability to understand key financial statements, strategic financial planning and budgets.	5

Corporate Governance (contd...)

Skill area	Description	Number of Directors having particular skills
Global Business	- Experience in driving business in markets around the world. - Understanding of diverse business environments, economic conditions, cultures and regulatory frameworks.	7
Leadership and Strategic Planning	- Ability to understand organization, processes, strategic planning and risk management. - Experience in developing talent, succession planning and driving change and long term growth.	8
Technology and Innovation	Knowledge of technological trends in apparel industry.	3
Legal and Governance	- Ability to protect shareholders' interest and observe appropriate governance practices. - Monitor risk and compliance management system including legal framework.	8
Human Resource and Administration	Ability to understand Labour Laws and other related applicable Laws including administration functions of the Company.	5

The Board members possess the skills identified; their area of core expertise is given below:

Name of Director	Area of Expertise
Mr. Deepak Seth	Product design, Manufacturing, Sales and Marketing
	Global Business
	Leadership and Strategic Planning
	Finance
	Legal and Governance
	Human Resource and Administration
	Technology and Innovation
Mr. Pulkit Seth	Product design, Manufacturing, Sales and Marketing
	Global Business
	Leadership and Strategic Planning
	Finance
	Human Resource and Administration
	Legal and Governance
	Technology and Innovation
Mrs. Shifalli Seth	Product design, Manufacturing, Sales and Marketing
	Global Business
	Leadership and Strategic Planning
	Technology and Innovation
Mr. Shailesh Kumar	Human Resource and Administration
	Legal and Governance

Corporate Governance (contd...)

Name of Director	Area of Expertise
Mr. Uma Shankar Kaushik	Human Resource and Administration
	Legal and Governance
Mr. Anil Nayar	Product design, Manufacturing, Sales and Marketing
	Finance
	Global Business
	Leadership and Strategic Planning
	Legal and Governance
Mr. Chittranjan Dua	Global Business
	Leadership and Strategic Planning
	Legal and Governance
Mr. Rajendra Kumar Aneja	Product design, Manufacturing, Sales and Marketing
	Global Business
	Finance
	Legal and Governance
	Leadership and Strategic Planning
Mr. Abhishek Goyal	Finance
	Legal and Governance
	Leadership and Strategic Planning
	Global Business
Mrs. Madhulika Bhupatkar	Human Resource and Administration
	Leadership and Strategic Planning

In the opinion of the Board, all Independent Directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

During the year, no Independent Director has resigned before the expiry of his tenure.

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;

Corporate Governance (contd...)

- 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;
- Any significant development in the human resources and industrial relations fronts;
- 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.

3. AUDIT COMMITTEE

The Audit Committee has been constituted as per Section 177 of the Companies Act, 2013 and the guidelines set out in Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 risk management policies / systems.
- Reviewing the financial statements and quarterly financial results.
- Reviewing Management discussion and analysis of financial condition and result of operations.
- Reviewing statement of significant related party transactions.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Scrutiny of inter-corporate loans and investments.
- Approval of appointment of Chief Financial Officer.
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary.

All the members of Audit Committee are Non-Executive Independent Directors. All the members of the committee possess financial/accounting expertise.

The Company Secretary of the Company acts as Secretary of the Audit Committee.

During the year, the Audit Committee, met four times and discharged its responsibilities in accordance with Section 177 of the Companies Act, 2013 and SEBI Listing Regulations. The meetings of the Audit Committee were held on 28th July 2020, 14th September 2020, 12th November 2020 and 12th February 2021 during the financial year 2020-21. The maximum gap between any two meetings was in compliance with as per Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Corporate Governance (contd...)

During the year 2020-21, the members of the Audit Committee and their attendance are as under:

Audit Committee	
Composition	No. of Meetings attended
Mr. Anil Nayar – Chairman	4
Mrs. Madhulika Bhupatkar – Member Director	4
Mr. Abhishek Goyal – Member Director	4
Mr. Rajendra Kumar Aneja – Member Director	4

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee has been constituted as per Section 178 of the Companies Act, 2013 and the guidelines set out in Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference includes:

- Identification of the persons who may be appointed in senior management, evaluation of performances of Key Managerial Personnel, monitoring their compensation packages, employment arrangements and remuneration policy;
- Review and approve succession and emergency preparedness plan for the Key Managerial Personnel and all senior Management personnel;
- Review of organization structure;
- Assist in identifying and finalizing suitable candidates as members of the Board and recommendation of compensations norms;
- Devising of remuneration policy and Board diversity policy for the Board Members;
- Monitor and Evaluation of Board Evaluation Framework;

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

Three meetings of the Nomination and Remuneration Committee were held on 28th July, 2020, 24th September, 2020, and 12th November, 2020, during the financial year 2020-21. Details of meeting of the members of Nomination and Remuneration Committee and their attendance are as under:

Nomination and Remuneration Committee	
Composition	No. of Meetings attended
Mr. Abhishek Goyal - Chairman	3
Mr. Deepak Seth - Member Director	3
Mr. Anil Nayar - Member Director	3
Mr. Rajendra Kumar Aneja - Member Director	3

The Nomination and Remuneration Committee has laid down the criteria for evaluation of performance of Independent Directors and the Board.

- Attendance and contribution at Board and Committee meetings
- Knowledge on specific matters like finance, legal, marketing, internal controls, risk management, and business operations.
- Pro-active and positive approach with regard to Board and Senior Management particularly the arrangement for management of risk and the steps needed to meet challenges from the competition.

Corporate Governance (contd...)

- Openness to ideas, perspectives and opinions and ability to challenge old practices and throwing up new ideas for discussion.
- Capacity to effectively examine financial and other information on operations of the Company and the ability to make positive contribution thereon.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

As on 31st March, 2021, the Stakeholders Relationship Committee comprises of:

Mr. Anil Nayar	- Chairman
Mr. Pulkit Seth	- Member
Mr. Rajendra K Aneja	- Member

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

The Company Secretary of the Company acts as Secretary of the Committee.

The meetings of the Stakeholders Relationship Committee were held on 28th October, 2020, 9th December, 2020 and 21st December, 2020 during the financial year 2020-21.

Status of Shareholders Complaints during the year 2020-21

Complaints at the beginning of the year.	Complaints received during the year.	Complaints settled during the year.	Complaints pending at the ending of the year
Nil	Nil	Nil	Nil

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As on 31st March, 2021, the Corporate Social Responsibility Committee comprises of:

Mrs. Madhulika Bhupatkar	- Chairperson
Mr. Pulkit Seth	- Member
Mr. Anil Nayar	- Member

The Chairperson of the Committee is Non-Executive Independent Director.

The Secretary of the Company acts as Secretary of the Committee.

One meeting held on 28th July, 2020, during the financial year 2020-21.

7. FINANCE COMMITTEE

As on 31st March, 2021, the Finance Committee comprises of:

Mr. Pulkit Seth	- Chairman
Mrs. Shifalli Seth	- Member
Mr. Abhishek Goyal	- Member

The Chairman of the Committee is Executive Director.

The Company Secretary of the Company acts as Secretary of the Committee.

The meetings of Finance Committee were held on 27th April, 2020, 30th July, 2020, 12th October, 2020, 11th December, 2020, 22nd January, 2021, 2nd February, 2021, 11th February, 2021, 1st March, 2021, 10th March, 2021 and 31st March, 2021 during the financial year 2020-21.

Corporate Governance (contd...)

8. REMUNERATION OF DIRECTORS

Details of remuneration paid to all the Directors for the year 2020-21 are as under:

(Amount in ₹)

Name of the Director(s)	Mr. Deepak Seth	Mr. Pulkit Seth	Mrs. Shifalli Seth	Mr. Uma Shankar Kaushik	Mr. Shailesh Kumar	Mr. Anil Nayar	Mr. C R Dua	Mr. Rajendra K Aneja	Mr. Abhishek Goyal	Mrs. Madhulika Bhupatkar
Designation	Chairman	Managing Director	Whole Time Director	Whole Time Director	Whole Time Director	Director	Director	Director	Director	Director
Salary	—	83.40	34.75	8.24	4.00	—	—	—	—	—
HRA	—	—	—	4.12	2.00	—	—	—	—	—
Special Allowance	—	—	—	2.46	1.50	—	—	—	—	—
Conveyance Allowance	—	—	—	0.13	—	—	—	—	—	—
Medical	—	—	—	—	—	—	—	—	—	—
Bonus	—	—	—	—	—	—	—	—	—	—
Commission	—	—	—	—	—	—	—	—	—	—
Pension	—	—	—	—	—	—	—	—	—	—
Provident Fund	—	0.11	0.11	—	—	—	—	—	—	—
Perquisites	—	—	—	—	—	—	—	—	—	—
Break up of fixed components and Performance linked incentives with performance criteria	—	—	—	—	—	—	—	—	—	—
Performance Incentive	—	—	—	—	—	—	—	—	—	—
Service Contract	—	3 years	3 years	3 years	3 years	—	—	—	—	—
Notice Period, Severance fees	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	Nil	Nil
Sitting Fees	0.50	—	—	—	—	0.60	0.60	0.60	0.60	0.60
Total	0.50	83.51	34.86	14.95	7.50	0.60	0.60	0.60	0.60	0.60

A sitting fee of ₹ 10,000/- is payable to Independent Directors for attending meeting of Independent Directors. Besides above, the Company does not pay any other commission or remuneration to its Directors and there is no performance linked incentives except the fixed component as stated above.

The Company has no policy of stock option, pension or severance fee for its directors. The Company does not have any separate service contract with executive directors apart from Resolution of Board/shareholders.

9. GENERAL BODY MEETINGS

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

Year	AGM	Location	Date	Time
2017-18	29 th	Air Force Auditorium, Near R&R Hospital Subroto Park, New Delhi-110 010	24.09.2018	10.30 A.M.
2018-19	30 th	Sri Sathya Sai International Centre, Pragati Vihar (Near Pragati Vihar Hostel) Lodhi Road, New Delhi-110 003	24.09.2019	10.30 A.M.
2019-20	31 st	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	26.11.2020	11.30 A.M.

Corporate Governance (contd...)

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

Sl. No.	Particulars of Special Resolution	Date	Financial Year
1	NIL	26 th November, 2020	2019-20
2	Re-appointment of Mr. Pulkit Seth as Managing Director of the Company.	24 th September, 2019	2018-19
	Re-appointment of Mr. Anil Nayar as an Independent Director of the Company.		
	Re-appointment of Mr. Chittranjan Dua as an Independent Director of the Company.		
	Re-appointment of Mr. Rajendra Kumar Aneja as an Independent Director of the Company.		
3	Re-appointment of Mrs. Shifalli Seth as Whole-Time Director of the Company.	24 th September, 2018	2017-18
	To approve remuneration of Mr. Pulkit Seth as Managing Director of the Company.		
	To Increase the Investment Limit by Non Resident Indian (NRI) or Overseas Citizen of Indian (OCI) in the Company.		
	Alteration of Memorandum of Association of the Company for commencement of New Business.		

During the year, no Special Resolution was passed through Postal Ballot. No special resolution is proposed to be conducted through postal ballot.

10. MEANS OF COMMUNICATION

- 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 Regulations with the Stock Exchanges. The results are also submits to the BSE Limited and National Stock Exchange of India Limited, through their online portal.
- The results normally published in Business Standard (English) and Business Standard (Hindi).
- The Company's Financial Results, Shareholding Pattern and official news releases, if any, are displayed on the Company's website www.pearlglobal.com, besides the website of BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com.
- The Company regularly updates the media, analysts, institutional investors, etc., through a formal presentation on its financials as well as other business developments.

11. GENERAL SHAREHOLDER INFORMATION

(i) Annual General Meeting

32nd Annual General Meeting will be held on or before September 30, 2021 (subject to change).

(ii) Financial year

: The financial year covers the period 1st April to 31st March.

Financial Calendar, 2021-22 (Tentative)

First Quarter Results

: Second week of August, 2021

Second Quarter & Half Yearly Results

: Second week of November, 2021

Corporate Governance (contd...)

Third Quarter Results : Second week of February, 2022

Fourth Quarter & Annual Results : Last week of May, 2022

(iii) **Dividend payment date:** Not Applicable.

(iv) **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
BSE LIMITED 1 ST FLOOR, NEW TRADING RING ROTUNDA BUILDING, P. J. TOWERS DALAL STREET, FORT, MUMBAI - 400 001	532808
NATIONAL STOCK EXCHANGE OF INDIA LTD. "EXCHANGE PLAZA", PLOT NO. C- 1, G- BLOCK, BANDRA - KURLA COMPLEX, BANDRA (E), MUMBAI - 400 051	PGIL

The Annual Listing Fee for the financial year 2021-2022 has been paid to the Stock Exchanges within stipulated time.

The ISIN No. of the equity shares of your Company is **INE940H01014**.

(v) **Market Price Data: High, Low during each month in financial year 2020-21:**

MONTH(S)	BOMBAY STOCK EXCHANGE Company Code: 532808		NATIONAL STOCK EXCHANGE Company Code: PGIL	
	HIGH	LOW	HIGH	LOW
April 2020	116.00	95.00	113.00	93.50
May 2020	108.00	91.00	108.00	89.55
June 2020	127.30	97.00	141.00	92.00
July 2020	115.00	99.05	116.55	99.25
August 2020	175.00	110.95	157.40	110.05
September 2020	157.00	136.45	167.50	136.00
October 2020	177.45	143.00	178.95	133.95
November 2020	190.00	151.00	178.00	159.00
December 2020	204.80	165.00	204.85	164.70
January 2021	200.05	177.00	200.55	174.00
February 2021	183.75	157.90	185.00	155.30
March 2021	185.00	163.00	183.80	162.40

Corporate Governance (contd...)

(vi) 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			
	BSE		NSE	
	PGIL	Sensex	PGIL	Nifty
April 2020	106.00	33,717.62	102.50	9,859.90
May 2020	98.00	32,424.10	98.00	9,580.30
June 2020	103.30	34,915.80	103.00	10,302.10
July 2020	114.75	37,606.89	114.90	11,073.45
August 2020	144.00	38,628.29	144.70	11,387.50
September 2020	147.00	38,067.93	147.15	11,247.55
October 2020	163.15	39,614.07	163.20	11,642.40
November 2020	167.70	44,149.72	166.50	12,968.95
December 2020	200.50	47,751.33	200.20	13,981.75
January 2021	180.80	46,285.77	181.80	13,634.60
February 2021	165.75	49,099.99	166.60	14,529.15
March 2021	168.65	49,509.15	171.55	14,690.70

(vii) Registrar and Share Transfer Agent

Link Intime India Pvt. Limited
Nobel Heights, 1st Floor, Plot No.NH-2, C-1 Block,
LSC Near Savitri Market, Janakpuri, New Delhi - 110 058.
Tel. No. : 011 - 41410592 - 94, Fax No. : 011 - 41410591
E-mail : delhi@linkintime.co.in

(viii) 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.

(ix) Distribution Schedule

(a) Distribution of Equity Shareholding of the Company as on 31st March 2021

Number of Equity Shares * held	Shareholders		Equity shares held	
	Numbers	% to total	Numbers	% to total
1 - 500	13,236	96.97	860754	3.97
501 - 1000	176	1.29	132202	0.61
1000- 2000	80	0.59	123654	0.57
2001 - 3000	24	0.18	60618	0.28
3001 - 4000	19	0.14	67231	0.31
4001 - 5000	14	0.10	68356	0.32
5001 - 10000	31	0.23	228736	1.06
10001 and above	69	0.50	20122386	92.88
Total	13,649	100.00	2,16,63,937	100.00

Corporate Governance (contd...)

(b) Categories of Shareholders as on 31st March 2021

	No. of Folio's	% to total Folios	No. of Shares Held*	% to total Shares
PROMOTERS				
Indian	4	0.03	1,15,62,764	53.37
NRI	1	0.01	28,62,145	13.21
TOTAL (A)	5	0.04	1,44,24,909	66.58
Mutual Funds / Foreign Portfolio Investors	2	0.02	13,84,147	6.39
Financial Institutions/Banks	3	0.02	4,84,024	2.23
NRI's / Foreign Companies	121	0.92	2,19,607	1.01
Bodies Corporate	93	0.71	3,63,693	1.68
Clearing Members	19	0.15	9,149	0.04
Individual	12,310	94.03	41,98,987	19.38
Hindu Undivided Family	534	4.08	5,06,797	2.34
Trusts	2	0.02	260	0.00
Unclaimed Shares	1	0.01	420	0.00
IEPF	1	0.01	71,944	0.33
TOTAL (B)	13,086	99.96	72,39,028	33.42
TOTAL [(A) + (B)]	13,091	100.00	2,16,63,937	100.00

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

(x) 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 2021, 2,15,89,047 equity shares of the Company forming 99.65% of the Share Capital of the Company stand dematerialized.

(xi) 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.

(xii) Commodity price risk or foreign exchange risk and hedging activities

The Company is into the business of exporting garments and may face foreign exchange fluctuation risk.

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps, full currency swaps and forward commodity contracts, to hedge its foreign currency risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

Corporate Governance (contd...)

(xiii) Plant locations:

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

- i) 446, Udyog Vihar, Phase-V, Gurgaon - 122 016 (Haryana)
- ii) Plot No.274,Udyog Vihar,Phase-II, Gurgaon-122016
- iii) 16-17, Udyog Vihar, Phase VI, Khandsa, Gurgaon - 122 004 (Haryana)
- iv) Plot at Khasra No 15//19 & 22, Village Begumpur Khatola, Gurugram, Haryana – 122001
- v) 2/31/,Thirukahukundram Road, Melavalam Village, Madhuranthagam, Taluk, Kancheepuram District-603303
- vi) Plot No. 19A, NTT Road, Peenya Industrial Area, Bengaluru-560058
- vii) Norp Knit Industries Ltd, North Khailkur, P.O. National University, Gazipur-1704 Bangladesh.
- viii) Norp Knit Industries Ltd- 93, Islampur, Kodda, Nandun, Gazipur-1700, Bangladesh
- ix) Prudent Fashions Ltd. Kaichabari Road, Bypail, Ashulia, Savar, Bangladesh
- x) PT Pinnacle Apparels, JL Coaster No. 8, Blok A-15-15, a TEPZ, Kawasan Berikat Lamicitra Tanjung Emas Export Processing Zone,Semarang-50174, Indonesia
- xi) PT Pinnacle Apparels, JL.Soekarno-Hatta No.55 Km 30.5, Blok KL Dusan Kutan, Rt04 Rw02 Kel. Randugunting, Kec. Bergas, Kabupaten Semarang, Jawa Tengah-50552, Indonesia
- xii) Pearl Global Vietnam Company Limited, Dinh Tri Commune, Bac Giang City, Bac Giang Province, Vietnam

(xiv) Registered Office of the Company:

A-3, Community Centre, Naraina Industrial Area,

Phase-II, New Delhi - 110 028

Registered Office of the Company has been changed as below with effect from 1st May, 2021:

C-17/1, Paschimi Marg, Vasant Vihar, New Delhi-110057

Corporate Office & Address for Correspondence:

Pearl Tower, Plot No.51, Sector-32

Gurugram - 122 001, Haryana (India)

In case of any Complaint, Investors can contact Compliance Officer:

Mr. Mayank Jain

Company Secretary

Pearl Global Industries Limited

Pearl Tower, Plot No.51, Sector-32

Gurugram - 122 001, Haryana (India)

Tel. No. : 91 - 124 - 4651714

(xv) Credit Ratings

The Company has obtained credit ratings from ICRA Limited. Credit ratings of the Company as at the end of the financial year 2020-21 are given below:

Rating Agency Credit Rating

ICRA Limited Long term rating : [ICRA] BBB (Stable) Short term rating : [ICRA] A3+

Corporate Governance (contd...)

12. OTHER DISCLOSURES

- a) 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 46 of Notes to Standalone Financial Statement in the Annual Report.
- b) 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.
- c) The Company has a Whistle Blower Policy and Vigil Mechanism. No personnel of the Company have been denied access to the Audit Committee.
- d) The Company has complied with all the mandatory requirements including Regulations 17 to 27 and 46 (2) (b) to (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As regard the non-mandatory requirements, the extent of compliance has been stated in this report against each of them.
- e) Policy for determining 'material' subsidiaries is disclosed at Company's website at <http://www.pearlglobal.com/investors/policy>
- f) Policy on dealing with related party transactions is disclosed at Company's website at <http://www.pearlglobal.com/investors/policy>
- g) During the financial year 2020-21, the Company has not raised funds through preferential allotment or qualified institutional placement.
- h) A Certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed with this report.
- i) The Board had accepted all recommendations of Committees of the Board, which is mandatorily required, in the financial year 2020-21.
- j) The details of total fees for all services paid by the Company and its subsidiaries, on consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which statutory auditors is a part, are as follows:

(₹/Lakh)

Particulars	For the financial year ended March 31, 2021	For the financial year ended March 31, 2020
Audit Fee	17.92	15.89
Other Services	11.65	10.00
Reimbursement of Expenses	0.75	3.03
Total	30.32	28.92

- k) There were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, during the financial year 2020-21.

13. The Company has fully complied with all the requirements of the Corporate Governance including the applicable requirements specified in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (20) of Regulation 46. There has been no instance of non-compliance of any requirement of the Corporate Governance Report.

14. Non-Mandatory Requirements as specified in Part E of Schedule II of the SEBI Listing Regulations

Discretionary requirements are as follows:

A. The Board

Maintenance of Non-Executive Chairman's Office

Presently, the Company is maintaining office of the Non-Executive Chairman.

Corporate Governance (contd...)

B. Shareholders Rights

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

C. Modified opinion(s) in audit report – there is no modified opinion in the audit report.

D. Separate Posts of chairperson and chief executive officer

Presently, the Company has separate post of Non-executive Chairman and Managing Director.

E. Reporting of internal auditor-The internal auditor reports to Audit Committee as and when required.

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/investors.

The declaration from the Managing Director regarding compliance with the code by all the Directors and Senior Management forms part of the Report.

Compliance certificate on Corporate Governance

A certificate from practicing company secretary regarding compliance of conditions of Corporate Governance is annexed with this Annual Report.

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 Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the year ended 31st March 2021. Certificate is annexed with this Annual Report.

Disclosure with respect to demat suspense account / unclaimed suspense account:

Shares remains unclaimed and lying in the IPO escrow A/c of the company for the financial year 2020-21, 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.

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.

Corporate Governance (contd...)

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

ECONOMIC OVERVIEW

Year 2020 was an unprecedented year. It commenced with a full-blown public health crisis caused by the COVID, a global shutdown and a pandemic that continued throughout the year and spilled into 2021. During the year 2020, the global economy contracted by 3.3%, but it is projected to grow at 6.0% in 2021, and 4.4% in 2022. However, new mutations and fresh waves of the virus have cast a spell of uncertainty on growth forecasts across the world. Nevertheless, an aggressive vaccination drive and policy spend by advanced economies are expected to be the silver lining for accelerating economic recovery. Reopening of economies have enabled bringing back consumer confidence.

FY 2020-21 was an exceptional year that started with a nationwide lockdown that continued till June 2020. While this helped control the pandemic, it led the economy into a temporary recession. However, by Q2 FY 2020-21, with the relaxation of lockdown restrictions in a phased manner, businesses had started to regain lost ground. The year 2021 began with the rollout of vaccination raising hopes for a quicker economic recovery. As per the Monetary Policy Report by the Reserve Bank of India (RBI) pegs India's GDP growth rate for FY 2021-22 at 9.5%. India's GDP contracted 7.3% in 2020-21, as per Provisional National Income estimates released by the National Statistical Office.

The rebound was the result of numerous policy initiatives undertaken by the government and the RBI, including a stimulus package that amounted to 10% of the GDP, liquidity boosting measures, aggressive policy rate cuts, loan moratorium and time-bound resolution for specified sectors. The government accelerated these efforts with inclusive budgetary initiatives such as production linked incentives, 'Vocal for Local' schemes, including the Atmanirbhar Bharat Abhiyan, higher investments in infrastructure, tax reforms, labour and land reforms, and amendment of the insolvency and bankruptcy code to promote entrepreneurship and availability of credit. Indicators such as collections from the Goods and Services Tax (GST), Index for Industrial Production (IIP), Purchasing Manager's Index (PMI), steel and energy demand and auto sales suggest that India's economic activity is fast reaching pre-COVID-19 levels. A second wave of infection may temporarily dampen recovery, but it is unlikely to destroy the momentum altogether.

INDUSTRY OVERVIEW

Fashion industry

For the global fashion industry, valued at US\$2.5 trillion, 2020 was one of the worst years on record. During 2020, global fashion sales are estimated to have plummeted between 15-30% in comparison to 2019. There is variation in the pattern in different regional markets, but on the whole, Europe was the worst hit with a sale contraction ranging from 22-35%. US fashion sales are estimated to have declined by 17-32%, while China registered a moderate decline by 7-20% due to limited impact of the pandemic.

The pandemic brought a shift to conscious consumerism, which started prior to the COVID and got accelerated as people's purchases got more value and need driven, than want and trend driven. Even though the buying capacity was affected due to the challenging times, people were still buying clothes, though more mindfully than before. This included loungewear, athleisure and timeless clothing that would go well even after pandemic is over and when they get back to work.

The year 2021 will act as a bridge between an extreme situation and an extended recovery period for the global fashion industry. The year ahead is expected to be a difficult one for some fashion industry participants, while some others are likely to reap benefits from the opportunities presented by the market disruption. The European fashion market is expected to recover by Q2 2022, while the US, with a slower recovery pace, is expected to normalise by Q1 2023, as travel and tourism re-opens. The speed of recovery will also differ across various fashion categories. Value segments and a few geographical markets are expected to witness growth despite the challenges. Comfort, sustainability, and most importantly, highly individual choices as opposed to impersonal, ubiquitous industry trends will be the major driving factors for demand. Fashion players focused on niche offerings, the Asian market and luxury segment may have a competitive edge.

Apparel industry

The value of the global apparel industry was US\$1.5 trillion+ in 2020. The Asia-Pacific region leads the market in demand, with 38% market share, followed by Europe at 26%, North America at 22% and others at 14%. It is

Management Discussion and Analysis (contd...)

estimated that by 2025, the market would grow to US\$2.25 trillion.

Source: <https://www.statista.com/topics/5091/apparel-market-worldwide/>

One prominent trend observed during the year, is that the big luxury groups have recovered quickly from COVID-19, while some of the leading luxury brands have remained financially immune or even profited.

As economies open up, apparel industry is expected to showcase a significant growth with a swoosh shaped recovery for the overall markets. Online retail has been thriving since the beginning of the lockdown, which is expected to pave way for established brands and retailers providing a distinct experience to the consumers.

Industry challenges

COVID-19 related risks

The pandemic remains one of biggest challenges till majority of the world's population is vaccinated. It will continue to disrupt international trade, travel, consumer behaviour and economies. To manage the uncertainties, market players will have to recalibrate their business models to balance agility and change with financial discipline.

Global supply chains have been disrupted due to the pandemic. Apparel industry in particular relies on sourcing products manufactured at low-cost countries and ensuring timely availability of the selected merchandise. Manufacturers and suppliers will have to build more sustainable supply chains. The logistics costs have also gone up, due to various factors such as shortage/ unavailability of containers.

Rising consumer preference for sustainable fashion Consumers are increasingly preferring sustainable fashion. Growing awareness about the lack of equality in the manufacturing process and the value chain is raising demand for equitably manufactured products. Garment workers, sales assistants and other low-paid workers were the worst impacted during the pandemic. Campaigns have been gathering momentum to provide more dignity, security, and justice to workers. Companies which are found faltering may lose out customers.

As per State of Fashion, 2021 report by Business of Fashion (BoF), in association with McKinsey & Company, travel

retail sales are likely to take at least two to three years to reach their earlier growth levels. With international tourism remaining subdued and travel disrupted, destination shopping was majorly impacted during the year. Focus on local consumers and their preferences will be key in unlocking new opportunities.

The pandemic has resulted in drastic disruptions for the global economy; however it has also created new opportunities like faster pace digitization, growth of few categories etc. The market players surviving the consolidation and these challenging times will emerge stronger, as they brace themselves for the new opportunities.

BUSINESS 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 player in our Industry. Our mainstay business is to create value from competitively manufacturing and exporting fashion garments to leading global brands.

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, Bangladesh and Vietnam. We have a total capacity to manufacture around 75 Million garments per year (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, Next, Old Navy, MUJI, Bass Pro Shops, Belk, Ross, ZARA, Bershka, American Eagle Outfitters, Joe Fresh, Walmart Canada, NORDSTROM, Kroger, PVH, TOMMY HILFINGER, Calvin Klein, CHAPS, PRIMARK, Sainsbury's, MANGO, TALBOTS, TARGET, Kmart, MARKS & SPENCER, LANE BRYANT, LOFT, ANN TAYOR, Brooks Brothers, Quince among others.

Management Discussion and Analysis (contd...)

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 customers satisfaction, keeping in line with our broader vision.

1. Our manufacturing facilities

Country	Factories
India	6
Bangladesh	3
Indonesia	2
Vietnam	1
Total	12

2. Our Pillars of Strengths

a) A Multi Location Manufacturing Capability

Our Company already has a strong manufacturing presence in leading sourcing nations such as India, Bangladesh, Indonesia and Vietnam. Each of these countries exhibits certain core advantages.

b) Design as key strength

Company have 3 (three) design office in USA, UK and Spain and dedicated in house design team of 75+ designers. The design teams continuously observe the trend 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 Hongkong, 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.

Our Company has product co-creation and visibility of global fashion industry and latest trends. Our designers work and collaborate on 3D design platforms from Browzwear, CLO and Optitex.

c) Strong Compliance across all Factories:

Compliances in all our facilities are directly linked to the corporate office, which drives all strategy of social compliance, new initiatives and sustainability directly from the top. The corporate compliance acts as a communication hub and control tower for all our customers, providing them with a single point of contact. Strong compliances are established and maintained in all our facilities in line with international standards and several channels are available in each facility to address any concerns.

d) Strong focus on operations drives efficiency:

- i) Strong Analytics to drive effective fact based decision making.
- ii) Shift from tactical to strategic approach e.g. Strategic relationship with key clients.
- iii) Cultural change: Driving a lead mindset; First Time Right.
- iv) Infrastructure: Reducing Man-Machine Ratio by investment in in-line machinery upgradation; capacity expansion to drive economies of scale.
- v) Waste Reduction: Across all departments.

e) Sustainability Focus:

- i) Ultra Filtration Plant; To facilitate re-use of discharged water from laundry in toilets, gardening, fire pumps etc;
- ii) Ozone Machine for green laundry.
- iii) Enabling low water/chemical consumption by using spray system.
- iv) Laser Machine: Eco friendly approach compact machine jeanologia.
- v) Sustainable Fabric: Sourcing BCI cotton, FSC/Canopy certified Rayon/Tencel/Ecovera, Recycled poly.
- vi) ETP & STP: All facilities equipped with effluent Treatment Plants (ETP) and Sewage Treatment Plants (STPs) to treat waste water before releasing it into the environment.

Management Discussion and Analysis (contd...)

vii) Solar Powered: 769 solar plates installed in Chennai facility, covering an area of 8120sq. mtrs./220KW.

viii) LEED Platinum Certified Facility in Chennai.

We drive our social responsibility initiatives with a focus on environmental sustainability, gender equality, health and capacity building, in line with our Chairman's vision of a better world and the United Nation's Sustainable Development Goals.

IMPACT OF COVID-19 PANDEMIC ON COMPANY

Due to the outbreak of COVID-19 Pandemic and subsequent lockdown ordered by the Central and State Government(s) in India, the manufacturing facilities of the Company remained suspended during the period of lockdown. The Company in compliance with necessary instructions and guidelines, resumed its operations post lifting of lockdown in a phased manner, while ensuring health and safety of all the stakeholders. This situation resulted in temporary disturbance in the economic activities through interruption in manufacturing processes, supply chain etc. during the year ended March 31, 2021. Further, the recent second wave of COVID-19 has resulted in partial lockdown/ restriction in various states. The impact of the pandemic is dependent on the situations as they evolve and hence may be different from that estimated as at the date of approval of these standalone and consolidated financial results. The Company is closely monitoring the impact of the aforesaid pandemic and believes that there will not be any adverse impact on the long term operations and performance of the Company.

BUSINESS PERFORMANCE

The company has gross income of ₹ 795.48 Crore compared to ₹ 858.72 Crore in previous financial year and Net Profit of ₹ 0.77 Crore as compared to Net Profit of ₹ 5.00 Crore in the previous financial year on the standalone basis and consolidated income of ₹ 1,514.43 Crore compared to ₹ 1,734.18 in the previous financial year and net profit of ₹ 17.48 Crore as compared to net profit of ₹ 21.72 crore in the previous financial year.

SEGMENT WISE PERFORMANCE OF THE COMPANY

The Company's is operating in mainly three geographical

locations and its revenue on basis of geographical segment for the FY 2020-21 are as follows:

(₹ in Crore)

Geographical Location	Revenue
India	771.66
Bangladesh	565.34
Hong Kong	782.59
Others	124.33

GOVERNMENT INITIATIVE

Government approves continuation of Rebate of State and Central taxes and Levies (RoSCTL) on Export of Apparel/ Garments and Made-ups

The Union Cabinet has given its approval for continuation of Rebate of State and Central taxes and Levies (RoSCTL) with the same rates as notified by Ministry of Textiles vide Notification dated 8th March 2019, on exports of Apparel/ Garments (Chapters-61 & 62) and Made-ups (Chapter-63) in exclusion from Remission of Duties and Taxes on Exported Products (RoDTEP) scheme for these chapters. The scheme will continue till 31st March 2024.

The other Textiles products (excluding Chapters-61, 62 & 63) which are not covered under the RoSCTL shall be eligible to avail the benefits, under RoDTEP along with other products as finalised by Department of Commerce from the dates which shall be notified in this regard.

Continuation of RoSCTL for Apparel/Garments and Made-ups is expected to make these products globally competitive by rebating all embedded taxes/levies which are currently not being rebated under any other mechanism. It will ensure a stable and predictable policy regime and provide a level playing field to Indian textiles exporters. Further, it will promote startups and entrepreneurs to export and ensure creation of lakhs of jobs.

Tax Refund for Exported Products

It is a globally accepted principle that taxes and duties should not be exported, to enable a level playing field in the international market for the exporters. In addition, to import duties and GST which are generally refunded, there are various other taxes/duties that are levied by Central, State and Local Government which are not refunded to the exporters. These taxes and levies get embedded in the price of the ultimate product being exported. Such embedded

Management Discussion and Analysis (contd...)

taxes and levies increase the price of Indian Apparel and Made-ups and make it difficult for them to compete in the international market.

Realizing the importance of refund of embedded taxes, cesses and duties, the Ministry of Textiles first launched a scheme by the name of Rebate of State Levies (ROSL) in 2016. In this scheme the exporters of apparel, garment and made-ups were refunded embedded taxes and levies through the budget of the Ministry of Textiles. In 2019, the Ministry of Textiles notified a new scheme by the name RoSCTL. Under this scheme, the exporters are issued a Duty Credit Scrip for the value of embedded taxes and levies contained in the exported product. Exporters can use this scrip to pay basic Customs duty for the import of equipment, machinery or any other input.

Just one year after launch of RoSCTL the pandemic set in and it has been felt that there is a need to provide some stable policy regime for the exporters. In the textiles industry, buyer places long term orders and exporters have to chalk out their activities well in advance, it is important that the policy regime regarding export for these products should be stable. Keeping in view the same, the Ministry of Textiles has decided to continue the scheme of RoSCTL upto 31st March, 2024 independently as a separate scheme.

Continuation of RoSCTL scheme will help generate additional investment and give direct and indirect employment to lakhs especially women.

Production Linked Incentive

To boost local manufacturing and exports to shore up employment in the Textile Sector, the government has approved the Production Linked Incentive (PLI) Scheme for the textile sector, with a total outlay of ₹ 10,680 Crore under the aegis of Atmanirbhar Bharat Abhiyan.

The focus of the scheme is proposed to be on Man-Made Fibre (MMF) apparel and technical textiles. It is expected that the scheme could cover forty product categories under MMF, whereas ten under the technical textile segment. It is likely that incentives would be provided to both greenfield and brownfield investments under this scheme, between 3 to 11 per cent of the incremental revenues' year-on-year for five years. By focusing on these two non-conventional segments, the PLI scheme for textiles.

It is expected that the scheme would incentivize the textile

manufacturers to integrate more deeply into the global value chain for reviving growth and generating employment in the textile industry.

OUTLOOK

We maintain a cautious outlook and believe that the COVID-19 disruption and the uncertainties related to the same will phase out once a significant portion of the population gets vaccinated. We also believe that getting the fashion industry back on the growth track would depend on the pace of digital adoption and agility of brands. We always look for opportunities and are confident that this crisis will also provide tremendous opportunities in the form of learnings, market consolidation and other developments.

Our continuity of the asset light model, expansion in margins and turnaround of manufacturing will enable us to generate higher returns on capital employed. Our focus on investing in sustainable and tech-enabled businesses is expected to also generate higher returns than our cost of capital and is expected to create long-term value for our shareholders.

RISKS & CONCERNS

Risks are an integral part of any business, and it is essential that adequate structures and processes are created to identify and effectively mitigate the same. While delivering on our commitments, the safety of all the stakeholders which are involved is of utmost importance to the Company. The Company continuously monitors the environment in which it operates to assess any new uncertainties and risks that may emerge and take active steps to mitigate them. There are no risks that threaten the going concern of the Company.

The Company has identified Business dynamics risk, Market Risks / Industry Risks, Political Environment risks, Disaster Risks, Liquidity Risks, Credit Risks, Foreign Exchange Risks, Human Resource Risks, Environmental Risk and Legal Risks and a detailed action plan to mitigate the identified risk and concerns is in place.

Further, the Board of Directors has constituted Risk Management Committee in Compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with following members:

1. Mr. Pulkit Seth
2. Mr. Abhishek Goyal; and
3. Ms. Neha Khanna

Management Discussion and Analysis (contd...)

The Risk Management Committee is responsible to maintain oversight and monitor the effectiveness of risk management activities.

INTERNAL CONTROL SYSTEM

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

- i) Accurate recording of transactions with internal checks and prompt reporting through SAP
- ii) Adhere to applicable Accounting standards and policies.
- iii) Review of capital investments and long term business plans.
- iv) Periodic review meetings to manage effectively implementation of system.
- v) Compliance with applicable statutes, policies, listing requirements and operating guidelines
- vi) Effective use of resources and safeguarding of assets.
- vii) IT systems within 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 its assets. Your company 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 locations and all functions and brings out deviations to internal control procedures. The observations arising out of audit are periodically reviewed and compliance ensured. It has successfully implemented SAP for its manufacturing units and will continue upgrading the same.

HUMAN RESOURCE MANAGEMENT

The Pearl Global Industries Limited, forward-thinking and employee centric human resource department is devoted to providing effective policies, procedures, people-friendly guidelines and support governance with the organization. Our HR philosophy revolves around right people for the right job, maintaining a safe, hygienic, and sustainable work environment across geographies, capability building at all level with program such as iLEAD [Leadership

Development Program], SEED [Operational Development Program];

innovate with technology with our Human Resource Management System, Pay for Performance [Achieve: Pearl's Performance Management System]. There by building a PearlONE culture, with employee engagement being centric of all our HR initiatives. As on March 31, 2021, 5126 employees were on Company's role.

For Community our Company's Programs;

- a) **Health: Medical:** Health Camps for workers across all our facilities, every quarter.
- b) **Education:** Scholarship funding education for more than 200 primary & middle school children.
- c) **Women Empowerment:**
 - i) Personal Advancement and career enhancement (P.A.C.E.) empowering women in their professional and personal lives.
 - ii) Training on menstrual hygiene & sanitary napkins vending machine.
 - iii) HER health programme to raise health related awareness.
 - iv) Gender equality project, in partnership with M&S British High Commission.
- d) **Leadership Hiring** – Hiring top notch leadership team in the UK and US offices
- e) **Employee Welfare** – Company paid COVID 19 vaccination drive for all our employees across the India Pearl Global factories
- f) **Initiating various projects** –
 - a. Reviewing Pearl Global brand,
 - b. Revamping the website,
 - c. Reviewing the Mission and Vision of the organisation
 - d. Initiating the Performance Management process for all employees across all locations
 - e. Digitising HR processes
- g) **My Voice:** Third party ethics helpline for whistle blowing of unethical practices, POSH issues and violation of code of conducts at workplace

Management Discussion and Analysis (contd...)

DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE) IN KEY FINANCIAL RATIOS

Details of changes in Key Financial Ratios are given below:

S.No.	Particulars	FY 2020-21	FY 2019-20	% Change	Reason for change in Ratio
1	Debtors Turnover (days)	68.71	43.08	59.51%	High volume of shipment during Q4 led to increase
2	Inventory Turnover (days)	78.40	82.21	-4.64%	Effective Inventory management helped to maintain level of inventory
3	Interest Coverage Ratio	1.55	2.53	-39.01%	Due to lockdown and several restrictions imposed by Govt. amid COVID-19 affected the profitability, therefore adversely impacted interest coverage ratio
4	Current Ratio	1.33	1.19	12.10%	Better Management of Working capital.
5	Debt Equity Ratio	0.33	0.23	43.18%	Due to increase in long term borrowings (ECLGS) affected the ratio. There is a corresponding decrease in Short Term Borrowing
6	Operating Profit Margin	1.30%	2.49%	-47.58%	Due to lockdown and several restrictions imposed by Govt. amid COVID-19 affected the profitability.
7	Net Profit Margin	0.10%	0.58%	-83.32%	Due to lockdown and several restrictions imposed by Govt. amid COVID-19 affected the profitability.
8	Net Worth	30,651.07	29,866.97	2.63%	Increase in Net Equity due to INDAS 116 and Hedge Accounting impact.

CAUTION STATEMENT

Investors are cautioned that this discussion contains statements that involve risks and uncertainties. Words like anticipate, believe, estimate, intend, will, expect and other similar expressions are intended to identify such forward looking statements. The Company assumes no responsibility to amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events. Besides the Company cannot guarantee that these assumptions and expectations are accurate or will be realized and actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements.

Business Responsibility Report (2020-21)

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L74899DL1989PLC036849
2.	Name of the Company	Pearl Global Industries Limited
3.	Registered address	C-17/1, Paschimi Marg, Vasant Vihar, New Delhi-110057
4.	Website	www.pearlglobal.com
5.	E-mail id	investor.pgil@pearlglobal.com
6.	Financial Year reported	1 st April, 2020 to 31 st March 2021
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code: 141 Manufacturing of wearing apparels
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Manufacturing of wearing apparels
9.	Total number of locations where business activity is undertaken by the Company	12
(a)	Number of International Locations	6
(b)	Number of National Locations	6
10.	Markets served by the Company -Local/State/ National/International	International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (₹)	21,66,39,370
2.	Total Turnover (₹)	₹ 77,140.04 Lakh
3.	Total profit after taxes (₹)	₹ 77.40 Lakh
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.43% (₹ 27.10 Lakh) of average net profit of the Company for last three financial year calculated as per section 198 of the Companies Act, 2013
5.	List of activities in which expenditure in 4 above has been incurred:-	(a) Education and other activities (b) Health care activities

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	The Company has following subsidiaries: i. Pearl Apparel Fashions Limited ii. Pearl Global Kaushal Vikas Limited iii. SBUYS E-Commerce Limited iv. Norp Knit Industries Limited v. Pearl Global Fareast Limited vi. Pearl Global (HK) Limited vii. Vin Pearl Global Vietnam Limited viii. Pearl Global Vietnam Company Limited ix. Pearl Grass Creations Limited x. A&B Investment Limited xi. Prudent Fashions Limited
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- ## Business Responsibility Report (2020-21) (contd...)

Business Responsibility Report (2020-21) (contd...)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The Policy is available on the website of the Company and is expected to be adhered by all the stakeholders.								
8.	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Company is working on developing and improving its system for evaluating the implementation of the policies. The policies are evaluated internally from time to time and updated whenever required.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles	Not Applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The Board may review the BR initiatives and other related policies on regular intervals as and when required.
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Business Responsibility Report would be published annually on the website of Company at www.pearlglobal.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability		
1.	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures / Suppliers / Contractors / NGOs /Others?	No The policy is expected to be adhered by the other stakeholders.
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	During the financial year 2020-21, the Company has not received any complaints.

Business Responsibility Report (2020-21) (contd...)

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle		
1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	The Company is in the business of manufacturing of wearing apparel and all the applicable laws relating to the manufacturing of wearing apparels including environmental laws are duly complied.
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	The Company is committed to environment sustainably. The Company works towards reduction and optimal utilization of energy, water, raw material, etc. by incorporating new techniques and innovative ideas. The Company's products do not have any broad based impact on energy and water consumption by consumers. However, the Company on continuous basis takes several measures to conserve the consumption of energy and water. The Company is committed to reduction of waste, conservation of raw material and pursuing zero pollution through various initiatives, technological upgradation and improvement projects.
3.	Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	The Company is in process of setting procedures for sustainable sourcing.
4.	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company prefers local & small producers for various inputs.
5.	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	The Product and waste are scraped (being non recyclable)
Principle 3: Businesses should promote the wellbeing of all employees		
1.	Please indicate the Total number of employees.	5126
2.	Please indicate the Total number of employees hired on temporary / contractual / casual basis.	7103
3.	Please indicate the Number of permanent women employees.	2968
4.	Please indicate the Number of permanent employees with disabilities	NA
5.	Do you have an employee association that is recognized by management	NA

Business Responsibility Report (2020-21) (contd...)

6.	What percentage of your permanent employees is members of this recognized employee association?	NA	
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.		
	No.	Category	No of complaints filed during the financial year
			No of complaints pending as on end of the financial year
	1.	Child labour / forced labour / involuntary labour	NIL
	2.	Sexual harassment	NIL
	3.	Discriminatory employment	NIL
8.	What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?		
	(a)	Permanent Employees	100%
	(b)	Permanent Women Employees	100%
	(c)	Casual/Temporary/Contractual Employees	100%
	(d)	Employees with Disabilities	100%
Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized			
1.	Has the company mapped its internal and external stakeholders?		Yes
2.	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders. Yes		Yes
3.	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so. We adhere to preference on payment and orders for such stakeholders.		We adhere to preference on payment and orders for such stakeholders.
Principle 5: Businesses should respect and promote human rights			
1.	Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors /NGOs / Others?		Yes. The policy is expected to be adhered by the other stakeholders.
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?		No complaints relating to human rights were received during the financial year.
Principle 6: Business should respect, protect, and make efforts to restore the environment			
1.	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers / Contractors / NGOs / others		Yes, the Company's policy is extended to the entire group and its subsidiaries/joint ventures follow and adopt the practices/policies of the Company. The Company ensures that it is implemented at all these levels and the Suppliers/ Contractors / NGOs dealing with the Company are also encouraged to maintain ethical standards in all their practices.

Business Responsibility Report (2020-21) (contd...)

2.	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes, the Company has come up with various strategies/ initiatives to address global environmental issues. The Company has worked extensively to address such issues by striking a balance between economic growth and preservation of the environment. In line with the Company's commitment towards conservation of energy, all its units continue with their efforts to reduce wastage, optimise consumption and also to improve energy efficiency through innovative measures.
3.	Does the company identify and assess potential environmental risks? Y/N Identification and assessment of environmental risk are under process.	Identification and assessment of environmental risk are under process.
4.	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	Project related to clean development mechanism are under planning stage.
5.	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	The Company has installed solar energy plant at its manufacturing plant located at Chennai.
6.	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes, the emissions/waste generated by the Company is within the permissible limits given by CPCB/SPCB.
7.	Number of show cause/ legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1.	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes (a) Apparel Export Promotion Council (b) Gurgaon Chamber of Commerce (c) Federation of Indian Export Organizations
2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	No

Business Responsibility Report (2020-21) (contd...)

Principle 8: Businesses should support inclusive growth and equitable development		
1.	Does the company have specified programmes / initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	Principle 8 states that businesses should support inclusive growth and equitable development. The Company endeavours to achieve inclusive growth through its various skill development programmes to ensure that benefits accrued by the organization are available even to the marginalised sections of the society.
2.	Are the programmes/projects undertaken through in-house team / own foundation /external NGO/government structures/any other organization?	Skill development programmes are conducted through in-house team.
3.	Have you done any impact assessment of your initiative?	Assessment initiatives are done frequently.
4.	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	The Company has spent ₹ 27.10 Lakh towards its share of CSR obligations during the financial year 2020-21.
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes. The Company has a dedicated team of employees to monitor the CSR activities. Also various activities such as internal tracking, periodical reports, telephonic and e-mail communications are carried out by the Company on regular basis to monitor the successful implementation of the initiative.
Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner		
1.	What percentage of customer complaints / consumer cases are pending as on the end of financial year.	A well-established system is in place for dealing with customer feedback and complaints. Customers are provided multiple options to connect with the Company through e-mail, telephone, website, social media, feedback forms, etc. All complaints are appropriately addressed and all efforts are taken to resolve the same.
2.	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)	Yes, the Company displays necessary product information on the products label.
3.	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No complaints or case is pending against the Company for unfair trade practices, irresponsible advertising and anti-competitive behaviour.
4.	Did your company carry out any consumer survey/ consumer satisfaction trends?	Buyers are reputed Retail Chains and we do get their feedback on consumer fashion trends and feedback

Corporate Governance Certificate

To

The Members of Pearl Global Industries Limited

1. We, Jayant Sood and Associates, Company Secretaries have examined the compliance of conditions of Corporate Governance by the Company **PEARL GLOBAL INDUSTRIES LIMITED** ("the Company"), for the year ended on 31st March 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

MANAGEMENT'S RESPONSIBILITY

2. The compliance of conditions of Corporate Governance is the responsibility of the Management, This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.
3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried our examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Company Secretaries of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

OPINION

6. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the Listing Regulations during the year ended 31 March 2021.
7. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Jayant Sood and Associates**
Company Secretaries

(Jayant Sood)
(FCS: 4482)
(COP: 22410)
UDIN: F004482C000779476

Place: Gurugram
Date: 13.08.2021

Declaration of Compliance with Code of Conduct of Board of Directors and Senior Management

This is to certify that as per the provisions of Regulation 26 and Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2021.

For Pearl Global Industries Limited

Place: Gurugram
Date : June 21, 2021

Pulkit Seth
Managing Director
DIN 00003044

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

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

- A. We have reviewed that financial statements and the Cash Flow Statement for the year ended 31st March, 2021 and to best of our knowledge and belief:
 - 1) these statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - 2) these statement 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:
 - 1) Significant changes, if any, in internal control over financial reporting during the year.
 - 2) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statement; and
 - 3) 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.

(Pulkit Seth)
Managing Director

(Narendra Kumar Somani)
Chief Financial Officer

Place: Gurugram
Date : June 21, 2021

Certificate of Non-disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Pearl Global Industries Limited
C-17/1, Paschimi Marg, Vasant Vihar,
New Delhi-110057

We have examined the relevant register, records, forms, returns and disclosures received from the Directors of **Pearl Global Industries Limited**, having CIN L74899DL1989PLC036849 and having registered office at C-17/1, Paschimi Marg, Vasant Vihar, New Delhi-110057, (hereinafter referred to as "the Company"), produced before us by the Company for the purpose of the issuing this Certificate, in accordance with the Regulation 34(3) read with Schedule V Para-C clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and respective Directors, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of the Directors	Designation	DIN	Director Since
1	Mr. Deepak Seth	Chairman	00003021	22.03.1994
2	Mr. Pulkit Seth	Managing Director	00003044	01.11.2004
3	Mr. Chitranjan Dua	Independent Director	00036080	12.09.2006
4	Mr. Rajendra Kumar Aneja	Independent Director	00731956	12.09.2006
5	Mrs. Shifalli Seth	Whole-time Director	01388430	19.01.2012
6	Mr. Anil Nayar	Independent Director	01390190	19.01.2012
7	Mr. Abhishek Goyal	Independent Director	01928855	26.05.2017
8	Mrs. Madhulika Bhupatkar	Independent Director	08712718	18.03.2020
9	Mr. Uma Shankar Kaushik	Whole-time Director	06867819	28.07.2020
10	Mr. Shailesh Kumar	Whole-time Director	08897225	07.10.2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Jayant Sood & Associates**
Company Secretaries

(**CS Jayant K Sood**)
Proprietor
FCS: 4482, CP No. 22410

Place: Gurugram
Date: 7th June, 2021
UDIN: F004482C000428411

Independent Auditor's Report

To The Members of Pearl Global Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Pearl Global Industries Limited** (hereinafter referred to as “the Holding Company”) and its Subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statement, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditors on separate financial statements of subsidiaries audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the “Act”) in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, the consolidated profit, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in “Other Matters” paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 27 of the financial statements which states that export incentives under the Remission of Duties and Taxes on Export Products (RoDTEP) Scheme applicable with effect from January 1, 2021 amounting to ₹ 421.16 Lakh has been recognized by the Holding Company on the basis of certain assumptions including previous applicable rates, as the rates are yet to be notified under the said scheme. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each key audit matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the ‘Auditor's responsibilities for the audit of the consolidated financial statements’ section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Independent Auditor's Report (contd...)

To The Members of Pearl Global Industries Limited

The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key Audit Matters	How our audit addressed the key audit matter
Adequacy and completeness of disclosures of Related Party Transactions The Group has related party transactions which include among others, sale/purchase of goods to its subsidiaries and other related parties. This area was significant to our audit due to the following reasons: - the significance of transactions with related parties during the year ended March 31, 2021; and - Related party transactions are subject to compliance and disclosure requirement under the Companies Act, 2013 and Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India.	Our procedures included the following steps: ✓ Obtaining an understanding of policies and procedures in respect of identification of related parties and transactions with them. We also traced the related parties from declaration given by directors and financial statements of the subsidiaries, wherever applicable. ✓ Read the minutes of the meetings of Board of Directors and Audit Committee and verified that the transactions are approved in accordance with internal procedures and the applicable regulations. ✓ Tested on a sample basis the arrangements between the related parties along with supporting documents to evaluate the assertions that the transactions were at arm's length and in the ordinary course of business. ✓ Evaluated and tested on a sample basis the rights and obligations of the related parties and assessed whether the transactions were recorded appropriately and disclosed. ✓ We have also relied upon the audited financial statements of the subsidiaries and audit reports issued thereupon. Also, we have reviewed the signed component instructions received from Statutory Auditors of the subsidiaries as per SA 600. Our procedures as mentioned above did not identify any findings that are significant for the consolidated financial statements as whole in respect of accounting, presentation and disclosure of Related Party Transactions.

Information other than Consolidated Financial Statements and Auditor's Reports thereon

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the

Independent Auditor's Report (contd...)

To The Members of Pearl Global Industries Limited

consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Company included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Group respective companies or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing their financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and Subsidiaries which are incorporated in India has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.

Independent Auditor's Report (contd...)

To The Members of Pearl Global Industries Limited

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to which we are independent auditors to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the entities consolidated in the consolidated financial statements, which have been audited by other auditors, such other auditors are responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial statements / financial information of four subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets (before eliminating of inter-company transaction of ₹ 20,287.15 lakh) of ₹ 85,045.86 lakh, total revenues (before eliminating of inter-company transaction of ₹ 21,699.71 lakh & ₹ 65,729.09 lakh) of ₹ 49,632.98 lakh & ₹ 147,791.60 lakh, total net profit after tax (before eliminating of inter-company transaction of ₹ 14.94 lakh & ₹ 2.31 lakh) of ₹ 1,099.22 lakh & ₹ 1,671.98 lakh and total comprehensive income (before eliminating of inter-company transaction of ₹ 37.74 lakh & ₹ 25.10 lakh) of ₹ 1,169.08 lakh & ₹ 901.16 lakh for the quarter & year ended March 31, 2021 respectively, as considered in the consolidated financial statements. These financial statements and other information have been audited by other auditors whose reports have been furnished to us by the Management and our conclusion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of Regulation

Independent Auditor's Report (contd...)

To The Members of Pearl Global Industries Limited

read with the Circulars, in so far as it relates to the aforesaid subsidiaries, are based on the reports of the other auditors and the procedures performed by us as stated in paragraph below.

- (b) Further, of these subsidiaries, three subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's Management has converted the financial statements of such subsidiaries from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. Independent firm of Chartered Accountant have audited these conversion adjustments made by the Holding Company management in India. Our opinion in so far as it relates to the balances and affairs of such subsidiary companies located outside India are based on the report of other auditor in their respective countries and conversion adjustments prepared by the Management and audited by Independent firm of Chartered Accountants of India.
- (c) The consolidated financial statements do not include the financial statement of one subsidiary for the year ended March 31, 2021, as the same has gone into voluntary liquidation and due to the reason as explained in Note no. 51 of the consolidated financial statement. According to the information and explanations given to us by the Management, financial statement of this subsidiary do not have any material impact on the consolidated results of the Group. Our conclusion on the Statement is not modified in respect of this matter.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the auditor on a separate financial statement and the other information of the subsidiaries, as noted in the 'Other Matters' paragraph, we report to the extent applicable that:
 - a) We/ the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of the subsidiaries companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to these consolidated financial statements of the Holding Company and its subsidiaries incorporated in India, refer to our separate report in **Annexure – A**.

Independent Auditor's Report (contd...)

To The Members of Pearl Global Industries Limited

- g) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanation given to us and based on the report of other auditors as separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:
- i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group - Refer Note No. 46 of the Standalone financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2021.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding company and its subsidiaries companies incorporated in India for the year ended March 31, 2021.
2. With respect to the matter to be included in the Auditors' report under Section 197(16):
- In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2021 has been paid/ provided by holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V of the Act.

For B.R. Gupta & Co.

Chartered Accountants,

Firm's Registration Number 008352N

(Deepak Agarwal)

Partner

Membership Number 073696

UDIN: 21073696AAAABI1319

Place of Signature: New Delhi

Date: 21.06.2021

Annexure 'A' to the Independent Auditors' Report

Annexure 'A' to the Independent Auditors' Report of even date on the Consolidated Financial Statement of Pearl Global Industries Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of Pearl Global Industries Limited (the "Holding Company") and its Subsidiaries, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls with reference to these consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that,

Annexure 'A' to the Independent Auditors' Report (contd...)

in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanation given to us and based on consideration of the reports of the other auditors referred to in Other Matter paragraph below, the Holding and its Subsidiaries companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to these consolidated financial statements and such internal financial controls with reference to these consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls, in so far as it relates to two subsidiary companies, which are incorporated in India and where such reporting under section 143(3) of the companies Act 2013, is applicable is based on the corresponding report of the auditor of such subsidiary incorporated in India. Our opinion is not modified in respect of the above matters.

For B.R. Gupta & Co.

Chartered Accountants,

Firm's Registration Number 008352N

(Deepak Agarwal)

Partner

Membership Number 073696

UDIN: 21073696AAAABI1319

Place of Signature: New Delhi

Date: 21.06.2021

Consolidated Balance Sheet

as at March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

Particulars	Note No.	As At March 31, 2021	As At March 31, 2020
I. Assets			
1. Non-current assets			
(a) Property, plant and equipment	4	21,379.87	22,189.06
(b) Capital work in progress	5	4,701.46	3,610.29
(c) Right of use asset	48	9,802.36	10,725.98
(d) Investment properties	6	6,054.60	7,393.26
(e) Goodwill	7	1,756.13	1,792.66
(f) Other Intangible assets	8	54.08	84.76
(g) Financial assets			
(i) Investment	9	4,735.54	3,084.37
(ii) Loans	10	2,165.44	2,445.25
(iii) Other financial assets	11	1,219.95	1,363.86
(h) Deferred tax assets (net)	12	466.99	87.61
(i) Non current tax assets (net)	13	771.37	763.99
(j) Other non current assets	14	209.62	772.82
Total Non-current assets		53,317.41	54,313.90
2. Current assets			
(a) Inventories	15	27,876.97	26,387.33
(b) Financial assets			
(i) Investments	9	754.38	692.68
(ii) Trade receivables	16	24,217.21	22,042.47
(iii) Cash and cash equivalents	17	9,471.34	8,808.89
(iv) Other Bank balances	18	2,233.21	2,168.83
(v) Loans	10	1,707.73	1,731.24
(vi) Other financial assets	11	89.24	114.99
(c) Other current assets	14	9,731.09	8,970.37
Total current assets		76,081.16	70,916.80
Total Assets		129,398.57	125,230.70
II. Equity And Liabilities			
1. Equity			
(a) Equity share capital	19	2,166.39	2,166.39
(b) Other equity	20	49,555.07	47,891.00
Equity attributable to equity shareholders		51,721.47	50,057.39
Non - controlling interest		1,293.82	1,296.44
Total equity		53,015.28	51,353.83
2. Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	12,462.33	9,983.68
(ii) Lease Liabilities	48	6,531.37	6,987.43
(ii) Others financial liabilities	22	137.28	246.97
(b) Provisions	23	2,310.12	2,079.72
(b) Deferred tax liabilities	12	-	248.31
(c) Other non current liabilities	24	3,013.35	2,997.91
Total non-current liabilities		24,454.45	22,544.02
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21A	19,990.64	25,715.32
(ii) Lease Liabilities	48	863.57	810.25
(iii) Trade payables	25		
Total outstanding due of micro enterprises and small enterprises		481.71	331.05
Total outstanding due of creditors other than micro enterprises and small enterprises		24,195.13	17,775.62
(iv) Other financial liabilities	22	5,456.74	5,717.63
(b) Other current liabilities	24	738.57	857.35
(c) Provisions	23	109.04	68.40
(d) Current tax liabilities (net)	26	93.44	57.23
Total current liabilities		51,928.84	51,332.85
Total equity and liabilities		129,398.57	125,230.70

Summary of Significant Accounting Policies 3

The accompanying notes form an integral part of these consolidated financial statements

As per our Report of even date attached

For B.R. Gupta & Co.

Chartered Accountants

Firm's Registration Number 008352N

(Deepak Agarwal)

Partner

Membership Number 073696

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

(Pulkit Seth)

Managing Director

DIN 00003044

(Narendra Somani)

Chief Finance Officer

M. No. 092155

Place of Signature: Gurugram

Date: June 21, 2021

(Deepak Seth)

Chairman

DIN 00003021

(Mayank Jain)

Company Secretary

M. No. ACS - 26620

Place of Signature: New Delhi

Date: June 21, 2021

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I Income			
Revenue from operations	27	149,092.65	168,512.58
Other income	28	2,350.49	4,905.49
Total income (I+II)		151,443.14	173,418.07
II Expenses			
(a) Cost of materials consumed	29	67,737.23	76,203.44
(b) Purchases of stock-in-trade	30	9,337.91	5,210.29
(c) Changes in inventories of finished goods, work in progress and stock in trade	31	(184.34)	(582.80)
(d) Employee benefits expense	32	32,534.85	39,325.57
(e) Finance costs	33	4,125.34	4,201.04
(f) Depreciation and amortization expense	34	4,410.55	4,204.40
(g) Other expenses	35	33,611.35	41,664.00
Total expenses		151,572.89	170,225.94
III Profit/ (loss) before exceptional items and tax (III-IV)		(129.75)	3,192.13
IV Exceptional Items	36	(1,265.31)	68.72
V Profit/ (loss) before tax (V-VI)		1,135.56	3,123.41
VI Tax expense:	12		
(a) Current tax		372.04	774.67
(b) Deferred tax		(995.74)	144.15
(c) Adjustment of tax relating to earlier periods		10.94	31.76
VII Profit/(loss) for the year (VII-VIII)		1,748.32	2,172.83
VIII Other comprehensive income	37		
(A) (i) Items that will not be reclassified to profit or loss			
(a) Re-measurement gains/ (losses) on defined benefit plans		(48.22)	340.22
(ii) Income tax on items that will not be reclassified to profit or loss		(23.22)	(69.11)
(B) (i) Items that will be reclassified to profit or loss			
(a) Foreign exchange translation reserve		(825.45)	2,586.30
(b) Fair valuation of investment in mutual fund		173.25	(38.29)
(c) Net movement in effective portion of cash flow hedge reserve		979.45	(991.80)
(ii) Income tax on items that will be reclassified to profit or loss		(342.72)	346.57
Other comprehensive income for the year, net of tax		(86.91)	2,173.90
IX Total comprehensive income for the year, net of tax		1,661.41	4,346.73
Profit Attributable to:			
Equity shareholders		1,727.11	2,156.44
Non-controlling interests		21.21	16.39
Other comprehensive income attributable to:			
Equity shareholders		(63.07)	2,047.11
Non-controlling interests		(23.84)	126.80
Total comprehensive income attributable to:			
Equity shareholders		1,664.04	4,203.55
Non-controlling interests		(2.63)	143.18
X Earnings per share: (Face value ₹ 10 per share)	38		
1) Basic (amount in ₹)		7.97	9.95
2) Diluted (amount in ₹)		7.97	9.95
Summary of Significant Accounting Policies	3		

The accompanying notes form an integral part of these consolidated financial statements

As per our Report of even date attached

For B.R. Gupta & Co.

Chartered Accountants

Firm's Registration Number 008352N

(Deepak Agarwal)

Partner

Membership Number 073696

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

(Pulkit Seth)

Managing Director

DIN 00003044

(Narendra Somani)

Chief Finance Officer

M. No. 092155

(Deepak Seth)

Chairman

DIN 00003021

(Mayank Jain)

Company Secretary

M. No. ACS - 26620

Place of Signature: New Delhi

Date: June 21, 2021

Place of Signature: Gurugram

Date: June 21, 2021

Consolidated Statement of changes in equity

for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

A. Equity Share Capital

As at April 01, 2019	2,166.39
Changes during the year	-
As at March 31, 2020	2,166.39
Changes during the year	-
As at March 31, 2021	2,166.39

B. Other Equity

Particulars	Reserve & Surplus					Items of other of comprehensive income			Total Other Equity	Non-controlling interest	Total Equity
	General Reserve	Security Premium	Capital Redemption Reserve	Amalgamation Reserve	Retained Earnings	Change in investment through other comprehensive income	Effective Portion of Cash Flow Hedge	Currency Translation Reserve			
Balance as at April 01, 2019	4,204.36	17,103.90	95.00	625.95	20,821.22			2,036.96	44,820.35	1,153.26	45,973.61
Profit / (loss) for the year	-	-	-	-	2,156.44		-	-	2,156.44	16.39	2,172.82
Implementation of Ind AS 116: Leases	-	-	-	-	(349.36)		-	-	(349.36)	-	(349.36)
Remeasurement of the benefit plan, net of tax effect	-	-	-	-	144.31		-	-	144.31	-	144.31
Other Comprehensive Income	-	-	-	-	-	(38.29)	(645.23)	2,586.31	1,902.79	126.80	2,029.59
Total Comprehensive Income for the year	-	-	-	-	1,951.39	(38.29)	(645.23)	2,586.31	3,854.18	143.18	3,997.37
Dividend	-	-	-	-	(649.92)		-	-	(649.92)	-	(649.92)
Dividend Distribution Tax	-	-	-	-	(133.59)		-	-	(133.59)	-	(133.59)
Balance as at March 31, 2020	4,204.36	17,103.90	95.00	625.95	21,989.10	(105.34)	(645.23)	4,623.28	47,891.01	1,296.44	49,187.47
Profit / (loss) for the year	-	-	-	-	1,777.11		-	-	1,777.11	21.21	1,798.32
Remeasurement of the benefit plan, net of tax effect	-	-	-	-	(47.61)		-	-	(47.61)	-	(47.61)
Other Comprehensive Income	-	-	-	-	-	(204.19)	(636.73)	825.45	(15.47)	(23.84)	(39.30)
Total Comprehensive Income for the year	-	-	-	-	1,679.50	(204.19)	(636.73)	825.45	1,664.04	(2.63)	1,661.41
Dividend	-	-	-	-	-		-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-		-	-	-	-	-
Balance as at March 31, 2021	4,204.36	17,103.90	95.00	625.95	23,668.60	(309.53)	(1,281.96)	5,448.73	49,555.07	1,293.82	50,848.89

Summary of Significant Accounting Policies

The accompanying notes form an integral part of these consolidated financial statements

As per our Report of even date attached

For B.R. Gupta & Co.

Chartered Accountants

Firm's Registration Number 008352N

(Deepak Agarwal)

Partner

Membership Number 073696

Place of Signature: New Delhi

Date: June 21, 2021

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

(Pulkit Seth)

Managing Director

DIN 00003044

(Narendra Somani)

Chief Finance Officer

M. No. 092155

Place of Signature: Gurugram

Date: June 21, 2021

(Deepak Seth)

Chairman

DIN 00003021

(Mayank Jain)

Company Secretary

M. No. ACS - 26620

Consolidated Statement of Cash Flow

for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash Flows From Operating Activities		
Profit before exceptional items and tax	1,135.56	3,123.41
Adjustments for:		
Profit on sale of current investment - Mutual Fund	(16.61)	(73.79)
Rental Income	(770.91)	(980.53)
Interest Income	(337.74)	(1,142.49)
Interest Paid and other borrowing cost	3,423.46	2,727.05
Depreciation and amortization	4,410.55	4,204.40
Unwinding of discount on security deposit - Expense	40.24	30.32
Sundry balances written back	(133.67)	(37.34)
Allowance for bad and doubtful debts	278.86	47.92
Bad debts written off	56.90	26.31
Grant Amortised during the year	(1.00)	(1.00)
Amortisation of deferred Rental Income	(36.78)	(32.08)
Unwinding of discount on security deposits - Income	(31.17)	157.32
Fair value loss (gain) on financial assets measured at fair value through profit and loss	(255.85)	(29.41)
Amortisation of deferred asset - security deposit paid	11.32	(154.15)
Fair value loss (gain) on financial assets measured at fair value through OCI	(173.25)	(38.29)
Re-measurement gains/ (losses) on defined benefit plans	(48.22)	340.22
Foreign exchange translation	(334.99)	3,740.59
Loss / (Profit) on mark to market forward contracts	-	462.80
Operating Profit Before Working Capital Changes	7,216.69	12,447.84
Changes In Operating Assets And Liabilities:		
(Increase)/Decrease in other non-current financial assets	128.70	(278.63)
(Increase)/Decrease in other non-current assets	184.47	786.53
(Increase)/Decrease in Inventories	(1,489.64)	(2,755.16)
(Increase)/Decrease in Trade Receivables	(2,510.50)	61.16
(Increase)/Decrease in other current financial assets	3.74	332.68
(Increase)/Decrease in other current assets	1,545.15	(2,594.06)
Increase/(Decrease) in other non-current financial liabilities	(72.91)	57.05
Increase/(Decrease) in non-current provisions	230.40	(32.87)
Increase/(Decrease) in other non-current liabilities	16.44	(310.72)
Increase/(Decrease) in Trade Payables	6,703.76	37.54
Increase/(Decrease) in other current financial liabilities	(799.43)	268.62
Increase/(Decrease) in current provisions	40.64	(13.27)
Increase/(Decrease) in other current liabilities	(118.80)	3.94
Cash Generated From Operations	11,078.78	8,010.64
Tax paid on dividend	-	(133.59)
Direct Tax paid (Net of Refunds)	(352.04)	(1,574.14)
Cash flow before exceptional items	10,726.69	6,302.92
Exceptional items	(1,265.31)	68.72
Net Cash Inflow From/(Used In) Operating Activities (A)	9,461.38	6,371.64

Consolidated Statement of Cash Flow

for the year ended March 31, 2021 (*Contd.*)

(Amount in ₹ Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash Flows From Investing Activities		
Purchase of property, plant and equipment (including ROU, net of Lease Liabilities)	(2,079.50)	(7,013.59)
Sale proceeds of property, plant and equipment	40.85	341.33
(Increase)/Decrease in Capital work in progress	(1,091.17)	(2,831.68)
Purchase of Investment Properties	(331.97)	(49.12)
Sale proceeds of Investment Properties	550.00	
Purchase of Intangible assets	(9.20)	(17.57)
Purchase of goodwill	(0.00)	-
(Increase)/decrease in capital advances	70.16	(50.76)
Increase/(decrease) in capital creditor	173.53	(819.04)
(Increase)/Decrease in non-current Investments	(1,491.08)	191.79
(Increase)/Decrease in current Investments	190.02	(589.48)
(Increase)/Decrease in non-current Loans	279.82	(151.65)
(Increase)/Decrease in current Loans	23.51	(66.52)
(Increase)/Decrease in bank deposit	(67.06)	492.53
Interest Income	366.47	1,130.72
Rental Income	770.91	980.53
Net Cash From/ (Used In) Investing Activities (B)	(2,604.70)	(8,452.51)
Cash Flows From Financing Activities		
Increase/ (Decrease) in Long Term Borrowings	3,839.43	2,965.24
Lease Rental paid	(1,708.94)	(349.37)
Government grant received	-	-
Increase/ (Decrease) in Short Term Borrowings	(5,724.69)	2,229.26
Increase/ (Decrease) in unpaid dividend account	-	(30.32)
Dividend Paid	-	(644.90)
Interest paid (net)	(2,600.04)	(2,714.25)
Net cash inflow from/(used in) Financing Activities (C)	(6,194.24)	1,455.64
Net Increase (Decrease) In Cash And Cash Equivalents (A+B+C)	662.45	(625.23)
Opening Balance of Cash and Cash Equivalents	8,808.89	9,434.12
Total Cash And Cash Equivalent (Note No. 17)	9,471.34	8,808.89
Components Of Cash And Cash Equivalents		
Cash on hand	499.55	606.60
With banks - on current account	8,794.19	8,062.59
- on deposits with banks	177.60	139.70
Total Cash and Cash equivalent (Note No. 17)	9,471.34	8,808.88

a) For the Increase/(Decrease) in liabilities arising from financing activities in respect of non-cash transactions, refer respective standalone financial statements of holding company & subsidiary companies.

Summary of Significant Accounting Policies

3

The accompanying notes form an integral part of these consolidated financial statements

As per our Report of even date attached

For B.R. Gupta & Co.

Chartered Accountants

Firm's Registration Number 008352N

(Deepak Agarwal)

Partner

Membership Number 073696

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

(Pulkit Seth)

Managing Director

DIN 00003044

(Narendra Somani)

Chief Finance Officer

M. No. 092155

Place of Signature: Gurugram

Date: June 21, 2021

(Deepak Seth)

Chairman

DIN 00003021

(Mayank Jain)

Company Secretary

M. No. ACS - 26620

Place of Signature: New Delhi

Date: June 21, 2021

Notes

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

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 BSE Limited and National Stock Exchange of India Limited in India.

The Consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on June 21, 2021.

The Company, its subsidiaries (jointly referred to as the ‘Group’ herein under) considered in these consolidated financial statements includes:

Name of Company	Country of incorporation	Principal activities	Porportion (%) of equity interest	
			As At March 31, 2021	As At March 31, 2020
Subsidiaries				
Pearl Global Industries Limited	India	Manufacturing and trading of garments	Holding Company	Holding Company
Pearl Global Kausal Vikas Limited	India	Skill development	100.00	100.00
SBUYS E-Commerce Limited	India	Online Trading of garments	100.00	100.00
Pearl Global Far East Limited	Hong Kong	Trading of garments	100.00	100.00
Pearl Global (HK) Limited	Hong Kong	Trading of garments	100.00	100.00
Norp Knit Industries Limited	Bangladesh	Manufacturing and trading of garments	99.99	99.99

As at December 31, 2020, Pearl Apparel Fashions Limited, a wholly owned subsidiary of the company has gone into voluntary liquidation and appointed the official liquidator in October 2020. Accordingly, the same is not considered in these consolidated financial statements as at March 31, 2021. However, the comparative consolidated financial statements as at March 31, 2020 includes the financial statements of Pearl Apparel Fashions limited

NOTE 2: BASIS OF PREPARATION AND MEASUREMENT

Statement of Compliance: The Financial Statements are prepared on an accrual basis under historical cost Convention except for certain financial instruments which are measured at fair value. These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013, as applicable.

The accounting policies are applied consistently to all the periods presented in the financial statements.

Basis of Preparation and presentation: The financial statements are prepared under the historical cost convention except for certain financial assets and liabilities (including

derivative financial instruments) that are measured at fair value or amortised cost.

All assets and liabilities have been classified as current or noncurrent according to the Group’s operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current non-current classification of assets and liabilities.

Going Concern

The board of directors have considered the financial position of the Group at 31st March 2021 and the projected cash flows and financial performance of the Group for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Group’s operations.

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

- The consolidation financial statements of the Group and

Notes

to consolidated financial statements for the year ended March 31, 2021

its subsidiary companies have been prepared in accordance with the Ind AS 110 “Consolidated financial statements”, 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. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group (including consideration to materiality impact, if any).

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

- ii) The difference of the cost of 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.
- iii) Non-controlling interests in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity as at reporting date. Non-controlling interests in the net assets of consolidated subsidiaries consists of:
 - The amount of equity attributable to Non-controlling interests at the date on which investment in a subsidiary is made; and
 - The Non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence. The profit and other comprehensive income attributable to Non-controlling interests of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively
- iv) The Consolidated Financial Statements are presented, to the extent possible, in the same format as adopted by the Holding Company for its individual financial statements.
- v) **Translation of Financial Statements of Foreign Operations**
 - In view of Ind As-“21” ‘The effects of 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 and 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 items of other comprehensive income as items that will be reclassified subsequently to statement of profit and loss.

Recent accounting pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. However, there is no such notification issued during the year which would have been applicable from April 01, 2021.

Application of New Accounting Pronouncements The following Ind As pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules 2020, were applied by the Group during the year:

- Amendment to Ind AS 103- Business Combinations- Amendment to, Ind AS 39, Ind AS 107 and Ind AS 109- Interest Rate Benchmark Reform
- Amendment to Ind AS 116- Leases
- Amendment to Ind AS 1 and Ind AS 8-Definition of Material

None of the changes described above, or any of the other changes to the Ind AS, with the exception of Ind AS 116 (Leases), have a impact on the net worth, financial position, financial performance or on the cash flow of the Group.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

a) Significant accounting judgements, estimates and assumptions

In preparing these financial statements, Management has made judgements, estimates and assumptions that affect the application of the Group’s accounting policies and the reported amounts of assets, liabilities, income and

Notes

to consolidated financial statements for the year ended March 31, 2021

expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements as given below:

- In respect of lease payments, determination whether arrangements contain a lease and determination of cancellable and non-cancellable tenure of leases (IND AS 116)
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding
- Useful lives of Property, plant and equipment and Intangible Assets
- Employee benefit plans
- Amortization of Government Grant
- Determination of Provision of income taxes vis-à-vis anticipated tax issues and final tax outcomes of pending matters.
- Highly Probable sale transaction for hedging contracts.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment included in the following notes:

- measurement of defined benefit obligations and planned assets: key actuarial assumptions.
- recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used.
- impairment of financial assets.
- recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- impairment test of non-financial assets: key assumptions used in estimating recoverable cash flows.

- fair value measurement of financial instruments.
- Estimation of Rate of RODTEP for recognition of export incentive claim receivable for the period from January 1, 2021 to March 31, 2021.

b) Current versus non-current classification

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

Assets:

An asset is treated as current when it is:

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

All other assets are classified as non-current.

Liabilities:

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle: The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

c) Property, Plant and Equipment (PPE) and Depreciation

Property, plant and equipment and capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct services, any other costs

Notes

to consolidated financial statements for the year ended March 31, 2021

directly attributable to bringing the assets to its working condition for their intended use and cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When parts of an item of PPE having significant costs have different useful lives, then they are accounted for as separate items (major components) of property, plant & equipment.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss.

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

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

Decommissioning Costs : The present value of the expected cost for the decommissioning of an asset, if any, after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. (as applicable)

Capital work in progress: Capital work in progress comprises the cost of fixed assets that are not ready for their intended use at the reporting date.

Cost comprises of purchase cost, related acquisition expenses, borrowing costs and other direct expenditure.

Depreciation is provided on a pro-rata basis on the straight-line basis on the estimated useful life prescribed under Schedule II to Companies Act, 2013 with the following exception :

- Fixed asset costing upto ₹ 5000 has been fully depreciated during the financial year

- Leasehold land has been amortised over the lease term.
- Freehold Land is not depreciated.

Depreciation Method, useful lives and residual values are reviewed at each financial year end and adjusted, if appropriate.

d) Investment Properties

Property that is held for rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any.

The Group, based on technical assessment made by management, depreciates the building over estimated useful life of 60 years. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

e) Other Intangible assets

Recognition and measurement

Intangible assets that are acquired by the Group are measured initially at cost. Intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. All expenditures, qualifying as Intangible Assets are amortized over estimated useful life. Specialized softwares are amortized over a period of 3 years or license period whichever is earlier.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all its intangible assets recognized as at April 01, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Subsequent Expenditure: Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in Statement of Profit and Loss as incurred.

Notes

to consolidated financial statements for the year ended March 31, 2021

Amortisation and useful lives: Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. The amortisation method, residual value and the useful lives of intangible assets are reviewed annually and adjusted as necessary.

f) **Borrowing costs**

Borrowing costs consists of interest and amortization of ancillary costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs consists of interest and amortization of ancillary costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use.

g) **Foreign Currency Transactions and Translations**

Functional and presentational currency

The Consolidated financial statements are presented in Indian Rupees (₹). Items included in the Consolidated Financial statements of the Group are recorded using the currency of the primary economic environment in which the Group operates (the 'functional currency'). All the financial information presented in 'except where otherwise stated and the values are rounded to nearest lakh upto two decimal places.

Transactions and balances

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the date the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currencies are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Advances received or paid in foreign currency are recognised at exchange rate on the date of transaction and not re-translated.

Group Companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), On Consolidation, all resulting exchange differences on translation are recognised in other comprehensive income, that will be reclassified subsequently to statement of profit and loss.

h) **Revenue Recognition**

The Group derives revenue primarily from export of manufactured and traded goods.

Revenue from contract with customers

Revenue from contract with customers is recognised when

Notes

to consolidated financial statements for the year ended March 31, 2021

control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding the amount collected on behalf of third parties (for example, taxes and duties collected on behalf of government) and net of returns & discounts.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of products, the Company considers the effect of variable consideration, the existence of significant financing component, non-cash consideration, and consideration payable to the customer (if any).

The Group assesses its revenue arrangements against specific recognition criterion like exposure to significant risks & rewards associated with the sale of goods or services. When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement are reviewed to determine each party's respective role in the transaction.

Specific revenue recognition criteria:

(i) Sale of products

Revenue from sale of products is recognised at the point in time when control of product is transferred to the customer. In case of Export sale it is on the basis of date of airway bill/bill of lading/Forwarder Cargo Receipts.

(ii) Job work income

Revenue from job work on the product is recognised at the point in time when control of services is transferred to the customer, generally on the delivery of the product after completion of job work.

(iii) Export Incentives

Export Incentives under various schemes are accounted in the year of export.

(iv) Other Incomes

- a) Sale of software/ SAP income is recognized at the delivery of complete module & patches (through reimbursement from group companies).
- b) Rental Income is recognized on accrual basis as per the terms of agreement.

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

- d) Dividend Income is recognized when the right to receive is established.

Variable Consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Significant Financing Component

Generally, the Group does not receive short term or long term advances from its customers except in certain scenarios. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of promised good or service to the customer and when the customer pays for good or service will be one year or less. The Group does not expect to have any contracts where the period between the transfer of promised goods and services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Financial instruments – initial recognition and subsequent measurement.

Notes

to consolidated financial statements for the year ended March 31, 2021

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Group performs under the contract.

Cost to obtain a contract

The Group does not capitalise costs to obtain a contract because majorly the contracts have terms that do not extend beyond one year. The Company does not have a significant amount of capitalized costs related to fulfilment.

i) Inventories

- i) Inventories of finished goods manufactured by the Group 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 incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.
- 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. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.
- iv) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on a item by item basis. Obsolete or slow moving inventories are identified from time to time and a provision is made for such inventories as appropriate on periodic basis.

j) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract

conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) the contract involves the use of an identified asset
 - (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
 - (iii) the Group has the right to direct the use of the asset.
- The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets as below:

i) **Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) **Lease Liabilities**

At the commencement date of the lease, the

Notes

to consolidated financial statements for the year ended March 31, 2021

Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are included in other current and non-current financial liabilities.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. "Lease liability" and "Right of Use" asset

have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Company as a lessor

Leases for which the Group is a lessor is classified as finance or operating lease. Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

k) Employee's benefits

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

A liability is recognised for the amount expected to be paid after deducting any amount already paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. If the amount already paid exceeds the undiscounted amount of the benefits, the Group recognises that excess as an asset / prepaid expense to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts.

Notes

to consolidated financial statements for the year ended March 31, 2021

Retirement benefits in the form of Provident Fund, Employee State Insurance Scheme and Labour Welfare Fund Scheme are defined contribution plans. The contributions paid/payable to government administered respective funds are recognised as an expense in the Statement of Profit and loss during the period in which the employee renders the related service.

Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. The Group accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation report using the projected unit credit method as at the year end.

The obligations are measured at the present value of the estimated future cash flows. The discount rate is generally based upon the market yields available on Government bonds at the reporting date with a term that matches that of the liabilities. Re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest and if applicable), is reflected immediately in Other Comprehensive Income in the statement of profit and loss. All other expenses related to defined benefit plans are recognised in statement of profit and loss as employee benefit expenses. Re-measurements recognised in Other Comprehensive Income will not be reclassified to statement of profit and loss hence it is treated as part of retained earnings in the statement of changes in equity. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Curtailment gains and losses are accounted for as past service costs.

Other long term employee benefits

As per the Group's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during the service, on early retirement, on withdrawal of scheme, at resignation by employee and upon death of employee. The scale of benefits is determined based on the seniority and the

respective employee's salary. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

1) Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

m) Financial instruments

A financial instrument is a contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

(i) Financial assets

Initial recognition and measurement

A financial asset is initially recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial

Notes

to consolidated financial statements for the year ended March 31, 2021

assets are classified in three categories:

- Financial Asset carried at amortised cost
- Financial Asset at fair value through other comprehensive income (FVTOCI)
- Financial Asset at fair value through profit and loss (FVTPL)

Financial asset carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset at fair value through profit and loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised when:

- (i) The contractual rights to receive cash flows from the asset has expired, or
- (ii) The Group has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group financial liabilities include borrowings, trade and other payables, security deposits received etc.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit and loss (FVTPL)

A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such as initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the Statement of Profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised in the Statement of Profit and loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously

Notes

to consolidated financial statements for the year ended March 31, 2021

(iv) Derivative financial instruments

Till March 31, 2019, the forward currency contracts were used to hedge foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

(v) Hedge Accounting

With effect from April 2019, the Group adopted Hedge Accounting. The derivatives that are designated as hedging instrument under Ind AS 109 to mitigate risk arising out of foreign currency transactions are accounted for as cash flow hedges. The Group enters into hedging instruments in accordance with policies as approved by the Board of Directors with written principles which is consistent with the risk management strategy of the Group.

The hedge instruments are designated and documented as hedges at the inception of the contract. The effectiveness of hedge instruments is assessed and measured at inception and on an ongoing basis. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI, e.g., cash flow hedging reserve and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the statement of profit and loss. The amount accumulated is retained in cash flow hedge reserve and reclassified to profit or loss in the same period or periods during which the hedged item affects the statement of profit and loss.

If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument is terminated or exercised prior to its maturity/contractual term, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve

is reclassified to the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified immediately in the statement of profit and loss.

n) Impairment of financial assets

The Group measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increases in credit risk. Expected credit loss is the weighted average of the difference between all contractual cash flows that are due to the Group in accordance with the contracts and all the cash flows that the Group expects to receive, discounted at original effective interest rate with the respective risk of defaults occurring as the weights.

o) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

An impairment loss is recognized, if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount and is recognised in statement of profit and loss.

Impairment losses recognised in prior periods are assessed at end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying

Notes

to consolidated financial statements for the year ended March 31, 2021

amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

p) **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

q) **Taxes**

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

"Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date."

"Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised."

"Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Tax relating to items recognized directly in equity/other comprehensive income is recognized in respective head and not in the statement of profit & loss."

"The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered."

Notes

to consolidated financial statements for the year ended March 31, 2021

"Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority."

"Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity)."

Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in the year is charged to the Statement of Profit and Loss as current tax. The Group recognises MAT credit available as an asset only to the extent that there is convincing evidence that normal income tax will be paid during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which MAT credit is recognised 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 Group reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

In accordance with Ind AS 12 Group is grouping MAT credit entitlement with Deferred Tax Assets/Liabilities (Net).

Investment in subsidiaries

Investment in subsidiaries

There is an option to measure investments in subsidiaries at cost in accordance with Ind AS 27 at either:

- (a) Fair value on date of transition; or
- (b) Previous GAAP carrying values

The Group has decided to use the previous GAAP carrying values to value its investments in its subsidiaries as on the date of transition, April 01, 2016.

r) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash balance on hand, cash balance at banks and short-term deposits, as defined above,

net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

s) Earnings per share (EPS)

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

Basic EPS amounts are calculated by dividing the profit for the year attributable to the shareholders of the Group by the weighted average number of equity shares outstanding as at the end of reporting period.

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

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 increase the earnings.

t) Government grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Profit and Loss on a straight - line basis over the expected lives of related assets and presented within other income.

u) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Notes

to consolidated financial statements for the year ended March 31, 2021

v) Research & development costs

Research and development costs that are in nature of tangible assets and are expected to generate probable future economic benefits are capitalised as tangible assets. Revenue expenditure on research and development is charged to the statement of profit and loss in the year in which it is incurred.

w) Exceptional items

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

Notes

to consolidated financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT	Land-frehold	Land-leaschold	Buildings	Leaschold improvements	Plant and Equipment	Furniture and Fixures	Vehicles	Total
Gross carrying amount								
(At Deemed cost)								
As at April 1, 2019	1,612.30	2,792.31	6,703.23	607.45	16,927.14	1,250.46	1,338.54	31,231.46
Add: Additions made during the year	-	-	38.17	191.20	1,700.23	345.54	304.50	2,579.65
Less: Disposals during the year	4.53	-	-	-	125.99	-	184.11	314.63
(Less)/Add: Adjustments during the year	221.95	(2,744.57)	223.66	10.41	718.15	47.99	32.00	(1,490.41)
As at March 31, 2020	1,829.72	47.74	6,965.06	809.06	19,219.53	1,644.00	1,490.92	32,006.06
Add: Additions made during the year	-	532.57	367.37	33.86	895.03	184.53	88.47	2,101.84
Less: Disposals during the year	-	-	-	-	17.26	-	66.27	83.53
(Less)/Add: Adjustments during the year	-	-	(79.55)	28.46	(193.18)	(17.03)	(8.86)	(270.15)
As at March 31, 2021	1,829.72	580.32	7,252.88	871.38	19,904.12	1,811.50	1,504.26	33,754.22
Accumulated depreciation								
As at April 1, 2019	-	38.03	890.20	189.20	4,890.06	437.19	430.89	6,875.58
Add: Depreciation charge for the year	-	0.34	272.23	152.36	1,962.45	182.60	197.51	2,767.50
Less: Disposals during the year	-	-	-	-	73.71	-	95.26	168.96
(Less)/Add: Adjustments during the year	-	(37.00)	51.18	7.28	288.75	20.37	12.30	342.88
As at March 31, 2020	-	1.37	1,213.61	348.85	7,067.56	640.16	545.45	9,817.00
Add: Depreciation charge for the year	-	1.96	283.55	173.37	1,884.32	188.24	190.65	2,722.09
Less: Disposals during the year	-	-	-	-	7.71	-	32.91	40.62
(Less)/Add: Adjustments during the year	-	-	(17.62)	11.16	(105.92)	(7.69)	(4.06)	(124.15)
As at March 31, 2021	-	3.33	1,479.54	533.37	8,838.25	820.71	699.13	12,374.33
Net Carrying Amount								
As at March 31, 2021	1,829.72	576.98	5,773.34	338.01	11,065.87	990.79	805.13	21,379.87
As at March 31, 2020	1,829.72	46.37	5,751.44	460.21	12,151.98	1,003.84	945.47	22,189.06

- a) The above assets includes Gross block of land of ₹ 78.55 (March 31, 2020: ₹ 78.55) situated at Narshingpur, Tehsil District Gurgaon (Haryana). The Group has executed a colloboration agreement with DLF Retail Developers Limited on November 30, 2007 for construction of a commercial project on part- land amounting to ₹ 42.50 (March 31, 2020: ₹ 42.50). However, as certified by the Management, the work has not started during the financial year 2020-21 due to pending receipt of license from the concerned authority.
- b) For Information on property, plant and equipment pledged as security by the Group refer Note 21.

Notes

to consolidated financial statements for the year ended March 31, 2021

- c) The above property, plant and equipment includes assets given on lease (Holding Company), the details of which are as under:

	Plant and Equipment	Furniture and Fixtures	Total
As at March 31, 2021			
Gross carrying amount	27.77	21.22	48.99
Accumulated depreciation	18.96	15.24	34.20
Net carrying amount	8.81	5.98	14.79
As at March 31, 2020			
Gross carrying amount	27.77	21.22	48.99
Accumulated depreciation	16.59	12.21	28.80
Net carrying amount	11.18	9.01	20.19

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 5 : CAPITAL WORK IN PROGRESS

	As At March 31, 2021	As At March 31, 2020
Capital work in progress	4,701.46	3,610.29
	4,701.46	3,610.29

(Amount in ₹ Lakh, unless otherwise stated)

- a) Breakup of capital work in progress is as follows:

	As At March 31, 2021	As At March 31, 2020
Building	3,892.71	2,542.43
Plant and Machinery	808.75	1,011.41
Furniture and Fittings	-	-
Lease Hold Improvement	-	-
Other Expenses	-	56.45
	4,701.46	3,610.29

- b) For movement in capital work in progress, refer to the disclosures made in respective standalone financials of the holding company and subsidiary companies.

Notes

to consolidated financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 6 : INVESTMENT PROPERTIES

	Land freehold	Land leasehold	Building	Total
Gross carrying amount (At Deemed Cost)				
As at April 01, 2019	3,086.79	10.36	4,580.71	7,677.86
Add: Additions made during the year	49.14	-	-	49.14
Less: Disposals/adjustments during the year	-	-	-	
As at March 31, 2020	3,135.93	10.36	4,580.71	7,727.00
Add: Additions made during the year	103.45	-	228.52	331.97
Less: Disposals/adjustments during the year	1,401.01	-	197.49	1,598.50
As at March 31, 2021	1,838.38	10.36	4,611.74	6,460.47
Accumulated depreciation				
As at April 01, 2019	-	-	247.98	247.98
Add: Depreciation charge for the year	-	-	85.76	85.76
Less: Disposals/adjustments during the year	-	-	-	-
As at March 31, 2020	-	-	333.74	333.74
Add: Depreciation charge for the year	-	-	86.77	86.77
Less: Disposals/adjustments during the year	-	-	14.64	14.64
As at March 31, 2021	-	-	405.87	405.87
Net Carrying Amount				
As at March 31, 2021	1,838.38	10.36	4,205.87	6,054.60
As at March 31, 2020	3,135.93	10.36	4,246.97	7,393.26

(Amount in ₹ Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Amounts recognized in statement of profit and loss for investment properties		
Rental Income	770.91	980.53
Direct operating expenses of property that generated rental income	56.44	65.88
Direct operating expenses of property that did not generated rental income	8.44	14.23
Income arising from Investment properties before charging depreciation	706.03	900.42
Depreciation	86.77	85.76
Income from Investment properties (net)	619.26	814.66
(b) Fair value of investment properties	10,259.00	10,793.94

Notes

to consolidated financial statements for the year ended March 31, 2021

Estimation of fair value

The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, age of building and trend of fair market rent.

This valuation is based on valuations performed by an accredited independent valuer. Fair valuation is based on replacement cost method. The fair value measurement is categorised in level 2 fair value hierarchy.

- (c) In the earlier years, the Group 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, 2021.

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 7 : GOODWILL

	As At March 31, 2021	As At March 31, 2020
Goodwill on acquisition of subsidiaries	1,792.66	1,897.56
Add/ Less: Foreign Exchange Fluctuation	(36.53)	120.22
Less: Impairment of Goodwill	-	(225.12)
	1,756.13	1,792.66

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 8 : OTHER INTANGIBLE ASSETS

	Computer Software	Total
Gross carrying amount		
(At Deemed Cost)		
As at April 1, 2019	247.53	247.53
Add: Additions during the year	17.58	17.58
Less: Disposals / adjustments during the year	-	-
As at March 31, 2020	265.11	265.11
Add: Additions during the year	9.21	9.21
Less: Disposals / adjustments during the year	-	-
As at March 31, 2021	274.32	274.32
Amortisation and impairment		
As at April 1, 2019	132.60	132.60
Add: Amortisation charge for the year	47.75	47.75
Less: On disposals / adjustments during the year	-	-
As at March 31, 2020	180.35	180.35
Add: Amortisation charge for the year	39.89	39.89
Less: On disposals / adjustments during the year	-	-
As at March 31, 2021	220.24	220.24
Net Carrying Amount		
As at March 31, 2021	54.08	54.08
As at March 31, 2020	84.76	84.76

Notes

to consolidated financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 9 : INVESTMENTS

	As At March 31, 2021	As At March 31, 2020
(I) Non Current		
A. Equity Instruments		
<u>Fair value through profit and loss</u>		
(Quoted)		
PDS Multinational Fashions Limited, India		
50,000 (March 31, 2020: 50,000) Equity Shares of ₹ 10 each fully paid up	335.00	141.00
	335.00	141.00
B. Investment in Financial Market		
(Fair value through other comprehensive income)		
Investments in Mutual funds - Unquoted	-	948.97
Investments in Units in money market funds, at fair value - Quoted	96.33	-
Debt Investment, at fair value - Quoted	1,946.59	-
	2,042.92	948.97
C. Investment in Preference Share of Subsidiary - (Unquoted)		
(At Amortised Cost)		
Pearl Apparel Fashions Limited, India		
3,000,000 (March 31, 2020: 3,000,000) Preference Shares of ₹ 10 each fully paid up	300.00	
Less: Provision for diminution in value of Investments	(30.00)	-
	270.00	-
D. Investments in Government securities - (Unquoted)		
(At Amortised Cost)		
Investments in key man insurance policy (Refer 'b' below)	2,085.98	1,992.77
Investments in Government securities		
- Gold Sovereign Bond- 37 units of 2 gram each issued by Reserve Bank of India	1.63	1.63
	2,087.62	1,994.40
Total (A + B + C + D)	4,735.54	3,084.37

Notes

to consolidated financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 9 : INVESTMENTS (Contd...)

	As At March 31, 2021	As At March 31, 2020
(II) Current		
A. Investments in mutual funds - (Quoted)		
<u>Fair value through profit and loss</u>		
ICICI Prudential Short Term Fund DP Growth 536,068.057 units of Face Value of ₹ 10 per unit (March 31, 2020: 536,068.057 units)	260.63	237.83
L&T Banking and PSU debt fund direct plan - growth 1,223,214.3850 units of Face Value of ₹ 10 per unit (March 31, 2020: 1,223,214.3850 units)	246.01	227.10
IDFC Banking and PSU debt fund direct plan - growth 1,267,806.9250 units of Face Value of ₹ 10 per unit (March 31, 2020: 1,267,806.9250 units)	247.74	227.75
	754.38	692.68
a) Aggregate book value of quoted investments	3,132.30	833.68
Aggregate market value of quoted investments	3,132.30	833.68
Aggregate value of unquoted investments	2,387.62	2,943.37
Aggregate amount of impairment in value of unquoted investments	30.00	-
Aggregate value of unquoted investments (net of impairment)	2,357.62	2,943.37
b) The amount invested in key man insurance policy by Pearl Global (HK) Limited has been pledged to bank to secure banking facilities by the said subsidiary.		
c) In respect of Pearl Global Fareast Limited, financial assets at fair value through other comprehensive income with carrying value of ₹ 1121.67 Lakhs are pledged to bank to secure banking facilities granted to a subsidiary of the group.		
d) During the period ended December 31, 2020, Pearl Apparel Fashions Limited, a wholly owned subsidiary of the holding company has gone into voluntary liquidation and appointed the official liquidator in October, 2020. In effect of above resolution, the holding company has impaired its investment (Equity Instrument and Preference Equipment) in aforesaid subsidiary and recognised the same at its recoverable amount.		

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 10 : LOANS

	Non - Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
(Unsecured, considered good unless otherwise stated)				
Loans to employees	7.21	7.63	23.84	25.78
Loans to related parties (refer note no. 46)	-	-	300.00	300.00
Loans to others	2,158.23	2,437.62	1,383.90	1,405.46
	2,165.44	2,445.25	1,707.73	1,731.24

- a) Loans to others bear interest rate ranging between 2%-2.5% per annum, and are receivable on or before December 31, 2022 and March 31, 2023.
- b) The Group has no loans which have significant increase in credit risk and loans which are credit impaired. (refer note No. 43)

Notes

to consolidated financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 11 : OTHER FINANCIAL ASSETS

	Non - Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
(Unsecured, considered good unless otherwise stated)				
Security deposits (refer 'a' below)	931.57	1,069.32	43.42	78.38
Interest accrued but not due on				
- Term deposits	21.56	28.27	14.59	28.16
- Loan to related parties	-	-	-	8.45
Deposits with original maturity of more than 12 months (refer note no. 18)	265.69	265.11	-	-
Other receivable	1.13	1.16	31.22	-
Total (A)	1,219.95	1,363.86	89.24	114.99

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

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 12 : INCOME TAX

	As At March 31, 2021	As At March 31, 2020
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The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are:

a) Income Tax recognised in Statement of Profit and Loss

Tax Expense:

a) Current tax	372.04	774.67
b) Adjustments in respect of current income tax of previous year	10.94	31.76
c) Deferred tax	(995.74)	144.15
Income tax expense reported in the statement of profit or loss	(612.75)	950.58

b) Income Tax recognised in Other Comprehensive Income

	As At March 31, 2021	As At March 31, 2020
Net loss/(gain) on remeasurements of defined benefit plans	(23.22)	(69.11)
Income tax on items that will be reclassified subsequently to statement of profit and loss	(342.72)	346.57
Income tax charged to OCI	(365.94)	277.46

Notes

to consolidated financial statements for the year ended March 31, 2021

c) Net Deferred tax Asset/(Liability)

(Amount in ₹ Lakh, unless otherwise stated)

	Balance sheet	
	As At March 31, 2021	As At March 31, 2020
Recognised DTA- Pearl Global Industries Limited	2,488.68	2,236.70
Recognised DTA- Pearl Global (HK) Limited	70.89	63.90
	2,559.57	2,300.60
Recognised DTA- Pearl Global Industries Limited	2,174.99	2,561.86
Recognised DTA- Pearl Global (HK) Limited	(5.56)	5.58
	2,169.43	2,567.44
MAT Credit Entitlement	76.85	106.14
Total Net Deferred tax Assets/(Liabilities)	466.99	(160.70)

d) Reconciliation of Effective tax Rate and itemwise movement of deferred tax

Since the Holding Company and its subsidiaries operates in different tax jurisdictions and has different tax laws, refer standalone financial statements of Holding Company and subsidiaries as at reporting date for effective tax reconciliation and itemwise movement of deferred tax.

- e) The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.
- f) MAT paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities. MAT is recognised as a deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 13 : NON CURRENT TAX ASSET

	As At March 31, 2021	As At March 31, 2020
Advance income tax	771.37	763.99
(Net of provision of ₹ 1,288.03 lakh (March 31, 2020 : ₹ 1,288.03 lakh)	771.37	763.99

Notes

to consolidated financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 14 : OTHER ASSETS

	Non - Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
(Unsecured, considered good, unless otherwise stated)				
Capital advances (Refer note no. 45(b) for capital commitments)	185.04	255.20	-	-
Balance with government authorities	15.03	91.80	2,103.76	1,736.80
Balance with government authorities - considered doubtful	22.74	22.74	-	-
Less: Loss allowance	(22.74)	(22.74)	-	-
Staff Advance	-	-	6.35	-
Prepaid expenses	9.55	425.82	493.82	903.92
Export incentive receivable	-	-	1,680.90	2,413.44
Advances to suppliers	-	-	882.91	1,423.09
Other receivables	-	-	4,563.36	2,493.12
Total (A)	209.62	772.82	9,731.09	8,970.37

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 15 : INVENTORIES

	As At March 31, 2021	As At March 31, 2020
Raw materials	13,670.22	12,245.71
Good in transit- raw material	19.88	54.44
Work in progress	9,637.71	12,212.16
Finished goods	4,299.21	1,635.43
Scrap Stock	166.84	33.21
Stores spares & others	321.34	230.72
	28,115.20	26,411.67
Less: Writedown of Inventories- Finished Goods	(238.23)	(24.34)
	27,876.97	26,387.33

- a) In case of Pearl Global (HK) Limited, Inventories amounting to ₹ 1,470.00 (March 2020: ₹ 1,507.80) are used as collateral for part of the bank facilities.

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 16 : TRADE RECEIVABLES

	As At March 31, 2021	As At March 31, 2020
Considered good - secured	-	-
Considered good - unsecured	24,217.21	22,042.47
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	656.18	377.33
Less: Loss allowance	(656.18)	(377.33)
Total	24,217.21	22,042.47

Notes

to consolidated financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 16 : TRADE RECEIVABLES (Contd...)

	As At March 31, 2021	As At March 31, 2020
a) The movement in allowance for bad and doubtful debts is as follows:		
Balance as at beginning of the year	377.33	374.33
Add: Loss Allowance made during the year	278.85	2.99
Less: Loss Allowance written back during the year	-	-
Balance as at the end of the year	656.18	377.33

- b) Refer note no. 46 for information about trade receivables from Related Party.
 c) The Group exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 43.
 d) For information on trade receivables pledged as security, refer note no. 21.

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 17 : CASH AND CASH EQUIVALENTS

	As At March 31, 2021	As At March 31, 2020
Balances with banks:		
- Current account	8,794.19	8,062.59
- Deposits with original maturity of less than 3 months (refer note (a))	177.60	139.70
Cash on hand	41.95	47.04
Cheque/drafts on hand	457.60	559.56
	9,471.34	8,808.89

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

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 18 : OTHER BANK BALANCES

	Non - Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Earmarked balances with banks				
Unpaid dividend account	-	-	29.75	31.85
Deposits with original maturity of more than 3 months but less than 12 months (refer note 'a' below)	-	-	2,203.46	2,136.98
Deposits with original maturity of more than 12 months	265.69	265.11	-	-
Balance with bank (Considered doubtful)	-	-	0.03	0.03
Less: Loss allowance	-	-	(0.03)	(0.03)
	265.69	265.11	2,233.21	2,168.83
Less: Amount disclosed under "other financial assets" (refer note no. 11)	265.69	265.11	-	-
	-	-	2,233.21	2,168.83

- a) Out of the total Fixed Deposits held in the name of the Company the fixed deposit with carrying value of ₹ 1,790.07 lakh (March 31, 2020 ₹ 1,041.21 lakh) are pledged as security with various banks.

Notes

to consolidated financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 19 : SHARE CAPITAL

	As At March 31, 2021	As At March 31, 2020
Authorised		
51,440,000* (March 31, 2020: 51,440,000) equity shares of ₹ 10 each	5,144.00	5,144.00
10,000* (March 31, 2020: 10,000) 4% Non Cumulative Redeemable Preference Shares of ₹ 10 each	1.00	1.00
3,256,000* (March 31, 2020: 3,256,000) 10.5% Non Cumulative Redeemable Preference Shares of ₹ 100 each	3,256.00	3,256.00
	8,401.00	8,401.00
Issued, subscribed and paid up		
21,663,937* (March 31, 2020: 21,663,937) Equity Shares of ₹ 10 each fully paid up	2,166.39	2,166.39
	2,166.39	2,166.39
a) Share Capital Reconciliation :	No. of shares	Amount (₹ in lakh)
Equity Share (₹ 10 each fully paid up)		
Balance as at April 1, 2019	21,663,937	2,166.39
Changes during the year	-	-
Balance as at March 31, 2020	21,663,937	2,166.39
Changes during the year	-	-
Balance as at March 31, 2021	21,663,937	2,166.39

b) Terms/ rights attached to equity shares:

The Group has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. For the year ended March 31, 2021 and March 31, 2020, the Board of Directors has not proposed any dividend for distribution to shareholders.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the companies forming part of group after distribution of their 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% shares

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Holding %	No. of shares	Holding %
Mrs. Payel Seth	4,413,635	20.37	4,413,635	20.37
Mr. Deepak Seth	2,862,145	13.21	2,862,145	13.21
Mr. Pulkit Seth	6,947,621	32.07	6,947,621	32.07
Mr. Sanjiv Dhiresbhai Shah	1,881,004	8.68	1,553,274	7.17

* Number of Shares are given in absolute numbers.

Notes

to consolidated financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 20 : OTHER EQUITY

	As At March 31, 2021	As At March 31, 2020
General Reserve	4,204.36	4,204.36
Securities Premium	17,103.90	17,103.90
Capital Redemption Reserve	95.00	95.00
Amalgamation Reserve	625.95	625.95
Foreign Currency Translation Reserve	5,448.73	4,623.26
Change in investment through OCI	(309.53)	(105.34)
Retained Earnings	23,668.60	21,989.10
Cash Flow Hedge Reserve	(1,281.96)	(645.23)
	49,555.07	47,891.00

I. For Movement during the period in Other Equity, refer Statement of Changes in Equity.

II. Nature and purpose of reserves

(Amount in ₹ Lakh, unless otherwise stated)

Particulars	As At March 31, 2021	As At March 31, 2020
a) General reserve		
Balance as at beginning/ end of the year	4,204.36	4,204.36
Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at an specified percentage in accordance with Companies (Transfer of profits to Reserve) Rules 1975. Consequent to introduction of the Companies Act 2013, there is no such requirement to mandatorily transfer a specified percentage of the net profit to general reserve.		
b) Securities premium		
Balance as at beginning/ end of the year	17,103.90	17,103.90
The amount received in excess of face value of the equity shares is recognised in securities premium. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.		
c) Capital redemption reserve		
Balance as at beginning/ end of the year	95.00	95.00
This Reserve has been created at the time of business combination with companies in earlier years in accordance with the provisions of the Companies Act, 2013.		
d) Amalgamation reserve		
Balance as at beginning/ end of the year	625.95	625.95
This Reserve has been created at the time of amalgamation of other companies in earlier years in accordance with the provisions of the Companies Act, 2013.		
e) Foreign currency translation reserve		
Balance as at beginning/ end of the year	5,448.73	4,623.26
The exchange differences arising from the translation of financial statements is recognized in other comprehensive income and is presented within equity.		

Notes

to consolidated financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

Particulars	As At March 31, 2021	As At March 31, 2020
f) Retained earnings		
Balance as at beginning/ end of the year	23,668.60	21,989.10
Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.		
g) Cash Flow Hedge Reserve		
Balance as at beginning/ end of the year	(1,281.96)	(645.23)
This reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. This reserve will be reclassified to statement of profit and loss only when the hedged transaction affects the profit or loss.		
h) Change in investment through Other Comprehensive Income (OCI)		
represents fair valuation of investments of subsidiary company routed through OCI.		
Balance as at beginning/ end of the year	(309.53)	(105.34)

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 21 : LONG TERM BORROWINGS

	Non - Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
From Banks (Secured)				
- Term Loan*	12,218.39	9,695.14	4,044.86	2,639.36
- Vehicle Loans	118.30	93.22	36.58	91.00
From Financials Institutional (Secured)				
- Vehicle Loans	66.84	112.39	48.55	38.85
From others - unsecured	58.80	82.93	-	-
	12,462.33	9,983.68	4,129.99	2,769.20
Less: Amount disclosed under other financial liabilities as 'Current maturities of long-term borrowings' (refer note no. 22)	-	-	4,129.99	2,769.20
	12,462.33	9,983.68	-	-

*includes loans which are carried at amortised cost

- i) Nature of Security in respect of Holding Company:** Following security details rank pari passu (first, second, exclusive or equitable as per respective sanction letters) amongst different lenders under multi bank arrangement for long term borrowings:
- Hypothecation over the entire movable/ Immovable fixed assets of the Company including creation of negative lien on the assets which are unencumbered and are not proposed to be mortgaged to any of the lenders.
 - Equitable mortgage over Industrial plot no. (i) 16/17, phase-6, Udyog Vihar, Gurugram, (ii) 597 and 603, RICCO Industrial Area, Bhiwadi, Rajasthan, (iii) 751, Pace City-II, Sector 37, Gurugram, (iv) Land & Building located at Survey No. 262A in Aryapakkam Village at Kancheepuram, (v) Company's property at Plot No. 51, Sector 32, Gurugram, and (vi) Land and building at Chennai and Bangalore Plant of the Company.

Notes

to consolidated financial statements for the year ended March 31, 2021

- c) Hypothecation of the Company's entire current assets including stocks of raw material, stock in process, finished goods, spares and book debts (present & future).
- d) Pari-Passu charge on FDR of ₹ 58. Other FDRs pledged with specific banks- PNB, UCO & IndusInd Bank are ₹ 607.02 (March 31, 2020: ₹ 134.03)
- e) Irrevocable and Unconditional Personal Guarantee of Mr. Deepak Seth (Promoter Director) and/or Mr. Pulkit Seth (Managing Director).

ii) Security in respect of Pearl Global (HK) Limited,

- As at March 31, 2021, property, plant and equipment of the subsidiary in Vietnam with net carrying amount of ₹ 416.22 (2020: ₹ 645.64) are pledged to secure the bank borrowings.
- As at March 31, 2021, the leasehold land & building in Hong Kong with net carrying amount of ₹ 3,951.05 (2020: ₹ 4,103.14) were pledged to the bank to secure for the general banking facilities granted to the group.
- As at March 31, 2021, machineries of the subsidiary in Indonesia with net carrying amount of ₹ 2,572.50 were pledged to bank to secure for the general banking facilities granted to the group.

iii) Maturity Profile

Particulars	2020-21	2021-22	2022-23	Beyond 2023-24
Term loan from Banks and Financial Institution are repayable in monthly/quarterly/yearly installments	4,044.86	4,023.28	2,998.31	5,196.80
Vehicle loans from banks and financial institutions are repayable in monthly installments	85.13	103.68	36.81	44.66
From others - unsecured	-	-	-	58.80

- iv) Vehicle loans are secured against hypothecation of respective vehicles.
- v) The above loan(s) carries rate of interest ranging between 7.40% to 12.00% per annum.

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 21A : SHORT TERM BORROWINGS

	As At March 31, 2021	As At March 31, 2020
Working capital loan from banks(secured)		
- Rupee loan	19,990.64	25,715.32
	<u>19,990.64</u>	<u>25,715.32</u>

- a) **Nature of security in respect of Holding Company:** The Company has entered into borrowing arrangements with lenders under Consortium Arrangement for short term borrowings. The security details set out under Note 21 ranks pari passu (as per respective sanction letters) amongst all secured lenders for short term and long term borrowings.
- b) **Security in respect of Pearl Global (HK) Limited,**
The bank borrowing facilities are secured by Group's property, plant and equipment, inventories, trade receivables, Corporate Guarantee of the ultimate holding company and a fellow subsidiaries and director's personal guarantee.
- c) **Security in respect of Norp Knit Industries Limited,**
 - 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.
 - As at March 31, 2021, Fixed Deposit of ₹ 347 (March 31, 2020: ₹ 355)
 - Personal Guarantee by the promoter director of the Company.

Notes

to consolidated financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 22 : OTHER FINANCIAL LIABILITIES

	Non - Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Security deposit	137.28	246.97	-	-
Book overdraft	-	-	261.51	26.87
Current maturities of long-term borrowings (refer note no. 21)	-	-	4,129.99	2,769.20
Interest accrued but not due on borrowings	-	-	23.26	37.48
Unpaid dividends (refer note b)	-	-	29.75	31.85
Creditors for capital goods	-	-	203.74	30.21
Financial Liabilities at Fair Value through OCI - Cash Flow Hedge	-	-	12.34	991.80
Others	-	-	796.14	1,830.22
	137.28	246.97	5,456.74	5,717.63

Notes:

- The Group's exposure to market and liquidity risk related to other financial liabilities is disclosed in note 43.
- There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 23 : PROVISIONS

	Non - Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Provision for employee benefits				
Provision for compensated absences (refer note no. 39)	618.71	554.06	25.85	23.96
Provision for gratuity (refer note no. 39)	1,625.06	1,456.54	83.19	44.44
Other employee benefits	66.34	69.12	-	-
	2,310.12	2,079.72	109.04	68.40

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 24 : OTHER LIABILITIES

	Non - Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Advance received against sale of land	2,963.62	2,963.62	-	-
Deferred government grant	7.58	8.58	145.61	145.61
Deferred rental income	42.15	25.71	15.06	31.92
Statutory dues	-	-	577.33	632.95
Others	-	-	0.56	46.87
	3,013.35	2,997.91	738.57	857.35

Notes

to consolidated financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 25 : TRADE PAYABLE

	As At March 31, 2021	As At March 31, 2020
Total outstanding dues of micro and small enterprises	481.71	331.05
Total outstanding dues of creditors other than micro and small enterprises	24,195.11	17,775.62
	24,676.82	18,106.67

- a) For information of amount of trade payable to related parties, refer note no. 46
- b) Information as required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 for the year ended March 31, 2021 is given below:
- The amount due thereon remaining unpaid to any supplier at the end of each accounting year

- Principal	481.71	331.05
- Interest	-	-
 - The amount of interest paid by the Group in terms of section 16 of MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year

	-	-
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 - The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.

	-	-
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 - The amount of interest accrued and remaining unpaid at the end of each accounting year

	-	-
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 - 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

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Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Group regarding the status of registration of such vendors under the said Act and as per the intimation received from them on requests made by the Group. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date except disclosed above.

- c) The Group's exposure to market and liquidity risk related to trade payables is disclosed in note 43.

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 26 : CURRENT TAX LIABILITIES (NET)

	As At March 31, 2021	As At March 31, 2020
Provision for income tax (Net of advance tax ₹ 278.60 (March 31, 2020 ₹ 717.45))	93.44	57.23
	93.44	57.23

Notes

to consolidated financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 27 : REVENUE FROM OPERATIONS

	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of Product	145,861.69	163,325.79
Job Receipts	-	129.54
Other Operating Revenues	3,230.97	5,057.25
Revenue from operations	149,092.65	168,512.58

a) Performance obligation

Revenue is recognised upon transfer of control of products and customers.

During the year, the Group has not entered into long term contracts with Customers and accordingly disclosure of unsatisfied or remaining performance obligation (which is affected by several factors like changes in scope of Contracts, periodic revalidations, adjustment for revenue that has not been materialized, tax laws etc.) is not applicable to the Group.

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

(Amount in ₹ Lakh, unless otherwise stated)

Revenue based on Geography	For the year ended March 31, 2021	For the year ended March 31, 2020
India	3,614.27	8,403.09
Outside India	145,478.38	160,109.49
Revenue from operations	149,092.65	168,512.58

c) Reconciliation of revenue from operations with contracted price

(Amount in ₹ Lakh, unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Contracted Price	149,165.29	168,557.47
Less:		
Sales Returns	72.64	44.89
	149,092.65	168,512.58

d) Variable Consideration associated with Sales:

The companies under the Group estimates the variable consideration using the most likely amount or expected value method, whichever approach best predicts the amount of consideration based on the terms of contract and available information and updates the estimates in each reporting period.

e) Disclosure in respect of Export Incentive (Holding Company)

As per the scheme on Remission of Duties and Taxes on Export Products (RoDTEP) of Government of India, the Company is eligible to claim export incentives representing refund of embedded central, state and local duties/ taxes. All the incentives previously under Merchandise Export from India Scheme (MEIS) and the RoSCTL (Rebate of State and Central Taxes and Levies) are now under the purview of the RoDTEP scheme.

The Scheme is effective from January 1, 2021, however the incentive rates are yet to be notified by the Authorities. For the period from January 1, 2021 to March 31, 2021, the Company has recognised ₹ 421.15 of income towards RoDTEP and

Notes

to consolidated financial statements for the year ended March 31, 2021

corresponding receivable on the basis of best estimate of the management, which is lower than the rates applicable under erstwhile scheme applicable upto December 31, 2020. For measurement of such income, significant estimates and judgements were made by the management which includes eligibility of export transaction for the claim, timing of processing of such claim and its realization and the rate expected to be notified by the Government authorities in this regard. The estimation of rate involves a high level of uncertainty considering the delay in notification of the rate. The Company has performed sensitivity analysis on sources of estimation, uncertainty and appropriately considered the same while recognizing such income.

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 28 : OTHER INCOME	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income		
- On Fixed deposits	103.92	967.85
- On loans and advances	173.99	174.64
- On income tax refund	-	0.16
- On Investment	59.83	-
<u>Other non-operating income:</u>		
Rental income	770.91	980.53
Foreign exchange fluctuation	458.01	1,700.72
Government grant received	64.66	-
Amortisation of deferred rental income	36.78	32.08
Profit on sale of current investment - mutual fund	16.61	73.79
Fair value gain on investments measured at fair value through profit and loss(net)	255.85	29.41
Miscellaneous income	409.91	946.31
	<u>2,350.49</u>	<u>4,905.49</u>

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 29 : COST OF RAW MATERIAL CONSUMED	For the year ended March 31, 2021	For the year ended March 31, 2020
Raw Material		
Balance at the beginning of the Year	12,245.71	10,669.98
Add:- Purchases during the year	69,336.18	77,404.21
Add: Impact of exchange fluctuation/ re-instatement	(174.43)	374.97
	<u>81,407.45</u>	<u>88,449.15</u>
Less:- Balance at the end of the Year	13,670.22	12,245.71
Total Raw Material Consumption	<u>67,737.23</u>	<u>76,203.44</u>

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 30 : PURCHASE OF STOCK IN TRADE	For the year ended March 31, 2021	For the year ended March 31, 2020
Purchases during the year	9,337.91	5,210.29
	<u>9,337.91</u>	<u>5,210.29</u>

Notes

to consolidated financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 31 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the beginning of the year		
Work-in-progress	12,212.16	10,652.01
Finished goods	1,611.09	2,124.30
Scrap Stock	-	111.08
Add: Impact of exchange fluctuation/ re-instatement	(142.06)	386.27
(A)	13,681.19	13,273.67
Inventories at the end of the year		
Work-in-progress	9,637.71	12,212.16
Finished goods	4,060.98	1,611.09
Scrap Stock	166.84	33.21
(B)	13,865.53	13,856.47
(Increase) / decrease in inventory (A-B)	(184.34)	(582.80)

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 32 : EMPLOYEE BENEFITS EXPENSE	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, Wages & Bonus	30,727.62	36,675.52
Contribution to Provident and Other fund	578.86	923.57
Gratuity expense (refer note no. 39)	413.62	420.86
Compensated absences (refer note no. 39)	591.18	557.32
Staff Training & Welfare Expenses	223.57	748.30
	32,534.85	39,325.57

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 33 : FINANCE COST	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Expense		
- On Term loans, Cash Credit & Working Capital Facilities	2,585.82	2,709.71
- Delayed Payment of Taxes	1.51	1.74
- lease liabilities	837.64	810.19
- Others	-	17.34
Unwinding of discount on security deposit	40.24	30.32
Other borrowing cost	660.13	631.74
	4,125.34	4,201.04

Notes

to consolidated financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 34 : DEPRECIATION AND AMORTIZATION EXPENSE	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of - poroperty, plant and equipment (refer note no. 4)	2,722.09	2,767.44
Depreciation & amortisation of Investment Properties (refer note no. 6)	86.77	85.75
Amortisation of intangible assets (refer note no. 8)	39.89	47.75
Amortisation of Right-of-use assets (refer note no. 48)	1,561.80	1,303.46
	4,410.55	4,204.40

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 35 : OTHER EXPENSES	For the year ended March 31, 2021	For the year ended March 31, 2020
Manufacturing Expense	15,129.20	16,679.11
Consumption of Stores & Spare Parts	1,011.51	1,243.96
Power & fuel	1,843.21	2,317.50
Rent	310.24	805.00
Rates & Taxes	71.06	117.26
Travelling & Conveyance	544.76	1,546.44
Freight & clearing Charges	3,840.85	3,925.85
Claim to Buyers	582.92	1,356.27
Repair & Maintenance		
Plant & Machinery	75.12	76.87
Buildings	7.18	9.07
Other	866.88	982.83
Commission	524.45	691.70
Legal & Professional Expenses	3,893.71	6,202.54
Security Charges	385.14	467.08
Bank charges	619.65	1,051.72
Insurance Expenses	422.45	362.56
Payment to the Auditors (Refer note 'a' below)	90.98	81.59
Bad debts and doubtful advances written off	56.90	26.31
Allowance for bad and doubtful debts	278.86	47.92
Corporate social responsibility	27.10	22.15
Loss on mark to market forward contracts	-	462.80
Miscellaneous Expenses	3,029.17	3,187.47
Total	33,611.35	41,664.00

Notes

to consolidated financial statements for the year ended March 31, 2021

a) **Details of payment made to auditors is as follows:** (Amount in ₹ Lakh, unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Payment to auditors		
As auditor:		
- Statutory audit fee	62.14	64.04
- Other Services	27.14	10.00
- Reimbursement of expenses	1.70	7.55
	90.98	81.59

b) Miscellaneous expenses includes expense towards purchase of Electoral Boards amounting to ₹ Nil (March 31, 2020: ₹ 160) from State Bank of India under the Scheme - 'The Electoral Bond Scheme, 2018' notified by the central Government vide Gazette Notification No. 20 dated January 2, 2018 by the Holding Company.

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 36 : EXCEPTIONAL ITEMS	For the year ended March 31, 2021	For the year ended March 31, 2020
Loss on sale of Property, Plant & Equipment	1,035.93	27.84
Profit on account of compulsory acquisition of land	-	(184.47)
Enhanced Compensation on land acquisition by NHAI	(2,335.15)	-
Property, plant and equipment written off	-	0.23
Impairment of investment in subsidiaries	33.91	-
Impairment of Goodwill	-	225.12
	(1,265.31)	68.72

a) The figures in bracket above represents income/ profit

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 37 : COMPONENTS OF OTHER COMPREHENSIVE INCOME	For the year ended March 31, 2021	For the year ended March 31, 2020
A (i) Items that will not be reclassified to profit and loss		
Re-measurement gains/ (losses) on defined benefit plans	(48.22)	340.22
Income tax expense	(23.22)	(69.11)
B (i) Items that will be reclassified to profit and loss		
Foreign exchange translation reserve	(825.45)	2,586.30
Fair valuation of investment in mutual fund	173.25	(38.29)
Hedging Reserve through OCI	979.45	(991.80)
Income tax expense	(342.72)	346.57
	(86.91)	2,173.89

Notes

to consolidated financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 38 : EARNINGS PER SHARE (EPS)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit attributable to the equity shareholders (A)	1,727.11	2,156.43
Number/Weighted average number of equity shares outstanding at the end of the year (B)	21,663,937	21,663,937
Nominal value of equity shares	₹ 10	₹ 10
Basic/Diluted earning per share (A/B) (in ₹)	7.97	9.95

NOTE 39 : GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

a) Defined contribution plans

The Group makes contribution towards Employees Provident Fund and Employee's State Insurance scheme. Under the rules of these schemes, the Group is required to contribute a specified percentage of payroll costs. The Group during the year recognised the following amount in the Statement of profit and loss account under company's contribution to defined contribution plan.

(Amount in ₹ Lakh, unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Employer's Contribution to Provident Fund/ Pension Fund	419.38	638.39
Employer's Contribution to Employee State Insurance	138.43	241.31
Employer's Contribution to Employees Deposit Linked Insurance Scheme	14.03	15.00
Employer's Contribution to Welfare Fund	7.03	28.87
Total	578.86	923.57

The contribution payable to these schemes by the Group are at the rates specified in the rules of the schemes.

b) Employee Benefit Obligation in case of Pearl Global HK Limited

Policy for the Group's operation in the Republic of Indonesia

The Group determines its post-employment benefits obligation under the Labor Law of the Republic of Indonesia No. 13/2003. The cost of providing post-employment benefits is determined using "Projected Unit Credit" method. Actuarial gains or losses are recognized as income or expense when the net cumulative unrecognized actuarial gains and losses at the end of the previous reporting year exceeded the higher of 10% of the defined benefit obligation and 10% of the fair value of plan assets at that date. These gains or losses are recognised on a straight-line basis method over the expected average remaining working lives of the employees. Past service cost arising from the introduction of a defined benefit plan or changes in the benefits obligation of an existing plan are required to be amortized over the period until the benefits concerned become vested.

Policy for the Group's operation in the Socialist Republic of Vietnam

The severance allowance for employees is accrued at the end of each reporting period for all employees having worked at the Group for full 12 months and above. Working time serving as the basis for calculating severance allowance shall be the total actual working time subtracting the time when the employees have made unemployment insurance contributions as prescribed by law, and the working time when severance allowance has been paid to the employees. The allowance made for each year of service equals to a half of an average monthly salary under the Vietnamese Labour Code, Social Insurance Code and relevant guiding documents. The average monthly salary used for calculation of severance allowance shall be adjusted to be the

Notes

to consolidated financial statements for the year ended March 31, 2021

average of the 6 consecutive months nearest to the date of the financial statements at the end of each reporting period. The increase or decrease in the accrued amount shall be recorded in the statement of profit or loss or other comprehensive income.

Policy for the Group's operation in the Hong Kong Special Administrative Region of the People's Republic of China

The Group participates in Mandatory Provident Fund Scheme ("MPF Scheme") for its employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Pursuant to the rules of the MPF Scheme, each of the employer and employees are required to make contributions to the scheme at rates specified in the rules. The MPF Scheme is a defined contribution plan and the Group is only obliged to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in the future years. The retirement benefit cost arising from the MPF Scheme charged to the consolidated statement of profit or loss and other comprehensive income represent contribution payable to the funds by the Group in accordance with the rules of the MPF Scheme.

c) Defined benefit plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Group is able to determine the present value of obligations. "Projected Unit Credit Method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

i) Gratuity scheme

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

- a) Gratuity in case of Gurgaon Division (Funded & maintained by Life Insurance Corporation of India)
- b) Gratuity in case of Chennai & Bangalore Division (Unfunded)

ii) Other long term employee benefits

As per the Group policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during the service, on early retirement, on withdrawal of scheme, at resignation by employee and upon death of employee. The scale of benefits is determined based on the seniority and the respective employee's salary. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

Re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest and if applicable), is reflected immediately in Other Comprehensive Income in the statement of profit and loss. All other expenses related to defined benefit plans are recognised in statement of profit and loss as employee benefit expenses. Re-measurements recognised in Other Comprehensive Income will not be reclassified to statement of profit and loss hence it is treated as part of retained earnings in the statement of changes in equity. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Curtailment gains and losses are accounted for as past service costs.

Notes

to consolidated financial statements for the year ended March 31, 2021

- d) The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the defined benefit plan (viz. gratuity and compensated absences). Leave encashment include earned leaves and sick leaves. These have been provided on accrual basis, based on year end actuarial valuation by actuary's of respective companies consolidated in these financial statements.

(Amount in ₹ Lakh, unless otherwise stated)

Change in benefit obligation	As at March 31, 2021		As at March 31, 2020	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Opening defined benefit obligation	654.60	1,209.60	617.55	1,175.43
Interest cost	44.29	87.27	48.11	95.66
Service cost	89.46	272.13	111.96	287.12
Past Service cost	-	(54.93)	-	(7.89)
Benefits paid	(92.36)	(226.61)	(47.38)	(74.11)
Foreign currency translation reserve	-	(23.55)	-	8.90
Actuarial (gain) / loss on obligations	(41.19)	78.57	(75.64)	(275.51)
Present value of obligation as at the end of the year	654.80	1,342.49	654.60	1,209.60

- e) The following tables summarise the components of net benefit expense recognised in the Statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

(Amount in ₹ Lakh, unless otherwise stated)

Cost for the year included under employee benefit	As at March 31, 2021		As at March 31, 2020	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Current service cost	89.46	272.13	111.96	287.12
Past service cost	-	(54.93)	-	(7.89)
Interest cost	44.29	87.27	48.11	95.66
Expected return on plan assets	(24.55)	-	(26.56)	-
Actuarial (gain) / loss	-	-	-	(87.54)
Net cost	109.19	304.48	133.51	287.35

- f) **Changes in the fair value of the plan assets are as follows:** (Amount in ₹ Lakh, unless otherwise stated)

	As at March 31, 2021		As at March 31, 2020	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Fair value of plan assets at the beginning	363.22	-	388.39	-
Expected return on plan assets	24.55	-	26.26	-
Contributions	4.43	-	6.90	-
Benefits paid	(92.36)	-	(47.38)	-
Actuarial gains / (losses) on the plan assets	(10.84)	-	(10.93)	-
Fair value of plan assets at the end	289.01	-	363.22	-

Notes

to consolidated financial statements for the year ended March 31, 2021

g) Detail of actuarial gain/loss recognised in OCI is as follows: (Amount in ₹ Lakh, unless otherwise stated)

	As at March 31, 2021		As at March 31, 2020	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Actuarial gain / (loss) for the year – obligation	(41.19)	78.57	(75.64)	(275.51)
Actuarial gain / (loss) for the year - plan assets	10.84	-	10.93	-
Total gain / (loss) for the year	(30.36)	78.57	(64.69)	(275.51)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The actuarial assumptions include economic assumptions of discount rate and rate of increase in compensation levels. Other assumptions considered are demographic assumptions and withdrawal rate while calculating the obligations as at year end.

h) Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain/(loss) for benefit obligation and plan assets.

	As at March 31, 2021		As at March 31, 2020	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Present value of obligation	654.80	1,342.49	654.60	1,209.60
Less: Fair value of plan assets	289.01	-	363.22	-
Net assets /(liability)	(365.79)	(1,342.49)	(291.38)	(1,209.60)

i) A quantitative sensitivity analysis for significant assumptions is as shown below:

	As at March 31, 2021		As at March 31, 2020	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
A. Discount rate				
Effect on DBO due to 0.5% increase in Discount Rate	(61.46)	775.66	(61.88)	590.80
Effect on DBO due to 0.5% decrease in Discount Rate	71.91	1,002.92	72.58	786.16
B. Salary escalation rate				
Effect on DBO due to 0.5% increase in Salary Escalation Rate	72.51	999.87	73.15	787.35
Effect on DBO due to 0.5% decrease in Salary Escalation Rate	(63.00)	773.73	(63.40)	588.74
C. Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated for group as a whole.				

Notes

to consolidated financial statements for the year ended March 31, 2021

j) Risk

Discount Rate	Reduction in discount rate in subsequent valuations can increase the liability.
Salary Increases	Actual salary increases will increase the defined benefit liability. Increase in salary increase rate assumption in future valuations which in turn also increase the liability.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawals rates at subsequent valuations can impact defined benefit liability.
Morality and disability	Actual details and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

k) Refer respective standalone financial statements of Holding Company and the Subsidiary Companies forming part of the Group for Maturity Profile of Defined Benefit obligation

NOTE 40 : CAPITAL MANAGEMENT

The Group's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an appropriate capital structure of debt and equity.

The Board of Directors have the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management in deployment of funds and sourcing by leveraging opportunities in domestic and international markets so as to maintain investors, creditors and markets confidence and to sustain future development of the business.

The Group monitors capital, using a medium term view ranging between three to five years, on the basis of a number of financial ratios generally used by the industry. The Group monitors capital structure using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises of long term and short term borrowings less cash and cash equivalents. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of reporting periods were as follows:

(Amount in ₹ Lakh, unless otherwise stated)

	As At March 31, 2021	As At March 31, 2020
Borrowings (refer note no. 21)	32,452.97	35,699.01
Current maturity of long term loans (refer note no. 22)	4,129.99	2,769.20
Interest accrued but not due on borrowings (refer note no. 22)	23.26	37.48
Less: cash and cash equivalents (refer note no. 17)	(9,471.34)	(8,808.89)
Net debt (A)	27,134.88	29,696.81
Equity share capital (refer note no. 19)	2,166.39	2,166.39
Other equity (refer note no. 20)	49,555.07	47,891.00
Total Capital (B)	51,721.46	50,057.39
Capital and net debt (A+B=C)	78,856.32	79,754.21
Gearing ratio (A/C)	34.41%	37.24%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

Notes

to consolidated financial statements for the year ended March 31, 2021

NOTE 41 : DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

I) Hedge Accounting

- (i) The Group enters into hedging instruments in accordance with policies as approved by the Board of Directors with written principles which is consistent with the risk management strategy of the Group. The Group has decided to apply hedge accounting for certain derivative contracts that meets the qualifying criteria of hedging relationship entered post April 01, 2019. Hedging strategies are decided and monitored periodically by the Risk Management Committee of the Board. The Hedging Practice and its corresponding hedge accounting is mainly followed by the Holding Company.

Cash Flow Hedges

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecasted hedged items in US dollar. These forecast transactions are highly probable. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

- (ii) **The fair value of derivative financial instruments is as follows:**

Particulars	Liabilities March 31, 2021	Assets March 31, 2020
Fair value of foreign currency forward exchange contract designated as hedging instruments	12.34	991.80

The critical terms of the foreign currency forward contracts match the terms of the expected highly probable forecast sale transactions.

The cash flow hedges of the forecasted sale transactions for the year ended March 31, 2021 were assessed to be highly effective and unrealised profit of ₹ 979.45 lakh, with a deferred tax liability of ₹ 342.72 lakh relating to the hedging instruments, is included in OCI (March 31, 2020: Unrealised loss of ₹ 991.80 lakh with a corresponding deferred tax assets of ₹ 346.57 lakh).

- (iii) **Maturity Profile:** The following table includes the maturity profile of the foreign exchange forward contracts:

Particulars	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	Total
As at March 31, 2021 (INR)	-	-	-	-	2,278.85	2,278.85
Notional amount (in USD)	-	-	-	-	30.00	30.00
Average forward rate (USD/INR)	-	-	-	-	75.96	75.96
As at March 31, 2020 (INR)	3,118.99	5,617.99	6,316.02	4,313.64	4,625.57	23,992.21
Notional amount (in USD)	43.00	77.00	85.92	58.00	61.00	324.92
Average forward rate (USD/INR)	72.53	72.96	73.51	74.37	75.83	73.84

- (iv) **The impact of the hedging instruments on the balance sheet is as follows:**

Particulars	Liabilities March 31, 2021	Assets March 31, 2020
Fair value of foreign currency forward exchange contract designated as hedging instruments	12.34	991.80

Notes

to consolidated financial statements for the year ended March 31, 2021

The line item in Balance Sheet where Hedge instrument is disclosed is Other Financial Liabilities. The changes in fair value of forward exchange contract are disclosed as under:

Particulars	Amount (₹)
Foreign currency risk forward contract- As at March 31, 2021	979.45
Foreign currency risk forward contract- As at March 31, 2020	(991.80)

(v) The effect of the cash flow hedge in the statement of profit or loss and other comprehensive income is, as follows:

Disclosure of effects of hedge accounting on Financial Position (Statement of Profit and Loss)

Particulars	Total hedging gain/(loss) recognised in OCI	Line item in Statement of profit and loss	Amount reclassified from OCI to profit or loss	Line item in Statement of profit and loss
As at March 31, 2021	979.45	Cash Flow Hedge Reserve (OCI)	19.15	Revenue from Operations
Highly probable forecast sales				
As at March 31, 2020	(991.80)	Cash Flow Hedge Reserve (OCI)	(38.42)	Revenue from Operations
Highly probable forecast sales				

(vi) **Impact of hedging on equity**

Set out below is the reconciliation of each component of equity and the analysis of other comprehensive income:

Particulars	Cash Flow Hedge Reserve
As at March 31, 2021	12.34
Effective Portion of Changes in fair Value arising from Foreign Exchange Forward Contracts	(19.15)
Amount reclassified to profit & loss	19.15
Tax effect	(342.72)
As at March 31, 2020	(991.80)
Effective Portion of Changes in fair Value arising from Foreign Exchange Forward Contracts	38.42
Amount reclassified to profit & loss	(38.42)
Tax effect	346.57

(vii) **Valuation Technique**

The Company enters into derivative financial instruments which are valued using valuation techniques which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing models, using present value calculations. Where quoted market prices are not available, fair values are based on Management best estimates, which are arrived at by the reference to market prices.

Notes

to consolidated financial statements for the year ended March 31, 2021

II) Particulars of Unhedged foreign currency exposures:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Foreign Currency in lakh	(₹ in lakh)	Foreign Currency in lakh	(₹ in lakh)
Foreign currency receivable	HKD 6.17	58.37	HKD 5.63	54.75
	IDR 31,013.67	156.56	IDR 56,295.50	259.93
	EUR -	-	EUR 0.00	0.04
	GBP 0.01	0.77	GBP 0.16	15.31
	SGD 0.00	0.01	SGD 0.00	0.01
	VND 7,137.67	22.79	VND 50,120.31	161.30
	CNY 0.29	3.28	CNY 0.15	1.54
	USD 219.21	16,111.82	USD 77.12	5,813.75
Foreign currency payable	HKD 159.43	1,507.30	HKD 173.68	1,688.69
	IDR 27,825.03	140.46	IDR 39,137.49	180.71
	VND 203,645.44	650.10	VND 170,637.90	549.14
	EUR 0.03	2.27	EUR -	-
	USD -	-	USD 27.31	2,058.88

III) In respect of the derivative contracts entered into by the Group. The Management assesses no material foreseeable losses as at the reporting date.

NOTE 42 : FAIR VALUES MEASUREMENTS

I Financial instruments

a) Financial instruments by category

Except Investment in equity instruments (Quoted) and investment in mutual funds which are measured at fair value through profit or loss, all other financial assets and liabilities viz. trade receivables, security deposits, cash and cash equivalents, other bank balances, interest receivable, other receivables, trade payables, employee related liabilities and borrowings, are measured at amortised cost. Derivative financial instruments and certain investments are measured at fair value through other comprehensive income.

b) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels of in the fair value hierarchy:

Notes

to consolidated financial statements for the year ended March 31, 2021

As at March 31, 2021

Particulars	FVOCI	FVTPL	Carrying amount			Fair values			
			Financial Assets - amortised cost	Financial Liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in equity shares (Quoted)	-	335.00	-	-	335.00	335.00	-	-	335.00
Investment in mutual funds	-	754.38	-	-	754.38	754.38	-	-	754.38
Investment in Units and Debt instrument	2,042.92	-	-	-	2,042.92	2,042.92	-	-	2,042.92
Investments in key man insurance policy	2,085.98	-	-	-	2,085.98	2,085.98	-	-	2,085.98
Financial assets not measured at fair value									
Investment in equity shares (Unquoted)	-	-	-	-	-	-	-	-	-
Investment in preference shares	-	-	270.00	-	270.00	-	-	-	-
Investment in government securities	-	-	1.63	-	1.63	-	-	-	-
Loan to employees	-	-	31.04	-	31.04	-	-	-	-
Loan to related parties	-	-	300.00	-	300.00	-	-	-	-
Loan to Others	-	-	3,542.13	-	3,542.13	-	-	-	-
Security Deposits	-	-	974.99	-	974.99	-	-	-	-
Interest accrued but not due on term deposits	-	-	36.15	-	36.15	-	-	-	-
Deposits with original maturity of more than 12 months	-	-	265.69	-	265.69	-	-	-	-
Trade receivables	-	-	24,217.21	-	24,217.21	-	-	-	-
Cash and cash equivalents	-	-	9,471.34	-	9,471.34	-	-	-	-
Other bank balances	-	-	2,233.21	-	2,233.21	-	-	-	-
Other Financial assets	-	-	32.35	-	32.35	-	-	-	-
	4,128.90	1,089.38	41,375.74	-	46,594.02	5,218.28	-	-	5,218.28
Financial liabilities measured at fair value									
Financial Liabilities at Fair Value through OCI - Cash Flow Hedge	12.34	-	-	-	12.34	12.34	-	-	12.34
Financial liabilities not measured at fair value									
Borrowings	-	-	-	36,582.96	36,582.96	-	-	36,603.29	36,603.29
Lease Liabilities	-	-	-	7,394.94	7,394.94	-	-	-	-
Security Deposits	-	-	-	137.28	137.28	-	-	-	-
Book overdraft	-	-	-	261.51	261.51	-	-	-	-
Interest accrued but not due on borrowings	-	-	-	23.26	23.26	-	-	-	-
Unpaid dividends	-	-	-	29.75	29.75	-	-	-	-
Trade payables	-	-	-	24,676.84	24,676.84	-	-	-	-
Creditors for capital goods	-	-	-	203.74	203.74	-	-	-	-
Others	-	-	-	796.14	796.14	-	-	-	-
	12.34	-	-	70,106.42	70,118.77	12.34	-	36,603.29	36,615.63

Notes

to consolidated financial statements for the year ended March 31, 2021

As at March 31, 2020

Particulars	FVOCI	FVTPL	Carrying amount			Fair values			
			Financial Assets - amortised cost	Financial Liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in equity shares (Quoted)	-	141.00	-	-	141.00	141.00	-	-	141.00
Investment in mutual funds	-	692.68	-	-	692.68	692.68	-	-	692.68
Investment in Units and Debt instrument	948.97	-	-	-	948.97	948.97	-	-	948.97
Investments in key man insurance policy	1,992.77	-	-	-	1,992.77	1,992.77	-	-	1,992.77
Financial assets not measured at fair value									
Investment in equity shares (Unquoted)	-	-	-	-	-	-	-	-	-
Investment in preference shares	-	-	-	-	-	-	-	-	-
Investment in government securities	-	-	1.63	-	1.63	-	-	-	-
Loan to employees	-	-	33.40	-	33.40	-	-	-	-
Loan to related parties	-	-	300.00	-	300.00	-	-	-	-
Loan to Others	-	-	3,843.08	-	3,843.08	-	-	-	-
Security Deposits	-	-	1,147.70	-	1,147.70	-	-	-	-
Interest accrued but not due on term deposits	-	-	56.42	-	56.42	-	-	-	-
Interest accrued but not due on loan to related parties	-	-	8.45	-	8.45	-	-	-	-
Deposits with original maturity of more than 12 months	-	-	265.11	-	265.11	-	-	-	-
Trade receivables	-	-	22,042.47	-	22,042.47	-	-	-	-
Cash and cash equivalents	-	-	8,808.89	-	8,808.89	-	-	-	-
Other bank balances	-	-	2,168.83	-	2,168.83	-	-	-	-
Other Financial assets	-	-	1.16	-	1.16	-	-	-	-
	2,941.73	833.68	38,677.14	-	42,452.56	3,775.42	-	-	3,775.42
Financial liabilities measured at fair value									
Financial Liabilites at Fair Value through OCI - Cash Flow Hedge	991.80	-	-	-	991.80	991.80	-	-	991.80
Financial liabilities not measured at fair value									
Borrowings	-	-	-	38,468.21	38,468.21	-	-	38,488.54	38,488.54
Lease Liabilities	-	-	-	7,797.67	7,797.67	-	-	-	-
Security Deposits	-	-	-	246.97	246.97	-	-	-	-
Book overdraft	-	-	-	26.87	26.87	-	-	-	-
Interest accrued but not due on borrowings	-	-	-	37.48	37.48	-	-	-	-
Unpaid dividends	-	-	-	31.85	31.85	-	-	-	-
Trade payables	-	-	-	18,106.67	18,106.67	-	-	-	-
Creditors for capital goods	-	-	-	30.21	30.21	-	-	-	-
Others	-	-	-	1,830.22	1,830.22	-	-	-	-
	991.80	-	-	66,576.15	67,567.95	991.80	-	38,488.54	39,480.34

- c) Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). There have been no transfers in either direction for the year ended 31 March 2021 and 31 March 2020.

Notes

to consolidated financial statements for the year ended March 31, 2021

d) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of short-term trade and other receivables, trade payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

For other financial liabilities/ assets that are measured at fair value, the carrying amounts are equal to the fair values.

e) For specific valuation techniques used to value financial instruments, refer disclosures made in the standalone financials of Holding Company and Subsidiary companies.

NOTE 43 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group principal financial liabilities comprises of trade and other payables, borrowings, current maturity of borrowings, interest accrued and capital creditors. The main purpose of these financial liabilities is to finance the operations and to provide guarantees to support its operations.

The Group principal financial assets includes Investment in mutual funds, loans to related parties, security deposits, trade receivables, cash and cash equivalents, deposits with bank, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

The Group has exposure to the following risks arising from financial instruments:

- credit risk,
- liquidity risk and
- market risk.

The senior level management of respective companies in the Group oversees the management of these risks and is supported by treasury department that advises on the appropriate financial risk governance framework.

A. Credit risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to the Group. Credit risk arise from Cash and cash equivalents, deposit with banks, trade receivables and other financial assets measure at amortised cost. The respective companies in the Group continuously monitors defaults of customers and other counterparties and incorporate this information into its credit risk control. The carrying amount of financial assets represents the maximum credit exposure.

i) Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The credit risk is managed by the Group based on credit approvals, establishing credit limits and continuously monitoring the credit worthiness of the customers, to whom the Group grants credit period in the normal course of business including taking credit insurance against export receivables. The Group uses expected credit loss model to assess the impairment loss in trade receivables and makes an allowance of doubtful trade receivables using this model.

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

Particulars	Neither past due nor impaired	Less than 30 days	30 to 90 days	90 to 180 days	More than 180 days	Total
Trade receivables as of March 31, 2021	18,699.81	2,873.23	1,028.63	131.07	1,484.46	24,217.21
Trade receivables as of March 31, 2020	17,559.04	2,680.10	1,567.65	201.07	34.61	22,042.47

(ii) Other Financial Assets: The Group maintains exposure in cash & cash equivalents, term deposits with banks, investments, advances and security deposits etc. Credit risk from balances with banks, investment in mutual funds and

Notes

to consolidated financial statements for the year ended March 31, 2021

loan to related parties is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the respective Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of their finance committee. The Company's maximum exposure to the credit risk as at March 31, 2021 and March 31, 2020 is majorly the carrying value of each class of financial assets.

iii) Risk Exposure of Holding Company in respect of guarantees given as under:

- Quantitative data about exposure and maturity profile

Guarantee Given to	Details of Subsidiary	Purpose of Guarantee	Amount as at March 31, 2021	Guarantee Valid Upto
Standard Chartered Bank, Hongkong Branch	Pearl Global (HK) Limited	Securing Credit Facilities	USD 30.00 lakh equivalent to ₹ 2,205.00 lakh	February 04, 2023
HSBC Bank, Hongkong Branch	Pearl Global (HK) Limited	Securing Credit Facilities	USD 200.00 lakh equivalent to ₹ 14,700.00 lakh	November 10, 2021
Standard Chartered Bank, Bangladesh Branch	Norp Knit Industries Limited	Securing Credit Facilities	BDT 9,000.00 lakh equivalent to ₹ 7,636.03 lakh	October 11, 2021

- **Policy of managing risk:** The Group considers the probability of default upon initial recognition and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of default as at the reporting date with the risk of default as at the date of initial recognition. The Group considers reasonable and supportive forward-looking information such as significant changes in the value of guarantee or in the quality of exposure or credit enhancements.

B. Liquidity risk

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

The objective is to, maintain optimum levels of liquidity to meet its cash and collateral requirements both under normal & stressed conditions. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of fund through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

These facilities and limits vary at Company level (forming part of Group) and takes into account, future cash flows and the liquidity in which the entity operates.

The table below summarises the maturity profile of the financial liabilities based on contractual undiscounted payments.

As at March 31, 2021	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	20,010.97	-	12,000.49	461.84	32,473.30
Lease Liabilities	315.11	548.47	3,128.20	3,403.17	7,394.94
Current Maturities of long term borrowings	1,032.50	3,097.49	-	-	4,129.99
Trade payables	24,676.84	-	-	-	24,676.84
Other financial liabilities	1,326.75	-	137.28	-	1,464.03
Total	47,362.15	3,645.95	15,265.97	3,865.01	70,139.10

Notes

to consolidated financial statements for the year ended March 31, 2021

As at March 31, 2020	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	25,735.65	97.39	9,886.29	-	35,719.33
Lease Liabilities	188.20	621.99	2,901.45	4,086.02	7,797.66
Current Maturities of long term borrowings	692.30	2,076.90	-	-	2,769.20
Trade payables	18,106.67	-	-	-	18,106.67
Other financial liabilities	1,956.63	991.80	179.90	67.07	3,195.40
Total	46,679.45	3,788.08	12,967.64	4,153.09	67,588.26

C. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk are borrowings, short term deposits and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2021 and March 31, 2020.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates primarily to the long-term debt obligations with floating interest rates.

The Group main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to interest rate risk. The Group manages its net exposure to interest rate risk related to borrowings, by balancing a proportion of fixed rate and floating rate borrowing in its total borrowing portfolio. Currently, the Group's borrowings are within acceptable risk levels, as determined by the management, hence the Group has not taken any swaps to hedge the interest rate risk.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of borrowings affected. With all other variables held constant, the Group profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase or decrease in basis points	Decrease/(increase) in profit
March 31, 2021	+50	7.34
	-50	(7.34)
March 31, 2020	+50	5.64
	-50	(5.64)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. Foreign currency risk sensitivity is the impact on the profit before tax is due to changes in the fair value of monetary assets and liabilities on unhedged exposures. The following tables demonstrate the sensitivity to a reasonably possible change in applicable currency exchange rates, with all other variables held constant.

to consolidated financial statements for the year ended March 31, 2021

Particulars	Changes in exchange rate	Decrease/(increase) in profit before tax
March 31, 2021	+5%	(702.67)
	-5%	702.67
March 31, 2020	+5%	(91.57)
	-5%	91.57

[illegible]

Notes

to consolidated financial statements for the year ended March 31, 2021

Particulars	Bangladesh	Hong Kong	India	Others	Un-allocable	Total	Elimination	Total
Segment Assets	23,188.35	33,247.97	61,996.35	4,524.40	6,441.48	129,398.56	-	129,398.56
	(22,027.81)	(35,508.37)	(55,691.95)	(5,504.42)	(6,498.15)	(125,230.70)	-	(125,230.70)
Segment Assets as a percentage of Total assets of all segments	17.92	25.69	47.91	3.50	4.98	100.00	-	-
	(17.59)	(28.35)	(44.47)	(4.40)	(5.19)	(100.00)	-	-
Segment Liabilities	15,888.81	6,306.54	16,857.27	654.24	36,676.40	76,383.26	-	76,383.26
	(12,479.10)	(3,973.85)	(17,536.66)	(1,449.43)	(38,437.83)	(73,876.87)	-	(73,876.87)
Segment Liabilities as a percentage of Total Liabilities of all segments	20.80	8.26	22.07	0.86	48.02	100.00	-	-
	(16.89)	(5.38)	(23.74)	(1.96)	(52.03)	(100.00)	-	-
Segment Capital Employed	7,299.54	26,941.43	45,139.08	3,870.16	(30,234.92)	53,015.29	-	53,015.29
	(9,548.71)	(31,534.52)	(38,155.29)	(4,054.99)	31,939.68	(51,353.83)	-	(51,353.83)
Segment Capital Employed as a percentage of Total capital employed of all segments	13.77	50.82	85.14	7.30	(57.03)	100.00	-	-
	(18.59)	(61.41)	(74.30)	(7.90)	62.20	(100.00)	-	-
Capital Expenditure	946.25	1,544.45	691.89	10.42	-	3,193.01	-	3,193.01
	(1,896.23)	(1,970.88)	(1,564.37)	(248.53)	-	(5,680.01)	-	(5,680.01)
Segment Capital Expenditure as a percentage of Total capital expenditure of all segments	29.64	48.37	21.67	0.33	-	100.00	-	-
	(33.38)	(34.70)	(27.54)	(4.38)	-	(100.00)	-	-

b) The Group revenue from sale of garments to external customer are as follows:

(Amount in ₹ Lakh, unless otherwise stated)

Particulars	As At March 31, 2021	As At March 31, 2020
Local Customers	439.41	8,403.09
Foreign Customers	145,422.28	154,922.70
Total	145,861.69	163,325.79

c) Non- current assets are located within India and outside India:

(Amount in ₹ Lakh, unless otherwise stated)

Particulars	As At March 31, 2021	As At March 31, 2020
Non Current Assets		
- within India	23,670.78	24,818.27
- outside India	29,646.63	29,495.63

d) Revenue from major customer: During the year the Group generates 90% of its external revenues from 14 customers (March 31, 2020: 13 customers).

Notes

to consolidated financial statements for the year ended March 31, 2021

NOTE 45 : CONTINGENT LIABILITIES AND COMMITMENTS

a) Contingent liabilities

- I (i) The respective companies forming part of the group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The respective companies does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

(Amount in ₹ Lakh, unless otherwise stated)

	As At March 31, 2021	As At March 31, 2020
In respect of Holding Company:		
- Tax Demand as per Sec 143(1) of Income Tax Act , 1961 (with respect to A.Y. 2015-16)	8.34	8.30
- Tax Demand as per Sec 143(3) of Income Tax Act , 1961 (with respect to A.Y. 2016-17)	38.83	38.83
- Tax Demand as per Sec 143(3) of Income Tax Act , 1961 (with respect to A.Y. 2017-18)	16.61	16.61
- Demand as per TDS (TRACES) portal - CPC	8.71	16.52
(ii) Several Legal Cases of labour pending at labour Court, Civil Court and High Court. The Group has assessed and believe that none of these cases, either individually or in aggregate, are expected to have any material adverse effect on its financial statements. However, Since it is difficult to estimate the timings of the cash outflows, if any, no further provision or separate disclosure is made in books of accounts.		
II Irrevocable letter of credit (net of margin) outstanding with banks	13,678.44	5,862.96
III Bank Guarantee given to government authorities	204.93	224.29
IV Counter Guarantees given by the Group to the Sales Tax Department over which Key Managerial Personnel have Significant influence		
- For enterprise	1.00	1.00
- For others	0.50	0.50
V The Group has given the corporate guarantees to banks on behalf of its foreign subsidiaries (refer note no. 43)		

b) Commitments

(Amount in ₹ Lakh, unless otherwise stated)

	As At March 31, 2021	As At March 31, 2020
Capital Commitment: Estimated amount of contracts remaining to be executed on the capital account (net of capital advances)	-	198.72

The Group does not have any other long term Commitments or material non cancellable contractual commitments, which may have a material impact on the standalone financial statement.

Notes

to consolidated financial statements for the year ended March 31, 2021

NOTE 46 : RELATED PARTY TRANSACTIONS

A. List of related parties

Nature of Relationship	Name of the Related Party
Subsidiary (Direct/Indirect)	Domestic (Direct) Pearl Apparel Fashions Limited (Formerly known as Lerros Fashions India Limited) Pearl Global Kaushal Vikas Limited SBUYS E-Commerce Limited (w.e.f. 20.09.2019)
	Overseas (Direct) Pearl Global Fareast Limited Pearl Global (HK) Limited Norp Knit Industries Limited
	Overseas (Indirect) A & B Investment Limited Pearl Global F.Z.E. DSSP Global Limited Pearl Global Vietnam Company Limited Pearl Global(Chang Zhou) Textile Technology Company Limited Pearl Grass Creations Limited (Formerly known as Pearl Tiger HK Limited) PGIC Investment Limited Prudent Fashions Limited PT Pinnacle Apparels (Formerly known as PT Norwest Industry) Vin Pearl Global Vietnam Limited
Enterprise over which Key Managerial Personnel exercise Significant influence	Domestic Little People Education Society Nim International Commerce LLP PDS Multinational Fashions Limited Pearl Wears PS Arts Private Limited PSS Estates LLP Vau Apparels LLP
	Overseas 360 Notch Ltd (Formely known as Poeticgem Australia Ltd) 6Degree Manufacturing Limited (Formerly Zamira Denim Lab Limited) Apex Black Limited (Formerly Fabric & Trims Limited) Blueprint Design Limited Clover Collection Limited (Formerly DS Manufacturing Limited; Designed and Sourced Limited) Clover Collections FZCO (w.e.f. 20.02.2020) Design Arc Asia Limited [(Formerly Design Arc. Limited)] [(Design Arc. Limited Formerly Nor France Manufacturing Company Ltd)] Design Arc Europe Limited (Formerly Nor Europe Manufacturing Limited) Design Arc FZCO (W.e.f 17.01.2019)

Notes

to consolidated financial statements for the year ended March 31, 2021

Digital Ecom Techno Private Limited
Digital Internet Technologies Limited
Elevated Chance Limited
Fareast Vogue Limited
Frou Holdings Limited
FX Import Company Limited
Green Apparel Industries Ltd
Grupo Sourcing Limited (Hongkong)
Jcraft Array Limited (w.e.f. 12.04.2018)
JJ Star Industrial Limited
JSM Trading (FZE.)
Kindred Brands Ltd (Formerly NW Far-east Limited)
Kleider Sourcing FZCO (w.e.f 17.01.2019)
Kleider Sourcing Hongkong Limited
Krayon Sourcing Limited (Formerly Souring Solutions HK Limited)
Lai Chi Kok Apparels Limited
Multinational Textile Group Limited
NAFS Limited
Nor Lanka Manufacturing Colombo Limited
Nor Lanka Manufacturing Limited
Norwest Industries Limited
Pallas Holdings Limited
PDS Far-east Limited
PDS Asia Star Corporation Limited
PDS Global Investments Limited
PDS Ventures Limited (w.e.f. 03.07.2018)
PDS Smart Fabric Tech Limited (Formerly Funky Brands Company Limited)
PDS Sourcing Limited (Erstwhile Global Textiles Group Limited)
PDS Tailoring Limited (Formerly Nor India Manufacturing Company Limited)
PDS H2GO Glove Manufacturing Limited
PDS Multinational FZCO
PDS Manufacturing Limited
PDS Smart Fabric Tech (UK) Limited
PG Group Limited
PG Home Group Limited
PG Home Group SPA (Formerly Pearl GES Home Group SPA)
Poetic Knitwear Limited
Poeticgem International Limited
Poeticgem International FZCO
Progress Manufacturing Group Ltd
Pro Trusted Med Tech Limited (Formerly FX Import Hong Kong Limited)
Premier Pearl Garment Joint Stock Co. Limited
Razamtazz Limited

Notes

to consolidated financial statements for the year ended March 31, 2021

	Redwood Internet Ventures Limited Rising Asia Star Hongkong Limited (Formerly Techno Manufacturing Limited) Simple Approach (Canada) Limited Smart Notch Industrial Limited Sourcing Solutions Limited Spring Near East Manufacturing Company Limited Styleberry Limited Superb Mind Holdings Limited S&D Industries Limited Sertex B.V. Techno Design HK Limited (Formerly DPOD Manufacturing Limited) Technocian Fashion Private Limited (w.e.f. 20.03.2019) Transnational Textile Group Limited Twins Asia FZCO (w.e.f. 17.01.2019) Twin Asia Limited Zamira Fashion Limited	
Key Management Personnel (KMP) & their relative	Mr. Deepak Seth Mr. Pulkit Seth Mrs. Shifalli Seth Mr. Uma Shankar Kaushik (w.e.f 28.07.2020) Mr. Shailesh Kumar (w.e.f 07.10.2020) Mr. Vinod Vaish (till 30.04.2020) Mr. Kashmir Singh Rathour (from 28.07.2020) Mr. Raghav Garg (Till 30.06.2020) Mr. Sandeep Sabharwal (Till 15.02.2021) Mr. Mayank Jain (w.e.f 21.06.2021) Mr. Chittranjan Dua Mr. Rajendra Kumar Aneja Mr. Anil Nayar Mrs. Madhulika Bhupatkar (w.e.f 18.03.2020) Mr. Abhishek Goyal	Chairman Vice Chairman & Managing Director Whole-Time Director Whole-Time Director Whole-Time Director Whole-Time Director Whole-Time Director Chief Financial Officer Chief Financial Officer Company Secretary Company Secretary Independent Director Independent Director Independent Director Independent Director Independent Director

Notes

to consolidated financial statements for the year ended March 31, 2021

B. Disclosure of Related Parties Transactions:

(i) Enterprise over which KMP has Significant Influence (Amount in ₹ Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Expenses paid by them on behalf of the Company	2.25	3.00
Interest income	30.05	30.00

Closing Balance (Amount in ₹ Lakh, unless otherwise stated)

	As At March 31, 2021	As At March 31, 2020
Loan receivable (including interest)	300.00	306.71

(ii) Key Management Personnel (KMP) (Amount in ₹ Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Remuneration paid	173.81	301.51
EPF paid	0.52	1.06
Expenses incurred on behalf of the Company	39.58	30.09
Directors sitting fees	3.50	1.60

Closing Balance (Amount in ₹ Lakh, unless otherwise stated)

	As At March 31, 2021	As At March 31, 2020
Trade Payable - Payable to KMP	-	0.92

C. Disclosure of Material Transactions: Related Parties having more than 10% interest in each transaction in the ordinary course of business

(i) Enterprise over which KMP has significant influence (Amount in ₹ Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Expenses paid on behalf of the Company		
PDS Multinational Fashions Limited	2.25	3.00
Interest income		
PDS Multinational Fashions Limited	30.05	30.00
Closing Balance		
Loan receivable (including interest)		
PDS Multinational Fashions Limited	300.00	306.71

Notes

to consolidated financial statements for the year ended March 31, 2021

(ii) Key Management Personnel		(Amount in ₹ Lakh, unless otherwise stated)	
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	
Remuneration paid			
Mr.Pulkit Seth	83.40	165.00	
Mrs. Shifalli Seth	34.75	68.75	
Mr. Uma Shankar	14.95	-	
Mr. Vinod Vaish	-	16.44	
Mr. Sandeep Sabharwal	9.26	16.04	
Mr. Raghav Garg	-	35.28	
Mr. Kashmir Rathour	20.34	-	
Mr. Kumar Shailesh	11.12	-	
EPF paid			
Mr.Pulkit Seth	0.11	0.20	
Mrs. Shifalli Seth	0.11	0.20	
Mr. Vinod Vaish	-	0.22	
Mr. Sandeep Sabharwal	0.14	0.22	
Mr. Raghav Garg	-	0.22	
Mr. Kashmir Rathour	0.16	-	
Expenses incurred on behalf of the Company			
Mr. Uma Shankar	4.71	-	
Mr. Vinod Vaish	13.88	16.38	
Mr. Sandeep Sabharwal	6.04	4.46	
Mr. Raghav Garg	13.36	9.25	
Mr. Kumar Shailesh	1.58	-	
Directors sitting Fees:			
Mr. Deepak Seth	0.50	0.20	
Mr. Anil Nayar	0.60	0.50	
Mr. Chittranjan Dua	0.60	0.30	
Mr. Abhishek Goyal	0.60	0.50	
Mrs Madhulika Bhupatkar	0.60	-	
Mr. Rajendra Aneja	0.60	0.10	

(iii) **Terms and conditions of transactions with related parties**

All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free except the interest bearing loan and settlement occurs in cash.

- (iv) The remuneration of Key managerial Personnel does not include amount in respect of gratuity and leave encashment payable as the same are not determinable as individual basis for the KMP. The liabilities of gratuity and leave encashment are provided for Company as whole on the basis of actuarial valuation.
- (v) Corporate Guarantee given by the Holding Company (as per Section 186(4) of the Companies Act 2013)
- To Standard Chartered Bank, Hongkong Branch for securing credit facilities to its wholly owned subsidiary Pearl Global (HK) Limited, Hong Kong for USD 30.00 lakh equivalent to ₹ 2,205.00 lakh (March 31, 2020 USD 120.00 lakh equivalent to ₹ 9,046.80 lakh)

Notes

to consolidated financial statements for the year ended March 31, 2021

- To HSBC Bank, Hongkong Branch for securing credit facilities to its wholly owned subsidiary Pearl Global (HK) Limited, Hong Kong for USD 200.00 lakh equivalent to ₹ 14,700.00 lakh (March 31, 2020: USD 200.00 lakh equivalent to ₹ 15,078.00 lakh)
- To Standard Chartered Bank, Bangladesh Branch for securing credit facilities to its subsidiary Norp Knit Industries Limited, Bangladesh for BDT 9,000.00 lakh equivalent to ₹ 7,636.03 lakh (March 31, 2020 : BDT 9,000 lakh equivalent to ₹ 7,967.43 lakh).

Above Corporate Guarantees have been given for business purpose.

NOTE 47: DISCLOSURES MANDATED BY SCHEDULE III OF COMPANIES ACT 2013, BY WAY OF ADDITIONAL INFORMATION

(Amount in ₹ Lakh, unless otherwise stated)

Name of the Entities	F.Y. 2020-21							
	Net Assets i.e. total assets minus total liabilities		Share in profit/(loss)		Share in other Comprehensive Income		Share in total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated Profit	Amount	As a % of consolidated Profit	Amount	As a % of consolidated Profit	Amount
Parent:								
Pearl Global Industries Limited	60.66	31,372.03	4.43	77.40	(813.05)	706.70	47.19	784.10
Subsidiary:								
- Indian								
Pearl Global Kausal Vikas Limited	0.00	0.10	(0.04)	(0.65)	-	-	(0.04)	(0.65)
Pearl Apparel Fashions Limited	-	-	-	-	-	-	-	-
SBUYS E-Commerce Limited	0.00	0.74	(0.00)	(0.01)	-	-	(0.00)	(0.01)
- Foreign								
Norp Knit Industries Limited	25.82	13,356.89	13.27	231.96	442.40	(384.53)	(9.18)	(152.57)
Pearl Global Far East Limited	13.78	7,129.68	6.70	117.17	176.30	(153.22)	(2.17)	(36.05)
Pearl Global (HK) Limited	23.15	11,975.99	75.70	1,323.50	268.15	(233.07)	65.63	1,090.42
Subtotal		63,835.42		1,749.37		(64.12)		1,685.25
Intercompany Elimination & Consolidation Adjustments	(23.42)	(12,113.96)	(0.06)	(1.05)	26.22	(22.79)	(1.43)	(23.84)
Total		51,721.46		1,748.32		(86.91)		1,661.41
Non Controlling Interest in subsidiaries		1,293.82		(21.21)		23.84		2.63
Grand Total		53,015.28		1,727.11		(63.07)		1,664.04

Notes

to consolidated financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

Name of the Entities	F.Y. 2019-20							
	Net Assets i.e. total assets minus total liabilities		Share in profit/(loss)		Share in other Comprehensive Income		Share in total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated Profit	Amount	As a % of consolidated Profit	Amount	As a % of consolidated Profit	Amount
Parent:								
Pearl Global Industries Limited	61.11	30,587.92	23.05	500.89	(25.64)	(557.30)	(1.30)	(56.43)
Subsidiary:								
- Indian								
Pearl Global Kausal Vikas Limited	0.00	0.74	(0.03)	(0.57)	-	-	(0.01)	(0.57)
Pearl Apparel Fashions Limited	0.01	3.91	(1.09)	(23.73)	-	-	(0.55)	(23.73)
SBUYS E-Commerce Limited	0.00	0.76	(0.01)	(0.24)	-	-	(0.01)	(0.24)
- Foreign								
Norp Knit Industries Limited	26.99	13,509.45	40.17	872.73	52.43	1,139.84	46.30	2,012.57
Pearl Global Far East Limited	14.38	7,200.70	24.12	524.12	26.75	581.44	25.43	1,105.56
Pearl Global (HK) Limited	21.68	10,851.98	22.96	498.80	46.46	1,009.92	34.71	1,508.72
Subtotal	-	62,155.46	-	2,371.97	-	2,173.90	-	4,545.88
Intercompany Elimination & Consolidation Adjustments	(24.17)	(12,098.07)	(9.16)	(199.14)	-	-	(4.58)	(199.14)
Total	-	50,057.39	-	2,172.83	-	2,173.90	-	4,346.74
Non Controlling Interest in subsidiaries	-	1,296.44	-	(16.39)	-	(126.80)	-	(143.19)
Grand Total	-	51,353.83	-	2,156.44	-	2,047.10	-	4,203.55

NOTE 48 : LEASES

The Group has adopted Ind AS 116 effective from annual reporting period beginning April 1, 2019 & has applied the standard to its leases, retrospectively with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). On transition, the group recognised a lease liability measured at present value of the remaining lease payments. The right of use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. On application of Ind AS 116, the nature of expense has changed from lease rent in previous periods to depreciation cost for the Right of Use Asset, and finance cost for interest accrued on lease liability.

Lease contracts majorly pertains for buildings taken on lease to conduct its business in the ordinary course.

Notes

to consolidated financial statements for the year ended March 31, 2021

Right-of-use assets: movements in carrying value of assets	Buildings
Gross Block as at April 01, 2019	8,275.88
Add: Additions during the year	352.96
Add: Reclassification from PPE on account of adoption of Ind AS 116	2,903.98
Less: Disposal / adjustments during the year	(51.44)
Add/(Less): Exchange Fluctuation/ Translation	678.14
Gross Block as at March 31, 2020	12,159.53
Add: Additions during the year	560.59
Add: Adjustment on account of addition of prepaid component of security deposit	327.58
Add / (Less): Reclassification from PPE on account of adoption of Ind AS 116	(62.60)
Less: Disposal / adjustments during the year	(6.58)
Add/(Less): Exchange Fluctuation/ Translation	(228.54)
Gross Block As at March 31, 2021	12,749.98
Accumulated Depreciation :	
As at April 01, 2019	-
Add: Depreciation charge for the year	1,303.46
Add: Reclassification from PPE on account of adoption of Ind AS 116	69.68
Add/(Less): Exchange Fluctuation/ Translation	60.39
As at March 31, 2020	1,433.53
Add: Depreciation charge for the year	1,528.65
Add: Security Deposit Amortisation	33.15
Add: Reclassification from PPE on account of adoption of Ind AS 116	(12.11)
Add/(Less): Exchange Fluctuation/ Translation	(35.60)
As at March 31, 2021	2,947.62
Net Block :	
As at March 31, 2021	9,802.36
As at March 31, 2020	10,725.98
In 2020-21, there were no impairment charges recorded for right-of-use assets.	
Leases: movements in carrying value of recognised liabilities	
As At April 01, 2020	7,797.68
Add: Additions during the year	582.35
Add: Interest expense on lease liabilities	838.09
Less: Reversal due to enclosure	(8.27)
Less: Repayment of lease liabilities	(1,708.94)
Add: Exchange Realisation/ Translation	(105.97)
As At March 31, 2021	7,394.94
Non-current lease liabilities	6,531.37
Current lease liabilities	863.57
Total lease liabilities	7,394.94

The maturity analysis of lease liabilities is given in note 43 in the 'Liquidity risk' section.

Leases committed and not yet commenced: There are no leases committed which have not yet commenced as on reporting date.

Cash flows from operating activities includes cash flow from short term lease & leases of low value.

Company as a Lessor

The group is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor. For details of items of PPE given on lease, refer to note no. 4 of Financial Statements.

Notes

to consolidated financial statements for the year ended March 31, 2021

NOTE 49 : EVENT OCCURRING AFTER BALANCE SHEET DATE

a) Dividend paid and proposed:		(Amount in ₹ Lakh, unless otherwise stated)	
Particulars		For the Year ended March 31, 2021	For the Year ended March 31, 2020
i. Declared and paid during the year:			
Final dividend for the financial year 2019-20: ₹ Nil per share (2018-19: ₹ 3.00 per share) Including dividend distribution tax of ₹ Nil for the financial year 2019-20 (₹ 133.68 lakh for the financial year 2018-19)		-	783.56
b) No other material events have occurred between the balance sheet date to the date of issue of these financial statements that could affect the values stated in the financial statements.			

NOTE 50 : ESTIMATION OF UNCERTAINTIES RELATING TO THE GLOBAL HEALTH PANDEMIC - COVID-19:

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, intangibles, investments and other assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group has used internal and external sources of information. The Group has reviewed the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

NOTE 51 :

Pursuant to transfer pricing legislations under the Income-tax Act, 1961, the Group is required to use specified methods for computing arm's length price in relation to specified international transactions with its associated enterprises. Further, the Group is required to maintain prescribed information and documents in relation to such transactions. The appropriate method to be adopted will depend on the nature of transactions/ class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Group is in the process of updating its transfer pricing documentation for the current financial year. Based on the preliminary assessment, the management is of the view that the update would not have a material impact on the tax expense recorded in these financial statements. Accordingly, these financial statements do not include any adjustments for the transfer pricing implications, if any.

NOTE 52 :

Figures have been rounded off to the nearest lakh upto two decimal places except otherwise stated.

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

(Pulkit Seth)

Managing Director
DIN 00003044

(Deepak Seth)

Chairman
DIN 00003021

(Narendra Somani)

Chief Finance Officer
M. No. 092155

(Mayank Jain)

Company Secretary
M. No. ACS - 26620

Place of Signature: Gurugram
Date: June 21, 2021

Independent Auditor's Report

To The Members of Pearl Global Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Pearl Global Industries Limited** ("the Company"), which comprise the balance sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the Profit (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 27 of the financial statements which states that export incentives under the Remission of Duties and Taxes on Export Products (RoDTEP) Scheme applicable with effect from January 1, 2021 amounting to ₹ 421.16 Lakh has been recognized on the basis of certain assumptions including previous applicable rates, as the rates are yet to be notified under the said scheme. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report w.r.t the Company:

Key Audit Matters	How our audit addressed the key audit matter
Assessment of impairment of investments in subsidiaries As disclosed in note 8 of standalone financial statements, the Company has investments in subsidiaries of ₹ 11,578 Lakh (March 31, 2020: ₹ 11,728.05 Lakh). The said investments are carried at cost less allowance for impairment. The Company analyses regularly for indicators of impairment of the said investments by reference to the requirements under relevant Ind AS.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: Obtained an understanding of Management's process for identification of impairment indicators. Assessed design, implementation and operating effectiveness of key controls in respect of impairment allowance process.

Independent Auditor's Report (contd...)

To The Members of Pearl Global Industries Limited

Key Audit Matters	How our audit addressed the key audit matter
We identified the annual impairment assessment as a key audit matter because carrying value of these investments is significant, assessment process is complex, judgmental by nature, significant changes in business environment specifically due to outbreak of COVID-19 and further, is based on assumptions on projected future cash inflows, expected growth rate, discount rate etc.	• Inquired from the Management of the business plans for the subsidiary companies. We also referred to the economic conditions prevalent in the jurisdiction in which the subsidiary company operates. • In cases where such indicators of impairment of investments existed, - Tested the estimates and assumption made by the Company in calculation of the recoverable amounts, and the allowance for impairment for these investments. - Tested the arithmetical accuracy of the computation of recoverable amounts of investments - Evaluated the forecast of future cash flows used by the management in the model to compute the recoverable value. - Assessment of accuracy of historical forecasting by comparing previously forecasted cash flows to actual. • Discussed with the component auditors to develop an understanding of the operating performance and net worth position of the subsidiaries. Based on our procedures, we also considered the adequacy of disclosures in respect of investment in the said subsidiaries in Note 8 to the standalone financial statements including whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loss allowance in the financial statements are appropriate and sufficient.
Adequacy and completeness of disclosures of Related Party Transactions Refer Note 47 to the accompanying standalone financial statements as at March 31, 2021 for the disclosure of related parties and transactions with them. The Company has related party transactions which include among others, sale/purchase of goods to its subsidiaries and other related parties. This area was significant to our audit due to the following reasons:	Our procedures included the following steps: • Obtaining an understanding of the Company's policies and procedures in respect of identification of related parties and transactions with them. We also traced the related parties from declaration given by directors, wherever applicable. • Read the minutes of the meetings of Board of Directors and Audit Committee and verified that the transactions are approved in accordance with internal procedures and the applicable regulations to the Company.

Independent Auditor's Report (contd...)

To The Members of Pearl Global Industries Limited

Key Audit Matters	How our audit addressed the key audit matter
- the significance of transactions with related parties during the year ended March 31, 2021; and - related party transactions are subject to compliance requirement under the Companies Act, 2013 and SEBI (listing and Obligation Disclosure Requirement) 2015.	• Tested on a sample basis the arrangements between the related parties along with supporting documents to evaluate the management's assertions that the transactions were at arm's length and in the ordinary course of business. • Evaluated and tested on a sample basis the rights and obligations of the related parties and assessed whether the transactions were recorded appropriately and disclosed in accordance with IND AS 24, Companies Act, 2013 and SEBI (LODR), 2015. • Wherever appropriate, our substantive work was supplemented by controls testing work which encompassed understanding, evaluating and testing key controls in respect of Related Party Transactions. Our procedures as mentioned above did not identify any findings that are significant for the financial statements as whole in respect of accounting, presentation and disclosure of Related Party Transactions.

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

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

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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,

Independent Auditor's Report (contd...)

To The Members of Pearl Global Industries Limited

relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

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

Independent Auditor's Report (contd...)

To The Members of Pearl Global Industries Limited

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Change in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. – refer Note No. 46 of the Standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. – refer Note No. 41 of the Standalone 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.

Independent Auditor's Report (contd...)

To The Members of Pearl Global Industries Limited

3. With respect to the matter to be included in the Auditors' report under Section 197(16):

In our opinion and according to the information and explanation given to us, the Company has paid remuneration to its directors during the year is in accordance with the provisions of and limit laid down under section 197 read with Schedule V of the Act.

For B.R. Gupta & Co.

Chartered Accountants,

Firm's Registration Number 008352N

(Deepak Agarwal)

Partner

Membership Number 073696

UDIN: 21073696AAAABH9813

Place of Signature: New Delhi

Date: 21.06.2021

Annexure 'A' to the Independent Auditors' Report

Annexure 'A' to the Independent Auditors' Report of even date on the standalone financial statements of Pearl Global Industries Limited

The Annexure referred to in independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2021; we report that:

- i) In respect of fixed assets comprising property, plant and equipment:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us and the records examined by us, the title deeds of immovable properties (which are included under the head 'property, plant and equipment' and 'investment property') are held in the name of the Company. However certain deeds of immovable properties that are mortgaged with the banks for securing borrowings were not available for verification. Further, in respect of immovable properties taken on lease and disclosed as right of-use-assets in the standalone financial statements, the lease agreements are in the name of the Company.
- ii) In respect of its inventory:
 - a) On the basis of information and explanation provided by the Management, inventories have been physically verified by the Management during the year. In our opinion, the frequency of physical verification followed by the Management is reasonable.
 - b) No material discrepancies were noticed on verification between the physical stocks and the book records.
- iii) a) According to the information and explanation given to us, during the year, Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii) (a) of the Order are not applicable.
- b)&c) In respect of loans granted in earlier financial years, the schedule of repayment of principal and interest is stipulated and there is no overdue amount as at year end. The terms and conditions of grant of such loans are not prejudicial to the interest of the Company
- iv) In our opinion and according to the information and explanations given to us, the Company has neither advanced any loans, nor has made any investments during the year. Also, the Company has not provided any security in connection with a loan to any other body corporate or person and accordingly, compliance under Sections 185 and 186 of the Act in respect of loans, investments and securities is not applicable to the Company. Further, the Company has complied with Section 186 of the Act in respect of corporate guarantee provided by the Company.
- v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. Accordingly, the provisions of paragraph 3 (v) of the Order are not applicable to the Company.
- vi) On the basis of available information and explanation provided to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2016 dated July 14, 2016 to the current operations carried out by the

Annexure 'A' to the Independent Auditors' Report

Company. Accordingly, the provisions of paragraph 3(vi) of the Order are not applicable to the Company.

vii) In respect of Statutory Dues:

- a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Cess and any other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Cess and any other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
- b) According to the records of the Company examined by us and the information and explanations given to us, there were no dues of Sales tax or Service tax or Goods and Services tax or duty of Customs or duty of Excise or Value added tax which have not been deposited by the Company on account of disputes, except for the following:

S. No.	Name of the Statute	Nature of Dues	Amount in ₹ lakh	Period to which amount relates	Forum where dispute is pending
a)	Income Tax Act, 1961	Income Tax Demand	8.30	A.Y 2015-16	Appeal Pending before ITAT
b)	Income Tax Act, 1961	Income Tax Demand	0.036	A.Y 2015-16	Rectification U/s 154 - Assessing Officer
c)	Income Tax Act, 1961	Income Tax Demand	38.83	A.Y 2016-17	Appeal pending before ITAT. Appeal effect of CIT Order is pending before AO.
d)	Income Tax Act, 1961	Income Tax Demand	16.61	A.Y 2017-18	Demand U/s 143(1)(a)
e)	Income Tax Act, 1961	Income Tax Demand	6.06	Upto A.Y. 2020-21	Demand as per traces Portal.
f)	Income Tax Act, 1961	Income Tax Demand	2.65	A.Y. 21-22	Demand as per traces Portal.

- viii) On the basis of information and explanation provided to us, the Company has not defaulted in repayment of loans and borrowings to financial institution and bank. However, the Company has availed the facility of rescheduling of loans from banks during the lockdown period amid COVID-19 pandemic. The Company has not taken any loan from Government or has not issued any debentures.
- ix) The Company did not raise any money by the way of initial public or further public offer (including debt instruments) during the year. The term loan taken during the year were applied for the purpose for which the same has been taken.
- x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) The Company has paid/provided managerial remuneration in accordance with provisions of section 197 read with Schedule V to the Companies Act, 2013 as applicable to the Company.
- xii) The Company is not a Nidhi Company and hence, the provisions of paragraph 3(xii) of the Order are not applicable to the Company.
- xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and the details of such transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of paragraph 3(xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

Annexure 'A' to the Independent Auditors' Report

- xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, provisions of clause 3 (xv) of the Order are not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of paragraph 3(xvi) of the Order are not applicable to the Company.

For B.R. Gupta & Co.

Chartered Accountants,

Firm's Registration Number 008352N

(Deepak Agarwal)

Partner

Membership Number 073696

UDIN: 21073696AAAABH9813

Place of Signature: New Delhi

Date: 21.06.2021

Annexure ‘B’ to the Independent Auditors’ Report

Annexure ‘B’ to the Independent Auditors’ Report of even date on the Standalone Financial Statements of Pearl Global Industries Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to financial statements of Pearl Global Industries Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established & maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company’s internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention

Annexure 'B' to the Independent Auditors' Report (contd...)

or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B.R. Gupta & Co.

Chartered Accountants,

Firm's Registration Number 008352N

(Deepak Agarwal)

Partner

Membership Number 073696

UDIN: 21073696AAAABH9813

Place of Signature: New Delhi

Date: 21.06.2021

Balance Sheet

as at March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

Particulars	Note No.	As At March 31, 2021	As At March 31, 2020
Assets			
I. Non-current assets			
(a) Property, plant and equipment	4	12,848.58	13,173.38
(b) Capital work in progress	5	41.63	232.50
(c) Right of use assets	49	2,903.27	2,614.35
(d) Investment properties	6	6,054.60	7,393.26
(e) Other Intangible assets	7	54.07	84.76
(f) Financial assets			
(i) Investment in subsidiaries	8	11,578.00	11,728.05
(ii) Investment - others	9	336.63	142.63
(iii) Loans	10	492.31	505.20
(iv) Other financial assets	11	754.72	936.66
(g) Deferred Tax Assets (net)	12	390.53	-
(h) Non current tax assets (net)	13	556.75	469.39
(i) Other non current assets	14	53.60	499.40
Total Non-current assets		36,064.69	37,779.57
Current assets			
(a) Inventories	15	13,269.13	14,792.54
(b) Financial assets			
(i) Investments	9	754.38	692.68
(ii) Trade receivables	16	14,521.72	9,740.45
(iii) Cash and cash equivalents	17	4,599.50	2,059.77
(iv) Bank balances other than cash and cash equivalents	18	1,108.15	931.61
(v) Loans	10	323.84	325.78
(vi) Other financial assets	11	211.91	87.17
(c) Other current assets	14	6,842.69	4,989.11
Total current assets		41,631.32	33,619.11
Total assets		77,696.01	71,398.68
II. Equity and liabilities			
Equity			
(a) Equity share capital	19	2,166.39	2,166.39
(b) Other equity	20	29,205.63	28,421.53
Total equity		31,372.02	30,587.92
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	8,199.78	5,384.23
(ii) Lease Liabilities	49	2,836.18	2,813.35
(iii) Others financial liabilities	23	137.28	246.97
(b) Provisions	24	944.06	881.14
(c) Deferred tax liabilities (net)	12	-	248.31
(d) Other non current liabilities	25	3,013.35	2,997.91
Total non-current liabilities		15,130.65	12,571.91
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	11,328.87	15,251.01
(ii) Lease Liabilities	49	381.57	236.41
(iii) Trade payables	26		
- Total outstanding due of micro enterprises and small enterprises		481.65	331.05
- Total outstanding due of creditors other than micro enterprises and small enterprises		15,688.60	8,800.36
(iv) Other financial liabilities	23	2,529.29	2,747.50
(b) Other current liabilities	25	710.90	815.18
(c) Provisions	24	72.46	57.35
Total current liabilities		31,193.34	28,238.85
Total equity and liabilities		77,696.01	71,398.68

Summary of Significant Accounting Policies

3

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For B.R. Gupta & Co.

Chartered Accountants

Firm's Registration Number 008352N

(Deepak Agarwal)

Partner

Membership Number 073696

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

(Pulkit Seth)

Managing Director

DIN 00003044

(Narendra Somani)

Chief Finance Officer

M. No. 092155

Place of Signature: Gurugram

Date: June 21, 2021

(Deepak Seth)

Chairman

DIN 00003021

(Mayank Jain)

Company Secretary

M. No. ACS - 26620

Place of Signature: New Delhi

Date: June 21, 2021

Statement of Profit and Loss

for year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I Revenue from operations	27	77,140.04	82,533.33
II Other income	28	2,408.39	3,338.77
III Total income (I+II)		79,548.43	85,872.10
IV Expenses			
(a) Cost of materials consumed	29	23,058.22	28,543.04
(b) Purchases of stock-in-trade	30	24,340.92	11,981.44
(c) Changes in inventories of finished goods, work in progress and stock in trade	31	(91.01)	(562.59)
(d) Employee benefits expense	32	10,779.00	15,017.30
(e) Finance costs	33	2,401.62	2,448.45
(f) Depreciation and amortisation expense	34	1,813.42	1,761.66
(g) Other expenses	35	19,429.61	25,708.34
Total expenses		81,731.78	84,897.64
V Profit/ (loss) before exceptional items and tax (III-IV)		(2,183.35)	974.46
VI Exceptional Items	36	(1,263.82)	(116.05)
VII Profit/ (loss) before tax (V-VI)		(919.52)	1,090.52
VIII Tax expense:	12		
(a) Current tax		-	421.00
(b) Deferred tax		(1,007.86)	141.83
(c) Adjustment of tax relating to earlier years		10.94	26.79
IX Profit/(loss) for the year (VII-VIII)		77.40	500.89
X Other comprehensive income	37		
(A) (i) Items that will not be reclassified to profit or loss			
(a) Re-measurement gains/ (losses) on defined benefit plans		84.32	135.15
(ii) Income tax on items that will not be reclassified to profit or loss		(26.31)	(47.23)
(B) (i) Items that will be reclassified to of profit or loss			
(a) Net movement in effective portion of cash flow hedge reserve		979.45	(991.80)
(b) Exchange differences in translation of financial statements of a foreign operation		11.96	-
(ii) Income tax on items that will be reclassified to profit or loss		(342.72)	346.57
Other comprehensive income/(loss) for the year, net of tax		706.70	(557.31)
XI Total comprehensive income/(loss) for the year, net of tax		784.10	(56.42)
XII Earnings per share: (face value ₹ 10 per share)	38		
1) Basic (amount in ₹)		0.36	2.31
2) Diluted (amount in ₹)		0.36	2.31

Summary of Significant Accounting Policies

3

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For B.R. Gupta & Co.
Chartered Accountants

Firm's Registration Number 008352N

(Deepak Agarwal)

Partner

Membership Number 073696

(Pulkit Seth)

Managing Director

DIN 00003044

(Narendra Somani)

Chief Finance Officer

M. No. 092155

Place of Signature: Gurugram

Date: June 21, 2021

(Deepak Seth)

Chairman

DIN 00003021

(Mayank Jain)

Company Secretary

M. No. ACS - 26620

Place of Signature: New Delhi

Date: June 21, 2021

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

Statement of changes in equity

for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

A. Equity Share Capital

As at April 01, 2019	2,166.39
Changes during the year	-
As at March 31, 2020	2,166.39
Changes during the year	-
As at March 31, 2021	2,166.39

B. Other Equity

Particulars	Reserves and Surplus					Other Comprehensive Income		Total Other Equity
	General Reserve	Security Premium	Capital Redemption Reserve	Amalgamation Reserve	Retained Earnings	Effective Portion of Cash Flow Hedge	Currency Translation Reserve- Foreign operations	
Balance as at April 01, 2019	4,204.36	17,103.90	95.00	625.95	7,422.88	-	-	29,452.09
Implementation of Ind AS 116: Leases (Refer Note No. 49)	-	-	-	-	(190.61)	-	-	(190.61)
Profit/(loss) for the year	-	-	-	-	500.89	-	-	500.89
Net movement in effective portion of cash flow hedge reserve, net of tax effect	-	-	-	-	-	(645.22)	-	(645.22)
Remeasurement of the benefit plan, net of tax effect	-	-	-	-	87.92	-	-	87.92
Total Comprehensive Income for the year	-	-	-	-	588.81	(645.22)	-	(56.41)
Dividend paid on Equity Shares	-	-	-	-	(649.88)	-	-	(649.88)
Dividend Distribution Tax on Equity Shares	-	-	-	-	(133.68)	-	-	(133.68)
Balance as at March 31, 2020	4,204.36	17,103.90	95.00	625.95	7,037.54	(645.22)	-	28,421.53
Profit/(loss) for the year	-	-	-	-	77.40	-	-	77.40
Net movement in effective portion of cash flow hedge reserve, net of tax effect	-	-	-	-	-	636.73	-	636.73
Remeasurement of the benefit plan, net of tax effect	-	-	-	-	58.01	-	-	58.01
Foreign Currency Translation Reserve	-	-	-	-	-	-	11.96	11.96
Balance as at March 31, 2021	4,204.36	17,103.90	95.00	625.95	7,172.94	(8.49)	11.96	29,205.63

Summary of Significant Accounting Policies (Note No. 3)

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For B.R. Gupta & Co.
Chartered Accountants
Firm's Registration Number 008352N

(Deepak Agarwal)
Partner
Membership Number 073696

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

(Pulkit Seth)
Managing Director
DIN 00003044

(Narendra Somani)
Chief Finance Officer
M. No. 092155

Place of Signature: Gurugram
Date: June 21, 2021

(Deepak Seth)
Chairman
DIN 00003021

(Mayank Jain)
Company Secretary
M. No. ACS - 26620

Place of Signature: New Delhi
Date: June 21, 2021

Statement of Cash Flow

for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flows from operating activities		
Profit before and tax	(919.52)	1,090.51
Adjustments for:		
Depreciation and amortization	1,813.42	1,761.66
Interest paid and other borrowing cost	2,401.62	2,448.45
Sundry balances written back	(133.67)	37.34
Grant amortised during the year	(1.00)	(1.00)
Amortisation of deferred rental income	(36.78)	(32.08)
Unwinding of discount on security deposits	(29.97)	157.41
Profit on sale of current investment - mutual Fund	(16.61)	(73.79)
Rental income	(770.91)	(980.53)
Interest income	(119.39)	(249.62)
Fair value loss (gain) on financial assets measured at fair value through profit and loss	(255.85)	(29.42)
Income on corporate guarantee	(174.27)	(138.40)
Mark to market (gain) / loss on forward contract	-	462.80
Amortisation of deferred asset - security deposit paid	-	(154.26)
Loss Allowance for doubtful debts	278.86	47.92
Enhanced Compensation Receivable	2,335.15	-
Loss on Sale of Property, Plant & Equipment (PPE)	(1,037.41)	116.91
Impairment of Investment in Subsidiary	(33.91)	-
Foreign Currency Translation Reserve on Foreign Operation	11.96	-
Operating profit before working capital changes	3,311.72	4,463.90
Movement in working capital:		
(Increase)/decrease in trade receivables	(5,060.12)	1,346.40
(Increase)/decrease in other non-current financial assets	74.11	(208.67)
(Increase)/decrease in other current financial assets	(151.52)	(289.34)
(Increase)/decrease in other non-current assets	82.10	(74.80)
(Increase)/decrease in other current assets	(1,822.56)	(1,091.78)
(Increase)/decrease in inventories	1,523.42	(1,279.50)
Increase/(decrease) in trade payables	7,172.45	(1,380.19)
Increase/(decrease) in other non-current financial liabilities	(109.69)	(4.35)
Increase/(decrease) in other current financial liabilities	357.88	453.58
Increase/(decrease) in non-current provisions	147.24	306.21
Increase/(decrease) in current provisions	15.12	(12.70)
Increase/(decrease) in other non-current liabilities	15.44	(46.98)
Increase/(decrease) in other current liabilities	(66.50)	(9.46)
Cash generated from operations	5,489.09	2,172.36
Tax paid on dividend	-	(133.59)
Direct tax paid (net of refunds)	(98.30)	(738.87)
Cash flow before exceptional items	5,390.79	1,299.89
Exceptional items:		
Enhanced Compensation Receivable on Compulsary Acquisition	(2,335.15)	-
(Profit)/loss on sale of PPE	1,037.41	(143.29)
Impairment of investment in subsidiaries	33.91	27.24
Net cash inflow from/(used in) operating activities (A)	4,126.96	1,183.85
Cash flows from investing activities		
Purchase of property, plant and equipment (Including Net ROU)	(193.47)	(4,564.85)
Sale proceeds of property, plant and equipment	12.41	264.20
(Increase)/decrease in capital work in progress	190.87	(72.78)
Sale/(Purchase) of investment properties	218.04	36.61

Statement of Cash Flow

for the year ended March 31, 2021 (Contd.)

(Amount in ₹ Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale/(Purchase) of Intangible assets	(9.20)	(17.57)
(Increase)/decrease in Capital Advances	66.43	(38.80)
Increase/(decrease) in Capital Creditors	173.53	(819.17)
(Increase)/decrease in Investment in subsidiaries	324.31	109.25
(Increase)/decrease in current investment - Others	16.77	(596.97)
(Increase)/decrease in non-current Loans	12.89	(30.58)
(Increase)/decrease in current Loans	1.94	23.85
(Increase)/decrease in bank deposit	(176.54)	1,288.69
Interest received	108.72	223.99
Rent received	770.91	980.53
Net Cash From/ (Used In) Investing Activities (B)	1,517.61	(3,213.61)
Cash flows from financing activities		
Increase/ (decrease) in long term borrowings	3,221.27	2,763.29
Increase/ (decrease) in short term borrowings	(3,922.15)	(801.55)
Increase in Lease Liabilities	-	2,948.32
Dividend paid (Net of Tax)	-	(649.88)
Other borrowing cost	(403.94)	(256.88)
Interest paid	(2,000.02)	(2,148.44)
Net cash inflow from/(used in) financing activities (C)	(3,104.84)	1,854.86
Net Increase (decrease) In cash and cash equivalents (A+B+C)	2,539.73	(174.89)
Opening balance of cash and cash equivalents	2,059.77	2,234.66
Total cash and cash equivalent (Note no. 17)	4,599.50	2,059.77
Components of cash and cash equivalents		
Cash, Cheque/drafts on hand	83.30	148.92
With banks - Current account	4,338.60	1,806.62
With banks - Deposit account	177.60	104.23
Total cash and cash equivalent (Note no. 17)	4,599.50	2,059.77

Note:

- (a) The above Standalone Statement of Cash Flows has been prepared under the Indirect Method as set out in Ind AS 7 'Statement of Cash Flows'.
- (b) The Increase/(Decrease) in liabilities arising from financing activities includes non-cash transactions as under:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
i) EIR adjustment of borrowings	7.39	17.03
ii) Accrued Interest on Borrowings	14.22	12.81
iii) Unwinding of discount on security deposit	40.24	30.32

Summary of Significant Accounting Policies

3

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For B.R. Gupta & Co.
Chartered Accountants

Firm's Registration Number 008352N

(Deepak Agarwal)

Partner

Membership Number 073696

For & on behalf of Board of Directors of Pearl Global Industries Limited**(Pulkit Seth)**Managing Director
DIN 00003044**(Narendra Somani)**Chief Finance Officer
M. No. 092155**(Deepak Seth)**Chairman
DIN 00003021**(Mayank Jain)**Company Secretary
M. No. ACS - 26620Place of Signature: New Delhi
Date: June 21, 2021Place of Signature: Gurugram
Date: June 21, 2021

Notes

to standalone financial statements for the year ended March 31, 2021

NOTE 1: CORPORATE INFORMATION

Pearl Global Industries Limited is a public limited Company domiciled in India and has its registered office at C-17/1, Paschimi Marg, Vasant Vihar, New Delhi. 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.

The financial statements were authorised for issue in accordance with a resolution of the board of directors on June 21, 2021.

NOTE 2: BASIS OF PREPARATION AND MEASUREMENT

Statement of Compliance: The Financial Statements are prepared on an accrual basis under historical cost Convention except for certain financial instruments which are measured at fair value. These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013, as applicable.

The accounting policies are applied consistently to all the periods presented in the financial statements

Basis of Preparation and presentation: The financial statements are prepared under the historical cost convention except for certain financial assets and liabilities (including derivative financial instruments) that are measured at fair value or amortised cost.

All assets and liabilities have been classified as current or noncurrent according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current non-current classification of assets and liabilities.

Functional and Presentation Currency

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

Going Concern

The board of directors have considered the financial position of the Company at 31st March 2021 and the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial

statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations

Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. However, there is no such notification which would have been applicable from April 1, 2021

Application of New Accounting Pronouncements

The following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules 2020, were applied by the Company during the year:

- Amendment to Ind AS 103- Business Combinations
- Amendment to , Ind AS 39, Ind AS 107 and Ind AS 109- Interest Rate Benchmark Reform
- Amendment to Ind AS 116- Leases
- Amendment to Ind AS 1 and Ind AS 8- Definition of Material

None of the changes described above, or any of the other changes to the Ind AS, with the exception of Ind AS 116 (Leases), have a impact on the net worth, financial position, financial performance or on the cash flow of the Company.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

a) Significant accounting judgements, estimates and assumptions

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements as given below:

Notes

to standalone financial statements for the year ended March 31, 2021

- In respect of lease payments, determination whether arrangements contain a lease and determination of cancellable and non-cancellable tenure of leases (IND AS 116)
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding
- Useful lives of Property, plant and equipment and Intangible Assets
- Employee benefit plans
- Amortization of Government Grant
- Determination of Provision of income taxes vis-à-vis anticipated tax issues and final tax outcomes of pending matters.
- Highly Probable Sale transaction for hedging contracts.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment included in the following notes:

- measurement of defined benefit obligations and planned assets: key actuarial assumptions.
- recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used.
- impairment of financial assets.
- recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- impairment test of non-financial assets: key assumptions used in estimating recoverable cash flows.
- fair value measurement of financial instruments.
- Estimation of Rate of RODTEP for recognition of export incentive claim receivable for the period from January 1, 2021 to March 31, 2021.

b) Current versus non-current classification

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

Assets:

An asset is treated as current when it is:

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

All other assets are classified as non-current

Liabilities:

A liability is current when:

- (a) It is expected to be settled in normal operating cycle
- (b) It is held primarily for the purpose of trading
- (c) It is due to be settled within twelve months after the reporting period, or
- (d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle: The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

c) Property, Plant and Equipment (PPE) and Depreciation

Property, plant and equipment and capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct services, any other costs directly attributable to bringing the assets to its working condition for their intended use and cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When parts of an item of PPE having significant costs have different useful lives, then they are accounted for as separate items (major components) of property, plant & equipment.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon

Notes

to standalone financial statements for the year ended March 31, 2021

disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss.

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

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

Decommissioning Costs : The present value of the expected cost for the decommissioning of an asset, if any, after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. (as applicable)

Capital work in progress: Capital work in progress comprises the cost of fixed assets that are not ready for their intended use at the reporting date.

Cost comprises of purchase cost, related acquisition expenses, borrowing costs and other direct expenditure.

Depreciation is provided on a pro-rata basis on the straight-line basis on the estimated useful life prescribed under Schedule II to Companies Act , 2013 with the following exception :

- Fixed asset costing upto ₹ 5000 has been fully depreciated during the financial year
- Leasehold land has been amortised over the lease term.
- Freehold Land is not depreciated.

Depreciation Method, useful lives and residual values are reviewed at each financial year end and adjusted, if appropriate.

d) Investment Properties

Property that is held for rental yields or for capital

appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any.

The Company, based on technical assessment made by management, depreciates the building over estimated useful life of 60 years. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

e) Other Intangible assets

Recognition and measurement

Intangible assets that are acquired by the Company are measured initially at cost. Intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. All expenditures, qualifying as Intangible Assets are amortized over estimated useful life. Specialized softwares are amortized over a period of 3 years or license period whichever is earlier.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognized as at April 01, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Subsequent Expenditure: Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in Statement of Profit and Loss as incurred.

Amortisation and useful lives: Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify

Notes

to standalone financial statements for the year ended March 31, 2021

the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. The amortisation method, residual value and the useful lives of intangible assets are reviewed annually and adjusted as necessary.

f) **Borrowing costs**

Borrowing costs consists of interest and amortization of ancillary costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs consists of interest and amortization of ancillary costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use.

g) **Foreign Currency Transactions and Translations**

Functional and presentational currency

The Company's financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash. All the financial information presented in ₹ except where otherwise stated.

Transactions and balances

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the date the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currencies are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Advances received or paid in foreign currency are recognised at exchange rate on the date of transaction and not retranslated.

h) **Revenue Recognition**

The Company derives revenue primarily from export of manufactured and traded goods.

Revenue from contract with customers

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

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of products, the Company considers the effect of variable consideration, the existence of significant financing component, non-cash consideration, and consideration payable to the customer (if any).

The Company assesses its revenue arrangements against specific recognition criteria like exposure to significant risks & rewards associated with the sale of goods or services. When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the Company and its Customers are reviewed to determine each party's respective role in the transaction.

Notes

to standalone financial statements for the year ended March 31, 2021

Specific revenue recognition criteria:

(i) Sale of products

Revenue from sale of products is recognised at the point in time when control of product is transferred to the customer. In case of Export sale it is on the basis of date of airway bill/bill of lading

(ii) Job work income

Revenue from job work on the product is recognised at the point in time when control of services is transferred to the customer, generally on the delivery of the product after completion of job work.

(iii) Export Incentives

Export Incentives under various schemes are accounted in the year of export.

(iv) Other Incomes

- a) Sale of software/ SAP income is recognized at the delivery of complete module & patches (through reimbursement from group companies).
- b) Rental Income is recognized on accrual basis as per the terms of agreement.
- c) In respect of interest income, revenue is recognised on the time proportion basis, taking into account the amount outstanding and the rate of interest applicable.
- d) Dividend Income is recognized when the right to receive is established.

Variable Consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Significant Financing Component

Generally, the Company does not receive short term or long term advances from its customers except in certain scenarios. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the

period between the transfer of promised good or service to the customer and when the customer pays for good or service will be one year or less. The company does not expect to have any contracts where the period between the transfer of promised goods and services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Cost to obtain a contract

The Company does not capitalise costs to obtain a contract because majorly the contracts have terms that do not extend beyond one year. The Company does not have a significant amount of capitalized costs related to fulfilment.

i) 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 incurred in bringing

Notes

to standalone financial statements for the year ended March 31, 2021

them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

- 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. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.
- iv) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on a item by item basis. Obsolete or slow moving inventories are identified from time to time and a provision is made for such inventories as appropriate on periodic basis.

j) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company's lease asset classes primarily comprise of lease for land and building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. The Company applies a single recognition and measurement approach for all leases, except for short-term

leases and leases of low-value assets. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets as below:

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets (i.e. 30 and 60 years) If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After

Notes

to standalone financial statements for the year ended March 31, 2021

the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in other current and non-current financial liabilities.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. "Lease liability" and "Right of Use" asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Company as a lessor

Leases for which the Company is a lessor is classified as finance or operating lease. Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

k) Employee's benefits

Short term employee benefits: All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or

permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences, bonus and ex-gratia etc. are recognised in statement of profit and loss in the period in which the employee renders the related service.

A liability is recognised for the amount expected to be paid after deducting any amount already paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. If the amount already paid exceeds the undiscounted amount of the benefits, the Company recognises that excess as an asset / prepaid expense to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts.

Retirement benefits in the form of Provident Fund, Employee State Insurance Scheme and Labour Welfare Fund Scheme are defined contribution plans. The contributions paid/payable to government administered respective funds are recognised as an expense in the Statement of Profit and loss during the period in which the employee renders the related service.

Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation report using the projected unit credit method as at the year end.

The obligations are measured at the present value of the estimated future cash flows. The discount rate is generally based upon the market yields available on Government bonds at the reporting date with a term that matches that

Notes

to standalone financial statements for the year ended March 31, 2021

of the liabilities.

Re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest and if applicable), is reflected immediately in Other Comprehensive Income in the statement of profit and loss. All other expenses related to defined benefit plans are recognised in statement of profit and loss as employee benefit expenses. Re-measurements recognised in Other Comprehensive Income will not be reclassified to statement of profit and loss hence it is treated as part of retained earnings in the statement of changes in equity. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Curtailment gains and losses are accounted for as past service costs

Other long term employee benefits

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during the service, on early retirement, on withdrawal of scheme, at resignation by employee and upon death of employee. The scale of benefits is determined based on the seniority and the respective employee's salary. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

1) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects,

when appropriate, the risks specific to the liability. The unwinding of discount is recognised in the statement of profit and loss as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

m) Financial instruments

A financial instrument is a contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

(i) Financial assets

Initial recognition and measurement

A financial asset is initially recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial Asset carried at amortised cost
- Financial Asset at fair value through other comprehensive income (FVTOCI)
- Financial Asset at fair value through profit and loss (FVTPL)

Financial asset carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling

Notes

to standalone financial statements for the year ended March 31, 2021

financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset at fair value through profit and loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

- (i) The contractual rights to receive cash flows from the asset has expired, or
- (ii) The Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include borrowings, trade and other payables, security deposits received etc.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit and loss (FVTPL)

A financial liability is classified as at FVTPL if it is

classified as held for trading, or it is a derivative or it is designated as such as initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the Statement of Profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised in the Statement of Profit and loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(iv) Derivative financial instruments

Till March 31, 2019, the Company used derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments were initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

(v) Hedge Accounting

With effect from April 2019, the Company adopted Hedge Accounting. The derivatives that are designated as hedging instrument under Ind AS 109 to mitigate risk arising out of foreign currency

Notes

to standalone financial statements for the year ended March 31, 2021

transactions are accounted for as cash flow hedges. The Company enters into hedging instruments in accordance with policies as approved by the Board of Directors with written principles which is consistent with the risk management strategy of the Company. The Company uses Forward contracts (Hedging Instrument) for the purpose of hedging of Highly probable Sales Transactions (Hedged item).

The hedge instruments are designated and documented as hedges at the inception of the contract. The effectiveness of hedge instruments is assessed and measured at inception and on an ongoing basis.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI, e.g., cash flow hedging reserve and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the statement of profit and loss. The amount accumulated is retained in cash flow hedge reserve and reclassified to profit or loss in the same period or periods during which the hedged item affects the statement of profit and loss.

If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument is terminated or exercised prior to its maturity/contractual term, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is reclassified to the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified immediately in the statement of profit and loss.

n) Impairment of financial assets

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

the weighted average of the difference between all contractual cash flows that are due to the Company in accordance with the contracts and all the cash flows that the Company expects to receive, discounted at original effective interest rate with the respective risk of defaults occurring as the weights.

o) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

An impairment loss is recognized, if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount and is recognised in statement of profit and loss.

Impairment losses recognised in prior periods are assessed at end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

p) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

Notes

to standalone financial statements for the year ended March 31, 2021

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

q) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Tax relating to items recognized directly in equity/other comprehensive income is recognized in respective head and not in the statement of profit & loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

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

Notes

to standalone financial statements for the year ended March 31, 2021

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.

In accordance with Ind AS 12 Company is grouping MAT credit entitlement with Deferred Tax Assets/Liabilities (Net).

r) Investment in subsidiaries

Investment in subsidiaries

There is an option to measure investments in subsidiaries at cost in accordance with Ind AS 27 at either:

(a) Fair value on date of transition; or

(b) Previous GAAP carrying values

The Company had decided to use the previous GAAP carrying values to value its investments in its subsidiaries as on the date of transition, April 01, 2016.

s) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash balance on hand, cash balance at banks and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

t) Earnings per share (EPS)

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

Basic EPS amounts are calculated by dividing the profit for the year attributable to the shareholders of the Company by the weighted average number of equity shares outstanding as at the end of reporting period.

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

potential equity shares into equity shares.

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 increase the earnings.

u) Government grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Profit and Loss on a straight - line basis over the expected lives of related assets and presented within other income.

v) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

w) Research & development costs

Research and development costs that are in nature of tangible assets and are expected to generate probable future economic benefits are capitalised as tangible assets. Revenue expenditure on research and development is charged to the statement of profit and loss in the year in which it is incurred.

x) Exceptional items

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

Notes

to standalone financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT	Land-frehold	Land-leaschold	Buildings	Leaschold improvements	Plant and Equipment	Furniture and Fixures	Vehicles	Total
Gross carrying amount								
(At Deemed cost)								
As at April 01, 2019	1,612.30	47.74	3,910.44	448.57	8,457.30	802.13	985.05	16,263.53
Add: Additions made during the year	221.95	-	19.61	109.41	587.01	224.53	262.39	1,424.90
Less: Disposals/adjustments during the year	4.53	-	-	-	82.67	-	159.38	246.58
As at March 31, 2020	1,829.72	47.74	3,930.05	557.98	8,961.64	1,026.66	1,088.06	17,441.85
Add: Additions made during the year	-	532.57	0.49	20.89	235.57	20.27	72.96	882.77
Less: Disposals/adjustments during the year	-	-	-	22.60	(11.60)	-	(41.29)	(30.29)
As at March 31, 2021	1,829.72	580.32	3,930.54	601.47	9,185.61	1,046.93	1,119.73	18,294.32
Accumulated depreciation/amortization								
As at April 01, 2019	-	1.02	403.88	115.28	2,006.19	268.85	321.41	3,116.63
Add: Depreciation charge for the year	-	0.34	155.11	75.07	816.93	100.10	129.96	1,277.51
Less: Disposals/adjustments during the year	-	-	-	-	54.45	-	71.21	125.66
As at March 31, 2020	-	1.36	558.99	190.35	2,768.67	368.95	380.16	4,268.48
Add: Depreciation charge for the year	-	1.96	155.17	87.38	718.48	93.54	139.02	1,195.54
Less: Disposals/adjustments during the year	-	-	-	9.69	(2.65)	-	(25.32)	(18.28)
As at March 31, 2021	-	3.32	714.16	287.42	3,484.50	462.48	493.86	5,445.74
Net carrying amount								
As at March 31, 2021	1,829.72	577.00	3,216.38	314.05	5,701.12	584.45	625.87	12,848.58
As at March 31, 2020	1,829.72	46.38	3,371.06	367.63	6,192.97	657.71	707.90	13,173.38

- a) The above assets includes Gross block of land of ₹ 78.55 (March 31, 2020: ₹ 78.55) situated at Narshingpur, Tehsil District Gurgaon (Haryana). The Company has executed a colloboration agreement with DLF Retail Developers Limited on November 30, 2007 for construction of a commercial project on part- land amounting to ₹ 42.50 (March 31, 2020: ₹ 42.50). However, as certified by the Management, the work has not started during the financial year 2020-21 due to pending receipt of license from the concerned authority.
- b) For Information on Property, plant and equipment pledged as security by the company refer Note 21
- c) The above property, plant and equipment includes assets given on lease given in the below table:

	Plant and Equipment	Furniture and Fixures	Total
As at March 31, 2021			
Gross carrying amount	27.77	21.22	48.99
Accumulated depreciation	18.96	15.24	34.20
Net carrying amount	8.81	5.98	14.79
As at March 31, 2020			
Gross carrying amount	27.77	21.22	48.99
Accumulated depreciation	16.59	12.21	28.80
Net carrying amount	11.18	9.01	20.19

Notes

to standalone financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 5 : CAPITAL WORK IN PROGRESS

	As At March 31, 2021	As At March 31, 2020
Capital work in progress	41.63	232.50
	41.63	232.50

(Amount in ₹ Lakh, unless otherwise stated)

a) Breakup of capital work in progress is as follows:

	As At March 31, 2021	As At March 31, 2020
Building	41.63	176.05
Other expenses	-	56.45
	41.63	232.50

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 6 : INVESTMENT PROPERTIES

	Land freehold	Land leasehold	Building	Total
Gross carrying amount (At Deemed cost)				
As at April 01, 2019	3,086.80	10.36	4,580.71	7,677.87
Add: Additions during the year	49.12	-	-	49.12
Less: Disposals/adjustments during the year	-	-	-	-
As at March 31, 2020	3,135.92	10.36	4,580.71	7,726.99
Add: Additions during the year	103.45	-	228.52	331.97
Less: Disposals/adjustments during the year	1,401.01	-	197.49	1,598.50
As at March 31, 2021	1,838.36	10.36	4,611.74	6,460.46
Accumulated depreciation and amortisation				
As at April 01, 2019	-	-	247.98	247.98
Add: Depreciation charge for the year	-	-	85.75	85.75
Less: Disposals/adjustments during the year	-	-	-	-
As at March 31, 2020	-	-	333.73	333.73
Add: Depreciation charge for the year	-	-	86.77	86.77
Less: Disposals/adjustments during the year	-	-	14.64	14.64
As at March 31, 2021	-	-	405.86	405.86
Net carrying amount				
As at March 31, 2021	1,838.36	10.36	4,205.88	6,054.60
As at March 31, 2020	3,135.92	10.36	4,246.98	7,393.26

Notes

to standalone financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)		
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Amounts recognized in Statement of Profit and Loss for investment properties		
Rental Income	770.91	980.53
Direct operating expenses of property that generated rental income	56.44	65.88
Direct operating expenses of property that did not generated rental income	8.44	14.23
Income arising from Investment properties before charging depreciation	706.03	900.42
Depreciation & amortisation	86.77	85.75
Income from Investment properties (net)	619.26	814.67
(b) Fair value of investment properties	10,259.00	10,793.94

Estimation of fair value

The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, restrictive entry to the complex, age of building and trend of fair market rent.

This valuation is based on valuations performed by an accredited independent valuer. Fair valuation is based on replacement cost method. The fair value measurement is categorised in level 2 fair value hierarchy.

- (c) 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, 2021.

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 7 : OTHER INTANGIBLE ASSETS

	Computer Software	Total
At Deemed cost		
Gross carrying amount		
As at April 01, 2019	247.54	247.54
Add: Additions during the year	17.57	17.57
Less: Disposals / adjustments during the year	-	-
As at March 31, 2020	265.11	265.11
Add: Additions during the year	9.20	9.20
Less: Disposals / adjustments during the year	-	-
As at March 31, 2021	274.31	274.31
Accumulated amortisation		
As at April 01, 2019	132.60	132.60
Add: Amortisation charge for the year	47.75	47.75
Less: On disposals/adjustments during the year	-	-
As at March 31, 2020	180.35	180.35
Add: Amortisation charge for the year	39.89	39.89
Less: On disposals / adjustments during the year	-	-
As at March 31, 2021	220.24	220.24
Net carrying amount		
As at March 31, 2021	54.07	54.07
As at March 31, 2020	84.76	84.76

Notes

to standalone financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 8 : INVESTMENT IN SUBSIDIARIES

	As At March 31, 2021	As At March 31, 2020
Non- Current		
Investments in equity shares of Subsidiaries - (unquoted)		
(At Cost)		
Pearl Global Fareast Limited, Hong Kong		
535,000 (March 31, 2020: 5,35,000) Equity Shares of USD 1 Each fully paid up	2,797.29	2,797.29
Pearl Apparel Fashions Limited, India		
27,639,145 (March 31, 2020: 27,639,145) Equity Shares of ₹ 10 each fully paid up	1,648.35	1,648.35
Less: Provision for diminution in value of Investments	<u>(1,648.35)</u>	<u>- (1,644.44)</u>
		3.91
Pearl Global (HK) Limited, Hong Kong		
1,610,000 (March 31, 2020: 16,10,000) Equity Shares of USD 1 each fully paid up	6,291.36	6,152.32
Pearl Global Kausal Vikas Limited	5.00	5.00
50,000 (March 31, 2020: 50,000) Equity Shares of ₹ 10 each fully paid up		
Norp Knit Industries Limited, Bangladesh		
3,381,211 (March 31, 2020: 3,381,211) Equity Shares of Taka 100 Each fully paid up	2,213.35	2,468.53
SBUYS E-Commerce Limited	1.00	1.00
10,000 (March 31, 2020: 10,000) Equity Shares of ₹ 10 Each fully paid up		
Investment in Preference Share of Subsidiary - (Unquoted)		
(At Amortised Cost)		
Pearl Apparel Fashions Limited, India		
3,000,000 (March 31, 2020: 3,000,000) Preference Shares of ₹ 10 each fully paid up	300.00	300.00
Less: Provision for diminution in value of Investments	<u>(30.00)</u>	<u>- 300.00</u>
	<u>11,578.00</u>	<u>11,728.05</u>
a) Aggregate value of unquoted investments	13,256.35	13,372.49
b) Aggregate amount of impairment in value of unquoted investments	1,678.35	1,644.44
c) Aggregate value of unquoted investments (net of impairment)	11,578.00	11,728.05

Notes

to standalone financial statements for the year ended March 31, 2021

(b) Information about subsidiaries

(Amount in ₹ Lakh, unless otherwise stated)

Name of Company	Country of incorporation	Principal activities	Porportion (%) of equity interest	
			As At	As At
			March 31, 2021	March 31, 2020
Subsidiaries				
Pearl Apparel Fashions Limited	India	Trading of garments	100.00	100.00
Pearl Global Kaushal Vikas Limited	India	Skill Development	100.00	100.00
Pearl Global Fareast Limited	Hong Kong	Trading of garments	100.00	100.00
Pearl Global (HK) Limited	Hong Kong	Manufacturing and trading of garments	100.00	100.00
Norp Knit Industries Limited	Bangladesh	Manufacturing and trading of garments	99.99	99.99
SBUYS E-Commerce Limiited	India	Online Trading of garments	100.00	100.00

c) Investment in equity shares of subsidiary includes Income from Corporate Guarantee receivable for the following Companies:-

(Amount in ₹ Lakh, unless otherwise stated)

Name of the Company	As At March 31, 2021	As At March 31, 2020
Pearl Global (HK) Limited, Hong Kong	359.16	220.12
Norp Knit Industries Limited, Bangladesh	11.71	266.89
Total	370.87	487.01

d) During the period ended December 31, 2020, Pearl Apparel Fashions Limited, a wholly owned subsidiary of the Company has gone into voluntary liquidation and appointed the official liquidator in October, 2020. In effect of above resolution, the Company has impaired its investment (Equity Instrument and Preference Equipment) in aforesaid subsidiary and recognised the same at its recoverable.

e) The number of units and number of shares in note above represents absolute numbers.

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 9 : INVESTMENTS OTHERS

	As At March 31, 2021	As At March 31, 2020
Non- Current		
A. Equity Instruments- Quoted		
(At Fair value through profit and loss)		
PDS Multinational fashions Limited, India		
50,000 (March 31, 2020: 50,000) Equity Shares of ₹ 10 each fully paid up	335.00	141.00
	335.00	141.00
B. Investments in Government securities -Unquoted		
(At Amortised cost)		
Investments in Government securities		
- Gold Sovereign Bond- 37 units of 2 gram each issued by Reserve Bank of India	1.63	1.63
	1.63	1.63
Total (A + B)	336.63	142.63

Notes

to standalone financial statements for the year ended March 31, 2021

(Contd.)

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 9 : INVESTMENTS OTHERS

	As At March 31, 2021	As At March 31, 2020
Current		
C. Investments in mutual funds - (Quoted)		
Investments carried at fair value through profit and loss		
ICICI Prudential Short Term Fund DP Growth 536,068.057 units of Face Value of ₹ 10 per unit (March 31, 2020: 536,068.057 units)	260.63	237.83
L&T Banking and PSU debt fund direct plan - growth 1,223,214.3850 units of Face Value of ₹ 10 per unit (March 31, 2020: 1,223,214.3850 units)	246.01	227.10
IDFC Banking and PSU debt fund direct plan - growth 1,267,806.9250 units of Face Value of ₹ 10 per unit (March 31, 2020: 1,267,806.9250 units)	247.74	227.75
	754.38	692.68
a) Aggregate book value of quoted investments	1,089.38	833.68
Aggregate market value of quoted investments	1,089.38	833.68
Aggregate value of unquoted investments	1.63	1.63
Aggregate value of unquoted investments (net of impairment)	1.63	1.63
b) The number of units and number of shares in note above represents absolute numbers.		

(Amount in ₹ Lakh, unless otherwise stated)

NOTE10 : LOANS

	Non - Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
(Unsecured, considered good unless otherwise stated)				
Loans to employees	7.21	7.63	23.84	25.78
Loans to related parties (Refer Note No. 46)	485.10	497.57	300.00	300.00
	492.31	505.20	323.84	325.78

- a) The Company has no loans which have significant increase in credit risk and loans which are credit impaired. (Refer Note No. 43)

Notes

to standalone financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 11 : OTHER FINANCIAL ASSETS

	Non - Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
(Unsecured, considered good unless otherwise stated)				
Security deposits (Refer 'a' below)	706.06	750.21	28.56	50.57
Interest accrued but not due on				
- Term deposits and others	3.11	0.16	14.59	29.89
- Loan to related parties	-	140.75	168.75	6.71
Deposits with original maturity of more than 12 months (Refer note 18)	45.54	45.54	-	-
	<u>754.72</u>	<u>936.66</u>	<u>211.91</u>	<u>87.17</u>

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

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 12 : INCOME TAX

	As At March 31, 2021	As At March 31, 2020
--	-------------------------	-------------------------

The major components of income tax expense for the year ended March 31, 2021 and March 31, 2020 are as under:

Statement of profit and loss:

Profit or loss section

Tax Expense:

a) Current tax	-	421.00
b) Adjustments in respect of relating to earlier years	10.94	26.79
c) Deferred tax	(1,007.86)	141.83
Income tax expense reported in the statement of profit or loss	<u>(996.92)</u>	<u>589.62</u>

OCI section

Deferred tax related to items recognised in OCI during the year:

	As At March 31, 2021	As At March 31, 2020
Net loss/(gain) on remeasurements of defined benefit plans	(26.31)	(47.23)
Income tax on items that will be reclassified to profit and loss	(342.72)	346.57
Income tax charged to OCI	<u>(369.03)</u>	<u>299.34</u>

Notes

to standalone financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

Other Equity Section

Deferred tax related to items recognised in Retained Earnings:

	As At March 31, 2021	As At March 31, 2020
Implementation of Ind AS 116: Leases	-	102.38
Net amount charged to Other Equity	-	102.38

a) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020.

(Amount in ₹ Lakh, unless otherwise stated)

	As At March 31, 2021	As At March 31, 2020
Accounting profit before tax from continuing operations	(919.52)	1,090.52
Accounting profit before income tax		
At India's statutory income tax rate of 31.20% (March 31, 2020: 34.944%)	(286.89)	381.07
Adjustments in respect of current income tax of previous years	10.94	26.79
Tax effect of the amounts which are Non-deductible/(taxable) for tax purposes:		
Expenses not deducted for tax purposes	32.58	223.61
Income exempted from income tax	(800.39)	(137.34)
Impact of tax at different tax rate and Others	46.83	95.50
At the income tax rate of 31.20% (March 31, 2020: 34.944 %)	(996.92)	589.62
Income tax expense reported in the statement of profit and loss	(996.92)	589.62

b) Deferred tax:

(Amount in ₹ Lakh, unless otherwise stated)

	Balance sheet	
	As At March 31, 2021	As At March 31, 2020
Deferred tax assets relates to the following:		
Provision for employee benefits	395.70	442.25
Expenses allowed in the year of payment	219.67	197.89
Unabsorbed Losses	764.67	17.07
Lease Liabilities	1,003.94	1,065.71
Mark to Mark Forward Contracts - Cash Flow Hedge	3.85	346.57
Others	100.85	167.20
(A)	2,488.68	2,236.69

Notes

to standalone financial statements for the year ended March 31, 2021

b) Deferred tax: (Contd.)

(Amount in ₹ Lakh, unless otherwise stated)

		Balance sheet	
		As At March 31, 2021	As At March 31, 2020
Deferred tax liability relates to the following:			
Property, plant and equipment		1,227.05	1,434.36
Right to use assets		905.82	913.56
Fair valuation of mutual fund		17.55	7.93
Borrowing (EIR)		4.06	8.46
Others		20.51	197.55
	(B)	2,175.00	2,561.86
MAT Credit Entitlement	(C)	76.85	76.85
Net deferred tax assets/(liabilities)	(A-B+C)	390.53	(248.31)
Movement between Net deferred tax assets/(liabilities)		(638.84)	(259.88)

The Movement between net deferred tax assets/(liabilities) is represented by deferred tax expense/income as under:

(Amount in ₹ Lakh, unless otherwise stated)

		Statement of profit and loss	
		As At March 31, 2021	As At March 31, 2020
Deferred tax assets relates to the following :			
Provision for employee benefits		(46.55)	55.48
Expenses allowed in the year of payment		21.78	63.64
Unabsorbed losses		747.60	(526.10)
Lease Liabilities		(61.77)	1,065.71
Mark to Mark Forward Contracts - Cash Flow Hedge		(342.72)	346.57
Others		(66.35)	66.70
		251.99	1,072.00
Deferred tax liability relates to the following :			
Property, plant and equipment		(207.31)	9.14
Right to use assets		(7.74)	913.56
Fair valuation of mutual fund		9.62	7.93
Borrowing (EIR)		(4.40)	(0.77)
Others		(177.04)	(117.74)
		(386.86)	812.12
Net deferred tax charge		(638.85)	(259.88)

The above net deferred tax is represented by amounts:

Recognised in Statement of Profit and Loss	(1,007.86)	141.83
Recognised in other comprehensive income	369.03	(299.35)
Recognised in Retained Earning - Implementation of Ind AS 116: Leases	-	(102.38)

Notes

to standalone financial statements for the year ended March 31, 2021

- c) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.
- d) MAT paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities. MAT is recognised as a deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 13 : NON CURRENT TAX ASSET

	As At March 31, 2021	As At March 31, 2020
Advance income tax	556.75	469.39
(Net of provision of ₹ 1,288.03 Lakh (March 31, 2020 : ₹ 1,288.03 Lakh)		
	<u>556.75</u>	<u>469.39</u>

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 14 : OTHER ASSETS

	Non - Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
(Unsecured, considered good, unless otherwise stated)				
Capital advances (Refer Note No. 45b)	29.03	95.46	-	-
Balance with government authorities	15.03	91.80	2,103.76	1,736.80
Balance with government authorities - considered doubtful	22.74	22.74	-	-
Less: Loss Allowance	-22.74	-22.74	-	-
Deferred Assets - Security Deposit	1.84	299.10	3.13	43.80
Prepaid expenses	7.71	13.04	402.14	338.02
Export incentive receivable	-	-	1,215.59	2,062.72
Advances to related parties (Refer note no. 46)	-	-	116.98	92.93
Advances to suppliers	-	-	462.32	692.35
Other receivables (Refer Note 'a' below)	-	-	2,538.77	22.49
	<u>53.60</u>	<u>499.40</u>	<u>6,842.69</u>	<u>4,989.11</u>

- a) Other Receivables of ₹ 2,538.77 as at March 31, 2021 includes enhanced compensation of ₹ 2,335.15 receivable by the Company from National Highways Authority of India pursuant to land acquisition by the Central Government under National Highways Act, 1956. (Refer Note No. 36)

Notes

to standalone financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 15 : INVENTORIES

	As At March 31, 2021	As At March 31, 2020
Raw materials	4,905.89	6,485.70
Good in transit- raw material	19.88	54.45
Work in progress	5,703.23	7,086.13
Finished goods	2,412.60	1,072.32
Scrap Stock	166.84	33.21
Stores spares & others	60.68	60.73
	13,269.13	14,792.54

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 16 : TRADE RECEIVABLES

	As At March 31, 2021	As At March 31, 2020
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	14,521.72	9,740.45
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	656.18	377.32
Less: Allowance for Expected Credit Loss	(656.18)	(377.32)
	14,521.72	9,740.45

a) The movement in the allowance for expected credit loss is as follows:

Balance as at beginning of the year	377.32	374.33
Loss allowances during the year	278.86	2.99
Trade receivables written off / written back during the year	-	-
Balance as at the end of the year	656.18	377.32

- b) Trade receivables are generally on credit terms ranging between 0-180 days (March 31, 2020: 45-60 days).
- c) The company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 43.
- d) The above includes amount due from related parties is ₹ 2,008.11 (March 31, 2020: ₹ 2,125.58) (Refer note no. 46).
- e) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other persons.

Notes

to standalone financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 17 : CASH AND CASH EQUIVALENTS

	As At March 31, 2021	As At March 31, 2020
Balances with banks:		
- Current account	4,338.60	1,806.62
- Deposits with original maturity of less than 3 months	177.60	104.23
Cash on hand	3.90	13.54
Cheque/drafts on hand	79.40	135.38
	4,599.50	2,059.77

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

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 18 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As At March 31, 2021	As At March 31, 2020
Earmarked balances with banks		
Unpaid dividend account	29.75	31.85
Deposits with original maturity of more than 3 months but less than 12 months	1,078.40	899.76
Deposits with original maturity of more than 12 months (Refer Note a below)	45.54	45.54
Balance with bank (Considered doubtful)	0.03	0.03
Less: Loss Allowance	(0.03)	(0.03)
	1,153.69	977.15
Less: Amount disclosed under "Other Financial Assets" (Refer Note No.11)	45.54	45.54
	1,108.15	931.61
a) Fixed Deposits pledged as security with various banks (refer note no. 21)	665.02	134.03

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 19 : SHARE CAPITAL

	As At March 31, 2021	As At March 31, 2020
Authorised		
51,440,000* (March 31, 2020: 51,440,000) equity shares of ₹ 10 each	5,144.00	5,144.00
10,000* (March 31, 2020: 10,000) 4% Non Cumulative Redeemable Preference Shares of ₹ 10 each	1.00	1.00
3,256,000* (March 31, 2020: 3,256,000) 10.5% Non Cumulative Redeemable Preference Shares of ₹ 100 each	3,256.00	3,256.00
	8,401.00	8,401.00
Issued, subscribed and paid up		
21,663,937* (March 31, 2020: 21,663,937) Equity Shares of ₹ 10 each fully paid up	2,166.39	2,166.39
	2,166.39	2,166.39

Notes

to standalone financial statements for the year ended March 31, 2021

a) Reconciliation of issued and subscribed share capital:

Equity Share of ₹ 10 each	No. of shares	Amount
Balance as at April 1, 2019	21,663,937	2,166.39
Changes during the year	-	-
Balance as at March 31, 2020	21,663,937	2,166.39
Changes during the year	-	-
Balance as at March 31, 2021	21,663,937	2,166.39

b) Terms/ rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. For the year ended March 31, 2021 and March 31, 2020, the Board of Directors has not proposed any dividend for distribution to shareholders.

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% shares in the Company

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of shares*	Holding %	No. of shares*	Holding %
Mrs. Payel Seth	4,413,635	20.37	4,413,635	20.37
Mr. Deepak Seth	2,862,145	13.21	2,862,145	13.21
Mr. Pulkit Seth	6,947,621	32.07	6,947,621	32.07
Mr. Sanjiv Dhiresbhai Shah	1,881,004	8.68	1,553,274	7.17

* Number of Shares are given in absolute numbers.

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 20 : OTHER EQUITY

	As At March 31, 2021	As At March 31, 2020
General reserve	4,204.36	4,204.36
Securities premium	17,103.90	17,103.90
Capital redemption reserve	95.00	95.00
Amalgamation reserve	625.95	625.95
Retained earnings	7,172.94	7,037.53
Cash Flow Hedge Reserve (net of tax)	(8.49)	(645.22)
Foreign currency translation reserve- Foreign operations	11.96	-
	29,205.63	28,421.53

Notes

to standalone financial statements for the year ended March 31, 2021

I. For Movement during the year in Other Equity, refer "Statement of Changes in Equity".

II. Nature and purpose of reserves (Amount in ₹ Lakh, unless otherwise stated)

Particulars	As At March 31, 2021	As At March 31, 2020
a) General reserve		
Balance as at beginning/ end of the year	4,204.36	4,204.36
Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at an specified percentage in accordance with Companies (Transfer of profits to Reserve) Rules 1975. Consequent to introduction of the Companies Act 2013, there is no such requirement to mandatorily transfer a specified percentage of the net profit to general reserve.		
(Amount in ₹ Lakh, unless otherwise stated)		
Particulars	As At March 31, 2021	As At March 31, 2020
b) Securities Premium		
Balance as at beginning/ end of the year	17,103.90	17,103.90
The amount received in excess of face value of the equity shares is recognised in securities premium. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.		
(Amount in ₹ Lakh, unless otherwise stated)		
Particulars	As At March 31, 2021	As At March 31, 2020
c) Capital Redemption Reserve		
Balance as at beginning/ end of the year	95.00	95.00
This Reserve has been created at the time of business combination with companies in earlier years in accordance with the provisions of the Companies Act, 2013.		
(Amount in ₹ Lakh, unless otherwise stated)		
Particulars	As At March 31, 2021	As At March 31, 2020
d) Amalgamation Reserve		
Balance as at beginning/ end of the year	625.95	625.95
This Reserve has been created at the time of amalgamation of other companies in earlier years in accordance with the provisions of the Companies Act, 2013.		
(Amount in ₹ Lakh, unless otherwise stated)		
Particulars	As At March 31, 2021	As At March 31, 2020
e) Retained Earnings		
Balance as at beginning/ end of the year	7,172.94	7,037.53
Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Out of the above, reserve on account of revaluation of assets of ₹400.51 (March 31, 2020 : ₹ 398.64) is not available for distribution.		

Notes

to standalone financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

Particulars	As At March 31, 2021	As At March 31, 2020
f) Cash Flow Hedge Reserve		
Balance as at beginning/ end of the year	(8.49)	(645.22)
This reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. This reserve will be reclassified to statement of profit and loss only when the hedged transaction affects the profit or loss.		

(Amount in ₹ Lakh, unless otherwise stated)

Particulars	As At March 31, 2021	As At March 31, 2020
g) Foreign Currency Translation Reserve		
Balance as at beginning/ end of the year	11.96	-
The exchange differences arising from the translation of financial statements of foreign operations is recognized in other comprehensive income and is presented within equity.		

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 21 : LONG TERM BORROWINGS

	Non - Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
From banks (secured)				
- Corporate loan	8,014.64	5,178.62	1,913.56	1,451.25
- Vehicle loans	118.30	93.22	36.58	91.00
From financials institutional (secured)				
- Vehicle loans	66.84	112.39	48.55	38.85
	8,199.78	5,384.23	1,998.68	1,581.10
Less: Amount disclosed under other financial liabilities as 'Current maturities of long-term borrowings' (refer note 23)		-	1,998.68	1,581.10
	8,199.78	5,384.23	-	-

*includes loans which are carried at amortised cost

- i) Nature of Security:** Following security details rank pari passu (first, second, exclusive or equitable as per respective sanction letters) amongst different lenders under multi bank arrangement for long term borrowings:
- Hypothecation over the entire movable/ Immovable fixed assets of the Company including creation of negative lien on the assets which are unencumbered and are not proposed to be mortgaged to any of the lenders.
 - Equitable mortgage over Industrial plot no. (i) 16/17, phase-6, Udyog Vihar, Gurugram, (ii) 597 and 603, RICCO Industrial Area, Bhiwadi, Rajasthan, (iii) 751, Pace City-II, Sector 37, Gurugram, (iv) Land & Building located at Survey No. 262A in Aryapakkam Village at Kancheepuram, (v) Company's property at Plot No. 51, Sector 32, Gurugram, and (vi) Land and building at Chennai and Bangalore Plant of the Company.
 - Hypothecation of the Company's entire current assets including stocks of raw material, stock in process, finished goods, spares and book debts (present & future).
 - Pari-Passu charge on FDR of ₹ 58. Other FDR's pledged with specific banks- PNB, UCO & IndusInd Bank are ₹ 607.02 (March 31, 2020: ₹ 134.03)

Notes

to standalone financial statements for the year ended March 31, 2021

- e) Irrevocable and Unconditional Personal Guarantee of Mr. Deepak Seth (Promoter Director) and/or Mr. Pulkit Seth (Managing Director).

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

iii) Maturity profile

Maturity profile of secured term loans is as set out below :	2021-22	2022-23	2023-24	Beyond 2024-25
Term loan from banks are repayable in monthly/quarterly/yearly installments	1,913.56	2,362.55	2,104.39	3,547.69
Vehicle loans from banks and financial institutions are repayable in monthly installments	85.13	103.68	36.81	44.65

- iv) The above loan(s) carries rate of interest ranging between 7.40% to 12.00% per annum.

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 22 : SHORT TERM BORROWINGS

	As At March 31, 2021	As At March 31, 2020
Working capital loan from banks(secured)		
- Rupee loan [refer note (a) below]	11,328.87	15,251.01
	11,328.87	15,251.01

- a) **Nature of security:** The Company has entered into borrowing arrangements with lenders under Consortium Arrangement for short term borrowings. The security details set out under Note 21 ranks pari passu (as per respective sanction letters) amongst all secured lenders for short term and long term borrowings.

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 23 : OTHER FINANCIAL LIABILITIES

	Non - Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Security deposit	137.28	246.97	-	-
Book overdraft	-	-	261.51	26.87
Current maturities of long-term borrowings (refer no. 21)	-	-	1,998.68	1,581.10
Interest accrued but not due on borrowings	-	-	23.26	37.48
Unpaid dividends	-	-	29.75	31.85
Financial Liabilities at Fair Value through OCI - Cash Flow Hedge	-	-	12.34	991.80
Creditors for capital goods	-	-	203.74	30.21
Others	-	-	-	48.19
	137.28	246.97	2,529.29	2,747.50

- a) The company's exposure to currency and liquidity risk related to trade payables is disclosed in note 43.
- b) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.
- c) Refer Note No. 21 for the terms and conditions, nature of security and maturity profile of the current maturities of long-term borrowings (forming part of long term borrowings of the Company).

Notes

to standalone financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 24 : PROVISIONS

	Non - Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Provision for employee benefits				
Provision for compensated absences (Refer note 39)	350.57	324.96	25.85	23.96
Provision for gratuity (Refer note 39)	593.49	556.18	46.61	33.39
	944.06	881.14	72.46	57.35

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 25 : OTHER LIABILITIES

	Non - Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Advance received against sale of land	2,963.62	2,963.62	-	-
Deferred government grant	7.58	8.58	145.61	145.61
Deferred rental income	42.15	25.71	15.06	31.91
Statutory dues	-	-	550.23	590.78
Others	-	-	-	46.88
	3,013.35	2,997.91	710.90	815.18

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 26 : TRADE PAYABLE

	As At March 31, 2021	As At March 31, 2020
Total Outstanding dues of Micro and Small enterprises	481.65	331.05
Total Outstanding dues of Creditors other than Micro and Small enterprises	15,688.60	8,800.36
	16,170.25	9,131.41

- Trade payable are generally on a credit period of not more than 90 days except in case of micro & small enterprises which are settled within 45 days.
- This amount includes amount due to related parties amounting to ₹ 7,815.58 (March 31, 2020: ₹ 1,038.81) (Refer Note No. 46)
- Information as required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 for the year ended March 31, 2021 is given below:

(Amount in ₹ Lakh, unless otherwise stated)

Particulars	As At March 31, 2021	As At March 31, 2020
(i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	481.65	331.05
(ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-

Notes

to standalone financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

Particulars	As At March 31, 2021	As At March 31, 2020
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) 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	-	-
d) 'Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act and as per the intimation received from them on requests made by the Company (to the extent available). There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date except disclosed above.		
e) The Company's exposure to market and liquidity risk related to trade payables are disclosed in note no. 43.		

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 27 : REVENUE FROM OPERATIONS

	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of product	73,909.07	76,327.18
Job receipts	-	129.54
Other operating revenues	3,230.97	6,076.61
Revenue from operations	77,140.04	82,533.33

a) Performance obligation:

Revenue is recognised upon transfer of control of products.

b) Disaggregation of revenue: The Company has performed the disaggregation analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues- geography wise and customer wise:

(Amount in ₹ Lakh, unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Geography- wise		
India	3,614.27	8,403.09
Outside India	73,525.76	74,130.24
	77,140.04	82,533.33
Customer- wise		
Related Party	9,570.62	11,148.78
Non Related Party	67,569.42	71,384.55
	77,140.04	82,533.33

Notes

to standalone financial statements for the year ended March 31, 2021

c) Reconciliation of revenue from operations with contracted price

(Amount in ₹ Lakh, unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Contracted Price	77,212.68	82,578.22
Less: Sales Returns	72.64	44.89
	77,140.04	82,533.33

- d) Variable Consideration associated with Sales: The Company estimates the variable consideration using the most likely amount or expected value method, whichever approach best predicts the amount of consideration based on the terms of contract and available information and updates the estimates in each reporting period.
- e) As per the scheme on Remission of Duties and Taxes on Export Products (RoDTEP) of Government of India, the Company is eligible to claim export incentives representing refund of embedded central, state and local duties/ taxes. All the incentives previously under Merchandise Export from India Scheme (MEIS) and the RoSCTL (Rebate of State and Central Taxes and Levies) are now under the purview of the RoDTEP scheme. "The Scheme is effective from January 1, 2021, however the incentive rates are yet to be notified by the Authorities. For the period from January 1, 2021 to March 31, 2021, the Company has recognised ₹ 421.15 of income towards RoDTEP and corresponding receivable on the basis of best estimate of the management, which is lower than the rates applicable under erstwhile scheme applicable upto December 31, 2020. "For measurement of such income, significant estimates and judgements were made by the management which includes eligibility of export transaction for the claim, timing of processing of such claim and its realization and the rate expected to be notified by the Government authorities in this regard. The estimation of rate involves a high level of uncertainty considering the delay in notification of the rate. The Company has performed sensitivity analysis on sources of estimation, uncertainty and appropriately considered the same while recognizing such income."

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 28 : OTHER INCOME

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Income		
- On fixed deposits	55.81	169.53
- On loans and advances	63.58	80.09
Other non-operating income:		
IT/ SAP income	117.07	98.11
Rental income	770.91	980.53
Foreign exchange fluctuation	751.47	1,847.44
Profit on sale of current investment - mutual fund	16.61	73.79
Fair value gain on investments measured at fair value through profit and loss (net)	255.85	29.42
Miscellaneous income	377.08	59.86
	2,408.39	3,338.77

Notes

to standalone financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 29 : COST OF RAW MATERIAL CONSUMED	For the year ended March 31, 2021	For the year ended March 31, 2020
Raw Material		
Balance at the beginning of the Year	6,485.70	5,831.14
Add:- Purchases during the year	21,478.41	29,197.60
	27,964.11	35,028.74
Less:- Balance at the end of the Year	4,905.89	6,485.70
Total raw material consumption	23,058.22	28,543.04

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 30 : PURCHASE OF STOCK IN TRADE	For the year ended March 31, 2021	For the year ended March 31, 2020
Purchases during the year	24,340.92	11,981.44
	24,340.92	11,981.44

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 31 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the beginning of the year		
Work-in-progress	7,086.13	6,234.86
Finished goods	1,072.32	1,283.14
Scrap Stock	33.21	111.08
(A)	8,191.67	7,629.08
Inventories at the end of the year		
Work-in-progress	5,703.23	7,086.14
Finished goods	2,412.60	1,072.32
Scrap Stock	166.84	33.21
(B)	8,282.67	8,191.67
(Increase) / decrease in inventory (A-B)	(91.01)	(562.59)

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 32 : EMPLOYEE BENEFITS EXPENSE	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages & bonus	9,617.59	13,312.81
Contribution to provident and other fund	569.20	904.96
Gratuity expense (refer note 39)	229.39	286.05
Compensated absences (refer note 39)	178.16	221.61
Staff training & welfare expenses	184.67	291.87
	10,779.00	15,017.30

Notes

to standalone financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 33 : FINANCE COST

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense		
- on term loans, cash credit & working capital facilities	1,639.39	1,859.50
- delayed payment of taxes	1.51	1.74
- lease liabilities	304.66	300.01
Unwinding of discount on security deposit	40.24	30.32
Other borrowing cost	415.82	256.88
	2,401.62	2,448.45

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 34 : DEPRECIATION AND AMORTISATION EXPENSE

	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of property, plant and equipment (refer note no. 4)	1,195.54	1,277.51
Depreciation & amortisation of Investment Properties (refer note no. 6)	86.77	85.75
Amortisation of intangible assets (refer note no. 7)	39.89	47.70
Amortisation of Right-of-use assets (refer note no. 49)	491.22	350.70
	1,813.42	1,761.66

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 35 : OTHER EXPENSES

	For the year ended March 31, 2021	For the year ended March 31, 2020
Manufacturing expense	12,878.85	15,421.92
Consumption of stores & spare parts	260.36	363.05
Power & fuel	955.18	1,237.27
Rent	73.64	526.23
Rates & taxes	114.81	110.11
Travelling & conveyance	479.41	1,284.84
Freight & clearing charges	1,803.34	2,059.74
Claim to buyers	418.20	1,356.27
Repair & maintenance		
Plant & machinery	75.12	76.87
Buildings	7.18	9.07
Others	335.17	337.00
Commission	59.13	59.54
Legal & professional expenses	264.75	666.77
Security charges	220.75	304.43
Bank charges	176.24	354.08
Insurance Expenses	148.93	89.70
Payment to the auditors (refer note 'a' below)	29.52	28.53
Loss Allowance for doubtful debts and advances	278.86	47.92
Corporate social responsibility (refer note 'b' below)	27.10	22.15
Loss on mark to market forward contracts	-	462.80
Miscellaneous expenses	823.08	890.06
Total	19,429.61	25,708.34

Notes

to standalone financial statements for the year ended March 31, 2021

a) **Details of payment made to auditors is as follows:** (Amount in ₹ Lakh, unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
i) Payment to Auditor		
- Statutory audit fee	17.50	17.50
- Other Services	9.65	8.00
- Reimbursement of Expenses	0.37	3.03
	<u>27.52</u>	<u>28.53</u>

b) **Details of Corporate Social Responsibility (CSR) expenditure is as follows:**

	For the year ended March 31, 2021	For the year ended March 31, 2020
i) Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits of last three years)	22.26	22.14
ii) Amount spent during the year		
- Construction/acquisitions of any asset	-	-
- For purpose other than above	27.10	22.15

c) Miscellaneous Expenses includes expense towards purchase of Electoral Bonds amounting to ₹ Nil (March 31, 2020: ₹ 160) from State Bank of India, under the scheme- 'The Electoral Bond Scheme 2018' notified by the Central Government vide Gazette Notification No. 20 dated January 2, 2018.

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 36 : EXCEPTIONAL ITEMS

	For the year ended March 31, 2021	For the year ended March 31, 2020
Loss on sale of Property, Plant & Equipment	1,037.41	41.19
Impairment of investment in subsidiaries	33.91	27.24
Profit on account of compulsory acquisition of land	-	(184.48)
Enhanced compensation on land acquisition by NHAI	(2,335.15)	-
	<u>(1,263.82)</u>	<u>(116.05)</u>

a) The figures in bracket above represents income/ profit

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 37 : COMPONENTS OF OTHER COMPREHENSIVE INCOME

	For the year ended March 31, 2021	For the year ended March 31, 2020
A (i) Items that will not be reclassified to profit or loss		
Re-measurement gains/ (losses) on defined benefit plans	84.32	135.15
Income tax expense on items that will not be reclassified to profit or loss	(26.31)	(47.23)
B (i) Items that will be reclassified to profit or loss		
Cash Flow Hedging reserve on forward contract	979.45	(991.80)
Foreign currency translation reserve	11.96	-
Income tax expense on items that will be reclassified to profit or loss	(342.72)	346.57
	<u>706.70</u>	<u>(557.31)</u>

Notes

to standalone financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

NOTE 38 : EARNINGS PER SHARE (EPS)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit attributable to the equity shareholders (A)	77.40	500.89
Number/Weighted average number of equity shares outstanding at the end of the year (B)	21,663,937	21,663,937
Nominal value of Equity shares	₹ 10	₹ 10
Basic/Diluted Earning per share (A/B) (in ₹)	0.36	2.31
	<u>0.36</u>	<u>2.31</u>

NOTE 39 : GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

a) Defined contribution plans

The Company makes contribution towards Employees Provident Fund, Employee's State Insurance scheme and other welfare schemes. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The company during the year recognised the following amount in the Statement of profit and loss under company's contribution to defined contribution plan.

(Amount in ₹ Lakh, unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Employer's Contribution to Provident Fund/ Pension Fund	423.74	634.78
Employer's Contribution to Employee State Insurance	138.43	241.30
Employer's Contribution to Welfare Fund	7.03	28.88
Total	<u>569.20</u>	<u>904.96</u>

The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes.

b) Defined benefit plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Company is able to determine the present value of obligations. "Projected Unit Credit Method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to build up the final obligation.

i) Gratuity scheme

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

- Gratuity in case of Gurgaon Division (Funded & maintained by Life Insurance Corporation of India)
- Gratuity in case of Chennai & Bangalore Division (Unfunded)

ii) Other long term employee benefits

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during the service, on early retirement, on withdrawal of scheme, at resignation by employee and upon death of employee. The scale of benefits is determined based on the seniority and the respective employee's salary. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

Notes

to standalone financial statements for the year ended March 31, 2021

Re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest and if applicable), is reflected immediately in Other Comprehensive Income in the statement of profit and loss in case of Gratuity. All other expenses related to defined benefit plans are recognised in statement of profit and loss as employee benefit expenses. Re-measurements recognised in Other Comprehensive Income will not be reclassified to statement of profit and loss hence it is treated as part of retained earnings in the statement of changes in equity. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Curtailment gains and losses are accounted for as past service costs.

- c) The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the defined benefit plan. These have been provided on accrual basis, based on year end actuarial valuation.

Change in benefit obligation	As at March 31, 2021		As at March 31, 2020	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Opening defined benefit obligation	654.60	298.17	617.55	241.04
Interest cost	44.29	20.02	48.11	18.78
Service cost	89.46	100.21	111.96	133.46
Past Service cost	-	-	-	-
Benefits paid	(92.36)	(90.10)	(47.38)	(24.66)
Actuarial (gain) / loss on obligations	(41.19)	(53.96)	(75.64)	(70.45)
Present value of obligation as at the end of the year	654.80	274.33	654.60	298.17

- d) **Cost for the year included under employee benefit**

	As at March 31, 2021		As at March 31, 2020	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Current service cost	89.46	100.21	111.96	133.46
Past service cost	-	-	-	-
Interest cost	44.29	20.02	48.11	18.78
Expected return on plan assets	(24.55)	-	(26.26)	-
Actuarial (gain) / loss	-	-	-	-
Net cost	109.19	120.23	133.81	152.24

- e) **Changes in the fair value of the plan assets are as follows:**

	As at March 31, 2021		As at March 31, 2020	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Fair value of plan assets at the beginning	363.22	-	388.39	-
Expected return on plan assets	24.55	-	26.26	-
Contributions	4.43	-	6.88	-
Benefits paid	(92.36)	-	(47.38)	-
Actuarial gains / (losses) on the plan assets	(10.84)	-	(10.93)	-
Fair value of plan assets at the end	289.02	-	363.22	-

Notes

to standalone financial statements for the year ended March 31, 2021

f) Detail of actuarial gain/loss recognised in OCI is as follows:

	As at March 31, 2021		As at March 31, 2020	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Actuarial gain / (loss) for the year – obligation	41.19	53.96	75.64	70.45
Actuarial gain / (loss) for the year - plan assets	(10.84)	-	(10.93)	-
Unrecognised actuarial gains / (losses) at the end of year	30.36	53.96	64.71	70.45

g) Principal actuarial assumptions at the balance sheet date are as follows:

	As at March 31, 2021		As at March 31, 2020	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Economic assumptions				
1. Discount rate	0.07	0.07	0.07	0.07
2. Rate of increase in compensation levels	0.05	0.05	0.05	0.05
Demographic assumptions				
1. Expected average remaining working lives of employees (years)	20.41	25.84	20.41	26.28
2. Retirement Age (years)	58	58	58	58
3. Mortality Rate	Indian Assured Lives Mortality (2012-14) (modified) ultimate		Indian Assured Lives Mortality (2006-08) (modified) ultimate	
Withdrawal Rate (Average in case of unfunded amounts)				
1. Ages from 18 to 30 Years	0.03	0.06	0.03	0.06
2. Ages from 30 to 45 Years	0.02	0.06	0.02	0.06
3. Ages Above 45 years	0.01	0.06	0.01	0.06

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

h) Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.

	As at March 31, 2021		As at March 31, 2020	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Present value of obligation	654.80	274.33	654.60	298.17
Less: Fair value of plan assets	289.02	-	363.22	-
Net assets / (liability)	(365.77)	(274.33)	(291.38)	(298.17)

i) Expected contribution for the next year is ₹ 492.69 Lakh (March 31, 2020: ₹ 417.54 Lakh) in respect of Gratuity.

Notes

to standalone financial statements for the year ended March 31, 2021

j) **A quantitative sensitivity analysis for significant assumptions is as shown below:**

	As at March 31, 2021		As at March 31, 2020	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
A. Discount rate				
Effect on DBO due to 1%/0.5% increase in Discount Rate	(61.46)	(29.09)	(61.88)	(33.60)
Effect on DBO due to 1%/0.5% decrease in Discount Rate	71.91	34.40	72.58	40.04
B. Salary escalation rate				
Effect on DBO due to 1%/0.5% increase in Salary Escalation Rate	72.51	34.74	73.15	40.33
Effect on DBO due to 1%/0.5% decrease in Salary Escalation Rate	(63.00)	(29.85)	(63.40)	(34.40)
C. Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.				

k) **Risk**

Discount Rate	Reduction in discount rate in subsequent valuations can increase the liability.
Salary Increases	Actual salary increases will increase the defined benefit liability. Increase in salary increase rate assumption in future valuations which in turn also increase the liability.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawals rates at subsequent valuations can impact defined benefit liability.
Mortality and disability	Actual details and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

l) **Maturity profile of defined benefit obligation is as follows:**

	As at March 31, 2021		As at March 31, 2020	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
0 to 1 years	67.06	9.78	55.88	9.02
1 to 2 years	33.07	11.47	45.58	10.49
2 to 3 years	28.21	22.85	50.45	20.93
3 to 4 years	50.46	47.49	36.42	38.66
4 to 5 years	74.33	66.68	59.87	69.66
from 5 years onwards	753.72	470.02	771.60	599.68

NOTE 40 : CAPITAL MANAGEMENT

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

Notes

to standalone financial statements for the year ended March 31, 2021

- maintain an appropriate capital structure of debt and equity.

The Board of Directors have the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management in deployment of funds and sourcing by leveraging opportunities in domestic and international markets so as to maintain investors, creditors and markets confidence and to sustain future development of the business.

The Company monitors capital, using a medium term view ranging between three to five years, on the basis of a number of financial ratios generally used by the industry. The Company monitors capital structure using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises of long term and short term borrowings less cash and cash equivalents. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of reporting periods were as follows:

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(Amount in ₹ Lakh, unless otherwise stated)

	As At March 31, 2021	As At March 31, 2020
Borrowings (Refer to note 21 and 22)	19,528.65	20,635.24
Current maturity of long term loans (Refer to note 23)	1,998.68	1,581.10
Trade payables (Refer to note 26)	16,170.25	9,131.41
Other payables (Refer to note 23 and 25)	4,392.13	5,226.45
Less: cash and cash equivalents (Refer to note 17)	(4,599.50)	(2,059.77)
Net debt (A)	37,490.21	34,514.43
Equity share capital (Refer to note 19)	2,166.39	2,166.39
Other equity (Refer to note 20)	29,205.63	28,421.53
Total Capital (B)	31,372.02	30,587.92
Capital and net debt (A+B=C)	68,862.23	65,102.35
Gearing ratio (A/C)	54.44%	53.02%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

NOTE 41 : DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

I) Hedge Accounting

- The Company enters into hedging instruments in accordance with policies as approved by the Board of Directors with written principles which is consistent with the risk management strategy of the Company. The Company has decided to apply hedge accounting for certain derivative contracts that meets the qualifying criteria of hedging relationship entered post April 01, 2019. Hedging strategies are decided and monitored periodically by Chief Financial Officer and Board of Directors of the Company.

Notes

to standalone financial statements for the year ended March 31, 2021

Cash Flow Hedges

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecasted hedged items in US dollar. These forecast transactions are highly probable. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

(ii) The fair value of derivative financial instruments is as follows:

Particulars	Liabilities March 31, 2021	Assets March 31, 2020
Fair value of foreign currency forward exchange contract designated as hedging instruments	12.34	991.80

The critical terms of the foreign currency forward contracts match the terms of the expected highly probable forecast sale transactions.

The cash flow hedges of the forecasted sale transactions for the year ended March 31, 2021 were assessed to be highly effective and unrealised profit of ₹979.45 lakh, with a deferred tax liability of ₹342.72 lakh relating to the hedging instruments, is included in OCI (March 31, 2020: Unrealised loss of ₹991.80 lakh with a corresponding deferred tax assets of ₹346.57 lakh).

(iii) Maturity Profile: The following table includes the maturity profile of the foreign exchange forward contracts:

Particulars	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	Total
As at March 31, 2021 (INR)	-	-	-	-	2,278.85	
Notional amount (in USD)	-	-	-	-	30.00	30.00
Average forward rate (USD/INR)	-	-	-	-	-	75.96
As at March 31, 2021 (INR)	3,118.99	5,617.99	6,316.02	4,313.64	4,625.57	23,992.21
Notional amount (in USD)	43.00	77.00	85.92	58.00	61.00	324.92
Average forward rate (USD/INR)	72.53	72.96	73.51	74.37	75.83	73.84

(iv) The impact of the hedging instruments on the balance sheet is as follows:

Particulars	Liabilities March 31, 2021	Assets March 31, 2020
Fair value of foreign currency forward exchange contract designated as hedging instruments	12.34	991.80

The line item in Balance Sheet where Hedge instrument is disclosed is Other Financial Liabilities. The changes in fair value of forward exchange contract are disclosed as under:

Particulars	(Amount ₹)
Foreign currency risk forward contract- As at March 31, 2021	979.45
Foreign currency risk forward contract- As at March 31, 2020	(991.80)

Notes

to standalone financial statements for the year ended March 31, 2021

(v) The effect of the cash flow hedge in the statement of profit or loss and other comprehensive income is, as follows:

Particulars	Total hedging gain/(loss) recognised in OCI	Line item in Statement of profit and loss	Amount reclassified from OCI to profit or loss	Line item in Statement of profit and loss
As at March 31, 2021	979.45	Cash Flow Hedge Reserve (OCI)	19.15	Revenue from Operations
Highly probable forecast sales				
As at March 31, 2020	(991.80)	Cash Flow Hedge Reserve (OCI)	(38.42)	Revenue from Operations
Highly probable forecast sales				

(vi) Impact of hedging on equity

Set out below are the details of each component of equity and the analysis of other comprehensive income in respect of CFHR

Particulars	Cash Flow Hedge Reserve (CFHR)
As at March 31, 2021	979.45
Effective Portion of Changes in fair Value arising from Foreign Exchange Forward Contracts	(19.15)
Amount reclassified to profit & loss	19.15
Tax effect	(342.72)
As at March 31, 2020	(991.80)
Effective Portion of Changes in fair Value arising from Foreign Exchange Forward Contracts	(38.42)
Amount reclassified to profit & loss	38.42
Tax effect	346.57

(vii) Valuation Technique

The Company enters into derivative financial instruments which are valued using valuation techniques which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing models, using present value calculations. Where quoted market prices are not available, fair values are based on Management best estimates, which are arrived at by the reference to market prices.

II) Particulars of Unhedged foreign currency exposures:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Foreign Currency (in absolute no.)	(Amount ₹ in lakh)	Foreign Currency (in absolute no.)	(Amount ₹ in lakh)
Foreign currency receivable	\$21,920,847	16,111.82	\$7,711,568	5,813.75
Foreign currency payable	2,635	2.27	\$2,730,970	2,058.88
Foreign currency loan receivable	\$889,599	653.85	\$846,699	638.32

III) In respect of the derivative contracts entered into by the Company, the Management assesses no material foreseeable losses as at the reporting date.

Notes

to standalone financial statements for the year ended March 31, 2021

NOTE 42 : FAIR VALUE MEASUREMENTS

I Financial instruments

(a) Financial instruments by category

Except Investment in equity instruments (Quoted) and investment in mutual funds which are measured at fair value through profit or loss, all other financial assets and liabilities viz. trade receivables, security deposits, cash and cash equivalents, other bank balances, interest receivable, other receivables, trade payables, employee related liabilities and borrowings, are measured at amortised cost. Derivative financial instruments are measured at fair value through other comprehensive income.

(b) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels of in the fair value hierarchy:

As at March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

Particulars	Carrying amount					Fair value			
	FVOCI	FVTPL	Financial Assets - amortised cost	Financial Liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in equity shares (Quoted)	-	335.00	-	-	335.00	335.00	-	-	335.00
Investment in mutual funds	-	754.38	-	-	754.38	754.38	-	-	754.38
Financial assets not measured at fair value									
Investment in equity shares (Unquoted)	-	-	11,308.00	-	11,308.00	-	-	-	-
Investment in preference shares	-	-	270.00	-	270.00	-	-	-	-
Investment in government securities	-	-	1.63	-	1.63	-	-	-	-
Loan to employees	-	-	31.04	-	31.04	-	-	-	-
Loan to related parties	-	-	785.10	-	785.10	-	-	-	-
Security Deposits	-	-	734.62	-	734.62	-	-	-	-
Interest accrued but not due on term deposits	-	-	17.70	-	17.70	-	-	-	-
Interest accrued but not due on loan to related parties	-	-	168.75	-	168.75	-	-	-	-
Deposits with original maturity of more than 12 months	-	-	45.54	-	45.54	-	-	-	-
Trade receivables	-	-	14,521.72	-	14,521.72	-	-	-	-
Cash and cash equivalents	-	-	4,599.50	-	4,599.50	-	-	-	-
Other bank balances	-	-	1,108.15	-	1,108.15	-	-	-	-
	-	1,089.38	33,591.76	-	34,681.14	1,089.38	-	-	1,089.38
Financial liabilities measured at fair value									
Financial Liabilities at Fair Value through OCI - Cash Flow Hedge	12.34	-	-	-	12.34	12.34	-	-	12.34

Notes

to standalone financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

Particulars	Carrying amount					Fair value			
	FVOCI	FVTPL	Financial Assets - amortised cost	Financial Liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value									
Borrowings	-	-	-	21,527.33	21,527.33	-	-	21,547.66	21,547.66
Lease Liabilities	-	-	-	3,217.75	3,217.75	-	-	-	-
Security Deposits	-	-	-	137.28	137.28	-	-	-	-
Book overdraft	-	-	-	261.51	261.51	-	-	-	-
Interest accrued but not due on borrowings	-	-	-	23.26	23.26	-	-	-	-
Unpaid dividends	-	-	-	29.75	29.75	-	-	-	-
Trade payables	-	-	-	16,170.25	16,170.25	-	-	-	-
Creditors for capital goods	-	-	-	203.74	203.74	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
	12.34	-	-	41,570.87	41,583.21	12.34	-	21,547.66	21,560.00
As at March 31, 2020									
Financial assets measured at fair value									
Investment in equity shares (Quoted)	-	141.00	-	-	141.00	141.00	-	-	141.00
Investment in mutual funds	-	692.68	-	-	692.68	692.68	-	-	692.68
Financial assets not measured at fair value									
Investment in equity shares (Unquoted)	-	-	11,428.05	-	11,428.05	-	-	-	-
Investment in preference shares	-	-	300.00	-	300.00	-	-	-	-
Investment in government securities	-	-	1.63	-	1.63	-	-	-	-
Loan to employees	-	-	33.40	-	33.40	-	-	-	-
Loan to related parties	-	-	797.57	-	797.57	-	-	-	-
Security Deposits	-	-	800.77	-	800.77	-	-	-	-
Interest accrued but not due on term deposits	-	-	30.05	-	30.05	-	-	-	-
Interest accrued but not due on loan to related parties	-	-	147.47	-	147.47	-	-	-	-
Deposits with original maturity of more than 12 months	-	-	45.54	-	45.54	-	-	-	-
Trade receivables	-	-	9,740.45	-	9,740.45	-	-	-	-
Cash and cash equivalents	-	-	2,059.77	-	2,059.77	-	-	-	-
Other bank balances	-	-	931.61	-	931.61	-	-	-	-
	-	833.68	26,316.31	-	27,149.99	833.68	-	-	833.68
Financial liabilities measured at fair value									
Financial Liabilities at Fair Value through OCI - Cash Flow Hedge	991.80	-	-	-	991.80	991.80	-	-	991.80

Notes

to standalone financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

Particulars	Carrying amount					Fair value			
	FVOCI	FVTPL	Financial Assets - amortised cost	Financial Liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value									
Borrowings	-	-	-	22,216.34	22,216.34	-	-	22,236.67	22,236.67
Lease Liabilities	-	-	-	3,049.77	3,049.77	-	-	-	-
Security Deposits	-	-	-	246.97	246.97	-	-	-	-
Book overdraft	-	-	-	26.87	26.87	-	-	-	-
Interest accrued but not due on borrowings	-	-	-	37.48	37.48	-	-	-	-
Unpaid dividends	-	-	-	31.85	31.85	-	-	-	-
Trade payables	-	-	-	9,131.41	9,131.41	-	-	-	-
Creditors for capital goods	-	-	-	30.21	30.21	-	-	-	-
Others	-	-	-	48.19	48.19	-	-	-	-
	991.80	-	-	34,819.09	35,810.88	991.80	-	22,236.67	23,228.46

- c) The Company has an established control framework with respect to the measurement of fair values. The finance and accounts team that has overall responsibility for overseeing all significant fair value measurements and reports directly to the board of directors. The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Company's board of directors.
- d) Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
- There have been no transfers in either direction for the year ended 31 March 2021 and 31 March 2020.
- e) **Fair value of financial assets and liabilities measured at amortised cost**
- The carrying amounts of short-term trade and other receivables, trade payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.
- For other financial liabilities/ assets that are measured at fair value, the carrying amounts are equal to the fair values.

Notes

to standalone financial statements for the year ended March 31, 2021

f) Specific Valuation techniques used to value financial instruments include:

Type	Valuation technique	Significant unobservable data	Inter-relationship between fair valuation and significant unobservable data
Derivative financial instruments (forward exchange contract)	Mark to Market valuation	Not Applicable	Not Applicable
Investments in mutual fund measured at FVTPL (quoted)	Net asset value ('NAV') technique, as stated by the issuers of these mutual fund units as at Balance Sheet date	Not Applicable	Not Applicable
Investment in quoted equity instruments of entities other than subsidiaries	On the basis of quoted rates available from securities markets in India	Not Applicable	Not Applicable
Fair Value of security deposits paid & received (Other than perpetual security deposits)	Based on the discounting factor as at reporting date.	Not Applicable*	Not Applicable

*Discount rate used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Company and in case of financial asset is the average market rate of similar credit rated instrument. The company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

NOTE 43 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprises of trade and other payables, borrowings, current maturity of borrowings, interest accrued and capital creditors. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets includes Investment in mutual funds, loans to related parties, security deposits, trade receivables, cash and cash equivalents, deposits with bank, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

The Company has exposure to the following risks arising from financial instruments:

- credit risk,
- liquidity risk and
- market risk.

The Company's senior level management oversees the management of these risks and is supported by finance department that advises on the appropriate financial risk governance framework.

A. Credit risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to the Company. Credit risk arise from Cash and cash equivalents, deposit with banks, trade receivables and other financial assets measure at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporate this information into its credit risk control.

Notes

to standalone financial statements for the year ended March 31, 2021

The Company also uses expected credit loss model to assess the impairment loss in Trade Receivables and makes an allowance of doubtful trade receivables using this model.

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

Particulars	Neither past due nor impaired	Less than 30 days	30 to 90 days	90 to 180 days	More than 180 days	Total
Trade Receivables as of March 31, 2021	10,726.15	1,775.61	1,011.59	39.05	969.30	14,521.72
Trade Receivables as of March 31, 2020	5,787.82	1,705.85	748.31	249.66	1,248.81	9,740.45

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

- 2) Exposure to Risk, in respect of the guarantees given by the Company: The disclosure in respect of credit risk exposures which are not credit impaired or where there has not been a significant increase in credit risk since initial recognition are as under:

- **Quantitative data about exposure and maturity profile**

Guarantee Given to	Details of Subsidiary	Purpose of Guarantee	Amount as at March 31, 2021	Guarantee Valid Up to
Standard Chartered Bank, Hongkong Branch	Pearl Global (HK) Limited	Securing Credit Facilities	USD 30.00 lakh equivalent to ₹ 2,205.00 lakh	February 04, 2023
HSBC Bank, Hongkong Branch	Pearl Global (HK) Limited	Securing Credit Facilities	USD 200.00 lakh equivalent to ₹ 14,700.00 lakh	November 10, 2021
Standard Chartered Bank, Bangladesh Branch	Norp Knit Industries Limited	Securing Credit Facilities	BDT 9,000.00 lakh equivalent to ₹ 7,636.03 lakh	October 11, 2021

- **Policy of managing risk:** The Company considers the probability of default upon initial recognition and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default as at the reporting date with the risk of default as at the date of initial recognition. The Company considers reasonable and supportive forward-looking information such as significant changes in the value of guarantee or in the quality of exposure or credit enhancements.

3) **Financial instruments and cash deposits**

Credit risk from balances with banks, investment in mutual funds and loan to related parties is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's finance committee.

B. Liquidity risk

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

Notes

to standalone financial statements for the year ended March 31, 2021

The Company's objective is to, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at March 31, 2021	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	11,349.19	-	7,737.94	461.84	19,548.98
Lease Liabilities	161.36	220.21	1,452.10	1,384.08	3,217.75
Current maturities of long-term borrowings	489.99	1,508.69	-	-	1,998.68
Trade payables	16,170.25	-	-	-	16,170.25
Other financial liabilities	530.61	-	137.28	-	667.89

As at March 31, 2020	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	15,303.80	97.39	4,708.37	546.00	20,655.57
Lease Liabilities	56.90	179.46	1,208.45	1,604.97	3,049.77
Current maturities of long-term borrowings	349.69	1,231.41	-	-	1,581.10
Trade payables	9,131.41	-	-	-	9,131.41
Other financial liabilities	1,375.88	-	37.48	-	1,413.36

C. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk borrowings, short term deposits and derivative financial instruments. The sensitivity analysis in the following sections relate to the position as at March 31, 2021 and March 31, 2020.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to interest rate risk. The Company manages its net exposure to interest rate risk related to borrowings, by balancing a proportion of fixed rate and floating rate borrowing in its total borrowing portfolio.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase or decrease in basis points	Decrease/(increase) in profit before tax
March 31, 2021	+50	10.94
	-50	(10.94)
March 31, 2020	+50	10.62
	-50	(10.62)

Notes

to standalone financial statements for the year ended March 31, 2021

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. Foreign currency risk sensitivity is the impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities on unhedged exposures. The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant.

Particulars	Changes in exchange rate	Decrease/(increase) in profit before tax
March 31, 2021	+5%	(70.19)
	-5%	70.19
March 31, 2020	+5%	(71.03)
	-5%	71.03

NOTE 44 : SEGMENT INFORMATION

- The Company's operating segments are established on the basis of those components that are evaluated regularly by the Executive Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'). In light of Para 4 of Ind AS 108- Operating Segments, the Company has presented segment information on geographical basis in its consolidated financial statements.
- Revenue from major customer: During the year, the Company generates 90% of its external revenues from eight (8) customers.

NOTE 45 : CONTINGENT LIABILITIES AND COMMITMENTS

a) Contingent liabilities (To the extent not provided for)

- (i) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

(Amount in ₹ Lakh, unless otherwise stated)

	As At March 31, 2021	As At March 31, 2020
- Tax Demand as per Sec 143(1) of Income Tax Act, 1961 (with respect to A.Y. 2015-16)	8.34	8.30
- Tax Demand as per Sec 143(3) of Income Tax Act, 1961 (with respect to A.Y. 2016-17)	38.83	38.83
- Tax Demand as per Sec 143(3) of Income Tax Act, 1961 (with respect to A.Y. 2017-18)	16.61	16.61
- Demand as per TDS (TRACES) portal - CPC	8.71	16.52

- (ii) Several Legal Cases of labour pending at labour Court, Civil Court and High Court. The Company has assessed and believe that none of these cases, either individually or in aggregate, are expected to have any material adverse effect on its financial statements. However, Since it is difficult for the Company to estimate the timings of the cash outflows, if any, no further provision or separate disclosure is made in books of accounts.

Notes

to standalone financial statements for the year ended March 31, 2021

(Amount in ₹ Lakh, unless otherwise stated)

	As At March 31, 2021	As At March 31, 2020
II Irrevocable letter of credit (net of margin) outstanding with banks	3,870.51	953.56
III Bank Guarantee given to government authorities	38.08	38.08
IV Counter Guarantees given by the Company to the Sales Tax Department over which Key Managerial Personnel have Significant influence		
- For enterprise	1.00	1.00
- For others	0.50	0.50
V The Company has given the corporate guarantees to banks on behalf of its foreign subsidiaries amounting to ₹ 24,541.03 (March 31, 2020: ₹ 32,092.23) (Refer Note No. 43 & 46)		

b) Commitments

(Amount in ₹ Lakh, unless otherwise stated)

	As At March 31, 2021	As At March 31, 2020
Capital Commitment: Estimated amount of contracts remaining to be executed on the capital account (net of capital advances)	-	198.72

The Company does not have any other long term Commitments or material non cancellable contractual commitments, which may have a material impact on the standalone financial statement.

NOTE 46 : RELATED PARTY TRANSACTIONS

A. List of related parties

Nature of Relationship	Name of the Related Party
Subsidiary (Direct / Indirect)	Domestic (Direct)
	Pearl Apparel Fashions Limited (Formerly known as Lerros Fashions India Limited) Pearl Global Kaushal Vikas Limited SBUYS E-Commerce Limited (w.e.f. 20.09.2019)
	Overseas (Direct)
	Pearl Global Fareast Limited Pearl Global (HK) Limited Norp Knit Industries Limited
	Overseas (Indirect)
	A & B Investment Limited Pearl Global F.Z.E. DSSP Global Limited Pearl Global Vietnam Company Limited Pearl Global(Chang Zhou) Textile Technology Company Limited Pearl Grass Creations Limited (Formerly known as Pearl Tiger HK Limited) PGIC Investment Limited Prudent Fashions Limited PT Pinnacle Apparels (Formerly known as PT Norwest Industry) Vin Pearl Global Vietnam Limited

Notes

to standalone financial statements for the year ended March 31, 2021

Enterprise over which Key Managerial Personnel exercise Significant influence	Domestic
	Little People Education Society Nim International Commerce LLP PDS Multinational Fashions Limited Pearl Wears PS Arts Private Limited PSS Estates LLP Vau Apparels LLP
	Overseas
	360 Notch Ltd (Formerly known as Poeticgem Australia Ltd) 6Degree Manufacturing Limited (Formerly Zamira Denim Lab Limited) Apex Black Limited (Formerly Fabric & Trims Limited) Blueprint Design Limited Clover Collection Limited Formerly DS Manufacturing Limited; Designed and Sourced Limited) Clover Collections FZCO (w.e.f. 20.02.2020) Design Arc Asia Limited [(Formerly Design Arc. Limited) (Design Arc. Limited Formerly Nor France Manufacturing Company Ltd)] Design Arc Europe Limited (Formerly Nor Europe Manufacturing Limited) Design Arc FZCO (W.e.f 17.01.2019) Digital Ecom Techno Private Limited Digital Internet Technologies Limited Elevated Chance Limited Fareast Vogue Limited Frou Holdings Limited FX Import Company Limited Green Apparel Industries Ltd Grupo Sourcing Limited (Hongkong) Jcraft Array Limited (w.e.f. 12.04.2018) JJ Star Industrial Limited JSM Trading (FZE.) Kindred Brands Ltd (Formerly NW Far-east Limited) Kleider Sourcing FZCO (w.e.f 17.01.2019) Kleider Sourcing Hongkong Limited Krayon Sourcing Limited (Formerly Souring Solutions HK Limited) Lai Chi Kok Apparels Limited Multinational Textile Group Limited NAFS Limited Nor Lanka Manufacturing Colombo Limited Nor Lanka Manufacturing Limited Norwest Industries Limited Pallas Holdings Limited

Notes

to standalone financial statements for the year ended March 31, 2021

	PDS Far-east Limited PDS Asia Star Corporation Limited PDS Global Investments Limited PDS Ventures Limited (w.e.f. 03.07.2018) PDS Smart Fabric Tech Limited (Formerly Funky Brands Company Limited) PDS Sourcing Limited (Erstwhile Global Textiles Group Limited) PDS Tailoring Limited (Formerly Nor India Manufacturing Company Limited) PDS H2GO Glove Manufacturing Limited PDS Multinational FZCO PDS Manufacturing Limited PDS Smart Fabric Tech (UK) Limited PG Group Limited PG Home Group Limited PG Home Group SPA (Formerly Pearl GES Home Group SPA) Poetic Knitwear Limited Poeticgem International Limited Poeticgem International FZCO Progress Manufacturing Group Ltd Pro Trusted Med Tech Limited (Formerly FX Import Hong Kong Limited) Premier Pearl Garment Joint Stock Co. Limited Razamtazz Limited Redwood Internet Ventures Limited Rising Asia Star Hongkong Limited (Formerly Techno Manufacturing Limited) Simple Approach (Canada) Limited Smart Notch Industrial Limited Sourcing Solutions Limited Spring Near East Manufacturing Company Limited Styleberry Limited Superb Mind Holdings Limited S&D Industries Limited Stertex B.V. Techno Design HK Limited (Formerly DPOD Manufacturing Limited) Technocian Fashion Private Limited (w.e.f. 20.03.2019) Transnational Textile Group Limited Twins Asia FZCO (w.e.f. 17.01.2019) Twin Asia Limited Zamira Fashion Limited	
Key Management Personnel (KMP) & their relative	Mr. Deepak Seth Mr. Pulkit Seth Mrs. Shifalli Seth Mr. Uma Shankar Kaushik (w.e.f 28.07.2020) Mr. Shailesh Kumar (w.e.f 07.10.2020) Mr. Vinod Vaish (Till 30.04.2020)	Chairman Vice Chairman & Managing Director Whole-Time Director Whole-Time Director Whole-Time Director Whole-Time Director

Notes

to standalone financial statements for the year ended March 31, 2021

Mr. Kashmir Singh Rathour (from 28.07.2020)	Chief Financial Officer
Mr. Raghav Garg (Till 30.06.2020)	Chief Financial Officer
Mr. Sandeep Sabharwal (Till 15.02.2021)	Company Secretary
Mr. Mayank Jain (w.e.f 21.06.2021)	Company Secretary
Mr. Chittranjan Dua	Independent Director
Mr. Rajendra Kumar Aneja	Independent Director
Mr. Anil Nayar	Independent Director
Mrs. Madhulika Bhupatkar (w.e.f 18.03.2020)	Independent Director
Mr. Abhishek Goyal	Independent Director

B. Disclosure of Related Parties Transactions:

(i) Subsidiary Companies

(Amount in ₹ Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Purchase of goods	24,341.08	11,879.70
Sale of goods - raw material	438.20	644.47
Sale of goods – readymade garments	9,132.42	10,504.32
Source support income	55.39	1,019.36
Income on corporate guarantee	174.27	138.40
Expenses paid on behalf of the Company	17.72	52.39
Expenses paid by the Company on other's behalf	74.71	47.90
SAP income	117.07	98.11
Investment in equity shares	-	1.00
Interest income	32.15	30.11
Impairment of investment in subsidiaries	33.91	27.24

Corporate Guarantee given by the Company (as per Section 186(4) of the Companies Act 2013)

- To Standard Chartered Bank, Hongkong Branch for securing credit facilities to its wholly owned subsidiary Pearl Global (HK) Limited, Hong Kong for USD 30.00 lakh equivalent to ₹ 2,205.00 lakh (March 31, 2020 USD 120.00 lakh equivalent to ₹ 9,046.80 lakh)
- To Hongkong and Shanghai Banking Corporation Ltd., Hongkong Branch for securing credit facilities to its wholly owned subsidiary Pearl Global (HK) Limited, Hong Kong for USD 200.00 lakh equivalent to ₹ 14,700.00 lakh (March 31, 2020: USD 200.00 lakh equivalent to ₹ 15,078.00 lakh)
- To Standard Chartered Bank, Bangladesh Branch for securing credit facilities to its subsidiary Norp Knit Industries Limited, Bangladesh for BDT 9,000.00 lakh equivalent to ₹ 7,636.03 lakh (March 31, 2020 : BDT 9,000 lakh equivalent to ₹ 7,967.43 lakh).

Above Corporate Guarantees have been given for business purpose.

Closing Balance

(Amount in ₹ Lakh, unless otherwise stated)

Particulars	As At March 31, 2021	As At March 31, 2020
Loan given to subsidiary (inclusive of interest)	653.85	638.33
Trade Receivable	2,008.11	2,125.58
Trade Payable	7,815.58	1,037.89
Advance Receivable	116.98	92.93

Notes

to standalone financial statements for the year ended March 31, 2021

(ii) **Enterprise over which KMP has Significant Influence** (Amount in ₹ Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Expenses paid by them on behalf of the Company	2.25	3.00
Interest income	30.05	30.05

(Amount in ₹ Lakh, unless otherwise stated)

Closing Balance	As At March 31, 2021	As At March 31, 2020
Loan receivable (including interest)	300.00	306.71

(iii) **Key Management Personnel (KMP)** (Amount in ₹ Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Remuneration paid	173.81	301.50
EPF paid	0.52	1.04
Expenses incurred on behalf of the Company	39.58	30.09
Directors sitting fees	3.50	1.60

(Amount in ₹ Lakh, unless otherwise stated)

Closing Balance	As At March 31, 2021	As At March 31, 2020
Trade Payable - Payable to KMP	-	0.92

C. Disclosure of Material Transactions: Related Parties having more than 10% interest in each transaction in the ordinary course of business

(i) **Subsidiary Companies** (Amount in ₹ Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Purchase of goods		
Norp Knit Industries Limited	19,319.41	10,156.16
Pearl Global Vietnam Co Ltd	5,021.67	1,569.98
Sale of goods - raw material		
Norp Knit Industries Limited	77.76	430.75
Pearl Global Vietnam Co Ltd	360.44	213.71
Sale of goods - readymade garments		
Pearl Global (HK) Limited	9,132.42	10,108.19
DSSP Global Limited	-	395.28
Source support income		
Pearl Global (HK) Limited	55.39	1,019.36
Income on corporate guarantee		
Norp Knit Industries Limited	46.06	49.02
Pearl Global (HK) Limited	128.20	89.38

Notes

to standalone financial statements for the year ended March 31, 2021

(i) **Subsidiary Companies (Contd.)**

(Amount in ₹ Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Expenses paid by them on behalf of the Company		
Norp Knit Industries Limited	4.13	14.22
DSSP Global Limited	0.12	-
Pearl Global Far East Limited	0.04	-
Pearl Global Vietnam Co Ltd	12.80	-
Pearl Global (HK) Limited	0.79	37.84
Expenses paid by the Company on their behalf		
Norp Knit Industries Limited	8.64	15.84
PT. Pinnacle Apparels	5.16	-
Pearl Global (HK) Limited	60.91	0.14
Pearl Grass Creations Ltd	-	29.06
Investment in equity shares		
SBUYS E-Commerce Limited	-	1.00
SAP income		
Pearl Global Far East Limited	37.86	36.33
Pearl Global (HK) Limited	64.61	50.81
Pearl Grass Creations Ltd	14.60	10.98
Interest income		
Pearl Global Far East Limited	32.15	30.11
Impairment of investment in subsidiaries		
Pearl Apparel Fashions Limited	33.91	27.24
Closing Balance		
Loan given to subsidiary (inclusive of interest)		
Pearl Global Far East Limited	653.85	638.33
Amount payable		
DSSP Global Limited	269.72	184.32
Norp Knit Industries Ltd	6,063.18	853.57
Pearl Global Vietnam Co Ltd	1,482.69	-
Amount receivable		
Pearl Global Far East Limited	26.79	45.32
PT. Pinnacle Apparels	5.16	0.84
Pearl Global(HK) Ltd.	2,042.68	1,913.52
Pearl Global Vietnam Co Ltd	-	156.14
Pearl Grass Creations Ltd	16.82	8.53
Vin Pearl Global Vietnam Limited	1.23	1.23
SBUYS E-COMMERCE LIMITED	32.41	-

Notes

to standalone financial statements for the year ended March 31, 2021

(ii) **Enterprise over which KMP has significant influence** (Amount in ₹ Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Expenses paid on behalf of the Company		
PDS Multinational Fashions Limited	2.25	3.00
Interest income		
PDS Multinational Fashions Limited	30.05	30.00
Closing Balance		
Loan receivable (including interest)		
PDS Multinational Fashions Limited	300.00	306.71

(iii) **Key Management Personnel** (Amount in ₹ Lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Remuneration paid		
Mr. Pulkit Seth	83.40	165.00
Ms. Shifalli Seth	34.75	68.75
Mr. Uma Shankar	14.95	-
Mr. Vinod Vaish	-	16.44
Mr. Sandeep Sabharwal	9.26	16.04
Mr. Raghav Garg	-	35.28
Mr. Kashmir Rathour	20.34	-
Mr. Kumar Shailesh	11.12	-
EPF paid		
Mr. Pulkit Seth	0.11	0.20
Ms. Shifalli Seth	0.11	0.20
Mr. Vinod Vaish	-	0.22
Mr. Sandeep Sabharwal	0.14	0.22
Mr. Raghav Garg	-	0.22
Mr. Kashmir Rathour	0.16	-
Expenses incurred on behalf of the Company		
Mr. Uma Shankar	4.71	-
Mr. Vinod Vaish	13.88	16.38
Mr. Sandeep Sabharwal	6.04	4.46
Mr. Raghav Garg	13.36	9.25
Mr. Kumar Shailesh	1.58	-
Directors sitting Fees:		
Mr. Deepak Seth	0.50	0.20
Mr. Anil Nayar	0.60	0.50
Mr. Chittranjan Dua	0.60	0.30
Mr. Abhishek Goyal	0.60	0.50
Mrs Madhulika Bhupatkar	0.60	-
Mr. Rajendra Aneja	0.60	0.10

Notes

to standalone financial statements for the year ended March 31, 2021

D. Terms and conditions of transactions with related parties

All the transaction with the related parties were made on normal commercial terms and conditions. All outstanding balances at the year end are unsecured and interest free except the interest bearing loan, that are payable as per aforesaid terms and conditions.

- E.** Personal Gurantee given by Mr. Deepak Seth (Promoter Director) and Mr. Pulkit Seth (Managing Director) against the Borrowings (refer note no. 21)
- F.** The remuneration of Key managerial Personnel does not include amount in respect of gratuity and leave encashment payable as the same are not determinable as individual basis for the KMP. The liabilities of gratuity and leave encashment are provided for Company as whole on the basis of actuarial valuation.

NOTE 47 : DISCLOSURES PURSUANT TO SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECTION 186 OF THE COMPANIES ACT, 2013.

(a) Loans to subsidiaries	(Amount in ₹ Lakh, unless otherwise stated)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Loan to wholly owned subsidiary: Pearl Global Fareast Limited		
Principal Balance as at the year end	485.10	497.57
Maximum amount outstading at any time during the year (Pearl Global Fareast Limited has utilised the loan for meeting operating and working capital requirements. It carries an average rate of interest at 6.5% (2019-20: 6.5%))	485.10	497.57
(b) Investments made are given under the respective heads (Refer Note No. 8)	11,578.00	11,728.05
(c) Corporate guarantees given are disclosed in Note 46.	24,541.03	32,092.23

NOTE 48 : EVENT OCCURING AFTER BALANCE SHEET DATE

(a) Dividend paid and Proposed:	(Amount in ₹ Lakh, unless otherwise stated)	
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Declared and paid during the year:		
Final dividend for the year 2019-20: ₹ Nil per share (2018-19: ₹ 3.00 per share) including dividend distribution tax of ₹ Nil lakh for the financial year 2019-20 (₹ 133.68 lakh for the financial year 2018-19)	-	783.56
(b) Due to the outbreak of COVID-19 Pandemic and subsequent lockdown ordered by the Central and State Government(s) in India, the manufacturing facilities of the Company remained suspended during the period of lockdown. The Company in compliance with necessary instructions and guidelines, resumed its operations post lifting of lockdown in a phased manner, while ensuring health and safety of all the stakeholders. This situation resulted in temporary disturbance in the economic activities through interruption in manufacturing processes, supply chain etc. during the year ended March 31, 2021. Further, the recent second wave of COVID 19 has resulted in partial lockdown/ restriction in various states. The impact of the pandemic is dependent on the situations as they evolve and hence may be different from that estimated as at the date of approval of these standalone financial statements. The Company is closely monitoring the impact of the aforesaid pandemic and believes that there will not be any adverse impact on the long term operations and performance of the Company.		

Notes

to standalone financial statements for the year ended March 31, 2021

- (c) No other material events have occurred between the balance sheet date to the date of issue of these financial statements that could affect the values stated in the financial statements.

NOTE 49 : LEASES

- a) Until March 31, 2019, the Company recognized leases in accordance with Ind AS 17. A lease was defined as an agreement whereby the lessor conveys to the lessee in return for a series of payments the right to use an asset for an agreed period of time. The lessor and lessee accounted for the lease on the basis of the distribution of the risks and rewards associated with the leased asset. Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and has applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

Company as a lessee

On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. Accordingly, a right-of-use asset of ₹ 2,908.47 and a corresponding lease liability of ₹ 3,201.46 has been recognized. The cumulative effect on transition in retained earnings is ₹ 190.61 (net of deferred tax of ₹ 102.38). The weighted average incremental borrowing rate has been applied to lease liabilities recognised in the balance sheet at the date of initial application. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability."

- (b) Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

Right-of-use assets: movements in carrying value of assets	Buildings
Gross Block as at April 01, 2019	2,908.47
Add: Additions during the year	56.58
Less: Disposals / adjustments during the year	-
Gross Block as at March 31, 2020	2,965.05
Add: Additions during the year	452.56
Less: Disposals / adjustments during the year	327.58
Gross Block As at March 31, 2021	3,745.19
Accumulated Depreciation :	
As at April 01, 2019	-
Add: Depreciation charge for the year	350.70
Less: Disposals/adjustments during the year	-
As at March 31, 2020	350.70
Add: Depreciation charge for the year	491.22
Less: Disposals/adjustments during the year	-
As at March 31, 2021	841.92

Notes

to standalone financial statements for the year ended March 31, 2021

Net Block :

As at March 31, 2021	2,903.27
As at March 31, 2020	2,614.35

In 2020-21, there were no impairment charges recorded for right-of-use assets.

Leases: movements in carrying value of recognised liabilities

As At April 01, 2020	3,049.75
Add: Additions during the year	452.56
Add: Interest expense on lease liabilities	304.66
Less: Repayment of lease liabilities	(589.23)
As At March 31, 2021	3,217.75
Non-current lease liabilities	2,836.18
Current lease liabilities	381.57
Total lease liabilities	3,217.75

The maturity analysis of lease liabilities is given in Note 43 in the 'Liquidity risk' section.

Cash flows from operating activities includes cash flow from short term lease & leases of low value. Cash flow from financing activities includes the payment of interest and the principal portion of lease liabilities.

Leases committed and not yet commenced: There are no leases committed which have not yet commenced as on reporting date.

Company as a Lessor

The Company has given its building space, lying under property, plant and equipments, on operating lease through operating lease arrangements. Income from operating leases is recognised as revenue on a straight-line basis over the lease term. Lease income of ₹ 770.91 Lakh (March 31, 2020: ₹ 980.53 Lakh) has been recognised and included under Other Income. (Refer Note No. 28)

NOTE 50 :

Pursuant to transfer pricing legislations under the Income-tax Act, 1961, the Company is required to use specified methods for computing arm's length price in relation to specified international transactions with its associated enterprises. Further, the Company is required to maintain prescribed information and documents in relation to such transactions. The appropriate method to be adopted will depend on the nature of transactions/ class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Company is in the process of updating its transfer pricing documentation for the current financial year. Based on the preliminary assessment, the management is of the view that the update would not have a material impact on the tax expense recorded in these financial statements. Accordingly, these financial statements do not include any adjustments for the transfer pricing implications, if any.

NOTE 51 :

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

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

(Pulkit Seth)
Managing Director
DIN 00003044

(Deepak Seth)
Chairman
DIN 00003021

(Narendra Somani)
Chief Finance Officer
M. No. 092155

(Mayank Jain)
Company Secretary
M. No. ACS - 26620

Place of Signature: Gurugram
Date: June 21, 2021

This image shows a full page of primary-ruled paper. It features approximately 20 horizontal rows, each defined by two parallel dotted lines. The lines are evenly spaced and extend across the entire width of the page, providing a guide for handwriting practice. There is no text or other markings on the paper.

Notes

This image shows a full page of white paper with horizontal dotted lines, typical of primary school writing paper. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



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