

PEARL GL^ÖBAL

Exceeding Expectations...Always



Powered by *Vision*

Driven by *Values*



ACROSS THE PAGES

CORPORATE OVERVIEW

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For more investor-related information,
please visit <https://www.pearlglobal.com/>

Or, simply scan to view the online version of
the report

INVESTOR INFORMATION

Market Cap	₹ 1,394.50 Crores (as on June 30, 2023)
CIN	L74899DL1989PLC036849
BSE Code	532808
NSE Symbol	PGIL
Bloomberg Code	PGIL:IN
Dividend Declared	Interim
AGM Date	July 31, 2023
AGM Mode	Video Conferencing

Disclaimer : This document contains statements about expected future events and financials of Pearl Global Industries Limited ('the Company'), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.



Powered by *Vision*

Driven by *Values*

Pearl Global embodies the essence of innovation, progress, and commitment towards transforming the way fashion is created across the globe. Our remarkable ability to make adept decisions sets us apart in the industry. We firmly believe in the power of sustainable fashion, and it serves as the foundation of our successful journey, built upon years of experience in collaborating with the best brands. Our vision acts as a guiding star, directing our every endeavour. It empowers us to make informed decisions that resonate with the evolving needs of our valued stakeholders.

We transform our vision into a force of purposeful action as we fuel our journey through unshaken values, deeply embedded in the fabric of our organisation. Our values shape every aspect of our work and influence our interactions. They drive us in conducting our business ethically, upholding the highest standards of integrity, and fostering a culture of inclusivity, respect and collaboration. Our values form the bedrock, ensuring that every endeavour is rooted in a profound commitment to social responsibility and sustainable practices. They are the force that empowers us to fulfill our vision. As we harness our systemic synergy to chart our journey ahead, we proudly declare that we are *Powered by Vision. Driven by Values.*

Key Highlights of 2022-23

8

Countries, Global Presence

23

Manufacturing Units, Globally

80

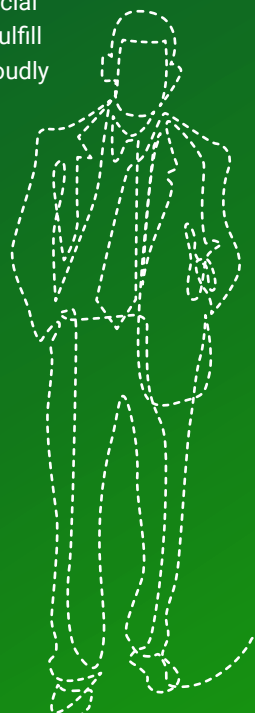
Million Units Capacity, Annually

32,000

Workforce
(24,000 Direct and 8,000 Indirect)

75

Designers, Globally



SCRIPTING A VISIONARY JOURNEY THROUGH INCLUSIVE VALUES



Pearl Global Industries Limited ('Pearl Global' or 'Our Company' or 'We'), incorporated in 1987 under the vision of Mr. Deepak Kumar Seth, has evolved into a global apparel multinational company, extending comprehensive supply chain solutions to international brands. We specialise in elevating everyday experiences with our range of stylish and trendy apparel. Our commitment towards sustainable practices is deeply ingrained in our core values as we strive to develop apparel that cater to all age groups, genders, and fashion sensibilities.

Our Company is built on the belief that fashion should be both innovative and sustainable, ensuring that every garment accentuates our commitment to environmental responsibility. The founding principle of Pearl Global is to provide end-to-end supply chain solutions to the fashion industry on a global scale. We continue to aspire to achieve this by empowering individuals, while safeguarding the environment, thereby paving the way for a thriving circular economy that benefits all stakeholders.

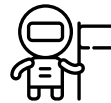


OUR ETHOS



Our Vision

To be the global leader providing end-to-end supply chain solutions to the fashion industry



Our Mission

To continuously exceed customer and shareholder expectations by strategically driving sustainability, technological advancement, and innovative solutions, delivered with the best talent in the industry



Our Goal

To innovate the way fashion is created across the globe



WHAT WE DO

Factual Insights



At Pearl Global, our Design team is committed to staying ahead of the curve by keeping a watchful eye on emerging trends. This enables us to present innovative and distinctive ideas that set us apart from the competition. By integrating our vision, we consistently deliver innovative solutions that push boundaries and exceed expectations.

Customised Solutions



At Pearl Global, we prioritise the needs of our clients and develop tailored solutions to meet their specific requirements. Our comprehensive approach to design and manufacturing involves a meticulous planning process, aimed at bringing each unique idea to life, from conceptualisation to the final delivery in store. Our steadfast commitment to our core values drives us to deliver exceptional results, while maintaining integrity, transparency, and a strong focus on customer satisfaction.

Reliable Infrastructure



Our state-of-the-art machinery is highly scalable, as we leverage our cutting-edge technologies, including solar power generation, water conservation and recycling treatment, as well as boilers, washing and drying facilities, and fabric development. This helps us to achieve our sustainability goals, while also ensuring that our products meet the highest quality standards, thus generating value for our stakeholders.

Skilled Team



At Pearl Global, we take pride in our highly skilled and trained team, which is well-equipped to handle bulk production with ease. Our employees are dedicated to deliver exceptional results and work tirelessly towards achieving our goal of meeting and exceeding client expectations, thus enabling us to consistently provide exceptional products and services to our valued clients.

Performance Management



We adopt a strategic approach to our operations, consistently planning, executing, and monitoring our processes to remain focussed on our goals. Our performance management system is designed to ensure thoroughness and pre-emptively address any issues that may arise.

Timely Deliveries



At Pearl Global, timely deliveries are a hallmark of our success. Our operations are designed to function like a well-oiled machine, catering to the unique needs of each client seamlessly. From concept to delivery, we have a firm grip on every aspect of the process, thanks to our robust process management system.

KEY PILLARS OF SUCCESS



MULTI-NATIONAL PRESENCE

Presence across 8 countries



MULTI-PRODUCT OFFERING

One-stop shop for multi-product solutions



STRONG DESIGN

Network of over 75 designers across 8 locations



OPERATIONAL EXCELLENCE

Delivering quality products timely through systematic processes



SUSTAINABLE CARE

Strong commitment to sustainability and sustainable goals

CELEBRATING VALUES THROUGH SIGNIFICANT MILESTONES



1987

Commenced
commercial operations



2002

Started operations in
Indonesia



2004

Built import and
distribution in USA
and the UK

Commencement of
Norp 1 operations,
in Bangladesh



1998

Established presence
in Hong Kong



**2007**

Listed at NSE and BSE

**2011**

Expanded Bangladesh operations with Norp 2

**2014**

Started operations, in Bangalore

**2016**

Started operations of Pearl 1, in Chennai

**2017**

Commenced operations in Vietnam

**2022**

Acquired Alpha unit in Bangladesh

**2021**

Inaugurated our corporate office of PT Pinnacle Apparels in Indonesia

Acquisition of land expansion of PT Pinnacle Apparels operations in Indonesia

**2020**

Commenced Prudent operations, in Bangladesh

DELIVERING VALUE THROUGH QUALITY AND EFFICIENCY

At Pearl Global, our processes are at the heart of our core values, reflecting our commitment to achieving operational excellence and meeting our goals and expectations. We embrace the ever-evolving world of fashion with a strong emphasis on teamwork, trust, and a steadfast focus on systems. By staying ahead of the curve, we continuously adapt to emerging trends, ensuring that we create substantial value for our stakeholders.

In sync with our vision, we are committed to driving innovation and sustainability in the industry. As a leading apparel manufacturer, we strive for scalable expansion. We ensure that our factories are equipped with the necessary resources to carry out various activities, including knitting, washing, and drying fabric, obtained from strategic locations. Our product mix has helped improve our sales and bottom line significantly.

GLOBAL PRESENCE ACROSS 8 COUNTRIES



This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection to its accuracy or completeness.



NO. OF UNITS		CAPACITY UTILISATION% (BLENDED) FY 2022-23	ANNUAL CAPACITY IN PIECES	SPECIALISATION
IN-HOUSE	PARTNERSHIP			
INDIA				
7	-	88	24.6 Million pieces p.a	Woven and Knit products, including women’s fashion wear, men’s wear and kid’s wear. Our Southern factories make women’s tops and dresses.
BANGLADESH				
4	5	63	45 Million pieces p.a	Woven and knitted tops and bottoms for men, women, and kids.
VIETNAM				
1	4	41	6.5 Million pieces p.a	Multiple products, including outerwear and jackets with down jackets, woollen jackets & coats, seam-sealed jackets, puffers, parka’s, blazers, anoraks, swim trunks and synthetic bottoms.
INDONESIA				
2	-	42	4 Million pieces p.a.	Women’s professional wear, performance wear, activewear, woven tops & dresses, sleepwear, and loungewear.

Note: No. of units and annual capacity includes own manufacturing and partnership



LEADING THE WAY WITH VALUE-DRIVEN PRODUCTS

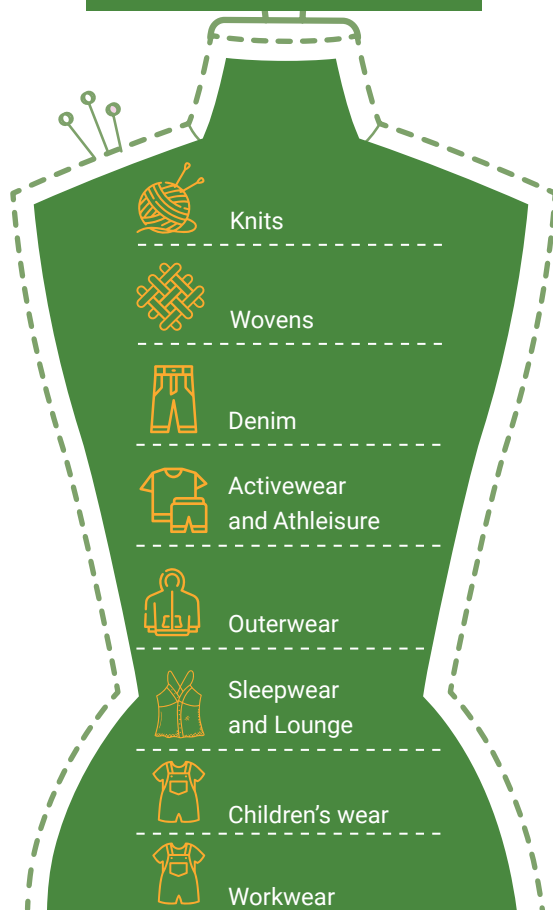
Pearl Global has been a leader in the apparel manufacturing industry for decades, having created top-notch apparel for global brands. We are committed to constantly refining our craft, driven by a passion for excellence and integrity. Our expansive portfolio embraces a diverse range of categories, catering to individuals of all ages, sizes, and genders. Through our products we drive value creation for our stakeholders, resulting in exceptional quality and customer satisfaction.

We are proud to use sustainable solutions in all our manufacturing processes, and our co-creation approach to design ensures that every piece is unique and tailored to our clients' needs. We take great pride in offering inclusive and accessible options that celebrate the diversity and uniqueness of each person. We source our fabrics from the best supply chain around the world to ensure that they meet our high international quality standards.





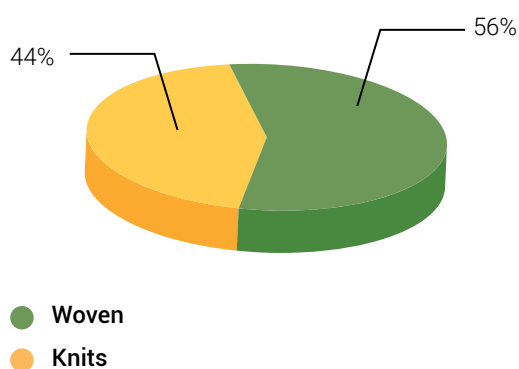
OUR CLOTHING CATEGORIES



GENDER-WISE SPLIT

Gender	Wovens	Knits
Women	Tops, Shirts, Long Shirts, Dresses, Sleepwears, Hoodies, Leggings	Dresses, Tops, Skirts, Sweaters, T-Shirts, Joggers
Men	Shirts, Polo T-shirts, Sleepwears, Pyjamas	T-Shirts, Hoodies
Boys	Shirts	T-Shirts, Two-piece Sets
Girls	Tops, Skirts, Dresses	T-Shirts, Skirts, Dresses, Rompers, Tank Tops
Toddlers		Rompers

PRODUCT-WISE SPLIT



GEOGRAPHICAL SPLIT

Hong Kong	Design Studio and Sales Office
Spain	Denim Jackets, and Denim Bottoms, among others
The UK	Jerseys, Wovens, Denims, Outerwear, Sleepwear, Loungewear, Beachwear and Children's wear
New York	Market intelligence for Knits, Wovens, Denim, Outerwear, Activewear, Sleepwear/ Loungewear and Children's wear category

PARTNERING SUCCESS THROUGH COLLABORATIVE VISION

With a strong and widespread industrial presence, Pearl Global has earned a name as a trusted partner to some of the most renowned companies on a global scale. Our ability to cater to the ever-evolving requirements of our diverse clientele is a result of our careful analysis of ongoing trends and our unwavering commitment to delivering world-class products and services. Our success lies in our collaborative approach, working closely with our clients to understand their unique needs and preferences.



LARGE-FORMAT CLIENTS

Walmart 

PRIMARK  **TARGET**

MUJI
無印良品

Belk


sam's club

KOHL'S

 **macy's**





Sainsbury's

HIGH-FASHION SPECIALTY RETAILERS

Bershka **next**



LANE BRYANT

OLD NAVY

TOMMY HILFIGER

Calvin Klein
cosmetics


AMERICAN EAGLE
OUTFITTERS


RALPH LAUREN

NORDSTROM

ANN TAYLOR

chico's

TALBOTS



CREATING VALUE WITH UNYIELDING STRENGTH

Pearl Global's sustained growth and success can be attributed to our strengths, that truly differentiate us from the competition. Our Company's core lies in the amalgamation of value and strength, empowering us to deliver exceptional results. The key factors, imbuing strength include:

Multi-National Presence



Our Company has successfully expanded its reach to various regions worldwide, boasting a notable presence with 23 manufacturing facilities situated in eight countries. There are about five big supply chains which include Southeast Asia, South Asia, Mediterranean region, Europe and US. Most of our customers and the big retailers, either in Europe or in US, source from all these channels or all these locations. We are also supplying to Central America and South Asia. Our state-of-the-art facilities in these regions play a crucial role in expediting our product delivery, significantly reducing the turnaround time, and subsequently leading to increased wallet share of our customers.

Robust Design Team



Our Company attaches paramount importance to market intelligence analyses, as we recognise their significant impact on our operations and decision-making processes. Our skilled design personnel gather and assess data from both large and regional areas, providing valuable insights that are effectively capitalised upon. By integrating advanced technology such as 3D CAD rendering, 3D optitex, CLO, and Browzwear, we create exceptional final products that meet the highest standards of quality and style. This approach has contributed significantly to our success by enabling us to deliver top-notch performance and expand our customer base.

Shift Towards Asset-Light Model



Our Company's transition to an asset-light business model has served as a catalyst for our expansion into new regions and deeper penetration into existing markets. This approach has allowed us to excel in our partnership model in overseas countries and drive growth in line with our vision. As a result, we have significantly reduced our lead time and improved our return ratios, positioning us for continued success in the future.

Strong Customer Relationship



Our Company has forged enduring partnerships with several renowned big retail format stores, including Kohl's, Macy's, Inditex, and PVH, among others. Additionally, we have formed collaborations with specialised retail format stores such as Bershka, Gap, and Old Navy, among others. Our strong and longstanding relationships with these customers have enabled us to introduce new product categories seamlessly to a ready number of customers easily. In addition to our existing partnerships, we have successfully onboarded new and premium customers who have substantially contributed to revenue generation, thus fuelling our growth.

POWERING SUCCESS WITH VALUE-DRIVEN PARTNERSHIPS

Our Company's partnership model provides us with significant synergies that help us maximise value, optimise frameworks, and deliver high-quality output by leveraging our available capacity and resources.

By working collaboratively with our partners, we develop strategies that leverage the collective expertise and strengths of each party for better growth outcomes. This collaborative approach enables us to harness the collective strengths of each partner, resulting in a more comprehensive and effective business strategy. Our partnership model is working very well in overseas countries.





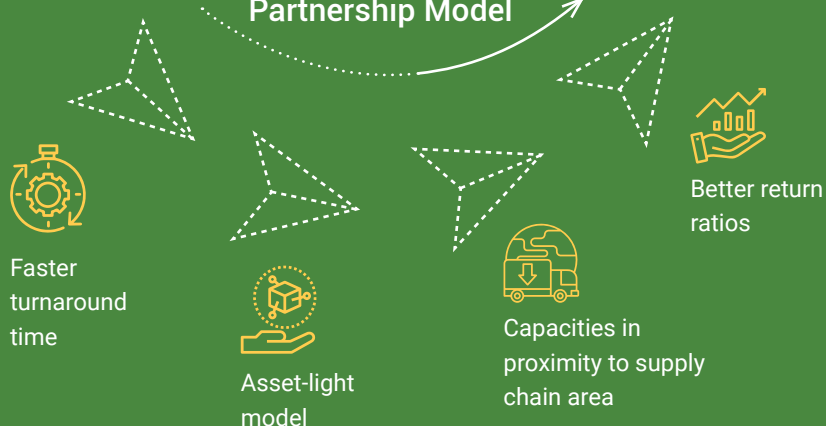
Pearl Global's Contribution

Effective management of working capital investment is a critical aspect of any company's operations as it facilitates the management of short-term financing and investment decisions. Pearl Global's partnership model enables our Company to leverage its design and procurement capabilities, in addition to capital investments, to drive operational efficiency. To ensure compliance with industry norms and monitor production processes in alignment with established guidelines, our Company appoints a dedicated industrial engineer. This role adds tremendous value and plays a pivotal part in optimising production and enhancing supply chain performance.

Partnering Company's Contribution

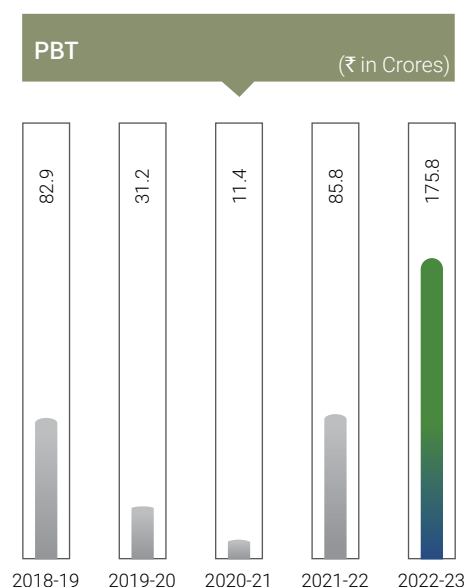
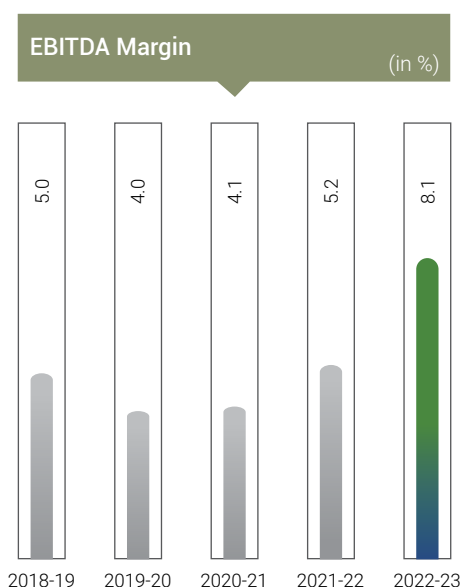
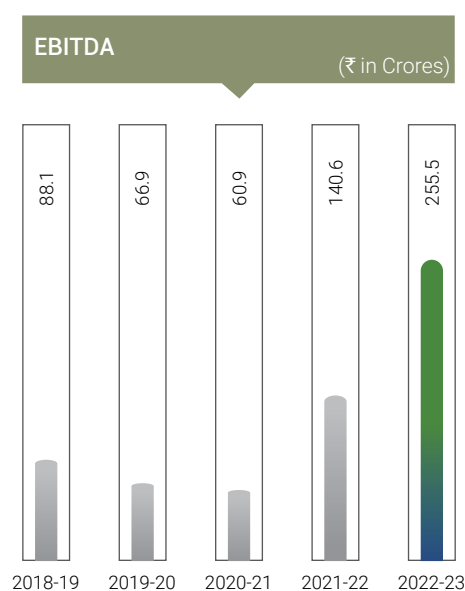
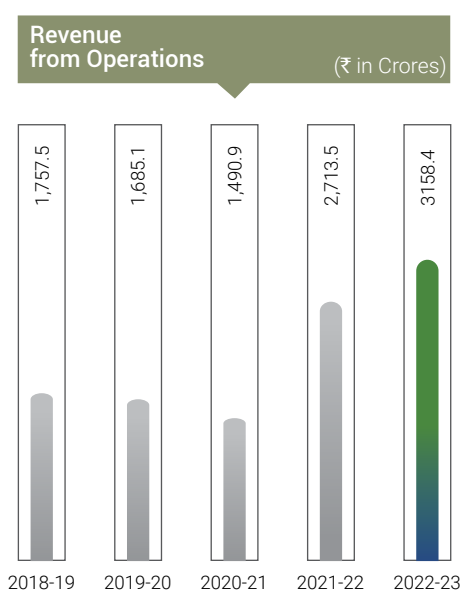
As Pearl Global continues to engage in collaborations with companies worldwide, our partnering organisations prudently manage capex and labour expenses in the local setup. Through this approach, Pearl Global enjoys the benefits of an asset-light model, while still delivering the best of both worlds to our esteemed customers.

Synergies Derived from Partnership Model



AUGMENTING VALUE WITH ROBUST FINANCIALS

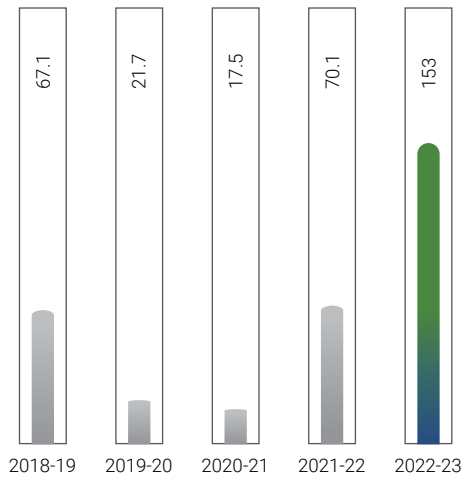
At Pearl Global, we are committed to driving sustainable success through a strategic focus on optimising resource allocation, maintaining a strong topline, and consistently delivering significant output and results. Our robust financials demonstrate our ability to augment value, while being powered through our strategic vision.





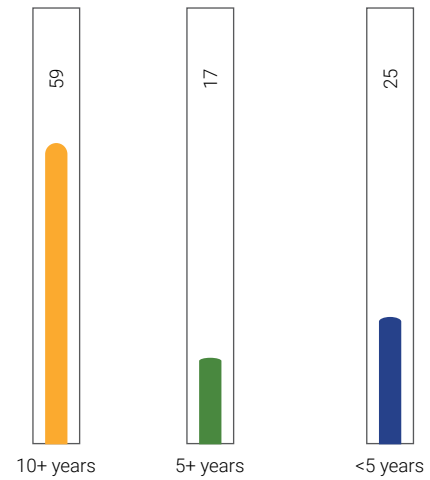
PAT

(₹ in Crores)



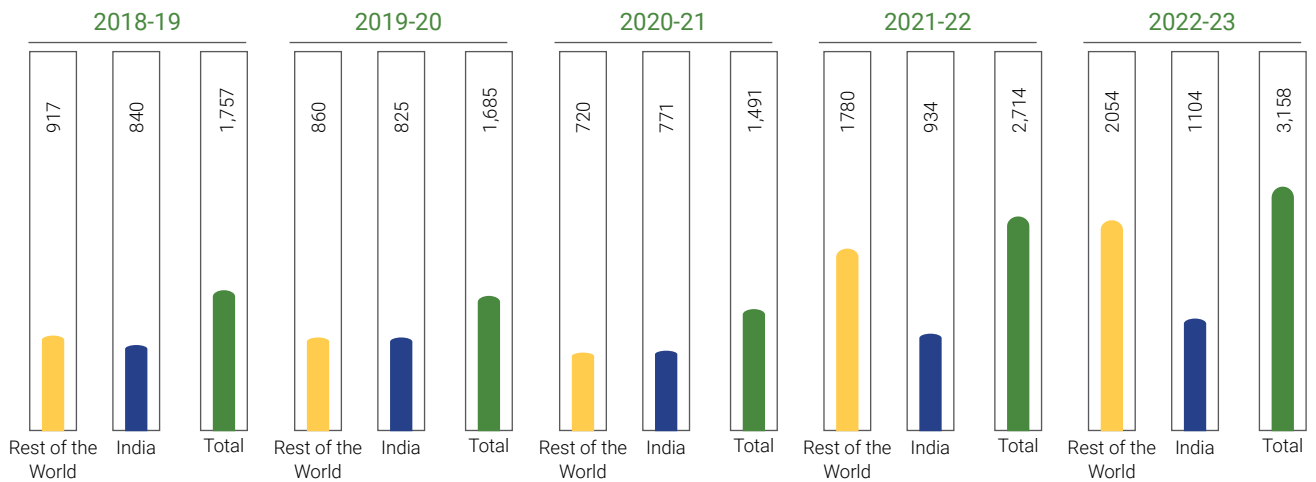
Revenue Contribution from Key Clients

(in %)



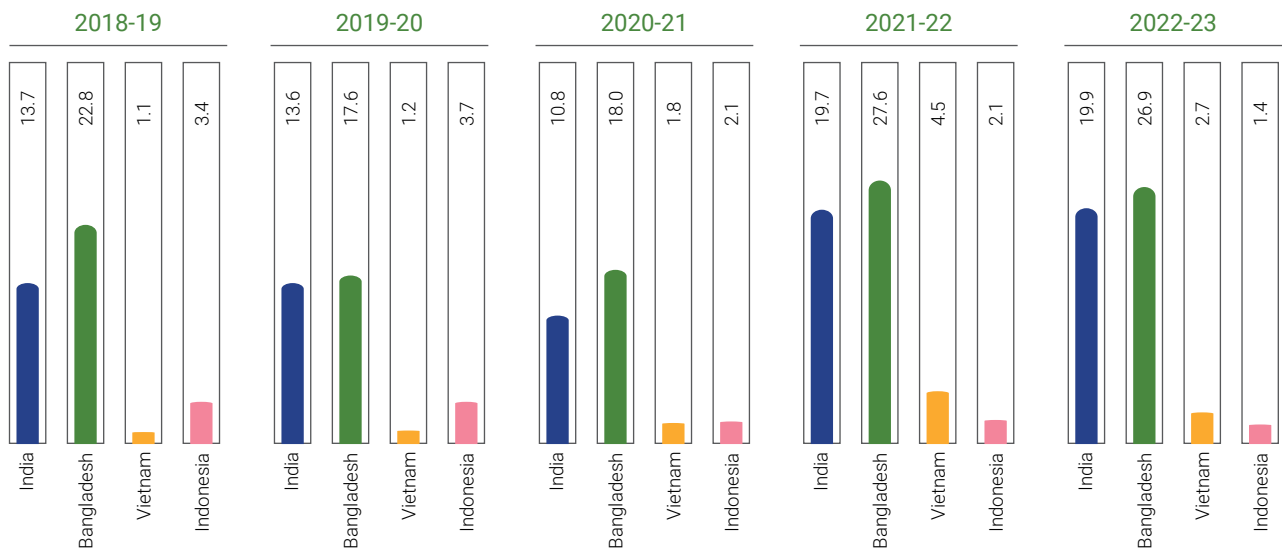
Geographical Revenue Split

(₹ in Crores)



No. of Pieces Shipped

(in Million)



LETTER FROM THE CHAIRMAN



Our vision entails a transformative journey. It aims to establish our Company as a paragon of excellence, accountability, and proactive engagement in the wider community, driven by our core values.



Dear Stakeholders,

We take great pride in the exceptional performance of our global teams, who have displayed remarkable adaptability in the face of numerous external challenges. Despite various obstacles, they have successfully advanced our brand elevation strategy while remaining committed to our purpose and values. This dedication is a testament to the strength and integrity of our team members, and it reinforces our collective determination to achieve long-term success while upholding the principles that define us as an organisation.

Pearl Global experienced a remarkable year in 2022-23, achieving milestones in both financial and non-financial domains. Our outstanding financial achievements were characterised by robust sales growth, substantial market share and manufacturing expansion, a notable increase in shipped products, and record-breaking profitability. These exceptional results empowered us to pursue our shareholder return policy actively while ensuring a dynamic approach. Moreover, we

made significant strides in sustainable development, fostering gender equality, and promoting inclusivity and diversity. As we navigate the present landscape of substantial environmental and societal challenges, we are committed to improve our growth trajectory while simultaneously serving as an exemplar of corporate responsibility and support.

Macroeconomic Environment

India has witnessed an extraordinary transformation in the last decade, propelling it from the tenth-largest global economy to a prominent player, currently holding the fifth position. The projected growth estimate of 7.2% for FY 2022-23 surpasses that of major economies and remains slightly above the average growth rate experienced by the Indian economy in the decade preceding the Covid-19 pandemic.

As India completed 75 years of independence and entered into the 76th year, initiatives like 'Amritkaal' and 'Saptarishis' are expected to help in narrowing economic disparities among the



populace of India, empowering individuals living in rural areas, fostering technological agility within the nation, and decreasing reliance on Governmental support. The Government's unwavering attention towards inclusive development is evident in its efforts to extend its reach to the farthest corners, bolster infrastructure and investment, and unlock untapped potential. Additionally, by promoting sustainable and green growth, harnessing the power of the youth, and strengthening the financial sector, these measures will act as catalysts in propelling India towards a promising and prosperous future.

In light of the prevailing geopolitical landscape, we remain firm in our commitment to uphold the values that serve as a constant source of inspiration for our designers. Our unique heritage, characterised by its timeless modernity, continues to guide our creative endeavours season after season. We are determined to showcase this heritage and our exceptional manufacturing capabilities while maintaining a vigilant approach that aligns with the current global context.

Industry Trends

The fashion industry is one of the world's most vital sectors, substantially pushing the global economy. It serves as a key driver of economic growth and is recognised as one of the principal industries that generate value for the world economy. Based on estimates, the Indian textile industry is expected to witness outstanding growth, with the market size projected to expand from USD 99 Billion in 2021-22 to an estimated USD 190 Billion by 2025-26. This anticipated growth signifies the substantial potential and promising prospects within the textile sector in India.

Various fundamental and long-term macro drivers and opportunities shape the growth and transformation of the industry. Our proactive approach has been instrumental in achieving exceptional growth, supported by high-quality innovations and accurate cost control measures. We have made significant reinvestments in our strategies and capabilities to enhance our ambitions and drive improved profitability.

Simultaneously, we have prioritised investments in our social and environmental commitments, aligning with our objective of achieving responsible growth and creating shared value for all stakeholders. These efforts demonstrate our dedication

to sustainable practices and our commitment to positively impacting the broader community while pursuing our growth objectives.

Vision of Sustainable Fashion

At Pearl Global, we firmly believe that being an active member of society carries a fundamental responsibility. We recognise our role in shaping a sustainable future and are committed to engaging in socially constructive endeavours. Our strategic approach is grounded on quantifiable goals aimed at minimising the environmental impact of our Company's operations on climate, water, biodiversity, and natural resources. Simultaneously, we strive to address some of the most pressing social and environmental challenges the world faces.

Our focus on empowering lives and making meaningful contributions to our communities has been a defining aspect of our identity. Even in the face of adversity, Pearl Global has not only persevered but also made significant strides forward. We remain dedicated to our mission of creating a positive impact, not just for our organisation but for the larger society as well.

Closing Note

I extend my heartfelt gratitude to the dedicated members of our Executive Committee and the exceptional teams within our organisation for their passion and energy throughout the past year. I am immensely grateful to my esteemed colleagues on the Board for their steadfast commitment and invaluable guidance, especially as we navigated the challenges of a predominantly virtual working environment while addressing a demanding agenda.

On behalf of the entire Pearl Global family, I would also like to express our sincere appreciation to our shareholders, customers, bankers, and all our business associates. Your support has been instrumental in our success, and we value the trust and partnership we have built together to strive for excellence and achieve shared goals.

Regards,

Deepak Kumar Seth
Chairman

VICE CHAIRMAN'S COMMUNIQUE



It gives me great pleasure to present the 2022-23 Annual Report of Pearl Global Industries Limited. Our outstanding performance during the year serves as concrete evidence of our strong and enduring competitive edge in the global market. We have skilfully leveraged our core strengths to achieve this sustained growth primarily driven by incremental orders from our existing customers and improved realisations from recently acquired customers.



Dear Stakeholders,

Amidst the challenging economic landscape marked by inflationary pressures and macroeconomic hurdles on a global scale, we are rapidly emerging as the preferred choice within the ecosystem of our esteemed global clientele. This can be attributed to our distinguished global competitive advantage, which positions us on par with our global peers. Our multinational presence, diverse product portfolio, robust design team, strong parentage with a professional team, and exceptional customer relationships collectively establish our strong global standing, thus making us a preferred vendor among our customers. With the adoption of the 'China+1' strategy, India's increasing market share vis-à-vis competing nations, and the high likelihood of India signing free trade agreements (FTAs) with Europe and the UK, we maintain a confident outlook on the continued growth and traction of Indian exports in the medium to long term.

2022-23 Highlights

Our presence across the global textile value chains in Asia has helped us effectively cater to our global clients, utilising our global capacities and mitigating uncertainties by leveraging our facilities in different markets. Setting our offices in different countries has helped us meet both local and global fashion

expectations. Our integrated market intelligence provides intel from major fashion markets to help us create the next big trend. We are putting in all our efforts and are confident of achieving 15% to 20% revenue CAGR over the next three to four years.

Throughout our history, we have showcased our adeptness in discerning promising projects and forging high-potential partnerships. Our consistent success stems from strategic acumen, judicious allocation of resources, and the provision of tailored support, all complemented by our unparalleled expertise. Our commitment to partnership-based expansion stands as a formidable catalyst for the growth of our Company, enabling Pearl Global to fulfil fashion aspirations worldwide. Each partnership embarked upon signifies a new chapter, a fresh value chain, and an acquisition of novel expertise, propelling us towards even greater heights.

Our primary objective is to reach higher levels of success by surpassing previous revenue growth records, which will positively impact our bottom line. This will be accomplished through various means such as introducing new product categories, strengthening our existing customer relationships to increase their wallet share, attracting new customers, and assembling a resilient, agile, and creative team dedicated to realising Pearl Global's vision. All our machines are highly



scalable in terms of performance and delivery. We have a strong leadership team that defines goals and ensures that they meet customers' expectations smoothly. **As Jim Collins correctly said, "Building a visionary company requires 1% vision and 99% alignment."**

Open communication with our employees is another factor that has helped us develop mutual trust and understanding, which helps align the workforce to the vision of the organisation. Being a global organisation there is a lot of scope for learning and growth. From working on new technologies to innovating the existing processes, we constantly work towards making a better workspace for each other. Our employees are encouraged to take up new opportunities at various Group locations to take their career to the next level. We organised a 3-day Leadership Conclave – A.I.M (A – Aligned. I – Implement. M – Multiply.) at Dubai from April 25, 2023 to April 27, 2023. The objective of the event was to foster a sense of alignment among our esteemed team, propelling Pearl Global towards unprecedented heights. We engaged in extensive discussions, analysing the accomplishments and areas for improvement during 2023-24. This dynamic and transformative gathering catalyzed our collective vision and pushed us towards a future of unparalleled accomplishments.

Recently, we won the Most Preferred Workplace 2022-23 by Marksmen Daily in association with India Today and The Best Organisation for Women 2022, powered by Femina. These accolades serve as a testament to our ongoing commitment to fostering a positive and inclusive work environment that prioritises employee satisfaction, growth, and empowerment.

Sustainable Apparel for all

At Pearl Global, we believe in protecting the environment. We want to create a circular economy by eliminating waste and utilising resources optimally for the benefit of society. We follow a framework that helps us anticipate and meet environmental performance expectations. It not only ensures regulatory compliance but also minimises environmental risks and implements long-term environmental strategies. We have also adopted the world's leading processing standard for textiles made from organic fibres. It defines high-level environmental criteria along with the entire organic textiles supply chain.

As a responsible apparel manufacturer, we continuously strive to reduce our carbon footprint. This is evident by the adoption of renewable energy sources in our operations. We have undertaken several ongoing sustainable initiatives, such as utilising eco-friendly fabrics with extended lifespans, conducting environmental impact assessments, and implementing solar power generation. By implementing these measures, we aim to minimise our environmental impact, promote the well-being of all stakeholders involved, and

actively contribute to a sustainable future for our industry.

Going Ahead

Some of our key new initiatives at different implementation stages, such as exploring near shore manufacturing opportunities in Central America and setting up new division to build a licensing & branding division in North America, will further propel our growth trajectory. Catering to individual styles sustainably without compromising on quality while keeping the planet & safety of people is at the core of our operations. We look forward to achieving operational excellence through a well-managed manufacturing process that enables us to carry out bulk production. We will continue to target growth in all our key operating countries where we have strategic alignment with new clients. Undertaking robust risk management, our knowledgeable leadership team comprises experienced manufacturing and retail sourcing professionals. Collectively, we aim to actively shape the trajectory of our Company by implementing sound strategies and best practices that effectively mitigate the various risks associated with manufacturing and the apparel manufacturing/supply chain.

As we embark on the next phase of our journey, we take pride in the solid foundations we have established, poised to accelerate our growth. **Our strategy is crystal clear, backed by a shared vision, mission and a set of core values that unite our teams in their pursuit of excellence.** One of our distinctive strengths lies in our Indian brand, which serves as a unique identifier in the global market. We are fully committed to harnessing this advantage to deliver growth. We aim to foster an environment of creativity and sustainability amid the dynamic fashion industry. By prioritising ethical practices and embracing our social and environmental responsibilities, we are dedicated to achieving growth that positively impacts our stakeholders and the communities we operate in.

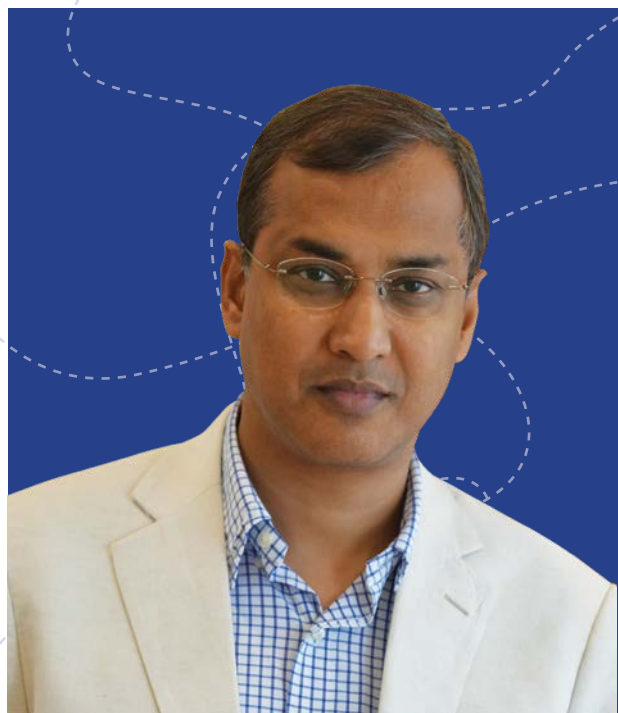
Note of Thanks

I would like to express my sincere gratitude to our esteemed shareholders and bankers for their belief in our Company's vision and principles. Their trust and support have been instrumental in driving our continued success and expansion. Furthermore, I extend heartfelt congratulations to our dedicated staff members who exemplify enthusiasm, commitment, and a strong desire for personal and professional growth within our group of firms. Together, we will continue pursuing our collective vision and achieving new milestones, guided by our shared excellence.

With Regards

Pulkit Seth
Vice-Chairman

FROM THE MD'S DESK



We are happy to have achieved excellence in performance with a 81.8% year-on-year increase in EBITDA and 16.4% year-on-year increase in Revenue. This improved profitability is on account of the consistent enhancements in operations and operating leverage playing out from the existing factories and the greenfield factories in Bangladesh.



Dear Stakeholders,

While the business outlook continues to remain challenging amidst higher interest costs and higher inflation rates, we remain confident of sustaining a 15-20% CAGR over the next 3-4 years. To navigate the challenges pertaining to the uncertain business environment, we are setting a stringent risk governance framework to hedge against sudden increases in raw material prices and interest costs. This shall help us in keeping our profitability intact.

The dynamic nature of the garment industry necessitates continuous adaptation. To maintain a competitive edge, it is crucial to deliver precisely tailored products in a timely manner. With fashion trends shifting each season, we have assembled a proficient team of specialists tasked with spearheading design and fostering innovation. Our strategically located team of dedicated designers enables us to proactively explore new raw materials, fabrics, silhouettes, styles, and other elements that shape our creations.

We have skilfully leveraged our core strength of multilateral

presence, design team, gift towards the asset-light model and strong customer relationships to achieve sustained growth.

This growth has been primarily fuelled by incremental orders from our long-standing clientele, enhanced profitability, and the acquisition of new customers within the past three to four years who contribute to our value-added sales. . **Our presence across the global textile chains - value chains in Asia - has helped us effectively cater to our global clients, utilising our global capacities and mitigating uncertainties by leveraging our facilities in different markets. Despite the short-term challenges posed by the global slowdown, we are confident of achieving our vision on a long-term basis.**

We are pleased to share that we have successfully acquired two to three new customers in India, a strategic move expected to significantly contribute to the growth of our order book in the years to come. We are actively capitalising on government initiatives such as the PLI scheme and state incentive schemes that encourage and incentivise domestic manufacturing within India.

In Indonesia, we successfully expanded our operations by



constructing a new facility on the land acquired in 2021. With a significant capital expenditure of ₹ 29 Crore, this new facility replaces the old one and will provide a remarkable 35% increase in our total capacity within Indonesia. The enhanced facility empowers us to manage more complex processes, enabling the delivery of value-added products to our clients and fostering improved per-piece realisation. This expanded capacity is anticipated to drive substantial revenue growth for Indonesia in 2024-25.

We have also recently established an office in Spain, strategically positioning ourselves closer to the European textile value chain. This not only enables us to forge new partnerships and acquire new customers within the region but also strengthens our collaboration with existing clients. The proximity to our operations and design offices in Spain fosters closer client relationships and facilitates collaborative development efforts. With Europe's strong and resilient value chain, we anticipate sustained growth and further opportunities by establishing a significant presence in this region.

In the United States, our Company established a dedicated division focussed on branding and licensing opportunities. To lead this endeavour, we have appointed a new CEO who brings valuable experience in developing similar businesses. While this venture may require some time to materialise fully, we firmly believe it will serve as another significant growth engine for our Company. We are also actively exploring and evaluating near-shore manufacturing options in the capital region of Central America, finalising agreements within the next couple of months.

We attribute our adaptability to the ever-evolving market conditions to our profound and enduring association with the real fashion world. While seemingly straightforward, this fundamental principle lies at the heart of our identity. Our business model is the product of a synergistic blend of teamwork, talent, creativity, innovation, dynamism, efficiency, and flexibility. It is an ingrained culture that continually challenges our limits and extends beyond our comfort zones. This winning combination enables us to navigate the dynamic landscape of the fashion industry with agility and resilience.

Operational Highlights

Our capacity utilisation improved substantially, which, in turn, increased the overall efficiency of our operations. On the

geographic mix of sales, overseas sales grew on the back of an increase in average realisation while domestic sales rose due to increased volumes and increase in average realisation. With the backdrop of global macro challenges, we are focused on the geographical diversity in our customer base. This should help us maintain our overall business share and operational efficiencies.

In Bangladesh, our newly established factory delivered positive results within its first year of commercial operations, yielding a healthy ROCE and generating a steady cash flow. Furthermore, the Alpha acquisition we made earlier this year is now fully integrated and has proven valuable, further bolstering our Company's overall strength.

In Vietnam, our factories witnessed significant improvements in productivity, primarily attributed to an enhanced product mix and an expanded range of offerings that cater to our customers' diverse needs. As a result, we observed higher price realisations and notable enhancements in operational efficiencies. Our partnership model in Vietnam is continuously evolving and yielding favourable outcomes.

Way Ahead

We are constantly growing, expanding and building on our core strengths. We believe in catering to individual styles sustainably and maintaining standard quality. We have a well-managed manufacturing process in place that enables us to carry out bulk production. We are currently strengthening our sustainability initiatives by using eco-friendly fabrics with longer life spans, environmental impact measurements, and solar power generation. We are also offering additional services such as LDP and replenishment services to all our customers. **We want to become our clients' preferred partner. For this, we are constantly engaging with our customers, working with them strategically, and offering them additional services in whichever country they want. We believe in developing long-term sustainable businesses with them by developing production capabilities near shore to our major customer base to deliver garments in less time and at a better price.**

Regards,

Pallab Banerjee
Managing Director

GROUP CFO'S MESSAGE



I am delighted to announce another year of prosperity and success, which I am privileged to share with all our esteemed stakeholders and lending institutions. Throughout the challenges and uncertainties we have faced, our business has demonstrated remarkable resilience, a testament to the support of our dedicated team. Their commitment has been instrumental in our ability to overcome obstacles and achieve sustained growth. I sincerely thank each of you for your invaluable contributions to our collective success.



Dear Stakeholders,

Our consolidated revenue for 2022-23 showed a remarkable growth of 16.4% year-on-year, reaching ₹ 3,158 Crores compared to ₹ 2,713 Crores in 2021-22. This significant increase can be attributed primarily to amplified orders from our existing customers, augmented realisation from newly acquired customers throughout the year, successful integration of the Alpha acquisition, and enhanced operational efficiency at our Bangladesh and Vietnam units.

Furthermore, our EBITDA for 2022-23 amounted to ₹ 255.5 Crores, representing an impressive year-on-year growth of 81.8% as opposed to ₹ 140.6 Crores in 2021-22. In addition,

we witnessed a noteworthy improvement in our margin, with a year-on-year increase of 290 basis points – elevating it from 5.2% in 2021-22 to 8.1% in 2022-23. This improvement can be accredited to a combination of factors, including a more favourable product mix, enhanced operational efficiencies and consistent profitability enhancements in our Vietnam and Bangladesh operations.

Our Profit After Tax (PAT) for the year amounted to ₹ 153 Crores, compared to ₹ 70.1 Crores in 2021-22, reflecting a substantial growth in our bottom line. Additionally, our Earnings Per Share (EPS) for 2022-23 reached ₹ 68.9, a considerable increase from ₹ 31.46 in 2021-22. These financial



results underscore our commitment to delivering strong performance and sustained growth in the marketplace.

On a standalone basis, our revenue for 2022-23 amounted to ₹ 1,103 Crores, showcasing a remarkable year-on-year growth of 18.2% compared to ₹ 933 Crores in 2021-22. This growth can be ascribed to the expansion of our business with existing clients as well as the addition of new strategic clients. Furthermore, our product mix improved as we expanded our range of offerings to customers, resulting in increased realisation. We also achieved enhanced operational efficiency by implementing best-in-class business practices.

Another notable achievement is the improvement in our credit rating from BBB to BBB+, which has enabled us to address credit risk challenges effectively. Additionally, the favourable global business landscape provided us with opportunities to strengthen our presence and expand our reach on a global scale.

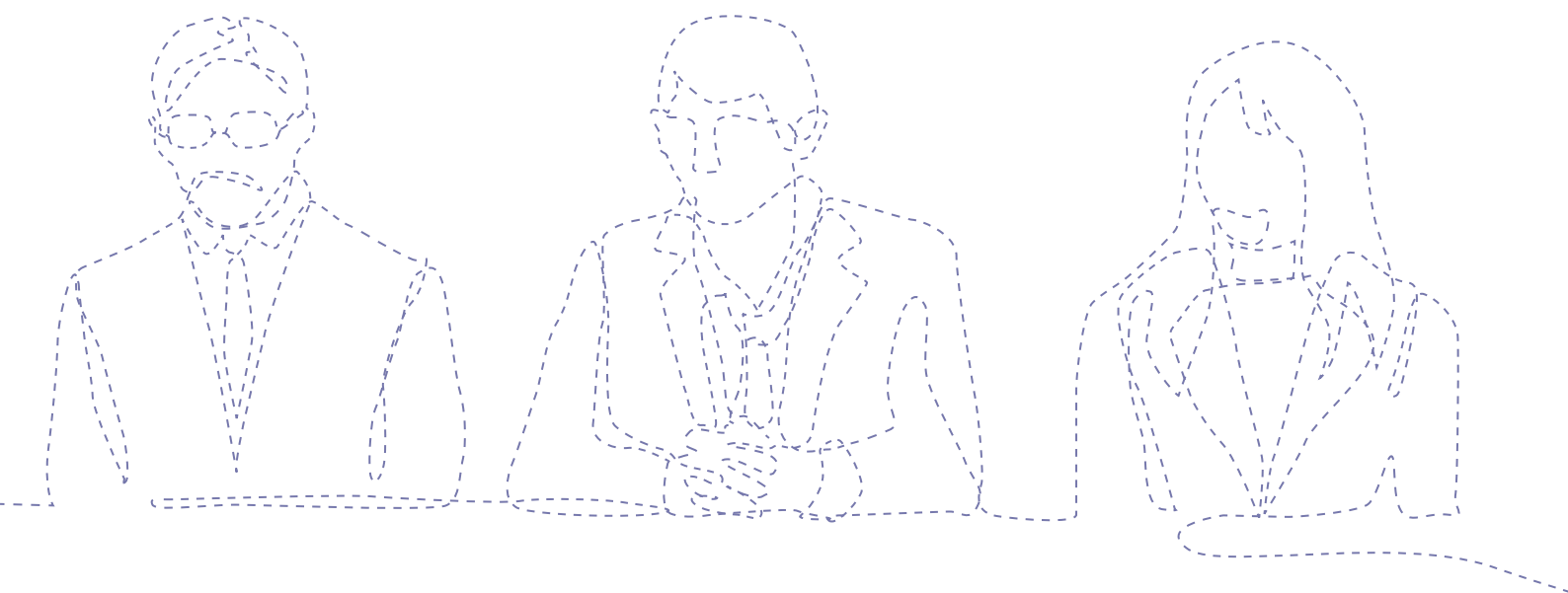
We also established a robust corporate governance framework to promote transparency, accountability, and responsible decision-making at all levels. In support of this endeavour, we

engaged E&Y as our Statutory Auditor in Hong Kong, as well as our Internal Auditor in India and Bangladesh. Additionally, Deloitte was appointed as our Statutory Auditor in Vietnam. These partnerships have contributed to active participation and the successful implementation of diverse policies and programmes.

At the core of our operations, we remain committed to transforming the way fashion is created across the globe. We prioritise the implementation of robust internal control mechanisms and uphold sound corporate and risk governance practices, ensuring the highest standards within our organisation. By emphasising financial discipline through prudent capital allocation, effective cash flow management, efficient working capital management, and comprehensive risk management, we consistently strive to enhance value for all our stakeholders.

With Best Wishes,

Sanjay Gandhi
Group CFO



BOARD OF DIRECTORS & MANAGEMENT TEAM

- MR. DEEPAK KUMAR SETH

Chairman

- MR. PULKIT SETH

Vice-Chairman

- MRS. SHIFALLI SETH

Non-Executive Director

- MR. PALLAB BANERJEE

Managing Director

- MR. SHAILESH KUMAR

Executive Director

- MR. DEEPAK KUMAR

Executive Director

- MR. ANIL NAYAR

Independent Director

- MR. RAJENDRA KUMAR ANEJA

Independent Director

- MR. CHITTRANJAN DUA

Independent Director

- MR. ABHISHEK GOYAL

Independent Director

- MRS. MADHULIKA BHUPATKAR

Independent Director

- MS. NEHA KHANNA

Independent Director

GROUP LEADERSHIP

- MR. PALLAB BANERJEE

Managing Director

- MR. SANJAY GANDHI

Group CFO

- MS. RATNA SINGH

Group CHRO

CORE TEAM

INDIA

- MR. SUNDEEP CHATRATH

CEO – Knits

- MR. PANKAJ BHASIN

CEO – Woven

- MR. NARENDRA SOMANI

CFO

- MS. SHILPA BUDHIA

Company Secretary

**BANGLADESH**

- **MR. VIKAS MEHRA**
CEO – Norp Knit and Prudent
- **MR. PARESH KUMAR POWANI**
CEO – Alpha Clothing
- **MR. SANJAY SARKAR**
Country Director

U.K.

- **MS. JOANNA HALES**
Senior Vice President
- **MS. NARINDA LEON**
Design Head

U.S.A.

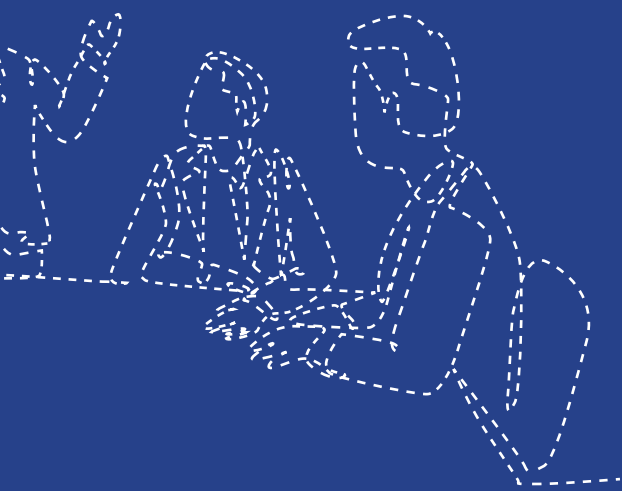
- **DR. MAHESH SETH**
Vice President – Operations
- **MR. DAVID AYALA**
Global Creative Director
- **MR. JEFF KREINDEL**
Executive Vice President
- **MS. MATTHEW HEALY**
CEO – Pearl Unlimited

VIETNAM AND HONG KONG

- **MR. GURUSANKAR GURUMOORTHY**
CEO
- **MR. KULBHUSHAN AGGARWAL**
Director – Finance
- **MR. SUMIT LATH**
CFO (Hong Kong)

INDONESIA

- **MR. RAJESH AJWANI**
CEO
- **MR. AMIT KUMAR**
Director



NURTURING TO ACHIEVE A SHARED VISION

At Pearl Global, we take great pride in our history of nurturing people around the world. We believe in investing in our people and building a culture that is grounded in the values of trust, integrity, ethics, care, respect, and empowerment.

We recognise that our employees are the driving force behind our business, and we take immense pride in their growth and development. We believe in learning from one another and establishing trust as a team, which is the foundation of our success. At our Company, we prioritise and cultivate talent as a means to add value and align with our vision.

OUR BELIEFS

DIVERSITY



At Pearl Global, we believe that every individual has a unique contribution to make towards making our Company a better place. We believe in the power of diversity and strive to create a workplace where people of all genders, ages, skills, and backgrounds can thrive.

INNOVATION



At Pearl Global, we acknowledge that our pursuit of knowledge is critical to our ability to adapt to the demands of an ever-changing marketplace. We believe in investing in our people and equipping them with the skills, technology, and research capabilities needed to drive sustainable growth for our organisation.

FORWARD-THINKING



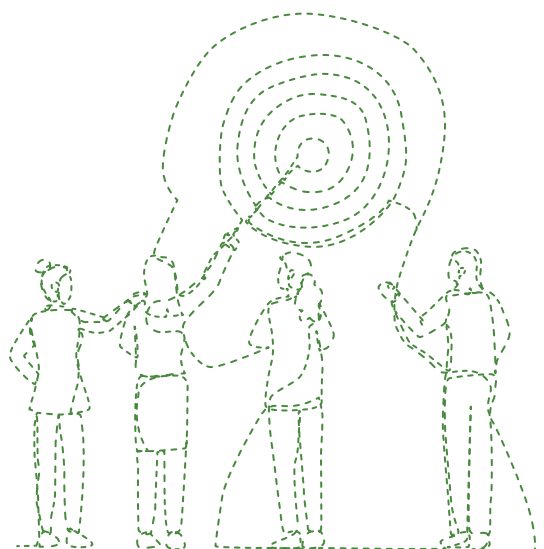
At Pearl Global, we believe in making a meaningful impact through innovative and entrepreneurial thinking. Our culture fosters a mindset of thinking beyond conventional routes, and we embrace creative ideas that drive positive change.

CARE



At Pearl Global, we prioritise a safe, transparent, and inclusive workplace. We are committed to creating an environment where every employee feels accepted and comfortable. We have established a strict Code of Conduct that prioritises the well-being of our employees, and we strictly adhere to it.





OUR VALUES

SUSTAINABILITY

We conduct our business focussing on a sustainable future that encompasses longevity for the environment, the Company, employees, and customers.



SPEED TO ACTION

We deliver expectations with speed by putting a strong focus on systems, trust, teamwork, and demonstrating dynamism in our way of work.



INTEGRITY

We are fair in our dealing with all our associates, stakeholders, and society. We ensure that no party is put to an unwanted disadvantage compared to the other.



STRIVE FOR EXCELLENCE

We believe in creating world-class products by excelling in every aspect of the fashion industry.



CUSTOMER CENTRICITY

We design and execute all systems, processes, and tasks with the sole purpose of providing the highest customer delight and a positive value to all our stakeholders.



MITIGATING RISKS THROUGH STRATEGIC ENDEAVOURS

CUSTOMER



We, at Pearl Global, have established a direct relationship with all our customers, ensuring continuous monitoring of their market and needs. Prior to onboarding a new customer, we conduct a thorough credit assessment to ensure a long-term and reliable relationship.

Furthermore, we also provide pre-shipment and post-shipment coverage, demonstrating our commitment to ensuring a seamless and secure transaction process. By ensuring thorough coverage at every stage, we add value and instill confidence in our customers.

PRODUCT



We, at Pearl Global, have implemented a number of quality systems and practices that are closely aligned with our customers' expectations, thus eliminating product risk. We also maintain constant communication with customer representatives to facilitate process improvements. We undertake certification of their associates, enabling them to certify products on behalf of our clients.

RAW MATERIAL

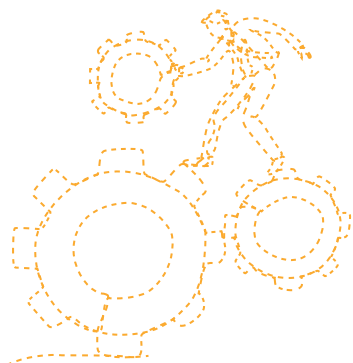


We, at Pearl Global, avoid delays in production caused by material shortages by projecting and booking raw materials early. The strategic relationship, we have developed with key suppliers ensures a reliable and timely supply of materials. All production against confirmed sale orders and periodic reviews with physical counts of stock helps to maintain accurate inventory levels and prevent stockouts or overstocks.

CURRENCY



We, at Pearl Global, have a natural hedge in all our overseas operations. Our Company follows India-export-forward cover to effectively mitigate currency risk. Furthermore, we minimise import procurement, thus further reducing any potential impact of currency risk on our operations.



SOCIAL & ETHICAL COMPLIANCE



We, at Pearl Global, have a robust internal control and compliance system in place to ensure that all processes and transactions adhere to the highest standards of compliance. We regularly monitor these systems and immediately implements corrections where necessary. Additionally, Pearl Global only onboards customers after ensuring that they meet complete compliance standards.

CASHFLOW



We, at Pearl Global, have revised our strategy and adopted an asset-light model, partnering with factories rather than owning set-ups. This strategic shift enables us to limit capital expenditure, while allowing us to and fund our operations through internal resources. Our Company also focusses on ensuring timely collections to maintain financial stability.

PRUDENT CAPITAL ALLOCATION POLICY



We are focussed on careful and strategic distribution of financial resources within our Company. Operating in various locations, we make it a point to take informed decisions on how to allocate funds across various locations, projects, investments, and operational needs to maximise the value and returns for our shareholders while minimising risks.

STRENGTHENING GOVERNANCE



To navigate the challenges pertaining to the uncertain business environment, we are setting up very stringent risk governance framework to hedge against the sudden increase in raw materials or poor financial performance of some of our overseas brands and customers. We have appointed E&Y as our Statutory Auditor in Hong Kong and Internal Auditor in India and Bangladesh. We also have Deloitte as our Statutory Auditor in Vietnam. This has helped in enhancing transparency, accountability, participation, and effectiveness in decision-making and implementation of various policies and programmes.



GROWING SUSTAINABLY WITH STRONG FUNDAMENTALS

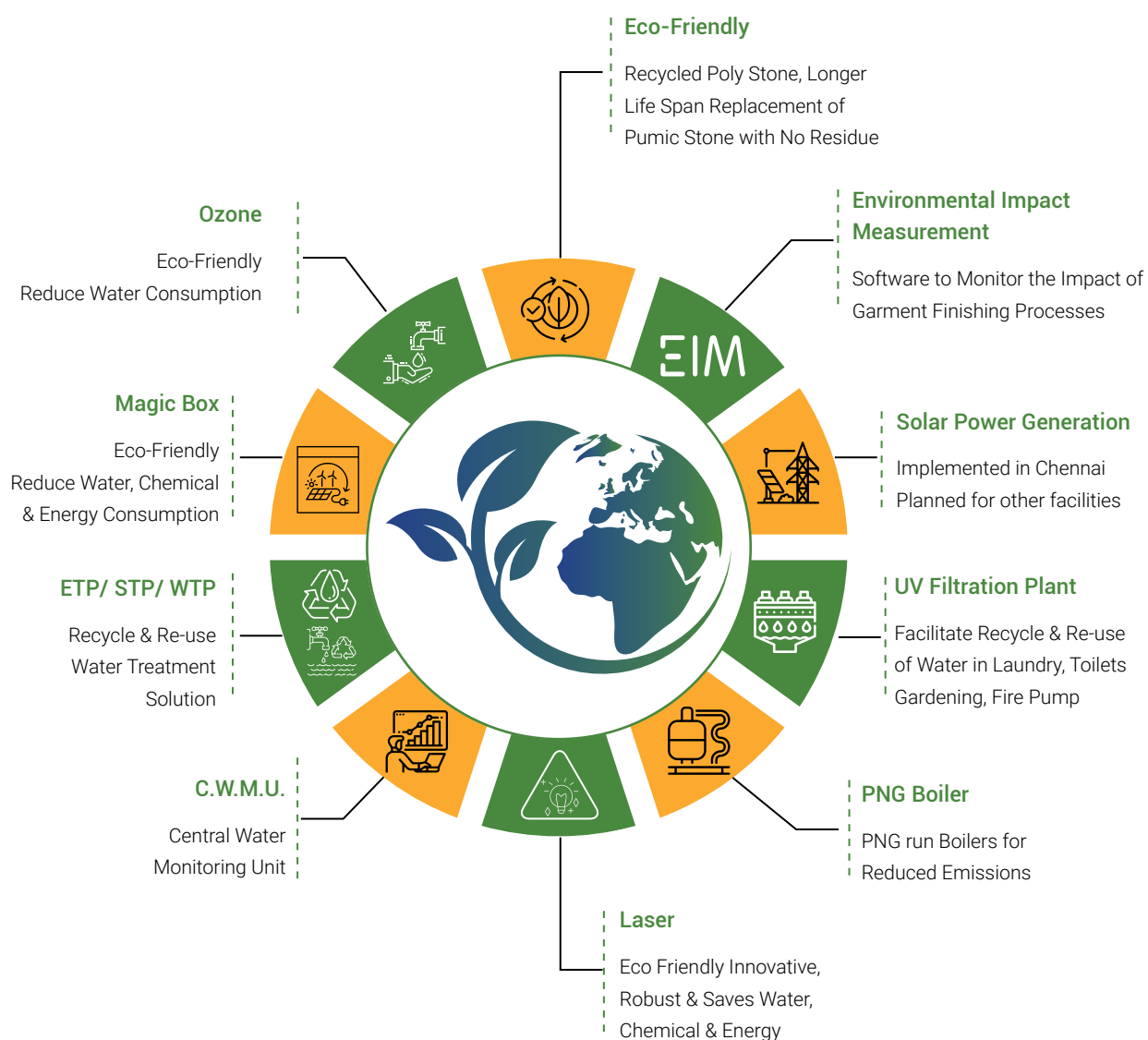
As a responsible apparel vendor in the apparel industry, Pearl Global holds environmental sustainability as the fundamental pillar of our social responsibility. In order to meet the highest standards of sustainability, we endeavour to take a range of measures that reflect our commitment to this important cause. We are fully dedicated to exploring various methods of reducing our carbon footprint.

To fulfil our commitment towards attaining our sustainability goal, we have started adopting the use of renewable energy within our facilities. Our business philosophy is based on the 'Triple Bottom Line' approach, which focusses on balancing People, Planet, and Prosperity.





OUR SUSTAINABLE INITIATIVES



We have established a comprehensive framework that enables us to meet the highest environmental performance standards, ensure regulatory compliance, minimise environmental risks, and establish and implement long-term environmental strategies.

Additionally, we utilise a powerful measuring tool that helps us map, plan, and implement meaningful improvements to protect the well-being of our factory workers, local communities, and the environment.

SHAPING SUSTAINABLE FUTURE WITH RESPONSIBLE FASHION

At Pearl Global, we attach prime importance to our CSR and are committed to enriching lives and protecting the future through the creation of sustainable value for the society. Our business practices are designed to positively impact stakeholders at large, contributing to their well-being and a better tomorrow.

We acknowledge our responsibility to long-term resource planning, while ensuring the sustainability of our business operations. Furthermore, we undertake initiatives to improve access to education and other essential resources, while simultaneously raising awareness about critical issues such as environmental sustainability and health. Through these efforts, we strive to make a positive impact on the world around us.



Medical Check-up Camp for 300 residents at Earth Saviours Foundation

In January 2023, Pearl Global arranged a medical check-up camp exclusively for the 297 residents of The Earth Saviours Foundation home located in Bandhwari village. During the camp, all the residents underwent a comprehensive range of medical tests, including CBC, Lipid profile, LFT, KFT, Blood Sugar, TSH, Urine Routine, ECG, Calcium, PFT, BP, and weight measurements. Following

these tests, a physician consultation was scheduled based on the test reports to provide personalised medical advice and guidance to the residents. The Earth Saviours Foundation team and residents expressed their heartfelt gratitude to our Management for organising this thoughtful and beneficial initiative for their welfare.

RO Water System comes as a respite in Melavalam village in Chennai

Recognising the paramount importance of safe drinking water for a thriving economy, Pearl Global Chennai installed a 500 Litre Capacity Reverse Osmosis Drinking Water System in Melavalam village, situated in the Chengalpattu district of Tamil Nadu. The installation has been warmly welcomed by the village as it is expected to

benefit approximately 700 residents residing in the vicinity. Additionally, the presence of a primary health centre, Gram Panchayat office, and a temple in the surrounding area further amplifies the positive impact of this installation on the community.



Solar Lamps transform lives of residents in a village in Gurugram

Pearl Global successfully implemented the installation of 20 solar lights along a 2-km stretch in Begampur Khatola, a village located in the Gurugram district of Haryana. This significant undertaking exemplifies our ongoing commitment to environmental conservation while

concurrently improving the lives of local communities facing limited access to reliable electrical infrastructure. The utilisation of solar power assumes a crucial role in combating the adverse effects of climate change.

Infrastructural Improvements in Government Primary School Rosewood City

Pearl Global has carried out multiple infrastructural improvements in the school. We have replaced their wooden doors, front and back iron gates and have installed grills in many classrooms.



Project Badhtey Kadam in Government Girls Secondary School, Gurugram Village

Project Badhtey Kadam aims to provide valuable support to Shahid Lt. Atul Kataria Government Girls Senior Secondary School, located in Gurugram Village, Gurugram district. The primary objective of this project is to elevate the quality of education and assist students in overcoming learning gaps to reach their full potential. With the collaboration of the NGO Etasha Society, the project will work closely with the

school's dedicated leadership to cultivate a positive working culture and deliver comprehensive education that prioritises the holistic development of students, including their mental well-being. The project endeavours to benefit a total of 728 students, providing them with the necessary resources and assistance to thrive academically and personally.

Read Out Loud Programme

Pearl Global, in partnership with Adhyayan Quality Education Foundation (AQEF), launched the 'Read Out Loud' programme on October 22, 2021. This initiative was created to address the impact of the Covid-19 pandemic

on children's education, as many students experienced significant learning loss due to school closures since March 2020, creating a major knowledge gap.



Arpan Education Society

Pearl Global has implemented the 'Arpan' programme to address the knowledge gap by providing quality education to those in need. Through this initiative, we offer free tuition and act as a training centre to support students in their academic pursuits. Additionally, we provide scholarships to children to help them develop their skills and reach their full potential.

Supervisory Skills Training

This programme aims to equip supervisors with professional skills to mediate between workers and management more effectively and strike a fair balance between the interest of our Company and the interest of the workers. It has been developed by Better Work and



launched in our units with our implementation brand partner GAP Inc. We have trained 130 supervisors till date in all their units in India.

Scholarships under Mina Seth Foundation

Pearl Global offers scholarships to students who face financial constraints that may hinder their future growth prospects. Under Mina Seth Foundation, which we have recently reactivated, we seek to help these children build a bright future for themselves by providing them with

opportunities to succeed. To date, we have provided scholarships to over 200 students under this programme, reflecting our dedication to giving back to the community and promoting education for all.

Other CSR Initiatives Around the World

Pearl Global has taken up various CSR initiatives across the world as well. Multiple dental, medical and TB camps, blankets and food distribution were organised by Pearl Global Bangladesh. Pearl Global Indonesia took lead in Covid vaccinations (two doses and booster shots) for all employees, workers and the local community to ensure their health and well-being. Education scholarships and stipends have been provided to outstanding students

of factory workers in India, Bangladesh, Vietnam and Indonesia. Pearl Global Indonesia runs Workers' Children Education programmes to provide quality education and support the development of the workers' children. Multiple HER project programmes like HER health and HER essential have been running in factories of India, Bangladesh and Indonesia and have trained over 1500 workers.

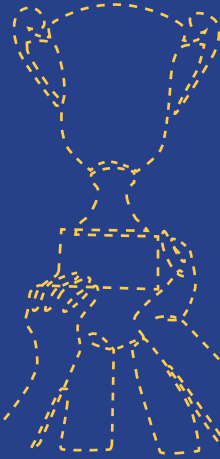
Community Activities

We organise various events to help our employees connect with one another through football matches, team building and lucky draws. Through these events, we seek to promote trust, commitment, and loyalty, while building a focussed and fruitful relationship. It is a way to promote networking and skill building within our team, thus further strengthening our working community.





AWARDS AND RECOGNITIONS



Highest Export in Woven
Garments to Pearl Global

2006-07

Highest Export in Woven
Garments to Pearl Global

2007-08

Highest Exports by Young
Entrepreneur - 1st Position
to Mr. Pulkit Seth, Vice
Chairman, Pearl Global

2008-09

Highest Exports in Woven Garments
1st Position to Pearl Global

Highest Exports By Young Entrepreneur
- 1st Position to Mr. Pulkit Seth, Vice
Chairman, Pearl Global

2009-10

Highest Exports - Woven
Garments - Winner to Pearl
Global

2010-11

Highest Exports Woven
Garments - Winner to Pearl
Global

2011-12

Highest Exports by Young
Entrepreneur - Winner - Mr.
Pulkit Seth, Vice Chairman,
Pearl Global

2012-13

Highest Global Exports
(Above ₹ 100 Crores
and up to ₹ 500 Crores)
1st Position

2015-16

Asia One Most Influential
Young Leaders - Mr. Pulkit
Seth

2020-21

Chairman, Mr. Deepak
Kumar Seth awarded an
honorary Ph.D

2022-23

Recognised as one of
the best organisations
for women

2022-23

CORPORATE INFORMATION

Board Members

MR. DEEPAK KUMAR SETH

Chairman

MR. PULKIT SETH

Vice-Chairman

MRS. SHIFALLI SETH

Non-Executive Director

MR. PALLAB BANERJEE

Managing Director

MR. SHAILESH KUMAR

Executive Director

MR. DEEPAK KUMAR

Executive 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

Group Chief Financial Officer

MR. SANJAY GANDHI

Chief Financial Officer

MR. NARENDRA SOMANI

Company Secretary

MS. SHILPA BUDHIA

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 KUMAR SETH

Member Director

MR. RAJENDRA KUMAR ANEJA

Member Director

MR. ANIL NAYAR

Member Director

Stakeholders Relationship Committee

MR. ANIL NAYAR

Chairman

MR. PULKIT SETH

Member Director

MR. RAJENDRA KUMAR ANEJA

Member Director

Risk Management Committee

MR. PALLAB BANERJEE

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. S.R. DINODIA & CO. LLP

Statutory Auditors

ERNST AND YOUNG LLP

Internal Auditors

M/S. JAYANT SOOD & ASSOCIATES

Secretarial Auditors

Registered Office

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

Corporate Office

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

Bankers

STATE BANK OF INDIA

CANARA BANK

PUNJAB NATIONAL BANK

STANDARD CHARTERED BANK

RBL BANK LIMITED

HDFC BANK LIMITED

Management *Discussion & Analysis*



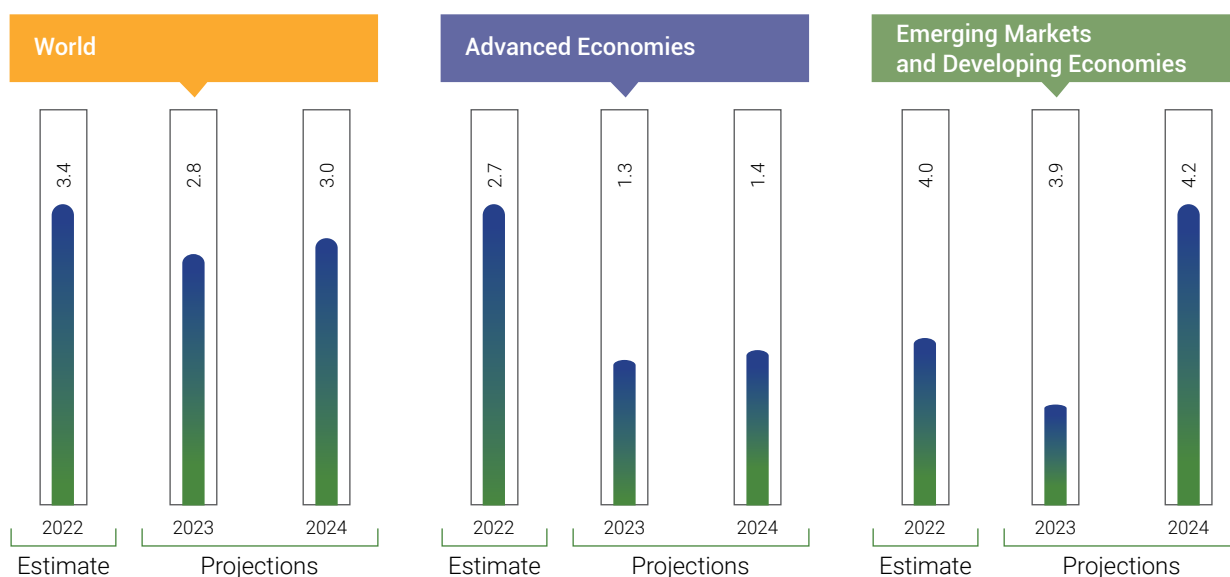
GLOBAL ECONOMY

The year 2022 began with cautious optimism as the lingering effects of the Covid-19 pandemic continued to subside. However, the global economy still had to struggle with several headwinds, such as increasing inflation, geopolitical tensions, the Russia-Ukraine war, and a tightening monetary policy. To control the inflationary pressure, the central banks of various countries increased the interest rate, which impacted the bond market. Major international banks faced the heat from tightened monetary policy as it placed them on shaky ground, further deteriorating their performance, including the collapse of Silicon Valley Bank.

According to the International Monetary Fund (IMF), the global growth rate contracted from 3.4% in 2022 to 2.8% in 2023 due to these events and is expected to reach 3.0% in 2024. The global economic outlook for advanced economies is expected to experience a significant slowdown in growth, declining from 2.7% in 2022 to 1.3% in 2023, increasing to 1.4% in 2024 due to the fragmentation of geo-economics. Emerging markets and developing economies showed stronger economic prospects than advanced economies, with the average growth rate for these economies reaching 3.9% in 2023, and a 4.2% projected increase in 2024.

Global Economic Growth

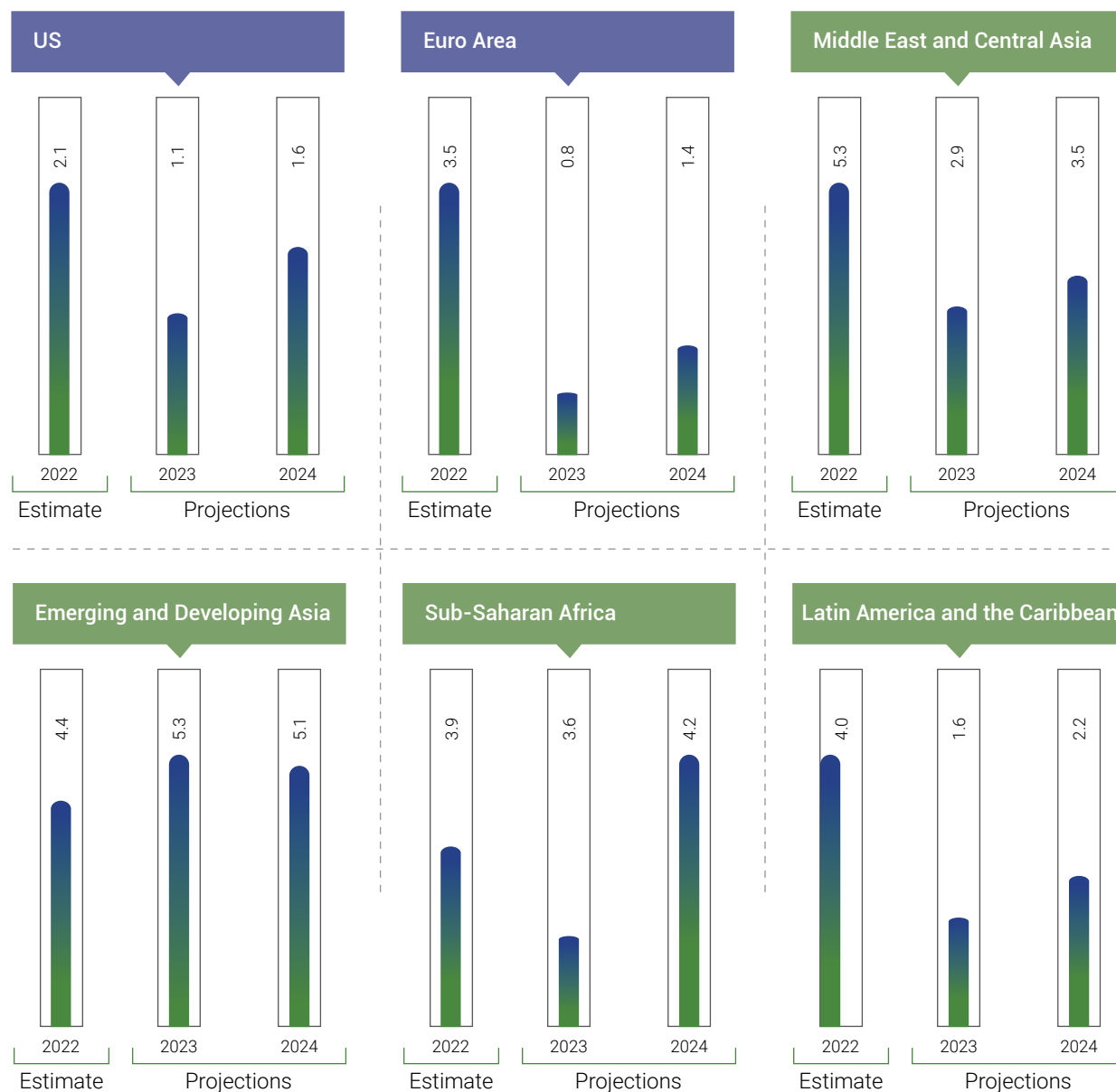
(% Change)





Global Economic Growth

(% Change)



Global inflation is estimated to decrease, although more slowly than initially anticipated, from 8.7% in 2022 to 7.0% in 2023 and 4.9% in 2024. The projected decline in inflation is partly attributed to a fall in international prices for fuels and other raw materials due to weaker global demand. The factors lowering inflation are drop in demand, price discounts to tackle high inventory levels, and a decrease in real estate prices. Moreover, the decrease in inflation is also likely to prompt major central banks to pause and review their recent historic series of interest rate hikes.

Global Economy Outlook

Medium-term growth estimates are predicted to experience a widespread decline in the future. While some of this deceleration can be attributed to the natural convergence of previously rapidly growing economies like China and Korea, the recent sluggishness is likely to be caused by more concerning factors. These factors include the lingering effects of the Covid-19 pandemic, a sluggish pace of structural reforms, rising trade tensions, declining direct investment, and slower adoption of innovation and technology in fragmented regions. A divided and polarised world is unlikely to make progress for everyone or effectively confront global issues, such as climate change or any pandemic preparedness.

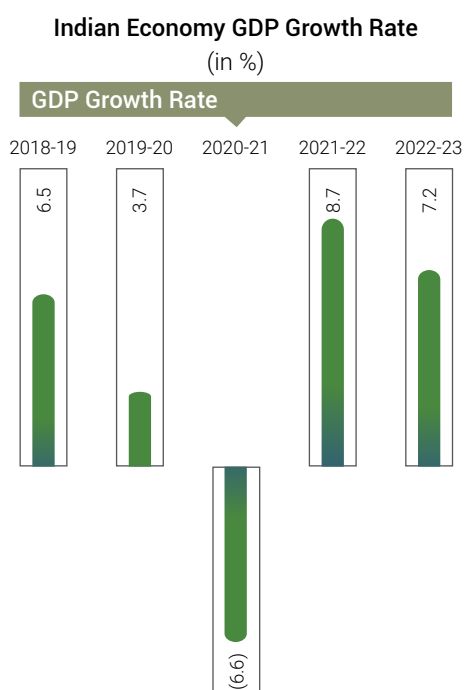
(Source: <https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023>)

INDIAN ECONOMY

India's economy showed remarkable recovery, surpassing many other nations and positioning it for a return to its pre-Covid-19 pandemic growth trajectory in 2022-23. Over the past decade, India has ascended from the tenth-largest economy in the world to become a significant player in the global economy. It is currently positioned as the fifth-largest economy. Its economic success is accredited to essential reforms, including liberalisation, reduction of bureaucracy and corruption, infrastructure investments, and enhanced accessibility to financing for small and medium-sized businesses.

The estimates of the Economic Survey 2022-23 indicate a GDP growth of 7.2%. This growth can be said to be driven by an optimistic business environment, robust industrial output, increased consumer spending, rapid vaccination coverage, increasing GST collections, and the vision of 'Aatmanirbhar Bharat'. Despite a downward revision from 2021-22's growth of 8.7%, the 2022-23 estimate is still higher than that of major economies. Moreover, it is slightly above the average growth rate of the Indian economy in the decade, leading up to the Covid-19 pandemic.

Initiatives like 'Amritkaal' and 'Saptarishis' focus on addressing economic disparities, empowering individuals in rural areas, enhancing technological capabilities, and reducing dependence on Government assistance. The Government's inclusive development approach, coupled with efforts to expand infrastructure, tap into untapped potential, promote sustainable growth, harness the youth demographic dividend, and strengthen the financial sector, are key drivers propelling India towards a promising and prosperous future.



Retail inflation, measured by the Consumer Price Index (CPI), reached 6.8% in 2022-23. The Russia-Ukraine war has disrupted the global supply chain system, leading to higher crude oil prices and food shortages worldwide. This was largely due to the Russia-Ukraine conflict and crop failures, resulting from excessive heat in some parts of the country. The conflict has further disrupted the restoration of supply chains, which were previously impacted by Covid-19 lockdowns and limited trade traffic.

During 2022-23, the agricultural sector demonstrated a growth rate of 3.5%, while the industrial sector exhibited a growth rate of 4.1%. This can be attributed to the strong increase in Private Final Consumption Expenditure, export stimulus during the first-half of the year, increased investment demand stimulated by enhanced public capital expenditure, and improved bank and corporate balance sheets.

According to the estimates of the Economic Survey 2022-23, the Union Government's fiscal deficit has decreased to 6.7% of GDP in 2021-22, and it has further declined to 6.4% of GDP in 2022-23. This steady reduction aligns with the Government's fiscal glide path and reflects prudent fiscal management, backed by robust revenue collection over the past two years.

Indian Economy Outlook

India's economic prospects remain promising, despite facing distinct challenges and risks in the current global economic climate. The introduction of the Goods and Services Tax (GST) and the Insolvency and Bankruptcy Code (IBC) have enhanced the efficiency, transparency, and financial discipline of the Indian economy, hence improving its overall functioning.

The Indian Government has implemented various initiatives to promote economic growth and development, such as increasing capital expenditure and reducing compliances. These efforts are expected to attract investments and create job opportunities, leading to sustained long-term economic growth. The strong credit growth and resilience in the financial market provide a stable environment for investments, further boosting the country's economic prospects.

Multiple factors, such as the normalisation of supply chains, the return of capital flows to India, and stable domestic inflation rates below 6%, are anticipated to contribute to India's economic growth. These factors are likely to boost private sector investment and improve animal spirits. As a result, the survey projects a baseline real GDP growth of 6.5% for 2023-24.

(Source: <https://www.indiabudget.gov.in/economicsurvey/doc/echapter.pdf>)



INDUSTRY OVERVIEW

GLOBAL TEXTILE AND APPAREL INDUSTRY

The textile industry is a major sector that encompasses various activities related to the design, production, and distribution of textiles and clothing. It includes a wide range of products, such as fabrics, yarns, apparel, home textiles, and technical textiles. During 2022-27, the textile industry worldwide is anticipated to witness a projected CAGR of 5.67%. This growth is expected to be driven by various factors, such as increasing population, rising disposable income, and changing fashion trends. The demand for textiles and clothing is anticipated to rise with an increase in population, especially in emerging economies, such as India and China.

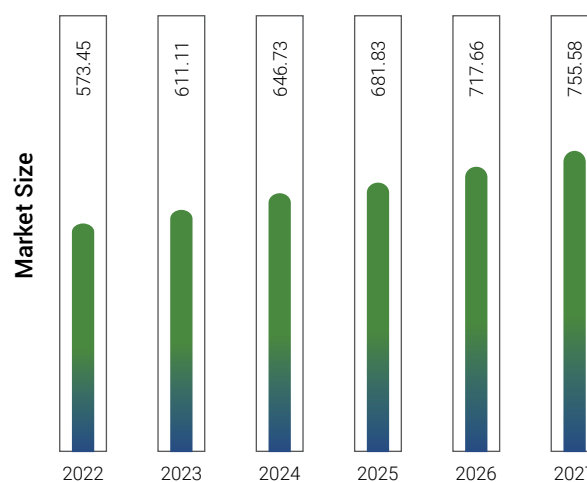
The apparel industry has been driven by factors, such as increasing disposable income, a growing global population, and the rise of e-commerce. The Covid-19 pandemic has further accelerated the increasing popularity of online shopping, due to its convenience, wider range of options, and lower prices. Consequently, the online retail marketplace has experienced growth, and now accounts for 15.9% of the industry's total value, with niche online retailers leading the way.

Additionally, the apparel industry is also witnessing a shift towards sustainable and eco-friendly practices, which is

further catalysing the growth of the industry. Consumers are becoming more conscious of the environmental impact of apparel production, and they are now opting for sustainable clothing options. This shift towards responsible practices has also led to the emergence of new markets, particularly in the eco-fashion sector.

Global Textile Market, Forecast
Market Size, 2022-27

(in USD Billion)



5.67%
CAGR

(Source: Global Yarn, Fiber and Thread Market Briefing 2023)



INDIAN TEXTILE AND APPAREL INDUSTRY

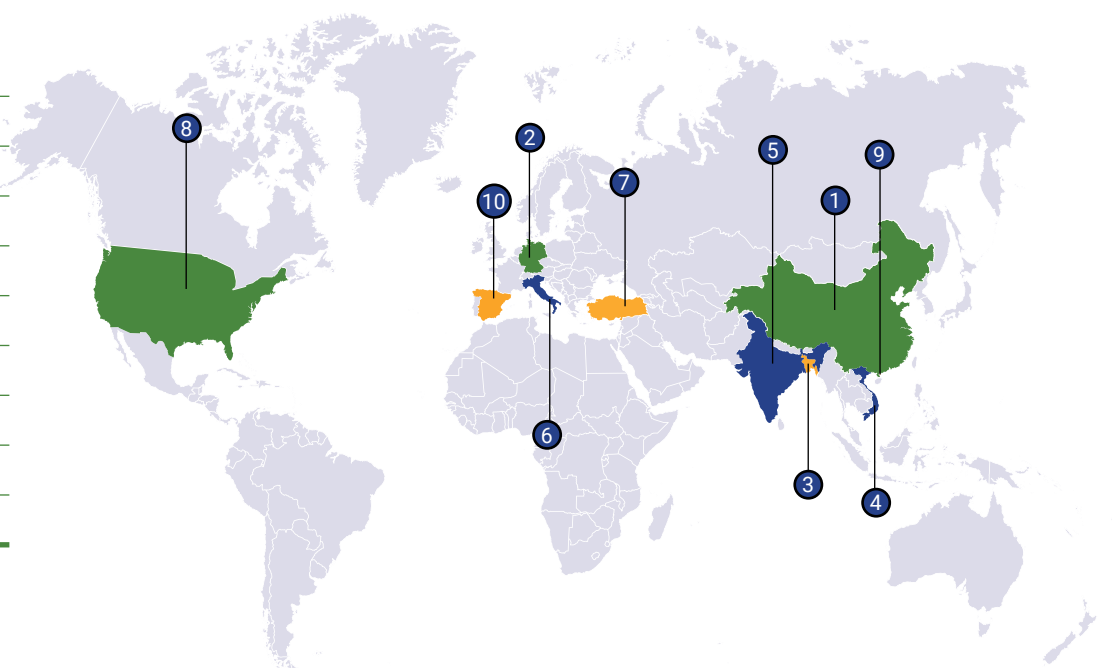
The textile industry in India is a crucial part of the country's economy and exports. The industry encompasses a diverse range of activities, from traditional hand weaving to modern textile mills, and is expected to grow significantly in the coming years. India has long been known as a manufacturing hub for the textile and apparel industry due to its rich textile heritage, skilled craftsmanship, and low labour costs. India is the sixth-largest exporter of textiles

and apparels in the world. The Indian technical textiles segment is estimated at USD 16 Billion, approximately 6% of the global market.

The Indian textile industry is the second-largest producer of man-made fibre (MMF) after China. Major textile and apparel export destinations for India include the US, EU-27 and UK, which account for approximately 50% of India's textiles and apparel exports. India has a share of 4.6% of the global trade in textiles and apparel. The textile and apparel industry in India holds the second position in terms of employment prospects, with over 45 Million people directly employed and 100 Million people employed in allied industries.

Top 10 Apparel Exporters in 2022

1	China
2	Germany
3	Bangladesh
4	Vietnam
5	India
6	Italy
7	Turkey
8	US
9	Hong Kong
10	Spain



Disclaimer : This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection to its accuracy or completeness.



Textile and Apparel Exports

(in USD Billion)

(Sources: EMIS, <https://www.ibef.org/industry/textiles>, Marketune)

The Indian garment industry has emerged as one of the world's fastest-growing sectors, due to its creativity, diversity, and sustainability. As a result, it is gaining increasing global recognition. The Indian garment market is anticipated to register a compound annual growth rate (CAGR) of 11-12% from 2022, reaching USD 115-125 Billion by 2025. India plays a significant role in the global fashion industry as a major exporter of fabrics and accessories. Indian ethnic designs and materials are highly regarded by fashion houses and garment manufacturers worldwide. When it comes to sourcing for fashion wear, India is a

crucial player in the international fashion arena, particularly in the realm of fabrics. Optimistic consumers are expected to release pent-up purchasing power and renew their wardrobes, leading to a projected increase in fashion sales in 2022-23. As social life resumes in many significant countries across the world, the luxury sector is predicted to experience a full recovery.

(Source: <https://timesofindia.indiatimes.com/readersblog/fashioninfo/indian-fashion-industry-in-next-2-years-trends-challenges-and-opportunities-50945/>)

Values in USD Million

Particulars	2019-20	2020-21	2021-22	2021-22 (Apr-Dec)	2022-23 (Apr-Dec) (Provisional)
India's Export of Textiles and Apparels	33,379	29,877	42,347	30,455	25,837
Export of Handicrafts	1,798	1,708	2,088	1,579	1,289
Total Export of T&A, including Handicrafts	35,177	31,585	44,435	32,034	27,126
Overall Merchandise Exports of India	3,13,361	2,91,808	4,22,004	3,05,043	3,32,762
% Share of T&A Exports	11.2%	10.8%	10.5%	10.5%	8.2%

(Source: https://texmin.nic.in/sites/default/files/English%20Final%20MOT%20Annual%20Report%202022-23%20%28English%29_0.pdf)

The Indian textile and apparel industry is categorised into men's, women's, and children's wear, with women's wear being the largest segment. Consumer preferences and styles have transformed the industry, leading to the adoption of western clothing trends alongside traditional fabrics and embroidery. The textile and apparel industry contribute 2.3% to the country's GDP, 7% to industrial production, 12% to exports, and 21% to total employment. It is dominated by small players due to the economic feasibility of manufacturing apparel at any scale. The industry benefits from competitive advantages, such as skilled workforce and cost-effective production.

As per a report by IMARC, the Indian textile and apparel industry achieved a market size of USD 172.3 Billion in 2022, and will continue to expand at a CAGR of 14.59% from 2023 to 2028, with a forecasted market value of USD 387.3 Billion in 2028. This impressive growth is attributed to various factors, including the increasing demand for high-quality clothing and footwear, the Government's implementation of schemes to empower weavers, and the rising popularity of ethically sourced sustainable materials.

(Source: [https://www.imarcgroup.com/indian-textiles-apparel-market#:~:text=The%20Indian%20textile%20and%20apparel%20market%20was,US\\$24%20172.3%20Billion%20in%202022.](https://www.imarcgroup.com/indian-textiles-apparel-market#:~:text=The%20Indian%20textile%20and%20apparel%20market%20was,US$24%20172.3%20Billion%20in%202022.))

2.3%

Country's GDP

7%

Industrial Production

12%

Exports

21%

Total Employment

USD **172.3 Billion**

Textile and Apparel Exports in 2022

GROWTH DRIVERS

Several factors are driving the growth of the Indian textile industry, including a surge in demand for natural fibres, the increasing use of digital textile printing, the availability of raw materials and skilled workforce, favourable demographics, and extensive Government support.

Lifestyle Choices, Driving Textile Trends

Changes in consumer lifestyle like increasing emphasis on fitness, rising brand consciousness, fast-changing fashion trends, increasing women participation in workforce and hygiene consciousness are driving the trends in the end products. Impact of such trends is passed along the textile value chain which in turn has resulted in high demand of the fibres that can fulfil these requirements at affordable price.

Free Trade Agreements (FTA) driving trade and investments in the sector

Key apparel markets like India, Vietnam, the USA, and the UK have multiple market access arrangements with several key manufacturing nations. They have either entered into different types of trade arrangements or provided special status to certain countries, thereby lowering or eliminating tariff rates. This has further boosted the growth of the textile industry, thereby driving trade and investments.





Sustainable Apparel on the rise

The textile and apparel business is becoming increasingly aware of industrial, consumer, and environmental needs. Sustainability is something that both brands and customers are concerned about. As a result, the ratio of sustainable textile production has increased. Every innovation, from dyes to luxury textiles and garments, has at least one environmental component, according to the concept of sustainability. The textile and garment industries have made sustainability a priority, through sustainable methods on the rise.

Convenience of Raw Material Availability

Ready availability of high-quality raw materials have also ensured that man-made fibres can be easily derived from these sources, as well as from MMF recycling procedures. Leading yarn spinning companies are constantly researching to tweak the properties of the materials, to deliver quality fibres and ensure complete customer satisfaction. The growing flexibility in fibre designing is also widening the usability of fibres in diverse applications.

GOVERNMENT INITIATIVES

The Indian Government is actively working to promote the growth and development of the country's textile sector, implementing a range of effective and meaningful schemes over the years. These include the Production Linked Incentive (PLI) Scheme, the RoDTEP Scheme, Make in India, Mega Textile Parks Development, and the National Technical Textiles Mission, among others. These initiatives will significantly facilitate and incentivise investments in the textile sector. Additionally, the Government's efforts to improve the ease of doing business in the country by reducing compliance burdens and costs will attract foreign investments, leading to further benefits for the textile sector.

The **Scheme for Capacity Building in Textile Sector (SAMARTH)** was created to meet the proficient workforce needs of the textile industry. The scheme was developed in line with the Skill India initiative and aligned with the Ministry of Skill Development and Entrepreneurship's skilling programme framework. The implementation of SAMARTH has been approved until March 2024.

The **Pradhan Mantri Mega Integrated Textile Region and Apparel (PM MITRA) Scheme** was approved by the Indian Government to establish seven textile parks in greenfield and brownfield sites with an

outlay of ₹ 44.45 bn over a period of seven years, up to 2027-28. The goal of PM MITRA is to enhance the competitiveness of the Indian textile industry, attract significant investment, and boost employment generation. The most recent edition of the scheme aims to build a total of 65 textile parks in India.

The **Production Linked Incentive (PLI) Scheme** has been introduced to promote the production of MMF apparel, MMF fabrics, and technical textile products in India. The goal of the scheme is to create 60-70 global players, attract fresh investment of approximately ₹ 190 bn, and generate almost 750,000 new employment opportunities in the country.

The **Rebate of State and Central Taxes and Levies (RoSCTL)**, has been approved by the Indian Government for the extension of its implementation until March 31, 2024. The rates applicable to apparel/garments, and made-up exports will remain unchanged, as issued by the Ministry of Textiles. This decision aims to provide a tax rebate on outbound shipments to garment exporters, thereby boosting the competitiveness of the labour-intensive textile industry.

Free Trade Agreement: The IndAUS ECTA is expected to boost India's textile and apparel exports significantly, with projections indicating an increase to USD 1100 Million within the next three years. India and UK are also engaged in negotiations to enter into an FTA to positively impact the Indian textile industry by facilitating increased trade between India and UK.





Industry Outlook

The outlook for the textile industry seems promising, with strong growth prospects in both domestic consumption and export demand. The industry is anticipated to experience robust growth, driven by robust domestic consumption, growing export demand, and the rapid digitisation of consumers and brands post-Covid-19 pandemic. Over the past decade, the retail sector has undergone rapid progress due to increasing consumerism and disposable income. This growth has been further fuelled by the entry of various international players into the Indian market.

The China+1 strategy presents a significant opportunity for the Indian textile industry to regain its position as a top exporting economy. With the domestic economy improving and exports increasing, the industry is expected to experience substantial growth in domestic production to meet the rising demand. As a result, capital expenditures and investments in the sector are projected to increase, leading to an improvement in productivity and industry competitiveness. India's favourable demographics and industry dynamics further enable the country to establish itself as a global textile hub.



COMPANY OVERVIEW

Pearl Global Industries Ltd (referred to as 'Pearl Global' or 'The Company') is a global fashion and lifestyle company that specialises in the design, manufacture, and distribution of apparel. The Company has a diversified and de-risked manufacturing base across India, Indonesia, Bangladesh, and Vietnam, along with an office set up in Spain for marketing purposes. Established in 1989, Pearl Global is a preferred long-term vendor to most leading global brands, offering total supply chain solutions to customers. The Company's product range includes denims, casual wears, formal wears, knits, wovens, and bottoms across men's, women's, and children's wear segments. It caters to a diverse range of customers, from high-end fashion brands to large retailers and mass-market brands.

With a total capacity to manufacture around 80 Million garments per year, Pearl Global generates more than 61% of its revenue from exports to the United States, serving premium retailers like GAP, Kohl's, Macy's, Walmart, Nordstrom, Ann Taylor, Chico's, and Target Australia, among others. The Company's business model enables it to offer superior quality products. Pearl Global's vision is to be the most preferred vendor to top global apparel brands and ranked amongst the top garment manufacturers in the world, in terms of quality, service standards, and customer satisfaction. The Company is committed to maintaining ethical and sustainable practices throughout its operations. Therefore, it has implemented various sustainability initiatives, such as reducing water consumption, using eco-friendly materials, and minimising waste generation.

Company Outlook

The Company recorded a 16.4% y-o-y increase in revenue and 81.8% y-o-y increase in EBITDA for 2022-23. This can be attributed to the Company's improved operational efficiencies, integration of the Alpha unit in Bangladesh, better product mix and higher profitability in Vietnam and Bangladesh. The Company aims at achieving a 15%-20% CAGR of revenue over the next 3 to 4 years and at least maintaining a margin of 7% to 8% in short term for current financial year and improvement thereafter.

With an impetus on the future, Pearl Global has a clear vision of being a leading solution provider to retailers across the globe. In this pursuit, the Company has capitalised on its multilateral presence, talented design team, asset-light model, and robust customer relationships to drive sustained growth.

Further the Company has also successfully gained trust of all marquee customers; and is continuously striving to add more strategic customers and growing manufacturing facilities to manage more complex processes. This arrangement will not only help it to improve per-piece realisations, but also enable it to better serve its customers' evolving needs. Going forward, the Company aims to captivate growth by increasing order intake and improved prices from existing customers, as well as value-added sales from customers acquired in recent years.



SOUTH ASIA



INDIA

The Company has gained couple of new customers in India and has taken measures to improve efficiency across Indian factories. It is also actively exploring opportunities to expand its capacities, supported by Government initiatives like the PLI scheme and state incentive schemes. These factors create a favourable environment for the Company's growth in India.



BANGLADESH

The newly established factory of Pearl Global in Bangladesh has demonstrated promising results by generating positive returns in its very first year of commercial operations. The successful integration of the Brownfield acquisition has played a significant role in boosting the Company's revenues and improving its overall profitability.

SOUTH EAST ASIA



VIETNAM

Pearl Global's factories in Vietnam have experienced notable rise in productivity, driven by a more favourable product mix and a broader range of offerings for customers. As a result, the Company has witnessed higher realisations and substantial improvements in operational efficiencies. The partnership model implemented by the Company in Vietnam has proven to be successful, evolving positively and yielding favourable outcomes.



INDONESIA

Pearl Global successfully expanded its operations in Indonesia through the construction of a new facility on the land acquired in 2021. This state-of-the-art facility will result in a significant 35% increase in the Company's total capacity in Indonesia. The expanded capacity will enable the management of more complex processes, allowing Pearl Global to offer value-added products to its clients and achieve improved per-piece realisation. The increased capacity of the new facility is anticipated to drive substantial revenue growth for the Company in Indonesia in 2024-25.

FUTURE OUTLOOK

In developed economies, inflation is displaying signs of decline, although it remains at a relatively high level, resulting in expected pause in interest rate hikes across these economies. The tightening of monetary policy and ongoing geopolitical conflicts are adding to the uncertainties surrounding global demand. The

sluggish recovery of the global economy is causing a slowdown in external demand in the short to medium term, posing a significant challenge for exporting countries. Currently, the textile and apparel industry is experiencing weak demand; however, there are indications that the industry is reaching a turning point and gradually recovering, with market demand also showing signs of improvement. As the inventory pressure on brand owners eases, it is expected that demand will gradually increase later in the year.

The Company places great importance on enhancing its comprehensive customer service capabilities and meeting the diverse needs of its customers. While the company focuses on consolidating its existing core customer base and increasing its share of their business, it also actively pursues the acquisition of new strategic customers by offering a wider range of products to expand its customer base. These initiatives aim to ensure the continuous growth of the company's business. Some of the initiatives undertaken by the Company in this regard are outlined as follows.

EUROPE



SPAIN

Pearl Global has strategically established a new office in Spain, a significant step that brings the Company closer to the European textile value chain. This strategic move not only enhances the Company's market presence but also facilitates the acquisition of new customers within the European market. It also provides opportunities to deepen its engagement with existing clients, further strengthening partnerships and maximising synergies.

USA



Pearl Global established a new division in the USA dedicated to branding and licensing. To support this endeavour, the Company has brought on board a new CEO who possesses the expertise and experience to enhance the Company's operations in licensing segment and start a new revenue stream for Pearl Global focussed on licensed product sales.

NEAR SHORE MANUFACTURING OPPORTUNITIES

Amidst the challenges posed by the pandemic, both during and after its peak, logistics hurdles prompted a significant shift in the importance of near shore production for US customers. As a result, the Company is also exploring near shore manufacturing opportunities in the Central America region. This strategic initiative aims to add value to the Company's growth by diversifying its manufacturing capabilities and expanding its geographical reach. The assurance shown by the customers in conducting business presents a promising opportunity for Pearl Global.



Manufacturing Strengths

Location	No. of Units	Annual Capacity	Specialisation
 India	7	24.6 Million pieces p.a.	Woven and knitted products, including women's fashion wear, men's wear and children's wear. Pearl Global's factories in the South make women's tops and dresses
 Bangladesh	9	45 Million pieces p.a.	Woven and knitted tops, and bottoms for men, women, and kids
 Vietnam	5	6.50 Million pieces p.a.	Multiple products, including outerwear and jackets, including down jackets, woollen jackets & coats, seam-sealed jackets, puffers, parka jackets and coats, blazers, anoraks, swim trunks, and synthetic bottoms
 Indonesia	2	4 Million pieces p.a.	Women's professional wear, performance wear, activewear, woven tops & dresses, sleepwear, and loungewear

Design and Office Studios Offices



Hong Kong

Design studio and sales office



Denim jackets, and denim bottoms, among others



Spain

Jerseys, wovens, denims, outerwear, sleepwear, loungewear, beachwear, and children's wear



UK

Market intelligence for knitted, woven, denim, outerwear, activewear, sleepwear, loungewear, and children's wear category



New York

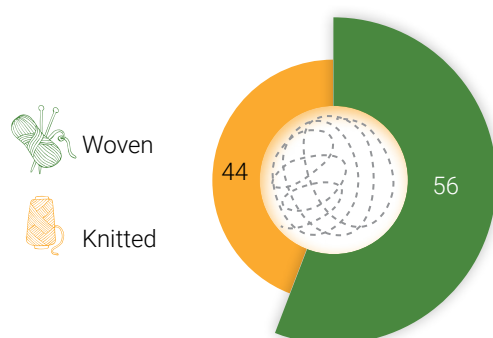


BUSINESS PERFORMANCE

Pearl Global has a strong financial framework along with a robust cash flow management. The Company's credit rating improved from BBB to BBB+. It recorded a Gross Income of ₹ 3,158.41 Crores, compared to ₹ 2,713.5 Crores in previous financial year. The Net Profit Before Tax stood at ₹ 175.8 Crores, compared to ₹ 85.8 Crores in the previous financial year.

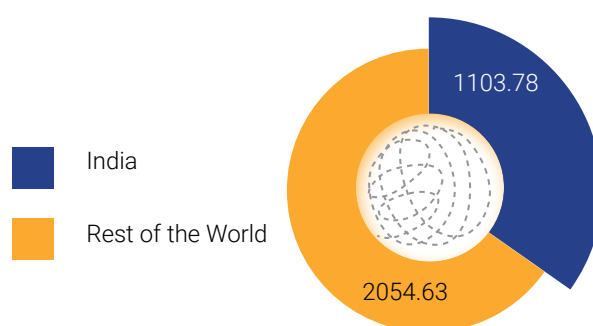
Segment-Wise Performance

(in %)



Region-Wise Performance

(Revenue in ₹ Crores)



Financial Highlights (Consolidated)

Particulars (₹ in Crores unless stated otherwise)	2022-23	2021-22	2020-21	2019-20	2018-19
Revenue from Operations	3,158.4	2,713.5	1,490.9	1,685.1	1,757.5
EBITDA	255.5	140.6	60.6	66.9	88.1
EBITDA Margin (%)	8.1%	5.2%	4.1%	4.0%	5.0%
Other Income	22.8	33.5	23.5	49.1	33.9
Profit Before Tax	175.8	85.8	11.4	31.2	82.9
Profit After Tax	153	70.1	17.5	21.7	67.1
Profit After Tax Margin (%)	4.8%	2.6%	1.2%	1.3%	3.8%
Earnings per Share (₹)	68.9	31.5	8	9.9	31.0

During the year, the Revenue from Operations stood at ₹ 3,158.4 Crores, registering a growth of 16.39%, as compared ₹ 2,713.5 Crores in 2021-22. This growth can be attributed to better product mix, growth with existing and strategic customers, increase in revenue from partnership model in Vietnam, integration of Brownfield acquisition in Bangladesh and set up of new factory in Indonesia.



Financial Ratios

Particulars	2022-23	2021-22	% Change	Reason for Change	Formula Used
Interest Coverage Ratio (x)	3.49	2.70	29.41	The improvement in ratio was due to: - Higher profitability on account of higher realisation - Significant improvement in operational efficiency across geographies while keeping the debt under optimisation level	EBIT/Interest
Current Ratio (x)	1.42	1.37	3.88	The improvement was due to: The improvement in conversion cycle of working capital while keeping the liabilities within the acceptable limits	Current Assets/ Current Liabilities
Gross Debt Equity Ratio (x)	0.60	0.92	(34.20)	The improvement was on account of: Keeping the debt at optimised level	Total Borrowings/ Total Equity
Net Debt Equity Ratio (x)	0.21	0.67	(69.23)	Significant improvement in cash conversion cycle, resulting in healthy cash and bank balance	Net Debt/Total Equity
Operating Profit Margin (%)	7.21%	4.63%	55.56	The improvement in the ratios was due to: Higher profitability on account of higher realisation	EBIT/ Revenue from Operations
Net Profit Margin (%)	4.84%	2.58%	87.52	Significant improvement in operational efficiency across geographies, while ensuring the debt remained under the optimisation level	PAT/ Revenue from Operations

Particulars	2022-23	2021-22	% Change	Reason for Change	Formula Used
Return on Net Worth (%)	21.18%	11.70%	80.92	The improvement in the ratio was because of Higher profitability on account of higher realisation	PAT/ Shareholders Equity
Debtors Turnover Ratio (x)	15.08	7.40	103.78	The improvement in ratio was due to: - Higher efficiency - Higher realisation - Mixing of manufacturing with partnership factories	Revenue from Operations/ Receivables
Inventory Turnover Ratio (x)	6.15	5.03	22.36	The improvement was due to: - Higher efficiency - Mixing of manufacturing with partnership factories	Revenue from Operations/ Inventory
Return on Capital Employed (%)	25.38%	12.21%	107.80	The improvement in the ratio was due to: - Higher profitability on account of higher realisation and significant improvement in operational efficiency across geographies - Significant improvement in working capital cycle time - Keeping the debt under optimisation level - Significant improvement in cash conversion cycle resulting in healthy cash and bank balance	EBIT/(Total Equity + Net Debt)



RISK MANAGEMENT

Every organisation is exposed to various risks that can affect its operations and revenue. They are inherent to the functioning of the organisation and can have significant impacts on its overall performance. Therefore, it is crucial to maintain a continuous awareness of the surroundings in which the business functions, to detect any emerging uncertainties and potential hazards.

Pearl Global has identified a range of risks that may affect its operations, including business dynamics risks, market and industry risks, political risks, environmental risks, disaster risks, liquidity risks, credit risks, foreign exchange risks, human resource risks, and legal risks. These risks are diverse and may arise from internal or external factors, such as changes in market conditions, the regulatory environment, or natural disasters. The Company has a strong risk governance framework and has outlined a detailed action plan to mitigate various risks.





CUSTOMER

RETENTION AND GROWTH

- Direct relationship with all customers
- Continuous monitoring of the customers' market

PAYMENT SECURITY

- Credit assessment before onboarding a new customer
- Pre-shipment & post-shipment coverage



PRODUCT

QUALITY

- Quality systems and practices aligned closely with customers' expectations
- Constant contact with customer representatives to facilitate process improvements
- Customer-certified pearl associates to certify the products on their behalf



RAW MATERIAL

PRICES AND SUPPLY CHAIN

- Early projection and booking of raw materials
- Strategic and transparent relationship with key supplier

INVENTORY

- All production is executed against confirmed sale orders
- Periodic review or physical count and utilisation of stock



CURRENCY

FLUCTUATION

- Natural hedge in all overseas operations
- India-export-forward cover
- Import-only, minimal procurement, no big impact



SOCIAL AND ETHICAL COMPLIANCE

NON-COMPLIANCE

- Zero-tolerance leading to a robust internal control and compliance system
- Regular monitoring and implementing immediate corrections
- Onboarding of customers only after ensuring complete compliance standards



CASHFLOW

DEBT REPAYMENT AND SERVICING

- Resources ensure collection on time



HUMAN RESOURCE MANAGEMENT

Pearl Global gives utmost priority to the development and advancement of its employees, recognising their critical contributions to the organisation's success. To support this, the Company has established a human resource department dedicated to creating effective policies, procedures, and guidelines that prioritise employee growth and well-being. The Company is committed to creating safe, hygienic, and sustainable work environments across all locations to attract, develop, and retain the right people for the job. Pearl Global celebrates both diversity and individualism. The Company believes that every individual has the potential to lead, which is visible in its practical learning approach that emphasises the 70-20-10 model for training. This model stresses on the importance of diverse learning sources, with 70% of learning coming from challenging experiences and assignments, 20% from building strong relationships, and 10% from formal coursework and training.

Leadership Conclave

The Company organised a 3-day Leadership Conclave – A.I.M. (A – Aligned. I – Implement. M – Multiply.) at Dubai from April 25, 2023 to April 27, 2023. The leadership team across the Group participated in the event. The objective of the event was to lay down Pearl Group's strategic roadmap for medium term and long term, emphasising specific goals that the team will strive to pursue and achieve while fostering a sense of alignment across geographies. Pearl Global engaged in extensive discussions, analysing the accomplishments and areas for improvement during 2022-23. Throughout the conclave, the team shared success stories, openly addressed challenges faced by different teams, and meticulously examined the budget for 2023-24.



Pearl Global has also initiated an Employee Stock Option Plan for the well-being of its employees. Pursuant to the plan, 7,27,000 (Seven Lakhs Twenty-Seven Thousand) options have been approved. The Plan is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. As per the plan, vesting period shall commence after minimum One (1) year from the grant date and it shall extend up to maximum of four (4) years from the grant date, at the discretion of and in the manner prescribed by the Nomination and Remuneration Committee of the Board.

As of March 31, 2023, the Company had a workforce of 32,000 employees (comprising 24,000 direct and 8,000 indirect).

PEARL GLOBAL'S PROGRAMMES FOR ITS PEOPLE



Inclusion-based Programmes

P.A.C.E. (Personal Advancement and Career Enhancement): P.A.C.E. is a renowned initiative by GAP to empower women in workplaces. The programme has helped Pearl Global's women workers' professional growth within the organisation, empowering them to take more leadership roles.

POSH (Prevention of Sexual Harassment): By collaborating with Marks and Spencer to conduct gender awareness training, Pearl Global has taken a positive step towards creating a safe and inclusive work environment. This training will help create a more respectful and inclusive workplace where all employees feel valued and respected.

Innovation-based Programmes

Workplace Cooperation Programme: The Workplace Cooperation Programme, in partnership with GAP Inc., focusses on building strong relationships and cooperation between the factory management and other departments. The programme emphasises the importance of effective communication, increased awareness about roles and responsibilities, and risk assessment to build more functional teams and create an environment of trust and cooperation.

Skill Training: To support its employees' progress, Pearl Global facilitates workshops aimed at empowering them to adopt an entrepreneurial mindset and expand their roles. These workshops cover a range of areas, including basic computer skills, personal finance, interpersonal communication, conflict resolution, language proficiency, and technical training specific to the garment industry.





Forward-Thinking Approach

At Pearl Global, diversity is recognised as a source of strength, where different ideas, approaches, and perspectives are harnessed to drive the organisation forward. Every individual within the Company is provided with an equal opportunity to showcase their talent and

make a valuable contribution to the organisation. It places a strong emphasis on recruiting the most talented and suitable candidates to join its teams, with a history spanning several decades of experienced professionals having worked at Pearl Global.

Care

HerHealth: HerHealth is a programme specifically focussed on women's health, which aims to promote awareness about health and well-being among low-income families. The programme seeks to encourage the adoption of healthy habits in areas, such as living, eating, and cleaning. As part of its agenda to reach the target audience, HerHealth programmes are scheduled periodically in each of Pearl Global's factory units located in India, Indonesia & Bangladesh.

Fair Trading Practices: Pearl Global takes pride in its transparent processes and proactive approaches. The Company places a high value on building strong relationships with clients and strives to exceed their expectations through hard work and dedication.

Awareness Camps: Pearl Global recognises that education on various social issues is critical to



sustaining the positive aspects of society. The Company regularly organises educational camps and workshops for its workers on a range of topics, which include gender equality, drug abuse, sexual harassment, appropriate sexual conduct, women empowerment, and general health awareness.

INTERNAL CONTROL SYSTEM

Pearl Global possesses robust internal control systems that effectively oversee the accurate recording, authorisation, and reporting of transactions, as well as safeguarding Pearl Global's assets. Furthermore, the implementation of SAP in its manufacturing units has been successfully executed, and the Company is committed to continuously upgrading this system. To ensure adherence to internal control procedures, the Company has appointed Ernst & Young (E&Y) as its internal auditor for its India and Bangladesh operations, and as its statutory auditor in Hong Kong. It has also appointed Deloitte as its statutory auditor in Vietnam. The audit findings are periodically reviewed, and measures are taken to ensure compliance.

CAUTIONARY 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 realised. Actual results, performance, or achievements could differ materially from those projected in any such forward-looking statements.



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

CIN: L74899DL1989PLC036849

NOTICE TO MEMBERS

Notice is hereby given that the 34th Annual General Meeting (AGM) of the Members of Pearl Global Industries Limited will be held on Monday, July 31, 2023, at 5:00 PM IST through Video Conferencing ("VC")/other Audio-Visual Means ("OAVM") ("hereinafter referred to as "electronic mode") to transact the following businesses:

ORDINARY BUSINESS

- To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2023, including the Reports of the Board of Directors and Auditors thereon.
- To appoint a Director in place of Mr. Pallab Banerjee (DIN 07193749), who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Mr. Deepak Kumar (DIN 09497467), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. Adoption of New Set of Memorandum of Association of the Company in pursuance to the provisions of Companies Act, 2013

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

"RESOLVED THAT pursuant to the provisions of Section 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the Table A of the Schedule I of the Act, consent of the Members be and is hereby accorded for adoption of the new set of Memorandum of Association of the Company, by replacing the existing set of Memorandum of Association, which shall *Inter-alia* include.

- Renaming of Clause III (A), III (B) and Clause IV of the Memorandum of Association of the Company, as under:

Clause III (A)	-	The objects to be pursued by the Company on its incorporation are:
Clause III (B)	-	Matters which are necessary for furtherance of the objects specified in Clause III (A) are:
Clause IV	-	The liability of the member(s) is limited, and this liability is limited to the amount unpaid, if any, on the shares held by them.

- Deletion of clause III (C) – "Other Objects of the Company not included in 'A' and 'B' above".
- Substitution of words "Companies Act, 1956" and ancillary provisions with the words "Companies Act, 2013" and ancillary provisions as appearing in the existing Memorandum of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors and Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be deemed necessary and/or expedient and to settle any question, difficulty or doubt that may arise in regard thereto, without requiring to seek any further approval of the Members of the Company or otherwise, including acceptance of any changes as may be suggested by the Registrar of Companies and/or any other competent authority, for the purpose of giving effect to this Resolution."

5. Adoption of New Set of Articles of Association of the Company in pursuance to the provisions of Companies Act, 2013

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

"RESOLVED THAT pursuant to the provisions of Sections 5, 14 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and rules thereunder including any statutory modification(s) or re-enactment(s) thereof and subject to necessary approval(s), as may be required, from the competent authorities, if any, approval of the Members of the Company be and is hereby accorded for adoption of



NOTICE (Contd.)

new Articles of Association, in substitution of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors and Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be deemed necessary and/or expedient and to settle any question, difficulty or doubt that may arise in regard thereto, without requiring to seek any further approval of the Members of the Company or otherwise, including acceptance of any changes as may be suggested by the Registrar of Companies and/or any other competent authority, for the purpose of giving effect to this Resolution."

6. Revision in remuneration of Mr. Pallab Banerjee (DIN 07193749), Managing Director of the Company

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

"RESOLVED THAT in continuation of resolution passed by the Members on March 31, 2022, relating to appointment and remuneration of Mr. Pallab Banerjee (DIN: 07193749) as Managing Director of the Company and pursuant to the provisions of Section 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, applicable provisions of 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 Articles of Association of the Company and based on the recommendation of Nomination and Remuneration Committee ("NRC") and the Board of Directors ("Board") of the Company, approval of the Members of the Company be and is hereby accorded for revision in remuneration of Mr. Pallab Banerjee as Managing Director of the Company for a period of two (2) years, with effect from April 01, 2023 to March 31, 2025 (both days inclusive), as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting.

RESOLVED FURTHER THAT the other terms and conditions, as approved by the Members with respect to the appointment of Mr. Pallab Banerjee, Managing Director on March 31, 2022 shall remain the same.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during his term of appointment, overall remuneration by way of salary, perquisites and allowances will be paid to Mr.

Pallab Banerjee, Managing Director, as the minimum remuneration, in accordance with the provisions of the Act and the Listing Regulations.

RESOLVED FURTHER THAT the Board/NRC be and is hereby authorised to regulate the payment of remuneration to Mr. Pallab Banerjee, within the approved limits from time to time.

RESOLVED FURTHER THAT the Board of the Company (which includes a Committee, constituted for the time being in force) be and is hereby authorised to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

7. Re-appointment of Mr. Shailesh Kumar, as Whole-Time Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 2(94) 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, applicable provisions of 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 Articles of Association of the Company and based on the recommendation of Nomination and Remuneration Committee ("NRC") and the Board of Directors ("Board") of the Company, approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Shailesh Kumar (DIN 08897225) as Whole-Time Director of the Company for a period of three years, commencing from October 07, 2023 on such terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting with liberty to the Board of Directors (including Committee) to alter and vary the terms and conditions of the said re-appointment /remuneration in such manner as deemed fit necessary.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during his term of appointment, overall remuneration by way of salary, perquisites and allowances will be paid to Mr.

NOTICE (Contd.)

Shailesh Kumar, Whole Time Director, as the minimum remuneration, in accordance with the provisions of the Act and the Listing Regulations.

RESOLVED FURTHER THAT the Board/NRC be and is hereby authorised to regulate the payment of remuneration to Mr. Shailesh Kumar, within the limits, from time to time.

RESOLVED FURTHER THAT the Board of the Company (which includes a Committee, constituted for the time being in force) be and is hereby authorised to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

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

(Shilpa Budhia)

Company Secretary

ICSI Mem. No. A23564

Place: Gurugram

Date: May 15, 2023

NOTES:

- Pursuant to the General Circular No. 10/2022 dated December 28, 2022, issued by the Ministry of Corporate Affairs (MCA) and Circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 issued by SEBI (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC.
- Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
- The relevant details, pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/re-appointment at this AGM is annexed herewith.
- Pursuant to the provisions of the Companies Act, 2013 (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.
- Corporate members intending to send their authorised 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. authorising 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 with a copy marked to evoting@nsdl.co.in.
- The Members may join the 34th 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 34th AGM and the Company may close the window for joining the VC/ OAVM facility 30 (thirty) minutes after the scheduled time to start the 34th 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 34th AGM without any restriction on account of 'first come first served' basis.
- The attendance of the Members participating in the 34th AGM through VC/ OAVM facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 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. Monday, July 24, 2023. A person who is not a member as on the cut-off date is requested to treat this Notice for information purposes only.
- In compliance with the Circulars, the Annual Report 2022-23, the Notice of the 34th AGM, and instructions for e-voting are being sent through electronic mode to those members whose email addresses are registered with the Company / Depository Participant(s) (DP).
- Members may please note that the Annual Report including Notice of the 34th AGM of the Company will also be available on the website of the Company at



NOTICE (Contd.)

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.

11. We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective DP, and members holding shares in physical mode are requested to update their email addresses with the Company's Registrar & Share Transfer Agents (RTA), Link Intime India Private Limited at delhi@linkintime.co.in, to receive copies of the Annual Report 2022-23 in electronic mode. Members may follow the process detailed below for registration of email ID to obtain the report and update of bank account details for the receipt of dividend.

Type of holder	Process to be followed
Physical	For availing the following investor services, send a written request in the prescribed forms to the RTA of the Company, Link Intime India Private Limited either by email to delhi@linkintime.co.in or by post to Link Intime India Private Limited, Noble Heights, 1 st floor, Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi – 110058
	Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode
	Form ISR-1
	Update of signature of securities holder
	Form ISR-2
	For nomination as provided in Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014
	Form SH-13
Demat	Declaration to opt out
	Form ISR-3
	Cancellation of nomination by the holder(s) (along with ISR-3) / Change of nominee
	Form SH-14
Physical	Form for requesting issue of duplicate certificate and other service requests for shares / debentures / bonds, etc., held in physical form
	Form ISR-4
Demat	Please contact your DP and register your email address and bank account details in your demat account, as per the process advised by your DP.
	-

12. 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 RTA, Link Intime India Private Limited.

SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by October 01, 2023, and linking PAN with Aadhaar by June 30, 2023 vide its circular dated March 16, 2023. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's RTA, Link Intime India Private Limited, at delhi@linkintime.co.in. The forms for updating the same are available at <https://www.pearlglobal.com/investor-relations/>. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DP. In case a holder of physical securities fails to furnish PAN and KYC details before October 01, 2023 or link their PAN with Aadhaar before June 30, 2023, in accordance

with the SEBI circular dated March 16, 2023, RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the RTA / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

13. In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialised form with effect from April 01, 2019. In view of the above, Members are advised to dematerialise shares held by them in physical form.
14. The Members may please note that the Company has declared the following dividends during the year in compliance with the Dividend Distribution Policy:

NOTICE (Contd.)

Particulars	1 st Interim Dividend	2 nd Interim Dividend
Date of Declaration	November 11, 2022	May 15, 2023
Record Date	November 23, 2022	May 26, 2023
Rate of Dividend per share (Face Value of ₹ 10 per share)	₹ 2.5/- per Equity Share	₹ 5/- per Equity Share
%	25	50
Total Payout (₹ in Lakhs)	541.60	1083.20

Members are requested to note that in terms of Section 124 and 125 of the Act, 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 MCA.

The Company has been transferring the unpaid or unclaimed dividends from time to time on due dates to the IEPF. Information in respect of unclaimed dividend including when due for transfer to the IEPF is given below:

Financial year ended	Rate of Dividend per equity share	Date of declaration of Dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEPF
31.03.2016	₹2.50/- (Interim)	11.03.2016	09.04.2023	08.05.2023
31.03.2016	₹0.50/- (Final)	27.09.2016	26.10.2023	25.11.2023
31.03.2017	₹3.00/- (Final)	28.09.2017	27.10.2024	26.11.2024
31.03.2018	₹2.00/- (Final)	24.09.2018	23.10.2025	22.11.2025
31.03.2019	₹3.00/- (Final)	24.09.2019	23.10.2026	22.11.2026
31.03.2022	₹5.00/- (Interim)	25.05.2022	24.06.2029	23.07.2029
31.03.2023	₹2.50/- (Interim)	11.11.2022	10.12.2029	09.01.2030
31.03.2023	₹5.00/- (Interim)	15.05.2023	14.06.2030	13.07.2030

Members who have not claimed their dividend so far, are requested to make their claim to the Company or to the RTA of the Company at Link Intime India Private Limited, Noble Heights, 1st Floor, Plot NH-2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi-110058.

15. Members who wish to obtain any information about the Company or the financial statements for the financial year ended March 31, 2023, may send their queries at investor.pgil@pearlglobal.com at least 7 (Seven) days before the date of 34th AGM. The same will be replied by/ on behalf of the Company suitably.
16. In case of joint holders attending the 34th 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.

17. E-VOTING

In compliance with provisions of Section 108 of the 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 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 34th AGM using electronic voting system ('remote e-voting') and e-voting (during the 34th AGM), provided by NSDL and the businesses may be transacted through such voting.

Only those Members who will be present in the 34th 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 34th AGM.

The voting period begins on Friday, July 28, 2023 (9.00 AM IST) and ends on Sunday, July 30, 2023 (5.00 PM IST). During this period, Members holding shares either in physical or dematerialised form, as on cut-off date, i.e., as on Monday, July 24, 2023 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 34th 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 evoting@nsdl.co.in. However, if a member is already registered with NSDL for e-voting, then he/she can use existing user id and password/ PIN for casting the vote.



NOTICE (Contd.)

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	- Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - If you are 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.



NOTICE (Contd.)

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing User Id and Password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi Username & Password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on 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 able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
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. upon logging in, you will be able to see e-Voting option. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

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 022 - 4886 7000 and 022 - 2499 7000
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 toll free no. 1800 22 55 33



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B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**How to Log-in to NSDL e-Voting website?**

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open

the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a. Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

NOTICE (Contd.)

- b. **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button.
 9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join AGM on NSDL e-Voting system.

How to cast your vote electronically and join AGM on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser CS Jayant Sood (C.P. No. 22410) proprietor of M/s Jayant Sood and Associates (Company Secretaries) by e-mail to jayantksood@benchwalklaw.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Pallavi Mhatre at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor.pgil@pearlglobal.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to



NOTICE (Contd.)

(investor.pgil@pearlglobal.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM 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 system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are

requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (investor.pgil@pearlglobal.com). The same will be replied by the Company suitably.
 - a. Shareholders who would like to speak during the meeting must register their request 7(Seven) days in advance i.e. on or before July 24, 2023, with the Company on the specific email id i.e. investor.pgil@pearlglobal.com.
 - b. Shareholders will get confirmation on first cum first basis.
 - c. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
 - d. 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.

18. CS Jayant Sood (C.P. No. 22410) proprietor of M/s Jayant Sood and Associates (Company Secretaries)

NOTICE (Contd.)

has been appointed as the Scrutiniser to scrutinise the remote e-voting process and voting during 34th AGM in a fair and transparent manner.

19. The Scrutiniser 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 Scrutiniser'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.

20. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutiniser's Report shall be placed immediately on the Company's website www.pearlglobal.com and on the website of NSDL and communicated to the BSE Limited and National Stock Exchange of India Limited simultaneously.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013 the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No. 4 to 7 of the accompanying Notice dated May 15, 2023:

Item No.s. 4 & 5

Consequent to the enactment of the Companies Act, 2013 (the Act) and subsequent amendments thereof, the regulatory provisions have undergone comprehensive changes which necessitates several amendments in the Memorandum of Association ("MOA") and Articles of Association ("AOA") of the Company including deletion of certain redundant Articles in the AOA and alignment of objects clause in the MOA. Pursuant to the provisions of the Section 13 & 14 and other applicable provisions, if any, of the Act and rules made thereunder, approval(s) of the Members of the Company by means of a Special Resolution is required for alteration of MOA and AOA by adoption of new set of MOA & AOA in substitution of existing MOA and AOA so that the new MOA and AOA are consistent and in alignment with the provisions of the Act and the rules made thereunder.

Copy of the proposed MOA and AOA is available on the website of the Company at <https://www.pearlglobal.com/investor-relations/> and would also be available at the Registered Office of the Company for inspection by the Members during the business hours up to the date of the AGM.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item Nos. 4 & 5 of the Notice.

The Board recommends the resolution set out at item nos. 4 & 5 of the Notice for approval of the Members as a Special Resolution.

Item No. 6

Mr. Pallab Banerjee is currently the Managing Director of the Company. He was appointed as the Managing Director for a period of 3 (three) years at a remuneration not exceeding ₹ 2.75 crores per annum for a period of three years with effect from April 01, 2022 to March 31, 2025.

Further, Mr. Pallab Banerjee had been granted 60,000 Stock options at a face value of ₹ 10/- each under Pearl Global Industries Limited Employee Stock Option Plan 2022 ("ESOP 2022") which will be vested equally over a period of 4 years with effect from October 10, 2023, on the criteria as laid down by the Nomination and Remuneration Committee of the Company.

The Board of Directors at its meeting held on May 15, 2023, considered and recommended payment of remuneration upto ₹ 3.75 crores per annum to Mr. Pallab Banerjee for a period of two years with effect from April 01, 2023 till March 31, 2025, upon the recommendation of Nomination and Remuneration Committee as per the details given below:

- A) Gross salary upto ₹ 3.75 Crores p.a. (Basic Salary, Perquisites, Allowances, Variable pay/Bonus);
- B) Apart from the above, Perquisite value on Stock Options, if any, arising on account of exercise of Stock Options vested on or before March 31, 2025;
- C) Reimbursement of actual business expenses of Conveyance including Driver and Entertainment reimbursement, Provident Fund & Gratuity and other benefits as per Company's rules.

**NOTICE (Contd.)**

Mr. Pallab Banerjee's three decades of experience in the apparel industry has provided him with strategic thinking and keen market analysis that can help the Company to navigate the ever-changing industry landscape effectively. He has built a knack for identifying emerging global trends and leveraging them to the Company's advantage, ensuring that the Company stays ahead of the competition.

Based on the strong performance of the Company in terms of operational efficiency across geographies, better profitability on account of higher realisation, under the leadership of Mr. Pallab Banerjee, the Committee considered and recommended to the Board for increase in his remuneration as mentioned above.

The board, in its discretion, shall regulate the remuneration, from time to time, within the aforementioned limits prescribed.

The proposed remuneration of Mr. Pallab Banerjee is aligned with the current and emerging remuneration practices and trends for similar positions in the corporate sector in India, as well as Nomination and Remuneration Policy of the Company as prescribed under the Companies Act, 2013 (the Act) and Listing Regulations.

Shareholders' approval is sought for revision in remuneration of Mr. Pallab Banerjee as Managing Director of the Company. The Remuneration payable to Mr. Pallab Banerjee is within the limits as provided under Section 196, 197 and 203 read with Schedule V and other applicable provisions of the Act.

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

Additional information with respect to Mr. Pallab Banerjee, pursuant to Regulation 36(3) of Listing Regulations, and Secretarial Standard 2 issued by ICSI is annexed as Annexure-1 to this Notice.

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

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

As prescribed by the Ministry of Corporate Affairs (MCA) Circular No. 20/2020 dated May 05, 2020, the copies of the resolutions passed at the meeting of the NRC and the Board of Directors shall be made available for inspection of the Members through electronic mode.

Statement Pursuant to Section II of Part II of Schedule V of the Companies Act, 2013, is provided in the notice.

Item No. 7

Mr. Shailesh Kumar was initially appointed as a Whole-Time Director of the Company with effect from October 07, 2020 for a period of three years. His tenure will get over on October 06, 2023. Considering his valuable contribution and expertise in field of HR, the Board of Directors at its meeting held on May 15, 2023, based on the recommendation of Nomination and Remuneration Committee, have approved the re-appointment of Mr. Shailesh Kumar (DIN 08897225) as a Whole-Time Director of the Company, with effect from October 07, 2023 for a further period of three years at a remuneration as detailed below, subject to approval of the members.

- A) Gross salary upto ₹ 30 Lakhs p.a. (Basic Salary, Perquisites, allowances, variable pay)
- B) Reimbursement of actual business expenses of Conveyance including Driver and Entertainment reimbursement, Provident Fund & Gratuity and other benefits as per Company's rules.

The board, in its discretion, shall regulate the remuneration, from time to time, within the aforementioned limits prescribed.

Mr. Shailesh Kumar is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 (the Act) Further, the Company has received all the necessary disclosures under the Act and Listing Regulations pertaining to his re-appointment.

Shareholders' approval is sought for re-appointment of Mr. Shailesh Kumar as Whole Time Director and payment of remuneration. The proposed remuneration is within the limits as provided under Section 196, 197 and 203 read with Schedule V and other applicable provisions of the the Act.

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. Shailesh Kumar under Section 190 of the the Act.

Additional information with respect to Mr. Shailesh Kumar, pursuant to Regulation 36(3) of the Listing Regulations, and Secretarial Standard 2 issued by ICSI is annexed as Annexure-1 to this Notice.

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

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

As prescribed by the Ministry of Corporate Affairs (MCA) Circular No. 20/2020 dated May 05, 2020, the copies of the

NOTICE (Contd.)

resolutions passed at the meeting of the Nomination and Remuneration Committee and the Board of Directors shall be made available for inspection of the Members through electronic mode.

Statement Pursuant to Section II of Part II of Schedule V of the Companies Act, 2013, is provided below:

Statement pursuant to the provisions of 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 Ready to Wear Apparels.					
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 December 07, 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	(₹ in Lakhs)					
		2022-23		2021-22		2020-21	
		Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
	Revenue from operations	1,10,377.07	3,15,840.92	93377.06	271352.90	77140.04	149092.65
	Profit Before Tax	6,167.05	17,584.92	3610.59	8581.82	-919.52	1135.56
	Profit After Tax	5,381.65	15,299.22	2715.78	7010.88	77.40	1748.32
5.	Foreign investments or collaborators, if any	Apart from holding 31,93,718 equity shares of ₹10/- each of your Company by 84 NRI/FPI/ Members/Folios representing approx 14.74% of the total paid up Capital of the Company as on March 31, 2023, there is no other foreign investment in the Company.					
II.	INFORMATION ABOUT THE APPOINTEE						
	Information	Mr. Pallab Banerjee			Mr. Shailesh Kumar		
1.	Background Details	Mr. Pallab Banerjee, aged about 54 years, holds B.Sc. (Hons) degree and Postgraduate in Apparel Manufacturing and Marketing from NIFT and Financial Management from eCornel. Having three decades of experience in the apparel industry has provided him with strategic thinking and keen market analysis that can help the Company to navigate the ever-changing industry landscape effectively. He has built a knack for identifying emerging global trends and leveraging them to our advantage, ensuring that the Company can stay ahead of the competition. He is the Managing Director of the Company and overseeing the operations of the Company.			Mr. Shailesh Kumar, aged about 53 years, holds Bachelor degree in Science from Magadh University, Post Graduate Diploma in Personnel Management & Industrial Relations from LNMI Patna and Diploma in Labour Laws with Administrative Law from Annamalai University and having more than 29 years of experience in the field of HR and Personnel Management and Labour Laws Compliances. He is the Whole Time Director of the Company. He is overseeing day-to-day affairs of HR functions and the factory affairs of the Company.		
2.	Past Remuneration	₹ 2.75 crores p.a.			₹ 18 Lakh p.a.		
3.	Recognition or Awards	N.A.			N.A		



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4.	Job Profile and their Suitability	Mr. Pallab Banerjee, Managing Director, is responsible for overall operations and management of the Company and shall perform such duties and services as shall from time to time be entrusted to him by the Board of Directors of the Company.	Mr. Shailesh Kumar, Whole Time Director shall manage the day-to-day affairs of the HR functions and factory affairs of the Company and shall also carry out all duties and functions subject to the supervision, control and directions of the Board of Directors of the Company.
5.	Remuneration Proposed	As per the explanatory statement as set out in item no. 6	As per the explanatory statement as set out in item no. 7
6.	Comparative Remuneration profile with respect to industry, size of the Company profile of position and person	Considering 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.	Considering the experience and responsibilities of Mr. Shailesh Kumar 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.	NIL	NIL
III	OTHER INFORMATION		
1.	Reasons of loss or inadequate profits	The profit on standalone basis is inadequate, however on group level, the performance of the Company was exceptionally well. The revenue segmentation of India Business is majorly from outside India, in a highly competitive and transparent industry, leaving a lower space for margins for India Entity.	
2.	Steps taken or proposed to be undertaken for improvements	The Company is taking suitable steps for increasing the profit of the Company like operational efficiencies, better products mix, new customer addition.	
3.	Expected increase in productivity and profits in measurable terms	On standalone basis, the Sales Turnover of your Company during the year 2022-23 was ₹ 1,10,377.07 Lakhs. The Company's Profit after tax was ₹5,381.65 Lakhs for the financial year 2022-23. Considering the current year growth, the Company is targeting a revenue growth of 15-20% CAGR over the next 3 to 4 years.	
IV	DISCLOSURES		
	The Disclosures under point no. IV of Section II of Part II of Schedule V of the Companies Act, 2013 is detailed in Corporate Governance Report included in Annual Report 2022-23.		

The Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor.

This Explanatory Statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Act.

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ANNEXURE 1

Details of Directors seeking appointment/re-appointment including variation as required under the terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard issued by ICSI under Item Nos. 2, 3, 6 & 7 of the accompanying Notice.

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting

Name of the Directors	Mr. Pallab Banerjee (DIN 07193749)	Mr. Deepak Kumar (DIN 09497467)	Mr. Shailesh Kumar (DIN 08897225)
Age	54 years	42 years	53 years
Qualifications	Bachelor's from Delhi University and Diploma holder in Apparel Marketing & Merchandising from NIFT, Financial Management from E Cornell.	Bachelor degree in Science from MDU Rohtak, Post Graduate from Symbiosis Pune.	Bachelor degree in Science from Magadh University, Post Graduate Diploma in Personnel Management & Industrial Relations from LNMI Patna and Diploma in Labour Laws with Administrative Law from Annamalai University.
Experience (including expertise in specific functional area) / Brief resume	He has been in the Apparel Industry for three decades with experience in Supply Chain Strategic Solutions. He is able to devise competitive, long term strategies, with the unique ability to identify trends that the brands pick on and develop.	He has been in corporate industry for the last two decades particularly in the field of Administrative activities.	He has more than 29 years of experience in the field of HR and Personnel Management and Labour Laws Compliances.
Date of first appointment on the Board	01/10/2021	14/02/2022	07/10/2020
Shareholding of non-executive directors in the listed entity, including shareholding as a beneficial owner as on March 31, 2023	Being an Executive Director, he holds 10354 shares	NIL	NIL
Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign companies) Memberships/ Chairmanships of committees across all companies	He holds directorship in the following Companies: (i) Pearl Global Kaushal Vikas Limited (ii) SBUYS E-Commerce Limited (iii) SEAD Apparels Private Limited He holds membership in Finance Committee and Risk Management Committee of the Company.	NIL	NIL
Directorships held in listed entities from which the person has resigned in the past three years	NIL	NIL	NIL
Inter-se relationships between Directors, Manager and other Key Managerial Personnel	None	None	None



NOTICE (Contd.)

No. of Board Meetings attended during the financial year 2022-23	6	4	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.	All terms and conditions of appointment as per applicable policies of the Company. As a Director he is liable to retire by rotation.	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	Last drawn remuneration: ₹267.13 Lakh p.a. Proposed remuneration: As detailed in explanatory statement item no. 6.	Last drawn remuneration: ₹ 21.74 Lakh p.a Proposed remuneration: No change in existing remuneration.	Last drawn remuneration: ₹ 16.39 Lakh p.a. Proposed Remuneration: As detailed in explanatory statement item no. 7.

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their 34th Annual Report on the business and operations of the company together with the Audited Financial Statements for the financial year ended March 31, 2023.

FINANCIAL RESULTS

(₹ in Lakh)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Income from operations	110,377.07	93,377.06	315,840.92	271,352.90
Other Income	3,035.51	3,204.83	2,280.99	3,345.94
Total Income	113,412.58	96,581.89	318,121.91	274,698.84
EBITDA	6,959.91	4,098.96	25,553.50	14,058.11
Profit before Tax	6,167.05	3,610.59	17,584.92	8,581.82
Provision for Tax	785.40	894.81	2,285.70	1,570.94
Net Profit /(loss) for the period	5,381.65	2,715.78	15,299.22	7,010.88
Earnings per share	24.84	12.54	68.90	31.46

FINANCIAL PERFORMANCE, STATE OF THE AFFAIRS OF THE COMPANY AND FUTURE OUTLOOK

During the year, your Company's consolidated income from operations was ₹ 315,840.92 Lakh as against ₹ 271,352.90 Lakh in the previous year and Net Profit ₹ 15,299.22 Lakh as against Net Profit ₹ 7,010.88 Lakh in the previous year.

Further, during the year, your Company's standalone income from operations was ₹ 110,377.07 Lakh as compared to ₹ 93,377.06 Lakh in the previous year and Net Profit ₹ 5,381.65 Lakh as compared to Net Profit ₹ 2,715.78 Lakh in the previous year.

The Company has reported highest ever revenue since inception on account of:

- Improved product mix, higher realisation per unit and improved capacity utilisation from Bangladesh and Vietnam;
- Increased orders from existing customers;
- Addition of new strategic customers with better realisations;
- Integration from Alpha acquisition in financials

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.

PGIL, is a worldwide clothing manufacturing corporation that provides end-to-end supply chain solutions to global brands with its integrated production capabilities centered on

Design and Development, Global Manufacturing, Marketing and Distribution, and Sourcing and Supply Chain. The Company develops apparels for all genders and age groups across locations and style preferences. The Company has twenty-three state-of-the-art manufacturing plants across four countries including India (Gurugram, Chennai and Bengaluru), Bangladesh, Vietnam and Indonesia and has design centers in India, Indonesia, Bangladesh, Vietnam, U.S.A (New York), Spain, Hong Kong and U.K.

Our product portfolio includes Knits, Wovens, Denim, Outerwear, Activewear & Athleisure. We are a well-diversified company with a de-risked manufacturing base having multinational presence. Our business is primarily focused on export of apparels with USA contributing the highest amongst all countries. Marquee Clientele includes Kohls, Macy's, Tommy Hilfiger, Gap, Old Navy, NEXT, Nordstrom among others. We have a total capacity to manufacture around 6.68 Million garments per month (80.1 Million garments per annum including own and partnership facilities).

The Company is continuously striving to add more strategic customers and growing manufacturing facilities to manage more complex processes, which will not only help us improve per-piece realisations, but also enable us to better serve our customers' evolving needs. Pearl Global aims to leverage expansion opportunities by exploring near shore manufacturing facilities and brownfield acquisitions where opportunities exist, thus adding value to its growth. Furthermore, Pearl Global is strengthening its partnership model in overseas countries to serve its customers by meeting all their requirements also maximising the return for the investors with improved return ratios.



DIRECTORS' REPORT (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.

CREDIT RATING

During the year, ICRA upgraded the Long-Term Credit Rating to BBB+ (Stable) from [ICRA] BBB (Stable) and Short Term Rating A2 from [ICRA] A3+ of the Company.

TRANSFER TO GENERAL RESERVES

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

DIVIDEND DISTRIBUTION POLICY

The Company has a Dividend Distribution Policy as required under Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the Listing Regulations) as amended from time to time.

The Dividend Distribution Policy may be accessed on the Company's website at <https://www.pearlglobal.com/wp-content/uploads/2021/10/Dividend-Distribution-Policy.pdf>.

DIVIDEND

The Company has declared the following dividends for the year in compliance with the Dividend Distribution Policy:

Particulars	1 st Interim Dividend	2 nd Interim Dividend
Date of Declaration	November 11, 2022	May 15, 2023
Record Date	November 23, 2022	May 26, 2023
Rate of Dividend per share (Face Value of ₹ 10 per share)	₹ 2.5/- per Equity Share	₹ 5/- per Equity Share
%	25	50
*Total Payout (₹ in Lakhs)	541.60	1,083.20

* Includes Dividend received from the overseas Subsidiaries.

Pursuant to the Finance Act, 2020, dividend is taxable in the hands of the shareholders with effective from April 01, 2020 and tax has been deducted at source on the Dividend at prevailing tax rates inclusive of applicable surcharge and cess based on information received by the Registrar & Transfer Agent and the Company from the Depositories.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Pallab Banerjee (DIN: 07193749) was appointed as Managing Director for a period of three years, w.e.f. April 01, 2022.

Mr. Shailesh Kumar (DIN: 08897225) was appointed as a Whole Time Director for a period of three years effective from October 07, 2020. The tenure of Mr. Shailesh Kumar will be completed on October 06, 2023. Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board has approved the re-appointment of Mr. Shailesh Kumar (DIN: 08897225) as a Whole Time Director (Key Managerial Personnel) for a period of 3 years effective from October 07, 2023, subject to the approval of the Shareholders in the forthcoming Annual General Meeting ("AGM"). The Brief profile of Mr. Shailesh Kumar has been provided in the AGM Notice.

Further, in accordance with the provisions of Section 152 of the Companies Act, 2013 (the Act) and the Company's Articles of Association, Mr. Pallab Banerjee (DIN: 07193749) and Mr. Deepak Kumar (DIN: 09497467), Directors, retire by rotation at the forthcoming AGM and being eligible, offer themselves for re-appointment. The Board recommends the proposal of their re-appointment for the consideration of the Members of the Company at the forthcoming AGM and same has been mentioned in the Notice convening the AGM. A brief profile of Mr. Pallab Banerjee (DIN: 07193749) and Mr. Deepak Kumar (DIN: 09497467) has also been provided in the AGM notice.

The Company has received necessary declaration from Independent Directors of the Company that they meet with the criteria of their Independence as laid down in Section 149(6) of the Act and Regulation 25(8) of the Listing Regulations.

None of the aforesaid Directors are disqualified under Section 164(2) of the Act. Further, they are not debarred from holding the office of Director pursuant to order of SEBI or any other authority.

The Board of Directors of your Company met six times on May 25, 2022, June 03, 2022, June 30, 2022, August 13, 2022, November 11, 2022, and February 07, 2023 during the financial year 2022-23.

KEY MANAGERIAL PERSONNEL

The Board of Directors had in its meeting held on August 13, 2022, designated Mr. Sanjay Gandhi, Group CFO as Key Managerial Personnel. Mr. Sanjay Gandhi has been managing/overseeing finance functions of the Pearl Group (i.e. Company including its domestic and overseas subsidiaries).

DIRECTORS' REPORT (Contd.)

Mr. Ravi Arora who was appointed by the Board of Directors in its meeting held on February 14, 2022 as Company Secretary and Compliance officer of the Company had tendered his resignation on June 28, 2022 due to personal reasons.

Ms. Shilpa Budhia had been appointed as Company Secretary & Compliance Officer of the Company w.e.f. November 11, 2022.

As per the provisions of Section 203 of the Act Mr. Pallab Banerjee - Managing Director, Mr. Shailesh Kumar and Mr. Deepak Kumar - Whole Time Directors, Mr. Narendra Kumar Somani, Chief Financial Officer, Mr. Sanjay Gandhi-Group Chief Financial Officer (w.e.f. August 13, 2022) and Ms. Shilpa Budhia, Company Secretary (w.e.f. November 11, 2022) are the Key Managerial Personnel of the Company.

BOARD EVALUATION

The annual evaluation process of the Board of Directors, individual Directors and Committees was conducted in accordance with the provisions of the Act and the Listing Regulations.

The Board evaluated its performance after seeking inputs from all the Directors on the basis of 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 criteria such as the composition of committees, effectiveness of committee meetings, performance of specified duties, obligations and governance, level of engagement and contribution etc. The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

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 held on February 24, 2023, 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.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

At the time of appointing a Director, a formal letter of appointment is given to the concerned Director, which inter-alia explains the role, function, duties and responsibilities as expected from a Director of the Company. The Director is also explained in detail, the compliance requirements under the Act, the Listing Regulations and various statutes. A one to one discussion with the newly appointed Director to familiarise him / her with the Company's operations.

Further, on an ongoing basis as a part of Agenda of Board / Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's and its subsidiaries businesses and operations, industry and regulatory updates, strategies, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters. Details of the programme for familiarisation of Independent Directors with the working of the Company are available on the website of the Company and can be accessed on <https://www.pearlglobal.com/wp-content/uploads/2023/02/Director-Familiarisation-Programme-22-23.pdf>

NOMINATION, REMUNERATION AND BOARD DIVERSITY POLICY

The Board of Directors have framed the Nomination, Remuneration and Board Diversity policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to Executive and Non-Executive Directors (by way of sitting fees), Key Managerial Personnel and Senior Management.

The policy also provides the criteria for determining qualifications, positive attributes and Independence of Director and criteria for appointment and removal of Directors, Key Managerial Personnel / Senior Management and performance evaluation which are considered by the Nomination and Remuneration Committee and the Board of Directors.

The Policy sets out a framework that assures fair and optimum remuneration to the Directors, Key Managerial Personnel, and Senior Management Personnel such that the Company's business strategies, values, key priorities and goals are in harmony with their aspirations. The policy lays emphasis on the importance of diversity within the Board, encourages diversity of thought, experience, background, knowledge, ethnicity and perspective etc. The policy is



DIRECTORS' REPORT (Contd.)

directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high calibre talent.

A Nomination & Remuneration Policy was laid down by the Board, on the recommendation of the Nomination & Remuneration Committee, for selection and appointment of the Directors, Key Managerial Personnel and Senior Management and their remuneration. The extract of the Nomination and Remuneration Policy covering the salient features are provided in the Corporate Governance Report which forms part of Board's Report.

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 <https://www.pearlglobal.com/wp-content/uploads/2021/10/Nomination-and-Remuneration-Policy-4Mar-16.pdf>

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The Company has formulated a Code of Conduct for Directors and Senior Management Personnel and has complied with all the requirements mentioned in the code. An affirmation on the same duly signed by the Managing Director of the Company forms part of the Corporate Governance Report.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of your Company have occurred between the end of the financial year of the Company to which the financial statements relate and on the date of this report.

INTERNAL FINANCIAL CONTROLS, THEIR ADEQUACY AND RISK MANAGEMENT

Your Company has an effective internal control and risk-mitigation system, which is constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of operations. To enhance the internal control procedures, the Company has appointed Ernst & Young (E&Y) as its internal auditor for its India and Bangladesh operations.

Business risks and mitigation plans are reviewed and the internal audit processes include evaluation of all critical and high risk areas. Critical functions are rigorously reviewed and the reports of Internal Auditor are shared with the Management for timely corrective actions, if any. During the year under review, there were no elements of risk which in the opinion of the Board of Directors impact on the business and operations of the Company. Risks that arise in the

business of the Company are mitigated in accordance with the Risk Management Framework and Policy.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and evaluates the recommendations of the Risk Management Committee of the Board.

The Audit Committee suggests improvements and utilises the reports generated from a Management Information System integral to the control mechanism.

ENVIRONMENT, HEALTH AND SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Human Resources function works as a strategic partner to the business. The technical and quality demands of the industry combined with our own vision to expand significantly over the next few years have ensured that we build an agile, engaged, and energised work force.

Your company ensures that employees are aligned with the organisational culture and values whilst never losing sight of our business objectives. Technical and safety training programmes are given periodically to workers.

The Company has a robust performance evaluation process through which individual goals are aligned to organisational goals so that the individuals and the organisation grow in tandem.

During the year under review, the Industrial relations remained generally cordial.

COMMITTEES OF THE BOARD

The Board of Directors has the following Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Finance Committee

The details of the Committees of the Board along with their composition, number of meetings and attendance at the meetings are provided in the Report on Corporate Governance forming part of the Annual Report 2022-23.

DIRECTORS' REPORT (Contd.)

VIGIL MECHANISM

The Company has a Vigil Mechanism, which also incorporates a whistle blower policy in terms of Listing 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: <https://www.pearlglobal.com/investor-relations/corporate-governance/>. During the year, one complaint was received and resolved.

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 <https://www.pearlglobal.com/investor-relations/corporate-governance/>

Your Company has identified an area of hostel for women, vocational skills, education, rural development and health for the financial year 2022-23. The prescribed CSR amount for the financial year 2022-23 was ₹20.33 Lakhs. However, the Company has spent ₹133.60 Lakh during the financial year 2022-23.

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

SUBSIDIARY COMPANIES

During the year under review, the Company has acquired stake in Alpha Clothing Limited (Bangladesh) through its subsidiary Company, Pearl Global (HK) Limited. Further, the Company has also acquired stake in Trinity Clothing Limited (100%) and Pearl Grass Creations Limited (remaining 20%) through its Subsidiary Company Pearl Global (HK) Limited. Further, the Company has incorporated an Indian Subsidiary - Sead Apparels Private Limited.

During the year under review, one wholly owned subsidiary, Pearl Apparel Fashions Limited, has been voluntary liquidated by the Hon'ble NCLT Order dated December 16, 2022.

Pearl Unlimited Inc., USA, Pearl Global FZCO, UAE, has been incorporated as Step down Subsidiaries under Pearl Global (HK) Limited.

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

MATERIAL SUBSIDIARY

Pearl Global (HK) Limited and Norp Knit Industries Limited are material subsidiaries of the Company as per the thresholds laid down under the Listing Regulations for 2022-23. The Board of Directors of the Company has approved a Policy for determining material subsidiaries which is in line with the Listing Regulations as amended from time to time. The Policy can be accessed at <https://www.pearlglobal.com/wp-content/uploads/2021/10/Policy-for-determining-the-Material-Subsidiary-4Mar-16.pdf>

AUDITORS & REPORTS OF THE AUDITORS

a) STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Act, M/s. S. R. Dinodia & Co. LLP, Chartered Accountants (Firm's Registration No. 001478N/N500005) were appointed as Statutory Auditors by the members of the Company in their 33rd Annual General Meeting held on September 26, 2022, for a period of five years, with effect from financial year 2022-23.

The statutory Auditors' Reports (Consolidated & Standalone) for the financial year ended March 31, 2023 do not contain any qualification, reservation or adverse remark. The Auditors' Reports are enclosed with the financial statements in this Annual Report.

During the year under review, the Statutory Auditors have not reported any matter under Section 143(12) of the Act.

b) SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Listing Regulations, M/s Jayant Sood & Associates, Practicing Company Secretaries was appointed as Secretarial Auditors of the Company for the financial year 2022-23.

The Secretarial Audit Report submitted by M/s Jayant Sood & Associates for the Financial Year 2022-23 is annexed as Annexure-III and forms part of this report. Further, there has been no qualification, reservation, adverse remarks or disclaimer made by the Secretarial

**DIRECTORS' REPORT (Contd.)**

Auditors in their report for the financial year ended March 31, 2023.

During the year under review, the Auditors had not reported any matter under Section 143(12) of the Act.

c) INTERNAL AUDITOR

Pursuant to the provisions of Section 138 of the Act, M/s S.S. Kothari Mehta & Company, Chartered Accountants, New Delhi (FRN. 000756N), were appointed as Internal Auditors of the Company till September 30, 2022.

Further, the Board of Directors on the recommendation of Audit Committee, have appointed M/s. Ernst and Young LLP, New Delhi as Internal Auditors for a period of two years w.e.f. October 01, 2022.

d) 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 at <https://www.pearlglobal.com/investor-relations/>.

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 2022-23 in the prescribed Form MGT-7 is available on the website of the Company at <https://www.pearlglobal.com/investor-relations/>.

RELATED PARTY TRANSACTIONS

The Company in the normal course of its business enters in to related party transactions with its subsidiaries and group companies engaged in similar business and for common services. The Audit Committee approves all the Related Party Transactions in compliance with the provisions of the Act, and Listing Regulations Omnibus approval is obtained on a yearly basis for transactions which are repetitive in nature. Transactions entered into pursuant to omnibus approval are placed before the Audit Committee and the Board for review and approval/ noting on a quarterly basis.

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.

There were no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel. Details of all related party transactions are mentioned in the note no. 47 of Standalone financial statements forming part of the Annual Report. The Company has developed a robust framework through Standard

Operating Procedures for the purpose of identification and monitoring of such related party transactions.

None of the Directors have any pecuniary relationship or transactions vis-a-vis the Company except remuneration.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

DEPOSITS

The Company has not accepted any deposits falling under the Section 73 of Act and the Rules framed thereunder during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts for the financial year ended March 31, 2023, 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 March 31, 2023 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.

DIRECTORS' REPORT (Contd.)

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 2023-24 have been paid.

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited 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 Listing Regulations forms part of the Annual report.

SHARE CAPITAL

The paid-up Equity Share Capital as at March 31, 2023 stood at ₹ 2,166.39 Lakhs. There was no change in the paid-up share capital during the year.

During the year under review, the Company has neither issued any shares with differential voting rights nor sweat equity or warrants.

EMPLOYEE STOCK OPTION PLAN

Pursuant to the approval of the members by way of Postal Ballot held on August 28, 2022, your Company had implemented Pearl Global Industries Limited Employee Stock Option Plan – 2022 ("the Plan") to create, offer, grant, issue and allot under the Plan, a maximum of 727,000 (Seven Lakh Twenty -Seven Thousand) Stock Options exercisable into 727,000 (Seven Lakh Twenty -Seven Thousand) equity shares of face value ₹ 10/- each fully paid up to the eligible employees.

During the year under review, your Company has granted 413,100 (Four Lakh Thirteen Thousand One Hundred) Stock Options exercisable into 413,100 (Four Lakh Thirteen Thousand One Hundred) Equity Shares of face value of ₹ 10/- each fully paid-up to the eligible employees, at the exercise price of ₹ 300/- per Option under the plan.

Your Company has also granted 27,000 (Twenty-Seven Thousand) Stock Options exercisable into 27,000 (Twenty Seven Thousand) Equity Shares of face value of ₹ 10/- each fully paid-up to the eligible employees, at the exercise price of ₹ 325/- per Option under the Plan on May 15, 2023.

The Company has obtained a Certificate from the Secretarial Auditors of the Company that the Plan has been implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SBEB Regulations) and the resolution passed by the members of the Company.

Further, in terms of the provisions of Regulation 14 of the SBEB Regulations, the required disclosures are annexed as Annexure V.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report on the operations of the Company, as required under the Listing Regulations is provided in a separate section and forms an integral part of this Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

As per Regulation 34(2)(f) of Listing Regulations a Business Responsibility and Sustainability Report is attached and forms part of this Annual Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The Disclosure required under Section 197(12) of the Act read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as Annexure VI and forms an integral part of this Report.

The statement comprising the names of top 10 employees in terms of remuneration drawn and every persons employed throughout the year, who were in receipt of remuneration in terms of Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure 'VII' and forms an integral part of this annual report. The said Annexure is not being sent along with this annual report to the members of the Company in line with the provisions of Section 136 of the Act. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by Members at the Registered Office of the Company, 21 days before and up to the date of the ensuing Annual General Meeting during the business hours on working days. None of the employees listed in the said Annexure is a relative of any Director of the Company.

None of the employees hold (by himself/herself or along with his/her spouse and dependent children) more than two percent of the Equity Shares of the Company.



DIRECTORS' REPORT (Contd.)

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) of the Act, is annexed Annexure VIII.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

The Company has transferred unclaimed/unpaid dividend amounting to ₹3,69,306/- during the financial year 2022-23 to Investor Education and Protection Fund (IEPF) established by the Central Government, in compliance with the Act. The above said amount represents unclaimed dividend for the financial year 2014-15 which was lying with the Company for a period of seven years. Further, the Company has transferred 5,129 shares to Investor Education and Protection Fund Authority established by the Central Government, in compliance with the Act.

Any shareholder whose shares or unclaimed dividend have been transferred to the IEPF, may claim the shares under provision to Section 124(6) of the Act, or apply for refund under Section 125(3) of the Act, 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.

INSOLVENCY AND BANKRUPTCY CODE

No application has been made under the Insolvency and Bankruptcy Code. The requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable.

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 was received during the financial year 2022-23.

SECRETARIAL STANDARDS

During the year under review, your Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

ACKNOWLEDGEMENT

Your Directors wish to thank its customers, Business Associates, Members, Bankers, Government Bodies & Regulators for their continued support and faith reposed in the company. Your Directors also wish to place on record appreciation for the contribution made by Employees for their commitment and dedication towards the Company.

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

(Pulkit Seth)

Vice-Chairman
DIN 00003044

(Pallab Banerjee)

Managing Director
DIN 07193749

Place: Gurugram
Dated: May 15, 2023

ANNEXURE I

NOMINATION AND REMUNERATION POLICY

1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 (the Act) read along with the applicable rules thereto and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the listing schedule. (as amended from time to time) (the 'Listing Regulations'). 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 efforts, 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;
- 1.8. To act as compensation committee in terms with regulation 5 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

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
 - Chief Executive Officer or the Managing Director or the Manager;
 - WholeTime Director;
 - Chief Financial Officer;
 - Company Secretary; and
 - such other officer as may be prescribed.

2.5. **Senior Management** shall mean the officers and personnel of the Company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

3. Policy for appointment and removal of Director, Key Managerial Personnel (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 Managing Director or 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



Nomination and Remuneration Policy (Contd.)

re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

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

Nomination and Remuneration Policy (Contd.)

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/ Managing 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/Managing 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 Rs. 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 Director two-third 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 Chairperson of the Nomination and Remuneration Committee meeting should be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

7. FREQUENCY OF MEETINGS

The meetings 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:



Nomination and Remuneration Policy (Contd.)

- 11.1** Ensuring that there is an appropriate induction in place for new Directors, KMP 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 liable to retire 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 with respect to elements of the remuneration of the members of the Board.
- 12.2** to approve the remuneration of the Senior Management including KMP 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, KMP and Senior Management

ANNEXURE-II

ANNUAL REPORT ON CSR ACTIVITIES

1. Corporate Social Responsibility ("CSR")

Pearl Global Industries Limited recognises 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 organisations. 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 / Non Executive Director	1	1
3.	Mr. Anil Nayar	Member / Independent Director	1	1

3. Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company. <https://www.pearlglobal.com/investor-relations/>
4. Provide the executive summary along with web link(s) 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. (a) Average net profit of the Company as per section 135(5). ₹ 1,016.61 Lakh
- (b) Two percent of average net profit of the Company as per section 135(5) ₹ 20.33 Lakh
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. Nil
- (d) Amount required to be set off or the financial year, if any Nil
- (e) Total CSR obligation for the financial year (b)+(c)-(d) ₹ 20.33 Lakh
6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). ₹ 133.6 Lakhs (Spent on other than Ongoing projects)
- b) Amount spent in Administrative Overheads. Nil
- c) Amount spent on Impact Assessment, if applicable Nil
- d) Total amount spent for the Financial Year [(a)+(b)+(c)]. ₹ 133.6 Lakhs
- (e) 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.
133.60			NIL		

- (f) 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)	20.33
(ii)	Total amount spent for the Financial Year	133.60



ANNEXURE-II ANNUAL REPORT ON CSR ACTIVITIES (Contd.)

Sl. No	Particulars	Amount (in ₹/Lakh)
(iii)	Excess amount spent for the financial year [(ii)-(i)]	113.27
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	113.27

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
NIL								

8. Whether any capital assets have been created or acquired through CSR amount spent in the Financial Year: NO
9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per subsection (5) of section 135.

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

Place: Gurugram
Dated: May 15, 2023

(Pallab Banerjee)
Managing Director

(Madhulika Bhupatkar)
Chairperson of CSR Committee

ANNEXURE-III

MR-3

Secretarial Audit Report

For the Financial Period Ended March 31, 2023

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

To,

The Members,

Pearl Global Industries Limited

C-17/1, Paschimi Marg, Vasant Vihar,

New Delhi-110057

CIN: L74899DL1989PLC036849

We have conducted secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by Pearl Global Industries Limited [hereinafter referred as 'the Company']. The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company'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 and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial period ended on March 31, 2023 (commencing from April 01, 2022 to March 31, 2023), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent based on the management representation letter/confirmation received from the management, in the manner and subject to the reporting made hereinafter. The Members are requested to read Secretarial Audit Report ("Report") along with our letter dated May 15, 2023 an enclosed herewith to this Report as Annexure – A.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial period ended on March 31, 2023 according to the applicable provisions of:

- i) The Companies Act, 2013 (the 'Act') and the Rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;

- iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, as applicable;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the audit period as the Company has not issued any shares during the year under review);
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 {or the erstwhile Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014};
 - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 {or the erstwhile Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008}; (Not applicable to the Company during the audit period as the Company has not issued any debt securities during the year under review);
 - 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 clients (Not applicable since the Company is not registered as Registrar to Issue and Share Transfer Agent during the period);



ANNEXURE-III (Contd.)

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period as the Company has not delisted/ proposed to delist its equity shares during the year under review).
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the audit period as the Company has not bought back/ proposed to buy-back any of its securities during the year under review);
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. We have relied upon the representation made by the Company, its officers, and compliance reports from the management for systems and mechanism framed by the Company and basis that there are adequate systems and processes in the Company, commensurate with the size and operations of the Company, to monitor and ensure compliance of other Act, Laws and Regulations specifically applicable to the Company.
3. We have also examined compliance with the applicable clauses of the following:
- i) Secretarial Standards issued by The Institute of Company Secretaries of India, with respect to board and general meetings (hereinafter referred as 'Secretarial Standards'). We noted that the Company is generally regular in complying with the Secretarial Standards; and
- ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.
4. During the period under review, to the best of our knowledge and belief and according to the information and explanations given to us, the Company has been regular in compliance with the provisions of the Acts, Rules, Regulations, Secretarial Standards and the Listing Agreements, as mentioned above.
5. We further report that compliance of applicable financial laws including direct and indirect tax laws and maintenance of financial records and books of accounts by the Company has not been reviewed in this audit since the same has been subject to review by the Statutory Auditors and other designated professionals.
6. We further report that:
- i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including woman directors. The Changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- ii) Adequate notice is given to all directors to schedule the Board Meetings. Notice and Agenda with notes to Agenda of Board meetings was sent at least seven days in advance, and a system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.
- iii) Decisions of Board/Committee were carried through majority. We have been informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.
- iv) 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.
- v) We further report that during the audit period the Company had no specific actions having bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards, guidelines etc.

For **Jayant Sood & Associates**
Company Secretaries

(CS Jayant K Sood)
Proprietor

FCS: 4482, CP No. 22410

Date: May 15, 2023

UDIN: F004482E000294354

Peer Review Certificate No: 1061/2021

ANNEXURE-III (Contd.)

ANNEXURE –A TO SECRETARIAL AUDIT REPORT DATED MAY15, 2023

To,

The Members,

Pearl Global Industries Limited

C-17/1, Paschimi Marg, Vasant Vihar,

New Delhi-110057

CIN: L74899DL1989PLC036849

The Secretarial Audit Report dated May 15, 2023 is to be read with this Letter.

The compliance of provisions of all laws, rules, regulations and standards applicable to Pearl Global Industries Limited [hereinafter referred as 'the Company'] is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.

1. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
2. 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 followed provide a reasonable basis for the purpose of issue of the Secretarial Audit Report.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as it is taken care in the statutory audit process.
4. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
5. This Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy 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

Date: May 15, 2023

UDIN: F004482E000294354



ANNEXURE-IV

FORM NO. AOC-2

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

- 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 (₹ in Lakh)	Date of approval of the Board, if any	Amount paid as advances, if any
1	Pearl Global (HK) Limited	Wholly Owned Subsidiary	Sale of goods SAP Income Corporate Guarantee Charges	April 01, 2022 to March 31, 2023	-	40,527.33 87.98 151.58	August 14, 2021	NIL

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

Place: Gurugram
Dated: May 15, 2023

(Pulkit Seth)
Vice-Chairman
DIN 00003044

(Pallab Banerjee)
Managing Director
DIN 07193749

ANNEXURE-V

DISCLOSURE UNDER REGULATION 14 OF SEBI (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021

Sl. No.	Particulars	Pearl Global Industries Limited Stock Option Plan – 2022 ("the Plan")
1.	Any material change in the scheme(s) and whether the scheme(s) is / are in compliance with the regulations	No changes made in the Plan. Further, the Plan is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
2.	Following disclosures are made on the website of the Company: https://www.pearlglobal.com/investor-relations/	
a.	Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time. Members may refer notes to the audited financial statements prepared as per Indian Accounting Standards (Ind AS) for the financial year 2022-23, available on https://www.pearlglobal.com/investor-relations/	
b.	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time. Basic and Diluted EPS for the year ended March 31, 2023 is ₹ 24.84 and ₹ 24.77 respectively (as per Standalone Financial Statement)	
c.	Details related to the Plan:	
(i)	A description of the Plan that existed at any time during the year, including the general terms and conditions of the Plan, including -	
(a)	Date of shareholders' approval	The shareholders approved the Plan and grants to Eligible employees under regulation 6(1) of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 through Postal Ballot resolution dated August 28, 2022.
(b)	Total number of stock options approved under the Plan	The maximum number of Options approved pursuant to the Plan are 727,000 (Seven Lakhs Twenty-Seven Thousand) options.
(c)	Vesting requirements	As per the plan, vesting period shall commence after minimum One (1) year from the grant date and it shall extend upto maximum of Four (4) years from the grant date, at the discretion of and in the manner prescribed by the Nomination and Remuneration Committee (Compensation Committee).
(d)	Exercise price or pricing formula	The Exercise price for 41 3100 options granted during FY 2022-23 is ₹ 300/- per option. In any event, the Exercise price will not be below the face value of Equity Shares of the Company.
(e)	Maximum term of stock options granted	The Options granted shall vest equally over a period of 4 years subject to continued employment with the Company.
(f)	Source of shares (Primary, secondary or combination)	Primary
(g)	Variation in terms of stock options	Not Applicable



ANNEXURE-V (Contd.)

Sl. No.	Particulars	Pearl Global Industries Limited Stock Option Plan – 2022 (“the Plan”)		
(ii)	Method used to account for the Plan - Intrinsic or Fair value	Fair Market value		
(iii)	Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	The Company had opted for using the Fair value method for expensing of the options. Hence, same is not applicable.		
(iv)	Option movement during the year	Sl. No.	Particulars	Details
		1	Number of options outstanding at the beginning of the period	0
		2	Number of options granted during the year	413100
		3	Number of options forfeited / lapsed during the year	0
		4	Number of options vested during the year	0
		5	Number of options exercised during the year	0
		6	Number of shares arising as a result of exercise of options	0
		7	Money realised by exercise of options (₹), if scheme is implemented directly by the Company	0
		8	Loan repaid by the Trust during the year from exercise price received	Not applicable, The Plan is implemented directly
		9	Number of options outstanding at the end of the year	413100
		10	Number of options exercisable at the end of the year	0
(iv)	Weighted-average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Weighted average exercise price of Options outstanding at the end of the year whose exercise price is less than market price – ₹ 300/- Weighted average fair value of Options outstanding at the end of the year whose Exercise price is less than market price – ₹ 461.35/-		
(v)	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to –			

ANNEXURE-V (Contd.)

(a) senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.	(a) List of Senior Managerial Personnel to whom ESOPs are granted is given below:																																													
(b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and	(b) Not Applicable																																													
(c) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	(c) Not Applicable																																													
(vi) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:																																														
(a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	<table><tr><td></td><td>Vest 1 25.00%</td><td>Vest 2 25.00%</td><td>Vest 3 25.00%</td><td>Vest 4 25.00%</td></tr><tr><td>The weighted-average values of share price of option granted</td><td>245.76</td><td>257.29</td><td>264.44</td><td>271.62</td></tr><tr><td>Exercise price</td><td>300</td><td>300</td><td>300</td><td>300</td></tr><tr><td>Expected volatility</td><td>58.21%</td><td>57.92%</td><td>55.93%</td><td>54.70%</td></tr><tr><td>Expected option life</td><td>5 years</td><td>6 years</td><td>7 years</td><td>8 years</td></tr><tr><td>(Vesting & exercise period) in years</td><td>Vesting – 4 years Exercise – 4 years</td><td>Vesting – 4 years Exercise – 4 years</td><td>Vesting – 4 years Exercise – 4 years</td><td>Vesting – 4 years Exercise – 4 years</td></tr><tr><td>Expected dividends</td><td>0.95%</td><td>0.95%</td><td>0.95%</td><td>0.95%</td></tr><tr><td>Average Risk-free interest rate</td><td>7.05%</td><td>7.15%</td><td>7.23%</td><td>7.29%</td></tr><tr><td>Any other inputs</td><td colspan="4">Kindly refer notes to the financial statement</td></tr></table>		Vest 1 25.00%	Vest 2 25.00%	Vest 3 25.00%	Vest 4 25.00%	The weighted-average values of share price of option granted	245.76	257.29	264.44	271.62	Exercise price	300	300	300	300	Expected volatility	58.21%	57.92%	55.93%	54.70%	Expected option life	5 years	6 years	7 years	8 years	(Vesting & exercise period) in years	Vesting – 4 years Exercise – 4 years	Vesting – 4 years Exercise – 4 years	Vesting – 4 years Exercise – 4 years	Vesting – 4 years Exercise – 4 years	Expected dividends	0.95%	0.95%	0.95%	0.95%	Average Risk-free interest rate	7.05%	7.15%	7.23%	7.29%	Any other inputs	Kindly refer notes to the financial statement			
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Average Risk-free interest rate	7.05%	7.15%	7.23%	7.29%																																										
Any other inputs	Kindly refer notes to the financial statement																																													
(b) the method used and the assumptions made to incorporate the effects of expected early exercise;	b) Not Applicable																																													
(c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	c) Expected volatility was determined based on Black -Scholes model of the Company as on the date of grant using the Fair value method.																																													
(d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	d) Volatility and Risk-Free rate have been considered that takes care of Market Conditions																																													
Disclosures in respect of grants made in three years prior to IPO under each ESOS	Not applicable																																													



ANNEXURE-V (Contd.)

Sr. No.	Name of the Employee	Designation	Options granted during the year
1	Mr. Pallab Banerjee	Managing Director	60,000
2	Mr. Sanjay Gandhi	Group CFO	30,000
3	Mr. Sundeep Chatrath	CEO Knits Division (India)	20,000
4	Mr. Pankaj Bhasin	CEO Woven Division (India)	20,000
5	Mr. Sanjay Kumar Sarker	Country Director - Bangladesh Operations	20,000
6	Mr. Vikas Mehra	Chief Executive - Bangladesh Operations	20,000
7	Mr. Rajesh Vishnu Ajwani	Chief Executive Officer -Indonesia Operations	20,000
8	Mr. Gurusankar Gurumoorthy	Chief Executive Officer- Vietnam Operations	20,000
9	Mr. Amit Kumar	Director - Production (Indonesia)	17,500
10	Mr. Sreenivasan	Asst. Vice President- Bangladesh Operations	10,000
11	Mr. Pankaj Agarwal	Sr. Vice President -Merchandising	7,500
12	Ms. Renu Khosla	Vice President- Key Account	7,500
13	Mr. Rajesh Sharma	Chief Financial Officer-Bangladesh Operations	7,500
14	Mr. Kulbhushan Aggarwal	Finance Director -Vietnam Operations	7,500
15	Mr. Sumit Lath	Chief Financial Officer - Hong Kong Operations	7,500
16	Mr. Gaurav Puri	Asst.Vice President - SAP	5,000
17	Mr. Bhanu Dora	General Manager - Shipping	5,000
18	Mr. Madhusudan	Asst.Vice President - Fabric	5,000
19	Mr. Manoj Arora	Asst.Vice President - CSR	5,000
20	Ms. Sabina Chanderkant Ingale	Business Head - Bangladesh Operations	5,000
21	Ms. Nalini Vats	Vice President- Merchandising	4,000
22	Mr. Rajesh Kumar Sawani	Asst.Vice President - Quality	4,000
23	Mr. Sachin Gupta	Vice President - Merchandising	4,000

Exercise price of all aforesaid Stock options granted - ₹ 300/- per option.

ANNEXURE-VI

**[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. Pallab Banerjee (MD) 32.58x Mr. Shailesh Kumar (WTD) 5.10x Mr. Deepak Kumar (WTD) 6.55x
II	the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Mr. Pallab Banerjee (MD) NIL Mr. Shailesh Kumar (WTD) NIL Mr. Deepak Kumar (WTD) NIL Mr. Sanjay Gandhi (Group CFO) 6.24% Mr. Narendra Kumar Somani (CFO) 7.09% Ms. Shilpa Budhia (CS) NIL
III	The percentage increase in the median remuneration of employees in the financial year	The median remuneration of the employees in the financial year was increased by 5.03%.
IV	The number of permanent employees on the rolls of the Company	There were 8452 permanent employees as on March 31, 2023
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 was 5.03%. Average percentile increase in the salary of Managerial personnel in the last financial year was 7.09%
VI	The key parameters for any variable component of remuneration availed by the directors;	NIL
VII	Affirmation that the remuneration is as per the remuneration policy of the Company	The remuneration paid to Directors/employees is as per remuneration policy.

Note: No remuneration being paid to the Non-Executive Directors except sitting fee.

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

Place: Gurugram
Dated: May 15, 2023

(Pulkit Seth)
Vice-Chairman
DIN 00003044

(Pallab Banerjee)
Managing Director
DIN 07193749



ANNEXURE VIII

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 utilisation of work station for energy conservation

(ii) Steps taken by the Company for utilising 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 Crores 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	:	N.A.
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:

(₹/Lakh)		
Expenditure on R & D	2022-23	2021-22
a) Capital	NIL	NIL
b) Recurring	419.13	254.90
Total	419.13	254.90

C. Foreign Exchange Earnings and Outgo

Foreign Exchange Earnings

(₹/Lakh)		
Particulars	2022-23	2021-22
Export of Goods - FOB basis	1,00,943.77	84,129.91
Interest Income	8.07	14.40
IT/SAP Income	151.38	97.87
Total	1,01,103.22	84,242.18

Annexure VIII to the Director's Report (Contd.)

Foreign Exchange Outgo

(₹./Lakh)

Particulars	2022-23	2021-22
Imports	3,974.36	2,270.03
Foreign Travelling	58.19	37.72
EDI Expenses	92.25	10.97
Others	302.77	102.50
Total	4,427.57	2,421.22

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

Place: Gurugram
Dated: May 15, 2023

(Pulkit Seth)
Vice-Chairman
DIN 00003044

(Pallab Banerjee)
Managing Director
DIN 07193749



CORPORATE GOVERNANCE

1. CORPORATE GOVERNANCE

Pearl Global Industries Limited's ("PGIL" or "Company") governance framework enjoins the highest standards of ethical and responsible conduct of business to create value for all stakeholders. It continues to focus on good corporate governance, in line with emerging local and global standards. It understands and respects its fiduciary role in the corporate world. Besides adhering to the prescribed corporate governance practices as per Regulation 4(2) read with chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company voluntarily governs itself as per highest standards of ethical and responsible conduct of business in all facets of its operations and in all interactions with its stakeholders, including shareholders, employees, consumers, lenders and the community at large.

This report of your Company contains all the information and disclosures which are required to be given under the Companies Act, 2013 ("Act") and Listing Regulations.

2. PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The objective is to meet stakeholders' aspirations and societal expectations. Good governance practices stem from the dynamic culture and positive mindset of the organisation. We are committed to meet the aspirations of all our stakeholders. This is demonstrated in shareholder returns, better credit ratings, awards and recognitions, governance processes and an entrepreneurial performance focused work environment.

At PGIL, Corporate Governance is all about maintaining a valuable relationship and trust with all the stakeholders. We consider stakeholders as partners in our success and remain committed to maximising stakeholders' value, be it Customers, Local Communities, Employees, Suppliers & Distributors, Investors & Shareholders and Government & Regulatory Authorities.

Over the years, we have strengthened governance practices. These practices define the way business is conducted and value is generated. Stakeholders' interests are taken into account before making any business decision. PGIL has the distinction of consistently rewarding its shareholders for over three

eventful decades. Since then, PGIL has moved from one big idea to another and these milestones continue to fuel its relentless pursuit of ever-higher goals.

We believe, Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive towards achieving. Our multiple initiatives towards maintaining the highest standards of governance are detailed in this Report.

3. BOARD OF DIRECTORS

At PGIL, we believe that an active, well-informed and Independent Board is necessary to ensure highest standards of Corporate Governance. The Board of Directors of PGIL, being at the core of its Corporate Governance practice, plays the most pivotal role in overseeing how the management serves and protects the long term interests of all our stakeholders.

PGIL's Board consists of an optimal combination of Executive, Non-Executive and Independent Directors including Woman Director, representing a judicious mix of professionalism, knowledge and experience. The Directors bring in expertise in the fields of strategy, management, business development, legal, finance and economics, among others. The Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure.

Composition and Category of Directors: The composition of the Board meet the requirements of Regulation 17(1) of Listing Regulations. As on March 31, 2023, the Company's Board of Directors consists of 12 (Twelve) Directors including, Executive, Non-Executive Directors (NEDs) and Independent Directors (IDs).

The following is the percentage of Executive and Non-Executive Directors of the Company:

Category of Directors	No. of Directors	% of total no. of Directors
Executive	3	25
Non-Executive Non-Independent (Promoter)	3	25
Non-Executive Independent (including women)	6	50
Total	12	100

Note: The Chairman of the Board is Non-Executive Promoter Director.

CORPORATE GOVERNANCE (Contd.)

The details of each member of the Board as on March 31, 2023 and their attendance at the Board Meetings during the year and last AGM are provided hereunder:

Name of Director and Director Identification Number (DIN)	Executive/ Non-Executive/ Independent / Promoter	Company's shares & other convertible instruments	No. of positions held in other Public Companies			Directorship in Listed Company(ies)	
			Board [@]	Committee ^(*)		Name of the Company	Position Held
Mr. Deepak Kumar Seth (DIN: 00003021)	Promoter – Chairman & Non-Executive Director	28,62,145	3	-	2	PDS Limited (Formerly PDS Multinational Fashions Limited)	Promoter, Non-Executive Director
Mr. Pulkit Seth (DIN: 00003044)	Promoter – Vice -Chairman & Non-Executive Director	69,47,621	2	-	-	-	-
Mrs. Shifalli Seth (DIN: 01388430)	Promoter & Non-Executive Director	2,01,478	2	-	-	-	-
Mr. Pallab Banerjee# (DIN: 07193749)	Managing Director	10,354 (60,000 ESOP)	2	-	-	-	-
Mr. Shailesh Kumar (DIN: 08897225)	Whole Time Director	-	-	-	-	-	-
Mr. Deepak Kumar (DIN: 09497467)	Whole Time Director	-	-	-	-	-	-
Mr. Chittranjan Dua (DIN: 00036080)	Independent Director	-	6	2	5	TVS Motor Company Limited	Non-Executive Independent Director
						Gillette India Limited	Non-Executive Independent Director
						Procter & Gamble Hygiene and Health Care Limited	Chairman of the Board and Non-Executive Independent Director
						Sundaram -Clayton Limited	Non-Executive Independent Director
Mr. Rajendra Kumar Aneja (DIN: 00731956)	Independent Director	-	-	-	-	-	-



CORPORATE GOVERNANCE (Contd.)

Name of Director and Director Identification Number (DIN)	Executive/ Non-Executive/ Independent / Promoter	Company's shares & other convertible instruments	No. of positions held in other Public Companies			Directorship in Listed Company(ies)	
			Board [@]	Committee ^(^)		Name of the Company	Position Held
				Chairperson	Member		
Mr. Anil Nayar (DIN: 01390190)	Independent Director	-	-	-	-	-	-
Mr. Abhishek Goyal (DIN: 01928855)	Independent Director	-	1	-	-	-	-
Mrs. Madhulika Bhupatkar (DIN: 08712718)	Independent Director	-	-	-	-	-	-
Ms. Neha Khanna (DIN: 03477800)	Independent Director	-	-	-	-	-	-

(#) Mr. Pallab Banerjee was appointed as Managing Director with effect from April 01, 2022.

(@) Other Directorships does not include Foreign Companies, Bodies Corporate, Private Companies and Companies under Section 8.

(^) 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.

No convertible instruments are held by Non-Executive Directors.

None of the Directors held directorship in more than 20 (twenty) Indian companies, with not more than 10 (ten) public limited companies.

Board Meetings

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company and its subsidiaries, apart from other statutory matters as required to be deliberated and approved by the Board.

The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. The information as specified in Schedule II to the Listing Regulations is regularly made available to the Board, whenever applicable, for discussion and consideration. Video-conferencing facility as per procedure mandated under the Act, is also provided to facilitate the Directors to participate at the meetings conveniently. The Board Agenda includes an Action Taken Report comprising of actions arising from the previous Board Meetings and status updates thereof. The Chairman, Vice Chairman, Managing Director, Group Chief Financial Officer, Chief Financial Officer and Company Secretary keep the members of the Board informed about any material development/business update. from time to time.

The Board of Directors met six times during the Financial Year 2022-23 on May 25, 2022, June 03, 2022, June 30, 2022, August 13, 2022, November 11, 2022 and February 07, 2023. All meetings were held with gap of less than 120 days. The Company follows the relevant Secretarial Standards in relation to the Board Meetings.

Attendance of Directors at the Board Meetings and at the last Annual General Meeting ("AGM")

Sr. No.	Name of Directors	No. of Board Meetings		Attendance at the AGM held on September 26, 2022
		Held	Attended	
1.	Mr. Deepak Kumar Seth	6	2	Yes
2.	Mr. Pulkit Seth	6	4	Yes
3.	Mrs. Shifalli Seth	6	1	No
4.	Mr. Pallab Banerjee	6	6	Yes
5.	Mr. Shailesh Kumar	6	5	Yes

CORPORATE GOVERNANCE (Contd.)

Sr. No.	Name of Directors	No. of Board Meetings		Attendance at the AGM held on September 26, 2022
		Held	Attended	
6.	Mr. Deepak Kumar	6	4	Yes
7.	Mr. Chittranjan Dua	6	4	Yes
8.	Mr. Rajendra Kumar Aneja	6	3	Yes
9.	Mr. Anil Nayar	6	6	Yes
10.	Mr. Abhishek Goyal	6	3	Yes
11.	Mrs. Madhulika Bhupatkar	6	4	Yes
12.	Ms. Neha Khanna	6	4	Yes

Note: The AGM of the Company was held on September 26, 2022 through Video Conference (VC).

Relationship amongst Directors

Mr. Deepak Kumar Seth, Chairman, Mr. Pulkit Seth, Vice Chairman and Mrs. Shifalli Seth, Non-Executive Director are related to each other's. Mrs. Shifalli Seth is the spouse of Mr. Pulkit Seth and Mr. Pulkit Seth is the son of Mr. Deepak Kumar Seth.

Familiarisation Programme for Independent Directors

At the time of appointing a Director, a formal letter of appointment is given to the concerned Director, which inter-alia explains the role, function, duties and responsibilities as expected from a Director of the Company. The Director is also explained in detail the Compliance requirements under the Act, the Listing Regulations and various statutes. The Chairman, Vice- Chairman and Managing Director also have a one-to-one discussion with the newly appointed Director to familiarise him / her with the Company's operations.

The details of the Familiarisation Programme imparted to Independent Directors during 2022-23 is disclosed at Company's website at <https://www.pearlglobal.com/investor-relations/>

Core Skills/Expertise/Competence of the Board of Directors

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence. The Board provides leadership, strategic guidance, objective and an independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure. The Board periodically evaluates the need for change in its composition and size. The Company requires skills/expertise/competencies in the areas of strategy, finance, leadership, technology, legal and governance, human resources, etc. to efficiently carry on its core businesses. The Board comprises qualified members who bring the required skill, competence and expertise.

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 with the Board:

Name of the Director	Area of skills/expertise/competence						
	Product design, Manufacturing, Sales and Marketing	Finance	Global Business	Leadership & Strategic Planning	Technology and Innovation	Legal and Governance	Human Resource & Administration
Mr. Deepak Kumar Seth	✓	✓	✓	✓	✓	✓	✓
Mr. Pulkit Seth	✓	✓	✓	✓	✓	✓	✓
Mrs. Shifalli Seth	✓	-	✓	✓	✓	-	-
Mr. Pallab Banerjee	✓	✓	✓	✓	✓	✓	✓
Mr. Shailesh Kumar	-	-	-	-	-	✓	✓
Mr. Deepak Kumar	-	-	-	-	-	✓	✓
Mr. Anil Nayar	✓	✓	✓	✓	-	✓	-
Mr. Chittranjan Dua	-	-	✓	✓	-	✓	-
Mr. Rajendra Kumar Aneja	✓	✓	✓	✓	-	✓	-
Mr. Abhishek Goyal	-	✓	✓	✓	-	✓	-
Mrs. Madhulika Bhupatkar	-	-	✓	✓	-	✓	✓
Ms. Neha Khanna	-	✓	✓	✓	-	✓	-



CORPORATE GOVERNANCE (Contd.)

Role of Non-Executive Directors (including Independent Directors)

Non-Executive Directors play a critical role in balancing the functioning of the Board by providing their independent judgements on various matters discussed in the Board meetings like formulation of business strategies, monitoring of performances, etc. Their role, inter-alia, includes the following:

- Striking balance to the overall Board by providing independent judgement;
- Providing valuable suggestions / opinions on Company's strategies, overall performance; and
- Scrutinising the performance of management.

Directorship of Independent Directors and disclosures

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management. Further, declaration on compliance with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, regarding the requirement relating to enrolment in the Data Bank created by MCA for Independent Directors, has been received from all the Independent Directors.

None of the Independent Directors of the Company serve as an Independent Director in more than 7 (seven) listed companies. None of the Independent Directors is serving as a Whole-Time Director/Managing Director in any listed entity.

All Non-Executive Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board. All Independent Directors of the Company have been appointed as per the provisions of the Act and Listing Regulations.

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

A formal letter of appointment to Independent Directors as provided in the Act and Listing Regulations has been issued at the time of appointment and disclosed on website of the Company.

Directors and Officers Liability Insurance

As per the provisions of the Act and Listing Regulations the Company has taken a Directors and Officers Liability Insurance on behalf of all Directors including Independent Directors, Officers and Managers for indemnifying them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be held guilty in relation to the Company.

COMMITTEES OF THE BOARD

The Board of Directors have constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function within their respective Charters. These Committees play a pivotal role in the overall Management of day-to-day affairs and governance of the Company.

The Board Committees meet at regular intervals and take necessary steps to perform their duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting.

The Company has following six Board Level Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Risk Management Committee
- Corporate Social Responsibility Committee
- Finance Committee

4. AUDIT COMMITTEE

The Audit Committee has had been constituted as per Section 177 of the Act and the guidelines set out in Regulation 18 of Listing Regulations. The primary objective of the Audit Committee is to monitor and provide effective supervision of the Management's financial reporting process with a view to ensuring accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the management, the internal auditors and the Statutory Auditors and notes the processes and safeguards employed by each. All possible measures are taken by the Committee to ensure the objectivity and independence of the auditors.

CORPORATE GOVERNANCE (Contd.)

Brief description of terms of reference:

1. Reviewing with the management, quarterly/ annual financial statements before submission to the Board, focusing primarily on:
 - The Company's financial reporting process and the disclosure of its financial information, including earnings, to ensure that the financial statements are correct, sufficient and credible;
 - Reports on the Management Discussion and Analysis of financial condition, results of Operations and the Directors' Responsibility Statement;
 - Major accounting entries involving estimates based on exercise of judgment by Management;
 - Compliance with accounting standards and changes in accounting policies and practices as well as reasons thereof;
 - Draft Audit Report, qualifications, if any and significant adjustments arising out of audit;
 - Scrutinise inter corporate loans and investments; and
 - Disclosures made under the CEO and CFO certification and
 - Approval or any subsequent modification of transactions with related parties,
2. Review with the management, statutory auditor and internal auditor, adequacy of internal control systems, identify weakness or deficiencies and recommending improvements to the management.
3. Recommend the appointment/removal of the statutory auditor, fixing audit fees and approving consulting services provided by the statutory auditors' firms to the Company and its subsidiaries; evaluating auditors' performance, qualifications, experience, independence and pending proceedings relating to professional misconduct, if any.
4. Discuss with the internal auditor and senior management, significant internal audit findings and follow-up thereon.
5. Review the findings of any internal investigation into matters involving suspected fraud or irregularity or a failure of internal control systems of a material nature and report the matter to the Board.
6. Discuss with the statutory auditor before the audit commences, the nature and scope of audit, as well as conduct post-audit discussions to ascertain any area of concern.
7. Review the functioning of the Vigil Mechanism under the Whistle-Blower policy of the Company.
8. Review the financial statements and investments made by subsidiary companies and oversight relating to areas such as adequacy of the internal audit structure and function of the subsidiaries, their status of audit plan and its execution, key internal audit observations, risk management and the control environment.
9. Look into reasons for any substantial defaults in payment to the creditors, if any.
10. Review the effectiveness of the system for monitoring compliance with laws and regulations.
11. Approve the appointment of CFO after assessing the qualification, experience and background etc. of the candidate.
12. To approve and review policies in relation to the implementation of the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices ("Code") to note the dealings by Designated Persons in securities of the Company and to provide directions on any penal action to be initiated, in case of any violation of the Code.
13. Note and take on record the status reports, detailing the dealings by designated persons in securities of PGIL, as submitted by our compliance officer on a quarterly basis and to provide directions on any penalties for any violations of the Insider Trading Code. Ms. Shilpa Budhia, Company Secretary of the Company is the Compliance Officer under the Insider Trading Code.

Composition, name of Members and Chairperson

The Committee comprises 4 members, all being IDs, who are financially literate and have relevant finance and/or audit exposure. The quorum of the Committee is two members or one-third of its members, whichever is higher, with atleast two IDs. The Chairman of the Audit Committee also attended the previous Annual General Meeting of the Company. Members of the Audit Committee Meeting meet the Statutory Auditors before the quarterly financial results meetings. The Audit Committee comprises of the following members:



CORPORATE GOVERNANCE (Contd.)

Name of the Members	Designation
Mr. Anil Nayar	Chairman
Mrs. Madhulika Bhupatkar	Member
Mr. Abhishek Goyal	Member
Mr. Rajendra Kumar Aneja	Member

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

Meetings and attendance during the year

The Audit Committee met four times during the Financial Year 2022-23. The maximum gap between two Meetings was less than 120 days. During the year, the meetings of the Audit Committee were held on May 25, 2022, August 13, 2022, November 11, 2022 and February 07, 2023. The requisite quorum was present for all Meetings.

The attendance of Members at its meetings held during the year is as follows:

Name of the Member	Category	No. of Meetings entitled to attend	No. of Meetings Attended
Mr. Anil Nayar	Independent Director	4	4
Mrs. Madhulika Bhupatkar	Independent Director	4	4
Mr. Abhishek Goyal	Independent Director	4	3
Mr. Rajendra Kumar Aneja	Independent Director	4	3

5. NOMINATION AND REMUNERATION COMMITTEE**Brief description of terms of reference**

The Nomination and Remuneration Committee (NRC) of the Company functions according to its terms of reference, that defines its objective, meeting requirements, authority and power, responsibilities, reporting and evaluation functions in accordance with Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the Listing Regulations. The terms of reference as mandated under the Listing Regulations, are as follows:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel, Senior Management and other employees.

- To identify persons who are qualified to become directors and persons who may be appointed in Senior Management Position including Key Managerial Personnel in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- For every appointment of an Independent Director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may: a. use the services of an external agencies, if required; b. consider candidates from a wide range of backgrounds, having due regard to diversity; and c. consider the time commitments of the candidates
- Formulate the criteria for effective evaluation of performance of Board of Directors, its Committees and Individual Directors including Independent Directors, to be carried out either by the Board or by Nomination and Remuneration Committee or through an Independent External Agency and review its implementation and compliance. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
- To recommend to the Board of Directors, qualifications, appointment, remuneration and removal of directors, Key Managerial Personnel and persons in Senior Management positions in accordance with the Nomination and Remuneration policy.
- To devise a policy on diversity of Board of Directors.
- To carry out performance evaluation of every Director in accordance with the Nomination and Remuneration policy.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of independent directors.
- To decide the remuneration of consultants engaged by the Committee

CORPORATE GOVERNANCE (Contd.)

- To act as Compensation Committee as per Regulation 5 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 including administration and superintendence of the Employee Stock Option Plan (Plan) implemented by the Company.

Composition, name of members and Chairperson

The composition of NRC is in accordance with the provisions of Section 178(1) of the Act and Regulation 19 of the Listing Regulations. The Committee comprises 3 IDs and 1 NED.

The composition of the NRC is as follows:

Name of the Members	Designation
Mr. Abhishek Goyal	Chairman
Mr. Deepak Kumar Seth	Member
Mr. Anil Nayar	Member
Mr. Rajendra Kumar Aneja	Member

Meeting and Attendance

During the period under review, three NRC meetings were held on June 30, 2022, October 10, 2022, and November 11, 2022. The requisite quorum was present for all the meetings. The Chairman of the NRC also attended the last Annual General Meeting of the Company.

The attendance of Members at its meetings held during the year is as follows:

Name of the Member	Category	No. of Meetings entitled to attend	No. of Meetings Attended
Mr. Abhishek Goyal	Independent Director	3	3
Mr. Deepak Kumar Seth	Non-Executive Director	3	3
Mr. Anil Nayar	Independent Director	3	3
Mr. Rajendra Kumar Aneja	Independent Director	3	3

Performance evaluation criteria for Independent Directors

The performance evaluation criteria for Non-Executive Directors, including IDs, is determined by the NRC. An indicative list of factors that were evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, role in Board constituted committees,

integrity and maintenance of confidentiality and independence of behaviour and judgement.

- 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;
- 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.

In a separate meeting of independent Directors held on February 24, 2023, 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.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

Stakeholder Relationship Committee ("SRC") oversees, inter-alia, redressal of shareholders and Investor grievances, transfer/ transmission of Shares, non-receipt of dividend declared, dematerialisation/ rematerialisation of shares and other related matters. The SRC functions in accordance with Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the Listing Regulations. The roles and responsibilities of the SRC are as follows:

- Approve issue of duplicate certificates for securities and transmission of securities.
- Resolve grievances of security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review measures taken for effective exercise of voting rights by shareholders.



CORPORATE GOVERNANCE (Contd.)

- Review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the Shareholders of the Company.
- Oversee statutory compliance relating to all securities including dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund and claims made by members / investors from the said fund.
- Review movements in shareholding and ownership structures of the Company.
- Suggest and drive implementation of various investor friendly initiatives.
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

Composition, name of the Members and Chairperson

The Committee comprises 2 IDs and the 1 NED. The Chairman of the Committee is the Independent Director.

As on March 31, 2023, the committee comprises of the following members:

Name of the Director	Designation
Mr. Anil Nayar	Chairman
Mr. Pulkit Seth	Member
Mr. Rajendra Kumar Aneja	Member

Meeting and Attendance

During under the review eight SRC meetings were held on April 15, 2022, June 10, 2022, June 28, 2022, August 18, 2022, August 23, 2022, September 15, 2022, November 24, 2022 and February 22, 2023. The requisite quorum was present at all the Meetings. The Chairperson of the Stakeholders' Relationship Committee was present at the last Annual General Meeting of the Company held on September 26, 2022.

The composition of the SRC and attendance of its Members at its meetings held during the year is as follows:

Name of the Member	Category	No. of Meetings entitled to attend	No. of Meetings Attended
Mr. Anil Nayar	Independent Director	8	8
Mr. Pulkit Seth	Non-Executive Director	8	8
Mr. Rajendra Kumar Aneja	Independent Director	8	2

The Company Secretary acts as Secretary to the Committee and is also designated as Compliance Officer pursuant to the requirements of Listing Regulations.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent, Link Intime India Private Limited attend to all grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. The Minutes of Stakeholders Relationship Committee Meetings are circulated to the Board and noted by the Board of Directors.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their updated telephone numbers and e-mail addresses to facilitate prompt action.

Details of Shareholders' Complaints

There were no pending share transfers and pending requests for dematerialisation as on March 31, 2023. Shareholders'/Investors' complaints and other correspondence are normally attended to within 7 (seven) working days except those which are constrained by disputes or legal impediments.

The details of complaints received, resolved, pending during the 2022-23 is given below:

Complaints pending as on April 01, 2022	0
Complaints received during the year	0
Complaints resolved during the year	0
Complaints pending as on March 31, 2023	0

The above table includes Complaints received by the Company from SEBI SCORES and through Stock Exchanges where the securities of the Company are listed.

CORPORATE GOVERNANCE (Contd.)

7. RISK MANAGEMENT COMMITTEE

The Committee is constituted and functions as per Regulation 21 read with Part D of Schedule II of the Listing Regulations to frame, implement and monitor the risk management plan for the Company. The terms of reference enumerated in the Committee Charter, as mandated under the Listing Regulations are as follows:

Brief description of terms of reference

- Reviewing the Company's risk governance structure, risk assessment and risk management practices and guidelines, policies and procedures for risk assessment and risk management including the risk management plan
- Reviewing and approving Enterprise-wide Risk Management (ERM) framework.
- Review the alignment of the ERM framework with the strategy of the Company.
- Monitor the Company's risk appetite and strategy relating to key risks, including credit risk, liquidity and funding risk, market risk, cyber security risk, forex risk, product risk and reputational risk, as well as the guidelines, policies and processes for monitoring and mitigating such risks.
- Oversee Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels.
- Review and analyse risk exposure related to specific issues, concentrations and limit excesses, and provide oversight of risk across organisation.
- Review compliance with risk policies, monitor breaches / trigger trips of risk tolerance limits and direct action.
- Nurture a healthy and independent risk management function in the Company.
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/ amendment or modification as may be applicable.

Composition, name of members and Chairperson

The composition of the Risk Management Committee is in conformity with the requirements of Listing Regulations, with majority of members being Directors of the Company. The Members of the RMC comprise of 2 IDs, 1 ED. The Chairperson of the Committee is the Executive Director.

As on March 31, 2023, the Risk Management Committee comprises of the following members::

Name of the Members	Designation
Mr. Pallab Banerjee	Chairman
Ms. Neha Khanna	Member
Mr. Abhishek Goyal	Member

Meetings and attendance

During the year under review, two meetings were held on August 13, 2022 and February 07, 2023 and all members of the Committee were present at the meetings. The maximum gap between any two meetings was in compliance with the Act and Listing Regulations.

Name of the Member	Category	No. of Meetings entitled to attend	No. of Meetings Attended
Mr. Pallab Banerjee	Managing Director	2	2
Ms. Neha Khanna	Independent Director	2	2
Mr. Abhishek Goyal	Independent Director	2	2

8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Committee is constituted by the Board in accordance with the Act to:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- Recommend the amount of expenditure to be incurred on the activities referred to in the above clause (a); and
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.

Composition, name of members and Chairperson

The Composition of Corporate Social Responsibility ("CSR") Committee is in accordance with the provisions of Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Chairperson of the Committee is Independent Director. The Committee comprises of three Directors and details of the composition during the year are as under:



CORPORATE GOVERNANCE (Contd.)

Name of the Members	Designation
Mrs. Madhulika Bhupatkar	Chairperson
Mr. Pulkit Seth	Member
Mr. Anil Nayar	Member

Meetings and attendance:

During the financial year 2022-23, one meeting was held on May 25, 2022. The Secretary of the Company acts as Secretary of the Committee. The Chairperson of the CSR Committee was present at the last Annual General Meeting of the Company held on September 26, 2022.

Name of the Member	Category	No. of Meetings entitled to attend	No. of Meetings Attended
Mrs. Madhulika Bhupatkar	Independent Director	1	1
Mr. Pulkit Seth	Non- Executive Director	1	1
Mr. Anil Nayar	Independent Director	1	1

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

Name of the Members	Category	No. of Meetings entitled to attend	No. of Meeting attended
Mr. Pulkit Seth	Non-Executive Director	11	11
Mrs. Shifalli Seth	Non-Executive Director	11	11
Mr. Abhishek Goyal	Independent Director	11	11
Mr. Pallab Banerjee*	Executive Director	2	2

*Mr. Pallab Banerjee inducted as a member of the Committee from February 07, 2023.

Remuneration of Directors

The Non-Executive Directors including Independent Directors are paid Sitting Fees for attending each Meeting of the Board or Committee. The Non-Executive Director/Independent Directors do not have any pecuniary relationship or transactions with the Company.

9. FINANCE COMMITTEE**Composition, name of members and Chairperson:**

The Members of the Finance Committee comprise of 1 ID, 2 NED and 1 ED. The Chairman of the Finance Committee is the Non-Executive Director.

As on March 31, 2023, the Finance Committee comprises of:

Name of the Members	Designation
Mr. Pulkit Seth	Chairman
Mrs. Shifalli Seth	Member
Mr. Abhishek Goyal	Member
Mr. Pallab Banerjee	Member

Meetings and attendance:

During the period under review, eleven meetings were held on April 26, 2022, April 30, 2022, May 31 2022, July 05, 2022, 30th August 2022, September 26, 2022, November 14, 2022, December 19, 2022, January 11, 2023, February 13, 2023 and March 30, 2023. The requisite quorum was present for all the meetings.

CORPORATE GOVERNANCE (Contd.)

Details of Remuneration paid to Directors for the year ended March 31, 2023:

Name of the Director(s)		(₹ In Lakhs)										
Mr. Deepak Kumar Seth	Mr. Pulkit Seth	Mrs. Shifali Seth	Mr. Pallab Banerjee	Mr. Shailesh Kumar	Mr. Deepak Kumar	Mr. Anil Nayar	Mr. C.R Dua	Mr. Rajendra Kumar Aneja	Mr. Abhishek Goyal	Mrs. Madhulika Bhupatkar	Ms. Neha Khanna	
Designation	Chairman	Vice-Chairman	Non-Executive Director	Managing Director	Whole Time Director	Whole Time Director	Independent Director	Independent Director	Independent Director	Independent Director	Independent Director	
Salary	--	--	--	36.57	10.00	12.00	--	--	--	--	--	
HRA	--	--	--	18.28	5.00	6.00	--	--	--	--	--	
Special Allowance	--	--	--	50.79	1.30	4.33	--	--	--	--	--	
Conveyance Allowance	--	--	--	--	--	--	--	--	--	--	--	
Medical	--	--	--	--	--	--	--	--	--	--	--	
Bonus	--	--	--	--	--	--	--	--	--	--	--	
Commission	--	--	--	--	--	--	--	--	--	--	--	
Pension	--	--	--	--	--	--	--	--	--	--	--	
Provident Fund	--	--	--	4.38	--	0.21	--	--	--	--	--	
Perquisites	--	--	--	--	--	--	--	--	--	--	--	
Break up of fixed components and Performance linked incentives with performance criteria	--	--	--	--	--	--	--	--	--	--	--	
Performance Incentive	--	--	--	157.11	--	--	--	--	--	--	--	
Service Contract	--	--	--	3 years	3 years	3 years	--	--	--	--	--	
Notice Period, Severance fees	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
Stock Options details (if any):	NIL	NIL	NIL	60,000	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
Whether issued at discount.				Issued at 35% discount								
Period over which it is accrued and is exercisable				on market price within a period of 4 years								
Sitting Fees	0.50	1.00	-	--	--	--	1.75	1.25	1.00	1.00	1.25	
Total	0.50	1.00	-	267.13	16.3	22.55	1.75	1.25	1.00	1.00	1.25	

The Company has a policy of stock option. The Company does not have any separate service contract with executive directors apart from Resolution of Board/shareholders.



CORPORATE GOVERNANCE (Contd.)

11. GENERAL BODY MEETINGS

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

Year	AGM	Location	Date	Special Resolution passed	Time
2019-20	31 st	Through Video Conferencing (VC) or Other Audio-Visual Means (OAVM)	26.11.2020	Nil	11.30 AM
2020-21	32 nd	Through Video Conferencing (VC) or Other Audio-Visual Means (OAVM)	24.09.2021	1. Appointment of Ms. Neha Khanna as an Independent Director of the Company. 2. Re-Appoint Mr. Abhishek Goyal as an Independent Director of the Company. 3. Re-appoint Mrs. Shifalli Seth as Whole-Time Director of the Company. 4. To appoint Mr. Pallab Banerjee as Whole Time Director to be Designated as Joint Managing Director of the Company. 5. To approve Related Party Transactions 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.	5.00 PM
2021-22	33 rd	Through Video Conferencing (VC) or Other Audio-Visual Means (OAVM)	26.09.2022	NIL	5.00 PM

Details of Resolutions Passed Through Postal Ballot:

During the financial year 2022-23, under Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company passed the following Special Resolutions by postal ballot:

S. No.	Particular of Resolutions	Total valid votes cast	Votes cast in favour of Resolution		Votes cast against the Resolution	
			No.	%	No.	%
1.	Approval of Pearl Global Industries Limited Employee Stock Option Plan 2022	147,39,480	147,26,926	99.91	12,554	0.09
2.	Approval of grant of Stock Options to the employees of group company including subsidiary company or its associate company, in India or outside India, under Pearl Global Industries Limited Employee Stock Option Plan 2022.	147,39,505	147,26,927	99.91	12,578	0.09

Mr. Jayant Sood (FCS 4482), Practicing Company Secretary was appointed as the scrutiniser for carrying out the Postal ballot process in a fair and transparent manner.

Mr. Pallab Banerjee, Managing Director was authorised by the Board of Directors to issue the Postal ballot notice and Mr. Shailesh Kumar, Whole Time Director of the Company was authorised to announce the postal ballot result.

Procedure followed for postal ballot:

Where a Company is required or decides to pass any resolution by way of Postal Ballot, it shall send a notice to all the shareholders, along with a draft resolution explaining the reasons thereof and requesting them to send their assent or

CORPORATE GOVERNANCE (Contd.)

dissent in writing on a Postal Ballot because Postal Ballot means voting by post or through electronic means within a period of thirty days from the commencement of voting. However, during 2022-23, the Company has not send the physical Ballot Paper due to the relaxation provided by Ministry of Corporate Affairs. Your Company has followed the aforesaid procedure stipulated in the Act, Listing Regulations and Secretarial Standard – 2, and has carried out Postal Ballot for the items mentioned above.

12. 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. The results are also submitted to the BSE Limited and National Stock Exchange of India Limited, through their online portal.

The results are 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 <https://www.bseindia.com/> and National Stock Exchange of India Limited at <https://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.

Analyst/Investor calls are also scheduled after every Board Meeting to provide insights on the Financial and Operational performance of the Company. The audio of the call along with transcripts are also uploaded on website of the Company along with websites of NSE and BSE.

13. GENERAL SHAREHOLDER INFORMATION

(i) Annual General Meeting

34th Annual General Meeting of the Company will be held on Monday, July 31, 2023 at 5:00 pm IST through Video Conference.

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

Financial Calendar, 2023-24 (Tentative)

First Quarter Results	Second week of August, 2023
Second Quarter & Half Yearly Results	Second week of November, 2023
Third Quarter Results	Second week of February, 2024
Fourth Quarter & Annual Results	Last week of May, 2024

(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	Stock Code
BSE LIMITED 1 ST FLOOR, NEW TRADING RING ROTUNDA BUILDING, P. J. TOWERS DALAL STREET, FORT, MUMBAI – 400 001 Mumbai	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 2023-2024 has been paid to the Stock Exchanges within the stipulated time.

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



CORPORATE GOVERNANCE (Contd.)

(v) Market Price Data: High, Low during each month in financial year 2022-23:

MONTH(S)	BSE Limited Company Code: 532808		National Stock Exchange of India Limited Company Code: PGIL	
	High	Low	High	Low
April 2022	501.00	413.90	510.00	415.00
May 2022	491.00	367.80	490.00	380.45
June 2022	447.00	327.25	441.20	325.35
July 2022	419.05	363.45	424.00	363.80
August 2022	615.05	372.45	618.00	371.15
September 2022	609.55	440.05	612.50	436.85
October 2022	497.00	406.80	538.00	402.20
November 2022	470.00	390.00	469.90	390.20
December 2022	489.90	366.55	484.90	361.10
January 2023	417.95	357.10	419.95	357.70
February 2023	480.00	334.35	479.00	335.00
March 2023	450.00	388.70	450.00	384.00

(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 COMPARISON			
	BSE		NSE	
	PGIL	Sensex	PGIL	Nifty
April 2022	458.10	57,060.87	452.05	17,102.55
May 2022	417.00	55,566.41	414.00	16,584.55
June 2022	399.20	53,018.94	403.35	15,780.25
July 2022	390.75	57,570.25	392.30	17,158.25
August 2022	587.40	59,537.07	584.70	17,759.30
September 2022	453.25	57,426.92	453.80	17,094.35
October 2022	410.90	60,746.59	412.55	18,012.20
November 2022	445.30	63,099.65	443.00	18,758.35
December 2022	410.00	60,840.74	409.60	18,105.30
January 2023	379.05	59,549.90	379.30	17,662.15
February 2023	397.00	58,962.12	394.40	17,303.95
March 2023	409.05	58,991.52	409.20	17,359.75

(vii) Registrar and Share Transfer Agent

Link Intime India Private. 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.

CORPORATE GOVERNANCE (Contd.)

(ix) Distribution Schedule

(a) Distribution of Equity Shareholding of the Company as on March 31, 2023

Number of Equity Shares Held	Shareholders		Equity Shares Held	
	Numbers	% to Total	Numbers	% to Total
1-500	13,333	95.84	8,70,010	4.02
501-1000	249	1.79	1,92,037	0.89
1001-2000	129	0.93	1,91,209	0.88
2001-3000	44	0.31	1,08,578	0.5
3001-4000	30	0.22	1,06,975	0.49
4001-5000	15	0.11	73,572	0.34
5001-10000	49	0.35	3,67,410	1.7
10001 and above	63	0.45	1,97,54,146	91.18
	13,912	100.00	21,663,937	100.00

(b) Categories of Shareholders as on March 31, 2023

	No. of Folio's	% to total Folios	No. of Shares held	% to total shares
PROMOTERS (A)				
Indian	2	0.02	2,01,508	0.93
NRI	6	0.04	14,223,401	65.65
TOTAL (A)	8	0.06	1,44,24,909	66.58
PUBLIC (B)				
Foreign Portfolio Investors (Corporate) – I	4	0.03	11,20,383	5.17
Alternate Investment Funds – III	1	0.01	96,550	0.45
Financial Institutions	1	0.01	1,71,111	0.80
Key Managerial Personnel	3	0.02	19,836	0.10
NRI's	154	1.10	1,43,823	0.66
Bodies Corporate	89	0.63	2,09,232	0.97
Clearing Members	12	0.09	1,030	0.00
Individual	13,139	94.44	52,23,620	24.11
Hindu Undivided Family	498	3.58	1,71,966	0.80
Trusts	1	0.01	100	0.00
Unclaimed Shares	1	0.01	420	0.00
IEPF	1	0.01	80,957	0.37
TOTAL (B)	13,904	99.94	7,239,028	33.42
TOTAL [(A) + (B)]	13,912	100.00	21,663,937	100.00

* Equity Share of 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 National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2023, 21,604,896 equity shares of the Company forming 99.73% of the Share Capital of the Company stand dematerialised.



CORPORATE GOVERNANCE (Contd.)

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

During the year under review, the Company has not issued any GDRs/ADRs/Warrants etc.

The Company has issued 413,100 Employee Stock Options to the eligible employees of the Company/Subsidiary Companies under Pearl Global Employee Stock Option Plan 2022. These options when converted into Equity shares will result in 413,100 Equity shares of face value of ₹ 10/- each at an exercise price of ₹ 300/- per option.

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

The Company is engaged in the business of manufacturing and exporting of apparels 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 recognised 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.

The Company does not have material exposure to any commodity activities. Accordingly, disclosure in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018 is not applicable.

(xiii) Plant locations

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

- 446, Udyog Vihar, Phase-V, Gurgaon - 122 016
- Plot No. 73, Udyog Vihar, Phase-I, Gurgaon-122016
- Plot No. 274, Udyog Vihar, Phase-II, Gurgaon-122016
- 16-17, Udyog Vihar, Phase VI, Khandsa, Gurgaon - 122 004
- 751, Pace City II, Sector 37, Khandsa, Gurgaon - 122 004
- Plot at Khasra No 15//19 & 22, Village Begumpur Khatola, Gurgaon - 122001
- 2/31/Thirukahukundram Road, Melavalam Village, Madhuranthagam, Taluk, Kancheepuram District-603303
- Plot No. 19A, NTT Road, Peenya Industrial Area, Bengaluru-560058
- Plot No: S-18, S-19 & S-20 in Sy. Nos. Part of 38, 40 & 41 at KIADB, Apparel Park, Industrial Area, Doddaballapura, Bengaluru - 561 203
- Norp Knit Industries Limited, North Khaikur, P.O. National University, Gazipur-1704 Bangladesh
- Norp Knit Industries Limited- 93, Islampur, Kodda, Nandun, Gazipur-1700, Bangladesh
- Alpha Clothing Limited, Tenguri, BKSP, Ashulia, Savar, Dhaka, Bangladesh
- Prudent Fashions Limited. Kaichabari Road, Bypail, Ashulia, Savar, Dhaka, Bangladesh
- PT Pinnacle Apparels- Kawasan Industri Jatengland Industrial Park Sayung (JIPS) Jalaan Salam Cemara Blok C-2, Desa Batu, Kecamatan Karangtengah, Kabupaten Demak, Jawa Tengah-59561, Indonesia
- 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
- Pearl Global Vietnam Company Limited, Dinh Tri Commune, Bae Giang City, Bae Giang Province, Vietnam

CORPORATE GOVERNANCE (Contd.)

(xiv) Registered Office of the Company:

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:

The Company Secretary

Pearl Global Industries Limited

Pearl Tower, Plot No.51, Sector-32

Gurugram - 122 001, Haryana (India)

E-mail id: investor.pgil@pearlglobal.com

Tel. No. : 91 - 124 - 4651000

(xv) Credit Ratings

The Company has obtained credit ratings from ICRA Limited. Details of Credit ratings of the Company are given below:

Rating Agency	Credit Rating
ICRA Limited	Long term rating: [ICRA] BBB+ (Stable)
	Short term rating: [ICRA] A2

14. OTHER DISCLOSURES

- 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 47 of Notes to Standalone Financial Statement in the Annual Report.
- 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.
- The Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report concern about unethical behavior, actual or suspected fraud or violation of Company's code of conduct and ethics. The mechanism provides for adequate safeguards against victimisation of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee.

- 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.
- Policy for determining 'material' subsidiaries is disclosed at Company's website at <https://www.pearlglobal.com/investor-relations/>
- Policy on dealing with related party transactions is disclosed at Company's website at <https://www.pearlglobal.com/investor-relations/>

The Company 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 recognised 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.

- The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out.
- During the year under review, the Company has not raised any funds either through preferential allotment or qualified institutions placement as per Regulation 32 (7A), therefore disclosure of this information is not applicable to the Company.
- 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.



CORPORATE GOVERNANCE (Contd.)

- j) The Board had accepted all recommendations of Committees of the Board, which is mandatorily required, in the financial year 2022-23.
- k) 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:

Particulars	(₹ /Lakh)	
	For the financial year ended March 31, 2023	For the financial year ended March 31, 2022
Audit Fee	28.24	20.50
Other Services	7.08	10.00
Reimbursement of Expenses	1.99	1.85
Total	37.31	32.35

- l) There were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, during the financial year 2022-23.
- m) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount'. NIL
- n) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.

Name of the Material Subsidiaries	Date and place of Incorporation	Name of the Statutory Auditors	Date of appointment
Pearl Global (HK) Limited	22.12.2009 (Hong Kong)	Ernst & Young	07.07.2022
Norp Knit Industries Limited	05.05.2004 (Bangladesh)	G. Biswas & Co.	29.12.2022

15. The Company is in compliance with all mandatory requirements under the Listing Regulations. There has been no instance of non-compliance of any requirement of the Corporate Governance Report.

16. DISCRETIONARY 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: The Company is maintaining office of the Non-Executive Chairman.

B. Shareholders Rights

The Company's Investor Presentation, Analyst meet, Shareholding Pattern and official news releases are displayed on the Company's website <https://www.pearlglobal.com/investor-relations/>

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.

17. 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 <https://www.pearlglobal.com/investor-relations/>

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

CORPORATE GOVERNANCE (Contd.)

18. COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

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

19. 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 March 31, 2023. Certificate is annexed with this Annual Report.

20. 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 2022-23, 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.

21. 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.

22. DEPOSITORY SERVICES

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

National Securities Depository Limited.

Trade World, A wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai - 400013

Telephone: 022-48867000 / 022-24997000

E-Mail : info@nsdl.co.in

Website : www.nsdl.co.in

Central Depository Services (India) Limited.

Marathon Futurex, 25th floor, NM Joshi Marg, Lower Parel (East), Mumbai-400013

Telephone : 22-23023333

E-Mail : investors@cdslindia.com

Website : www.cdslindia.com



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 March 31, 2023, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para's 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 para's C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2023.
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

CS Jayant K Sood

FCS: 4482

COP-22410

UDIN: F004482E000304705

Peer Review Certificate Number: 1061/2021

Unique Identification number: S2019HR699200

Place: Gurugram

Date: May 15, 2023

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 March 31, 2023.

For Pearl Global Industries Limited

Place: Gurugram
Dated: May 15, 2023

Pallab Banerjee
Managing Director
DIN 07193749

CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER OF PEARL GLOBAL INDUSTRIES LIMITED

We, Pallab Banerjee, Managing Director and Narendra Kumar Somani, Chief Financial Officer of Pearl Global Industries Limited (the Company), to the best of our knowledge and belief certify that:

- A. We have reviewed Financial Statements including the Cash Flow Statement for the year ended March 31, 2023 and to best of our knowledge and belief:
 - 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We also certify that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violate 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.

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

Place: Gurugram
Dated: May 15, 2023

(Pallab Banerjee)
Managing Director

(Narendra Kumar Somani)
Chief Financial Officer



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

Pearl Global Industries Limited

CIN: L74899DL1989PLC036849

Registered Office: 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 March 31, 2023 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.

LIST OF DIRECTORS AS ON MAY 15, 2023

S. NO.	NAME OF THE DIRECTORS	DESIGNATION	DIN	Director Since
1	Mr. Deepak Kumar Seth	Chairman	00003021	March 22, 1994
2	Mr. Pulkit Seth	Non-Executive Director	00003044	November 1, 2004
3	Mr. Chittranjan Dua	Independent Director	00036080	September 12, 2006
4	Mr. Rajendra kumar Aneja	Independent Director	00731956	September 12, 2006
5	Mrs. Shifalli Seth	Non-Executive Director	01388430	January 19, 2012
6	Mr. Anil Nayar	Independent Director	01390190	January 19, 2012
7	Mr. Abhishek Goyal	Independent Director	01928855	May 26, 2017
8	Mrs. Madhulika Bhupatkar	Independent Director	08712718	March 18, 2020
9	Ms. Neha Khanna	Independent Director	03477800	June 21, 2021
10	Mr. Shailesh Kumar	Whole-Time Director	08897225	October 7, 2020
11	Mr. Pallab Banerjee	Managing Director	07193749	October 01, 2021
12	Mr. Deepak Kumar	Whole-Time Director	09497467	February 14, 2022

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS (CONTD.)

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 and Associates**

Company Secretaries

CS Jayant K Sood

FCS: 4482

COP-22410

UDIN: F004482E000294398

Peer Review Certificate Number: 1061/2021

Place: Gurugram

Date: May 15, 2023



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

2023



A SECTION GENERAL DISCLOSURES

i. BASIC DETAILS

1	Corporate Identity Number (CIN) of the Listed Entity	▶ L74899DL1989PLC036849
2	Name of the Listed Entity	▶ Pearl Global Industries Limited
3	Year of incorporation	▶ 1989
4	Registered office address	▶ C-17/1, Paschimi Marg, Vasant Vihar, New Delhi-110057
5	Corporate address	▶ Pearl Global Industries Limited, Pearl Tower, Plot no-51, Sector 32, Gurugram, Haryana 122001
6	E-mail	▶ investor.pgil@pearlglobal.com
7	Telephone	▶ +91-124-4651000
8	Website	▶ www.pearlglobal.com
9	Financial year for which reporting is being done	▶ April 1, 2022 to March 31, 2023
10	Name of the Stock Exchange(s) where shares are listed	▶ BSE Limited and National Stock Exchange of India Limited (NSE)
11	Paid-up Capital (In ₹)	▶ 21,66,39,370
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	▶ Ms. Shilpa Budhia Company Secretary Tel: No. 124-4651000 Email id: company.secretary@pearlglobal.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	▶ On a standalone basis

ii. Products | Services

14. DETAILS OF BUSINESS ACTIVITIES (ACCOUNTING FOR 90% OF THE TURNOVER):

	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing and export of Apparels	Manufacturing and export of Apparels	100

15. PRODUCTS/SERVICES SOLD BY THE ENTITY (ACCOUNTING FOR 90% OF THE ENTITY'S TURNOVER):

	Products Services	NIC Code	% of total Turnover contributed
1.	Manufacturing and export of Apparels	441	100

iii. Operations

16. NUMBER OF LOCATIONS WHERE PLANTS AND/OR OPERATIONS/OFFICES OF THE ENTITY ARE SITUATED:

Location	Number of plants 	Number of offices 	Total 
National	7	3	10
International	7	7	14

17. MARKET SERVED BY THE ENTITY:

- a. **Number of locations:**
- National (No. of States) 2
 - International (No. of Countries) 7
- b. **What is the contribution of exports as a percentage of the total turnover of the entity?** 99.06
- c. **A brief on type of customers**
- Pearl Global provides apparel solutions to leading fashion brands and corporate customers across categories. The Company's business is primarily focused on export of apparels, with USA contributing the highest amongst all countries.



iv. Employees

18. DETAILS AS AT THE END OF FINANCIAL YEAR:

No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
a Employees and workers (including differently abled):						
Employees						
1	Permanent (D)	1654	1436	86.82%	218	13.18%
2	Other than Permanent (E)	0	0	0.00%	0	0.00%
3	Total employees (D+E)	1654	1436	86.82%	218	13.18%
Workers						
4	Permanent (F)	6798	2086	30.69%	4712	69.31%
5	Other than Permanent (G)	2292	1812	79.06%	480	20.94%
6	Total workers (F+G)	9090	3898	42.88%	5192	57.12%
b. Differently abled Employees and workers:						
Differently Abled Employees						
1	Permanent (D)	0	0	0.00%	0	0.00%
2	Other than Permanent (E)	0	0	0.00%	0	0.00%
3	Total differently abled employees (D+E)	0	0	0.00%	0	0.00%
Differently Abled Workers						
4	Permanent (F)	0	0	0.00%	0	0.00%
5	Other than Permanent (G)	0	0	0.00%	0	0.00%
6	Total differently abled workers (F+G)	0	0	0.00%	0	0.00%

19. PARTICIPATION/INCLUSION/REPRESENTATION OF WOMEN:

		No. and percentage of Females		
		Total (A)	No. (B)	% (B/A)
	Board of Directors	12	3	25%
	Key Management Personnel (not part of the Board)	3	1	33%

20. TURNOVER RATE FOR PERMANENT EMPLOYEES:

	(Turnover rate in current FY)			(Turnover rate in previous FY)			(Turnover rate in the year prior to the previous FY)		
	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	69.39%	58.93%	68.08%	53.54%	45.02%	52.53%	50.39%	52.90%	50.70%
Permanent Workers	163.81%	108.90%	125.12%	76.57%	72.61%	73.70%	56.86%	74.28%	69.91%

v. Holding, Subsidiary and Associate Companies (including joint ventures)

21 (a) Name of holding / subsidiary / associate companies / joint ventures

Sl. No	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Pearl Global Kaushal Vikas Limited	Subsidiary	100	No
2	SBUYS E-Commerce Limited	Subsidiary	100	No
3	Sead Apparels Private Limited	Subsidiary	100	No
4	Norp Knit Industries Limited	Subsidiary	99.99	No
5	Pearl Global Fareast Limited	Subsidiary	100	No
6	Pearl Global USA, INC	Subsidiary	100	No
7	Pearl Global (HK) Limited	Subsidiary	100	No
8	Vin Pearl Global Vietnam Limited	Subsidiary	100	No
9	Pearl Global Vietnam Company Limited	Subsidiary	100	No
10	Pearl Grass Creations Limited	Subsidiary	80	No
11	A&B Investment Limited	Subsidiary	100	No
12	Prudent Fashions Limited	Subsidiary	99.95	No
13	DSSP Global Limited	Subsidiary	100	No
14	PT Pinnacle Apparels	Subsidiary	69.92	No
15	PGIC Investment Limited	Subsidiary	100	No
16	Pearl Unlimited Inc	Subsidiary	100	No
17	Pearl Global Industries FZCO	Subsidiary	100	No
18	Alpha Clothing Limited	Subsidiary	52.11	No
19	Pearl Global F.Z.E	Subsidiary	100	No



vi CSR Details

22.

(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
(ii) Turnover (in ₹ Lakhs)	1,10,377.07
(iii) Net worth (in ₹ Lakhs)	36,675.36

vii. Transparency and Disclosure Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)*	FY 2022 - 23			FY 2021 - 22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	NIL	0	0	NIL
Investors (other than shareholders)	Yes	0	0	NIL	0	0	NIL
Shareholders	Yes	0	0	NIL	0	0	NIL
Employees and workers	Yes	0	0	NIL	0	0	NIL
Customers	Yes	0	0	NIL	0	0	NIL
Value Chain Partners	Yes	0	0	NIL	0	0	NIL
Other (please specify)	Yes	0	0	NIL	0	0	NIL

*Web Link: <https://www.pearlglobal.com/investor-relations/>

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

Sl. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Energy Efficiency & Water Management 	Risk and Opportunity	Risk- Proactively identifying the risks associated with energy and water management, paired with policies to reduce their consumption is a critical part of the Company's pathway towards sustainability. Lack of energy conservation and waste management measures will lead to increased cost, reduced resource efficiencies and potentially regulatory/ compliance related costs. Opportunity- Explicit plans to combat the risks can improve the Company's resource productivity, reduce the costs and can foster competitiveness	At Pearl Global, we believe in long-term preservation of resources. The Company's commitment towards environment management is reflected through its various sustainability initiatives and certifications. The Company complies with Global Recycled Standard (GRS). The Company has a framework that helps anticipate and meet environment performance expectations, ensure regulatory compliance, minimise environmental risks and establish long-term environmental strategies. The Company has ETP/WTP/STP systems for water treatment solutions and a Central Water Monitoring unit. It has also incorporated an environmental impact measurement software to measure ways to reduce and adopt innovative eco-friendly ways to save water and energy.	Positive- The Company's emphasis on reducing the environmental impact not only glides through the decarbonisation journey but also gains credibility amongst stakeholders and lowers the cost borne by the Company in the longer-term. The Company's focus on strengthening climate and ESG-specific initiatives bolsters long-term value-creation and enables the Company to effectively respond to rising stakeholder demands. Negative: Lack of robust initiatives and action plans to contribute to ESG awareness and climate change could adversely impact ESG profile of the Company. It could also adversely impact company's sustainable growth and expansion into new markets, eventually leading to loss of market share to better aligned ESG companies



Sl. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Supply Chain Management 	Risk and Opportunity	Risk- Well-structured and efficient supply chain management mitigates the risks associated with procurement, production, strikes and labour disputes as well as costs which could have a negative impact on the business activities. Opportunities- With a transparent and unambiguous value chain engagement, the Company can optimise efforts, create a circular economy and enhance profitability. This results in the Company delivering products at a faster-turnaround time leading to an increased wallet share of customers. Efficacious supply chain management leads to better collaboration, improved quality control, improved risk mitigation, eco-friendly initiatives and a transparent product procurement	Pearl Global's focus is always on offering end-to-end supply chain solutions to their partners while maintaining design, technology, innovation, sustainability, and quality at the forefront. The Company complies with Organic Content Standards (OCS) which verifies the organic content of products in every step of the value chain and ensures that the organic content in the product can be traced back to the source. The Company is also certified under Global Organic Textile Standards (GOTS) & OekoTex which is recognised as the world's leading standard of textile production in organic fibers. These certifications set out high-level environmental criteria and ensures that the product is processed sustainability.	Positive- Efficient supply chain management ensures that the Company delivers maximum business value with the least possible cost. This in turn results from reduced environmental impact and long-term value to the Company's sustainability-led endeavours. Negative- A mismanaged supply chain leads to ineffective utilisation of resources, hampers natural procurement of materials and elimination of waste throughout the product lifecycle.
3	Health & Safety 	Risk	Risk- The risks involves hazards caused in the working environment in the form of non-compliance with safety measures by employees, non-awareness of a safe and secure environment and non-compliance of COVID-19 safety measures leading to injuries, accidents, illness and fatalities. These risks lead to interruptions in workplace operations and higher attrition rate.	Pearl Global values each individual as an important part of the organisation and is committed to high standards of safety and protection. Each employee is responsible to follow the respective Company's safety and security procedures, as well as applicable local laws and regulations at all times. The Company owns and operates facilities with the necessary permits, approvals, and controls that are designed to protect health, safety, and the environment. All other Ecosystem Participants are expected to commit to at least, similar levels of health and safety protection.	Negative- Weak mechanisms to promote health and safety in the workplace lead to higher absenteeism, employee turnover rates impacting the overall productivity. The reputation of the Company is hampered and leads to loss of confidence amongst stakeholders. It could also lead to losses due to legal actions and claims affecting the top-line of the organisation.

Sl. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Product Quality & Safety 	Risk and Opportunity	Risk- The Company can be exposed to product risk losses associated with non-compliance of product quality with the requirements or standards. It directly impacts customer satisfaction and the risk of continued partnership thereby affecting the top-line growth of the Company. Opportunities- Product quality and safety determines the success of the Company and its reputation in the customer markets. It earns customer loyalty, helps establish brand recognition and manages the costs. High product quality produces higher return on investments, higher productivity directly proportional to higher consumer demand.	The Company's commitment towards providing high-quality products is reflected through their internationally recognised certifications- Standard 100 by OEKA-TEX, Organic Content Standard (OCS) and Global Organic Textile Standards (GOTS). They have quality systems and practices aligned closely with customer's expectations and are in constant touch with customer representatives to facilitate process improvements. The Company has dedicated customer-certified pearl associates to certify the products on their behalf.	Positive- Higher product quality ensures higher customer satisfaction and stronger customer relationship. The Company should maintain direct relationships with all the customers and continuous monitoring of the developments in customer's market Negative- Poor product quality and safety can have several consequences such as losing customers, lower productivity and increased costs. Increased product recalls leads to liable legal actions and affects the goodwill of the Company thereby impacting the organisation's revenue generation.
5	Employee Engagement & Development 	Risk and Opportunity	Risk- Employee development programs and provision for employee benefits could be considered as incurred expenses to the Company. Opportunities- Structured employee development and engagement programs accelerate the work satisfaction of the Company thereby enhancing the performance and company's topline. An enhanced collaboration amongst the team members lead to better communication, trust, talent pipeline, share understanding of company's goals and priorities and improved employee retention. An empowered and organised workforce is more stable, predictable and productive which reduces resource shocks and generates productivity gains.	The Company's forward-thinking and employee-centric human resource department is devoted to provide effective policies, procedures, people-friendly guidelines and support governance within the organisation. They ensure capability building at all levels with programmes, such as iLEAD [Leadership Development Programme], SEED [Operational Development Programme], innovate with technology with our Human Resource Management System, Pay for Performance [Achieve: Pearl's Performance Management System]. Thereby, building a PearlONE culture, with employee engagement being centric of all our HR initiatives.	Positive- A strong workforce with higher engagement, retention rate and diversity in the workforce brings new perspectives, experiences, and ideas which enable innovation, enhances the performance and enables a positive culture in the organisation, and highlights the Company's efforts toward creating a conducive work environment. Negative- The inability to meet workforce expectations may result in adverse impacts on workforce productivity, morale and the Company's growth plan in a long run.



Sl. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Business Ethics 	Risk	Risk- Compromising ethical standards would highly impact the reputation and integrity of the organisation. There is an increased risk of decreased productivity and business revenue growth due to the tarnished image of the organisation. The investors could negatively respond to the firm's unethical behaviour and could thereby influence their willingness to invest further. This could indirectly lead to lower performance levels of the employees, increased turnover and a challenging employee recruitment.	Effective policies and mechanisms needs to be in place to promote a culture of integrity and conduct as well as address the evolving risks and challenges. 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. The policy is expected to be adhered by all the stakeholders.	Negative- Unethical behaviour could directly impact the reputation of the Company. It could also lead to loss of morale and employee productivity thereby affecting the top-line growth of the organisation.
7	Regulatory & Legal Compliances 	Risk	Risk- Risk of non-compliance exposes the organisation to legal penalties and financial losses resulting from failure to comply with the industry laws and regulations. Failure to adhere to the laws would directly affect the Company's revenue, valuations and could lead to loss of reputation and business opportunities. More compliant companies tend to have improved performances and better process efficiency. Compliance gives assurance and provides a broader insight to the investors.	The Company appoints an industrial engineer, whose role is to ensure compliance with industry norms and monitor production processes in line with the set guidelines. The Company has a robust internal control and compliance system with onboarding of customers only after ensuring complete compliance standard. The Company has an internal control system that has accurate recording of transactions with internal checks and prompt reporting through SAP. The Company has adequate systems of internal controls to ensure that transactions are properly recorded, authorised and reported apart from safeguarding Pearl Global's assets.	Negative- Non-compliance would lead to loss of reputation and consequently affect the business activities.

BSECTION MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Guidelines for Responsible Business Conduct (NGRBCs) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

P1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Businesses should provide goods and services in a manner that is sustainable and safe.

P2

P3

Businesses should respect and promote the well-being of all employees, including those in their value chains.

Businesses should respect the interests of and be responsive to all its stakeholders.

P4

P5

Businesses should respect and promote human rights.

Businesses should respect and make efforts to protect and restore the environment.

P6

P7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Businesses should promote inclusive growth and equitable development.

P8

P9

Businesses should engage with and provide value to their consumers in a responsible manner.

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1	a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Y/N)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Y/N)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. Web Link of the Policies, if available	https://www.pearlglobal.com/investor-relations/corporate-governance								
2	Whether the entity has translated the policy into procedures. (Y/N)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Do the enlisted policies extend to your value chain partners? (Y/N)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	All policies conform to the applicable laws of the country, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and National Guidance on Responsible Business Conduct. In addition, the policies have been formulated in accordance with the following standards wherever applicable: ISO 14001:2015, ISO 45001:2018, OHSAS, UNGC guidelines and ILO guidance The Company has the following internationally recognised certifications: • Global Organic Textile Standards • Organic Content Standard • Global Recycled Standard • Standard 100 by OEKO-TEX								



Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5 Specific commitments, goals and targets set by the entity with defined timelines, if any.	At Pearl Global, we firmly believe that the Company's financial performance is inextricably tied to social and environmental performance. We invest in our social and environmental commitments, reflecting our goal of achieving responsible growth and sharing value with all stakeholders. We are dedicated to finding new and inventive methods to minimise our carbon footprints. One such endeavour is using renewable energy in our operations. We have taken some ongoing sustainable initiatives like using eco-friendly fabrics with longer life span, environmental impact measurements, and solar power generation. The Company is committed to reduction of waste, conservation of raw material and pursuing zero pollution through various initiatives, technological upgradation and improvement projects. We are dedicated to utilising our CSR funds to empower and uplift vulnerable and marginalised communities. We are committed to engaging with stakeholders responsibly and conducting all interactions in accordance with Pearl Global's Code of Conduct.								
6 Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company has adopted the world's leading processing standard for textiles made from organic fabric to provide sustainable solutions. The Company has a sustainability policy in place for effective oversight and integration of ESG facets in its business operations. The Company is continuously implementing process improvements to reduce their energy consumption, emissions and wastages through innovative measures. • The Company has improved its diversity by 13.5% over previous year • Their energy consumption through renewable sources has increased by 3.3% over FY22 • 100% of the suppliers have been assessed by the audit for health & safety conditions The Company has also been recognised with the following accolades for its achievements: • Recognised as the 'Most Preferred Workplace 2022-23' by Marskmen Daily in association with India Today • Recognised as one of the best organisations for Women 2022 powered by Femina The Company has a dedicated ESG team in place. Pearl Global is recognised worldwide for its achievements and milestones. They have been constantly recognised for their efforts in operations, merchandising, sales, exports and planning.								

07.

Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

Kindly refer management's Comments of initial pages of Annual report

08.

Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

Board of Directors, Corporate Social Responsibility Committee and Core Management team are responsible for the oversight and implementation of sustainability into the business operations.

09.

Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.

The Company is in the process of forming an ESG Committee. Currently the Corporate Social Responsibility Committee and ESG team is responsible for decision-making on sustainability related issues under the guidance of Board of Directors and Core Management team.

10. Details of Review of NGRBCs by the Company

Subject of Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)
	P1 P2 P3 P4 P5 P6 P7 P8 P9	P1 P2 P3 P4 P5 P6 P7 P8 P9
Performance against above policies and follow up action	Corporate Social Responsibility Committee and Board of Directors	Quarterly
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Corporate Social Responsibility Committee and Board of Directors	Quarterly

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No). If yes, provide name of the agency



Yes. CareEdge Advisory, Research and Training Limited has mapped the existing policies and procedures against the requirements of BRSR and accordingly suggested the improvements to bridge it with the BRSR requirements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1 2 If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:									
a. The entity does not consider the Principles material to its business (Yes/No)									-
b. The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									-
c. The entity does not have the financial or/human and technical resources available for the task (Yes/No)									-
d. It is planned to be done in the next financial year (Yes/No)									-
e. Any other reason (please specify)									-



CSECTION PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

ESSENTIAL INDICATORS

1 Percentage coverage by training and awareness programmes on any of the Principles during the financial year.

Segment	Number of programs	Topics Principles	% of persons
Board of Directors	2	Environmental sustainability, social sustainability, Code of Conduct and Ethics, data privacy, cybersecurity, dealing with internal and external stakeholders, Human Rights Policy, regulated trade restrictions.	100%
Key Managerial Personnel	6	Climate change, environmental sustainability, social sustainability, Code of Conduct and Ethics, data privacy, cybersecurity, dealing with internal and external stakeholders, Human Rights Policy, regulated trade restrictions.	100%
Employees	8	Climate change, environmental sustainability, social sustainability, Code of Conduct and Ethics, data privacy, cybersecurity, dealing with internal and external stakeholders, Human Rights Policy, regulated trade restrictions.	75%
Workers	22	Health and safety, behaviour and capability building and impact is to ensure overall growth and maintain best work place, Human Rights Policy	90%

- 2 Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	-	-	0	-	-
Settlement	-	-	0	-	-
Compounding fee	-	-	0	-	-

Non- Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions		Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	-	-		-	-
Punishment	-	-		-	-

- 3 Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details

Name of the regulatory/ enforcement agencies/ judicial institutions

Not Applicable

- 4 Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes

<https://www.pearlglobal.com/investor-relations/corporate-governance/>

- 5 Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)
0	 Directors	0
0	 KMP	0
0	 EMPLOYEES	0
0	 Workers	0



6 Details of complaints with regard to conflict of interest:

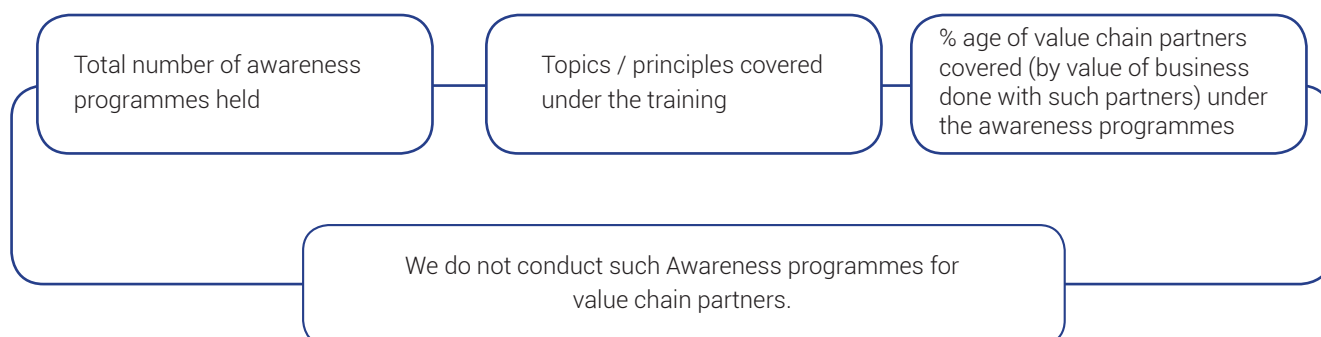
	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

7 Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

LEADERSHIP INDICATORS

1 Awareness programmes conducted for value chain partners on any of the Principles during the financial year:



2 Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same

Yes

<https://www.pearlglobal.com/investor-relations/corporate-governance/>

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

- 1 **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively**

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
 R & D	To fulfil and meet both local and global fashion trends, the Company's robust design team emphasizes on a comprehensive market intelligence analysis conducted by our talented design personnel. The Company integrates technology like 3D CAD rendering, 3D optitex, CLO, and Browzwear with raw talent and insights to create final product. A robust design team, therefore allows the business to achieve success by delivering a worthy performance and acquiring more customer for a broadened industry presence. Installed state-of-the-art renewables technology in all factories for faster operations. We ensure capability building at all levels with programmes with technology within the Human Resource Management System, Pay for Performance [Achieve: Pearl's Performance Management System].		
 Capex			

- 2
 - a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) **Yes**
 - b. If yes, what percentage of inputs were sourced sustainably? **13-15%**

- 3 **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for**

 Plastics (including packaging)	We segregate all wastage into related categories and then store them in their designated areas. Also, we dispose off such wastage through authorised vendors.
 E-waste	We have an agreement with Authorised vendors to dispose off e-waste.
 Hazardous waste	We have an agreement with Authorised vendors (GEPIL, Haryana Petro Oils) to dispose off hazardous waste (Sludge and Used Oil).
 Other Waste	All other waste is disposed off as per Waste Handling Policy.

- 4 **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

No, at Pearl Global, we are committed towards integrating sustainability in every business decision across our value chain. Waste collection plan is in line with govt. regulatory body (Haryana State Pollution Control Board).



LEADERSHIP INDICATORS

- 1 Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.

No assessments have been undertaken during this financial year

- 2 If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
Not applicable		

- 3 Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
	0.68%	Not tracked

- 4 Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	0	87.27	0	0	0
E-waste	0	0	0.17	0	0	0
Hazardous waste	0	0	0.718	0	0	0.3
Other waste	0.5	3.01	0	0	0	0

- 5 Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate product category	Reclaimed products and their packaging materials products sold in respective category
Not applicable	

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1 a Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1436	1436	100%	1436	100%	Not Applicable		0	0%	0	0%
Female	218	218	100%	218	100%	218	100%	0	0%	0	0%
Total	1654	1654	100%	1654	100%	218	100%	0	0%	0	0%
Other than Permanent employees											
Male	0	0	0%	0	0%	Not Applicable		0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	Not Applicable		0	0%
Total	0	0	0%	0	0%	0	0%	0	0%	0	0%

b Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	2086	2086	100%	2086	100%	Not Applicable		0	0%	0	0%
Female	4712	4712	100%	4712	100%	4712	100%	Not Applicable		0	0%
Total	6798	6798	100%	6798	100%	4712	100%	0	0%	0	0%
Other than Permanent workers											
Male	1812	1812	100%	1812	100%	Not Applicable		0	0%	0	0%
Female	480	480	100%	480	100%	480	100%	Not Applicable		0	0%
Total	2292	2292	100%	2292	100%	480	100%	0	0%	0	0%



2 Details of retirement benefits, for Current FY and Previous FY

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	29%	100%	Yes	28%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	23%	100%	Yes	23%	100%	Yes
Others - Please specify	-	-	-	-	-	-

3 Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard

Yes

Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes

5 Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	None of the employees and workers have availed these benefits			
Female				
Total				

6 Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)	
	Permanent workers	Permanent employees
Other than permanent workers	Yes, the Company has dedicated ethics line portal (https://secure.integritymatters.in/signin) for all the employees/workers across the globe to raise any grievances in each locations/factories to resolve the issues. A nominated Global Ethics Committee is responsible to redress all grievances. Further, there are anonymous helpline toll free numbers also given to the employees to report any issue any time.	
	Other than permanent employees	

7 Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	NIL			NIL		
Male						
Female						
Total Permanent Workers						
Male						
Female						

8 Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. F	% (F/D)
Employees										
Male	1436	1436	100%	1436	100%	1134	1134	100%	1134	100%
Female	218	218	100%	218	100%	149	149	100%	149	100%
Total	1654	1654	100%	1654	100%	1283	1283	100%	1283	100%
Workers										
Male	3898	3898	100%	3898	100%	3484	3484	100%	3484	100%
Female	5192	5192	100%	5192	100%	3995	3995	100%	3995	100%
Total	9090	9090	100%	9090	100%	7479	7479	100%	7479	100%

9 Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No.(B)	% (B/A)	Total (C)	No.(D)	% (D/C)
Employees						
Male	1436	1436	100%	1134	1134	100%
Female	218	218	100%	149	149	100%
Total	1654	1654	100%	1283	1283	100%
Workers						
Male	3898	3898	100%	3484	3484	100%
Female	5192	5192	100%	3995	3995	100%
Total	9090	9090	100%	7479	7479	100%

10 Health and safety management system:

a Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes. As per factory Act.

b What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

We conduct risk assessments every 6 months. We ensure periodic risk assessment on all critical areas to ensure safety measures. We have now implemented Safety patrolling from this year to ensure all hazardous area patrolling on daily basis



c

Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Health & Safety Committee meetings are held on quarterly basis, there are suggestion box installed inside the factory to report any safety/other issues. There are anonymous helpline toll free numbers also given to the employees to report any issue any time.

d

Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes.

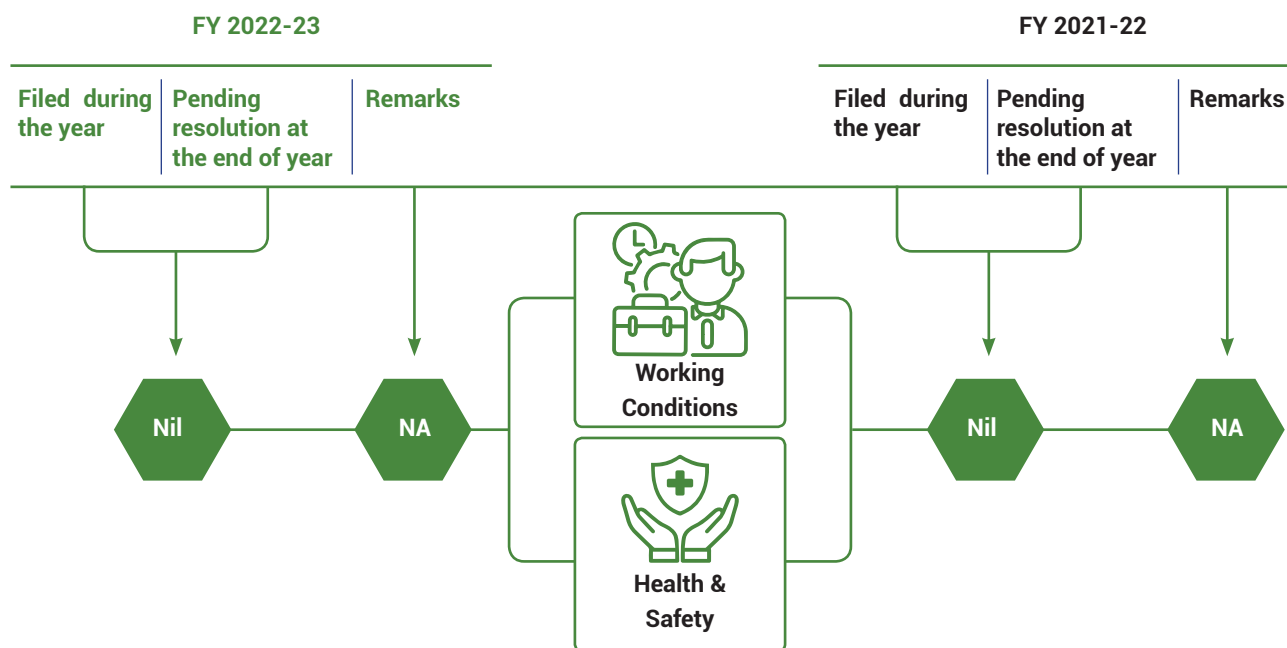
11 Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)		NIL	NIL
		NIL	NIL
Total recordable work-related injuries		NIL	NIL
		NIL	NIL
No. of fatalities		NIL	NIL
		NIL	NIL
High consequence work-related injury or ill-health (excluding fatalities)		NIL	NIL
		NIL	NIL

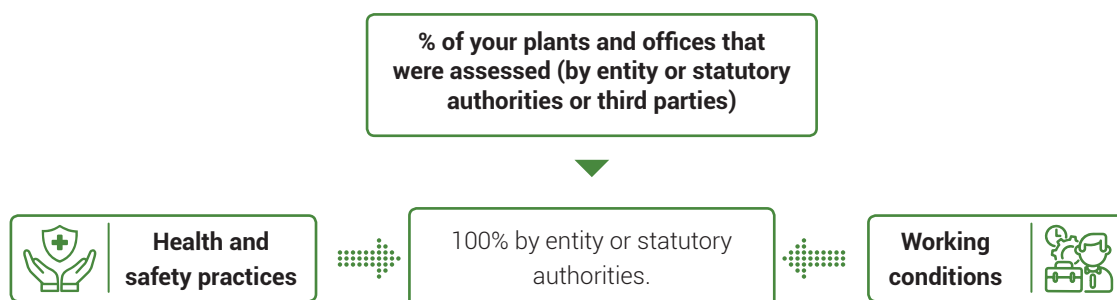
12 Describe the measures taken by the entity to ensure a safe and healthy work place.

Yes, Pearl Global has a group-wide Health and Safety policy which endeavours to create safe and healthy working environment at all our facilities. All the factories have a designated Safety Officer to ensure training and awareness among all the employees towards safety practices and requirements. Safety Officer is the guardian of the safety policy of the Company and conducts regular safety committee meetings to address issues related to safety in the factory, the safety committee works towards the well-being of all the employees & workers.

13 Number of Complaints on the following made by employees and workers:



14 Assessments for the year:



15 Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

No significant risks or concerns were highlighted in the assessment.



LEADERSHIP INDICATORS

- 1 Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)

(A) Employees (Y) (B) Workers (Y)

- 2 Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Monthly reconciliation and confirmation process are in place and wherever there is a gap, corrective measures are taken.

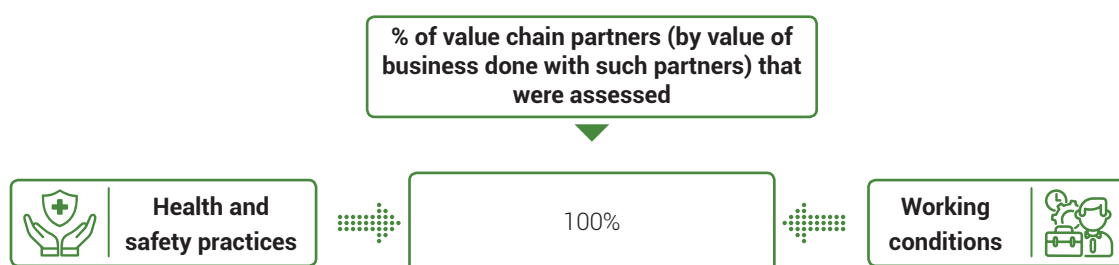
- 3 Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	NIL	NIL	NIL	NIL
Workers	NIL	NIL	NIL	NIL

- 4 Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No

- 5 Details on assessment of value chain partners:



- 6 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No significant risks or concerns were highlighted in the assessment.

PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders

ESSENTIAL INDICATORS

1 Describe the processes for identifying key stakeholder groups of the entity

At Pearl Global, we identify our stakeholders through a stakeholder mapping exercise that is conducted periodically. Our early engagement policy provides a valuable opportunity to influence stakeholders' perception and helps create long term relationships that can enhance performance. We prioritise our stakeholders based on their level of importance to our business operations. We categorise them according to the nexus to the stage of operations along with the impact and risks incurred to the stakeholders. Pearl Global has conducted its materiality assessment for the first time this financial year. The materiality assessment was based on a survey conducted with a diverse set of internal and external stakeholders. The valuable responses received from stakeholders played a crucial role in identifying the key material issues that are pertinent to the Company. This allows us to further address the matters and develop our business sustainably.

2 List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Committee Meetings, Notice Boards, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees & Workers	No	Senior leaders' communication, goal setting and performance appraisal meetings/review, email, intranet, circulars, notice board	Ongoing	Employee well-being, Grievance handling, career development
Customers	No	Website, conferences, customer surveys, face-to-face meetings, E-mail, Customer feedbacks	Ongoing	Complaints handling and new product development communication and feedback
Shareholders	No	Annual General Meeting, Shareholder meets, email, Stock Exchange (SE) intimations, investor/analysts meet/ conference calls, annual reports, quarterly results, media releases and Company website	Ongoing	Disseminating and sharing of financial and non financial performance update with the shareholders with a view to update and also to seek their approval, as required.



Value chain partners	No	Vendor meets, conferences, e-mail, voice calls	Ongoing	Maintaining our relationships with suppliers of raw materials and indirect services are key to uninterrupted delivery to our consumers
Communities	Yes	Promoting special education Promoting gender equality and empowering women Supporting Children in Rural areas	Ongoing	Improved access to basics, including water, sanitation and hygiene, promoting education
Regulators/ Govt Ministries	No	Advocacy meetings with local/ state/ national regulators/ government ministries and seminars, media releases, conferences, membership in industry bodies	Ongoing	Compliance, Industry concerns

LEADERSHIP INDICATORS

1 Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The consultation between the stakeholders and the Board is internalised in the management process by delegating this process. We engage with our stakeholders regularly and as needed. The format of engagement will depend on the nature and needs of the stakeholders.

2 Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the environmental and social topics identification is done in tandem with the stakeholder identification carried out. For managing the material issues, we have incorporated various policies & procedures. Some of these include formation of an ESG team and adopting a sustainability policy. Pearl Global has conducted its materiality assessment for the first time this financial year. The materiality assessment was conducted based on the survey taken by various internal and external stakeholders. The stakeholder responses played a pivotal role in identifying key material issues relevant to the Company. Moving forward, we are committed to enhancing the robustness of this process. We also intend to make it a regular exercise to engage with stakeholders and incorporate their feedback into the Company's strategy.

3 Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

The Company's CSR activities focus on the disadvantages, vulnerable and marginalised segments of society. CSR activities are mentioned in the Principle no. 8.

PRINCIPLE

5

Businesses should respect and promote human rights

ESSENTIAL INDICATORS

- 1 Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	1654	1000	60.46%	1283	450	50.00%
Other than permanent	0	0	0.00%	0	0	0.00%
Total Employees	1654	1000	60.46%	1283	450	50.00%
Workers						
Permanent	6798	6798	100.00%	8500	4400	51.76%
Other than permanent	2292	2292	100.00%	1500	1000	66.67%
Total Workers	9090	9090	100.00%	10000	5400	54.00%

- 2 Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	1654	0	0%	1654	100%	1283	0	0%	1283	100%
Male	1436	0	0%	1436	100%	1134	0	0%	1134	100%
Female	218	0	0%	218	100%	149	0	0%	149	100%
Other than permanent	0	0	0%	0	0%	0	0	0%	0	0%
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Workers										
Permanent	6798	6798	100%	0	0%	7479	7479	100%	0	0%
Male	2086	2086	100%	0	0%	3484	1369	100%	0	0%
Female	4712	4712	100%	0	0%	3995	3324	100%	0	0%
Other than permanent	2292	2292	100%	0	0%	2786	2786	100%	0	0%
Male	1812	1812	100%	0	0%	2115	2115	100%	0	0%
Female	480	480	100%	0	0%	671	671	100%	0	0%



3 Details of remuneration/salary/wages, in the following format:

Male				Female	
Number	Median remuneration/ salary/ wages of respective category			Number	Median remuneration/ salary/ wages of respective category
9	182046 p.m.	Board of Directors (BoD) Key Managerial Personnel Employees other than BoD and KMP Workers		3	NIL
2	396856 p.m.			1	209366 p.m.
1434	28460 p.m.			217	26629 p.m.
3898	11772 p.m.			5192	11361 p.m.

4 Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

The Ethics Committee is responsible for addressing human rights impacts and issues

5 Describe the internal mechanisms in place to redress grievances related to human rights issues.

There is an Ethics Committee, which addresses grievances related to human rights impacts. All our business units, factories and offices are committed to respect the human rights of our workforce.

6 Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child Labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labour/ Involuntary	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other Human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

7 Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

The Company has a POSH committee in place and complies with all the regulatory Labour Laws. The Whistleblower policies have also been communicated to all stakeholders.

8 Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, we have a Global Governance Manual which emphasizes on Human Rights requirements. We prefer these principles to be part of our Business agreements and contracts too.

9 Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

LEADERSHIP INDICATORS

1 Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

During the reporting period, no business processes have been modified or introduced for addressing human rights grievances/complaints.

2 Details of the scope and coverage of any Human rights due-diligence conducted.

No due-diligence has been conducted on human rights

3 Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

4 Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	100%
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable



PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS

1 Details of total energy consumption (in Giga Joules) and energy intensity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	28,674.83	11,830.87
Total fuel consumption (B)	6,599.80	4,627.99
Energy consumption through other sources (C)	4119.048	3,986.05
Total energy consumption (A+B+C)	39,393.68	20,444.91
Energy intensity per ` Crores of turnover (Total energy consumption/ turnover in ₹ Cr)	42.19	21.90
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

2

Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

3 Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	83,515.00	62,636.25
(iii) Third party water (tanker)	8,407.00	6,305.25
(iv) Seawater / desalinated water	-	-
(v) Water from municipal corporation	-	-
(vi) Others	275.62	206.72
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	92,197.62	69,148.22
Total volume of water consumption (in kilolitres)	1,17,857.18	88,392.89
Water intensity per rupee Crores of turnover (Water consumed / turnover)	126.22	94.66
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

4

Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No

5 Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	µg/m3	28.83	27.93
Sox	µg/m3	11.07	10.84
Particulate matter (PM)	µg/m3	91.81	90.43
Persistent organic pollutants (POP)	µg/m3	-	-
Volatile organic compounds (VOC)	µg/m3	-	-
Hazardous air pollutants (HAP)	µg/m3	82.20	81.33
Others – please specify	µg/m3	41.90	46.80

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

6 Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Ton of CO2	425.43	303.01
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Ton of CO2	6,292.53	2,596.22
Total Scope 1 and Scope 2 emissions per rupee Crores of turnover	Ton of CO2	7.19	3.10
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

7

Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

No

**8 Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	65.50	49.13
E-waste (B)	1.50	1.13
Bio-medical waste (C)	0.10	0.08
Construction and demolition waste (D)	-	-
Battery waste (E)	0.01	0.01
Radioactive waste (F)	-	-
Other Hazardous waste (Oil-soaked cotton waste, DG filters, paint cans, chemical cans, paint residue, oil sludge, DG chimney soot, coolant oil and used oil) . Please specify, if any. (G)	1.20	0.90
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	1,050.00	787.50
Total (A+B + C + D + E + F + G + H)	1,118.31	838.75
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	0.5	
(ii) Re-used	1	
(iii) Other recovery operations		
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	Waste is disposed off through authorised vendors.	
(ii) Landfilling		
(iii) Other disposal operations		
Total		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

9

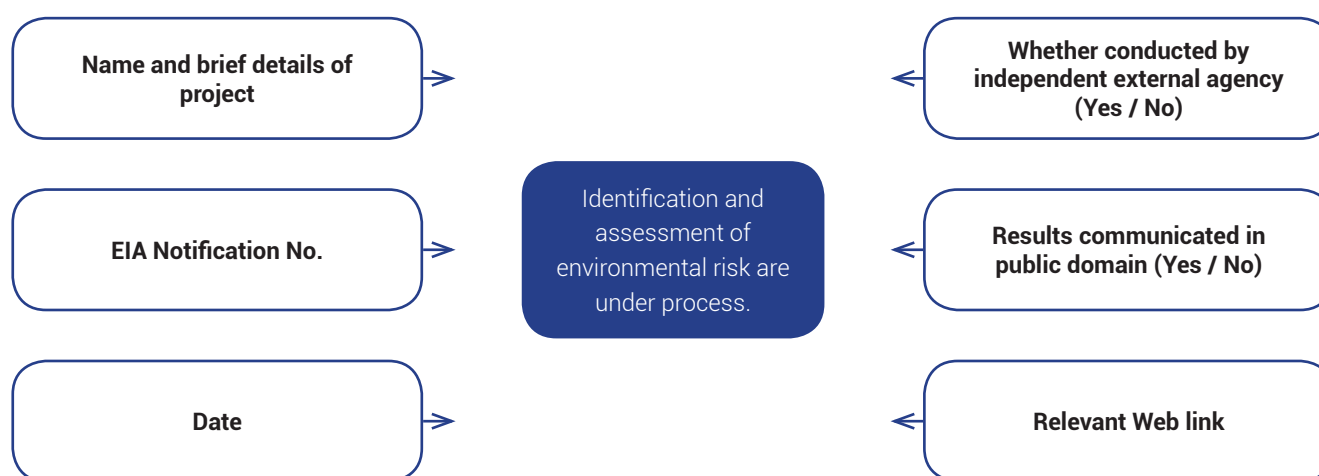
Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes

The waste is disposed off in accordance with the regulatory norms as defined by the State Pollution Control Board (SPCB) / Central Pollution Control Board (CPCB)

- 10 If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
NIL		

- 11 Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.**



- 12 Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

Specify the law / regulation / guidelines which was not complied with	Provide details of the noncompliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Pearl Global is compliant with all applicable laws and regulations across the sites in which they operate			



LEADERSHIP INDICATORS

1 Provide break-up of the total energy consumed (in Giga Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A)	4,119.05	3,986.05
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	4,119.05	3,986.05
From Non-renewable sources		
Total electricity consumption (D)	28,674.83	11,830.87
Total fuel consumption (E)	6,599.80	4,627.99
Energy consumption through other sources (F)	-	-
Total energy consumed from non renewable sources (D+E+F)	35,274.63	16,458.86

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

2 Provide the following details related to water discharged (in kilolitres):

Parameter	FY 2022-23	FY 2021-22
(i) To Surface Water	28508	23906
- No treatment	-	-
- With treatment – please specify level of treatment	Primary	Primary
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total Water discharged (in kilolitres)	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- No

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

None of our factories or offices withdraw, consume and discharge water in areas of water stress.

Note: No independent assessment/ evaluation/assurance has been carried out by an external agency.

4 Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	Not tracked	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

5

With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

6 If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sl. NO	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Solar panels	We have installed 200KW Solar panels to reuse electricity usage and utilise from natural source	We are using average of 700 units from Solar energy daily
2	ETP and STP	We are recycling the treated STP water for garden and flushing purpose & ETP water treated and again used for washing purpose	By this we are saving around 30 - 35 KLD/ day

7

Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The Company is in the process of formulating a business continuity and disaster management plan

8 Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard
NIL

9 Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.
~60%

**PRINCIPLE 7**

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

- 1 a. Number of affiliations with trade and industry chambers/ associations. (As below)
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sl. NO	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State / National)
1	Apparel Export Promotion Council	National
2	Gurgaon Chamber of Commerce	State
3	Federation of Indian Export Organisations	National

- 2 Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority

↓
NIL

Brief of the case

↓
NIL

Corrective action taken

↓
NIL

LEADERSHIP INDICATORS

- 1 Details of public policy positions advocated by the entity:

Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
NIL				

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

ESSENTIAL INDICATORS

- 1 Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
The Company has not undertaken SIA for the current financial year					

- 2 Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Not Applicable					

- 3 Describe the mechanisms to receive and redress grievances of the community.

Since our operations do not directly / indirectly create any negative impact on the environment or society, there are less of community related grievances. However, we engage with the community stakeholders to understand their needs and aspirations. The Company actively participates in community engagement through its CSR projects.

- 4 Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	16%	14%
Sourced directly from within the district and neighbouring districts	29%	36%

LEADERSHIP INDICATORS

- 1 Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified

Not Applicable

Corrective action taken

Not Applicable



2 Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

State	Aspirational District	Amount spent (In ₹)
CSR Projects not undertaken in aspirational districts		

3 (a)

Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised / vulnerable groups? (Yes/No)

No

(b)

From which marginalised /vulnerable groups do you procure?

We do not procure any material from marginalised groups

(c)

What percentage of total procurement (by value) does it constitute?

Not Applicable

4 Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
-	-	-	-

5 Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority

Not Applicable

Brief of the Case

Not Applicable

Corrective action taken

Not Applicable

6 Details of beneficiaries of CSR Projects:

Sl. NO	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Education in Gurugram, the Company supported schools with Read Aloud program & infrastructure maintenance including donation of swing set	150 school students	100%
2	Environment Sustainability in Begampur Khatola, Gurugram, 20 solar lights for the residents of the area.	Entire Khatola village community	~ 70%
3	Health and Sanitation in Mellavalam Village, Chennai and The Earth Saviours Foundation, Bandhwari Village, Haryana, Pearl Global organised a medical checkup camp for the 297 residents of The Earth Saviours Foundation in Bandhwari Village in Haryana and RO was installed in Mellavalam village in Chennai to ensure safe drinking water for the residents of the village.	1298 residents	100%
4	RO installed in community area Melavalam Pettai	2800	100%
5	RO water access given to government school children	600	100%

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner

ESSENTIAL INDICATORS

1 Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

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, feedback forms, etc. All complaints are appropriately addressed and all efforts are taken to resolve the same.

2 Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

As a percentage to total turnover

Environmental and social parameters relevant to the product

100%

Safe and responsible usage

100%

Recycling and/or safe disposal

-

3 Number of consumer complaints in respect of the following:

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	NIL	0	0	NIL
Advertising	0	0	NIL	0	0	NIL
Cyber-security	0	0	NIL	0	0	NIL
Delivery of Products	0	0	NIL	0	0	NIL



	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Quality of Products	3	0	We had recalled the consignment and replaced with other products	3	0	Packing issue
Restrictive Trade Practices	0	0	NIL	0	0	NIL
Unfair Trade Practices	0	0	NIL	0	0	NIL
Other	0	0	NIL	0	0	NIL

4 Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	Not Applicable
Forced recalls	0	Not Applicable

5

Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. Web Link: <https://www.pearlglobal.com/investor-relations/corporate-governance/>

6

Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services

No such incident related to the mentioned topics has been reported

LEADERSHIP INDICATORS

1 Channels / Platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information relating to all the products and services provided by the organisation are available on <https://www.pearlglobal.com/products/>

2 Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The product tags include instructions on how to use the products safely and responsibly, such as washing, drying, and ironing instructions.

3 Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services

The Company is not engaged in providing of essential services

4 Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, the Company displays necessary product information on the products label. Buyers are reputed Retail Chains and we do get their feedback on consumer fashion trends and feedback.

5 Provide the following information relating to data breaches:

a.	Number of instances of data breaches along-with impact	NIL
b.	Percentage of data breaches involving personally identifiable information of customers	NIL



INDEPENDENT AUDITOR'S REPORT

To,

The Members,

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, 2023, 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, 2023, 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.

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 year. 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 Matter	How our audit addressed the Key Audit Matter
Adequacy and completeness of disclosures of Related Party Transactions Refer Note 47 to the accompanying standalone financial statements as at March 31, 2023 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: - the significance of transactions with related parties during the year ended March 31, 2023; and	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. ✓ 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.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Key Audit Matter	How our audit addressed the Key Audit Matter
- related party transactions are subject to compliance requirement under the Companies Act, 2013 and SEBI (listing and Obligation Disclosure Requirement) 2015.	✓ 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.
Recognition, measurement, presentation and disclosures of revenues as per Ind AS 115 "Revenue from Contracts with Customers" Refer Note 3(h) to the accompanying standalone financial statements as at March 31, 2023 In accordance with the requirements of Ind AS 115 - Revenue from Contracts with Customers, an entity shall recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. An asset is transferred when the customer obtains control of that asset. Revenue is one of the key measures of performance. Revenue is identified as an area of significant risk. As per the accounting policy, the Company derives its revenue primarily from sale of garments with revenue recognised at a point in time when control of the goods has transferred to the customer. At the year end, management has to exercise significant judgement & control as the volume of transactions are high. Accordingly, Revenue Recognition is identified as a Key Audit Matter.	Our procedures included, but were not limited to the following: ✓ Assessed the appropriateness of the Company's revenue recognition accounting policies as per Ind AS 115 -Revenue from Contracts with Customers. ✓ Obtained an understanding and assessed the design, implementation and operating effectiveness of key internal controls over recognition and measurement of revenue in accordance with customer contracts, including correct timing of revenue recognition. ✓ Performed substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year, verifying with the underlying documents i.e. sales invoices, dispatch documents including shipping bill, Airway bill, bill of lading, forwarder cargo receipt etc. ✓ Performed cut off testing, on sample basis to ensure that the revenue from sale of goods is recognised in the appropriate period. ✓ Assessed manual journals posted to revenue to identify unusual items and tested the same on a sample basis. ✓ Performed analytical procedures for reasonableness of revenues disclosed vis-à-vis the direct and indirect costs involved. ✓ Considered adequacy of the Company's disclosures in respect of revenue and related estimates and judgements in the standalone Ind AS financial statements. Based on our procedures as mentioned above, we did not identify any findings that are significant for the financial statements as whole in respect of accounting, presentation and disclosure of Revenue Recognition.

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.



INDEPENDENT AUDITOR'S REPORT (Contd.)

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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, 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.)

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.

Other Matters

The comparative financial statement of the Company for the year ended March 31, 2023 included in this standalone financial statement, are based on the previously issued statutory standalone financial statements which had been audited by the predecessor auditor whose report for the year ended March 31, 2022 dated May 25, 2022 expressed an unmodified opinion on those standalone financial statement. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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:
 - I. 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.
 - II. 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.
 - III. 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.

- IV. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- V. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- VI. 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"**.
- VII. 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:
 - a) 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.
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. – refer Note No. 42 of the Standalone financial statements.
 - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d) (i) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 54 to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly



INDEPENDENT AUDITOR'S REPORT (Contd.)

lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (ii) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 54 to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (iii) Based on such audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) & (ii) above, contain any material misstatement.
- e) The first interim dividend declared and paid by the Company during the year and

is in accordance with section 123 of the Companies Act 2013. Further, as stated in note 49 to the financial statements, second interim dividend declared by the Company for the year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to declaration of dividend. However, the second interim dividend was not paid on the date of this audit report.

- f) Proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable for the Company w.e.f. April 01, 2023 and accordingly reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

- 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 S.R. Dinodia & Co. LLP.

Chartered Accountants,

Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner

Place of Signature: New Delhi Membership Number 083689

Date: May 15, 2023

UDIN:23083689BGWOCM4481

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 paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2023, we report that:

- i) In respect of Property, Plant and Equipment:
 - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company has maintained proper records showing full particulars of Intangible assets.
 - b) The Company has a Programme of verification to cover all the items of Property, Plant and Equipment 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 Programme, certain Property, Plant and Equipment 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 (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) 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.
 - d) According to the records examined by us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, the provisions of clause 3(i) (d) of the Order are not applicable.
- e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder. Accordingly, the provisions of clause 3(i) (e) of the Order are not applicable.
- ii) In respect of its inventory:
 - a) On the basis of information and explanation provided, the Management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. In our opinion, the coverage and procedure of such verification is appropriate having regard to the size of the Company and nature of its business. According to the information and explanations given to us, no discrepancies of 10% or more in the aggregate for each class of inventory between physical inventory and book records were noticed on such physical verification.
 - b) According to the records examined by us, during the year, working capital limits in excess of five Crores rupees, in aggregate has been sanctioned to the Company by the banks on the basis of security of current assets. According to the information and explanations given to us, the quarterly statements filed by the Company with such banks are materially in agreement with the books of account of the Company.
- iii) According to the information and explanation given and based on the audit procedures performed by us, during the year, the Company has made investment and provided corporate guarantee to group companies and unsecured loans to companies and other parties. Further, the Company has not given any security to companies, firms, Limited Liability Partnerships (LLPs) or other parties.



ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

- a) the aggregate amount during the year and balance outstanding at the balance sheet date with respect to such loans and guarantees to its subsidiaries, and other parties are given below:

Particulars	Guarantees	Loan
Aggregate amount granted/ provided during the year		
- Subsidiaries	USD 50.00 Lakhs equivalent to ₹4,111.00 Lakhs	USD 3.00 Lakhs equivalent to ₹ 246.66 Lakhs
- Others- Loan to Other Related Parties	-	₹ 100.00 Lakhs
- Others- Loan to employees	-	₹ 256.58 Lakhs
Balance outstanding as at balance sheet date in respect of above cases		
- Subsidiaries	USD 290.00 Lakhs equivalent to ₹ 23,843.80 Lakhs	USD 3.00 Lakhs equivalent to ₹ 246.66 Lakhs
- Others- Loan to related Parties	-	₹ 100.00 Lakhs
- Others- Loan to employees		₹ 84.25 Lakhs

- b) The terms and conditions of the grant of loans, guarantees and investment made, are, prima facie, not prejudicial to the Company's interest.
- c) The schedule of repayment of principal and payment of interest in respect of loan has been stipulated and the repayment/receipts of the principal amount and the interest are generally been regular as per stipulation.
- d) There is no overdue amount in respect of loan granted.
- e) No loans or advances in the nature of loan granted which has fallen due during the year or has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties. Accordingly, the provisions of clause 3(iii) (e) of the Order are not applicable.
- f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Accordingly, the provisions of clause 3(iii) (f) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, 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 securities is not applicable to the Company. Further, the Company has complied with Section 185 and Section 186 of the Act in respect of loan granted, investments made and corporate guarantee provided by the Company.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year and had no unclaimed deposits at the beginning of the year within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi) On the basis of available information and explanation provided to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2016 dated July 14, 2016 to the current operations carried out by the Company. Accordingly, the provisions of paragraph 3(vi) of the 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, 2023 for a period of more than six months from the date they became payable.

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

- b) According to the records of the Company examined by us and the information and explanations given to us, there were no dues in respect of statutory dues refer to in sub clause vii(a) above which have not been deposited by the Company on account of dispute, except for the following:

S. No.	Name of the Statute	Nature of Dues	Amount in ₹ Lakhs	Period to which amount relates	Forum where dispute is pending
a)	Income Tax Act, 1961	Income Tax Demand	15.57	A.Y 2015-16	At CIT(A)
b)	Income Tax Act, 1961	Income Tax Demand	3.49	A.Y 2016-17	At Assessing Officer
c)	Income Tax Act, 1961	Income Tax Demand	37.13	A.Y 2017-18	At CIT(A)
d)	Income Tax Act, 1961	Income Tax Demand	5.70	A.Y 2018-19	At CIT(A)
e)	Income Tax Act, 1961	Income Tax Demand	2.90	A.Y 2020-21	At CIT(A)

- viii) According to the information and explanations given to us and the records examined by us, there are no unrecorded transactions that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- ix) In respect of loans or other borrowings taken by the Company, according to the information and explanations given to us and audit procedures performed by us:
- The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
 - The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
 - The Company has utilised the money obtained by way of term loans during the year for the purposes for which they were obtained.
 - No funds raised on short-term basis have been used for long-term purposes by the Company.
 - The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. Further, the Company does not have any associate and Joint venture. Accordingly, the provisions of clause 3(ix) (e) of the Order are not applicable.
 - The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Further the Company does not have any associate and joint venture. Accordingly, the provisions of clause 3(ix) (f) of the Order are not applicable.
- x) In respect of moneys raised by the Company through issue of shares & debt instruments:
- During the year, the Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, the provisions of clause 3(x) (a) of the Order are not applicable.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible). Accordingly, provisions of clause 3 (x) (b) of the Order are not applicable.
- xi) a) As per the information and explanations given to us on our enquiries on this behalf, no fraud of material significance on or by the Company has been noticed or reported during the year.
- b) In our opinion and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed during the year and upto the date of this report in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) We have taken into consideration the whistle blower complaints received by the Company during the year, while determining the nature, timing and extent of our audit procedures.
- 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) In respect of internal audit system in the Company:
- In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.



ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

- b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv) In our opinion and according to information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him, covered under section 192 of the Act. Accordingly, provisions of clause 3 (xv) of the Order are not applicable.
- xvi) a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, provisions of clause 3 (xvi) (a), (b) and (c) of the Order are not applicable.
- b) According to the information and explanations given to us, there are no core investment company (CIC) within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, provisions of clause 3 (xvi) (d) of the Order are not applicable.
- xvii) According to the information and explanations given to us, the Company has neither incurred any cash losses in the current financial year nor in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly, provisions of clause 3 (xviii) of the Order are not applicable.
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management's plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) In respect of Corporate Social Responsibility, according to the information and explanations given to us and audit procedures performed by us:
- a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring to be transferred to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, provisions of clause 3 (xx) (a) of the Order are not applicable.
- b) There are no ongoing CSR projects under sub-section (6) of section 135 of the said Act. Accordingly, provisions of clause 3 (xx) (b) of the Order are not applicable.
- xxi) The reporting under clause 3 (xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For S.R. Dinodia & Co. LLP.

Chartered Accountants,

Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner

Place of Signature: New Delhi Membership Number 083689

Date: May 15, 2023

UDIN: 23083689BGWOCM4481

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, 2023 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 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

**ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT (Contd.)**

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, 2023, 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 S.R. Dinodia & Co. LLP.

Chartered Accountants,

Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner

Place of Signature: New Delhi Membership Number 083689

Date: May 15, 2023

UDIN: 23083689BGWOCM4481

STANDALONE BALANCE SHEET

as at March 31, 2023

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As At March 31, 2023	As At March 31, 2022
I. Assets			
Non-current assets			
(a) Property, plant and equipment	4	12,824.77	12,413.17
(b) Capital work in progress	5	691.69	-
(c) Right of use assets	50	3,004.07	2,171.47
(d) Investment properties	6	5,736.06	5,904.48
(e) Other Intangible assets	7	156.19	72.06
(f) Financial assets			
(i) Investments			
(ia) Investment in subsidiaries	8	11,818.71	11,761.04
(ib) Investment - others	9	832.00	875.13
(ii) Loans	10	11.60	5.38
(iii) Other financial assets	11	684.85	652.98
(g) Non-current tax assets (net)	13	518.66	567.72
(h) Deferred Tax Assets (net)	12	71.95	-
(i) Other non current assets	14	136.48	52.46
Total Non-current assets		36,487.03	34,475.89
Current assets			
(a) Inventories	15	13,562.99	22,179.09
(b) Financial assets			
(i) Investments	9	562.16	532.26
(ii) Trade receivables	16	11,040.37	11,591.48
(iii) Cash and cash equivalents	17	6,740.76	4,322.04
(iv) Bank balances other than cash and cash equivalents	18	2,197.49	2,137.64
(v) Loans	10	419.31	35.98
(vi) Other financial assets	11	98.04	493.32
(c) Other current assets	14	7,060.31	10,582.14
Total current assets		41,681.43	51,873.95
Total assets		78,168.46	86,349.84
II. Equity and liabilities			
Equity			
(a) Equity share capital	19	2,166.39	2,166.39
(b) Other equity	20	35,919.60	32,181.67
Total equity		38,085.99	34,348.06
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	5,777.53	8,333.50
(ia) Lease Liabilities	50	2,950.56	2,147.63
(ii) Others financial liabilities	23	107.03	240.92
(b) Provisions	24	1,157.26	934.22
(c) Deferred tax liabilities (net)	12	-	232.27
(d) Other non-current liabilities	25	96.53	3,006.08
Total non-current liabilities		10,088.91	14,894.62
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	14,858.02	17,634.44
(ia) Lease Liabilities	50	569.52	391.22
(ii) Trade payables	26	-	-
- Total outstanding due of micro enterprises and small enterprises		744.87	663.71
- Total outstanding due of creditors other than micro enterprises and small enterprises		11,850.25	17,219.96
(iii) Other financial liabilities	23	605.17	235.32
(b) Other current liabilities	25	1,066.36	852.51
(c) Provisions	24	101.73	110.00
(d) Current tax liabilities (net)	27	197.63	-
Total current liabilities		29,993.55	37,107.16
Total equity and liabilities		78,168.46	86,349.84

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

For **S.R. Dinodia & Co. LLP**

Chartered Accountants

Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number : 083689

(Pulkit Seth)

Vice-Chairman

DIN 00003044

(Sanjay Gandhi)

Group CFO

M. No. 096380

(Shilpa Budhia)

Company Secretary

M. No. ACS-23564

(Pallab Banerjee)

Managing Director

DIN 07193749

(Narendra Somani)

Chief Financial Officer

M. No. 092155

Place of Signature: New Delhi

Date: May 15, 2023

Place of Signature: Gurugram

Date: May 15, 2023



STATEMENT OF STANDALONE PROFIT AND LOSS

for the year ended March 31, 2023

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I Revenue from operations	28	1,10,377.07	93,377.06
II Other income	29	3,035.51	3,204.83
III Total income (I+II)		1,13,412.58	96,581.89
IV Expenses			
(a) Cost of materials consumed	30	52,666.18	42,862.08
(b) Purchases of stock-in-trade	31	-	671.60
(c) Changes in inventories of finished goods, stock in trade and work in progress	32	1,524.57	(726.87)
(d) Employee benefits expense	33	19,833.58	15,219.19
(e) Finance costs	34	3,042.33	2,585.30
(f) Depreciation and amortisation expense	35	1,882.90	1,762.91
(g) Other expenses	36	29,392.83	31,252.11
Total expenses		1,08,342.39	93,626.32
V Profit/ (loss) before exceptional items and tax (III-IV)		5,070.19	2,955.58
VI Exceptional Items	37	(1,096.86)	(655.01)
VII Profit/ (loss) before tax (V-VI)		6,167.05	3,610.59
VIII Tax expense:	12		
(a) Current tax		951.58	397.95
(b) Deferred tax		(167.79)	496.86
(c) Adjustment of tax relating to earlier years		1.61	-
Total tax expense		785.40	894.81
IX Profit/(loss) for the year (VII-VIII)		5,381.65	2,715.78
X Other comprehensive income	38		
(A) (i) Items that will not be reclassified to profit or loss			
(a) Re-measurement gains/ (losses) on defined benefit plans		53.35	81.36
(ii) Income tax on items that will not be reclassified to profit or loss		(13.43)	(20.48)
(B) (i) Items that will be reclassified to of profit or loss			
(a) Net movement in effective portion of cash flow hedge reserve		(595.46)	419.03
(b) Exchange differences in translating the financial statements of a foreign operation		127.24	(114.20)
(ii) Income tax on items that will be reclassified to profit or loss		149.87	(105.46)
Other comprehensive income for the year, net of tax		(278.43)	260.26
XI Total comprehensive income for the year, net of tax		5,103.22	2,976.04
XII Earnings per share: (face value ₹ 10 per share)	39		
1) Basic (amount in ₹)		24.84	12.54
2) Diluted (amount in ₹)		24.77	12.54
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 **S.R. Dinodia & Co. LLP**

Chartered Accountants

Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number : 083689

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

(Pulkit Seth)

Vice-Chairman

DIN 00003044

(Sanjay Gandhi)

Group CFO

M. No. 096380

(Shilpa Budhia)

Company Secretary

M. No. ACS-23564

(Pallab Banerjee)

Managing Director

DIN 07193749

(Narendra Somani)

Chief Financial Officer

M. No. 092155

Place of Signature: New Delhi
Date: May 15, 2023

Place of Signature: Gurugram
Date: May 15, 2023

STATEMENT OF STANDALONE CASH FLOW

for the year ended March 31, 2023

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flows from operating activities			
Profit before tax		6,167.05	3,610.59
Adjustments for:			
Depreciation and amortisation		1,882.90	1,762.91
Interest paid and other borrowing cost		3,024.18	2,585.30
Sundry balances written back		(91.51)	(297.41)
Provision written back		(98.50)	(204.11)
Unrealised Foreign exchange gain/ loss		155.83	236.81
Sundry balances written off		229.24	410.37
Loss / (Gain) on lease modification		1.86	(50.38)
Grant amortised during the year		(1.00)	(1.00)
Amortisation of deferred rental income		(19.36)	(16.44)
Unwinding of discount on security deposits Income		(31.70)	(25.70)
Unwinding of discount on security deposits Expense		18.15	14.08
Profit on sale of current investment - mutual Fund		(97.05)	(16.34)
Rental income		(774.49)	(769.38)
Interest income		(246.68)	(149.53)
Fair value loss /(gain) on financial assets measured at fair value through profit or loss		13.19	(573.58)
Income on corporate guarantee		(151.58)	(132.75)
Loss Allowance for doubtful debts and advances		151.07	294.84
Enhanced Compensation Receivable on Compulsory Acquisition		14.48	-
Interest on Advance paid		(827.00)	-
Loss allowance for receivables		(2,335.15)	-
Dividend Received		(1,006.25)	-
Stock compensation expense		143.92	-
Foreign Currency Translation Reserve on Foreign Operation		127.24	(114.20)
Operating profit before working capital changes		6,248.87	6,564.11
Movement in working capital:			
(Increase)/decrease in trade receivables		365.64	1,892.71
(Increase)/decrease in other non-current financial assets		(28.71)	130.27
(Increase)/decrease in other current financial assets		22.44	167.22
(Increase)/decrease in other non-current assets		0.31	42.23
(Increase)/decrease in other current assets		3,313.24	(3,586.18)
(Increase)/decrease in inventories		8,616.10	(8,909.96)
Increase/(decrease) in trade payables		(5,298.15)	2,047.75
Increase/(decrease) in other non-current financial liabilities		(133.89)	89.56
Increase/(decrease) in other current financial liabilities		181.41	(61.26)
Increase/(decrease) in non-current provisions		276.40	71.52
Increase/(decrease) in current provisions		(8.27)	114.88
Increase/(decrease) in other non-current liabilities		(2,908.53)	(6.28)
Increase/(decrease) in other current liabilities		233.21	173.71
Cash generated from operations		10,880.08	(1,269.73)
Direct tax paid (net of refunds)		(706.49)	(408.92)
Cash flow before exceptional items		10,173.59	(1,678.65)
Exceptional items:			
Net cash inflow from/(used in) operating activities	(A)	9,076.72	(2,333.66)
Cash flows from investing activities			
Purchase of property, plant and equipment (Including ROU, net with lease liabilities)		(1,924.44)	(913.62)
Sale proceeds of property, plant and equipment		4,657.93	165.22
(Increase)/decrease in capital work in progress		(691.69)	41.63
Sale/(Purchase) of investment properties		(24.73)	714.60
Sale/(Purchase) of Intangible assets		(139.61)	(48.52)
(Increase)/decrease in capital advances		(26.81)	(41.10)
Increase/(decrease) in capital creditors		31.37	(110.84)
(Increase)/decrease in Investment in subsidiaries and others		239.43	(23.45)
(Increase)/decrease in current investment - Others		67.14	273.54
(Increase)/decrease in non-current Loans		(6.22)	486.92
(Increase)/decrease in current Loans		(383.33)	287.85
(Increase)/decrease in bank deposit		(59.85)	(1,029.49)
Dividend received		1,006.25	-
Interest received		209.69	121.19



Statement of Standalone Cash Flows for the year ended March 31, 2023 (Contd.)

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
Rent received		774.49	769.38
Net Cash in flow From/ (Used In) Investing Activities	(B)	3,729.61	693.32
Cash flows from financing activities			
Increase/ (decrease) in long term borrowings		(2,555.98)	133.71
Increase/ (decrease) in short term borrowings		(2,776.43)	4,306.89
Payment of Lease Liabilities		(704.57)	(381.57)
Dividend paid		(1,624.80)	-
Other borrowing cost		(925.39)	(721.25)
Interest paid		(1,800.45)	(1,974.89)
Net cash inflow from/(used in) financing activities	(C)	(10,387.61)	1,362.89
Net Increase (decrease) In cash and cash equivalents (A+B+C)		2,418.72	(277.45)
Opening balance of cash and cash equivalents		4,322.04	4,599.50
Total cash and cash equivalent (Note no. 17)		6,740.76	4,322.04
Components of cash and cash equivalents			
Cash, Cheque/drafts on hand		26.62	26.45
With banks - Current account		4,425.43	3,980.45
With banks - Deposit account		2,288.71	315.15
Total cash and cash equivalent (Note no. 17)		6,740.76	4,322.04

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 investing activities includes non-cash transactions as under:

	For the year ended March 31, 2023	For the year ended March 31, 2022
i) Conversion of loan given to subsidiary into equity	-	486.10

- (c) The Increase/(Decrease) in liabilities arising from financing activities includes non-cash transactions as under:

	For the year ended March 31, 2023	For the year ended March 31, 2022
i) EIR adjustment of borrowings	12.06	7.91
ii) Unwinding of discount on security deposit	18.15	14.08

- (d) During the FY 2022-23, the Company has made investment of USD 3.00 Lakhs in a Wholly Owned Subsidiary (WOS) in USA in the name of "Pearl Global USA Inc" on September 14, 2022.
- (e) During the the FY 2022-23, the Company has made investment of ₹ 1.00 Lakh in newly incorporated wholly owned subsidiary (WOS) "Sead Apparels Private Limited".

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 attachedFor **S.R. Dinodia & Co. LLP**

Chartered Accountants

Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number : 083689

For & on behalf of Board of Directors of Pearl Global Industries Limited**(Pulkit Seth)**

Vice-Chairman

DIN 00003044

(Sanjay Gandhi)

Group CFO

M. No. 096380

(Shilpa Budhia)

Company Secretary

M. No. ACS-23564

(Pallab Banerjee)

Managing Director

DIN 07193749

(Narendra Somani)

Chief Financial Officer

M. No. 092155

Place of Signature: New Delhi
Date: May 15, 2023

Place of Signature: Gurugram
Date: May 15, 2023

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2023

A. Equity Share Capital

(Amount in ₹ Lakhs, unless otherwise stated)

As at April 01, 2021	2,166.39
Changes during the year	-
As at March 31, 2022	2,166.39
Changes during the year	-
As at March 31, 2023	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	Share Based Payment Reserve	Effective Portion of Cash Flow Hedge	Currency Translation Reserve	
Balance as at April 01, 2021	4,204.36	17,103.90	95.00	625.95	7,172.94	-	(8.49)	11.96	29,205.63
Profit/(loss) for the year	-	-	-	-	2,715.78	-	-	-	2,715.78
Net movement in effective portion of cash flow hedge reserve, net of tax effect	-	-	-	-	-	-	313.57	-	313.57
Remeasurement of the benefit plan, net of tax effect	-	-	-	-	60.88	-	-	-	60.88
Foreign Currency Translation Reserve	-	-	-	-	-	-	-	(114.20)	(114.20)
Balance as at March 31, 2022	4,204.36	17,103.90	95.00	625.95	9,949.62	-	305.08	(102.24)	32,181.67
Profit/(loss) for the year	-	-	-	-	5,381.65	-	-	-	5,381.65
Net movement in effective portion of cash flow hedge reserve, net of tax effect	-	-	-	-	-	-	(445.59)	-	(445.59)
Share Based Payment Reserve	-	-	-	-	-	259.51	-	-	259.51
Remeasurement of the benefit plan, net of tax effect	-	-	-	-	39.92	-	-	-	39.92
Foreign Currency Translation Reserve	-	-	-	-	-	-	-	127.24	127.24
Dividend paid	-	-	-	-	(1,624.80)	-	-	-	(1,624.80)
Balance as at March 31, 2023	4,204.36	17,103.90	95.00	625.95	13,746.39	259.51	(140.51)	25.00	35,919.60

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

For **S.R. Dinodia & Co. LLP**

Chartered Accountants

Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number : 083689

(Pulkit Seth)

Vice-Chairman

DIN 00003044

(Sanjay Gandhi)

Group CFO

M. No. 096380

(Shilpa Budhia)

Company Secretary

M. No. ACS-23564

(Pallab Banerjee)

Managing Director

DIN 07193749

(Narendra Somani)

Chief Financial Officer

M. No. 092155

Place of Signature: New Delhi

Date: May 15, 2023

Place of Signature: Gurugram

Date: May 15, 2023



NOTES

to standalone financial statements for the year ended March 31, 2023

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, South West Delhi, Delhi, 110057. 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 BSE Limited and National Stock Exchange in India.

The financial statements were authorised for issue in accordance with a resolution of the board of directors on May 15, 2023.

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 non-current 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 ₹ which is its functional & presentational currency 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 March 31, 2023 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 notified by Ministry of Corporate Affairs are as under:-

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2023, as below:

a) Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements

b) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

c) Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement

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3 SIGNIFICANT ACCOUNTING POLICIES

a) Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

Use of Estimates and Judgements

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Also, the Company has made certain judgements in applying accounting policies which have an effect on amounts recognised in the financial statements.

i) Income taxes

The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Where tax positions are uncertain, accruals are recorded within income tax liabilities for management's best

estimate of the ultimate liability that is expected to arise based on the specific circumstances and the Company's historical experience. Factors that may have an impact on current and deferred taxes include changes in tax laws, regulations or rates, changing interpretations of existing tax laws or regulations, future levels of research and development spending and changes in pre-tax earnings.

ii) Contingencies

Contingent Liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and other claims. By virtue of their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgements and the use of estimates regarding the outcome of future events.

iii) Recoverability of deferred taxes

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment.

iv) Defined benefit plans

The present value of the gratuity and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the actuary considers the interest rates of government



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bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

v) Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

vi) Leases

Where the Company is the lessee, key judgements include assessing whether arrangements contain a lease and determining the lease term. To assess whether a contract contains a lease requires judgement about whether it depends on a specified asset, whether the Company obtains substantially all the economic benefits for the use of that asset and whether the Company has a right to direct the use of the asset. In order to determine the lease term judgement is required as extension and termination options have to be assessed along with all facts and circumstances that may create an economic incentive to exercise an extension option, or not exercise a termination option. The Company revises the lease term if there is a change in the non-cancellable period of a lease. Estimates include calculating the discount rate which is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Where the Company is the lessor, the treatment of leasing transactions is mainly determined by whether the lease is considered to be an operating or finance lease. In making this assessment, management looks at the substance of the lease, as well as the legal form, and makes a judgement about whether substantially all of the risks and rewards of ownership are transferred. Arrangements which do not take the legal form of a lease but that nevertheless convey the right to use an asset are also covered by such assessments.

vii) Amortisation of Government Grants

Grants are amortised to Profit and Loss on a straight - line basis over the expected lives of related assets and presented within other income.

viii) Impairment of financial instruments

The Company analyses regularly for indicators of impairment of its financial instruments by reference to the requirements under relevant Ind AS.

The management's estimates and assessments were based in particular on assumptions regarding the development of the economy as a whole, the development of textiles markets, and the development of the basic legal parameters.

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

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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 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.

Items of stores and spares that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

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 April 01, 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 property, plant & equipment 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 :

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 :

- Property, plant & equipment costing upto ₹ 5,000 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 April 01, 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



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useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. All expenditures, qualifying as Intangible Assets are amortised over estimated useful life.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognised 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 recognised in Statement of Profit and Loss as incurred.

Amortisation and useful lives: Intangible assets with finite lives are amortised over the useful life and these are 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. Specialised softwares are amortised over a period of 3 years or license period whichever is earlier.

f) Borrowing costs

Borrowing costs consists of interest and amortisation 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.

g) Foreign Currency Transactions and Translations**Functional and presentational currency**

The Company's financial statements are presented in Indian Rupees (₹ in Lakhs) 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 re-translated.

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.

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.

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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.

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, transfer of control generally takes place at the time of expected date of departure which is specified in 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 recognised at the delivery of complete module & patches (through reimbursement from group companies).
- b) Rental Income is recognised 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 recognised 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



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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 capitalised 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 realisable 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 realisable value.
- iii) Inventories of raw material, work in progress, accessories & consumables are valued at cost (weighted average method) or at estimated net realisable 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 realisable 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 realisable value is made on an 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 recognises 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

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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 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.



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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 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.

Employees Share Based Payment

Employees (including senior executives) of the Company receive component of remuneration in the form of sharebased payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Expense relating to options granted to employees of the subsidiaries under the Company's share-based payment plan, is cross charged for their share of the ESOP cost by equity settlement.

I) 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

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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

All Financial assets are recognized initially at fair value, plus in case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of financial assets. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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 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' arrangements 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.



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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 recognised amounts and there is an intention to settle on a net basis, to realise 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 recognised 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 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 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 recognised 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 recognised 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 recognised 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 recognised 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

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to standalone financial statements for the year ended March 31, 2023

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 recognised, 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:

- (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 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 recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognised 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



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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 realised 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 recognised directly in equity/other comprehensive income is recognised 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).

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) Statement of Cash flows

The statement of cash flows have been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows.

u) 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.

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v) 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.

w) 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.

x) 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.

y) 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.



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4 PROPERTY, PLANT AND EQUIPMENT

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Land-freehold	Land-leasehold	Buildings	Leasehold improvements	Plant and Equipment	Furniture and Fixtures	Vehicles	Total
Gross carrying amount								
As at April 01, 2021	1,829.72	580.32	3,930.54	601.47	9,185.61	1,046.93	1,119.73	18,294.32
Add: Additions made during the year	-	38.53	21.61	-	813.53	22.54	16.61	912.82
Less: (Disposals)/adjustments during the year	(92.41)	92.41	-	(189.94)	(123.83)	-	(127.10)	(440.88)
As at March 31, 2022	1,737.31	711.25	3,952.15	411.53	9,875.29	1,069.47	1,009.24	18,766.26
Add: Additions made during the year	-	-	4.89	299.08	1,289.78	242.07	88.62	1,924.44
Less: (Disposals)/adjustments during the year	(113.24)	-	(103.10)	-	(159.23)	-	(101.95)	(477.53)
As at March 31, 2023	1,624.07	711.25	3,853.95	710.61	11,005.84	1,311.54	995.91	20,213.17
Accumulated depreciation/amortisation								
As at April 01, 2021	-	3.32	714.16	287.42	3,484.50	462.48	493.86	5,445.74
Add: Depreciation charge for the year	-	7.82	153.12	86.12	689.66	97.87	129.90	1,164.50
Less: (Disposals)/adjustments during the year	-	-	-	(142.45)	(61.92)	-	(52.78)	(257.14)
As at March 31, 2022	-	11.14	867.28	231.09	4,112.24	560.35	570.99	6,353.09
Add: Depreciation charge for the year	-	8.19	151.67	65.49	788.38	117.51	99.64	1,230.88
Less: (Disposals)/adjustments during the year	-	-	(31.48)	-	(107.36)	-	(56.72)	(195.57)
As at Mar 31, 2023	-	19.34	987.47	296.59	4,793.26	677.86	613.91	7,388.40
Net carrying amount								
As at March 31, 2023	1,624.07	691.91	2,866.49	414.03	6,212.58	633.69	382.02	12,824.77
As at March 31, 2022	1,737.31	700.11	3,084.87	180.43	5,763.06	509.12	438.25	12,413.17

- a) For Information on Property, plant and equipment pledged as security by the Company refer Note 21 & 22
b) The above property, plant and equipment includes assets given on lease given in the below table:

	Plant and Equipment	Furniture and Fixtures	Total
As at March 31, 2023			
Gross carrying amount	27.77	21.22	48.99
Accumulated depreciation	22.09	19.68	41.77
Net carrying amount	5.68	1.54	7.22
As at March 31, 2022			
Gross carrying amount	27.77	21.22	48.99
Accumulated depreciation	21.64	18.20	39.84
Net carrying amount	6.13	3.02	9.15

5 CAPITAL WORK IN PROGRESS

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Balance at the beginning of the year	-	41.63
Add: Addition made during the year	691.69	-
Less: (Disposals)/adjustments during the year	-	(41.63)
Balance at the end of the year	691.69	-

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to standalone financial statements for the year ended March 31, 2023

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

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Building	658.21	-
Furniture and fittings	0.99	-
Plant and machinery	32.49	-
	691.69	-

b) Ageing schedule of CWIP as at March 31, 2023:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	691.69	-	-	-	691.69
Projects temporarily suspended	-	-	-	-	-

Ageing schedule of CWIP as at March 31, 2022:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

c) There are no capital-work-in progress as at March 31, 2023 and as at March 31, 2022 whose completion is overdue or has exceeded its cost as compared to its original plan.

6 INVESTMENT PROPERTIES

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Land freehold	Land leasehold	Building	Total
Gross carrying amount				
(At Deemed cost)				
As at April 01, 2021	1,838.36	10.36	4,611.74	6,460.46
Add: Additions made during the year	60.39	-	-	60.39
Less: Disposals/adjustments during the year	23.07	10.36	129.65	163.08
As at March 31, 2022	1,875.68	0.00	4,482.09	6,357.77
Add: Additions made during the year	24.73	-	-	24.73
Less: Disposals/adjustments during the year	-	-	153.87	153.87
As at March 31, 2023	1,900.41	0.00	4,328.22	6,228.63
Accumulated depreciation and amortisation				
As at April 01, 2021	-	-	405.86	405.86
Add: Depreciation & amortisation charge for the year	-	-	82.20	82.20
Less: Disposals/adjustments during the year	-	-	34.76	34.76
As at March 31, 2022	-	-	453.30	453.30
Add: Depreciation & amortisation charge for the year	-	-	79.56	79.56
Less: Disposals/adjustments during the year	-	-	40.28	40.28
As at Mar 31, 2023	-	-	492.58	492.58



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to standalone financial statements for the year ended March 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Land freehold	Land leasehold	Building	Total
Net carrying amount				
As at Mar 31, 2023	1,900.41	0.00	3,835.64	5,736.06
As at March 31, 2022	1,875.68	0.00	4,028.80	5,904.48

	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Amounts recognised in Statement of Profit and Loss for investment properties		
Rental Income	774.49	769.38
Less : Direct operating expenses of property that generated rental income	(69.17)	(47.44)
Less : Direct operating expenses of property that did not generated rental income	-	(0.75)
Income arising from Investment properties before charging depreciation	705.33	721.19
Less : Depreciation & amortisation	(79.56)	(82.20)
Income from Investment properties (net)	625.77	638.99
b) Fair value of investment properties	11,560.52	11,213.29

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.

7 OTHER INTANGIBLE ASSETS

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Computer Software	Total
Gross carrying amount		
As at April 01, 2021	274.31	274.31
Add: Additions during the year	48.53	48.53
Less: (Disposals) / adjustments during the year	-	-
As at March 31, 2022	322.84	322.84
Add: Additions during the year	139.61	139.61
Less: Disposals / adjustments during the year	18.30	18.30
As at March 31, 2023	444.15	444.15
Accumulated amortisation		
As at April 01, 2021	220.24	220.24
Add: Amortisation charge for the year	30.53	30.53
Less: (Disposals) / adjustments during the year	-	-
As at March 31, 2022	250.77	250.77
Add: Amortisation charge for the year	37.61	37.61
Less: On disposals / adjustments during the year	0.44	0.44
As at March 31, 2023	287.94	287.94
Net carrying amount		
As at March 31, 2023	156.19	156.19
As at March 31, 2022	72.06	72.06

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to standalone financial statements for the year ended March 31, 2023

8 INVESTMENT IN SUBSIDIARIES

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Non- Current -- unquoted, fully paid up		
A) Investments in equity instruments (At Cost)		
Pearl Global (HK) Limited		
1610000 (March 31, 2022: 1610000) Equity Shares of USD 1 each fully paid up	5,932.20	5,932.20
Pearl Global Fareast Limited		
1195000 (March 31, 2022: 1195000) Equity Shares of USD 1 Each fully paid up	3,283.39	3,283.39
Norp Knit Industries Limited		
3381211 (March 31, 2022: 3381211) Equity Shares of Taka 100 Each fully paid up	2,201.64	2,201.64
Pearl Global USA Inc.		
301000 (March 31, 2022: 1000) Equity Shares of USD 1 each fully paid up	239.42	0.76
Pearl Apparel Fashions Limited		
Nil (March 31, 2022 27639145) Equity Shares of ₹ 10 each fully paid up		1,648.35
Less: Provision for diminution in value of Investments	-	(1,648.35)
Pearl Global Kaushal Vikas Limited		
50000 (March 31, 2022: 50000) Equity Shares of ₹ 10 each fully paid up	5.00	5.00
SBUYS E-commerce Limited		
10000 (March 31, 2022: 10000) Equity Shares of ₹ 10 each fully paid up	1.00	1.00
Sead Apparels Private limited		
10000 (March 31, 2022: Nil) Equity Shares of ₹10 each fully paid up	1.00	-
B) Equity Component : Corporate Guarantee		
Pearl Global (HK) Limited	39.47	299.70
Norp Knit Industries Limited	-	37.34
C) Equity Component : Employee Stock Option Plan (ESOP) (Refer Note 52)		
Pearl Global (HK) Limited	4.71	-
Pearl Global Vietnam Co Limited	22.93	-
P.T. Pinnacle Apparels	29.84	-
Norp Knit Industries Limited	58.11	-
	11,818.71	11,761.04
i) Aggregate value of unquoted investments	11,818.71	13,409.38
ii) Aggregate amount of impairment in value of unquoted investments	-	1,648.35
iii) Aggregate value of unquoted investments (net of impairment)	11,818.71	11,761.04



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to standalone financial statements for the year ended March 31, 2023

a) Information about subsidiaries

(All amounts are in ₹ Lakhs, unless otherwise stated)

Name of Company	Country of incorporation	Principal activities	Proportion (%) of equity interest	
			As At March 31, 2023	As At March 31, 2022
Subsidiaries				
Pearl Global (HK) Limited	Hong Kong	Trading of garments	100.00	100.00
Pearl Global Fareast Limited	Hong Kong	Trading of garments	100.00	100.00
Norp Knit Industries Limited	Bangladesh	Manufacturing and trading of garments	99.99	99.99
Pearl Global USA Inc.	USA	Trading of garments	100.00	100.00
Pearl Apparel Fashions Limited	India	Trading of garments	-	100.00
Pearl Global Kaushal Vikas Limited	India	Skill Development	100.00	100.00
SBUYS E-Commerce Limited	India	Online trading of garments.	100.00	100.00
Sead Apparels Private Limited	India	Manufacturing and trading of garments	100.00	NA

- b) During the year, Pearl Apparel Fashions Limited, a wholly owned subsidiary of the Company has gone into voluntary liquidation. The NCLT order has been received on December 16, 2022 and the said subsidiary company has been liquidated. Accordingly, the Company has written off its investment in aforesaid subsidiary and provision for diminution on investment has been written back amount to ₹ 1648.35 Lakhs
- c) During the year, the Company has made investment of ₹ 1.00 Lakh in newly incorporated wholly owned subsidiary (WOS) "Sead Apparels Private Limited".
- d) The number of shares in note above represents absolute numbers.

9 INVESTMENTS OTHERS

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Non- Current		
A. Equity Instruments- Quoted		
(At Fair value through profit and loss)		
PDS Limited	830.37	873.50
250000, Equity Shares of ₹ 2 each fully paid up (March 31, 2022 : 50000, Equity Shares of ₹ 10 each fully paid up)		
	830.37	873.50
B. Investments in Government securities -Unquoted		
(At Amortised cost)		
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)	832.00	875.13
Current		
C. Investments in mutual funds - (Quoted)		
Investments carried at fair value through profit and loss		
ICICI Prudential Short Term Fund DP Growth	291.45	273.64
536068.057 units of Face Value of ₹ 10 per unit (March 31, 2022: 536068.057 units)		

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to standalone financial statements for the year ended March 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Bandhan Banking and PSU debt fund direct plan - growth (Erstwhile IDFC Banking and PSU debt fund direct plan - growth)		
1267806.9250 units of Face Value of ₹ 10 per unit (March 31, 2022: 1267806.9250 units)	270.71	258.62
	562.16	532.26
a) Aggregate book value of quoted investments	1,392.53	1,405.76
b) Aggregate market value of quoted investments	1,392.53	1,405.76
c) Aggregate value of unquoted investments	1.63	1.63
d) Aggregate value of unquoted investments (net of impairment)	1.63	1.63
e) The number of units and number of shares in note above represents absolute numbers.		

10 LOANS

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Non - Current		Current	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
(Unsecured, considered good unless otherwise stated)				
Loans to employees				
Loans Receivables considered good – Unsecured	11.60	5.38	72.65	35.98
Loans to related parties (refer note no. 47)	-	-	346.66	-
	11.60	5.38	419.31	35.98

- a) The company has no loans which have significant increase in credit risk and loans which are credit impaired. (Refer Note No. 44)
- b) Details of Loans or Advances granted to promoters, directors, KMPs and the related parties :

(All amounts are in ₹ Lakhs, unless otherwise stated)

Type of Borrower	As At March 31, 2023		As At March 31, 2022	
	Amount of Loan or Advance in the nature of loan outstanding	Percentage to Total Loan and Advances in the nature of Loan	Amount of Loan or Advance in the nature of loan outstanding	Percentage to Total Loan and Advances in the nature of Loan
Director	50.00	11.60%	-	-
KMP	50.00	11.60%	-	-
Related Parties	246.66	57.24%	-	-

Note : For loans given to Director and KMP, the interest rate is higher than the prevailing yield of Government security closest to the tenor of the loan. The loan facilities are made available by the Company to all of its employees.



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to standalone financial statements for the year ended March 31, 2023

11 OTHER FINANCIAL ASSETS

(Unsecured, considered good unless otherwise stated)

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Non - Current		Current	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
Security deposits	631.75	603.06	10.67	16.21
Interest accrued but not due on				
- Term deposits and others	9.12	5.95	70.40	40.09
- Loan to related parties	-	-	3.51	-
Deposits with original maturity of more than 12 months (Refer note 18)	43.98	43.98	-	-
Financial assets at Fair Value through OCI	-	-	-	406.69
- Cash Flow Hedge				
Other receivables	-	-	13.46	30.34
	684.85	652.98	98.04	493.32

Note :

- a) Other receivables of ₹ 13.46 Lakhs represents claim receivables from vendors (March 31, 2022 : ₹ 30.34 Lakhs represents claim receivables from vendors of ₹ 3.66 Lakhs and amount receivable from banks on hedged instruments of ₹ 26.68 Lakhs)

12 INCOME TAX

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

Statement of profit and loss:**Profit or loss section**

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Tax Expense:		
a) Current tax	951.58	397.95
b) Adjustments in respect of relating to earlier years	1.61	-
c) Deferred tax	(167.79)	496.86
Income tax expense reported in the statement of profit or loss	785.40	894.80

OCI section**Deferred tax related to items recognised in OCI during the year:**

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Net loss/(gain) on remeasurements of defined benefit plans	(13.43)	(20.48)
Income tax on items that will be reclassified subsequently to statement of profit and loss	149.87	(105.46)
Income tax charged to OCI	136.44	(125.95)

NOTES

to standalone financial statements for the year ended March 31, 2023

a) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023 and March 31, 2022.

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Accounting profit before tax from continuing operations	6,167.05	3,610.59
Accounting profit before income tax		
At India's statutory income tax rate of 25.168% (March 31, 2022 : 25.168%)	1,552.12	908.71
Adjustments in respect of current income tax of previous years	1.61	-
MAT Change	-	76.85
Change in B/f lossees	-	(54.68)
Tax effect of the amounts which are Non-deductible/(taxable) for tax purposes:		
Expenses not deducted for tax purposes	749.68	35.57
Impact of charging tax at lower rate on capital gain income	(282.91)	-
Loss on sale of investment in subsidiary	(832.27)	-
Income exempted from income tax	(391.05)	(99.35)
Impact of tax at different tax rate and Others	(11.78)	27.70
At the income tax rate of 25.168 % (March 31, 2022: 25.168%)	785.40	894.80
Income tax expense reported in the statement of profit and loss	785.40	894.80

b) Deferred tax:

(All amounts are in ₹ Lakhs, unless otherwise stated)

		As At March 31, 2023	As At March 31, 2022
Deferred tax assets relates to the following:			
Provision for employee benefits		440.91	349.69
Expenses allowed in the year of payment		85.58	191.69
Unabsorbed Losses		322.52	255.61
Lease Liabilities		885.93	638.98
Mark to Mark Forward Contracts - Cash Flow Hedge		76.42	(102.36)
Others		16.88	5.97
	(A)	1,828.24	1,339.59
Deferred tax liability relates to the following:			
Property, plant and equipment		943.00	990.52
Right to use assets		756.06	546.52
Fair valuation of mutual fund		25.66	17.11
Borrowing (EIR)		3.00	1.99
Others		28.56	15.72
	(B)	1,756.29	1,571.86
Total deferred tax assets/(liabilities) (Net)	(A-B)	71.95	(232.27)



NOTES

to standalone financial statements for the year ended March 31, 2023

c) The movement between net deferred tax assets /(liabilities) is as under :

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At April 01, 2022	Adjusted against current tax	Recognised in Statement of Profit and Loss	Recognised in Statement of other Comprehensive Income	As At March 31, 2023
Deferred tax assets relates to the following:					
Provision for employee benefits	349.69	-	104.65	(13.43)	440.91
Expenses allowed in the year of payment	191.69	-	(106.11)	-	85.58
Unabsorbed Losses	255.61	-	66.91	-	322.52
Lease Liabilities	638.98	-	246.96	-	885.93
Mark to Mark Forward Contracts - Cash Flow Hedge	(102.36)	-	28.91	149.87	76.42
Others	5.97	-	10.91	-	16.88
	1,339.59	-	352.22	136.44	1,828.24
Deferred tax liability relates to the following:					
Property, plant and equipment	990.52	-	(47.51)	-	943.00
Right to use assets	546.52	-	209.55	-	756.06
Fair valuation of mutual fund	17.11	-	8.55	-	25.66
Borrowing (EIR)	1.99	-	1.01	-	3.00
Others	15.72	-	12.83	-	28.56
	1,571.86	-	184.42	-	1,756.29
Total deferred tax assets/ (liabilities) (Net)	(232.27)	-	167.79	136.44	71.95

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At April 01, 2021	Adjusted against current tax	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As At March 31, 2022
Deferred tax assets relates to the following:					
Provision for employee benefits	395.70	-	(25.53)	(20.48)	349.69
Expenses allowed in the year of payment	219.67	-	(27.98)	-	191.69
Unabsorbed Losses	764.67	-	(509.06)	-	255.61
Lease Liabilities	1,003.94	-	(364.96)	-	638.98
Mark to Mark Forward Contracts - Cash Flow Hedge	3.85	-	(0.74)	(105.46)	(102.36)
Others	100.85	-	(94.88)	-	5.97
	2,488.68	-	(1,023.16)	(125.94)	1,339.59
Deferred tax liability relates to the following:					
Property, plant and equipment	1,227.05	-	(236.53)	-	990.52
Right to use assets	905.82	-	(359.30)	-	546.52

NOTES

to standalone financial statements for the year ended March 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At April 01, 2021	Adjusted against current tax	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As At March 31, 2022
Fair valuation of mutual fund	17.55	-	(0.44)	-	17.11
Borrowing (EIR)	4.06	-	(2.07)	-	1.99
Others	20.51	-	(4.79)	-	15.72
	2,175.00	-	(603.15)	-	1,571.86
MAT Credit Entitlement	76.85	-	(76.85)	-	-
Total deferred tax assets/ (liabilities) (Net)	390.53	-	(496.85)	(125.94)	(232.27)

- d) 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.

13 NON CURRENT TAX ASSET

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Advance income tax	518.66	567.72
(Net of provision of ₹ 1,685.98 Lakhs (March 31, 2022 : ₹ 1,685.98 Lakhs))	518.66	567.72

14 OTHER ASSETS

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Non - Current		Current	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
Capital advances (Refer Note No. 46b)	96.94	12.61	-	57.51
Balance with government authorities - considered good	-	-	2,028.85	2,812.06
Balance with government authorities - considered doubtful	22.74	22.74	-	-
Less: Loss Allowance	(22.74)	(22.74)	-	-
Deferred Assets - Security Deposit	-	1.84	10.26	-
Prepaid expenses	39.54	7.70	593.46	461.93
Export incentive receivable	-	-	1873.36	3,539.74
Advances to related parties (Refer note no. 47)	-	-	50.94	121.59
Advances to suppliers	-	-	2,351.58	435.13
Other receivables	-	30.32	2,803.56	3,307.46
Less: Loss Allowance	-	-	(2,651.70)	(153.28)
	136.48	52.46	7,060.31	10,582.14



NOTES

to standalone financial statements for the year ended March 31, 2023

- a) Other Receivables of ₹ 2803.56 Lakhs (March 31, 2022 ₹ 3307.46 Lakhs) includes enhanced compensation of ₹ 2,335.15 Lakhs 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 37). Also, it includes expenditure recoverable from Jharkhand State Livelihood Promotion Society (Ministry of Rural Development) regarding Project cost component for skilling candidates in state of Jharkhand of ₹ 304.35 Lakhs (March 31, 2022 : ₹ 298.11 Lakhs). Further, it includes ₹ 66.78 Lakhs of GST receivables not claimed in returns (March 31, 2022 : ₹ 615.98 Lakhs), Workers advance of ₹ Nil (March 31, 2022 : ₹ 19.76 Lakhs) and ₹ 97.28 Lakhs receivable from gratuity trust for disbursements made to employees (March 31, 2022 : ₹ 38.46 Lakhs).

15 INVENTORIES

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Raw materials	5,974.66	12,858.83
Good in transit- raw materials	29.39	243.35
Work in progress	5,018.42	5,142.30
Finished goods	2,417.75	3,825.43
Scrap Stock	48.81	41.82
Stores spares & others	73.96	67.36
	13,562.99	22,179.09

- a) Refer note 22 for information on above assets being pledged as security by the Company.

16 TRADE RECEIVABLES

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	11,040.37	11,591.48
Trade receivables - credit impaired	-	572.61
Less: Allowance for Expected Credit Loss		(572.61)
	11,040.37	11,591.48

- a) Trade receivables ageing schedule as at March 31, 2023:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	10,746.59	290.65	0.99	0.22	1.92	-	11,040.37
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Dispute Trade Receivables considered good	-	-	-	-	-	-	-

NOTES

to standalone financial statements for the year ended March 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowances for expected credit loss	-	-	-	-	-	-	-
Net Trade receivables	10,746.59	290.65	0.99	0.22	1.92	-	11,040.37

b) Trade receivables ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	7,799.55	3,779.88	5.78	2.87	3.41	-	11,591.48
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	572.61	572.61
(iv) Dispute Trade Receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowances for expected credit loss	-	-	-	-	-	(572.61)	(572.61)
Net Trade receivables	7,799.55	3,779.88	5.78	2.87	3.41	-	11,591.48

c) The movement in the allowance for expected credit loss allowance is as follows:

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Balance as at beginning of the year	572.61	656.18
Loss allowances during the year	-	-
Trade receivables written off / written back during the year	(572.61)	(83.57)
Balance as at the end of the year	-	572.61

d) Trade receivables are generally on terms of 45- 60 days (March 31, 2022: 45-60 days).

e) The company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 44.



NOTES

to standalone financial statements for the year ended March 31, 2023

- f) The above includes amount due from related parties is ₹ 3,526.97 Lakhs (March 31, 2022: ₹ 5,477.78 Lakhs) (Refer note no. 47).
- g) No trade or other receivables are due from directors and other officers of the Company either severally or jointly with any other persons.

17 CASH AND CASH EQUIVALENTS

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Balances with banks:		
- Current account	4,425.43	3,980.45
- Deposits with original maturity of less than 3 months	2,288.71	315.15
Cash on hand	13.39	5.91
Cheque/drafts on hand	13.24	20.53
	6,740.76	4,322.04

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

18 BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Earmarked balances with banks		
Unpaid dividend account	28.09	26.24
Deposits with original maturity of more than 3 months but less than 12 months (Refer note (a) below)	2,169.40	2,111.40
Deposits with original maturity of more than 12 months (Refer note (a) below)	43.98	43.98
	2,241.47	2,181.62
Less: Amount disclosed under "Other Financial Assets" (Refer Note No.11)	43.98	43.98
	2,197.49	2,137.64

- a) Refer note 21 & 22 for information on above assets being pledged as security by the Company.
- b) The bank has created as lien/charge on any amount kept by the borrower time to time with the bank as term deposit and other deposit maximum upto ₹ 843.41 Lakhs for Letter of credit issued for the Company.

19 SHARE CAPITAL

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Authorised		
51440000* (March 31, 2022: 51440000*) equity shares of ₹ 10 each	5,144.00	5,144.00
10000* (March 31, 2022: 10000*) 4% Non Cumulative Redeemable Preference Shares of ₹ 10 each	1.00	1.00
3256000* (March 31, 2022: 3256000*) 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		
21663937* (March 31, 2022: 21663937*) Equity Shares of ₹ 10 each fully paid up	2,166.39	2,166.39
	2,166.39	2,166.39

* Number of Shares are given in absolute numbers.

NOTES

to standalone financial statements for the year ended March 31, 2023

a) Reconciliation of issued and subscribed share capital:

(All amounts are in ₹ Lakhs, unless otherwise stated)

	No. of shares	Amount
Equity Share of ₹ 10 each		
Balance as at April 1, 2021	2,16,63,937	2,166.39
Changes during the year	-	-
Balance as at March 31, 2022	2,16,63,937	2,166.39
Changes during the year	-	-
Balance as at March 31, 2023	2,16,63,937	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 final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. During the year, the Company had declared and paid First interim dividend of ₹ 2.5/- per share for 2022-23 for distribution to shareholders. Subsequent to the balance sheet date, the Board of Directors has declared second interim dividend of ₹ 5/- per share for FY 2022-23 for distribution to its shareholders.

c) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of total shares	No. of shares	% of total shares
Mrs. Payel Seth	44,13,635	20.37	44,13,635	20.37
Mr. Deepak Kumar Seth	28,62,145	13.21	28,62,145	13.21
Mr. Pulkit Seth	69,47,621	32.07	69,47,621	32.07
Mr. Sanjiv Dhiresbhai Shah	17,16,282	7.92	17,61,979	8.13
Total	1,59,39,683	73.57	1,59,85,380	73.78

d) Details of Promotor's shareholding:

Name of Shareholder	As at March 31, 2023		As at March 31, 2022		% change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Mrs. Payel Seth	44,13,635	20.37	44,13,635	20.37	-
Mr. Deepak Kumar Seth	28,62,145	13.21	28,62,145	13.21	-
Mr. Pulkit Seth	69,47,621	32.07	69,47,621	32.07	-
Mrs. Shifalli Seth	2,01,478	0.93	2,01,478	0.93	-
Nim International Commerce LLP	30	0.00	30	0.00	-
Total	1,44,24,909	66.58	1,44,24,909	66.58	

(All amounts are in ₹ Lakhs, unless otherwise stated)

Name of Shareholder	As at March 31, 2022		As at March 31, 2021		% change during the year
	No. of shares	Holding %	No. of shares	Holding %	
Mrs. Payel Seth	44,13,635	20.37	44,13,635	20.37	-
Mr. Deepak Kumar Seth	28,62,145	13.21	28,62,145	13.21	-
Mr. Pulkit Seth	69,47,621	32.07	69,47,621	32.07	-
Mrs. Shifalli Seth	2,01,478	0.93	2,01,478	0.93	-
Nim International Commerce LLP	30	0.00	30	0.00	-
Total	1,44,24,909	66.58	1,44,24,909	66.58	



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to standalone financial statements for the year ended March 31, 2023

20 OTHER EQUITY

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
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	13,746.39	9,949.62
Share Based Payment Reserve	259.51	-
Cash Flow Hedge Reserve (Net of tax of ₹ (48.26) Lakhs (March 31, 2022 : ₹ 101.61 Lakhs)	(140.51)	305.08
Foreign currency translation reserve	25.00	(102.24)
	35,919.60	32,181.67

I. For Movement during the period in Other Equity, refer "Statement of Changes in Equity".

II. Nature and purpose of reserves**a) General reserve**

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Balance as at beginning/ end of the year	4,204.36	4,204.36

The company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

b) Securities Premium

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
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

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Balance as at beginning/ end of the year	95.00	95.00

This Reserve has been created at the time of merger of other companies in earlier years in accordance with the provisions of the Companies Act, 2013.

d) Amalgamation Reserve

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Balance as at beginning/ end of the year	625.95	625.95

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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) Retained Earnings

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Balance as at beginning/ end of the year	13,746.39	9,949.62

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 ₹ 404.77 Lakhs (March 31, 2022: ₹ 402.39 Lakhs) is not available for distribution. During the year, the Company has paid dividend of ₹ 1624.80 Lakhs, out of which ₹ 1083.20 Lakhs pertains to FY 21-22 and ₹ 541.60 Lakhs for the 2022-23.

f) Share Based Payment Reserve

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Balance as at beginning/ end of the year	259.51	-

The fair value of equity settled share based payment transactions with employees of the Company / subsidiary company is recognised in share based payment reserve.

g) Cash Flow Hedge Reserve

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Balance as at beginning/ end of the year	(140.51)	305.08

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) Foreign Currency Translation Reserve

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Balance as at beginning/ end of the year	25.00	(102.24)

The exchange differences arising from the translation of financial statements of foreign operations is recognised in other comprehensive income and is presented within equity.

21 LONG TERM BORROWINGS

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Non - Current		Current	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
From banks (secured)				
- Corporate loan [refer note A(i) to A(v) below]	5,716.06	8,254.69	2,342.01	2,457.55
- Vehicle loans [refer note A(vi) below]	61.48	78.82	46.44	37.52



NOTES

to standalone financial statements for the year ended March 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Non - Current		Current	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
From financials institutional (secured)				
- Vehicle loans [refer note A(vi) below]	-	-	-	64.85
	5,777.53	8,333.50	2,388.45	2,559.92
Less: Amount disclosed under other financial liabilities as 'Short term borrowings' (refer note 22)	-	-	2,388.45	2,559.92
	5,777.53	8,333.50	-	-

A) Nature of Securities :

- Term loan from Kotak Mahindra Bank is secured by lien marked on investments in debt mutual funds and personal guarantee of Mr. Pulkit Seth (Promoter Director).
- Term loan from IndusInd Bank is secured by fixed deposit of ₹ 83.00 Lakhs (March 31, 2022 : ₹ 312.32 Lakhs)
- Term loan from Union Bank of India (erstwhile Andhra Bank) is secured by fixed deposit of ₹ 106.33 Lakhs (March 31, 2022 : ₹ 101.67 Lakhs)
- Term loans from HDFC Bank are secured by charge over assets financed by term Loan, Immovable Properties of the Company situated at (i) Plot No. 51, Sector 32, Gurgaon & (ii) Plot No. 446, Udyog Vihar, Phase IV, Gurgaon and Personal Guarantee of Mr. Pulkit Seth (Promoter Director).
- Emergency credit line guaranteed scheme facilities are secured by second charge over securities provided for base credit facility, except personal guarantees.
- Vehicle Loans are secured by hypothecation over the vehicle financed by respective loan.

B) Vehicle loans are secured against hypothecation of respective vehicles.

Maturity profile of secured term loans is as set out below :	2023-24	2024-25	2025-26	Beyond 2025-26	Total
Term loan from banks are repayable in monthly/quarterly/yearly instalments	2,342.01	2,626.98	2,020.23	1,068.84	8,058.06
Vehicle loans from banks and financial institutions are repayable in monthly installments	46.44	43.01	18.47	-	107.92

- C) The above term loan(s) and vehicle loan(s) carries rate of interest ranging between 7.60% to 10.85% per annum. (March 31, 2022 : Between 7.40% to 10.30%)

22 SHORT TERM BORROWINGS

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Working capital loan from banks (secured)		
- Rupee loan [refer note A and B below]	12,469.57	15,074.52
Current Maturities of long term borrowings (Refer Note 21)	2,388.45	2,559.92
	14,858.02	17,634.44

A. Securities for Working Capital Facilities under Consortium Arrangement

- Primary Securities offered includes:
 - First pari passu charge by way of hypothecation over entire movable fixed assets of company, except any assets charged to any banks/financial institutions for securing term loans.

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- b) First Pari Passu Charge over entire current assets of the borrower, both present and future, including but not limited to stocks of raw materials, semi-finished and finished goods, book debts, loans and advances etc.
- ii) Collateral Securities offered includes:
- a) First pari passu charge over Immoveable properties of the Company situated at (i) Plot No. 16/17, Udyog Vihar, Phase VI, Gurgaon, (ii) Plot No. 751, Pace City-II, Sector 37, Gurgaon & (iii) Survey No. 30(P), 31(P), 32(P) & 262(P), Melavalam & Arayapakkam Village, Madurantakam Taluk, Kancheepuram District, Tamil Nadu.
- b) Principal amount of fixed deposits pledged amounting to ₹ 710.00 Lakhs (Closing Balance as on March 31, 2023 is ₹ 738.77 Lakhs) (March 31, 2022 : ₹ 713.61 Lakhs)
- c) Irrevocable and unconditional personal guarantee of Mr. Deepak Kumar Seth (Promoter Director) and Mr. Pulkit Seth (Promoter Director).

B. Securities for Working Capital Facilities by HDFC Bank (Adhoc Outside Consortium)

- a) Exclusive charge over corporate office (Land & Building) situated in Gurgaon, Haryana.
- C) For interest rate & liquidity risk related disclosures, (refer note 44).
- D) In respect of working capital loans, quarterly returns or statements of current assets filed by the Company with banks are materially in agreement with the books of account.

23 OTHER FINANCIAL LIABILITIES

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Non - Current		Current	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
Security deposit	107.03	240.92	19.43	6.51
Interest accrued but not due on borrowings	-	-	95.43	93.59
Unpaid dividends (Refer note below b)	-	-	28.09	26.24
Financial Liabilities at Fair Value through OCI - Cash Flow Hedge	-	-	303.62	-
Creditors for capital goods	-	-	124.27	92.90
Others	-	-	34.34	16.08
	107.03	240.92	605.17	235.32

Notes:

- a) The company's exposure to currency and liquidity risk related to trade payables is disclosed in note 44.
- 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 (March 31, 2022: Nil)
- c) Other payables of ₹ 34.34 Lakhs represents amount payable to banks on hedged instruments (March 31, 2022 : ₹ 16.08 Lakhs).

24 PROVISIONS

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Non - Current		Current	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
Provision for employee benefits				
Provision for compensated absences (Refer note 40)	326.82	369.84	19.26	30.87
Provision for gratuity (Refer note 40)	830.44	564.38	82.47	79.13
	1,157.26	934.22	101.73	110.00



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25 OTHER LIABILITIES

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Non - Current		Current	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
Advance received against sale of land	-	2,963.62	-	-
Deferred government grant	5.58	6.58	145.60	145.60
Deferred rental income	90.95	35.88	6.97	18.83
Statutory dues	-	-	913.77	688.08
	96.53	3,006.08	1,066.36	852.51

26 TRADE PAYABLES

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Total Outstanding dues of Micro and Small enterprises	744.87	663.71
Total Outstanding dues of Creditors other than Micro and Small enterprises	11,850.25	17,219.96
	12,595.12	17,883.67

a) Trade Payables ageing schedule as at March 31, 2023:

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Unbilled dues	
(i) MSME	742.65	2.22	-	-	-	-	744.87
(ii) Others	8,056.76	3,391.40	27.11	-	-	374.98	11,850.25
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-

b) Trade Payables ageing schedule as at March 31, 2022:

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Unbilled dues	
(i) MSME	482.99	180.72	-	-	-	-	663.71
(ii) Others	15,087.05	1,611.90	6.67	-	-	514.34	17,219.96
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-

- c) Trade payable are non- interest bearing and are generally on a credit period of not more than 90 days except in case of Micro & Small Enterprises (if any) which are settled within 45 days.
- d) This amount includes amount due to related parties amounting to ₹ 507.95 Lakhs (March 31, 2022: ₹ 2,099.24 Lakhs) (Refer Note No. 47)
- e) As per Schedule III of the Companies Act, 2013 and as certified by the Management, the amount due to Micro & Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under :

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Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
(i) The amount due thereon remaining unpaid to any supplier at the end of each accounting year	744.87	662.58
- Principal		
- Interest on above	-	1.13
(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.	-	-
(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. 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. 44.

27 CURRENT TAX LIABILITIES (NET)

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Provision for income tax	197.63	-
(Net of advance tax ₹ 765.11 Lakhs (March 31, 2022 : ₹ NIL)		
	197.63	-

28 REVENUE FROM OPERATIONS

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of product	1,01,499.35	86,203.83
Job receipts	83.89	25.98
Other operating revenues	8,793.83	7,147.25
Revenue from operations	1,10,377.07	93,377.06



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a) **Performance obligation**

Revenue is recognised upon transfer of control of products.

During the year, the Company 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 materialised, tax laws etc.) is not applicable to the Company.

- 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 Company. The company believes that this disaggregation best depicts how the nature, amount of revenues and cash flows are affected by market and other economic factors:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Revenue based on Geography	For the year ended March 31, 2023	For the year ended March 31, 2022
India	1,036.52	2,498.99
Outside India	1,09,340.54	90,878.07
Revenue from operations	1,10,377.07	93,377.06

(All amounts are in ₹ Lakhs, unless otherwise stated)

Revenue based on Customer-wise	For the year ended March 31, 2023	For the year ended March 31, 2022
Related Party	40,684.81	30,389.94
Non – Related Party	69,692.26	62,987.12
Revenue From Operations	1,10,377.07	93,377.06

c) **Reconciliation of revenue from operations with contracted price**

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Contracted Price	1,11,653.65	93,374.62
Less:		
Sales Returns	11.07	-
Rebate and Discount	(1,265.51)	2.44
	1,10,377.07	93,377.06

d) **Trade Receivables, Contract Balances**

For Trade Receivables, Refer note no. 16.

Further, the Company has no contracts where the period between the transfer of the promised goods or services to the customer and payment terms by the customer exceeds one year. In light of above;

- it does not adjust any of the transaction prices for the time value of money, and
- there is no unbilled revenue as at March 31, 2023.

Further, the Company doesn't have any contract liabilities as at March 31, 2023 and March 31, 2022

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29 OTHER INCOME

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Income		
- On fixed deposits	158.07	94.25
- On loans and advances	88.61	55.27
- On income tax refund	26.34	-
IT/ SAP income	151.38	97.87
Rental income	774.49	769.38
Foreign exchange fluctuation	-	825.91
Gain on termination of lease	-	50.38
Profit on sale of current investment - mutual fund	97.05	16.34
Fair value gain on investments measured at fair value ... through profit and loss (net)	-	573.58
Dividend Income	1,006.25	7.87
Excess provision written back	572.61	
Less: Sundry balances written off relating to Provision	(474.11)	98.50
Sundry balances written back	91.51	340.60
Miscellaneous income	543.31	212.47
	3,035.51	3,204.83

30 COST OF RAW MATERIAL CONSUMED

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw Material		
Balance at the beginning of the Year	12,858.83	4,905.89
Add:- Purchases during the year	45,782.01	50,815.02
	58,640.84	55,720.91
Less:- Balance at the end of the Year	5,974.66	12,858.83
Total raw material consumption	52,666.18	42,862.08

31 PURCHASE OF STOCK IN TRADE

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchases during the year	-	671.60
	-	671.60

32 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK IN PROGRESS

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the beginning of the year		
Work-in-progress	5,142.30	5,703.23
Finished goods	3,825.43	2,412.60
Scrap Stock	41.82	166.84
(A)	9,009.55	8,282.67



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(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the end of the year		
Work-in-progress	5,018.42	5,142.30
Finished goods	2,417.75	3,825.43
Scrap Stock	48.81	41.82
(B)	7,484.98	9,009.55
(Increase) / decrease in inventory (A-B)	1,524.57	(726.87)

33 EMPLOYEE BENEFITS EXPENSE

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages & bonus	17,578.42	13,622.34
Contribution to provident and other fund (Refer note 40)	1,293.03	834.10
Gratuity expense (Refer note 40)	326.30	255.24
Compensated absences	150.78	203.67
Share based expense (Refer Note 52)	143.92	-
Staff training & welfare expenses	341.13	303.84
	19,833.58	15,219.19

34 FINANCE COSTS

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense		
- on term loans, cash credit & working capital facilities	1,711.91	1,573.30
- delayed payment of taxes	70.39	5.82
- lease liabilities	316.49	270.85
Unwinding of discount on security deposit	18.15	14.08
Other borrowing cost	925.39	721.25
	3,042.33	2,585.30

35 DEPRECIATION AND AMORTISATION EXPENSE

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment (Refer note 4)	1,230.88	1,164.50
Depreciation & amortisation of Investment Properties (Refer note 6)	79.56	82.20
Amortisation of intangible assets (Refer note 7)	37.61	30.53
Amortisation of Right-of-use assets (Refer note 50)	534.85	485.69
	1,882.90	1,762.91

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36 OTHER EXPENSES

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Manufacturing expenses	17,892.72	21,878.38
Consumption of stores & spare parts	454.21	321.62
Power & fuel	1,326.53	1,227.10
Rent	538.92	191.69
Rates & taxes	325.99	84.72
Travelling & conveyance	1,183.90	885.21
Freight & clearing charges	2,254.06	1,797.88
Claim to buyers	-	894.46
Repair & maintenance		
Plant & machinery	221.00	145.58
Buildings	45.58	24.59
Others	578.18	382.36
Commission expenses	70.21	112.44
Legal & professional expenses	780.72	440.93
Security charges	258.64	218.62
Bank charges	322.75	324.23
Insurance expenses	256.28	219.17
Marketing support fee	713.59	-
Inspection fees	346.34	230.69
Payment to the auditors (refer note 'a' below)	59.67	31.35
Sundry balances written off	229.24	551.93
Foreign exchange fluctuation loss	226.62	-
Corporate social responsibility (refer note 'b' below)	20.33	80.54
Fair value loss on financial assets measured at fair value through profit and loss	13.19	-
Loss on lease modification	1.86	-
Loss allowance for doubtful debts and advances	163.28	153.28
Loss on sale of licenses	274.73	366.89
Miscellaneous expenses	834.29	688.47
Total	29,392.83	31,252.11

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

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Payment to Auditor*		
- Statutory audit fee	28.00	19.50
- Tax audit fee	5.50	-
- Taxation matters	9.13	-
- Company law matters	3.05	-
- Other Services	12.00	10.00
- Reimbursement of Expenses	1.99	1.85
	59.67	31.35

*Current year figure includes ₹4.92 Lakhs (other services and reimbursement of expenses) for which payment has been made to erstwhile auditor. Further, previous year figure represents payment made to erstwhile auditor.



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b) Details of Corporate Social Responsibility (CSR) expenditure is as follows:

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits of last three years)	20.33	23.92
(ii) Amount spent during the year		
- Construction/acquisitions of any asset	-	-
- For purpose other than above*	133.67	80.54
* During the year, the Company has spent ₹ 133.67 Lakhs on CSR activities. However, gross amount required to be spent as per Companies Act, 2013 is ₹ 20.33 Lakhs Therefore, the remaining amount of ₹ 113.34 Lakhs has been transferred to prepaid expenses.		
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	-
(v) The company does not have any ongoing projects as at March 31, 2023 and March 31, 2022.		
(vi) The company does not have any transactions with related parties for CSR expenditure as at March 31, 2023 and March 31, 2022.		

37 EXCEPTIONAL ITEMS

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Loss / (Profit) on sale of property, plant and equipment and investment property (Refer Note 'a' below)	(4,259.01)	(628.18)
Impairment of investment in subsidiaries written back(Refer Note 8(e))	(1,648.35)	(30.00)
Investment written off (Refer note 8 (e))	1,648.35	3.17
Interest on Refund of advance (Refer Note 'b' below)	827.00	-
Loss allowance for receivables	2,335.15	-
	(1,096.86)	(655.01)

a) The figures in bracket above represents income/profit.

b) As at March 31, 2022, the Company had ₹ 2963.62 Lakhs advance outstanding in the books of account. During the year, as per supplementary agreement, the Company was required to repay the amount along with interest of ₹ 827 Lakhs During the year ended March 31, 2023, the Company has repaid advance of ₹ 2963.62 Lakhs along with interest of ₹ 827 Lakhs.

38 COMPONENTS OF OTHER COMPREHENSIVE INCOME

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
A (i) Items that will not be reclassified to profit or loss		
Re-measurement gains/ (losses) on defined benefit plans	53.35	81.36
Income tax expense on items that will not be reclassified to profit or loss	(13.43)	(20.48)
B (i) Items that will be reclassified to profit or loss		
Cash Flow Hedging reserve on forward contract	(595.46)	419.03
Foreign currency translation reserve	127.24	(114.20)
Income tax expense on items that will be reclassified to profit or loss	149.87	(105.46)
	(278.43)	260.26

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39 EARNINGS PER SHARE (EPS)

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit attributable to the equity shareholders (A)	5,381.65	2,715.78
Number/Weighted average number of equity shares outstanding at the end of the year (B)	2,16,63,937	2,16,63,937
Dilutive effect on Weighted average number of equity shares outstanding at the end of the year (C.)	61,787	-
Number/Weighted average number of diluted equity shares outstanding at the end of the year (D = B + C)	2,17,25,724	2,16,63,937
Nominal value of Equity shares	₹ 10	₹ 10
Basic Earnings per share (A/B) (in ₹)	24.84	12.54
Diluted Earnings per share (A/D) (in ₹)	24.77	12.54

40 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.

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Employer's Contribution to Provident Fund/ Pension Fund	980.65	623.70
Employer's Contribution to Employee State Insurance	295.76	197.78
Employer's Contribution to Welfare Fund	16.62	12.62
Total	1,293.03	834.10

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" recognises 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. The gratuity is funded in current year for all the units and maintained by Life Insurance Corporation of India.

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.



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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 summarise 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 and other long term benefits. These have been provided on accrual basis, based on year end actuarial valuation.

(All amounts are in ₹ Lakhs, unless otherwise stated)

Change in benefit obligation	As at March 31, 2023	As at March 31, 2022
	Gratuity (Funded)	Gratuity (Funded)
Opening defined benefit obligation	916.76	929.10
Interest cost	68.85	69.78
Service cost	277.97	207.89
Past Service cost	-	-
Benefits paid	(104.27)	(199.61)
Actuarial (gain) / loss on obligations	(50.30)	(90.40)
Present value of obligation as at the end of the year	1,109.00	916.76

- d) 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:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Cost for the year included under employee benefit	As at March 31, 2023	As at March 31, 2022
	Gratuity (Funded)	Gratuity (Funded)
Current service cost	277.97	207.89
Past service cost	-	-
Interest cost	48.33	47.35
Expected return on plan assets	-	-
Actuarial (gain) / loss	-	-
Net cost	326.30	255.23

- e) **Changes in the fair value of the plan assets are as follows:**

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
	Gratuity (Funded)	Gratuity (Funded)
Fair value of plan assets at the beginning	273.25	298.57
Expected return on plan assets	20.52	22.42
Contributions	7.19	22.70
LIC charges	(3.65)	(4.37)
Benefits paid	(104.27)	(57.04)
Actuarial gains / (losses) on the plan assets	3.05	(9.03)
Fair value of plan assets at the end	196.09	273.25

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f) Detail of actuarial gain/loss recognised in OCI is as follows:

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
	Gratuity (Funded)	Gratuity (Funded)
Actuarial gain / (loss) for the year – obligation	50.29	90.40
Actuarial gain / (loss) for the year - plan assets	3.05	(9.03)
	53.35	81.37

g) Principal actuarial assumptions at the balance sheet date are as follows:

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
	Gratuity (Funded)	Gratuity (Funded)
Economic assumptions		
1. Discount rate	7.36%	7.51%
2. Rate of increase in compensation levels	5.00%	5.00%
Demographic assumptions		
1. Retirement Age (years)	58	58
2. Mortality Rate	Indian Assured Lives Mortality (2012-14) (modified) ultimate	Indian Assured Lives Mortality (2012-14) (modified) ultimate
Withdrawal Rate (Average in case of unfunded amounts)		
1. Ages from 18 to 30 Years	3.00%	3.00%
2. Ages from 30 to 45 Years	2.00%	2.00%
3. Ages Above 45 years	1.00%	1.00%

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 recognised in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
	Gratuity (Funded)	Gratuity (Funded)
Present value of obligation	1,109.00	916.76
Less: Fair value of plan assets	196.09	273.25
Net assets /(liability)	(912.91)	(643.51)

i) Expected contribution for the next year is ₹ 1,366.45 Lakhs (March 31, 2022: ₹ 965.67 Lakhs) in respect of Gratuity.



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j) A quantitative sensitivity analysis for significant assumptions is as shown below:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
	Gratuity (Funded)	Gratuity (Funded)
A. Discount rate		
Effect on DBO due to 1% increase in Discount Rate	(111.39)	(93.76)
Effect on DBO due to 1% decrease in Discount Rate	132.39	111.49
B. Salary escalation rate		
Effect on DBO due to 1% increase in Salary Escalation Rate	134.24	113.23
Effect on DBO due to 1% decrease in Salary Escalation Rate	(114.68)	(96.65)

- C. Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated. Further, there are no changes in current year from the previous corresponding period in the methods and assumptions used in preparing the sensitivity analysis.

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.

i) Maturity profile of cash outflows relating to defined benefit obligation are as follows:

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
	Gratuity (Funded)	Gratuity (Funded)
0 to 1 years	83.41	80.06
1 to 2 years	60.95	31.17
2 to 3 years	70.63	63.98
3 to 4 years	129.73	88.75
4 to 5 years	166.16	130.34
From 5 years onwards	1,415.76	1,208.66

41 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
- 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 (including lease liabilities) 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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(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Borrowings (Refer to note 21 and 22)	20,635.55	25,967.94
Lease Liabilities (Refer to note 50)	3,520.08	2,538.85
Interest accrued but not due on borrowings (Refer note no. 23)	95.43	93.59
Less: Cash and Cash Equivalents (Refer to note 17)	(6,740.76)	(4,322.04)
Net debt (A)	17,510.30	24,278.35
Equity share capital (Refer to note 19)	2,166.39	2,166.39
Other equity (Refer to note 20)	35,919.60	32,181.67
Total Capital (B)	38,085.99	34,348.06
Capital and net debt (A+B=C)	55,596.29	58,626.41
Gearing ratio (A/C)	31.50%	41.41%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

In order to achieve overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

42 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

I) Hedge Accounting

- (i) 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.

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:**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Asset/(Liabilities) As at March 31, 2023	Asset/(Liabilities) As at March 31, 2022
Fair value of foreign currency forward exchange contract designated as hedging instruments	(303.62)	406.69

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, 2023 were assessed to be highly effective and unrealised profit of ₹ (595.46) Lakhs, with a deferred tax asset / (liability) of ₹ 149.87 Lakhs relating to the hedging instruments, is included in OCI. [March 31, 2022: Unrealised profit of ₹ 419.03 Lakhs with a corresponding deferred tax asset / (liability) of ₹ (105.46) Lakhs].



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(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, 2023 (₹ in Lakhs)	5,590.82	4,917.45	5,639.68	1,629.11	3,623.58	21,400.64
Notional amount (in USD in Lakhs)	70.00	61.00	68.75	19.50	43.00	262.25
Average forward rate (USD/₹)	79.87	80.61	82.03	83.54	84.27	81.60
As at March 31, 2022 (₹ in Lakhs)	8,031.01	12,657.88	19,245.30	14,329.11	8,296.72	62,560.03
Notional amount (in USD Lakhs)	104.99	165.36	249.00	183.68	105.50	808.53
Average forward rate (USD/₹)	76.49	76.55	77.29	78.01	78.64	77.37

(iv) The impact of the hedging instruments on the balance sheet is as follows:

The line item in Balance Sheet where hedge instrument is disclosed under other current financial assets (March 31 2022: Other current 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, 2023 [Asset / (Liability)]	(303.62)
Foreign currency risk forward contract- As at March 31, 2022 [Asset / (Liability)]	406.69

(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, 2023	(595.46)	Cash Flow Hedge Reserve (OCI)	(568.68)	Revenue from Operations
Highly probable forecast sales				
As at March 31, 2022	419.03	Cash Flow Hedge Reserve (OCI)	907.55	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 cash flow hedge reserve.

Particulars	Cash Flow Hedge Reserve	Tax Amount	Movement net of tax
As at April 01, 2022	406.69	101.61	305.08
Effective Portion of Changes in Fair Value arising from Foreign Exchange Forward Contracts	(1,164.13)	(292.99)	(871.14)
Amount reclassified to profit & loss	(568.68)	(143.13)	(425.55)
As at March 31, 2023	(188.76)	(48.25)	(140.51)
As at April 01, 2021	(12.34)	(3.85)	(8.49)
Effective Portion of Changes in Fair Value arising from Foreign Exchange Forward Contracts	1,326.58	333.87	992.71
Amount reclassified to profit & loss	907.55	228.41	679.14
As at March 31, 2022	406.69	101.61	305.08

Note : The company did not have any forecast transactions for which cash flow hedge accounting had been used in the previous period, but which is no longer expected to occur.

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(vi) 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's best estimates, which are arrived at by the reference to market prices.

II) Particulars of Unhedged foreign currency exposures:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Foreign Currency (In absolute no.)	Amount	Foreign Currency (In absolute no.)	Amount
Foreign currency receivable	-	-	-	-
Foreign currency payable	-	-	-	-
Foreign currency loan receivable	-	-	-	-

III) In respect of the derivative contracts entered into by the Company, the Management assesses no material foreseeable losses as at the reporting date.

43 FAIR VALUE MASURMENTS

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 financials liabilities, including their levels of in the fair value hierarchy:

As at March 31, 2023

(All amounts are in ₹ Lakhs, 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)	-	830.37	-	-	830.37	830.37	-	-	830.37
Investment in mutual funds	-	562.16	-	-	562.16	562.16	-	-	562.16
Financial assets not measured at fair value									



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(All amounts are in ₹ Lakhs, 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
Investment in equity shares (Unquoted)	-	-	11,818.71	-	11,818.71	-	-	-	-
Investment in government securities	-	-	1.63	-	1.63	-	-	-	-
Loan to employees	-	-	84.25	-	84.25	-	-	-	-
Loan to related parties	-	-	346.66	-	346.66	-	-	-	-
Security Deposits	-	-	642.42	-	642.42	-	-	-	-
Interest accrued but not due on term deposits	-	-	79.52	-	79.52	-	-	-	-
Deposits with original maturity of more than 12 months	-	-	43.98	-	43.98	-	-	-	-
Other Receivable	-	-	13.46	-	13.46	-	-	-	-
Trade receivables	-	-	11,040.37	-	11,040.37	-	-	-	-
Cash and cash equivalents	-	-	6,740.76	-	6,740.76	-	-	-	-
Other bank balances	-	-	2,197.49	-	2,197.49	-	-	-	-
	-	1,392.53	33,012.76	-	34,405.29	1,392.53	-	-	1,392.53
Financial liabilities measured at fair value									
Financial Liabilities at Fair Value through OCI - Cash Flow Hedge	303.62	-	-	-	303.62	303.62	-	-	303.62
Financial liabilities not measured at fair value									
Borrowings	-	-	-	20,635.54	20,635.54	-	-	-	-
Lease Liabilities	-	-	-	3,520.08	3,520.08	-	-	-	-
Security Deposits	-	-	-	126.46	126.46	-	-	-	-
Interest accrued but not due on borrowings	-	-	-	95.43	95.43	-	-	-	-
Unpaid dividends	-	-	-	28.09	28.09	-	-	-	-
Trade payables	-	-	-	12,595.12	12,595.12	-	-	-	-
Creditors for capital goods	-	-	-	124.27	124.27	-	-	-	-
Others	-	-	-	34.34	34.34	-	-	-	-
	303.62	-	-	37,159.32	37,462.94	303.62	-	-	303.62

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As at March 31, 2022

(All amounts are in ₹ Lakhs, 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)	-	873.50	-	-	873.50	873.50	-	-	873.50
Investment in mutual funds	-	532.26	-	-	532.26	532.26	-	-	532.26
Financial assets not measured at fair value	406.69	-	-	-	406.69	406.69	-	-	406.69
Investment in equity shares (Unquoted)	-	-	11,761.04	-	11,761.04	-	-	-	-
Investment in government securities	-	-	1.63	-	1.63	-	-	-	-
Loan to employees	-	-	41.36	-	41.36	-	-	-	-
Loan to related parties	-	-	-	-	-	-	-	-	-
Security Deposits	-	-	619.26	-	619.26	-	-	-	-
Interest accrued but not due on term deposits	-	-	46.04	-	46.04	-	-	-	-
Deposits with original maturity of more than 12 months	-	-	43.98	-	43.98	-	-	-	-
Other Receivable	-	-	30.34	-	30.34	-	-	-	-
Trade receivables	-	-	11,591.48	-	11,591.48	-	-	-	-
Cash and cash equivalents	-	-	4,322.04	-	4,322.04	-	-	-	-
Other bank balances	-	-	2,137.64	-	2,137.64	-	-	-	-
	406.69	1,405.76	30,594.80	-	32,407.25	1,812.45	-	-	1,812.45
Financial liabilities not measured at fair value									
Borrowings	-	-	-	25,967.94	25,967.94	-	-	-	-
Lease Liabilities	-	-	-	2,538.85	2,538.85	-	-	-	-
Security Deposits	-	-	-	247.44	247.44	-	-	-	-
Interest accrued but not due on borrowings	-	-	-	93.59	93.59	-	-	-	-
Unpaid dividends	-	-	-	26.24	26.24	-	-	-	-
Trade payables	-	-	-	17,883.67	17,883.67	-	-	-	-
Creditors for capital goods	-	-	-	92.90	92.90	-	-	-	-
Others	-	-	-	16.08	16.08	-	-	-	-
	-	-	-	46,866.71	46,866.71	-	-	-	-



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- 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 2023 and 31 March 2022.

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."

f) Specific Valuation techniques used to value financial instruments include:

Type	Valuation technique	Significant	Inter-relationship
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.

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44 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.

(i) Trade Receivables

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The credit risk is managed by the Company based on credit approvals, establishing credit limits and continuously monitoring the credit worthiness of the customers, to whom the Company grants credit period in the normal course of business including taking credit insurance against export receivables. The company uses expected credit loss model to assess the impairment loss in trade receivables and makes an allowance of doubtful trade receivables using this model.

(ii) Other Financial Assets: The company 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 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. The company's maximum exposure to the credit risk as at March 31, 2023 and March 31, 2022 is the carrying value of each class of financial assets.

(iii) 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, 2023	Guarantee Valid Upto
HSBC Bank, Hongkong Branch	Pearl Global (HK) Limited	Securing Credit Facilities	USD 200.00 Lakhs equivalent to ₹16,444.00 Lakhs	November 17, 2023
HSBC Bank, Hongkong Branch	Pearl Global (HK) Limited	Securing Credit Facilities	USD 40.00 Lakhs equivalent to ₹3,288.80 Lakhs	December 22, 2023
HSBC Bank, Hongkong Branch	Pearl Global (HK) Limited	Securing Credit Facilities	USD 50.00 Lakhs equivalent to ₹4,111.00 Lakhs	May 18, 2024



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- **Policy of managing risk:** 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.

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.

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, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	13,028.36	1,829.65	5,777.53	-	20,635.54
Lease Liabilities	137.11	432.41	1,888.53	1,062.03	3,520.08
Trade payables	12,470.11	125.01	-	-	12,595.12
Other financial liabilities	605.17	-	107.03	-	712.20
Total	26,240.75	2,387.07	7,773.09	1,062.03	37,462.94

As at March 31, 2022

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	15,765.65	1,868.79	8,207.50	126.00	25,967.93
Lease Liabilities	65.09	326.13	995.64	1,151.99	2,538.85
Trade payables	17,600.45	283.20	-	-	17,883.65
Other financial liabilities	228.81	6.51	240.92	-	476.24
Total	33,660.00	2,484.63	9,444.06	1,277.99	46,866.68

C. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Board of Directors is responsible for setting up the policies and procedures to manage risks of the Company.

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 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 sensitivity analysis in the following sections relate to the position as at March 31, 2023 and March 31, 2022. 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:

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Particulars	Increase or decrease in basis points	Decrease / (increase) in profit before tax
March 31, 2023	+50	116.51
	-50	(116.51)
March 31, 2022	+50	118.74
	-50	(118.74)

The assumed movement is 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

The company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The following tables demonstrate the sensitivity (strengthening or weakening of Indian Rupee) 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, 2023	+5%	-
	-5%	-
March 31, 2022	+5%	-
	-5%	-

45 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 7 customers (March 31, 2022: 10 customers).

46 CONTINGENT LIABILITIES AND COMMITMENTS

a) Contingent liabilities (To the extent not provided for)

- The company has reviewed all its pending claims, litigations and other proceedings and has adequately provided for wherever required. However, wherever it is difficult for the Company to estimate the timings of cash outflows, if any, in respect of the below as it is determinable only on receipt of judgement/decisions pending with various forums/authorities, the Company has disclosed the same as contingent liabilities (pending resolution of the respective proceedings).

The company does not expect the outcome of these proceedings to have a material or adverse effect on financial position of the Company. Also, the Company does not expect any reimbursements in respect of the below contingent liabilities.



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to standalone financial statements for the year ended March 31, 2023

Particulars	As At March 31, 2023	As At March 31, 2022
- Tax Demand as per Sec 154 and Sec 16(1) of Income Tax Act, 1961 (with respect to Assessment Year 2015-16) - Issue restored to file of CIT(A) for re-adjudication based on order received from ITAT.	15.57	15.57
- Tax Demand as per Sec 250 of Income Tax Act, 1961 (with respect to Assessment Year 2016-17) - Matter restored to AO by ITAT for recalculating the disallowance u/r8D(2)(iii).	3.49	3.49
- Tax Demand as per Sec 143(3) of Income Tax Act, 1961 (with respect to Assessment Year 2017-18) - Appeal pending before CIT(A)	3.83	3.83
- Tax Demand as per Sec 115-O of Income Tax Act, 1961 (with respect to Assessment Year 2017-18) - Appeal pending before CIT(A)	33.30	33.30
- Tax Demand as per Sec 154 of Income Tax Act, 1961 (with respect to Assessment Year 2018-19) - Appeal pending before CIT(A)	5.70	5.70
- Tax Demand as per Sec 270A of Income Tax Act, 1961 (with respect to Assessment Year 2020-21) - Appeal pending before CIT(A)	2.90	-
- Demand as per TDS (TRACES) portal - CPC	2.86	4.65
(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.		

	As At March 31, 2023	As At March 31, 2022
II Irrevocable letter of credit outstanding with banks [net of margin of ₹ 843.41 Lakhs(March 31, 2022 : ₹ 876.84 Lakhs)]	2,281.26	3,946.24
III Bank Guarantee given to government authorities	37.08	37.08
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 for its foreign subsidiaries amounting to ₹ 23,843.80 Lakhs (March 2022 ₹ 20,468.70 Lakhs) Refer note 44 & 47.		

b) Commitments

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023 Gratuity (Funded)	As at March 31, 2022 Gratuity (Funded)
Capital commitment: Estimated amount of contracts remaining to be executed on the capital account [net of capital advances of ₹ 96.94 Lakhs (March 31, 2022 : ₹ 70.12 Lakhs)]	294.66	420.11

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.

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to standalone financial statements for the year ended March 31, 2023

47 RELATED PARTY TRANSACTIONS

a) List of related parties

Nature of Relationship	Name of the Related Party	
Subsidiary (Direct / Indirect)	Domestic (Direct)	
	SBUYS E-Commerce Limited	
	Pearl Global Kaushal Vikas Limited	
	Pearl Apparel Fashions Limited (Liquidated during the 2022-23 and was under liquidation in 2021-22)	
	Sead Apparels Private Limited (Refer note (j) below)	
	Overseas (Direct)	
	Pearl Global Fareast Limited	
	Pearl Global (HK) Limited	
	Norp Knit Industries Limited	
	Pearl Global USA Inc.	
	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 (Liquidated on August 05, 2021)	
	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	
	Alpha Clothing Limited (Acquired 100% equity interest in substance on September 04, 2022)	
	Enterprise over which Key Managerial Personnel exercise Significant influence	
	PDS Limited	
Key Management Personnel (KMP) & their relative	Mr. Deepak Kumar Seth	Chairman
	Mr. Pulkit Seth	Vice Chairman Managing Director (till March 31, 2022) Non-Executive Director (w.e.f. April 01, 2022)
	Mrs. Shifalli Seth	Whole-Time Director (till March 31, 2022) Non-Executive Director (w.e.f. April 01, 2022)
	Mr. Pallab Banerjee	Joint Managing Director (from October 01, 2021 till March 31, 2022) Managing Director (w.e.f. April 01, 2022)
	Mr. Uma Shankar Kaushik	Whole-Time Director (till January 10, 2022)
	Mr. Shailesh Kumar	Whole-Time Director
	Mr. Deepak Kumar	Whole-Time Director (w.e.f. February 14, 2022)
	Mr. Sanjay Gandhi	Group Chief Financial Officer
	Mr. Kashmir Singh Rathour	Chief Financial Officer (till April 20, 2021)
	Mr. Narendra Kumar Somani	Chief Financial Officer (w.e.f. June 21, 2021)
	Mr. Mayank Jain	Company Secretary (from June 21, 2021 to November 8, 2021)
	Mr. Ravi Arora	Company Secretary (from February 14, 2022 till June 28, 2022)
	Ms. Shilpa Budhia	Company Secretary (w.e.f. November 11, 2022).



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b) Disclosure of Related Parties Transactions:

(i) Subsidiary Companies

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchase of goods	393.56	2,522.61
Sale of goods - raw material	55.14	17.16
Sale of goods - readymade garments	40557.17	30,275.44
Source support income	72.50	97.35
Income on corporate guarantee	151.58	132.75
SAP income	169.86	97.87
Rental income	37.69	-
Interest income	8.07	14.40
Commission Income	120.00	-
Dividend Income	988.08	-
Marketing Fees Paid	713.59	-
Sale of Property, plant and equipment	-	53.69
Expenses paid by the Company on other's behalf	10.45	149.67
Expenses paid by them on behalf of the Company	-	94.54
Impairment of investment in subsidiaries written back	1,648.35	30.00
Investment in subsidiaries written off	1,648.35	3.17
Investment in equity shares	239.67	486.86
ESOP related investments	115.59	-
Loan Given (After Reinstatement)	246.66	-

Corporate Guarantee given by the Company (as per Section 186(4) of the Companies Act 2013)

- To Hongkong and Shanghai Banking Corporation Limited, Hongkong Branch for securing credit facilities to its wholly owned subsidiary Pearl Global (HK) Limited, Hong Kong and its step down subsidiary DSSP Global Limited and Pearl Grass Creations Limited for USD 200.00 Lakhs equivalent to ₹16,444.00 Lakhs (March 31, 2022: USD 200.00 Lakhs equivalent to ₹15,162.00 Lakhs).
- To Hongkong and Shanghai Banking Corporation Limited, Hongkong Branch for securing credit facilities to its wholly owned subsidiary Pearl Global (HK) Limited, Hong Kong and its step down subsidiary DSSP Global Limited and Pearl Grass Creations Limited for USD 40.00 Lakhs equivalent to ₹ 3,288.80 Lakhs (March 31, 2022: USD 40.00 Lakhs equivalent to ₹ 3,032.40 Lakhs).
- To Hongkong and Shanghai Banking Corporation Limited, Hongkong Branch for securing credit facilities to its wholly owned subsidiary Pearl Global (HK) Limited, Hong Kong and its step down subsidiary DSSP Global Limited and Pearl Grass Creations Limited for USD 50.00 Lakhs equivalent to ₹ 4,111 Lakhs (March 31, 2022: USD Nil equivalent to ₹ Nil).
- To Standard Chartered Bank, Hongkong Branch for securing credit facilities to its wholly owned subsidiary Pearl Global (HK) Limited, Hong Kong for USD NIL equivalent to ₹ NIL at year end (March 31, 2022 USD 30.00 Lakhs equivalent to ₹ 2,274.30 Lakhs).

Above Corporate Guarantees have been given for business purpose.

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to standalone financial statements for the year ended March 31, 2023

Closing Balance

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Loan given to subsidiary (inclusive of interest)	246.66	-
Trade Receivables	3,526.97	5,477.78
Trade Payables	507.95	2,099.24
Advance Receivables	50.94	121.59

(ii) Enterprise over which KMP has Significant Influence

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Dividend Received	18.17	7.87
Expenses paid by them on behalf of the Company	-	2.87
Loan Received Back	-	300.00
Interest income	-	28.68

(iii) Key Management Personnel (KMP)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Remuneration paid (Including Arrears)	457.45	557.28
Expenses paid by the Company on their behalf (EPF Paid)	8.60	5.89
Expenses incurred on behalf of the Company	45.97	40.91
Loan Given	100.00	-
Interest Income	3.51	-
Directors sitting fees	1.50	0.60

Closing Balance

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Loan Receivable (Inclusive of interest)	103.51	-
Trade Payable - Payable to KMP	10.92	14.40

- c) Disclosure of Material Transactions: Related Parties having more than 10% interest in each transaction in the ordinary course of business.

(i) Subsidiary Companies

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchase of goods		
Norp Knit Industries Limited	-	474.17
Pearl Global Vietnam Co Limited	1.39	191.64
DSSP Global Limited	392.17	1,856.80
Sale of goods - raw material		
Norp Knit Industries Limited	55.14	16.27



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to standalone financial statements for the year ended March 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Pearl Apparel Fashions Limited	-	0.88
Sale of goods - readymade garments		
Pearl Global (HK) Limited	40,527.33	30,208.89
Pearl Grass Creations Limited	-	66.55
Prudent Fashion Limited	29.83	-
Source support income		
SBUYS E-Commerce Limited	72.50	97.35
Income on corporate guarantee		
Norp Knit Industries Limited	-	24.63
Pearl Global (HK) Limited	151.58	108.13
SAP income		
Pearl Global Fareast Limited	36.95	30.97
Pearl Global (HK) Limited	87.98	51.35
Pearl Grass Creations Limited	44.93	15.54
Rental Income		
SBUYS E-Commerce Limited	37.69	-
Interest income		
Pearl Global Fareast Limited	-	14.40
Pearl Global USA Inc	8.07	-
Commission Income		
SBUYS E-Commerce Limited	120.00	-
Dividend Income		
Pearl Global Fareast Limited	386.75	-
Pearl Global (HK) Limited	601.33	-
Marketing Fees Paid		
Pearl Global USA Inc	713.59	-
Sale of Property, plant and equipment		
Pearl Global USA Inc	-	53.69
Expenses paid by the Company on their behalf		
Norp Knit Industries Limited	3.12	0.44
Pearl Global (HK) Limited	-	16.64
Pearl Global Vietnam Co Limited	-	54.99
SBUYS E-Commerce Limited	7.33	77.60
Expenses paid by them on behalf of the Company		
Norp Knit Industries Limited	-	9.11
DSSP Global Limited	-	0.03
Pearl Grass Creations Limited	-	0.03
Pearl Global (HK) Limited	-	82.19
SBUYS E-Commerce Limited	-	3.19
Impairment of investment in subsidiaries written back		
Pearl Apparel Fashions Limited	1,648.35	30.00
Investment in subsidiaries written off		
Pearl Apparel Fashions Limited	1,648.35	3.17

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to standalone financial statements for the year ended March 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Investment in equity shares		
Pearl Global Fareast Limited (Refer sub note 47(g))	-	486.10
Pearl Global USA Inc	238.67	0.76
Sead Apparels Private Limited	1.00	-
ESOP related investment		
Pearl Global Vietnam Co Limited	22.93	-
P.T. Pinnacle Apparels	29.84	-
Norp Knit Industries Limited	58.11	-
Pearl Global (HK) Limited	4.71	-
Loan Given (after reinstatement)		
Pearl Global USA Inc	246.66	-
Closing Balance		
Loan given to subsidiary (inclusive of interest)		
Pearl Global USA Inc	246.66	-
Amount payable		
DSSP Global Limited	-	1,833.62
Norp Knit Industries Limited	446.28	265.62
Pearl Global USA Inc.	61.67	-
Amount receivable		
Pearl Global Fareast Limited	9.52	7.61
PT. Pinnacle Apparels	-	5.16
Pearl Global(HK) Limited	3,547.07	5,333.77
Pearl Global Vietnam Co Limited	-	93.57
Pearl Grass Creations Limited	20.31	4.26
Norp Knit Industries Limited	-	37.34
Pearl Global USA Inc	-	116.90
Pearl Global Kaushal Vikas Limited	1.00	-
SBUYS E-COMMERCE LIMITED	-	0.75

(ii) Enterprise over which KMP has significant influence

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Dividend Received		
PDS Multinational Fashion Limited	18.17	7.87
Expenses paid on behalf of the Company		
PDS Multinational Fashion Limited	-	2.87
Interest income		
PDS Multinational Fashion Limited	-	28.68
Loan received back		
PDS Multinational Fashion Limited	-	300.00



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to standalone financial statements for the year ended March 31, 2023

(iii) Key Management Personnel

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Remuneration paid (Including Arrears)		
Mr. Pulkit Seth	-	255.04
Ms. Shifalli Seth	-	37.50
Mr. Uma Shankar Kaushik	2.41	22.50
Mr. Deepak Kumar	22.83	6.58
Mr. Mayank Jain	-	9.72
Mr. Narendra Somani	47.74	42.00
Mr. Shailesh Kumar	16.39	18.00
Mr. Pallab Banerjee	267.13	102.72
Mr. Ravi Arora	5.38	4.15
Mr. Sanjay Gandhi	83.68	59.08
Ms. Shilpa Budhia	11.89	-
Expenses paid by the Company on their behalf (EPF Paid)		
Mr. Pulkit Seth	-	0.11
Ms. Shifalli Seth	-	0.11
Mr. Deepak Kumar	0.22	0.05
Mr. Mayank Jain	-	0.14
Mr. Pallab Banerjee	4.39	2.52
Mr. Sanjay Gandhi	3.88	2.96
Ms. Shilpa Budhia	0.11	-
Expenses incurred on behalf of the Company		
Mr. Uma Shankar Kaushik	-	13.32
Mr. Mayank Jain	-	6.00
Mr. Narendra Somani	8.69	14.43
Mr. Shailesh Kumar	6.99	5.31
Mr. Pallab Banerjee	17.31	1.85
Mr. Sanjay Gandhi	12.98	-
Loan Given		
Mr. Pallab Banerjee	50.00	-
Mr. Sanjay Gandhi	50.00	-
Interest Income		
Mr. Pallab Banerjee	1.75	-
Mr. Sanjay Gandhi	1.75	-
Directors sitting Fees:		
Mr. Deepak Kumar Seth	0.50	0.60
Mr. Pulkit Seth	1.00	-
Closing Balance		
Loan Receivable (Inclusive of interest)		
Mr. Pallab Banerjee	51.75	-
Mr. Sanjay Gandhi	51.75	-
Trade Payable : Payable to KMP		
Mr. Uma Shankar Kaushik	-	1.76
Mr. Deepak Kumar	1.53	1.13
Mr. Shailesh Kumar	1.31	0.89
Mr. Pallab Banerjee	0.31	5.48
Mr. Sanjay Gandhi	2.30	-

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to standalone financial statements for the year ended March 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Mr. Narendra Kumar Somani	3.97	3.70
Ms. Shilpa Budhia	1.51	-
Mr. Ravi Arora	-	1.44

d) 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.

- e) Personal Guarantee given by Mr. Deepak Kumar Seth (Promoter Director) and Mr. Pulkit Seth (Promoter Director) against the Borrowings (refer note no. 21 & 22).
- 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.
- g) During the 2021-22, Loan of USD 6.60 Lakh in Pearl Global Fareast Limited, Hongkong, has been converted into USD 6.60 Lakhs ordinary equity shares of USD 1.00 each of the Pearl Global Fareast Limited.
- h) During the last quarter of FY 2022-23, two step-down overseas subsidiaries namely, Pearl Unlimited Inc. in New York, USA and Pearl Global Industries FZCO in Dubai have been incorporated. However, the share capital have not been raised till March 31, 2023.
- i) During the financial year 2020-21, Pearl Apparel Fashions Limited, a wholly owned subsidiary of the Company had gone into voluntarily liquidation. The NCLT order has been received on December 16, 2022 and Company has been liquidated.
- j) During the financial year 2022-23, Investment was made in Sead Apparels Private limited during the third quarter of 2022-23, making it a wholly owned subsidiary of the Company.

48 DISCLOSURES PURSUANT TO REGULATION 34 OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECTION 186 OF THE COMPANIES ACT, 2013.

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the Year ended March 31, 2023	For the Year ended March 31, 2022
(a) Loans to subsidiaries		
Loan to wholly owned subsidiary: Pearl Global Fareast Limited		
Principal Balance as at the year end	-	-
Maximum amount outstanding at any time during the year*	-	486.10
(Pearl Global Fareast Limited has utilised the loan for meeting operating and working capital requirements. It is converted into equity and carried an average rate of interest at 6% p.a till the date of conversion (2020-21: 6.5%))		
Loan to wholly owned subsidiary: Pearl Global USA Inc.		
Principal Balance as at the year end	246.66	-
Maximum amount outstanding at any time during the year	250.07	-
(Pearl Global USA INC. has utilised the loan for meeting operating and working capital requirements. It carries an average rate of interest at 6.5% p.a.)		
(b) Investments made are given under the respective heads (Refer Note No. 8)	11,818.71	11,761.04
(c) Corporate guarantees given are disclosed in Note 44	23,843.80	20,468.70

*During the preceding FY 2021-22, loan of USD 6.60 Lakh in Pearl Global Fareast Limited, Hongkong, was converted into USD 6.60 Lakhs ordinary equity shares of USD 1.00 each of the PGFE.



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to standalone financial statements for the year ended March 31, 2023

49 EVENT OCCURRING AFTER BALANCE SHEET DATE**a) Interim Dividend :**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Declared for the year:		
Second Interim dividend declared on 15th May 2023 ₹ 5.00 per share for the financial year 2022-23: (2021-22 : declared on 25th May 2022 ₹ 5 per share) [₹ 5 on 21,663,937 equity shares (2021-22 ₹ 5 on 21,663,937 equity shares)]	1,083.20	1,083.20

- 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.

50 LEASES

- a)** 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.

(All amounts are in ₹ Lakhs, unless otherwise stated)

Right-of-use assets: movements in carrying value of assets	Amount
Gross Block As at March 31, 2021	3,745.19
Add: Additions during the year	-
Less: (Disposals) / adjustments during the year	(457.48)
Gross Block As at March 31, 2022	3,287.71
Add: Additions during the year	1,187.74
Less: (Disposals) / adjustments during the year	179.71
Gross Block As at March 31, 2023	4,655.16
Accumulated Depreciation :	
As at April 01, 2021	841.92
Add: Depreciation charge for the year	485.69
Less: (Disposals) / adjustments during the year	(211.37)
As at March 31, 2022	1,116.24
Add: Depreciation charge for the year	534.85
Less: (Disposals) / adjustments during the year	-
As at March 31, 2023	1,651.09
Net Block :	
As at March 31, 2023	3,004.07
As at March 31, 2022	2,171.47
In 2022-23, there were no impairment charges recorded for right-of-use assets.	
Leases: movements in carrying value of recognised liabilities	
As at April 01, 2021	3,217.75
Add: Additions during the year	-
Add: Interest expense on lease liabilities	270.85
Less: (Disposals) / adjustments during the year	(305.79)
Less: Repayment of lease liabilities	(643.97)
As at March 31, 2022	2,538.85
Add: Additions during the year	1,187.74

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to standalone financial statements for the year ended March 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

Right-of-use assets: movements in carrying value of assets	Amount
Add: Interest expense on lease liabilities	316.49
Less: (Disposals) / adjustments during the year	181.56
Less: Repayment of lease liabilities	(704.57)
As at March 31, 2023	3,520.08
Non-current lease liabilities	2,950.56
Current lease liabilities	569.52
Total lease liabilities	3,520.08

The maturity analysis of lease liabilities is given in Note 44 in the 'Liquidity risk' section.

Cash flows from operating activities includes cash flow from short term lease & leases of low value. Cash flows 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 is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor. The company accounted for its leases in accordance with Ind AS 116 from the date of initial application. The company does not have any significant impact on account of sub-lease on the application of this standard.

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 ₹ 774.49 Lakhs (March 31, 2022: ₹ 769.38 Lakhs) has been recognised and included under Other Income. (Refer Note No. 29)

The following table sets out a maturity analysis of lease receivable, showing the undiscounted lease payments to be received after the reporting date.

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Less than one year	702.26	823.57
One to two years	778.67	832.69
Two to three years	797.30	803.15
Three to Four Years	841.89	725.30
Four to five years	813.25	728.89
More than five years	2,643.50	1,688.19

51 RATIO ANALYSIS

(All amounts are in ₹ Lakhs, unless otherwise stated)

Description	Numerator	Denominator	March 31, 2023	March 31, 2022	% change	Reason for variance [Refer Note (f) below]
Current ratio (in times)	Current Assets	Current Liabilities	1.39	1.40	-0.59%	
Debt- Equity Ratio (in times)	Total Debt (excluding lease liabilities in debt)	Shareholder's Equity	0.54	0.76	-28.26%	Reduction in debt helped to improve debt-equity ratio.
Debt Service Coverage ratio (in times)	Total Debt (including lease liabilities in debt)	Shareholder's Equity	0.64	0.83	-23.53%	



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to standalone financial statements for the year ended March 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

Description	Numerator	Denominator	March 31, 2023	March 31, 2022	% change	Reason for variance [Refer Note (f) below]
	Earnings available for debt service (Refer note (a) below)	Debt Service (Refer note (b) below)	1.65	1.34	22.51%	
Return on Equity ratio (in %)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	14.86%	8.26%	79.79%	Improvement in profitability led to better Return on Equity.
Inventory Turnover ratio (in times)	Revenue	Average Inventory	3.03	2.42	25.55%	Change in sales mix led to increase in inventory levels.
Trade Receivable Turnover Ratio (in times)	Revenue	Average Trade Receivable:	8.98	6.60	35.93%	Decrease in credit sales led to improvement of trade receivable turnover ratio.
Trade Payable Turnover Ratio (in times)	Purchases of goods and services	Average Trade Payables	3.00	3.02	-0.65%	
Net Capital Turnover Ratio	Revenue	Working capital (Refer note (c) below)	7.68	6.84	12.24%	
Net Profit ratio (in %)	Net Profit after tax.	Revenue	5.30%	3.15%	68.21%	Change in Sales mix and improved margins led to increase in profits.
Return on Capital Employed (in %)	Earnings before interest and taxes	Capital Employed (Refer note (d) below)	13.43%	8.56%	56.91%	Improvement in profitability led to higher Return on Capital Employed.
	Earnings before interest and taxes	Capital Employed (Refer note (e) below)	13.18%	8.65%	52.46%	Improvement in profitability led to higher Return on Capital Employed.
Return on Investment (in %)	Income from Investments	Average Cost of Investments	8.88%	4.89%	81.50%	Increased income on account of dividend on investments has resulted in the improvement in the ratio.

Notes:

- a) Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of Fixed assets etc. "Net Profit after tax" means reported amount of "Profit / (loss) for the period" and it does not include items of other comprehensive income.

NOTES
to standalone financial statements for the year ended March 31, 2023

- b) Interest, Lease Payments and Principal Repayments of long term debt
- c) Current assets – Current liabilities
- d) Tangible Net Worth + Total Debt(excluding lease liabilities in debt) + Deferred Tax Liability/(Asset)
- e) Tangible Net Worth + Total Debt(including lease liabilities in debt) + Deferred Tax Liability/(Asset)
- f) Reasons have been explained for variance in which % change is more than 25% as compared to ratio of previous year.

52 EMPLOYEE SHARE BASED PAYMENT

- A. The Board of Directors had accorded their consent for the implementation of Pearl Global Industries Limited Employee Stock Option Plan 2022 (the Plan) on June 30, 2022. Further, the shareholders of the Company had vide Postal Ballot approved the Plan on August 28, 2022. In accordance with the Plan, the Nomination and Remuneration Committee on October 10, 2022 granted 413100 nos. of stock options to the eligible employees of the Company/subsidiary companies. These options are to be vested after a minimum period of one year from the grant date and it shall extend up to a maximum period of four years from the grant date based on the vesting conditions as per letter of grant executed between the Company and the employee of the Company or its subsidiaries. Each option when exercised would be converted into one fully paid-up equity share of ₹ 10 each of the Company. The options granted under ESOP scheme carry no rights to dividends and no voting rights till the date of exercise. The fair value of the share options is estimated at the grant date using Black and Scholes Model, taking into account the terms and conditions upon which the share options were granted. The company has recognised an expense of ₹ 143.92 Lakhs (March 31, 2022: ₹ Nil) arising from equity settled share based payment transactions for employee services received during the year. The carrying amount of Employee stock options outstanding reserve as at March 31, 2023 is ₹ 259.51 Lakhs (March 31, 2022: ₹ Nil).

B. Options granted under ESOP Scheme

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Options outstanding at the beginning of the year	4,13,100	-
Options granted during the year	-	-
Options forfeited during the year	-	-
Options expired/lapsed during the year	-	-
Options exercised during the year	-	-
Options outstanding at the end of the year	4,13,100	-
Exercisable at the end of the year	-	-
For options outstanding at the end of the year	-	-
Exercise price range (₹)	300	-
Weighted average remaining contractual life (in years)	3.53 years	-

C. Fair value of options granted

Fair value of each option is estimated on the date of grant based on the following assumptions:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV
Dividend yield (%)	0.95%	0.95%	0.95%	0.95%
Expected life (years)	2.03 years	2.53 years	3.03 years	3.53 years
Risk free interest rate (%)	7.05%	7.15%	7.23%	7.29%
Volatility (%)	58.21%	57.92%	55.93%	54.70%
Share price on date of grant	₹ 461.35			
Fair value of options	245.76	257.29	264.44	271.62



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to standalone financial statements for the year ended March 31, 2023

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The volatility is based on annualised standard deviation of the continuously compounded rates of return based on the peer companies and competitive stocks over a period of time. The company has determined the market price on grant date based on latest equity valuation report available with the Company preceding the grant date. No employee share options have been exercised during the year.

D. Expenses arising from share-based payment transactions

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Stock based compensation expense determined under fair value method recognised in statement of profit or loss	143.92	-
Stock based compensation expense pertaining to employees of subsidiaries, determined under fair value method recognised as cost of investment	115.59	-

53 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.

54 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entity identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

55 DISCLOSURE OF TRANSACTIONS WITH STRUCK OFF COMPANIES

The company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the financial years.

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to standalone financial statements for the year ended March 31, 2023

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- A) No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:
- (a) Crypto Currency or Virtual Currency
 - (b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
 - (c) Registration of charges or satisfaction with Registrar of Companies.
 - (d) Relating to borrowed funds:
 - i) Wilful defaulter
 - ii) Utilisation of borrowed funds & share premium
 - iii) Borrowings obtained on the basis of security of current assets
 - iv) Discrepancy in utilisation of borrowings

As per our report of even date attached

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

(Sandeep Dinodia)
Partner
Membership Number : 083689

Place of Signature: New Delhi
Date: May 15, 2023

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

(Pulkit Seth)
Vice-Chairman
DIN 00003044

(Sanjay Gandhi)
Group CFO
M. No. 096380

(Shilpa Budhia)
Company Secretary
M. No. ACS-23564

Place of Signature: Gurugram
Date: May 15, 2023

(Pallab Banerjee)
Managing Director
DIN 07193749

(Narendra Somani)
Chief Financial Officer
M. No. 092155



INDEPENDENT AUDITOR'S REPORT

To,

The Members,

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 as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, 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, 2023, the consolidated profit (including Other Comprehensive Income), 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.

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, 2023. 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.

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.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Key Audit Matter	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, 2023; 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.
Recognition, measurement, presentation and disclosures of revenues as per Ind AS 115 "Revenue from Contracts with Customers" In accordance with the requirements of Ind AS 115 - Revenue from Contracts with Customers, an entity shall recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. An asset is transferred when the customer obtains control of that asset. Revenue is one of the key measures of performance. Revenue is identified as an area of significant risk. As per the accounting policy, the Holding Company derives its revenue primarily from sale of garments with revenue recognised at a point in time when control of the goods has transferred to the customer. At the year end, management has to exercise significant judgement & control as the volume of transactions are high. Accordingly, Revenue Recognition is identified as a Key Audit Matter.	Our procedures included, but were not limited to the following: ✓ Assessed the appropriateness of the Holding Company's revenue recognition accounting policies as per Ind AS 115 -Revenue from Contracts with Customers. ✓ Obtained an understanding and assessed the design, implementation and operating effectiveness of key internal controls over recognition and measurement of revenue in accordance with customer contracts, including correct timing of revenue recognition. ✓ Performed substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year, verifying with the underlying documents i.e sales invoices, dispatch documents including shipping bill, Airway bill, bill of lading, forwarder cargo receipt etc. ✓ Performed cut off testing, on sample basis to ensure that the revenue from sale of goods is recognized in the appropriate period. ✓ Assessed manual journals posted to revenue to identify unusual items and tested the same on a sample basis.



INDEPENDENT AUDITOR'S REPORT (Contd.)

Key Audit Matter	How our audit addressed the Key Audit Matter
	✓ Performed analytical procedures for reasonableness of revenues disclosed vis-à-vis the direct and indirect costs involved. ✓ Considered adequacy of the Group's disclosures in respect of revenue and related estimates and judgements in the Consolidated Ind AS financial statements. Based on our procedures as mentioned above, we did not identify any findings that are significant for the financial statements as whole in respect of accounting, presentation and disclosure of Revenue Recognition.

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 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

INDEPENDENT AUDITOR'S REPORT (Contd.)

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.
- 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, 2023 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 of five subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets (before eliminating of inter-company transaction of ₹ 22,087.36 lakh) of ₹ 124,951.16 lakh as at March 31, 2023, total revenues (before eliminating of inter-company transaction of ₹ 90,390.23 lakh) of ₹ 334,135.77 lakh, total net profit after tax (before eliminating of inter-company transaction of ₹ Nil) of ₹ 10,922.06 lakh and total comprehensive income (before eliminating of inter-company transaction of ₹ (114.62) lakh) of ₹ 9813.06 lakh for the year ended



INDEPENDENT AUDITOR'S REPORT (Contd.)

March 31, 2023 respectively and total net cash inflow of ₹ 11,167.30 lakh for the year ended March 31, 2023, 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 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.

Our opinion on the consolidated financial statement 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.

- (c) The Consolidated financial statements also include the financial statements of one foreign subsidiary whose financial statements reflect total assets (before eliminating of inter-company transaction of ₹ 61.67 lakh) ₹ 1071.54 lakh as at March 31, 2023, total revenues (before eliminating of inter-company transaction of ₹ 1832.89 lakh) of ₹ 4453.60 lakh, total net profit after tax (before eliminating of inter-company transaction of ₹ Nil) of ₹ 0.66 lakh & total comprehensive income (before eliminating of inter-company transaction of ₹ Nil) of ₹ 8.97 lakh for the year

ended March 31, 2023 and net cash inflow of ₹ 342.85 lakh for the year ended March 31, 2023 as considered in the consolidated financial statements, which have not been audited. These financial statements have been certified by the respective Management and furnished to us by Holding Company's Management. Our conclusion, in so far as it relates to the amounts included in respect of aforesaid subsidiary, is based solely on such financial statements. In our view and according to the information and explanations given to us by the Holding Company's Management, these financial statements are not material to the Group.

Our conclusion is not modified in respect of this matter with respect to our reliance on these unaudited financial statements of aforesaid subsidiary, as certified by the respective Management

- (d) The comparative financial statement of the Group for the year ended March 31, 2023 included in this Consolidated financial statement, are based on the previously issued statutory Consolidated financial statements which had been audited by the predecessor auditor whose report for the year ended March 31, 2022 dated May 25, 2022 expressed an unmodified opinion on those Consolidated financial statement. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in the paragraph 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order"/"CARO"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and CARO reports issued by respective statutory auditors of the subsidiaries which have been included in the consolidated financial statements of the Group & to which reporting under CARO is applicable, we report that there are no qualifications and adverse remarks in those CARO reports.
2. 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:
 - I. We/ the other auditors whose reports we have relied upon have sought and obtained all the

INDEPENDENT AUDITOR'S REPORT (Contd.)

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.

- II. 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.
- III. 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.
- IV. 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.
- V. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023, 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, 2023, from being appointed as a director in terms of Section 164 (2) of the Act.
- VI. 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**.
- VII. 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:
 - a) The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group - Refer Note No. 46 of the Consolidated financial statements.
 - b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2023.
 - c) 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, 2023.
 - d)
 - i. The respective Managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited in the act have represented to us and the other auditors of such subsidiaries have reported that, to the best of its knowledge and belief, as disclosed in the Note 53 to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - ii. The respective Managements of the Holding Company and its subsidiaries incorporated in India have represented, that, to the best of its knowledge and belief, as disclosed in the Note 53 to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Holding



INDEPENDENT AUDITOR'S REPORT (Contd.)

Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- iii. Based on such audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) & (ii) above, contain any material misstatement.
- e) The first interim dividend declared and paid by the Holding Company during the year and is in accordance with section 123 of the Companies Act 2013. Further, as stated in note 50 to the financial statements, second interim dividend declared by the Holding Company for the year is in accordance with section 123 of the Companies Act 2013, to the extent, it applies to declaration of dividend. However, the second interim dividend was not paid on the date of this audit report.

Further, the subsidiaries companies incorporated in India, consolidated in the group, have not declared any dividend during the year.

- f) Proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable for the Company and its subsidiaries which are companies incorporated in India w.e.f. April 1, 2023 and accordingly, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

3. 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, 2023, 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 S.R. Dinodia & Co. LLP.

Chartered Accountants,

Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner

Place of Signature: New Delhi Membership Number 083689

Date: May 15, 2023

UDIN: 23083689BGWOCN7329

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 Group as of and for the year ended March 31, 2023, 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, 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.



ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

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, 2023, 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 S.R. Dinodia & Co. LLP.

Chartered Accountants,

Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner

Place of Signature: New Delhi Membership Number 083689

Date: May 15, 2023 UDIN: 23083689BGWOCN7329

CONSOLIDATED BALANCE SHEET

as at March 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As At March 31, 2023	As At March 31, 2022
I. Assets			
Non-current assets			
(a) Property, plant and equipment	4	28,822.60	25,815.42
(b) Capital work in progress	5	3,312.61	1,521.50
(c) Right of use assets	49	13,393.26	11,168.15
(d) Investment properties	6	5,736.05	5,904.48
(e) Goodwill	7	1,924.67	1,800.78
(f) Other Intangible assets	8	156.19	72.06
(g) Financial assets			
(i) Investments	9	5,415.10	4,985.82
(ii) Loans	10	27.16	125.01
(iii) Other financial assets	11	809.25	1,096.34
(h) Non current tax assets (net)	13	2,048.00	601.00
(i) Deferred tax assets (net)	12	138.49	89.81
(j) Other non current assets	14	163.61	210.77
Total Non-current assets		61,946.99	53,391.14
Current assets			
(a) Inventories	15	51,329.69	53,958.18
(b) Financial assets			
(i) Investments	9	562.16	532.26
(ii) Trade receivables	16	20,936.17	36,662.31
(iii) Cash and cash equivalents	17	25,614.50	11,685.07
(iv) Bank balances other than cash and cash equivalents	18	3,832.23	3,292.39
(v) Loans	10	2,538.00	3,459.46
(vi) Other financial assets	11	815.43	590.85
(c) Other current assets	14	10,489.02	14,490.19
Total current assets		1,16,117.20	1,24,670.71
Total assets		1,78,064.19	1,78,061.85
II. Equity and liabilities			
Equity			
(a) Equity share capital	19	2,166.39	2,166.39
(b) Other equity	20	70,080.17	57,727.53
Equity attributable to equity shareholders		72,246.56	59,893.92
Non - controlling interest		2,030.67	1,593.33
Total equity		74,277.23	61,487.25
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	8,930.19	12,382.81
(ia) Lease Liabilities	49	9,682.32	7,161.40
(ii) Others financial liabilities	23	446.62	240.92
(b) Provisions	24	2,886.64	2,427.56
(c) Deferred tax liabilities (net)	12	60.02	256.64
(d) Other non current liabilities	25	96.53	3,006.07
Total non-current liabilities		22,102.32	25,475.40
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	35,908.24	44,031.37
(ia) Lease Liabilities	49	1,251.13	883.75
(ii) Trade payables	26		
- Total outstanding due of micro enterprises and small enterprises		744.87	663.99
- Total outstanding due of creditors other than micro enterprises and small enterprises		38,423.82	43,204.80
(iii) Other financial liabilities	23	1,395.08	904.09
(b) Other current liabilities	25	1,937.03	948.52
(c) Provisions	24	140.97	244.81
(d) Current tax liabilities (net)	27	1,883.50	217.87
Total current liabilities		81,684.64	91,099.20
Total equity and liabilities		1,78,064.19	1,78,061.85

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

For **S.R. Dinodia & Co. LLP**

Chartered Accountants

Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number : 083689

(Pulkit Seth)

Vice-Chairman

DIN 00003044

(Sanjay Gandhi)

Group CFO

M. No. 096380

(Shilpa Budhia)

Company Secretary

M. No. ACS-23564

(Pallab Banerjee)

Managing Director

DIN 07193749

(Narendra Somani)

Chief Financial Officer

M. No. 092155

Place of Signature: New Delhi

Date: May 15, 2023

Place of Signature: Gurugram

Date: May 15, 2023



CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	For the Year ended March 31, 2023	For the Year ended March 31, 2022
I Income			
Revenue from operations	28	3,15,840.92	2,71,352.90
Other income	29	2,280.99	3,345.94
Total income		3,18,121.91	2,74,698.84
II Expenses			
(a) Cost of materials consumed	30	1,49,241.21	1,16,530.95
(b) Purchases of stock-in-trade	31	18,901.73	40,790.23
(c) Changes in inventories of finished goods, stock in trade and work in progress	32	(5,192.84)	(6,258.87)
(d) Employee benefits expense	33	56,146.52	45,862.10
(e) Finance costs	34	6,517.89	4,660.37
(f) Depreciation and amortisation expense	35	5,077.64	4,833.68
(g) Other expenses	36	71,190.80	60,370.37
Total expenses		3,01,882.95	2,66,788.84
III Profit/ (loss) before exceptional items and tax (I-II)		16,238.96	7,910.00
IV Exceptional Items	37	(1,345.96)	(671.82)
V Profit/ (loss) before tax (III-IV)		17,584.92	8,581.82
VI Tax expense:	12		
(a) Current tax		2,407.75	1,074.08
(b) Deferred tax		(127.29)	496.86
(c) Adjustment of tax relating to earlier periods		5.24	-
VII Profit/(loss) for the year (V-VI)		15,299.22	7,010.88
VIII Other comprehensive income	38		
(A) (i) Items that will not be reclassified to profit and loss			
(a) Re-measurement gains/ (losses) on defined benefit plans		(56.05)	(100.97)
(b) Gain on Bargain Purchase		506.98	-
(c) Changes in fair value of financial assets designated at fair value		(193.77)	-
(ii) Income tax on items that will not be reclassified to profit and loss		(0.53)	(20.48)
(B) (i) Items that will be reclassified to profit and loss			
(a) Foreign exchange translation reserve		(1,050.98)	1,242.11
(b) Fair valuation of investment in mutual fund		-	(28.98)
(c) Net movement in effective portion of cash flow hedge reserve		(595.46)	419.03
(d) Changes in fair value of financial assets designated at fair value		(64.01)	-
(ii) Income tax on items that will be reclassified to profit and loss		149.87	(105.46)
Other comprehensive income for the year, net of tax		(1,303.95)	1,405.26
IX Total comprehensive income for the year, net of tax		13,995.27	8,416.14
Profit Attributable to:			
Equity shareholders		14,925.44	6,814.64
Non-controlling interests		373.78	196.24
Other comprehensive income attributable to:			
Equity shareholders		(1,284.13)	1,357.87
Non-controlling interests		(19.82)	47.39
Total comprehensive income attributable to:			
Equity shareholders		13,641.31	8,172.51
Non-controlling interests		353.96	243.63
X Earnings per share: (Face value ₹ 10 per share)	39		
1) Basic (amount in ₹)		68.90	31.46
2) Diluted (amount in ₹)		68.79	31.46

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 **S.R. Dinodia & Co. LLP**

Chartered Accountants

Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number : 083689

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

(Pulkit Seth)

Vice-Chairman

DIN 00003044

(Sanjay Gandhi)

Group CFO

M. No. 096380

(Shilpa Budhia)

Company Secretary

M. No. ACS-23564

(Pallab Banerjee)

Managing Director

DIN 07193749

(Narendra Somani)

Chief Financial Officer

M. No. 092155

Place of Signature: New Delhi

Date: May 15, 2023

Place of Signature: Gurugram

Date: May 15, 2023

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended March 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars		For the Year ended March 31, 2023	For the Year ended March 31, 2022
Cash Flows From Operating Activities			
Profit before tax		17,584.93	8,581.82
Adjustments to reconcile profit before tax to net cash flows:			
Profit on sale of current investment - Mutual Fund		(97.05)	(16.34)
Rental Income		(751.10)	(742.30)
Interest Income		(436.38)	(310.44)
Interest Paid and other borrowing cost		6,499.74	3,484.17
Depreciation and amortisation		5,077.63	4,833.68
Unwinding of discount on security deposit - Expense		18.15	14.08
Sundry balances written back		(91.51)	(297.41)
Provision written back		(98.50)	(204.11)
Loss/ (Gain) on lease modification		86.09	(50.38)
Allowance for bad and doubtful debts and Advances		151.07	469.98
Bad debts written off		227.11	2.93
Grant Amortised during the year		(1.00)	(1.00)
Amortisation of deferred Rental Income		(19.36)	(16.44)
Unwinding of discount on security deposits - Income		(32.81)	(26.72)
Interest on Advance Paid		(827.00)	-
Provision for amount receivable (net of expected credit loss)		(2,122.92)	-
Dividend Income		36.54	-
Fair value loss /(gain) on financial assets measured at fair value through profit and loss		13.19	(209.27)
Amortisation of deferred asset - security deposit paid		-	3.13
Fair value loss /(gain) on financial assets measured at fair value through OCI		-	28.98
Stock compensation expenses		270.51	-
Foreign exchange translation		(1,118.55)	662.27
Operating Profit Before Working Capital Changes		24,368.79	16,206.64
Changes In Operating Assets And Liabilities:			
(Increase)/Decrease in other non-current financial assets		306.44	144.29
(Increase)/Decrease in other non-current assets		(16.99)	(18.41)
(Increase)/Decrease in Inventories		2,628.49	(26,081.21)
(Increase)/Decrease in Trade Receivables		15,630.35	(12,670.09)
(Increase)/Decrease in other current financial assets		(237.78)	(475.39)
(Increase)/Decrease in other current assets		3,485.55	(4,912.39)
Increase/(Decrease) in other non-current financial liabilities		205.69	120.08
Increase/(Decrease) in non-current provisions		402.50	117.44
Increase/(Decrease) in other non-current liabilities		(2,908.54)	(6.28)
Increase/(Decrease) in Trade Payables		(4,608.60)	19,489.37
Increase/(Decrease) in other current financial liabilities		(5.98)	22.02
Increase/(Decrease) in current provisions		(103.84)	112.14
Increase/(Decrease) in other current liabilities		988.51	242.04
Cash Generated From Operations		40,134.59	(7,709.76)
Direct Tax paid (Net of Refunds)		(2,312.36)	(768.27)
Cash flow before exceptional items		37,822.23	(8,478.03)
Exceptional items		(1,345.96)	(671.82)
Net Cash Inflow From/(Used In) Operating Activities	(A)	36,476.27	(9,149.85)
Cash Flows From Investing Activities			
Purchase of property, plant and equipment (including ROU, net of Lease Liabilities)		(6,777.07)	(8,320.85)
Sale proceeds of property, plant and equipment		4,748.91	168.59
(Increase)/Decrease in Capital work in progress		(1,791.11)	3,179.96



Consolidated Statement of Cash Flow for the year ended March 31, 2023 (Contd.)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars		For the Year ended March 31, 2023	For the Year ended March 31, 2022
Sale proceeds of Investment Properties		168.44	714.60
Purchase of Intangible assets		(254.63)	(48.51)
(Increase)/decrease in capital advances		121.66	14.12
Increase/(decrease) in capital creditor		31.37	(110.84)
(Increase)/Decrease in non-current Investments		(735.93)	315.05
(Increase)/Decrease in current Investments		67.15	(119.75)
Acquisition of Subsidiary		184.36	-
(Increase)/Decrease in non-current Loans		97.85	2,040.43
(Increase)/Decrease in current Loans		921.46	(1,751.73)
(Increase)/Decrease in bank deposit		(539.84)	(1,070.70)
Interest Income		436.38	284.18
Rental Income		751.10	742.30
Net Cash From/ (Used In) Investing Activities	(B)	(2,569.90)	(3,963.14)
Cash Flows From Financing Activities			
Increase/ (Decrease) in Long Term Borrowings		(3,452.62)	(61.14)
Lease Rental paid		(2,135.82)	(2,011.71)
Increase/ (Decrease) in Short Term Borrowings		(8,123.13)	19,910.74
Dividend Paid		(764.39)	-
Share application money received from NCI		-	55.89
Interest paid (net)		(5,500.97)	(2,567.03)
Net cash inflow from/(used in) Financing Activities	(C)	(19,976.93)	15,326.75
Net Increase (Decrease) In Cash And Cash Equivalents (A+B+C)		13,929.42	2,213.73
Opening Balance of Cash and Cash Equivalents		11,685.08	9,471.34
Total Cash And Cash Equivalents (Refer note 17)		25,614.50	11,685.07
Components Of Cash And Cash Equivalents			
Cash, Cheque/drafts on hand		73.55	1,013.27
With banks - on current account		20,075.91	10,356.64
With banks - on deposits with banks		5,465.04	315.15
Total Cash and Cash Equivalents (Refer note 17)		25,614.50	11,685.07

Notes :

a) The above Consolidated statement of Cash Flows has been prepared under the Indirect Method as set out in IND AS 7 'Statement of Cash Flows'.

b) 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 & on behalf of Board of Directors of Pearl Global Industries Limited

For **S.R. Dinodia & Co. LLP**

Chartered Accountants

Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number : 083689

(Pulkit Seth)

Vice-Chairman

DIN 00003044

(Sanjay Gandhi)

Group CFO

M. No. 096380

(Shilpa Budhia)

Company Secretary

M. No. ACS-23564

(Pallab Banerjee)

Managing Director

DIN 07193749

(Narendra Somani)

Chief Financial Officer

M. No. 092155

Place of Signature: New Delhi

Date: May 15, 2023

Place of Signature: Gurugram

Date: May 15, 2023

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2023

A. Equity Share Capital

(All amounts are in ₹ Lakhs, unless otherwise stated)

As at April 01, 2021	2,166.39
Changes during the year	-
As at March 31, 2022	2,166.39
Changes during the year	-
As at March 31, 2023	2,166.39

A. Other Equity

	Reserve Reserve & Surplus							Items of other comprehensive income			Total Other Equity	Non-controlling interest	Total Equity
	General Reserve	Security Premium	Capital Redemption Reserve	Amalgamation Reserve	Capital reserve	Retained Earning	Share Based Payment Reserve	Change in investment through other comprehensive income	Effective Portion of Cash Flow Hedge	Currency Translation Reserve			
Balance As at April 01, 2021	4,204.36	17,103.90	95.00	625.95	-	23,668.62	-	(309.53)	(1,281.96)	5,448.73	49,555.07	1,293.82	50,848.89
Profit / (loss) for the year	-	-	-	-	-	6,814.64	-	-	-	-	6,814.64	196.24	7,010.88
Adjustments during the year							-	377.43	1,273.47	(1,650.90)	-	-	-
Remeasurement of the benefit plan, net of tax effect	-	-	-	-	-	(94.81)	-	-	-	-	(94.81)	(26.64)	(121.45)
Share Application Money							-					55.88	55.88
Other Comprehensive Income	-	-	-	-	-	-	-	(103.01)	313.57	1,242.11	1,452.67	74.03	1,526.71
Balance As at March 31, 2022	4,204.36	17,103.90	95.00	625.95	-	30,388.41		(35.11)	305.08	5,039.94	57,727.53	1,593.33	59,320.86
Profit / (loss) for the year	-	-	-	-	-	14,925.44	-	-	-	-	14,925.44	373.78	15,299.22
Gain on Bargain Purchase on subsidiary acquired during the year	-	-	-	-	506.98	-	-	-	-	-	506.98	-	506.98
Share based payment Reserve	-	-	-	-	-	-	259.51	-	-	-	259.51	-	259.51
Adjustments during the year	-	-	-	-	-	76.61	-	-	-	(2.97)	73.64	83.38	157.02
Net movement in effective portion of cash flow hedge reserve, net of tax effect	-	-	-	-	-	-	-	-	(445.59)	-	(445.59)	-	(445.59)

Statement of changes in equity
for the year ended March 31, 2023 (Contd.)

	Reserve Reserve & Surplus						Items of other comprehensive income			Total Other Equity	Non-controlling interest	Total Equity
	General Reserve	Security Premium	Capital Redemption Reserve	Amalgamation Reserve	Capital reserve	Retained Earning	Share Based Payment Reserve	Change in investment through other comprehensive income	Effective Portion of Cash Flow Hedge	Currency Translation Reserve		
Remeasurement of the benefit plan, net of tax effect	-	-	-	-	-	(36.88)	-	-	-	-	(19.70)	(56.58)
Other Comprehensive Income	-	-	-	-	-	-	-	(257.77)	-	(1,047.89)	(0.12)	(1,305.78)
Dividend paid	-	-	-	-	-	(1,624.80)	-	-	-	-	-	(1,624.80)
Balance As at March 31, 2023	4,204.36	17,103.90	95.00	625.95	506.98	43,728.78	259.51	(292.88)	(140.51)	3,989.08	2,030.67	72,110.84

Summary of Significant Accounting Policies (Note No. 3)

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

As per our report of even date attached

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

(Sandeep Dinodia)
Partner
Membership Number : 083689

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

(Pulkit Seth)
Vice-Chairman
DIN 00003044

(Sanjay Gandhi)
Group CFO
M. No. 096380

(Shilpa Budhia)
Company Secretary
M. No. ACS-23564

Place of Signature: Gurugram
Date: May 15, 2023

(Pallab Banerjee)
Managing Director
DIN 07193749

(Narendra Somani)
Chief Financial Officer
M. No. 092155



CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIAL STATEMENTS

NOTES

to consolidated financial statements for the year ended March 31, 2023

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, and now under the Companies Act, 2013. 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 May 15, 2023.

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, 2023	As At March 31, 2022
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
Sead Apparels Private Limited	India	Trading of garments	100.00	-
Pearl Global Fareast 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
Pearl Global USA Inc.	USA	Trading and marketing of garments	100.00	100.00

During the year, Pearl Apparel Fashions Limited, a wholly owned subsidiary of the Company had gone into voluntarily liquidation. The NCLT order has been received on December 16, 2022 and company has been liquidated. Accordingly, the same is not considered in these consolidated financial statements as at March 31, 2023.

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 non-current 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 and non-current classification of assets and liabilities.

Going Concern

The board of directors have considered the financial position of the Group at March 31, 2023 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



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at the date of signing the accounts to fund the Group's operations.

Recent accounting pronouncements notified by Ministry of Corporate Affairs are as under:-

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2023, as below:

a) Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The group has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements.

b) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The group has evaluated the amendment and there is no impact on its consolidated financial statements.

c) Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The group has evaluated the amendment and there is no impact on its consolidated financial statement

Basis of Consolidation:-

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

- i) The consolidation financial statements of the Group and 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 unrealised 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 Group as at the date of acquisition of stake is recognised 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 interestsof 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 Group 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

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identified as non integral operations of the Group 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 (₹) 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 (₹) at yearly average currency exchange rate, of the respective years. 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.
- Foreign exchange differences arising on translation of "Non-integral Foreign Operations" are recognised 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. The revenue and expenses of foreign operations are translated in Indian Rupee (INR) at yearly average currency exchange rate, of the respective years.

2 SIGNIFICANT ACCOUNTING POLICIES

Note 3:

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 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 recognised prospectively.

Use of Estimates and Judgements

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material

adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. Also, the Group has made certain judgements in applying accounting policies which have an effect on amounts recognised in the financial statements.

i) Income taxes

The Group is subject to income tax laws as applicable in respective countries. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Where tax positions are uncertain, accruals are recorded within income tax liabilities for management's best estimate of the ultimate liability that is expected to arise based on the specific circumstances and the Group's historical experience. Factors that may have an impact on current and deferred taxes include changes in tax laws, regulations or rates, changing interpretations of existing tax laws or regulations, future levels of research and development spending and changes in pre-tax earnings.

ii) Contingencies

Contingent Liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal and other claims. By virtue of their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgements and the use of estimates regarding the outcome of future events.



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iii) Recoverability of deferred taxes

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment.

iv) Defined benefit plans

The present value of the gratuity and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the actuary considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

v) Useful lives of property, plant and equipment

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

vi) Leases

Where the Group is the lessee, key judgements include assessing whether arrangements contain a lease and determining the lease term. To assess whether a contract contains a lease requires judgement about whether it depends on a specified asset, whether the Group obtains

substantially all the economic benefits from the use of that asset and whether the the Group has a right to direct the use of the asset. In order to determine the lease term judgement is required as extension and termination options have to be assessed along with all facts and circumstances that may create an economic incentive to exercise an extension option, or not exercise a termination option. The Group revises the lease term if there is a change in the non-cancellable period of a lease. Estimates include calculating the discount rate which is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Where the The Group is the lessor, the treatment of leasing transactions is mainly determined by whether the lease is considered to be an operating or finance lease. In making this assessment, management looks at the substance of the lease, as well as the legal form, and makes a judgement about whether substantially all of the risks and rewards of ownership are transferred. Arrangements which do not take the legal form of a lease but that nevertheless convey the right to use an asset are also covered by such assessments.

vii) Amortisation of Government Grants

Grants are amortised to Profit and Loss on a straight - line basis over the expected lives of related assets and presented within other income.

viii) Impairment of financial instruments

The Group analyses regularly for indicators of impairment of its financial instruments by reference to the requirements under relevant Ind AS.

The management's estimates and assessments were based in particular on assumptions regarding the development of the economy as a whole, the development of textiles markets, and the development of the basic legal parameters.

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:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle.

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- 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 Group has identified twelve months as its operating cycle.

c) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in other comprehensive income as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at March 31. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.



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Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

d) 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 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 April 01, 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 :

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 ₹ 5,000 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.

e) 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 April 01, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such investment properties.

f) 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

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amortisation and accumulated impairment losses, if any. All expenditures, qualifying as Intangible Assets are amortised over estimated useful life. Specialised softwares are amortised 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 recognised 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 recognised 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 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.

g) Borrowing costs

Borrowing costs consists of interest and amortisation 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 amortisation 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.

h) 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 Lakhs upto two decimal places.

Transactions and balances

Transactions in foreign currencies are translated into the functional currency of the Group 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:



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- 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.

i) 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 control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group 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 Group 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, transfer of control generally takes place at

the time of expected date of departure which is specified in 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

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

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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 Group 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.

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 Group does not have a significant amount of capitalised costs related to fulfilment.

j) Inventories

- i) Inventories of finished goods manufactured by the Group are valued style-wise and at lower of cost and estimated net realisable 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 realisable value.
- iii) Inventories of raw material, work in progress, accessories & consumables are valued at cost

(weighted average method) or at estimated net realisable 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 realisable 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 realisable 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.

k) Leases

The Group 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.

Group 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 recognises 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



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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 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 Group 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 Group 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.

Group 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.

I) 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

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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.

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.

Employees Share Based Payment

Employees (including senior executives) of the group receive component of remuneration in the form of sharebased payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise



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beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

m) 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.

n) 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**

All financial assets are recognised initially at fair value, plus in case of financial assets not recorded at fair value through profit and loss (FVTPL), transaction cost that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant

financing component are measured at transaction price.

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 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' arrangements and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the

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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 recognised amounts and there is an

intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously

(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 recognised 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 recognised 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 recognised 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 recognised



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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 recognised 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.

o) 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.

p) 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 recognised, 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.

q) 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

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(based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

r) 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 recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognised 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 realised 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 recognised directly in equity/other comprehensive income is recognised 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).

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 Group's cash management.

t) Statement of Cash flows

The statement of cash flows have been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows.

u) Earnings per share (EPS)

In determining earnings per share, the Group 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

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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.

v) 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 Group 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.

w) 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.

x) 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.

y) 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.

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4 Property, plant and equipment

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Land-freehold	Land-leasehold	Buildings	Leasehold improvements	Plant and Equipment	Furniture and Fixtures	Vehicles	Total
Gross carrying amount								
As at April 1, 2021	1,829.72	580.32	7,252.88	871.38	19,904.12	1,811.50	1,504.26	33,754.18
Add: Additions made during the year	947.36	38.53	578.01	1,306.85	3,570.34	730.24	86.20	7,257.53
(Less): Disposals during the year	-	-	-	(189.94)	(132.04)	-	(210.52)	(532.51)
(Less)/Add: Adjustments during the year	(75.88)	92.41	114.12	42.75	440.83	32.13	(7.60)	638.77
As at March 31, 2022	2,701.20	711.25	7,945.01	2,031.04	23,783.25	2,573.87	1,372.34	41,118.00
Add: Additions made during the year	177.46	-	40.88	1,198.93	2,646.66	358.64	370.78	4,793.35
Add: Business Combination	1,115.73	-	1,818.62	-	1,364.49	62.72	31.24	4,392.80
(Less): Disposals during the year	(113.24)	-	(103.10)	(58.30)	(609.83)	-	(244.19)	(1,128.66)
(Less)/Add: Adjustments during the year	(1.87)	-	153.43	(130.51)	779.42	30.53	34.13	865.12
As at March 31, 2023	3,879.27	711.25	9,854.84	3,041.16	27,963.99	3,025.76	1,564.30	50,040.60
Accumulated depreciation								
As at April 1, 2021	-	3.33	1,479.54	533.37	8,838.25	820.71	699.13	12,374.33
Add: Depreciation charge for the year	-	7.82	308.82	331.27	1,968.55	234.90	175.77	3,027.13
(Less): Disposals during the year	-	-	-	(142.45)	(62.95)	-	(136.20)	(341.60)
(Less)/Add: Adjustments during the year	-	-	26.77	12.01	184.56	13.65	5.71	242.70
As at March 31, 2022	-	11.15	1,815.13	734.20	10,928.42	1,069.26	744.40	15,302.55
Add: Depreciation charge for the year	-	8.19	352.31	273.17	2,111.68	264.51	167.03	3,176.89
Add: Business Combination	-	-	448.14	-	783.21	20.06	20.72	1,272.13
(Less): Disposals during the year	-	-	(31.48)	(4.41)	(568.62)	-	(184.72)	(789.23)
(Less)/Add: Adjustments during the year	-	-	242.47	23.44	1,804.68	146.01	39.07	2,255.66
As at March 31, 2023	-	19.34	2,826.56	1,026.40	15,059.38	1,499.84	786.50	21,218.01
Net carrying amount								
As at March 31, 2023	3,879.27	691.91	7,028.28	2,014.76	12,904.61	1,525.92	777.80	28,822.60
As at March 31, 2022	2,701.20	700.11	6,129.88	1,296.84	12,854.83	1,504.61	627.94	25,815.42

a) For Information on Property, plant and equipment pledged as security by the Group refer Note 21 & 22.

b) The above property, plant and equipment includes assets given on lease given in the below table:

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Plant and Equipment	Furniture and Fixtures	Total
As at March 31, 2023			
Gross carrying amount	27.77	21.22	48.99
Accumulated depreciation	22.09	19.68	41.77
Net carrying amount	5.68	1.54	7.22
As at March 31, 2022			
Gross carrying amount	27.77	21.22	48.99
Accumulated depreciation	21.64	18.20	39.84
Net carrying amount	6.13	3.02	9.15

c) Adjustments made above includes fluctuations in foreign currency on conversion into presentation currency.



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5 Capital work in progress

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Balance at the beginning of the year	1,521.50	4,701.46
Add: Addition made during the year	2,933.13	524.14
Less: (Disposals)/adjustments during the year	(1,142.02)	(3,704.10)
Balance at the end of the year	3,312.61	1,521.50

a) Breakup of Capital Work in Progress is as follows:

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Building	3,234.68	1,331.66
Plant and Machinery	76.94	189.84
Furniture and Fittings	0.99	-
	3,312.61	1,521.50

b) Ageing schedule of CWIP as at March 31, 2023:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,085.47	544.79	70.47	593.60	3,294.34
Projects temporarily suspended	18.27	-	-	-	18.27

b) Ageing schedule of CWIP as at March 31, 2022

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	686.63	834.17	-	0.70	1,521.50
Projects temporarily suspended	-	-	-	-	-

- c) There are no capital work in progress as at March 31, 2023 and March 31, 2022 whose completion is overdue or has exceeded its cost as compared to original plan except CWIP relating to PGIL(HK) as mentioned below :-

Completion schedule of CWIP as at March 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Project 1 - PG(HK)	233.11	-	-	-	233.11

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Completion schedule of CWIP as at March 31, 2022

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Project 1 - PG(HK)	-	-	-	0.70	0.70

6 Investment properties

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Land freehold	Land leasehold	Building	Total
Gross carrying amount				
As at April 01, 2021	1,838.38	10.36	4,611.74	6,460.48
Add: Additions made during the year	60.39	-	-	60.39
(Less): Disposals /adjustments during the year	(23.07)	(10.36)	(129.65)	(163.08)
As at March 31, 2022	1,875.70	-	4,482.09	6,357.79
Add: Additions made during the year	24.71	-	-	24.71
(Less): Disposals /adjustments during the year	-	-	(153.87)	(153.87)
As at March 31, 2023	1,900.41	-	4,328.22	6,228.63
Accumulated depreciation				
As at April 01, 2021	-	-	405.87	405.87
Add: Depreciation charge for the year	-	-	82.20	82.20
(Less): Disposals /adjustments during the year	-	-	(34.76)	(34.76)
As at March 31, 2022	-	-	453.30	453.30
Add: Depreciation charge for the year	-	-	79.56	79.56
(Less): Disposals /adjustments during the year	-	-	(40.28)	(40.28)
As at March 31, 2023	-	-	492.58	492.58
Net Carrying Amount				
As at March 31, 2023	1,900.41	-	3,835.64	5,736.05
As at March 31, 2022	1,875.70	-	4,028.79	5,904.49

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Amounts recognised in statement of profit and loss for investment properties		
Rental Income	774.49	769.38
Less: Direct operating expenses of property that generated rental income	(69.17)	(47.44)
Less: Direct operating expenses of property that did not generated rental income	-	(0.75)
Income arising from Investment properties before charging depreciation	705.33	721.19
Less: Depreciation	(79.56)	(82.20)
Income from Investment properties (net)	625.77	638.99
b) Fair value of investment properties	11,560.52	11,213.29

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.



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7 Goodwill

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2023
Goodwill on acquisition of subsidiaries	1,800.78	1,756.13
Add/(Less): Foreign Exchange Fluctuation	123.89	44.65
	1,924.67	1,800.78

8 Other intangible assets

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Computer Software	Total
Gross carrying amount		
As at April 01, 2021	274.32	274.32
Add: Additions during the year	48.53	48.53
(Less): Disposals /adjustments during the year	-	-
As at March 31, 2022	322.84	322.84
Add: Additions during the year	139.61	139.61
(Less): Disposals /adjustments during the year	(18.30)	(18.30)
As at March 31, 2023	444.15	444.15
Amortisation and impairment		
As at April 01, 2021	220.24	220.24
Add: Amortisation charge for the year	30.53	30.53
(Less): Disposals /adjustments during the year	-	-
As at March 31, 2022	250.77	250.77
Add: Amortisation charge for the year	37.61	37.61
(Less): Disposals /adjustments during the year	(0.44)	(0.44)
As at March 31, 2023	287.94	287.94
Net Carrying Amount		
As at March 31, 2023	156.19	156.19
As at March 31, 2022	72.06	72.06

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9 Investments

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
(i) Non-Current		
A. Equity Instruments		
Fair value through profit and loss		
(Quoted)		
PDS Limited	830.37	873.50
250,000, Equity Shares of ₹ 2 each fully paid up (March 31, 2022 : 50,000, Equity Shares of ₹ 10 each fully paid up)		
	830.37	873.50
B. Investments in Financial Markets		
Fair value through other comprehensive income		
Debt Investment, at fair value - (Unquoted)	915.47	600.41
Investment in listed equity investment, at fair value- (Quoted)	1,222.93	1,308.08
Investments in key man insurance policy (Refer 'b' below)	2,444.69	2,202.21
	4,583.09	4,110.70
C. 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 + C)	5,415.09	4,985.83
(ii) Current		
A. Investments in mutual funds - (Quoted)		
Fair value through profit and loss		
ICICI Prudential Short Term Fund DP Growth	291.45	273.64
536068.057 units of Face Value of ₹ 10 per unit (March 31, 2022: 536068.057 units)		
Bandhan Banking and PSU debt fund direct plan - growth		
(Erstwhile IDFC Banking and PSU debt fund direct plan - growth)		
1267806.9250 units of Face Value of ₹ 10 per unit (March 31, 2022: 1267806.9250 units)	270.71	258.62
	562.16	532.26
a) Aggregate book value of quoted investments	2,615.46	2,713.84
Aggregate market value of quoted investments	2,615.46	2,713.84
Aggregate value of unquoted investments	3,361.79	2,804.23
Aggregate amount of impairment in value of unquoted investments	-	-
Aggregate value of unquoted investments (net of impairment)	3,361.79	2,804.23

- 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) During the year, Pearl Apparel Fashions Limited, a wholly owned subsidiary of the Company has gone into voluntary liquidation. The NCLT order has been received on December 16, 2022 and the said subsidiary company has been liquidated. Accordingly, the Company has written off its investment in aforesaid subsidiary and provision for diminution on investment has been written back amount to ₹ 1648.35 Lakhs.
- d) The number of units and number of shares in note above represents absolute numbers.



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10 Loans

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Non - current		Current	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
(Unsecured, considered good unless otherwise stated)				
Loans to employees	11.60	5.38	80.25	35.98
Loans to related parties (Refer note no. 47)	-	-	100.00	-
Loans to others	15.56	119.63	2,357.75	3,423.48
Loans receivable from others - credit impaired	-	1.67	31.54	47.86
Less: Loss Allowance	-	(1.67)	(31.54)	(47.86)
	27.16	125.01	2,538.00	3,459.46

- a) The group has no loans which have significant increase in credit risk and loans which are credit impaired. (Refer Note No. 44)
- b) Details of Loans or Advances granted to promoters, directors, KMPs and the related parties :

(All amounts are in ₹ Lakhs, unless otherwise stated)

Type of Borrower	As At March 31, 2023		As At March 31, 2022	
	Amount of Loan or Advance in the nature of loan outstanding	Percentage to Total Loan and Advances in the nature of Loan	Amount of Loan or Advance in the nature of loan outstanding	Percentage to Total Loan and Advances in the nature of Loan
Director	50.00	50.00%	-	-
KMP	50.00	50.00%	-	-
Related Parties	-	-	-	-

Note : For loans given to Director and KMP, the interest rate is higher than the prevailing yield of Government security closest to the tenor of the loan. The loan facilities are made available by the company to all of its employees.

11 Other financial assets

(Unsecured, considered good unless otherwise stated)

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Non - Current		Current	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
Security deposits	756.15	799.91	692.31	113.02
Interest accrued but not due on				
- Term deposits and others	9.12	21.59	106.17	40.82
- Loan to related parties	-	-	3.51	-
Deposits with original maturity of more than 12 months (Refer note 18)	43.98	273.70	-	-
Mark to market forward contracts	-	-	-	406.69
Other receivables	-	1.14	13.46	30.34
Total (A)	809.25	1,096.34	815.43	590.85

- a) Other receivables of ₹ 13.46 Lakhs represents claim receivables from vendors (March 31, 2022 : ₹ 30.34 Lakhs represents claim receivables from vendors of ₹ 3.66 Lakhs and amount receivable from banks on hedged instruments of ₹ 26.68 Lakhs)

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to consolidated financial statements for the year ended March 31, 2023

12 Income Tax

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

a) Income Tax recognised in Statement of Profit and Loss

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Tax Expense:		
a) Current tax	2,407.75	1,074.08
b) Adjustments in respect of current income tax of previous year	5.24	-
c) Deferred tax	(127.29)	496.86
Income tax expense reported in the statement of profit or loss	2,285.70	1,570.94

b) Income Tax recognised in Other Comprehensive Income

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Net loss/(gain) on remeasurements of defined benefit plans	(0.53)	(20.48)
Income tax on items that will be reclassified subsequently to statement of profit and loss	149.87	(105.46)
Income tax charged to OCI	149.34	(125.94)

c) Net Deferred tax Asset/(Liability)

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Pearl Global Industries Limited		
Recognised DTA- Pearl Global Industries Limited	71.95	-
Recognised DTA- Pearl Global (HK) Limited	66.54	89.81
Total Net Deferred tax Assets	138.49	89.81
Recognised DTL- Pearl Global Industries Limited	-	232.27
Recognised DTL- Pearl Global (HK) Limited	60.02	24.37
	60.02	256.64

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.



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to consolidated financial statements for the year ended March 31, 2023

13 Non current tax asset

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Advance income tax	2,048.00	601.00
(Net of provision of ₹ 3,083.74 Lakhs (March 31, 2022 : ₹ 1,685.98 Lakhs))		
	2,048.00	601.00

14 Other assets

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Non - Current		Current	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
(Unsecured, considered good, unless otherwise stated)				
Capital advances (Refer note no. 46(b) for capital commitments)	106.77	170.91	-	57.51
Balance with government authorities	-	30.32	2,585.63	2,818.75
Balance with government authorities - considered doubtful	22.74	22.74	-	-
Less: Loss allowance	(22.74)	(22.74)	-	-
Deferred Assets- Security Deposit	-	1.84	10.26	-
Prepaid expenses	56.84	7.70	1,040.05	505.40
Export incentive receivable	-	-	3,193.86	4,661.60
Advances to suppliers	-	-	3,178.77	2,184.56
Other receivables	-	-	3,132.15	4,415.66
Less: Loss allowance	-	-	(2,651.70)	(153.28)
Total (A)	163.61	210.77	1,0489.02	1,4490.19

- a) Other Receivables of ₹ 3,132.15 lakh (March 31, 2022 ₹ 4,415.66 lakh) mainly includes enhanced compensation of ₹ 2,335.15 lakh (March 31, 2022 ₹ 2,335.15 lakh) receivable by the Holding company from National Highways Authority of India pursuant to land acquisition by the Central Government under National Highways Act, 1956 (Refer note 37). Also, it includes expenditure recoverable from Jharkhand State Livelihood Promotion Society (Ministry of Rural Development) regarding Project cost component for skilling candidates in state of Jharkhand of ₹ 304.35 lakh (March 31, 2022 : ₹ 298.11 lakh).

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to consolidated financial statements for the year ended March 31, 2023

15 Inventories

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Raw materials	24,473.89	32,955.06
Good in transit- raw material	1,190.20	243.35
Work in progress	15,980.33	12,466.08
Finished goods	9,327.43	8,044.05
Scrap Stock	48.81	41.82
Stores spares & others	409.46	363.39
	51,430.12	54,113.74
Less: Provision on inventories (Finished Goods)	(100.43)	(155.57)
	51,329.69	53,958.18

a) Refer note 21 & 22 for information on above assets being pledged as security by the Group.

16 Trade Receivables

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Considered good - secured	-	-
Considered good - unsecured	20,936.17	36,662.31
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	4.30	756.25
Less: Loss allowance	(4.30)	(756.25)
Total	20,936.17	36,662.31

a) Trade receivables ageing schedule as at March 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	20,110.93	785.35	26.58	11.40	1.92	-	20,936.17
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Dispute Trade Receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	0.16	4.04	0.10	-	-	-	4.30
Less: Allowances for expected credit loss	(0.16)	(4.04)	(0.10)	-	-	-	(4.30)
Net Trade receivables	20,110.93	785.35	26.58	11.40	1.92	-	20,936.17



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Trade receivables ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	28,234.48	8,351.56	5.78	67.09	3.41	-	36,662.31
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	110.63	73.01	-	-	-	572.61	756.25
(iv) Dispute Trade Receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowances for expected credit loss	(110.63)	(73.01)	-	-	-	(572.61)	(756.25)
Net Trade receivables	28,234.47	8,351.56	5.78	67.09	3.41	-	36,662.31

b) The movement in allowance for bad and doubtful debts is as follows:

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Balance as at beginning of the year	756.25	656.18
Loss allowances during the year	-	183.65
Trade receivables written off / written back during the year	(751.95)	(83.57)
Balance as at the end of the year	4.30	756.25

- c) Trade receivables are generally on terms of 30 - 90 days (March 31, 2022: 30-90 days).
- d) The Group exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 44.
- e) For information on trade receivables pledged as security, Refer note no. 21 & 22.
- f) No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other persons.

17 Cash and cash equivalents

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Balances with banks:		
- Current account	17,575.11	10,356.64
- Deposits with original maturity of less than 3 months	7,264.89	315.15
Cash on hand	60.31	63.32
Cheque/drafts on hand	714.19	949.95
	25,614.50	11,685.07

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

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18 Bank balances other than cash & cash equivalents

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Earmarked balances with banks		
Unpaid dividend account	28.09	26.24
Deposits with original maturity of more than 3 months but less than 12 months (Refer note 'a' below)	3,804.14	3,266.15
Deposits with original maturity of more than 12 months (Refer note (a) below)	43.98	273.70
	3,876.21	3,566.09
Less: Amount disclosed under "other financial assets" (Refer Note No. 11)	(43.98)	(273.70)
	3,832.23	3,292.39

- a) Refer note 21 & 22 for information on above assets being pledged as security by the Group.
- b) The bank has created as lien/charge on any amount kept by the borrower time to time with the bank as term deposit and other deposit maximum upto ₹ 843.41 Lakhs for Letter of credit issued for the Group.

19 Share Capital

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Authorised		
51,440,000* (March 31, 2022: 51,440,000) equity shares of ₹ 10 each	5,144.00	5,144.00
10,000* (March 31, 2022: 10,000) 4% Non Cumulative Redeemable Preference Shares of ₹ 10 each	1.00	1.00
3,256,000* (March 31, 2022: 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		
21663937* (March 31, 2022: 21663937) Equity Shares of ₹ 10 each fully paid up	2,166.39	2,166.39
	2,166.39	2,166.39

* Number of Shares are given in absolute numbers.

a) Reconciliation of issued and subscribed share capital:

(All amounts are in ₹ Lakhs, unless otherwise stated)

	No. of shares	Amount
Equity Share (₹ 10 each fully paid up)		
Balance as at April 01, 2021	2,16,63,937	2,166.39
Changes during the year	-	-
Balance As at March 31, 2022	2,16,63,937	2,166.39
Changes during the year	-	-
Balance As at March 31, 2023	2,16,63,937	2,166.39

b) Terms/ rights attached to equity shares:

The holding 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 holding company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the holding company, the holders of equity shares will be entitled to receive remaining assets of the holding company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. During the year, the holding company had declared and paid First interim dividend



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of ₹ 2.5/- per share for 2022-23 for distribution to shareholders. Subsequent to the balance sheet date, the Board of Directors has declared second interim dividend of ₹ 5/- per share for 2022-23 for distribution to shareholders.

c) Details of shareholders holding more than 5% shares

Name of Party	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Holding %	No. of shares	Holding %
Mrs. Payel Seth	44,13,635	20.37	44,13,635	20.37
Mr. Deepak Kumar Seth	28,62,145	13.21	28,62,145	13.21
Mr. Pulkit Seth	69,47,621	32.07	69,47,621	32.07
Mr. Sanjiv Dhireshbhai Shah	17,16,282	7.92	17,61,979	8.13
Total	1,59,39,683	73.57	1,59,85,380	73.78

d) Details of Promotor's shareholding:

Name of Shareholder	As at March 31, 2023		As at March 31, 2022		% change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Mrs. Payel Seth	44,13,635	20.37	44,13,635	20.37	-
Mr. Deepak Kumar Seth	28,62,145	13.21	28,62,145	13.21	-
Mr. Pulkit Seth	69,47,621	32.07	69,47,621	32.07	-
Mrs. Shifalli Seth	2,01,478	0.93	2,01,478	0.93	-
Nim International Commerce LLP	30	0.00	30	0.00	-
Total	1,44,24,909	66.58	1,44,24,909	66.58	

Name of Shareholder	As at March 31, 2022		As at March 31, 2021		% change during the year
	No. of shares	Holding %	No. of shares	Holding %	
Mrs. Payel Seth	44,13,635	20.37	44,13,635	20.37	-
Mr. Deepak Kumar Seth	28,62,145	13.21	28,62,145	13.21	-
Mr. Pulkit Seth	69,47,621	32.07	69,47,621	32.07	-
Mrs. Shifalli Seth	2,01,478	0.93	2,01,478	0.93	-
Nim International Commerce LLP	30	0.00	30	0.00	-
Total	1,44,24,909	66.58	1,44,24,909	66.58	

20 Other equity

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
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
Capital Reserve	506.98	-
Foreign Currency Translation Reserve	3,989.08	5,039.94
Change in investment through other comprehensive income	(292.88)	(35.11)
Retained Earnings	43,728.78	30,388.41
Share Based Payment reserve	259.51	-
Cash Flow Hedge Reserve [Net of tax of ₹ (48.26) lakh (March 31, 2022 : ₹ 101.61 lakh)]	(140.51)	305.08
	70,080.17	57,727.53

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I. For Movement during the period in Other Equity, Refer Statement of Changes in Equity.

II. Nature and purpose of reserves

a) General reserve

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As At	As At
	March 31, 2023	March 31, 2022
Balance as at beginning/ end of the year	4,204.36	4,204.36

The holding company has transferred a portion of the net profit of the holding company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

b) Securities Premium

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As At	As At
	March 31, 2023	March 31, 2022
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

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As At	As At
	March 31, 2023	March 31, 2022
Balance as at beginning/ end of the year	95.00	95.00

This Reserve has been created at the time of merger with other companies in earlier years in accordance with the provisions of the Companies Act, 2013.

d) Amalgamation reserve

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As At	As At
	March 31, 2023	March 31, 2022
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) Capital reserve

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As At	As At
	March 31, 2023	March 31, 2022
Balance as at beginning/ end of the year	506.98	-

This Reserve pertains to gain on bargain purchase on subsidiary acquired during the year.



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f) Foreign currency translation reserve

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Balance as at beginning/ end of the year	3,989.08	5,039.94

The exchange differences arising from the translation of financial statements is recognized in other comprehensive income and is presented within equity.

g) Retained earnings

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Balance as at beginning/ end of the year	43,728.78	30,388.41

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 ₹ 404.77 lakh (March 31, 2022: ₹ 402.39 lakh) is not available for distribution. During the year, the company has paid dividend of ₹ 1624.80 lakh, out of which ₹ 1083.20 lakh pertains to FY 21-22 and ₹ 541.60 lakh for the FY 2022-23.

h) Share Based Payment Reserve

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Balance as at beginning/ end of the year	259.51	-

The fair value of equity settled share based payment transactions with employees of the company / subsidiary company is recognised in share based payment reserve.

i) Cash Flow Hedge Reserve

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Balance as at beginning/ end of the year	(140.51)	305.08

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.

j) Change in investment through Other Comprehensive Income (OCI)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Balance as at beginning/ end of the year	(292.88)	(35.11)

Change in investment through Other Comprehensive Income (OCI) represents fair valuation of investments of subsidiary company routed through OCI.

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21 Long Term Borrowings

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Non - Current		Current	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
From Banks (Secured)				
- Term Loan*	8,617.94	12,072.77	4,131.76	4,046.00
- Vehicle Loans	61.48	78.82	46.44	37.52
From Financials Institutional (Secured)				
- Vehicle Loans	-	-	-	64.85
From others - unsecured (Refer note "E" below)	250.77	231.22	-	-
	8,930.19	12,382.81	4,178.20	4,148.37
Less: Amount disclosed under other financial liabilities as 'Current maturities of long-term borrowings' (Refer note 22)	-	-	4,178.20	4,148.37
	8,930.19	12,382.81	-	-

*includes loans which are carried at amortised cost

A) Nature of Security in respect of Holding Company:

- Term loan from Kotak Mahindra Bank is secured by lien marked on investments in debt mutual funds and personal guarantee of Mr. Pulkit Seth (Promoter Director).
- Term loan from Indusind Bank is secured by fixed deposit of ₹ 83.00 Lakhs. (March 31, 2022 : ₹ 312.32 Lakhs)
- Term loan from Union Bank of India (erstwhile Andhra Bank) is secured by fixed deposit of ₹ 106.33 Lakhs. (March 31, 2022 : ₹ 101.67 Lakhs)
- Term loan from HDFC Bank are secured by charge over fixed assets financed by term loan, Immoveable assets of the Company situated at (a) Plot No. 51, Sector 32, Gurgaon b) Plot No. 446, Udhyog Vihar, Phase IV, Gurgaon and Personal guarantee of Mr. Pulkit Seth (Promoter Director).
- Emergency credit line guaranteed scheme facilities are secured by second charge over securities provided for base credit facility, except personal guarantees.
- Vehicle Loans are secured by hypothecation over the vehicle financed by respective loan.

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 holding company and a fellow subsidiary and director's (Mr. Pulkit Seth) personal guarantee.

C) Maturity Profile

Particulars	2023-24	2024-25	2025-26	Beyond 2025-26	Total
Term loan from Banks and Financial Institution are repayable in monthly/quarterly/yearly installments	4,131.76	4,304.04	2,521.75	1,792.15	12,749.70
Vehicle loans from banks and financial institutions are repayable in monthly installments	46.44	43.01	18.47	-	107.92
From others - unsecured	-	65.78	184.99	-	250.77

D) Vehicle loans are secured against hypothecation of respective vehicles.

E) It represents loan from Non-Controlling shareholders which is unsecured, interest free and not expected to be repayable within one year.



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- F) The above loan(s) carries rate of interest ranging between 4.50% to 10.85% per annum (March 31, 2022 : Between 1.75% to 12.11%)

22 Short Term Borrowings

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Working capital loan from banks(secured)		
- Rupee loan	31,730.04	39,883.00
Current maturities of long-term borrowings (Refer no. 21)	4,178.20	4,148.37
	35,908.24	44,031.37

A. Nature of Securities for Working Capital Facilities under Consortium Arrangement of Holding Company:

- i) Primary Securities offered includes:
 - a) First pari passu charge by way of hypothecation over entire movable fixed assets of company, except any assets charged to any banks/financial institutions for securing term loans.
 - b) First Pari Passu Charge over entire current assets of the borrower, both present and future, including but not limited to stocks of raw materials, semi-finished and finished goods, book debts, loans and advances etc.
- ii) Collateral Securities offered includes:
 - a) First pari passu charge over Immoveable properties of the Company situated at (i) Plot No. 16/17, Udyog Vihar, Phase VI, Gurgaon, (ii) Plot No. 751, Pace City-II, Sector 37, Gurgaon & (iii) Survey No. 30(P), 31(P), 32(P) & 262(P), Melavalam & Arriyapakkam Village, Madurantakam Taluk, Kancheepuram District, TamilNadu.
 - b) Principal amount of fixed deposits pledged amounting to ₹ 710.00 Lakhs. (Closing Balance as on March 31, 2023 is ₹ 738.77 Lakhs) (March 31, 2022 : ₹ 713.61 Lakhs)
 - c) Irrevocable and unconditional personal guarantee of Mr. Deepak Kumar Seth (Promoter Director) and Mr. Pulkit Seth (Promoter Director).

B. Securities for Working Capital Facilities by HDFC Bank (Adhoc Outside Consortium)

- a) Exclusive charge over corporate office (Land & Building) situated in Gurgaon, Haryana.

C) Security in respect of Pearl Global (HK) Limited,

- i) As at March 31, 2023, certain of the Company's Inventories with a net carrying amount of approximately ₹ 3,946.56 (March 2022: ₹ 1,516.20) were pledged to secure banking facilities granted to the Company.
- ii) As at March 31, 2023, certain of the Company's property, plant & equipment with a net carrying amount of approximately ₹ 5,721.59 (March 31, 2022: ₹ 4,882.00) were pledged to secure banking facilities granted to the Company.
- iii) As at March 31, 2023, certain of the Company's leasehold land with a net carrying amount of approximately ₹ 2,693.29 (March 31, 2022: ₹ 2,581.67) were pledged to secure banking facilities granted to the Company.
- iv) As at March 31, 2023, certain of the Company's trade receivable with a net carrying amount of approximately ₹ 3,864.34 (March 31, 2022: ₹ 2,653.35) were pledged to secure banking facilities granted to the Company.

D) 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.

- E) For interest rate & liquidity risk related disclosures, (refer note 44).

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23 Other Financial Liabilities

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Non - Current		Current	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
Security deposit	107.03	240.92	19.43	6.51
Book overdraft	-	-	-	-
Interest accrued but not due on borrowings	-	-	137.57	93.59
Unpaid dividends (Refer Note b)	-	-	28.09	26.24
Creditors for capital goods	-	-	124.27	92.90
Financial Liabilities at Fair Value through OCI - Cash Flow Hedge	-	-	303.62	-
Others	339.59	-	782.10	684.85
	446.62	240.92	1,395.08	904.09

Notes:

- The Group's exposure to market and liquidity risk related to other financial liabilities is disclosed in note 44.
- 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 (March 31, 2022: Nil).
- Other payables under non current financial liabilities of ₹ 339.59 Lakhs represents consideration payable to Non-Controlling interest shareholders for acquisition of Step-down subsidiary "Alpha Clothing Limited" (March 31, 2022 : ₹ Nil). Other payable under current financial liabilities of ₹ 782.10 Lakhs includes ₹ 425.14 Lakhs pertaining to consideration payable to Non-Controlling interest shareholders for acquisition of Step-down subsidiary "Alpha Clothing Limited" (March 31, 2022 : ₹ 684.85 Lakhs includes ₹ 668.77 Lakhs for export bill discounted).

24 Provisions

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Non - Current		Current	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
Provision for employee benefits				
Provision for compensated absences	400.02	574.57	19.26	30.87
Provision for gratuity (Refer to note 40)	2,355.57	1,775.48	82.47	213.94
Other employee benefits	131.05	77.51	39.24	-
	2,886.64	2,427.56	140.97	244.81

25 Other liabilities

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Non - Current		Current	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
Advance received against sale of land	-	2,963.62	-	-
Advance from customers	-	-	114.94	-
Deferred government grant	5.58	6.58	145.60	145.60
Deferred rental income	90.95	35.87	6.97	18.83
Statutory dues	-	-	1,383.14	784.07
Others	-	-	286.38	-
	96.53	3,006.07	1,937.03	948.52



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26 Trade payables

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Total Outstanding dues of Micro and Small enterprises	744.87	663.99
Total Outstanding dues of Creditors other than Micro and Small enterprises	38,423.82	43,204.80
	39,168.69	43,868.79

a) Trade Payables ageing schedule as at March 31, 2023:

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 1 year	1-2 years	2-3 years	"More than 3 years"	"Unbilled dues"	
(i) MSME	742.65	2.22	-	-	-	-	744.87
(ii) Others	23,597.03	11,207.42	41.75	1.98	-	3,575.64	38,423.82
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-

b) Trade Payables ageing schedule as at March 31, 2022:

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Unbilled dues	
(i) MSME	482.99	181.00	-	-	-	-	663.99
(ii) Others	31,491.38	6,787.52	30.62	0.92	5.68	4,888.71	43,204.80
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-

- c) Trade payable are non- interest bearing and are generally on a credit period of not more than 90 days except in case of Micro & Small Enterprises (if any) which are settled within 45 days. However, in respect of Pearl Global (HK) Limited, trade payables are normally settled within one year.
- d) For information of amount of trade payable to related parties, Refer note no. 47.
- e) The Group's exposure to market and liquidity risk related to trade payables is disclosed in note 44.

27 Liabilities for current tax (net)

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Provision for income tax	1,883.50	217.87
[Net of advance tax ₹ 1,788.26 Lakhs (March 31, 2022 ₹ 856.21 Lakhs)]	1,883.50	217.87

28 Revenue from operations

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of Product	3,04,697.93	2,62,931.37
Job Receipts	354.40	25.98
Other Operating Revenues	10,788.59	8,395.55
Revenue from operations	3,15,840.92	2,71,352.90

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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 materialised, 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:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Revenue based on Geography	For the year ended March 31, 2023	For the year ended March 31, 2022
India	1,036.52	2,498.99
Outside India	3,14,804.40	2,68,853.91
Revenue from operations	3,15,840.92	2,71,352.90

c) Reconciliation of revenue from operations with contracted price

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Contracted Price	3,18,660.19	2,71,355.34
(Less): Sales Returns	11.07	-
(Less): Rebates and discounts	(2,830.34)	(2.44)
	3,15,840.92	2,71,352.90

d) Trade Receivables, Contract Balances

For Trade Receivables, Refer note no. 16.

Further, the Group has no contracts where the period between the transfer of the promised goods or services to the customer and payment terms by the customer exceeds one year. In light of above;

- it does not adjust any of the transaction prices for the time value of money, and
- there is no unbilled revenue as at March 31, 2023.

Further, the Group doesn't have any contract liabilities as at March 31, 2023 and March 31, 2022

- e) **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.

29 Other income

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income		
- On Fixed deposits	228.15	117.46
- On loans and advances	147.01	117.75
- On income tax refund	26.34	-
- On Investment	34.88	67.36
Other non-operating income:		
- Rental income	751.10	742.30



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(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
- Foreign exchange fluctuation	-	523.24
- Amortisation of deferred rental income	19.36	16.44
- Profit on sale of current investment - mutual fund	97.05	16.34
- Fair value gain on investments measured at fair value through profit and loss(net)	-	573.58
- Dividend Income	36.54	25.62
- Excess provision written back	572.61	-
- Sundry balances written off relating to Provision	(474.11)	160.91
- Sundry balances written back	91.51	340.60
- Gain on termination of lease	-	50.38
- Miscellaneous income	750.55	593.96
	2,280.99	3,345.94

30 Cost of Raw Material Consumed

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw Material		
Balance at the beginning of the Year	32,955.06	13,670.22
Add:- Purchases during the year	1,44,048.38	1,35,350.71
Add: Impact of exchange fluctuation & re-instatement	(3,288.34)	465.08
	1,73,715.10	1,49,486.01
Less:- Balance at the end of the Year	(24,473.89)	(32,955.06)
Total Raw Material Consumption	1,49,241.21	1,16,530.95

31 Purchase of Stock in Trade

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchases during the year	18,901.73	40,790.23
	18,901.73	40,790.23

32 Changes in inventories of finished goods, stock in trade and work in progress

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the beginning of the year		
Work-in-progress	12,466.08	9,637.71
Finished goods	7,888.48	4,060.98
Scrap Stock	41.82	166.84
	(A) 20,396.38	13,865.53
Inventories at the end of the year		
Work-in-progress	15,980.33	12,466.08
Finished goods	9,227.00	7,888.48
Scrap Stock	48.81	41.82

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(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
(B)	25,256.14	20,396.38
Impact of exchange fluctuation & re-instatement	(333.08)	271.98
(Increase) / decrease in inventory (A-B+C)	(5,192.84)	(6,258.87)

33 Employee benefits expense

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, Wages & Bonus	50,467.63	43,310.54
Contribution to Provident and Other funds	1,839.89	1,002.40
Gratuity expense (Refer note 40)	615.50	421.73
Compensated absences	710.39	408.04
Share based expense (Refer Note 51)	259.51	-
Staff Training & Welfare Expenses	2,253.60	719.39
	56,146.52	45,862.10

34 Finance costs

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Expense		
- On Term loans,Cash Credit & Working Capital Facilities	2,777.35	2,637.31
- Delayed Payment of Taxes	72.51	5.82
- lease liabilities	997.47	846.79
Unwinding of discount on security deposit	18.15	14.08
Other borrowing cost	2,652.41	1,156.37
	6,517.89	4,660.37

35 Depreciation and amortisation expense

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of - Property, plant and equipment (Refer note no. 4)	3,176.89	3,027.13
Depreciation & Amortisation of Investment Properties (Refer note no. 6)	79.56	82.20
Amortisation of intangible assets (Refer note no. 8)	37.61	30.53
Amortisation of Right-of-use assets (Refer note no. 49)	1,783.58	1,693.82
	5,077.64	4,833.68



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36 Other expenses

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Manufacturing Expense	32,016.00	28,627.46
Consumption of Stores & Spare Parts	1,509.11	1,662.03
Power & fuel	3,075.46	2,587.39
Rent	1,031.11	478.61
Rates & Taxes	481.49	104.66
Travelling & Conveyance	2,416.58	1,259.16
Freight & clearing Charges	5,895.06	7,344.39
Claim to Buyers	-	1,437.97
Repair & Maintenance		
- Plant & Machinery	530.04	162.32
- Buildings	98.82	75.72
- Other	1,405.65	1,325.23
Commission	308.68	395.77
Legal & Professional Expenses	7,062.45	6,106.97
Security Charges	344.21	452.16
Bank charges	1,691.75	1,472.21
Insurance Expenses	779.07	1,193.61
Inspection Fees	650.23	234.52
Payment to the Auditors	191.57	134.63
Sundry Balances written off	227.11	554.86
Foreign Exchange Fluctuation Loss	6,817.57	364.31
Corporate social responsibility	20.33	80.54
Fair value loss on financial assets measured at fair value through profit and loss	13.19	-
Loss on Lease Modification	86.09	-
Loss allowance for doubtful debts and advances	163.28	336.93
Loss on sale of Licenses	274.73	366.89
Miscellaneous Expenses	4,101.22	3,612.03
Total	71,190.80	60,370.37

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

37 Exceptional Items

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit on sale of property, plant and equipment and investment property (Refer Note 'a' below)	(4,295.89)	(644.98)
Impairment of investment in subsidiaries written back (Refer Note 9 (c))	(1,648.35)	(30.00)
Investment written off (Refer note 9 (c))	1,648.35	3.16
Interest on Refund of advance (Refer Note 'b' below)	827.00	-
Loss allowance for receivables (net of expected credit loss reversal)	2,122.93	-
	(1,345.96)	(671.82)

a) The figures in bracket above represents income/ profit.

b) As at March 31, 2022, the Company had ₹ 2963.62 Lakhs advance outstanding in the books of account. During the year, as per supplementary agreement, the Company was required to repay the amount along with interest of ₹ 827 Lakhs. During the year ended March 31, 2023, the Company has repaid advance of ₹ 2963.62 Lakhs along with interest of ₹ 827 Lakhs.

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38 Components of other comprehensive income

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
A (i) Items that will not be reclassified to profit and loss		
Re-measurement gains/ (losses) on defined benefit plans	(56.05)	(100.97)
Income tax expense	(0.53)	(20.48)
Gain on Bargain Purchase	506.98	-
Changes in fair value of financial assets designated at fair value OCI Movement will not be reclassified	(193.77)	-
B (i) Items that will be reclassified to profit and loss		
Foreign exchange translation reserve	(1,050.98)	1,242.11
Fair valuation of investment in mutual fund	-	(28.98)
Hedging Reserve through OCI	(595.46)	419.03
Changes in fair value of financial assets designated at fair value OCI Movement will be reclassified	(64.01)	-
Income tax expense	149.87	(105.46)
	(1,303.95)	1,405.26

39 Earnings per share (EPS)

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit attributable to the equity shareholders (A)	14,925.44	6,814.64
Number/Weighted average number of equity shares outstanding at the end of the year (B)	2,16,63,937	2,16,63,937
Dilutive effect on Weighted average number of equity shares outstanding at the end of the year (C)	34,266.55	-
Number/Weighted average number of diluted equity shares outstanding at the end of the year (D = B + C)	2,16,98,204	2,16,63,937
Nominal value of equity shares	₹10	₹10
Basic Earning per share (A/B) (in ₹)	68.90	31.46
Diluted Earning per share (A/D) (in ₹)	68.79	31.46

40 Gratuity and other post-employment benefit plans

a) Defined contribution plans

The Group makes contribution towards Employees Provident Fund, Employee's State Insurance scheme and other welfare schemes. 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 Group's contribution to defined contribution plan.

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Employer's Contribution to Provident Fund/ Pension Fund	1,527.51	792.01
Employer's Contribution to Employee State Insurance	295.76	197.77
Employer's Contribution to Welfare Fund	16.62	12.62
Total	1,839.89	1,002.40

The contribution payable to these schemes by the Group are at the rates specified in the rules of the schemes.



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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 recognised as income or expense when the net cumulative unrecognised 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 amortised 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 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" recognises 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 in case of holding company

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. The gratuity is funded in current year for all the units and maintained by Life Insurance Corporation of India .

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.

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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.

- 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.

Change in benefit obligations

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023		As At March 31, 2022	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Opening defined benefit obligation	916.76	1,345.90	929.10	1,068.15
Adjustment in opening obligation	-	7.76	-	-
Interest cost	68.85	94.55	69.78	78.36
Service cost	277.97	220.65	207.89	196.94
Past Service cost	-	(26.00)	-	(108.82)
Benefits paid	(104.27)	(139.17)	(199.61)	(114.75)
Foreign currency translation reserve	-	(87.97)	-	43.69
Actuarial (gain) / loss on obligations	(50.30)	109.41	(90.40)	182.33
Present value of obligation as at the end of the year	1,109.00	1,525.13	916.76	1,345.92

- 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:

Cost for the year included under employee benefit

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023		As At March 31, 2022	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Current service cost	277.97	220.65	207.89	196.94
Past service cost	-	(26.00)	-	(108.82)
Interest cost	48.33	94.55	69.78	78.36
Expected return on plan assets	-	-	(22.42)	-
Actuarial (gain) / loss	-	-	-	-
Net cost	326.30	289.20	255.25	166.48



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f) Changes in the fair value of the plan assets are as follows:

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023		As At March 31, 2022	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Fair value of plan assets at the beginning	273.25	-	298.57	-
Difference amount in opening fund	-	-	-	-
Expected return on plan assets	20.52	-	22.42	-
Contributions	7.19	-	22.70	-
Employee's Contribution	-	-	-	-
LIC charges	(3.65)	-	(4.37)	-
Benefits paid	(104.27)	-	(57.04)	-
Actuarial gains / (losses) on the plan assets	3.05	-	(9.03)	-
Fair value of plan assets at the end	196.09	-	273.25	-

g) Detail of actuarial gain/loss recognised in OCI is as follows:

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023		As At March 31, 2022	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Actuarial (gain) / loss for the year – obligation	(50.30)	109.41	(90.40)	182.33
Actuarial (gain) / loss for the year - plan assets	(3.05)	-	9.03	-
Total (gain) / loss for the year	(53.35)	109.41	(81.36)	182.33

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 recognised in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets -

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As At March 31, 2023		As At March 31, 2022	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Present value of obligation	1,109.00	1,525.13	916.76	1,345.92
Less: Fair value of plan assets	196.09	-	273.25	-
Net assets /(liability)	(912.91)	(1,525.13)	(643.51)	(1,345.92)

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i) A quantitative sensitivity analysis for significant assumptions is as shown below:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As At March 31, 2023		As At March 31, 2022	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
A. Discount rate				
Effect on DBO due to increase in Discount Rate (1% in funded and 0.5% in unfunded)	(111.39)	(905.26)	(93.76)	(846.99)
Effect on DBO due to decrease in Discount Rate (1% in funded and 0.5% in unfunded)	132.39	1,071.22	111.49	1,006.31
B. Salary escalation rate				
Effect on DBO due to increase in Salary Escalation Rate (1% in funded and 0.5% in unfunded)	134.24	1,074.89	113.23	1,009.06
Effect on DBO due to decrease in Salary Escalation Rate (1% in funded and 0.5% in unfunded)	(114.68)	(907.33)	(96.65)	(848.19)

C. Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated for group as a whole.

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.
Mortality 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.

41 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 (including lease liabilities) 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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(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Borrowings (Refer to note 21 & 22)	44,838.43	56,414.18
Lease Liabilities (Refer to note 49)	10,933.45	8,045.15
Interest accrued but not due on borrowings (Refer note no. 23)	137.57	93.59
Less: cash and cash equivalents (Refer to note 17)	(25,614.50)	(11,685.07)
Net debt (A)	30,294.94	52,867.85
Equity share capital (Refer to note 19)	2,166.39	2,166.39
Other equity (Refer to note 20)	70,080.17	57,727.53
Total Capital (B)	72,246.56	59,893.92
Capital and net debt (A+B=C)	1,02,541.50	1,12,761.77
Gearing ratio (A/C)	29.54%	46.88%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

In order to achieve overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

42 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:**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Asset/(Liabilities) As at March 31, 2023	Asset/(Liabilities) As at March 31, 2022
Fair value of foreign currency forward exchange contract designated as hedging instruments	(303.62)	406.69

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, 2023 were assessed to be highly effective and unrealised profit of ₹ 595.46 Lakhs, with a deferred tax asset / (liability) of ₹ 149.87 Lakhs relating to the hedging instruments, is included in OCI. [March 31, 2022: Unrealised profit of ₹ 419.03 Lakhs with a corresponding deferred tax asset / (liability) of ₹ (105.46 Lakhs)].

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(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, 2023 (₹ in Lakhs)	5,590.82	4,917.45	5,639.68	1,629.11	3,623.58	21,400.64
Notional amount (in USD in Lakhs)	70.00	61.00	68.75	19.50	43.00	262.25
Average forward rate (USD/₹)	79.87	80.61	82.03	83.54	84.27	81.60
As At March 31, 2022 (₹ in Lakhs)	8,031.01	12,657.88	19,245.30	14,329.11	8,296.72	62,560.03
Notional amount (in USD in Lakhs)	104.99	165.36	249.00	183.68	105.50	808.53
Average forward rate (USD/₹)	76.49	76.55	77.29	78.01	78.64	77.37

(iv) The impact of the hedging instruments on the balance sheet is as follows:

The line item in Balance Sheet where Hedge instrument is disclosed under other current financial assets (March 31 2022: Other current 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, 2023 (₹ in Lakhs) [Asset / (Liability)]	(303.62)
Foreign currency risk forward contract- As At March 31, 2022 (₹ in Lakhs) [Asset / (Liability)]	406.69

(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, 2023 (₹ in Lakhs)	(595.46)	Cash Flow Hedge Reserve (OCI)	(568.68)	Revenue from Operations
Highly probable forecast sales				
As At March 31, 2022 (₹ in Lakhs)	419.03	Cash Flow Hedge Reserve (OCI)	907.55	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 cash flow hedge reserve.

Particulars	Cash Flow Hedge Reserve	Tax Amount	Movement net of tax
As at April 01, 2022	406.69	101.61	305.08
Effective Portion of Changes in fair Value arising from Foreign Exchange Forward Contracts	(1,164.13)	(292.99)	(871.14)
Amount reclassified to profit & loss	(568.68)	(143.13)	(425.55)
As at March 31, 2023	(188.76)	(48.25)	(140.51)
As at April 01, 2021	(12.34)	(3.85)	(8.49)
Effective Portion of Changes in fair Value arising from Foreign Exchange Forward Contracts	1,326.58	333.87	992.71
Amount reclassified to profit & loss	907.55	228.41	679.14
As at March 31, 2022	406.69	101.61	305.08

Note : The Group did not have any forecast transactions for which cash flow hedge accounting had been used in the previous period, but which is no longer expected to occur.



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(vii) Valuation Technique

The Group 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:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Foreign Currency in Lakhs	₹ in Lakhs	Foreign Currency in Lakhs	₹ in Lakhs
Foreign currency receivable	HKD	-	HKD	-
	IDR	47,512.65	IDR	26,535.38
	BDT	1,227.45	BDT	53.96
	GBP	-	GBP	-
	SGD	-	SGD	-
	VND	21,746.48	VND	1,66,239.38
	CNY	-	CNY	-
	USD	-	USD	-
Foreign currency payable	HKD	-	HKD	-
	IDR	89,136.65	IDR	80,992.23
	VND	6,96,550.70	VND	15,80,358.81
	EUR	-	EUR	-
	BDT	5,604.95	BDT	1,056.77

III) In respect of the derivative contracts entered into by the Group. The Management assesses no material foreseeable losses as at the reporting date.**43 Financial risk management objectives and policies****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:

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As At March 31, 2023

(All amounts are in ₹ Lakhs, 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)	-	830.37	-	-	830.37	830.37	-	-	830.37
Investment in mutual funds	-	562.16	-	-	562.16	562.16	-	-	562.16
Investment in Units and Debt instrument	2,138.40	-	-	-	2,138.40	1,222.93	915.47	-	2,138.40
Investments in key man insurance policy	2,444.70	-	-	-	2,444.70	-	2,444.70	-	2,444.70
Financial Assets at Fair Value through OCI - Cash Flow Hedge	-	-	-	-	-	-	-	-	-
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	-	-	91.85	-	91.85	-	-	-	-
Loan to related parties	-	-	100.00	-	100.00	-	-	-	-
Loan to Others	-	-	2,373.31	-	2,373.31	-	-	-	-
Security Deposits	-	-	1,448.46	-	1,448.46	-	-	-	-
Interest accrued but not due on term deposits	-	-	118.80	-	118.80	-	-	-	-
Deposits with original maturity of more than 12 months	-	-	43.98	-	43.98	-	-	-	-
Trade receivables	-	-	20,936.17	-	20,936.17	-	-	-	-
Cash and cash equivalents	-	-	25,614.50	-	25,614.50	-	-	-	-
Other bank balances	-	-	3,832.23	-	3,832.23	-	-	-	-
Other Financial assets	-	-	13.44	-	13.44	-	-	-	-
	4,583.10	1,392.53	54,574.37	-	60,550.00	2,615.46	3,360.17	-	5,975.63
Financial liabilities measured at fair value									
Financial Liabilities at Fair Value through OCI - Cash Flow Hedge	303.62	-	-	-	303.62	303.62	-	-	303.62
Financial liabilities not measured at fair value									
Borrowings	-	-	-	44,838.43	44,838.43	-	-	-	-



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(All amounts are in ₹ Lakhs, 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
Lease Liabilities	-	-	-	10,933.45	10,933.45	-	-	-	-
Security Deposits	-	-	-	126.46	126.46	-	-	-	-
Book overdraft	-	-	-	-	-	-	-	-	-
Interest accrued but not due on borrowings	-	-	-	137.57	137.57	-	-	-	-
Unpaid dividends	-	-	-	28.09	28.09	-	-	-	-
Trade payables	-	-	-	39,168.69	39,168.69	-	-	-	-
Creditors for capital goods	-	-	-	124.27	124.27	-	-	-	-
Others	-	-	-	1,121.69	1,121.69	-	-	-	-
	303.62	-	-	96,478.65	96,782.27	303.62	-	-	303.62

As At March 31, 2022

(All amounts are in ₹ Lakhs, 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)	-	873.50	-	-	873.50	873.50	-	-	873.50
Investment in mutual funds	-	532.26	-	-	532.26	532.26	-	-	532.26
Investment in Units and Debt instrument	1,908.49	-	-	-	1,908.49	1,308.08	600.41	-	1,908.49
Investments in key man insurance policy	2,202.20	-	-	-	2,202.20	-	2,202.20	-	2,202.20
Financial Assets at Fair Value through OCI - Cash Flow Hedge	406.69	-	-	-	406.69	-	-	-	-
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	-	-	41.36	-	41.36	-	-	-	-
Loan to related parties	-	-	-	-	-	-	-	-	-
Loan to Others	-	-	3,543.10	-	3,543.10	-	-	-	-
Security Deposits	-	-	912.92	-	912.92	-	-	-	-
Interest accrued but not due on term deposits	-	-	62.41	-	62.41	-	-	-	-

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(All amounts are in ₹ Lakhs, 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
Interest accrued but not due on loan to related parties	-	-	-	-	-	-	-	-	-
Deposits with original maturity of more than 12 months	-	-	273.70	-	273.70	-	-	-	-
Trade receivables	-	-	36,662.31	-	36,662.31	-	-	-	-
Cash and cash equivalents	-	-	11,685.07	-	11,685.07	-	-	-	-
Other bank balances	-	-	3,292.39	-	3,292.39	-	-	-	-
Other Financial assets	-	-	31.47	-	31.47	-	-	-	-
	4,517.39	1,405.76	56,506.36	-	62,429.51	2,713.84	2,802.61	-	5,516.45
Financial liabilities not measured at fair value									
Borrowings	-	-	-	56,414.18	56,414.18	-	-	-	-
Lease Liabilities	-	-	-	8,045.15	8,045.15	-	-	-	-
Security Deposits	-	-	-	247.43	247.43	-	-	-	-
Book overdraft	-	-	-	-	-	-	-	-	-
Interest accrued but not due on borrowings	-	-	-	93.59	93.59	-	-	-	-
Unpaid dividends	-	-	-	26.24	26.24	-	-	-	-
Trade payables	-	-	-	43,868.79	43,868.79	-	-	-	-
Creditors for capital goods	-	-	-	92.90	92.90	-	-	-	-
Others	-	-	-	684.85	684.85	-	-	-	-
	-	-	-	1,09,473.13	1,09,473.13	-	-	-	-

- 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 March 31, 2023 and March 31, 2022.
- 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.
- f) For specific valuation techniques used to value financial instruments, Refer disclosures made in the standalone financials of Holding Company and Subsidiary companies.



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44 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.

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 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 Group's maximum exposure to the credit risk as at March 31, 2023 and March 31, 2022 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, 2023	Guarantee Valid Upto
HSBC Bank, Hongkong Branch	Pearl Global (HK) Limited	Securing Credit Facilities	USD 200.00 Lakhs equivalent to ₹16,444.00 Lakhs	November 17, 2023
			USD 40.00 Lakhs equivalent to ₹3,288.80 Lakhs	December 22, 2023
			USD 50.00 Lakhs equivalent to ₹4,111.00 Lakhs	May 18, 2024

- **Policy of managing risk:** 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.

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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 Group's objective is to, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group 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 financial liabilities based on contractual undiscounted payments- As at March 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	29,278.01	6,630.23	8,930.19	-	44,838.43
Lease Liabilities	313.72	937.40	3,743.29	5,939.03	10,933.45
Trade payables	26,054.90	13,113.79	-	-	39,168.69
Other financial liabilities	1,395.08	-	446.62	-	1,841.70
Total	57,041.72	20,681.43	13,120.10	5,939.03	96,782.27

As at March 31, 2022

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	34,891.47	9,139.90	12,256.81	126.00	56,414.18
Lease Liabilities	209.72	674.03	2,411.63	4,749.77	8,045.15
Trade payables	41,166.49	2,702.30	-	-	43,868.79
Other financial liabilities	897.58	6.51	240.92	-	1,145.01
Total	77,165.25	12,522.73	14,909.36	4,875.77	1,09,473.13

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, 2023 and March 31, 2022.

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, 2023	+50	253.13
	-50	(253.13)
March 31, 2022	+50	232.49
	-50	(232.49)

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.

Particulars	Changes in exchange rate	Decrease / (increase) in profit before tax
March 31, 2023	+5%	301.04
	-5%	(301.04)
March 31, 2022	+5%	(293.92)
	-5%	293.92

45 Segment information

- a) The operating segments are established on the basis of those components of the group that are evaluated regularly by the Executive Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. The Group has presented segment information on geographical basis in the consolidated financial statements.

Summary of segment Information as at and for the year ended March 31, 2023 and March 31, 2022 is as follows:

Particulars	Bangladesh	Hong Kong	India	Others	Un-allocable	Total	Elimination	Total
Segment Sales	9,994.44	2,25,845.86	70,938.65	9,061.97	-	3,15,840.92	-	3,15,840.92
	(7,185.57)	(1,50,026.90)	(63,891.55)	(50,248.87)	-	(2,71,352.90)	-	(2,71,352.90)
Inter Segment Sales	99,929.69	26,572.87	40,612.31	44,357.35	-	2,11,472.22	2,11,472.22	-
	(87,819.38)	(50,160.99)	(30,292.59)	-	-	(1,68,272.96)	(1,68,272.96)	-
Total Segment Sales	1,09,924.13	2,52,418.73	1,11,550.97	53,419.30	-	5,27,313.13	2,11,472.22	3,15,840.92
	(95,004.96)	(2,00,187.89)	(94,184.14)	(50,248.88)	-	(4,39,625.87)	(1,68,272.97)	(2,71,352.90)
Other Income	206.82	407.27	3,007.80	1,893.40	-	5,515.29	3,234.29	2,280.99
	(22.55)	(693.29)	(3,213.98)	-	-	(3,929.83)	(583.90)	(3,345.94)
Total Segment Revenue	1,10,130.95	2,52,826.00	1,14,558.76	55,312.71	-	5,32,828.42	2,14,706.52	3,18,121.90
	(95,027.52)	(2,00,881.19)	(97,398.13)	(50,248.88)	-	(4,43,555.70)	(1,68,856.87)	(2,74,698.83)
Total Revenue of each segment as a percentage of total revenue of all segment	20.67	47.45	21.50	10.38	-	100.00	-	-
	(21.42)	(45.29)	(21.96)	(11.33)	-	(100.00)	-	-
Total Segment Operative Profit	11,012.72	4,359.74	10,333.68	3,474.30	-	29,180.44	-	29,180.44
	(4,853.35)	(3,015.49)	(8,037.46)	(2,169.55)	-	(18,075.88)	-	(18,075.88)

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Particulars	Bangladesh	Hong Kong	India	Others	Un-allocable	Total	Elimination	Total
Depreciation	2,122.50	229.65	1,888.66	836.82	-	5,077.64	-	5,077.64
	(1,449.37)	(1,160.98)	(1,772.78)	(450.55)	-	(4,833.68)	-	(4,833.68)
Total Segment Result before Interest & Taxes	8,890.22	4,130.09	8,445.02	2,637.48	-	24,102.81	-	24,102.81
	(3,403.99)	(1,854.52)	(6,264.68)	(1,719.00)	-	(13,242.19)	-	(13,242.19)
Total EBIT of each segment as a percentage of total EBIT of all segment	36.88	17.14	35.04	10.94	-	100.00	-	-
	(25.71)	(14.00)	(47.31)	(12.99)	-	(100.00)	-	-
Net Financing Cost	-	-	-	-	-	-	-	6,517.89
	-	-	-	-	-	-	-	(4,660.37)
Income Tax Expenses	-	-	-	-	-	-	-	2,285.70
	-	-	-	-	-	-	-	(1,570.94)
Profit for the Year	-	-	-	-	-	-	-	15,299.22
	-	-	-	-	-	-	-	(7,010.88)
Segment Assets	56,132.30	32,678.71	65,182.68	29,127.67	(5,057.17)	1,78,064.19	-	1,78,064.19
	(32,643.76)	(51,896.51)	(67,647.70)	(19,772.71)	(6,101.17)	(1,78,061.85)	-	(1,78,061.85)
Segment Assets as a percentage of Total assets of all segments	31.52	18.35	36.61	16.36	(2.84)	100.00	-	-
	(18.33)	(29.15)	(37.99)	(11.10)	(3.43)	(100.00)	-	-
Segment Liabilities	27,863.36	9,494.66	19,256.68	12,788.54	34,383.71	1,03,786.95	-	1,03,786.95
	(24,197.69)	(4,756.78)	(23,721.13)	(7,010.31)	(56,888.69)	(1,16,574.61)	-	(1,16,574.61)
Segment Liabilities as a percentage of Total Liabilities of all segments	26.85	9.15	18.55	12.32	33.13	100.00	-	-
	(20.76)	(4.08)	(20.35)	(6.01)	(48.80)	(100.00)	-	-
Segment Capital Employed	28,268.94	23,184.05	45,926.00	16,339.13	(39,440.89)	74,277.23	-	74,277.23
	(8,446.07)	(47,139.72)	(43,926.57)	(12,762.40)	50,787.53	(61,487.24)	-	(61,487.24)
Segment Capital Employed as a percentage of Total capital employed of all segments	38.06	31.21	61.83	22.00	(53.10)	100.00	-	-
	(13.74)	(76.67)	(71.44)	(20.76)	82.60	(100.00)	-	-
Capital Expenditure	4,856.12	1,100.95	2,780.47	2,404.05	-	11,141.59	-	11,141.59
	(1,141.60)	(683.20)	(871.18)	(1,381.57)	-	(4,077.57)	-	(4,077.57)
Segment Capital Expenditure as a percentage of Total capital expenditure of all segments	43.59	9.88	24.96	21.58	-	100.00	-	-
	(28.00)	(16.76)	(21.37)	(33.88)	-	(100.00)	-	-

b) The Group revenue from sale of garments to external customer are as follows:

	As At March 31, 2023 (₹ in Lakhs)	As At March 31, 2022 (₹ in Lakhs)
Local Customers	555.57	2,172.02
Foreign Customers	3,04,142.36	2,60,759.35
Total	3,04,697.93	2,62,931.37



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- c) Non- current assets are located within India and outside India:

	As At March 31, 2023 (₹ in Lakhs)	As At March 31, 2022 (₹ in Lakhs)
Non Current Assets		
- within India	24,668.32	22,754.36
- outside India	37,278.67	30,636.79

- d) Revenue from major customer: During the year the Group generates 90% of its external revenues from 15 customers (March 31, 2022: 15 customers).

46 Contingent liabilities and commitments

a) Contingent liabilities (To the extent not provided for)

- i) The respective companies have reviewed all its pending claims, litigations and other proceedings and has adequately provided for wherever required. However, wherever it is difficult for the respective companies to estimate the timings of cash outflows, if any, in respect of the below as it is determinable only on receipt of judgement/decisions pending with various forums/authorities, the group has disclosed the same as Contingent Liabilities (pending resolution of the respective proceedings).

The group does not expect the outcome of these proceedings to have a material or adverse effect on financial position of the group. Also, the group does not expect any reimbursements in respect of the below contingent liabilities.

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
- Tax Demand as per Sec 154 and Sec 16(1) of Income Tax Act, 1961 (with respect to Assessment Year 2015-16) - Issue restored to file of CIT(A) for re-adjudication based on order received from ITAT.	15.57	15.57
- Tax Demand as per Sec 250 of Income Tax Act, 1961 (with respect to Assessment Year 2016-17) - Matter restored to AO by ITAT for recalculating the disallowance u/r 8D(2)(iii).	3.49	3.49
- Tax Demand as per Sec 143(3) of Income Tax Act, 1961 (with respect to Assessment Year 2017-18) - Appeal pending before CIT(A)	3.83	3.83
- Tax Demand as per Sec 115-O of Income Tax Act, 1961 (with respect to Assessment Year 2017-18) - Appeal pending before CIT(A)	33.30	33.30
- Tax Demand as per Sec 154 of Income Tax Act, 1961 (with respect to Assessment Year 2018-19) - Appeal pending before CIT(A)	5.70	5.70
- Tax Demand as per Sec 270A of Income Tax Act, 1961 (with respect to Assessment Year 2020-21) - Appeal pending before CIT(A)	2.90	-
- Demand as per TDS (TRACES) portal - CPC	2.86	4.65

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- (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.

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
II Irrevocable letter of credit outstanding with banks (net of margin)	15,473.16	14,630.34
III Bank Guarantee given to government authorities	238.10	214.48
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 Group has given the corporate guarantees to banks on behalf of its foreign subsidiaries [Refer note no. 44 A(iii)].

b) Commitments

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As At March 31, 2023	As At March 31, 2022
Capital Commitment: Estimated amount of contracts remaining to be executed on the capital account (net of capital advances of ₹ 106.77 Lakhs) (March 31, 2022 : ₹ 228.43 Lakhs)	294.66	420.11

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.

47 Related party transactions

a) List of related parties

Nature of Relationship	Name of the Related Party
Subsidiary (Direct / Indirect)	Domestic (Direct)
	SBUYS E-Commerce Limited
	Pearl Global Kaushal Vikas Limited
	Pearl Apparel Fashions Limited (Liquidated during the 2022-23 and was under liquidation in 2021-22)
	Sead Apparels Private Limited (Refer note (j) below)
	Overseas (Direct)
	Pearl Global Fareast Limited
	Pearl Global (HK) Limited
	Norp Knit Industries Limited
	Pearl Global USA, Inc.
	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 (Liquidated on August 05, 2021)
	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
	Alpha Clothing Limited (Acquired 100% equity interest in substance on September 04, 2022)



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Nature of Relationship	Name of the Related Party	
Enterprise over which Key Managerial Personnel exercise Significant influence Key Management Personnel (KMP) & their relative	PDS Limited	
	Mr. Deepak Kumar Seth	Chairman
	Mr. Pulkit Seth	Vice Chairman
		Managing Director (till March 31, 2022)
		Non-Executive Director (w.e.f. April 01, 2022)
	Ms. Shifalli Seth	Whole-Time Director (till March 31, 2022)
		Non-Executive Director (w.e.f. April 01, 2022)
	Mr. Pallab Banerjee	Joint Managing Director (from October 01, 2021 till March 31, 2022)
		Managing Director (w.e.f. April 01, 2022)
	Mr. Uma Shankar kaushik	Whole-Time Director (till January 10, 2022)
	Mr. Shailesh Kumar	Whole-Time Director
	Mr. Deepak Kumar	Whole-Time Director (w.e.f. February 14, 2022)
	Mr. Sanjay Gandhi	Group Chief Financial Officer
	Mr. Kashmir Singh Rathour	Chief Financial Officer (till April 20, 2021)
	Mr. Narendra Kumar Somani	Chief Financial Officer (w.e.f. June 21, 2021)
	Mr. Mayank Jain	Company Secretary (from June 21, 2021 to November 08, 2021)
	Mr. Ravi Arora	Company Secretary (from February 14, 2022 till June 28, 2022)
	Ms. Shilpa Budhia	Company Secretary (w.e.f. November 11, 2022).

b) Disclosure of Related Parties Transactions:

(i) Enterprise over which KMP has Significant Influence

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Dividend Received	18.17	7.87
Expenses paid by them on behalf of the Company	-	2.87
Loan Received Back	-	300.00
Interest income	-	28.68

(ii) Key Management Personnel (KMP)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Remuneration paid (Including Arrears)	457.45	557.28
Expenses paid by the Company on their behalf (EPF Paid)	8.60	5.89
Expenses incurred on behalf of the Company	45.97	40.91
Loan Given	100.00	-
Interest Income	3.51	-
Directors sitting fees	1.50	0.60

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Closing Balance

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Loan Receivable (Inclusive of interest)	103.51	-
Trade Payable - Payable to KMP	10.92	14.40

- 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

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Dividend Received		
PDS Multinational Fashion Limited	18.17	7.87
Expenses paid on behalf of the Company		
PDS Multinational Fashion Limited	-	2.87
Interest income		
PDS Multinational Fashion Limited	-	28.68
Loan received back		
PDS Multinational Fashion Limited	-	300.00

(ii) Key Management Personnel

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Remuneration paid (Including Arrears)		
Mr. Pulkit Seth	-	255.04
Mrs. Shifalli Seth	-	37.50
Mr. Uma Shankar	2.41	22.50
Mr. Deepak Kumar	22.83	6.58
Mr. Mayank Jain	-	9.72
Mr. Narendra Somani	47.74	42.00
Mr. Shailesh Kumar	16.39	18.00
Mr. Pallab Banerjee	267.13	102.72
Mr. Ravi Arora	5.38	4.15
Mr. Sanjay Gandhi	83.68	59.08
Ms. Shilpa Budhia	11.89	-
Expenses paid by the Company on their behalf (EPF Paid)		
Mr. Pulkit Seth	-	0.11
Mrs. Shifalli Seth	-	0.11
Mr. Deepak Kumar	0.22	0.05
Mr. Mayank Jain	-	0.14
Mr. Pallab Banerjee	4.39	2.52
Mr. Sanjay Gandhi	3.88	2.96
Ms. Shilpa Budhia	0.11	-
Expenses incurred on behalf of the Company		
Mr. Uma Shankar	-	13.32



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(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Mr. Mayank Jain	-	6.00
Mr. Narendra Somani	8.69	14.43
Mr. Shailesh Kumar	6.99	5.31
Mr. Pallab Banerjee	17.31	1.85
Mr. Sanjay Gandhi	12.98	-
Loan Given		
Mr. Pallab Banerjee	50.00	-
Mr. Sanjay Gandhi	50.00	-
Interest Income		
Mr. Pallab Banerjee	1.75	-
Mr. Sanjay Gandhi	1.75	-
Directors sitting Fees:		
Mr. Deepak Kumar Seth	0.50	0.60
Mr. Pulkit Seth	1.00	-
Closing Balance		
Loan Receivable (Inclusive of Interest)		
Mr. Pallab Banerjee	51.75	-
Mr. Sanjay Gandhi	51.75	-
Trade Payable : Payable to KMP		
Mr. Uma Shankar	-	1.76
Mr. Deepak Kumar	1.53	1.13
Mr. Shailesh Kumar	1.31	0.89
Mr. Pallab Banerjee	0.31	5.48
Mr. Sanjay Gandhi	2.30	-
Mr. Narendra Kumar Somani	3.97	3.70
Ms. Shilpa Budhia	1.51	-
Mr. Ravi Arora	-	1.44

d) **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.

- e) Personal Guarantee given by Mr. Deepak Kumar Seth (Promoter Director) and Mr. Pulkit Seth (Director) against the Borrowings (refer note no. 21 & 22).
- 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.
- g) During the last quarter of 2022-23, two step-down overseas subsidiaries namely, Pearl Unlimited Inc. in New York, USA and Pearl Global Industries FZCO in Dubai have been incorporated. However, the share capital have not been raised till March 31, 2023.
- h) During the financial year 2020-21, Pearl Apparel Fashions Limited, a wholly owned subsidiary of the Company had gone into voluntarily liquidation. The NCLT order has been received on December 16, 2022 and company has been liquidated.
- i) During the financial year 2022-23, Investment was made in SEAD Apparels Private limited during the third quarter of 2022-23, making it a wholly owned subsidiary of the Company.
- j) Refer Note 44A(iii) for Corporate Guarantee given by the holding company.

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48 Disclosures mandated by Schedule III of Companies Act 2013, by way of additional information

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the financial year 2022-23							
	Net Assets i.e. total assets minus total liabilities		Share in profit /(loss)		Share in other Comprehensive Income		Share in total Comprehensive Income	
Name of the Entities	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	52.72	38,085.99	35.18	5,381.65	21.35	(278.42)	36.46	5,103.22
Subsidiary:								
- Indian								
Pearl Global Kausal Vikas Limited	(0.00)	(0.59)	(0.00)	(0.27)	-	-	(0.00)	(0.27)
SBUYS E-Commerce Limited	0.31	227.36	1.16	177.69	-	-	1.27	177.69
Sead Apparels Private Limited	0.00	0.33	(0.00)	(0.67)	-	-	(0.00)	(0.67)
- Foreign								
Norp Knit Industries Limited	22.68	16,383.12	22.61	3,458.57	211.48	(2,757.54)	5.01	701.03
Pearl Global Far East Limited	10.18	7,357.33	0.61	93.57	(25.44)	331.69	3.04	425.26
Pearl Global (HK) Limited	30.31	21,898.72	47.01	7,192.90	(100.99)	1,316.85	60.80	8,509.75
Pearl Global USA, Inc.	0.35	251.27	0.00	0.66	(0.64)	8.32	0.06	8.97
Subtotal	-	84,203.55	-	16,304.09	-	(1,379.11)	-	14,924.99
Intercompany Elimination & Consolidation Adjustments	(16.55)	(11,956.99)	(6.57)	(1,004.87)	(5.76)	75.16	(6.64)	(929.72)
Total	-	72,246.56	-	15,299.22	-	(1,303.95)	-	13,995.27
Non Controlling Interest in subsidiaries	-	2,030.67	-	(373.78)	-	19.82	-	(353.96)
Grand Total	-	74,277.23	-	14,925.44	-	(1,284.13)	-	13,641.31

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For Financial year 2021-22							
	Net Assets i.e. total assets minus total liabilities		Share in profit /(loss)		Share in other Comprehensive Income		Share in total Comprehensive Income	
Name of the Entities	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	57.35	34,348.05	38.74	2,715.78	18.52	260.26	35.36	2,976.04
Subsidiary:								
- Indian								



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(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For Financial year 2021-22							
	Net Assets i.e. total assets minus total liabilities		Share in profit /(loss)		Share in other Comprehensive Income		Share in total Comprehensive Income	
Name of the Entities	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
Pearl Global Kausal Vikas Limited	(0.00)	(0.31)	(0.01)	(0.43)	-	-	(0.01)	(0.43)
Pearl Apparel Fashions Limited	0.01	3.63	0.04	2.83	0.00	0.05	0.03	2.88
SBUYS E-Commerce Limited	0.08	49.67	0.70	48.93	-	-	0.58	48.93
- Foreign								
Norp Knit Industries Limited	26.09	15,626.06	27.68	1,940.37	23.40	328.80	26.96	2,269.17
Pearl Global Far East Limited	12.25	7,334.02	(6.17)	(432.39)	10.72	150.63	(3.35)	(281.76)
Pearl Global (HK) Limited	25.29	15,149.85	38.99	2,733.47	48.68	684.02	40.61	3,417.49
Subtotal	-	72,510.99	-	7,008.56	-	1,423.75	-	8,432.32
Intercompany Elimination & Consolidation Adjustments	(21.07)	(12,617.07)	0.03	2.31	(1.32)	(18.49)	(0.19)	(16.18)
Total	-	59,893.92	-	7,010.88	-	1,405.26	-	8,416.14
Non Controlling Interest in subsidiaries	-	1,593.33	-	(196.24)	-	(47.39)	-	(243.63)
Grand Total	-	61,487.25	-	6,814.64	-	1,357.87	-	8,172.51

49 Leases

- a) Lease contracts entered by the Group majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Group does not have any lease restrictions and commitment towards variable rent as per the contract.

(All amounts are in ₹ Lakhs, unless otherwise stated)

Right-of-use assets: movements in carrying value of assets	Buildings	Land	Machinery	Total
Gross Block as at April 1, 2021	9,899.30	2,850.68	-	12,749.98
Add: Additions during the year	3,014.12	-	210.05	3,224.17
(Less): Disposal / adjustments during the year	(624.32)	-	-	(624.32)
Add/(Less): Exchange Fluctuation/ Translation	240.04	89.59	3.66	333.29
Gross Block as at March 31, 2022	12,529.14	2,940.27	213.71	15,683.12
Add: Business Combination	36.88	-	-	36.88
Add: Additions during the year	4,603.22	-	-	4,603.22
(Less): Disposal / adjustments during the year	(606.92)	-	-	(606.92)
Add/(Less): Exchange Fluctuation/ Translation	(1,296.87)	248.24	3.57	(1,045.05)
Gross Block as at March 31, 2023	15,265.45	3,188.51	217.28	18,671.25
Accumulated Depreciation and amortisation :				
As at April 1, 2021	2,702.93	244.69	-	2,947.62
Add: Depreciation charge for the year	1,573.43	104.40	14.78	1,692.61
Less: (Disposals) / adjustments during the year	(210.15)	-	-	(211.36)
Add/(Less): Exchange Fluctuation/ Translation	75.13	9.51	0.25	86.10

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to consolidated financial statements for the year ended March 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

Right-of-use assets: movements in carrying value of assets	Buildings	Land	Machinery	Total
As at March 31, 2022	4,141.34	358.60	15.03	4,514.97
Add: Business Combination	10.39	-	-	10.39
Add: Depreciation charge for the year	1,616.07	111.57	55.94	1,783.58
Less: (Disposals) / adjustments during the year	(617.33)	(7.63)	-	(624.96)
Add/(Less): Exchange Fluctuation/ Translation	(440.19)	32.69	1.52	(405.98)
As at March 31, 2023	4,710.28	495.22	72.49	5,277.99
Net Block :				
As at March 31, 2023				13,393.26
As at March 31, 2022				11,168.15

In 2022-23, there were no impairment charges recorded for right-of-use assets.

Leases: movements in carrying value of recognised liabilities	Amount
As At April 01, 2021	7,394.94
Add: Additions during the year	2,270.32
Add: Interest expense on lease liabilities	846.80
Less: Disposal /Adjustments during the year	(509.59)
Less: Repayment of lease liabilities	(2,049.72)
Add: Exchange Realisation/ Translation	92.40
As At March 31, 2022	8,045.15
Add: Business Combination	8.62
Add: Additions during the year	4,466.44
Add: Interest expense on lease liabilities	997.47
Less: Disposal /Adjustments during the year	104.12
Less: Repayment of lease liabilities	(2,135.82)
Add: Exchange Realisation/ Translation	(552.53)
As at March 31, 2023	10,933.45
Non-current lease liabilities	9,682.32
Current lease liabilities	1,251.13
Total lease liabilities	10,933.45

The maturity analysis of lease liabilities is given in note 44 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.

Cash flows from operating activities includes cash flow from short term lease & leases of low value. Cash flows from financing activities includes the payment of interest and the principal portion of lease liabilities.

Group 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. The group accounted for its leases in accordance with Ind AS 116 from the date of initial application. The group does not have any significant impact on account of sub-lease on the application of this standard.

The group 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 ₹ 751.10 lakh (March 31, 2022: ₹ 742.30 lakh) has been recognised and included under Other Income. (Refer Note No. 29)



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to consolidated financial statements for the year ended March 31, 2023

The following table sets out a maturity analysis of lease receivable, showing the undiscounted lease payments to be received after the reporting date.

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Less than one year	702.26	823.57
One to two years	778.67	832.69
Two to three years	797.30	803.15
Three to Four Years	841.89	725.30
Four to five years	813.25	728.89
More than five years	2,643.50	1,688.19

50 Event occurring after balance sheet date

(a) Interim Dividend :

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Declared for the year:		
Second Interim dividend declared on May 15, 2023 ₹ 5.00 per share for the financial year 2022-23: (2021-22 : declared on May 25, 2022 ₹ 5 per share) [₹ 5 on 21,663,937 equity shares (2021-22 ₹ 5 on 21,663,937 equity shares)]	1,083.20	1,083.20
(b) Proposed Dividend:		
- The directors of PG(HK) proposed final dividend for financial year 2022-23: \$0.32 per share (2021-22: \$ 0.16 per share) which is subject to the approval of the Group's shareholders at the forthcoming annual general meeting. Also, during the year, the entity had declared interim dividend of \$0.16 per share (2021-22: \$ Nil per share)	411.10	189.53
- The directors of Pearl Global Fareast Limited proposed final dividend for financial year 2022-23: \$ Nil per share (2021-22: \$ 0.42 per share).	-	379.05

- c) Subsequent to the year-end, the group has entered into a sale and purchase agreement with the non-controlling party to acquire the remaining 20% equity interest of a subsidiary, Pearl Grass Creations Limited. The subsidiary will be a wholly-owned subsidiary of Pearl Global (HK) Limited upon completion.

Throughout the year and subsequent to the year-end, the group was in negotiation with the shareholders of Trinity Clothing Limited ("target") to acquire the entire equity interest of the target, which engages in the garment trading. The Group has acquired a Trinity Clothing Limited to further expand its business operation, expecting to benefit from the synergies of broader customer base.

- d) 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.

51 Employee Share Based Payment

- A. The Board of Directors had accorded their consent for the implementation of Pearl Global Industries Limited Employee Stock Option Plan 2022 (the Plan) on June 30, 2022. Further, the shareholders of the holding company had vide Postal Ballot approved the Plan on August 28, 2022. In accordance with the Plan, the Nomination and Remuneration Committee on October 10, 2022 granted 413100 nos. of stock options to the eligible employees of the holding company and its subsidiary companies. These options are to be vested after a minimum period of one year from the grant date and it shall extend up to a maximum period of four years from the grant date based on the vesting conditions as per letter of grant

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to consolidated financial statements for the year ended March 31, 2023

executed between the holding company and the employee of the holding company and its subsidiaries. Each option when exercised would be converted into one fully paid-up equity share of ₹ 10 each of the holding company. The options granted under ESOP scheme carry no rights to dividends and no voting rights till the date of exercise. The fair value of the share options is estimated at the grant date using Black and Scholes Model, taking into account the terms and conditions upon which the share options were granted. The group has recognised an expense of ₹ 259.51 Lakhs (March 31, 2022: ₹ Nil) arising from equity settled share based payment transactions for employee services received during the year. The carrying amount of Employee stock options outstanding reserve as at March 31, 2023 is ₹ 259.51 Lakhs (March 31, 2022: ₹ Nil).

B. Options granted under ESOP Scheme

Particulars	As At March 31, 2023	As At March 31, 2022
Options outstanding at the beginning of the year	4,13,100	-
Options granted during the year	-	-
Options forfeited during the year	-	-
Options expired/lapsed during the year	-	-
Options exercised during the year	-	-
Options outstanding at the end of the year	4,13,100	-
Exercisable at the end of the year	-	-
For options outstanding at the end of the year	-	-
Exercise price range (₹)	300	-
Weighted average remaining contractual life (in years)	3.53 years	-

C. Fair value of options granted

fair value of each option is estimated on the date of grant based on the following assumptions:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV
Dividend yield (%)	0.95%	0.95%	0.95%	0.95%
Expected life (years)	2.03 years	2.53 years	3.03 years	3.53 years
Risk free interest rate (%)	7.05%	7.15%	7.23%	7.29%
Volatility (%)	58.21%	57.92%	55.93%	54.70%
Share price on date of grant	₹ 461.35			
Fair value of options	245.76	257.29	264.44	271.62

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The volatility is based on annualised standard deviation of the continuously compounded rates of return based on the peer companies and competitive stocks over a period of time. The holding company has determined the market price on grant date based on latest equity valuation report available with the holding company preceding the grant date. No employee share options have been exercised during the year.

D. Expenses arising from share-based payment transactions

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Stock based compensation expense determined under fair value method recognised in statement of profit or loss	259.51	-



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to consolidated financial statements for the year ended March 31, 2023

52 Business Combination

On September 04, 2022, the Group acquired 100% equity interest in substance in Alpha Clothing Limited from a third party. Alpha Clothing is engaged in the manufacture readymade garments item and allied products. The acquisition was made as part of the Group's strategy to expand its market share of garment products in the Bangladesh. The purchase consideration for the acquisition was in the form of cash, with USD 10,45,081 (equivalent to ₹ 824.98 Lakhs) paid at the acquisition date and the remaining USD 4,90,075 (equivalent to ₹ 402.94 Lakhs) and USD 4,70,473 (equivalent to ₹ 386.82 Lakhs) paid by March 31, 2023 and July 31, 2024 respectively. During the year, the sellers agreed to unconditionally defer the second payment of USD 4,90,075 (equivalent to ₹ 402.94 Lakhs). Further, in last installment of USD 4,70,473 (equivalent to ₹ 386.82 Lakhs) discounted amount is USD 4,13,021 (equivalent to ₹ 339.59 Lakhs), which is reflected in Note 23 to the consolidated financial statement.

53 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entity identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

54 Disclosure of transactions with struck off companies

The group did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the financial years.

55

- A) No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:
- (a) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
 - (b) Crypto Currency or Virtual Currency
 - (c) Relating to borrowed funds:
 - i) Wilful defaulter
 - ii) Utilisation of borrowed funds & share premium
 - iii) Borrowings obtained on the basis of security of current assets
 - iv) Discrepancy in utilisation of borrowings"

As per our report of even date attached

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

(Sandeep Dinodia)
Partner
Membership Number : 083689

Place of Signature: New Delhi
Date: May 15, 2023

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

(Pulkit Seth)
Vice-Chairman
DIN 00003044

(Sanjay Gandhi)
Group CFO
M. No. 096380

(Shilpa Budhia)
Company Secretary
M. No. ACS-23564

Place of Signature: Gurugram
Date: May 15, 2023

(Pallab Banerjee)
Managing Director
DIN 07193749

(Narendra Somani)
Chief Financial Officer
M. No. 092155

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARY COMPANIES

[Pursuant to first proviso to Sub-Section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014-AOC-1]

Sl. No.	Name of Subsidiary	Date of Acquisition	Reporting Period	Report- ing Cur- rency	Exchange rate	Equity Share Capital	Reserves & surplus	Total assets	Total Liabilities	Invest- ments	Turnover	Profit/ Loss before taxation	Provision for taxa- tion	Profit / Loss after taxation	Proposed dividend	% of share- holding	Other compre- hensive (Ex- penses) Income	Total Compre- hensive income for the Year
																		(₹ in Lakh)
1	Pearl Global Kaushal Vikas Limited	18-06-14	31-03-23	INR	NA	5.00	(5.59)	0.66	1.25	-	-	(0.27)	-	(0.27)	-	100.00	-	(0.27)
2	SBUYS E-Commerce Limited	20-09-19	31-03-23	INR	NA	1.00	226.36	254.32	26.96	-	1,173.90	237.69	60.00	177.69	-	100.00	-	177.69
3	Sead Apparels Private Limited	24-06-22	31-03-23	INR	NA	1.00	(0.67)	0.54	0.21	-	-	(0.67)	-	(0.67)	-	100.00	-	(0.67)
4	Norp Knit Industries Limited	22-03-06	31-03-23	USD	82.22	3,960.15	13,222.38	36,890.66	19,708.14	862.92	79,083.62	4,202.36	688.96	3,513.40	-	99.99	(3,893.51)	(380.11)
5	Pearl Global Fareast Limited#	16-03-09	31-03-23	USD	82.22	4,106.89	3,250.44	8,662.15	1,304.82	2,573.97	13,160.45	93.57	-	93.57	-	100.00	(275.15)	(181.58)
6	Peal Global (HK) Limited#	22-12-09	31-03-23	USD	82.22	7,449.13	17,146.13	74,908.04	50,312.77	15,183.20	240,431.04	8,445.60	775.39	7,670.21	411.10	100.00	(468.19)	7,202.03
7	PGIC Investment Limited	16-08-16	31-03-23	USD	82.22	0.00	(746.25)	4,103.11	4,849.36	-	-	19.94	-	19.94	-	100.00	-	19.94
8	Pearl Grass Creations Limited	11-07-16	31-03-23	USD	82.22	328.88	465.81	5,391.71	4,597.02	-	41,065.98	1,626.40	91.70	1,534.70	-	80.00	-	1,534.70
9	Vin Pearl Global Vietnam Limited#	11-07-16	31-03-23	USD	82.22	9.87	(297.19)	3,394.61	3,681.94	3,391.00	-	(3.61)	-	(3.61)	-	100.00	-	(3.61)

Form AOC-1 (Contd.)

Sl. No.	Name of Subsidiary	Date of Acquisition	Reporting Period	Report- ing Cur- rency	Exchange rate	Equity Share Capital	Reserves & surplus	Total assets	Total Liabilities	Invest- ments	Turnover	Profit/ Loss before taxation	Provision for taxa- tion	Profit / Loss after taxation	Proposed dividend	% of share- holding	Other compre- hensive (Ex- penses) Income	Total Compre- hensive income for the Year
10	Pearl Global Vietnam Co. Ltd.	01-05-17	31-03-23	VND	0.0035	2,528.41	683.07	24,891.71	21,680.23	-	38,817.34	1,899.23	215.94	1,683.28	-	100.00	-	1,683.28
11	Prudent Fashions Limited	02-03-17	31-03-23	BDT	0.78	1,536.94	871.98	12,245.08	9,836.16	-	22,412.49	2,031.65	204.80	1,826.85	-	99.95	-	1,826.85
12	DSSP Global Limited#	08-11-12	31-03-23	USD	82.22	1,381.40	5,351.30	22,202.73	15,470.04	1,007.18	40,567.31	666.22	(151.25)	514.97	-	100.00	(65.43)	449.54
13	PT Pinnacle Apparels	30-03-06	31-03-23	USD	82.22	1,442.11	5,247.82	8,899.33	2,209.40	-	13,813.60	364.99	151.25	213.74	-	69.92	(65.43)	148.31
14	Pearl Global USA Inc.	29-07-21	31-03-23	USD	82.22	247.48	3.79	1,072.22	820.94	-	2,620.71	5.55	4.89	0.66	-	100.00	-	0.66
15	Alpha Clothing Limited	04-09-22	31-03-23	BDT	0.78	1,353.77	1,565.71	8,946.66	6,027.17	-	9,410.70	1,141.25	114.97	1,026.28	-	52.11	-	1,026.28

Figures are on consolidated basis.

Following average exchange rate taken for P/L Statements

1US\$ = ₹ 80.39

1BDT = ₹ 0.82

1VND = ₹ 0.0034



CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIAL STATEMENTS

For and on behalf of the Board
for **Pearl Global Industries Limited****(Pulkit Seth)**
Vice-Chairman
DIN 00003044**(Pallab Banerjee)**
Managing Director
DIN 07193749**(Narendra Somani)**
Chief Financial Officer
M. No. 092155**(Shilpa Budhia)**
Company Secretary
M.No.: ACS-23564**(Sanjay Gandhi)**
Group CFO
M. No. 096380Place: Gurugram
Date: May 15, 2023

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PEARL GLÖBAL

Exceeding Expectations...Always

Pearl Global Industries Limited

Registered Office

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Vasant Vihar,
New Delhi - 110057
CIN: L74899DL1989PLC036849

Corporate Office

'Pearl Tower'
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(Haryana)