

PGIL/SE/2023-24/25

Date: June 27, 2023

THE GENERAL MANAGER,
DEPARTMENT OF CORPORATE SERVICE - CRD
BSE LIMITED
1ST FLOOR, NEW TRADING RING
ROTUNDA BUILDING, P. J. TOWERS
DALAL STREET, FORT,
MUMBAI - 400 001
Reg: Scrip Code: BSE-532808

THE GENERAL MANAGER,
LISTING DEPARTMENT
NATIONAL STOCK EXCHANGE OF INDIA
LTD.
"EXCHANGE PLAZA", PLOT NO. C- 1,
G- BLOCK, BANDRA - KURLA COMPLEX,
BANDRA (E), MUMBAI - 400 051
NSE: PGIL

Sub: Press Release

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a Press Release on acquisition of 55% stake in Pearl GT Holdco Ltd incorporated in British Virgin Islands.

You are requested to take the same on your records.

Thanking you,
Yours faithfully,

For **Pearl Global Industries Limited**

Shilpa Budhia
(Company Secretary & Compliance Officer)
ICSI M. No.: ACS-23564

Encl: as above

Pearl Global Industries Limited

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CIN: L74899DL1989PLC036849

Regd. Office: C-17/1, Paschimi Marg, Vasant Vihar, New Delhi - 110057

Pearl Global Industries Limited announces acquisition of 55% stake in Pearl GT Holdco Ltd

Delhi, 27th June 2023

Pearl Global Industries Limited (PGIL), one of India's largest garment exporters has announced its strategic expansion into Guatemala, recognizing the unparalleled opportunities offered by the country's unique competitive position. The company has acquired a 55% stake in Pearl GT Holdco Ltd for a consideration of USD 550,000. The acquisition will be funded through internal accruals.

Pearl GT Holdco Ltd. is incorporated as the holding Company of Shoretex Sociedad Anonima (Shoretex), and Corporacion de Productos y Servicios Asociados, Sociedad Anonima (Corpasa).

Shoretex and Corpasa is incorporated in Guatemala and is engaged in the business of Manufacturing and Trading in Garments. By way of this acquisition, the Company is 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. This move enables PGIL to further strengthen its presence in three of the four major sourcing bases, catering to the evolving needs of its customers.

The companies are currently owned by Guatemalan residents and are generating an annual revenue of US\$ 3.8 Mn operating across 3 lines.

The companies have a net worth of USD 1,068,552.

Post the acquisition, Pearl GT Holdco Ltd shall incur a capex of up to USD 2,000,000 in the subsidiary to expand capacities across 12 lines which shall generate an annual revenue of US\$ 20 Mn.

Commenting on the above, Group Vice Chairman, Mr. Pulkit Seth said:

"We are excited to announce our acquisition of a 55% stake in Pearl GT Holdco Ltd, signalling our commitment to diversifying our manufacturing capabilities and expanding our reach. This strategic move allows a paradigm-shifting opportunity that presents unique competitive advantages for our company. The acquisition of a 55% stake in Pearl GT Holdco Ltd is a significant step forward in our growth strategy. By entering the Central America region, we are seizing near shore manufacturing opportunities that align with our customers' needs, particularly in the post-pandemic era.

The COVID-19 pandemic has exposed the vulnerabilities of longer transit countries as sourcing bases, prompting us to prioritize near shore capabilities that emphasize speed and inventory control. With its stable business environment and membership in the Central America Free Trade Agreement (CAFTA) allowing us to tap into duty-free benefits, Guatemala stands out as the most stable environment in the near shore region.

Having a presence in three out of the four major sourcing bases enhances our ability to meet and exceed our customers' needs. We are committed to leveraging Guatemala's strengths and delivering comprehensive solutions that address the evolving demands of our valued clients."

About Pearl Global Industries Limited:

Established in 1989, Pearl Global Industries Limited (PGIL) is one of India's largest listed garment exporters, manufacturing from multiple sourcing regions within India and countries within South Asia. A preferred long-term vendor to most leading global brands, company is amongst the leading player in textile Industry. The mainstay business is to create value from competitively manufacturing and exporting fashion garments to leading global brands. Product range includes knits, woven and bottoms (basic and complex designs) across men, women and kids wear segments. Company has a well-diversified and de-risked manufacturing base with 22 manufacturing units spread across India, Indonesia, Bangladesh, and Vietnam. PGIL has a total capacity to manufacture around 75 million units per year (including own and outsourced facilities) Company revenue structure is primarily export based, with a major contribution coming from exports to the United States. Exports contribute more than 95% to the company's topline. PGIL provides total supply chain solutions to customers-value retailers and high-end fashion brand retails in the United States and Europe. Business model enables them to offer superior quality products across various countries, catering to all kinds of consumers. Key Global clientele include GAP, Banana Republic, Kohl's, Macy, Walmart, Target Australia, Inditex, Ralph Lauren, Next, Tom Tailor, Old Navy, Muji among others.

Safe Harbor:

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

For further details please contact:

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