PEARL GLOBAL

Exceeding Expectations...Always

Global Strides, Stronger Ties.

Pearl Global Industries Limited

Annual Report **2023-24**

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Investor Information

Market Cap	: ₹ 2,716.13 Crores (as on May 18, 2024)
CIN	: L74899DL1989PLC036849
BSE Code	: 532808
NSE Symbol	: PGIL
Bloomberg Code	: PGIL:IN
Dividend Declared	: Interim
AGM Date	: July 25, 2024
AGM Mode	: Virtual

For more investor-related information, please visit:

https://www.pearlglobal.com/investor-relations/

Or simply scan the QR Code above

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.

Global Strides. Stronger Ties.

At Pearl Global, our journey is defined by a dedication to excellence and a commitment to forging meaningful connections. As we navigate the dynamic landscape of the global apparel industry, this year encapsulates our vision and ethos.

We are driven by our belief in the power of the best talent, which we bring together to create a vibrant and innovative environment. With a focus on attracting and nurturing top professionals, we ensure that our teams are equipped to excel in delivering comprehensive supply chain solutions through cutting-edge technology and forward-thinking fashion insights. We understand the unique requirements of each brand we partner with and tailor our offerings to meet and exceed these expectations.

Our global strides reflect our relentless pursuit of innovation, quality, and sustainability. From our diversified product offerings to our operations across multiple geographies, we continuously evolve to meet the diverse needs of our clients and the ever-changing market demands. With a robust design team and 24 manufacturing units (Including Partnership Facilities) worldwide, we excel in creating high-quality products while maintaining strong operational rigour and sustainability in everything we do.

We are dedicated to bringing customised solutions to some of the world's biggest retailers, building strong relationships with these leading marquee clients. Our industry spans across the globe, connecting us with major international brands and retailers, further enhancing our global reach and influence.

Central to our success is the strength of our ties—with our valued customers, dedicated employees, and trusted partners. These relationships are the cornerstone of our growth, enabling us to deliver unparalleled value and foster mutual success. By cultivating an environment of collaboration and trust, we ensure that our global network thrives, driving us forward on the path of progress.

Together, we continue to make significant global strides, building a future defined by resilience, innovation, and enduring ties.

Key Highlights in 2023-24

₹ 3,436.15 Crores
Revenue

₹ 307.8 Crores
EBITDA

8.96%
EBITDA Margin

4.9%
PAT Margin

Our Stature

10
Countries (Global Presence)

24
Manufacturing Units (Including Partnership Facilities)

83.9 Million
Units Capacity Annually

25,708 Direct
Workforce

75 Direct
Designers (Globally)

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Global Vision, Local Expertise

Pearl Global Industries Limited ('Pearl Global' or 'We' or 'Our Company') was founded in 1987 by Mr. Deepak Kumar Seth. Since then, we have grown into a prominent global apparel multinational Company. 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.

HOW WE DO IT

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.

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.

Customised Solutions

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.

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 achieve our sustainability goals, while also ensuring that our products meet the highest quality standards, thus generating value for our stakeholders.

Skilled Team

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.

At Pearl Global, we strive to create garments that not only appeal to diverse fashion tastes but also embodies our dedication to sustainability. Our founding principle is to provide end-to-end supply chain solutions to the global fashion industry. We achieve this by empowering individuals and safeguarding the environment, ensuring that every garment we produce is a testament to our values and vision.

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

STRONG SUCCESS MARKERS

DIVERSIFIED PRODUCT OFFERING

Knits, Wovens, Denim, Outerwear, Activewear, and Athleisure

MULTINATIONAL PRESENCE

Across **10** Countries such as India, Indonesia, Bangladesh, Vietnam, Guatemala, the US, Spain, Hong Kong, the UK, and UAE

ROBUST DESIGN TEAM

75 Designers in 5 Countries

MANUFACTURING CAPABILITY

24 Manufacturing Units (including Partnership Facilities)
Total Capacity: **83.9** Million Units per Year

OPERATIONAL RIGOUR

Delivering Timely Promises

SUSTAINABLE CARE

Environment-Friendly Solutions

CUSTOMISED SOLUTIONS

Biggest Pillar of Our Operations

PERFORMANCE MANAGEMENT

Strategise, Plan, Perform, and Monitor Processes at Every Stage

MARQUEE CLIENTELE

Kohl's, PVH, Inditex, GAP, Old Navy and Macy's, among others

PEARL GLOBAL
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Local Roots, Global Reach

2011
Expanded Bangladesh operations with Norp 2

2014
Commenced Operations in Bengaluru

Demerger of the sourcing, marketing and distribution business

2007
Listed at NSE and BSE

2004
Built import and distribution in the US and the UK

Commenced Norp 1 operations in Bangladesh

2002
Started operations in Indonesia

1987
Commenced commercial operations (by erstwhile Pearl Global Limited)

1998
Established presence in Hong Kong

2016

Commenced operations of Pearl 1, in Chennai

2017

Commenced operations in Vietnam

2020

Commenced operations of Prudent Fashions in Bangladesh

2021

Inaugurated own corporate office of PT Pinnacle Apparels in Indonesia

Acquired land for acquisition of PT Pinnacle Apparels' operations in Indonesia

2022

Acquired Alpha Clothing Limited in Bangladesh

2023

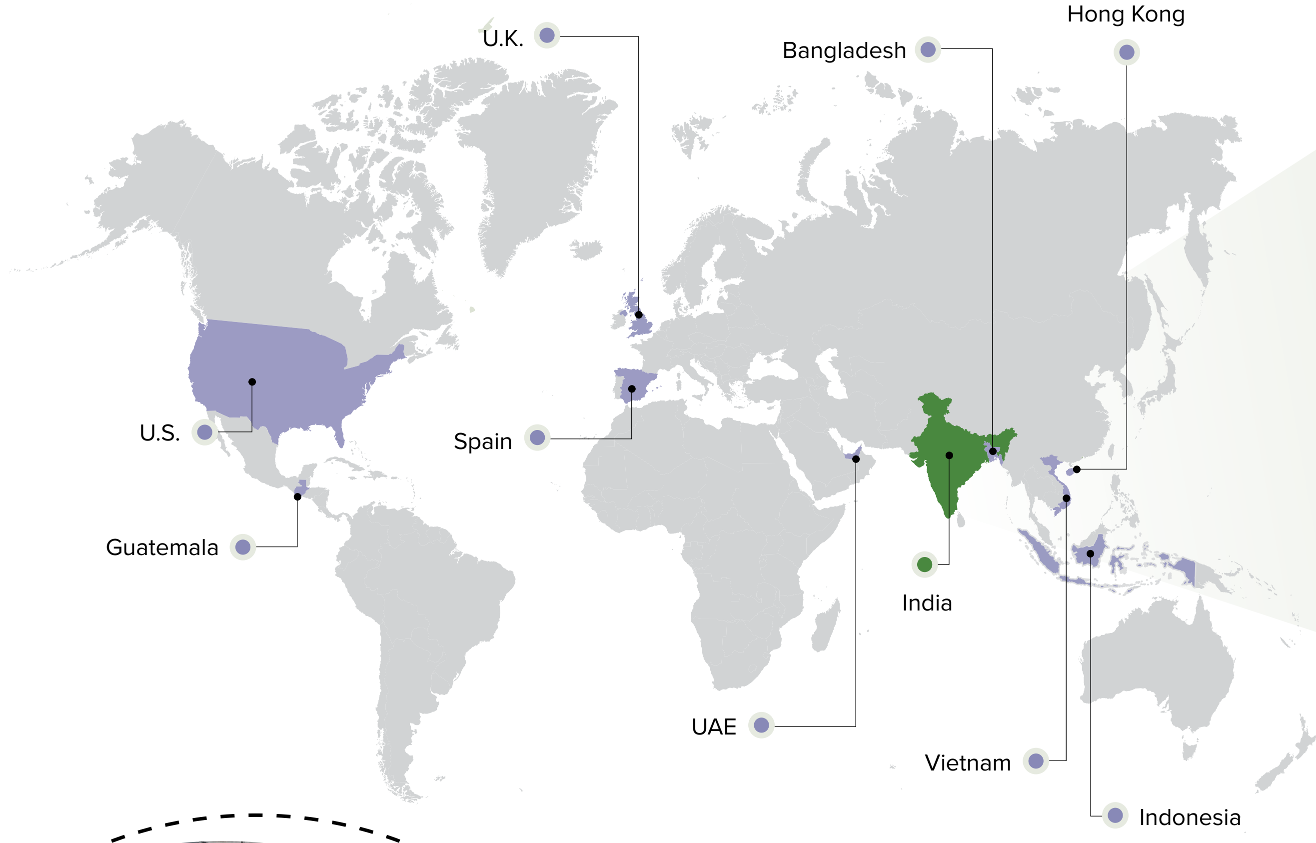
Expanded capacity by building a new facility on owned land in Indonesia

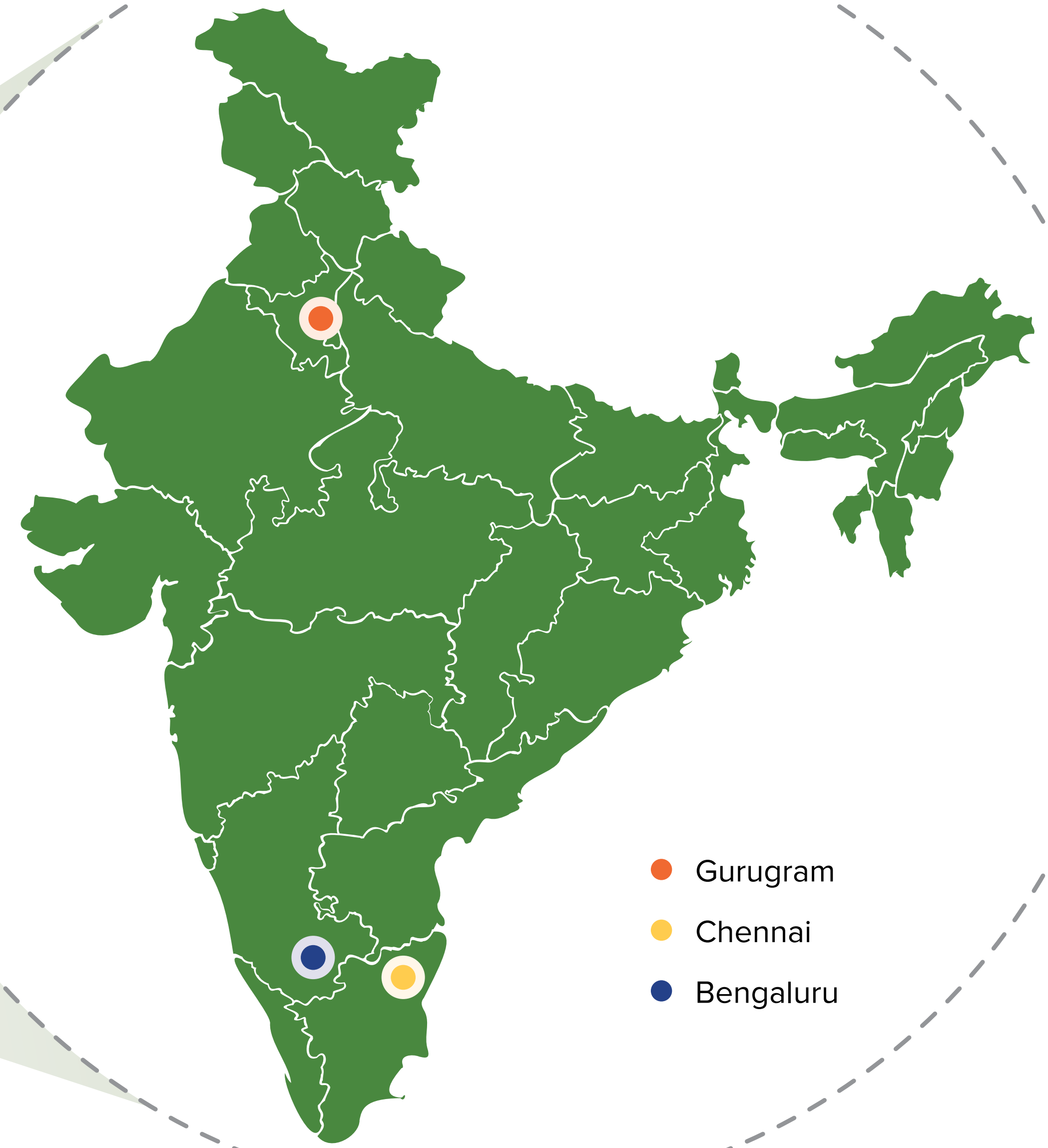
Expanded operations in Guatemala

Connecting Continents, Strengthening Bonds

With a presence spanning across three continents, we have emerged as a leading apparel company, through superior design and sustainable practices. We embrace the ever-evolving world of fashion with a strong emphasis on teamwork, trust, and a steadfast focus on systems. Our journey is not just about expanding geographically; it is about strengthening bonds across borders.

GLOBAL PRESENCE ACROSS 10 COUNTRIES





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.

Crafting Quality, Creating Connections

At Pearl Global, we have led the industry for decades by manufacturing top-notch apparel for renowned global brands, all while championing sustainable solutions. Our dedication to excellence and integrity fuels our passion to continuously refine our craft. This results in a diverse portfolio that resonates with individuals of all ages, sizes, and genders.

We take pride in integrating sustainable practices across all facets of our manufacturing processes. Through a collaborative design approach, each piece is meticulously crafted to meet the individual needs of our clients, ensuring uniqueness and distinction. Embracing inclusivity, we offer accessible options that celebrate the diversity of every individual. Our commitment to quality extends to sourcing fabrics from top-tier supply chains worldwide, ensuring adherence to rigorous international standards.

OUR CLOTHING CATEGORIES

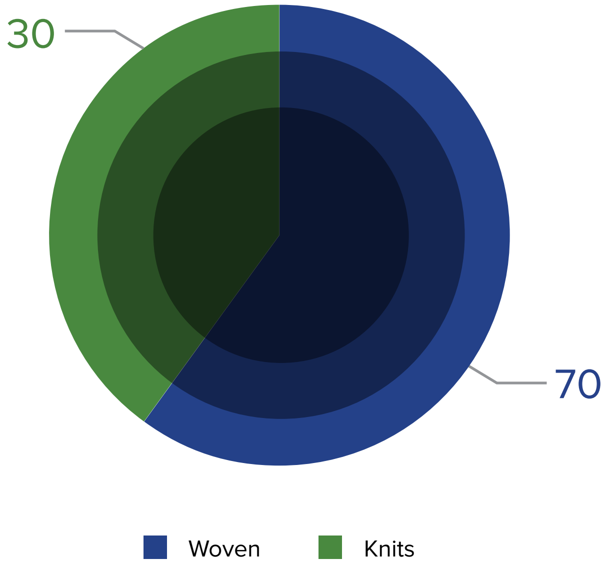
GENDER-WISE SPLIT

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

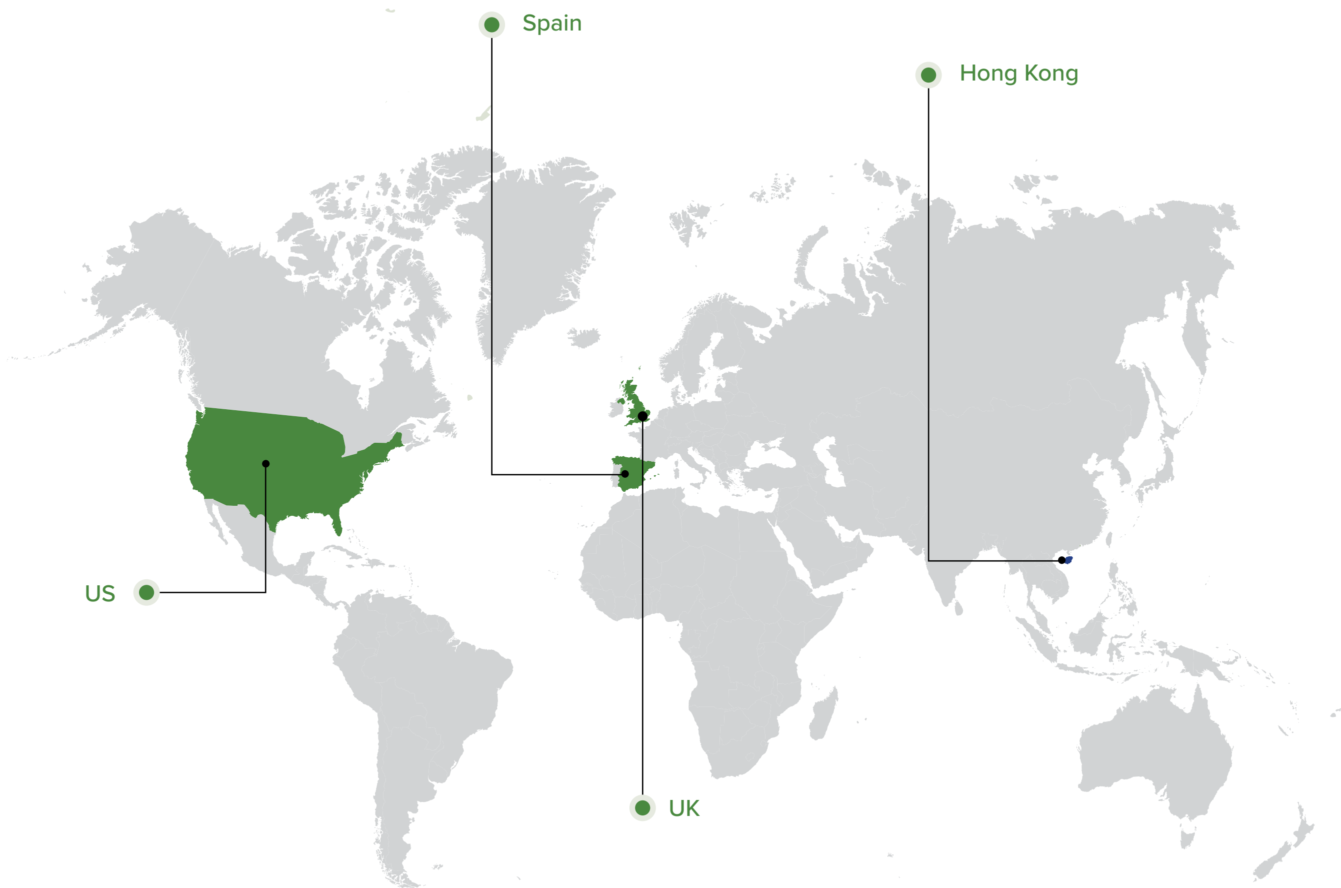
Design and Marketing Offices

- Hong Kong
- Spain
- UK
- US

PRODUCT-WISE SPLIT (%)



GLOBAL DISTRIBUTION OF APPAREL DESIGN AND MARKETING OFFICES



Letter from the Chairman

> We embrace the core pillars of Trust, Transparency, and Teamwork. Trust forms our foundation, Transparency fosters open communication, and Teamwork drives our collective success. These pillars guide our actions, shaping a culture of collaboration and reliability.

Dear Stakeholders,

At the outset, I am delighted to share that Pearl Global has achieved remarkable milestones in terms of expansion and financial strength, showcasing our strong strategy, outstanding execution, and unwavering resilience. Our outstanding achievements were characterised by sustainable sales growth, addition of new marquee customers, and manufacturing capacity expansion, a growth in shipped products, and record-breaking EBITDA. Despite facing various challenges, our team has displayed exceptional determination and perseverance, contributing to our continued success.

Our unique heritage, defined by our continuous innovation and stylish apparels, consistently guides our creative efforts season after season. We are dedicated to showcasing this heritage and our exceptional manufacturing capabilities, while maintaining a vigilant approach that aligns with the current global context. Our purpose is to offer products made with great attention to detail, beautiful designs, and quality materials. Our products are made with a great sense of responsibility, considering their social and environmental impact.

The Big Picture

In 2023-24, India's economy demonstrated remarkable growth, despite challenges. It surpassed the earlier expectations with an expected growth rate of 7.6%. This was supported by a combination of stringent policy and regulatory measures, coupled with the gradual resurgence of the private sector. Positioned on the brink of further economic advancement, the country is propelled by substantial investments in emerging sectors, continued Government spending, and efficiency gains driven by upgrading digitalisation and infrastructure. While the fashion industry may face some challenges in demand, we firmly believe that a resurgence is on the horizon. Guided by these promising indicators and the strategic initiatives we have implemented, we are poised for sustainable growth in the coming year and beyond.

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

Our Commitment

At the heart of Pearl Global is our commitment to partnership and ownership, empowering individuals to seize opportunities and cultivate a culture rooted in our cherished values. **We embrace the core pillars of Trust, Transparency, and Teamwork. Trust forms our foundation, Transparency fosters open communication, and Teamwork drives our collective success. These pillars guide our actions, shaping a culture of collaboration and reliability.**

We offer our products through the best customer experience, ensuring that when people visit us, we give them quality at par with the confidence they place in us. We want our products to be appreciated by end-customers for the personal touch and affection that each of our designers, pattern makers, sales teams, buyers, suppliers, and employees put into them. All these factors make our business possible. We believe firmly that our customers value this commitment, and we work tirelessly to honour this very special relationship.

Our people are the driving force behind our achievements. We believe that their collective talent, creativity, and dedication are the cornerstones of our success. By fostering an inclusive and empowering work environment, we enable our employees to reach their full potential and contribute meaningfully to our goals.

Our team comprises both manufacturers and retailers, and we have a diverse customer base. Our Board of Directors stand at the forefront of our organisation, driving value-accredited growth not just to the business but to every stakeholder in our value chain.

We have in place a strong leadership team that guides our path towards sustainable growth. We have onboarded Dr. Rajiv Kumar, Mr. Sanjay Kapoor, and Mr. Ashwini Agarwal as the Non-Executive Independent Directors. They bring in rich experience in their respective field and their guidance will surely help the Board and our Company in achieving the goal we have set forward for the next three-to-four-year period. We also extend our deepest gratitude to Mr. Anil Nayar Mr. Rajendra Kumar Aneja, and Mr. Chittranjan Dua for their invaluable contribution towards our Company during their tenure as Independent Directors.

At the same time, we have prioritised investments in our social and environmental commitments. This aligns 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.

We are as excited and unwilling to settle as ever. We want to do everything within our power to make a positive difference in the future. The magic at Pearl Global pushes us to continue to do better, achieve more milestones and push our boundaries.

Way Forward

I would like to share our vision for the future. We will focus on financial discipline to avoid excessive leverage and ensure the strength of our profit and loss, cash flow, and balance sheet. We must foster an entrepreneurial mindset within our organisation, with actions speaking louder than words and embodying the principle of 'walking the talk.'

We need to build strong foundations through continuous innovation in design, operational excellence, and digitisation, while adhering to the basics. Collaboration is paramount, as a united 'we' will always surpass an individual 'I.' Embracing openness, merit-based decision-making, and a belief in our people is crucial to our culture and values. Encouraging autonomy and freedom, while building trust as the cornerstone of our relationships, is essential.

Recognising the importance of family and social connections is vital to our overall well-being. At the same time, we understand that discipline, hard work, values, and a healthy lifestyle are essential for business and professional success. To achieve these objectives, we need to establish strong foundations. This includes compliant capacity, customer dependency, credit, compliance, currency, cost, inventory, trust, transparency, and teamwork. These building blocks will support our growth and success.

Closing Note

I extend my heartfelt gratitude to the members of our Executive Committee and the exceptional teams within our organisation for their passion and energy throughout the past year. I am deeply thankful to my esteemed colleagues on the Board for their steadfast commitment and invaluable guidance. This is more so 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 deeply value the trust and partnership we have built together to strive for excellence and achieve our shared goals.

Sincerely,

Deepak Kumar Seth
Chairman

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Letter from the Vice-Chairman

> The exceptional results for 2023-24 reflect our robust global competitive edge. Leveraging our core strengths, we have achieved sustained growth, driven by a diversified customer portfolio.

Dear Stakeholders,

Fashion reflects the social changes and trends unfolding in the world around us. **At Pearl Global, we are proud to make quality and affordable fashion for millions of people worldwide, helping them express their individuality. It is also a representation of what moves them and what unites them.** This Annual Report provides an account of our performance in 2023-24, our identity, and our attention to detail in offering quality products that meet our customers' demands. It also highlights our evolution and the progress we have made in transforming our sector.

Our strong and diverse customer base, coupled with a wide geographic presence, positions us well for continued success in the years ahead. This will further enable us to expand our market share in the total addressable market. We are confident that our strategic approach and commitment to excellence will propel us to even greater heights in the future.

The Overarching Story

2023-24 was marked by significant complexity and instability. Uncertainty has become a status quo in which we have to carry out our businesses. Our strong corporate culture, the hallmarks of which include careful decision making, committed professionals, being nimble, and thinking outside the box, sets us apart. It gives us an edge in these times and allows us to continue to bring the beauty that is fashion to millions of people.

We are delighted to announce our best financial performance since inception in 2023-24, with a remarkable 21% year-on-year (y-o-y) increase in overseas revenue. Additionally, our group level EBITDA crossed the ₹ 300 Crores mark on a full year basis. The exceptional results for 2023-24 reflect our robust global competitive edge. Leveraging our core strengths, we have achieved sustained growth, driven by a diversified customer portfolio.

Today, we have a diversified product offering and operate in multiple locations globally. With 24 manufacturing units including partnership worldwide, a robust design team, and a strong operational foundation, we are committed to sustainable practices in all aspects of our operations.

We specialise in providing customised solutions to some of the world's largest retailers, building strong relationships with them.

In our industry, there are several big retailers and international brands worldwide. As a manufacturer and exporter, we compete with other companies to cater to these customers.

Throughout our history, we have demonstrated our ability to identify promising projects and establish high-potential partnerships. Our consistent success is rooted in strategic thinking, efficient resource allocation, and personalised support, all underpinned by our unmatched expertise. Our commitment to expansion through partnerships serves as a powerful driver for our Company's growth, allowing Pearl Global to meet fashion aspirations worldwide. Each new partnership represents a new chapter, a fresh value chain, and the acquisition of new expertise, propelling us to even greater heights.

We have a strategic approach to sourcing that involves a combination of 100% owned factories and partnership factories. This strategy is particularly important in mature markets like Vietnam and Bangladesh. These partnerships allow us to leverage the ecosystems that have been built in these countries, enabling us to produce both in our own factories and in professionally run partner factories. Currently, about 16% of our sourcing occurs through these partnership factories.

ESG Commitment

As a responsible apparel manufacturer, we are committed to reducing our carbon footprint. We have adopted renewable energy sources in our operations and implemented several sustainable initiatives. These include using eco-friendly fabrics with extended lifespans, conducting environmental impact assessments, and implementing solar power generation. **Additionally, we have initiated the Aqualess Mission aimed at reducing water consumption in garment manufacturing processes.** **We have also made substantial investments in reducing water consumption for denim washes, achieving an impressive 85% reduction.** This has resulted in the elimination of hazardous chemicals in our production processes. Each garment now receives an Environmental Impact Score during the design phase, ensuring minimal environmental impact.

Open communication with our employees is crucial for developing mutual trust and understanding, which in turn aligns the workforce with our Company's vision. As a global Company, there is ample opportunity for learning and growth. Whether it is working on new technologies or innovating existing processes, we are constantly striving to create a better workspace for everyone. We encourage our employees to seize new opportunities at various group locations to advance their careers to the next level.

In collaboration with the Gurugram Metropolitan Development Authority (GMDA) and the Abhipsa Foundation, we have spearheaded a remarkable initiative. Together, we have transformed a once-neglected 0.5-acre plot in sector 32, Gurugram, into a vibrant green belt. This area, which was previously a waste dumping ground, now stands as a testament to our commitment to environmental stewardship and community well-being.

This initiative aligns with Pearl Global's core values of sustainability and community enhancement. By reclaiming and revitalising this space, we are taking significant strides towards environmental preservation and fostering a stronger, healthier community. We are proud to lead such impactful projects and remain committed to driving positive change for a better tomorrow.

Strategy Going Forward

At Pearl Global, we have a multinational presence and plan for growing revenue from these regions. We anticipate achieving growth across regions where we are currently present. It is important to note that 99% of apparel manufacturing and trading happens within four different supply chains, and we are currently operating in three of them.

In terms of product design, we focus on co-creating products based on the needs of the end customer. Our robust design team utilises modern techniques, such as 3D CAD rendering and other advanced design software, to innovate with woven fabrics. These technologies enable the creation of intricate patterns, textures, and designs that enhance the visual and functional appeal of woven products.

We are committed to the asset-light model and will continue to progress in this direction, leveraging our presence in various locations. Looking ahead to the next four or five years, we aim to acquire more customers, increase wallet share with existing customers, expand geographically, automate our facilities and processes, and optimise our capacities. We also plan to pursue partnership facilities and capitalise on state government initiatives to facilitate the setting up of manufacturing facilities by creating a conducive manufacturing ecosystem in India.

It would be remiss of me to sign off without referring to one of our greatest strengths. In a world in which everything seems to be changing quickly, Pearl Global boasts solid roots and a shareholder and financial structure that allows us to set our sights – truly – on the long term. Our stability is what allows us to be extraordinarily flexible and nimble when required of us by the market environment or our customers. With more investment, more innovation and doubling down on what we truly believe in, here at Pearl Global, we are ready to continue to thrive among change.

Warm regards,

Pulkit Seth
Vice-Chairman

Letter from the MD

In our ongoing efforts to enhance operational efficiency and product quality, we have successfully modernised all our factories, implementing a comprehensive digitisation strategy. One of the key outcomes of this initiative is the introduction of unique QR codes on each garment we produce.

Dear Stakeholders,

Fashion and lifestyle trends evolve globally at a rapid pace, and our efforts at Pearl Global reflect this trend. We ensure **our global growth and relevance by listening to our customers' feedback, continuously refining our products, and staying abreast of the latest trends. By doing so, we accurately reflect the zeitgeist and cater to the dynamic needs of our clientele, securing our position as a leader in the global fashion landscape.** Our 2023-24 performance has witnessed strong growth year-over-year across all metrics. Our group level EBITDA crossed ₹ 300 Crores mark on a full year basis. Increased profitability from our overseas operations, combined with a better product mix and enhanced operational efficiency, has boosted our EBIDTA margin (excluding ESOP expenses) by 100 basis points year-on-year.

Our adaptability to the constantly changing market conditions is deeply rooted in our longstanding connection with the real fashion world. This foundational principle, though simple in appearance, is at the core of our identity. Our business model is the result of a harmonious integration of teamwork, talent, creativity, innovation, dynamism, efficiency, and flexibility. It is a culture deeply ingrained in us, one that constantly pushes our boundaries and extends beyond our comfort zones.

This unique combination empowers us to navigate the dynamic fashion industry landscape with agility and resilience. It ensures that we remain at the forefront of industry trends and continue to meet the evolving needs of our customers.

Global Strides, Stronger Ties

In 2023, the US market experienced a challenging period for imports, with a significant inventory overhang leading to a 15% reduction in imports compared to the previous year. This situation impacted manufacturers worldwide, as orders decreased by 15% to 20%. However, this phase seems to have concluded, with fresh inventory being placed in stores. This indicates a potential improvement in order volumes for the upcoming period.

In Europe, while there was no inventory issue, cautiousness prevailed due to the Ukraine war and other geopolitical tensions. As a result, European countries bought about 13% less inventory overall, with countries like the UK and Germany reducing imports by 17%. On the other hand, Japan, known for its conservative approach post-pandemic, saw a modest 4% decrease in imports compared to 2022. Despite these challenges, we have remained vigilant and responsive to the market dynamics, ensuring adaptability to changing global trends and demands.

We have manufacturing facilities in Gurugram, Chennai, and Bengaluru in India; Dhaka in Bangladesh; Hanoi in Vietnam; Semarang and Kabupaten Demak in Indonesia; and Guatemala City. Our design and market intelligence centres in New York, London, Madrid, Barcelona, and La Coruna, Spain, collaborate closely with customers to co-create products. In addition, each manufacturing location has a team of designers dedicated to product development.

In India, we focus on products blouses, dresses, shirts, some requiring intricate handwork, like flowy dresses with lace insertions, using lighter fabrics such as double gauze. In Dhaka, we concentrate on core basic items like polos, hoodies, fleece products, track pants, track bottoms, and track tops. While we also produce some women's products in Bangladesh, they are relatively basic compared to our offerings from India. Bangladesh is also known for its denim and bottom products.

In Vietnam, we specialise in outerwear, including technical outerwear and athletic garments. We also produce high-end technical items with features like heat quilting, seam sealing, and flat lock stitching. In Indonesia, our focus is to develop upmarket and smaller brands with a better value proposition. We do have capability to make technical high-altitude outerwear, skiwear, and we also produce dresses and blouses using synthetic fabrics that require intricate needlework.

In Guatemala, where we recently started operations in 2023, we serve as a near-shore option for the US customers. With the current challenges in inventory management and logistics, the US customers are increasingly sourcing 5% to 10% of their inventory from near-shore production markets. Although still a small operation, however Guatemala is an important location for our customers in the US. We have started supplying knit items like, Polo T-shirts, synthetic knits and cotton tees and hoodies and track bottoms, among other knitted products.

Operational Efficiency

In our ongoing efforts to enhance operational efficiency and product quality, we have successfully modernised all our factories, implementing a comprehensive digitisation strategy. One of the key outcomes of this initiative is the introduction of unique QR codes on each garment we produce.

These QR codes serve as a hallmark of our commitment to transparency and quality assurance. While they enable us to track every garment from the fabric source to production, they also help us capture vital information such as the fabric's origin, manufacturing process details, and the individuals involved at each step. This level of traceability ensures 100% inventory and quality control, and traceability for our garments.

Furthermore, this initiative has positioned us well to meet the evolving demands of the market, especially from the US retailers and the Government. They emphasise on traceability in garments to prevent sourcing from regions with forced labour. Our ability to provide complete garment history at the scan of a QR code demonstrates our readiness to meet these stringent requirements.

Going Ahead

Our business strategy revolves around building a diversified portfolio that not only drives revenues but also improves margins, supported by an asset-light business model. We aim to reduce dependency on any specific vertical, ensuring long-term growth sustainability and risk mitigation.

With a robust balance sheet, steady cash flows, and global competitive advantage, we are well-positioned to grow in all the geographies to capitalise on growth opportunities. We aim to enhance our order book with value-accretive orders, leveraging the strong tailwinds in the infrastructure sector. We also aim to achieve a double-digit EBITDA in the coming years. All these, coupled with our focus on revenue growth and consistent margin improvement, will drive sustainable enhancements in Return on Capital Employed (RoCE).

We are excited to announce our strategic expansion plans for the coming years, aimed at enhancing our production capacity and geographical reach. The indicative capital expenditure (capex) for capacity expansion from 2023-24 to 2027-28 is forecasted to range from ₹ 450 Crores to ₹ 550 Crores. This growth will be funded through a mix of internal accruals, debt, and expansion capital, ensuring a strong financial foundation for our expansion endeavours.

In India, we are currently in the advanced stage of entering into lease for capacity expansion in two states, Madhya Pradesh and Bihar through subsidiaries and are exploring opportunities in other locations and states to boost our domestic presence. Overseas, we have already executed a subsidiary in Guatemala. Additionally, we continue to evaluate the acquisition of factories in other countries to further strengthen our global footprint. We have a strong financial position, experienced leadership, and a dedicated workforce. With all this in place, we are confident in our ability to adapt to changing market dynamics, identify new growth opportunities, and deliver exceptional value to our stakeholders.

Acknowledgment

I extend my heartfelt gratitude to the members of our Board, our shareholders, business partners, the Pearl Global team, and all stakeholders for their support and trust in our growth journey. I look forward to your continued engagement and partnership in the years to come.

Regards,

Pallab Banerjee
Managing Director

PEARL GLOBAL
Exceeding Expectations...Always

Letter from the Group CFO

> Our commitment to governance, risk management and financial discipline remains at the core of our growth strategy, which is also duly reflected in our Company's improved credit ratings over the past two years. Resource mobilisation and optimisation will ensure healthy capital employment across geographies, thereby maximising returns.

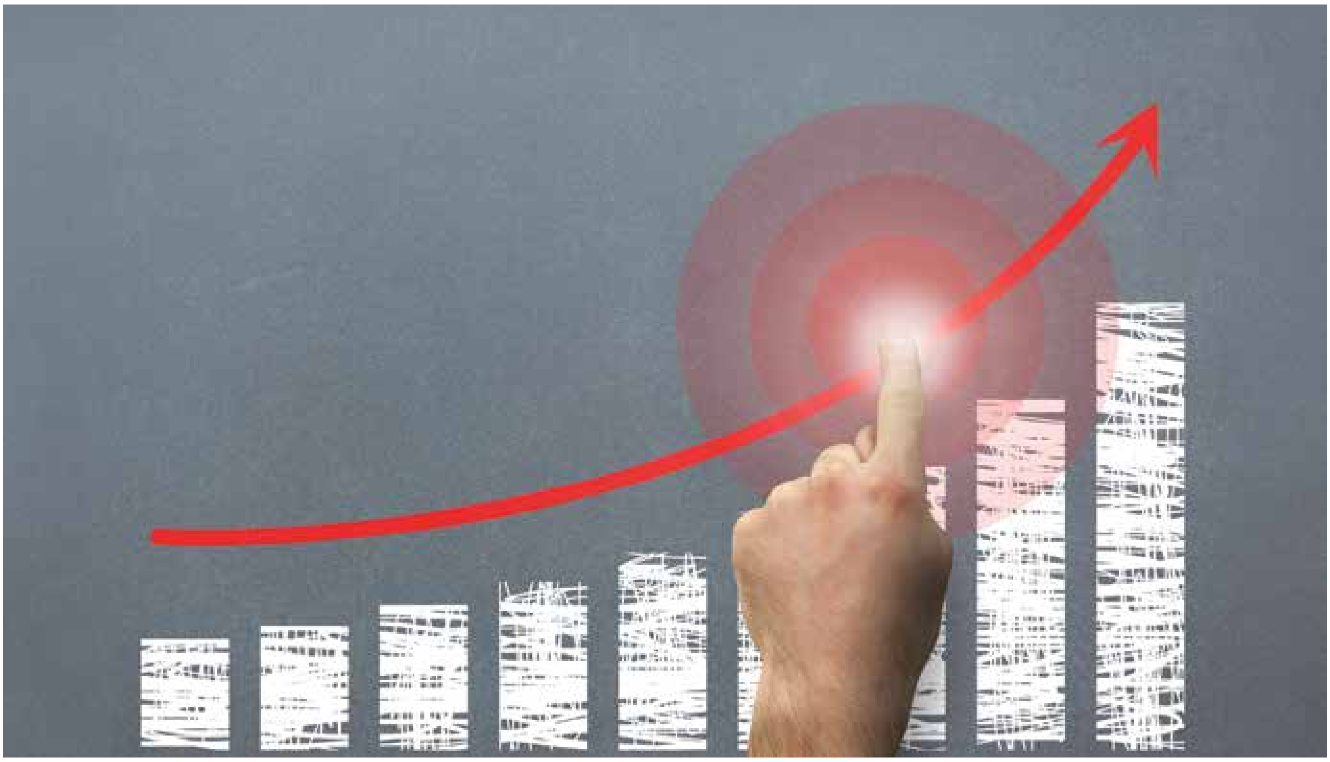
Dear Stakeholders,

I am delighted to share our significant progress and accomplishments over the past three years, which have resulted in improved financial performance. Our revenue has more than doubled since 2020-21, surpassing our initial growth target of 8% to 10% by achieving a remarkable 12% to 14% growth within three years. Our EBITDA has shown substantial improvement, increasing from 4% to almost 9%. This improvement can be attributed to various strategies implemented across verticals and geographies, including operational leverage and optimising our product and customer mix.

Coming to specifics, our consolidated revenue for 2023-24 showed a remarkable growth of 9% y-o-y, reaching ₹ 3,436.15 Crores compared to ₹ 3,158.41 Crores in 2022-23. Furthermore, our EBITDA for 2023-24 amounted to ₹ 307.8 Crores, representing an impressive y-o-y growth of 22% as opposed to ₹ 258.2 Crores in 2022-23. In addition, we witnessed a noteworthy improvement in our margin, with a y-o-y increase of 100 basis points – elevating it from 8% in 2022-23 to 9% in 2023-24. These achievements underline our commitment to operational excellence, strategic growth, and financial sustainability.

Our efforts to optimise working capital have been successful, with working capital days reduced from 70, 65, and 60 to just 30 days. This improvement was driven by our digitisation efforts, which reduced turnaround time from raw material to finished goods across factories/geographies. As a result, we have unlocked working capital, leading to lower debt servicing, and reduced working capital risk.

At Pearl Global, we prioritise risk mitigation to safeguard our financial position and operational stability. Our raw material costs are passed through to ensure stability. Our inventory is only maintained against order, with TAT being monitored at each stage, thereby enhancing operational efficiency. Additionally, our currency exposure is minimal, with natural hedges in place for overseas operations and domestic sourcing for 99% of our fabric in India.



We follow a calibrated hedging policy for export currency, protecting profits in the face of currency fluctuations. Compliance with product and social ethical standards is paramount in all our operations, meeting the stringent requirements of our buyers. We strictly adhere to regulatory requirements, including company laws statutory regulations, and income tax laws, supported by a robust governance framework.

Additionally, we prioritise customer relationship management, ensuring strong relationships and customer satisfaction. Our cash flow management practices, capital allocation policy, and asset-light approach are all geared towards optimising financial performance and ensuring sustainable growth.

We have made significant strides in strengthening governance and have been focussing on scalability and value protection for our shareholders and stakeholders. We appointed Big 4 top accounting firm as Statutory Auditors for overseas companies, bringing in best practices that have helped in strengthening system and processes.

To further bolster our internal audit operations, we engaged E&Y as internal auditors in India and Bangladesh, recognising that these regions contribute significantly to our revenue. Strengthening operational processes in these key markets is crucial for long-term scalability. We have also automated several processes related to group consolidation, MIS review, concurrent audits, and factory MIS reviews. These efforts have enhanced governance, transparency, and stakeholder communication within our Company.

Our commitment to governance and financial discipline has resulted in improved Company credit ratings over the past two years. This has enabled us to secure lower interest rates despite the prevailing market conditions. We have managed to maintain or even reduce our interest rates, despite increases in the broader interest rate environment in India.

At Pearl Global, we have a clearly defined capital allocation policy that prioritises a balance between growth and returns to shareholders. As a regular dividend paying Company, we have established a dividend policy stating that at least 20% of our net profits should be distributed to shareholders. Our goal is to ensure that while we focus on growth, we also deliver value to our shareholders. This approach reflects our commitment to responsible and balanced capital allocation.

We are dedicated to revolutionising the fashion industry worldwide. We prioritise the implementation of strong internal controls and focus on maintaining high standards of corporate and risk governance within our Company. By emphasising on financial discipline through prudent capital allocation, effective cash flow management, efficient working capital management, and comprehensive risk management practices, we are committed to enhancing value for all our stakeholders.

Regards,

Sanjay Gandhi
Group CFO

Synergistic Ties, Collaborative Excellence

Our partnership model is designed to unlock valuable synergies, allowing us to maximise value, optimise frameworks, and deliver exceptional results. By leveraging the collective capacity and resources of our partners, we devise strategies that harness the unique expertise and strengths of each party, resulting in superior growth outcomes.

PEARL GLOBAL'S CONTRIBUTION

At Pearl Global, we understand the significance of investing in working capital to facilitate day-to-day operations. This investment is essential for managing short-term financing and investment choices efficiently and ensure the smooth functioning of the business.

Our partnership approach is designed to capitalise on our strengths in design and procurement. We have also appointed industrial engineers who play a crucial role in ensuring compliance with industry standards and overseeing production processes. Their presence ensures that production aligns with established guidelines, maintaining the highest standards of quality and efficiency.

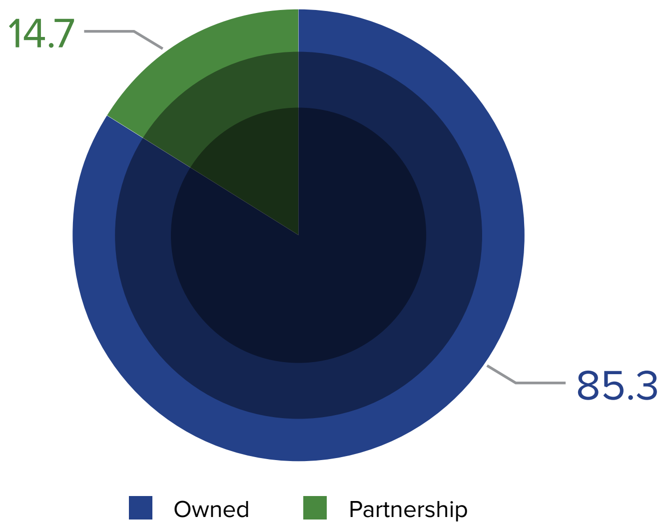
PARTNERING COMPANY'S CONTRIBUTION

As Pearl Global expands collaborations globally, our partner organisations astutely handle local capital expenditure and labour costs.

SYNERGIES DERIVED FROM PARTNERSHIP MODEL

- **Faster Turnaround Time**
- **Asset-Light Model**
- **Capacities in Proximity to Supply Chain Area**
- **Better Return Ratios**

PRODUCT-WISE SPLIT (%)



Global Presence, Unified Success

At Pearl Global, we strive to seamlessly adapt to the dynamic needs of our diverse clientele. This is an outcome of our capability to analyse industry trends and our steadfast commitment to delivering unparalleled products and services.

At the heart of our success is a collaborative ethos, where we work hand in hand with our clients to comprehend their distinct requirements and preferences. This approach not only ensures customer satisfaction but also propels us towards greater heights of achievement, transcending geographical boundaries to achieve unified success across continents.

TOMMY HILFIGER	Calvin Klein cosmetics	BR BANANA REPUBLIC	Bershka	ANN TAYLOR
GAP	OLD NAVY	AMERICAN EAGLE OUTFITTERS	RALPH LAUREN	chico's
next	LOFT	LANE BRYANT	aerie	ZARA
MUJI 無印良品	MANGO	WHBM	KOHL'S	macy's
ROSS	sam's club	Walmart	NORDSTROM	Belk
JCPenney	Bass Pro Shops	TALBOTS	Kmart	ASDA George.
Sainsbury's	PRIMARK	TJ·maxx	BIGW	

Exceeding Expectations, Mapping Success

In an era defined by rapid changes in the retail landscape, Pearl Global stands at the forefront, poised to navigate the dynamic challenges and seize emerging opportunities. As market dynamics evolve, we continue to adapt and innovate, ensuring a sustainable competitive edge.

OUR CLOTHING CATEGORIES

Increasing Demand for Environment-Friendly Options

The garment industry is increasingly recognising the imperative to embrace environmental friendly practices in response to growing consumer demand for sustainable fashion and the escalating environmental challenges posed by the sector. By adopting sustainable materials, implementing circular economy initiatives, reducing chemical usage, conserving water and energy, promoting supply chain transparency, and prioritising ethical labour practices, the industry is moving towards a more environmentally friendly future.

The Company's response: The Company provides evidence of adherence to specific guidelines, such as environmental regulations, fair trade practices, labour standards, and product safety requirements. We are also using technology in our Bangladesh operations to reduce 85% of the water used in denim production.

Increased Focus on Woven Fabrics and Modern Technology

The woven fabric market is expected to experience steady growth in the coming years. This can be attributed to population growth, urbanisation, sustainability trends, and advancements in technology. Digital transformation in the textile industry is crucial for improving efficiency, reducing costs, and enhancing competitiveness. Leveraging digital technologies such as 3D design software, computer-aided manufacturing, and automation enables textile companies to streamline operations. This minimises the time and resources required for product development, production, and distribution.

The Company's response: Pearl Global's robust design team utilises modern techniques, such as 3D CAD rendering and other advanced design software, to innovate with woven fabrics. These technologies enable the creation of intricate patterns, textures, and designs that enhance the visual and functional appeal of woven products.

Evolving economic environment

Fluctuations in global economic conditions, including GDP growth rates, trade policies, currency exchange rates, and changes in consumer disposable income levels, purchasing power, and preferences influence the demand for textiles and apparel products. These fluctuations impact the demand for textile products and export opportunities both domestically and internationally.

The Company's response: Pearl Global leverages its multinational presence, with 24 manufacturing units (including partnership facilities) across five countries, to navigate fluctuations in global economic conditions effectively. This extensive network ensures resilience against regional economic disruptions and facilitates access to a broad market base. This further helps in stabilising demand and optimising export opportunities.

UNIQUE PROPOSITION

	Key Strengths	Outcome
Multinational Presence	• 24 manufacturing units (including partnership facilities) spread across 5 countries • Presence in 3 out of 4 supply chain areas • End-to-End supply chain provider • Ability to do Concept + Store	Increasing wallet share from existing customers
Robust Design Team	• Fashion trend analysis by talented design personnel • Modern unique techniques like 3D CAD rendering, 3D Optitex, CLO and Browzwear used to craft the final product	Acquiring new customers
Shift Towards Asset Light Model	• Partnership model to drive the next leg of growth • No lead time • Improved return ratios going ahead	Facilitating swift expansion to new geographies/expansion to existing geographies
Strong Customer Relationship	• Long-term relationship with well-known large retail format stores (Kohl's, Macy's, Target Australia and others) and specialised retail format stores (Bershka, Gap, Old Navy and others)	Providing new product categories

PEARL GLOBAL
Exceeding Expectations...Always

Global Footprint, Local Precision

At Pearl Global, we have established ourselves as a premier manufacturer of apparel for renowned global brands. Our manufacturing processes prioritise sustainability, integrating eco-friendly practices at every step.

At Pearl Global, we take pride in our scalable operations, ensuring that our factories are equipped with the latest technology and resources for activities like knitting, washing, and drying fabric. These resources are strategically sourced from around the world, reflecting our dedication to quality and efficiency.

	No. of Units		Capacity Utilisation% (Blended) 2023-24	Annual Capacity in Pieces	Specialisation
	In-House	Partnership			
INDIA	7	-	61%	24.5 Million pieces p.a.	Woven and knit tops, dresses, shirts, women's fashion wear, kid's wear, sleepwear and woven and knits bottoms
BANGLADESH	4	5	81%	45.0 Million pieces p.a.	Woven, knits, denim, sleepwear and loungewear, active wear & athleisure, tops and bottoms for men, women and kids
VIETNAM	1	4	50%	6.5 Million pieces p.a.	Outerwear and jackets including down jackets, woollen jackets and coats, seam-sealed jackets, puffers, parkas, blazers, anoraks, swimming trunks, and synthetic bottoms
INDONESIA	2	-	32%	4.0 Million pieces p.a.	Women's professional wear, performance wear, woven tops and dresses, sleepwear, and loungewear
GUATEMALA	1	-	- (Newly added)	2.0 Million pieces p.a.	Polos, heavy-weight knits, light-weight knits, bottoms, and denims

Note: No of units and Annual capacity includes own manufacturing and partnership

OUR CLOTHING CATEGORIES

Our India Business

Context

Despite global economic risks, India has shown remarkable resilience and progress. As one of the world's fastest-growing economies, India aims to attain high middle-income status by 2047. It is dedicated to addressing climate change and aims for net-zero emissions by 2070. Significant investments in top-notch physical and digital public infrastructure further bolster the country's ability to navigate both domestic and global challenges, ensuring steady economic progress.

Addressable Market Size

The Indian textile and apparel industry is projected to exhibit a 10% CAGR from 2019-20, reaching USD 190 Billion by 2025-26. Currently holding a 4% share of global trade, India ranks as the world's third-largest exporter in this sector. Export expectations for 2025-26 stand at USD 65 Billion, with major markets including the US, EU27, and the UK, constituting around half of India's exports.

(Source: https://www.investindia.gov.in/sector/textiles-apparel#:~:text=Total%20textile%20exports%20are%20expected,Mn%20people%20in%20allied%20industries)

SWOT Analysis

Strengths

- Well-integrated and efficient supply chain, ensuring timely delivery and cost-effective production
- Investments in state-of-the-art technology and automation

Weaknesses

- Increasing labour costs and availability

Opportunities

- Supportive Government policies and initiatives, such as the 'Make in India' campaign, can provide incentives and boost local manufacturing

Threats

- Apparel industry is highly competitive, with numerous domestic and international players

Our Strategies

- Fully digitised factories
- Equipped for future innovations
- Integration of QR codes on each garment makes tracking easy and guarantees authenticity
- Commitment to environmental stewardship
- Dedicated to sustainable practices
- Focus on maintaining an asset-light model
- Continuous advancement of operations
- High-quality products with minimised environmental footprint

Way Forward

At Pearl Global, we remain dedicated to expanding our customer base. We also invest significant time, energy, and strategic efforts towards this goal. Domestic expansion is a key focus area for us, alongside continuous automation of facilities and processes. The Company aims to maximise the utilisation of capacities and forge strategic partnerships. Specifically in India, state government incentives are promising, serving as growth catalysts for the country. We strongly believe in the potential impact of these initiatives on India's growth trajectory.

OUR BANGLADESH BUSINESS

Context

Bangladesh's GDP stands at approximately USD 1.13 Trillion. The country's apparel industry contributes around 60% to its total industrial development, employing 4.5 Million people nationwide. The World Bank Group is actively assisting Bangladesh in achieving its goal of attaining upper-middle income status by 2031-32 through comprehensive technical, analytical, and financial assistance programmes. These efforts encompass various aspects including economic development, power, infrastructure, disaster management, climate change, agriculture, human and social development, and poverty reduction, aligning with the Government's economic growth agenda.

(Source: https://www.worldbank.org/en/country/bangladesh/overview#3)

Addressable Market Size

Bangladesh's apparel exports recorded a milestone in CY 2023, fetching an all-time high of nearly USD 47 Billion. The textile and garment industry contributes over 13% to Bangladesh's GDP, with more than 84% of export earnings coming from textiles and related products. The country has invested approximately USD 15 Billion in the primary textile sector, which fulfils 85-90% of the yarn demand for knit Ready-Made Garments and 35-40% for woven Ready-Made Garments.

(Source: https://www.mordorintelligence.com/industry-reports/bangladesh-textile-manufacturing-industry-study-market/market-size)

SWOT Analysis

Strengths

- Bangladesh offers competitive labour costs, making it an attractive destination for manufacturing
- Robust manufacturing infrastructure, ensuring high production capacity and efficiency

Weaknesses

- Bangladesh faces infrastructural issues such as power shortages, inadequate transportation networks, and port congestion, which can affect production and logistics

Opportunities

- Increasing global demand for ready-made garments
- Adopting new technologies and automation in manufacturing processes can enhance efficiency and product quality

Threats

- Economic downturns in major consumer countries can impact the demand
- The global garment industry is highly competitive, and other low-cost manufacturing countries pose a threat

Our Strategies

- Export clothing to key markets: The US, Germany, The UK, Spain, France
- Duty-free benefits for exports to Canada
- Strong bilateral agreements provide duty-free access to ASEAN countries
- Supported by industrial experience and workforce training programmes
- Significant employment opportunities for the middle-aged population
- Comprehensive services offered to all brands
- Ability to take on complete responsibilities and drive business growth

Way Forward

Bangladesh is supported by strategic investments from manufacturers and brands seeking alternatives to China in South and Southeast Asia. With ongoing infrastructure development and the country's demonstrated performance, these prospects appear promising. Bangladesh's sustainability efforts, trade agreements, and robust global supply chain further enhance its competitive advantages, ensuring continued benefits in the future.

OUR VIETNAM BUSINESS

Context

Vietnam's economic growth is projected reach 5.5% in 2023-24, up from 5% in 2022-23. This can be attributed to increasing global demand and restored domestic consumer confidence. Real GDP growth is expected to strengthen in the next three years, reaching the pre-pandemic average by 2025-26. Vietnam has grown bolder in its development aspirations, aiming to become a high-income country by 2045. To achieve this goal, the economy would have to grow at an annual average rate of about 6% per capita for the next 25 years.

(Source: https://www.worldbank.org/en/country/vietnam/overview#3)

Addressable Market Size

In 2022, Vietnam's textile and garment exports soared to approximately USD 44 Billion, a testament to the sector's robust growth. This marked a 14.7% year-on-year increase, solidifying the Southeast Asian nation's position as a formidable global garment exporter. The surge in export value reflects the industry's resilience in the face of various challenges, including the Covid-19 pandemic.

(Source: https://www.worldfashionexchange.com/blog/vietnam-growing-textile-and-garment-industry/)

SWOT Analysis

Strengths

- Vietnam's proximity to major markets in Asia and its integration into global supply chains make it an advantageous manufacturing hub
- Lower labour costs compared to other Asian countries help maintain cost-efficient production
- Growing pool of skilled and semi-skilled workers proficient in garment manufacturing

Weaknesses

- Heavy reliance on imported raw materials can expose the business to supply chain disruptions

Opportunities

- Adoption of advanced manufacturing technologies and automation can enhance efficiency and product quality

Threats

- Changes in trade policies, tariffs, and international trade agreements can impact export competitiveness

Our Strategies

- Primary operations centred in Hanoi, northern Vietnam
- Proximity to China reduces lead times for shipping raw materials
- Enhanced operational efficiency
- Active involvement in various free trade agreements, including with the EU
- Facilitates smoother shipping routes from Myanmar and China
- Optimised supply chain and enhanced global market competitiveness
- Ongoing investments in digitisation and modernisation
- Aim to stay ahead of industry trends and meet evolving customer needs

Way Forward

Pearl Vietnam is committed to delivering value and enhancing competitiveness by consolidating propositions with customers. We strive for ongoing success and maintain a diversified source to support our goals consistently.

OUR INDONESIA BUSINESS

Context

Indonesia's GDP growth is forecasted at 5% in 2023 and an average of 4.9% over the medium term from 2024 to 2026. Inflation is projected to decrease to 3.2% in 2024, down from an average of 3.7% in 2023. The services sector, particularly tourism, is anticipated to benefit from continued recovery, while lower commodity prices and global growth challenges may hinder goods exports. Government revenues as a percentage of GDP are expected to increase due to tax reforms. Government spending is set to gradually revert to pre-pandemic levels.

(Source: https://www.worldbank.org/en/country/indonesia/overview#3

https://www.worldbank.org/en/news/press-release/2023/12/13/indonesia-economic-growth-to-ease-slightly-in-2024-as-commodity-prices-soften)

Addressable Market Size

The Indonesian textile industry, which is one of the leading sectors in the country's economy, experienced a total USD 3.6 Billion in CY 2023 in exports.

(Source: https://textileinsights.in/indonesian-textile-exports-drop-14-78-in-previous-year/#:~:text=The%20Indonesian%20textile%20industry%2C%20which,billion%20in%202023%20in%20exports.)

SWOT Analysis

Strengths

- Access to a large pool of skilled and semi-skilled labour helps maintain efficient production capacities

Weaknesses

- Significant reliance on imported raw materials can expose the business to supply chain disruptions and cost volatility

Opportunities

- Adopting advanced manufacturing technologies and automation can enhance productivity, quality, and cost efficiency

Threats

- Natural disasters, geopolitical tensions, or pandemics can disrupt the supply chain, affecting production schedules and delivery commitments

Our Strategies

- Primarily upmarket brands
- Focus on delivering premium quality garments
- Tailored production to meet specific needs and uphold brand standards
- Expertise in technical outerwear
- Production of a wide range of garments
- Ability to cater to a broader customer base with a comprehensive selection
- Specialising in synthetic fabrics requiring intricate needlework
- Meticulous attention to detail
- Exceptionally high-quality standards, surpassing industry norms

Way Forward

Our focus is to develop brands with a better value proposition. We do have capability to make technical high altitude outerwear, skiwear and produce dresses and blouses using synthetic fabrics that require intricate needlework.

OUR GUATEMALA BUSINESS

Context

Guatemala, boasting the largest economy in Central America in terms of population and economic activity, saw a GDP growth of 4.1% in 2022 and 3.5% in 2023, with an anticipated 3% growth in 2024. Despite this, Guatemala has great potential to promote growth and prosperity among its people. Its strategic proximity to the US presents ample opportunities in tourism and nearshoring.

(Source: https://www.worldbank.org/en/country/guatemala/overview#1)

Addressable Market Size

The garment and textile industry in Guatemala has a history of more than 30 years and accounts for 15% of total exports, making it the country's major export sector.

(Source: https://investguatemala.com/apparel-and-textile/)

SWOT Analysis

Strengths

- Proximity to key markets in North America, particularly the US, facilitates shorter lead times and lower shipping costs
- Availability of a skilled and experienced workforce

Weaknesses

- Guatemala's development is concentrated in few cities, mainly Guatemala City, making harder for manufacturers to set commercial relations

Opportunities

- Expanding into new product lines and categories can diversify revenue streams

Threats

- Natural disasters, geopolitical tensions, or pandemics can disrupt the supply chain, affecting production schedules and delivery commitments

Our Strategies

- Initiated operations in 2023
- Integrate pivotal growth Initiatives into our strategic framework
- Development of basic knits
- Stronger product offerings and catering to a broader range of customer needs in the region

Way Forward

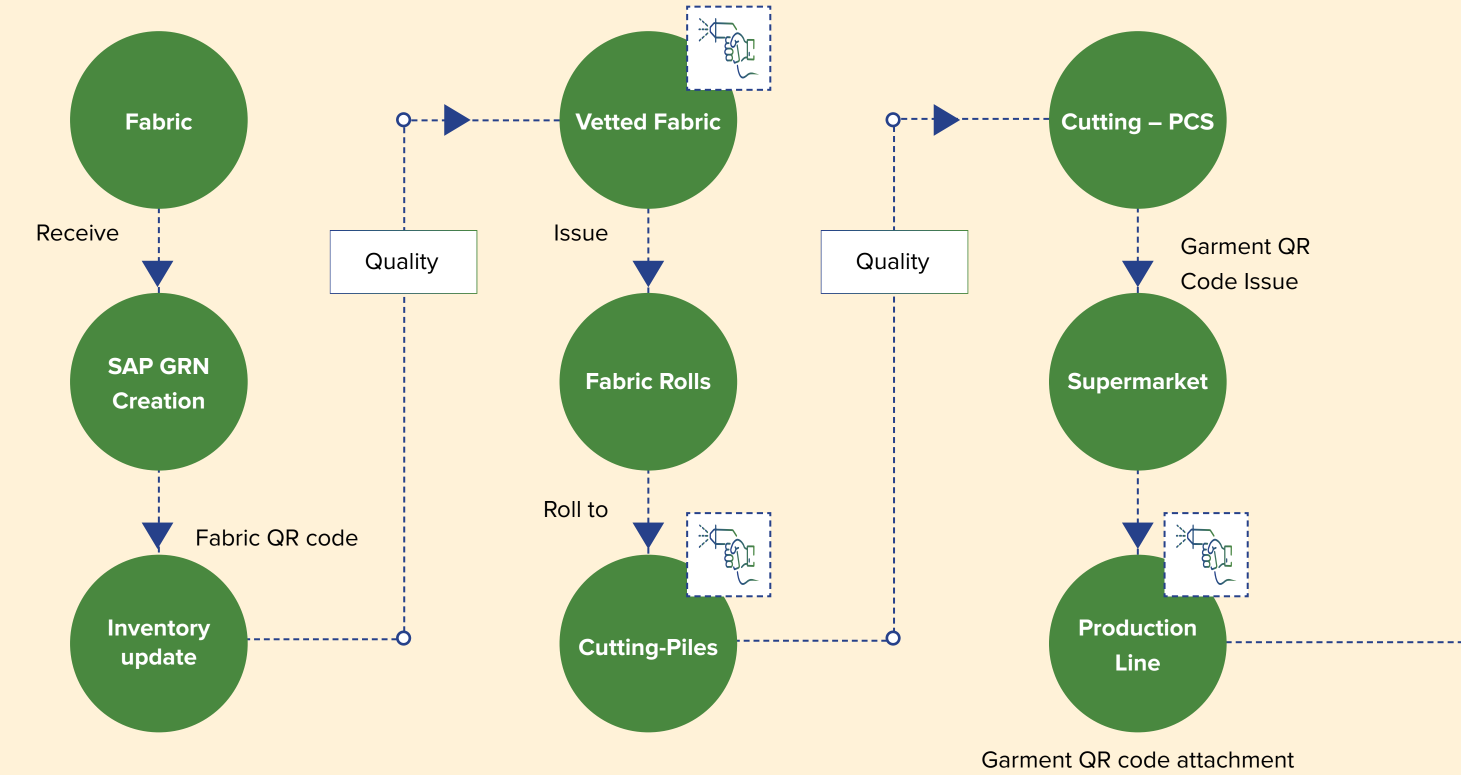
With the acquisition and stabilisation of our Guatemala unit in 2023, we have strategically positioned ourselves in three out of four major supply chains. This move significantly enhances our industry position, expands our presence and capabilities in key markets, and strengthens our global footprint.

PEARL GLOBAL
Exceeding Expectations...Always

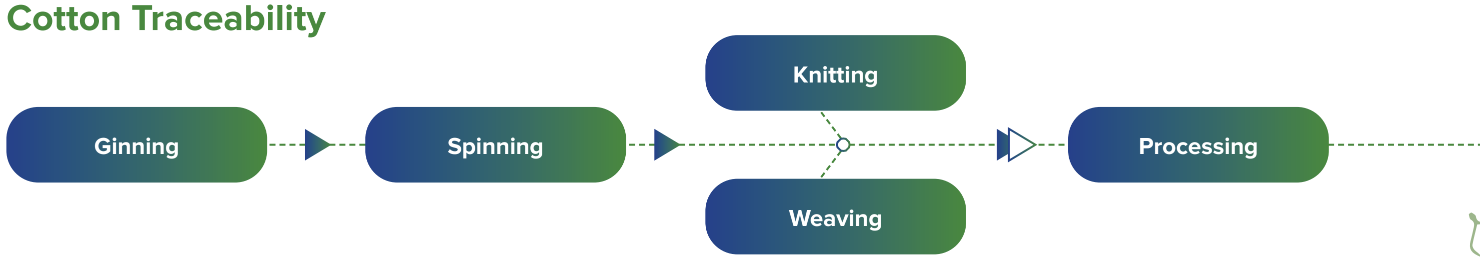
Digital Innovation, Global Integration

Embracing digitalisation, we have not only navigated the challenges of the modern market but also redefined the standards of excellence in the industry. This commitment to innovation has enabled us to deliver superior value to our customers and stakeholders, setting new benchmarks in global integration.

Digitisation Process



Cotton Traceability



Doc Set 1
Invoice
Packing List
Country of Origin
Bill of Lading

Doc Set 2
Invoice
Packing List
E-way Bill
Purchase Order

Doc Set 3
Invoice
Packing List
E-way Bill
Purchase Order

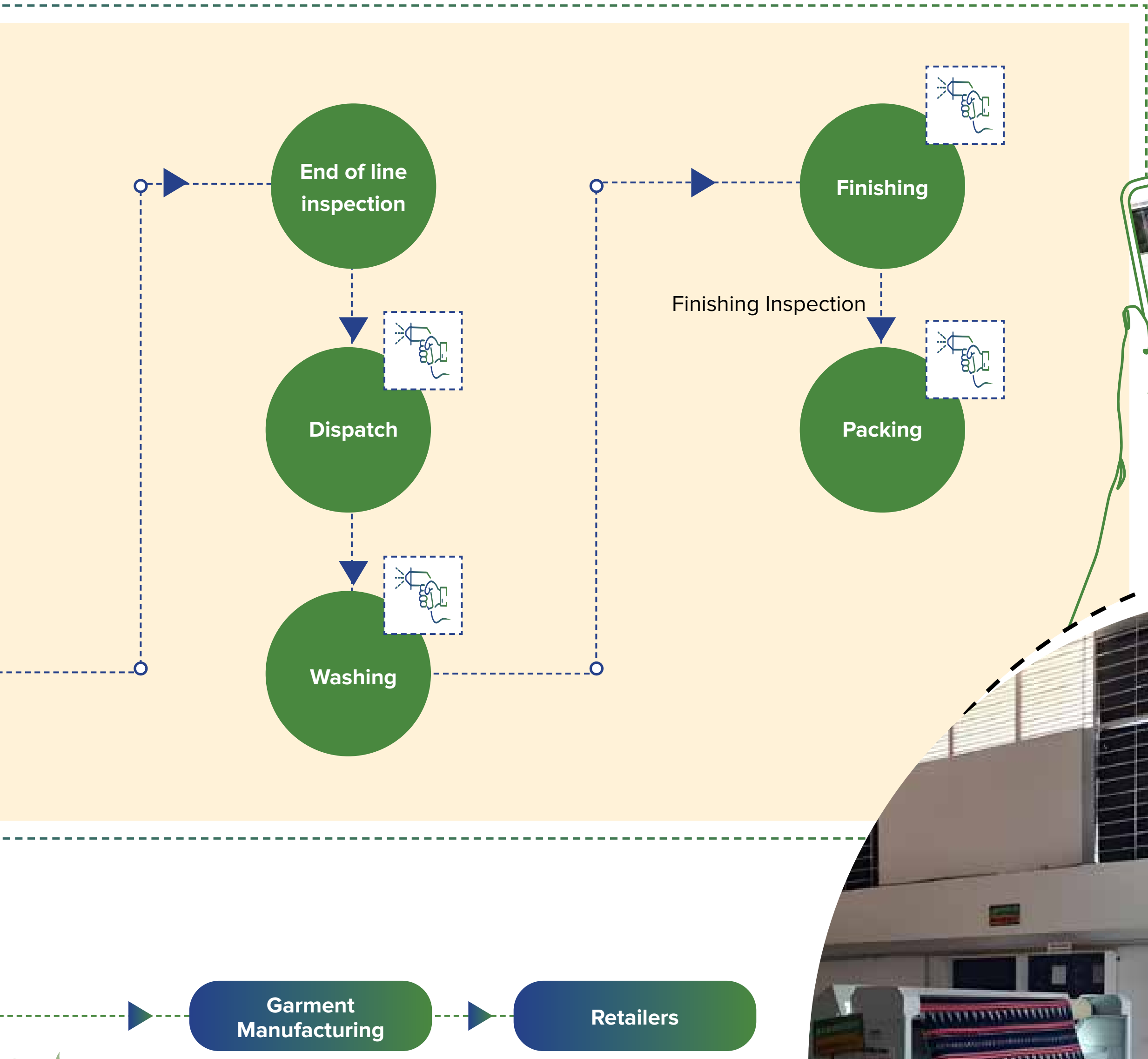
Doc Set 4
Invoice
Packing List
E-way Bill
Purchase Order

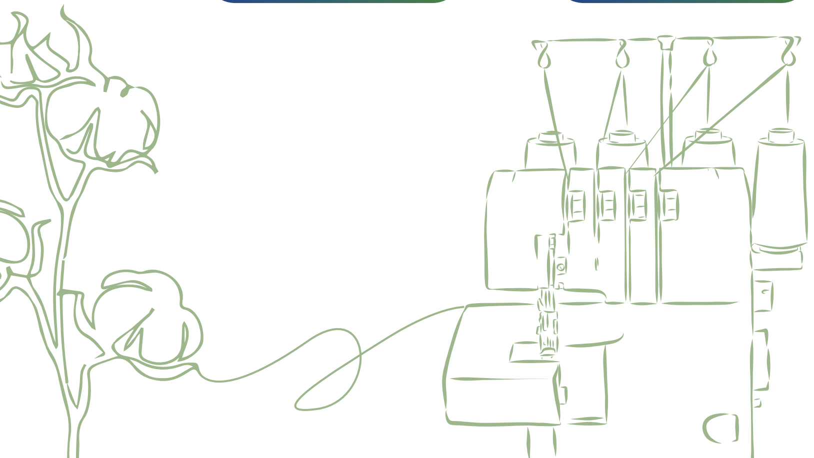
Doc Set 5
PO to Customers
Packing List
Bill of Landing

Compliance With Regulations and Standards

At Pearl Global, we recognise the importance of compliance with regulations and standards in the textile industry. As part of our digitisation process, we have implemented traceability documents that enable us to meet a range of regulations and standards effectively. They provide verifiable evidence of our adherence to guidelines, including environmental regulations, fair trade practices, labour standards, and product safety requirements.

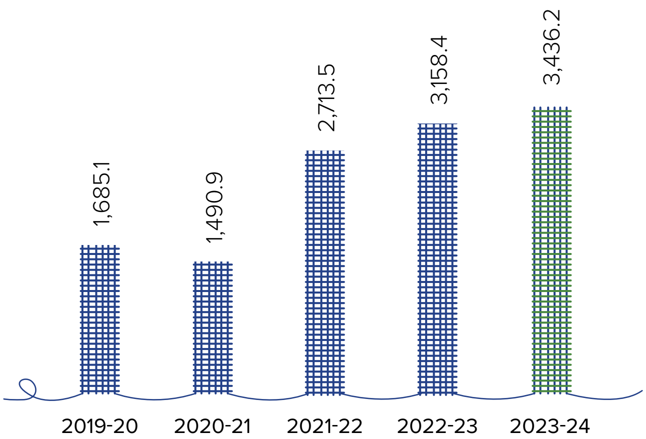
By digitising our traceability documents, we have not only streamline our operations but also ensure that ethical and sustainable practices are followed throughout our supply chain. This digital transformation helps our buyers verify that we are committed to responsible sourcing and production.



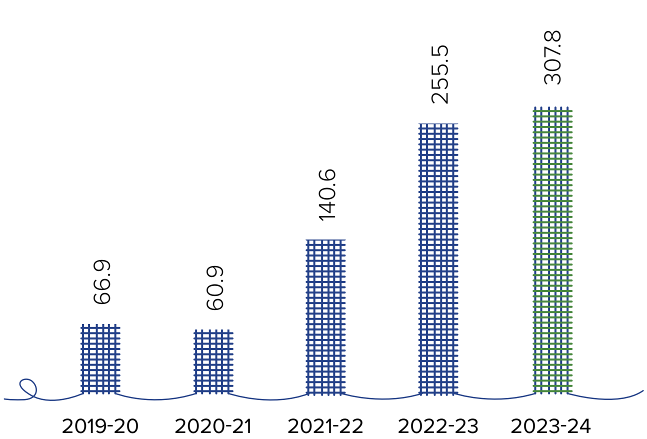


Fortifying Financials, Amplifying Strength

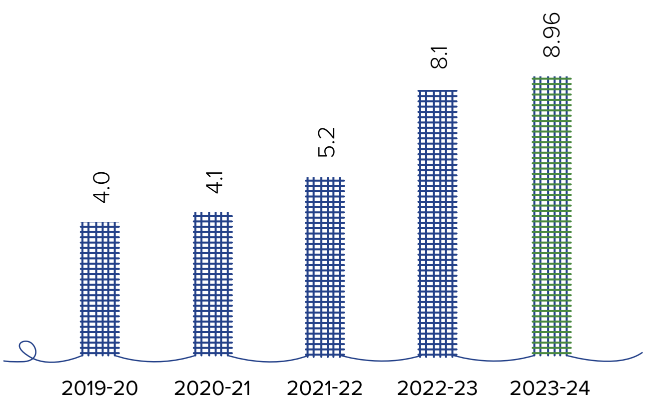
Revenue from Operations (₹ in Crores)



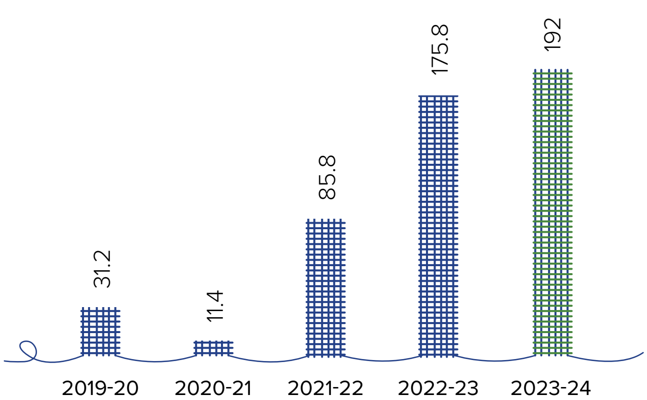
EBITDA (₹ in Crores)



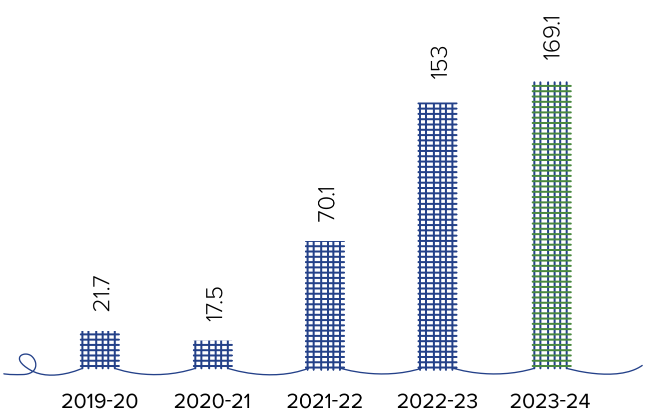
EBITDA Margin (in %)



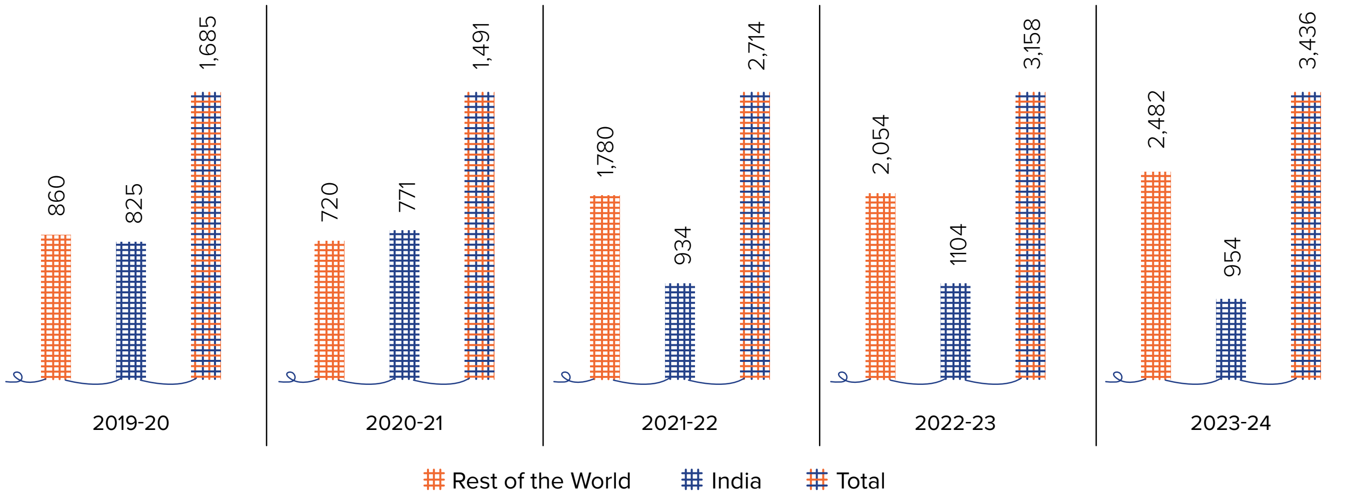
PBT (₹ in Crores)



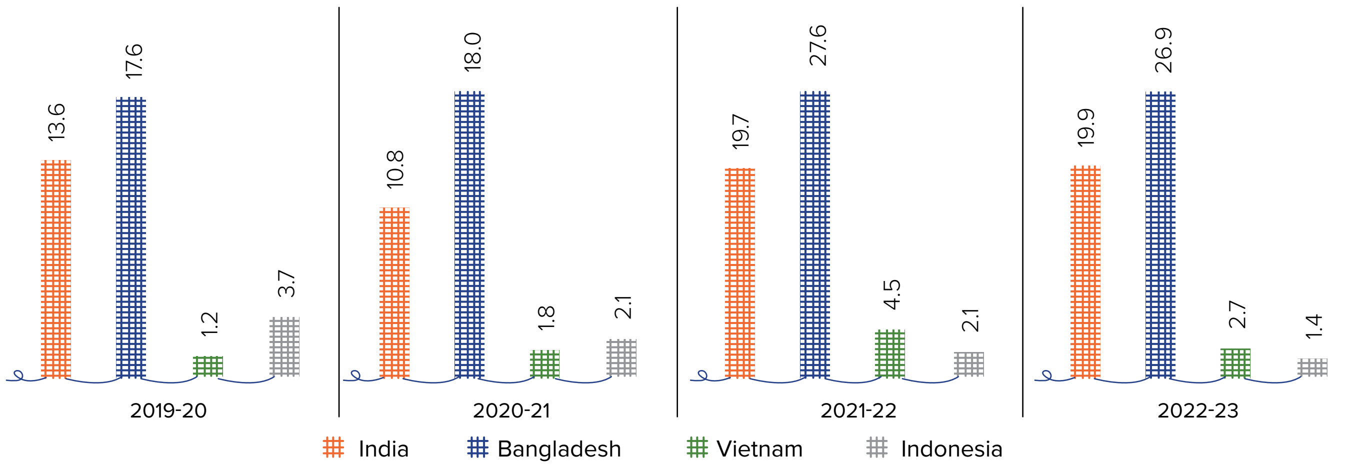
PAT (₹ in Crores)



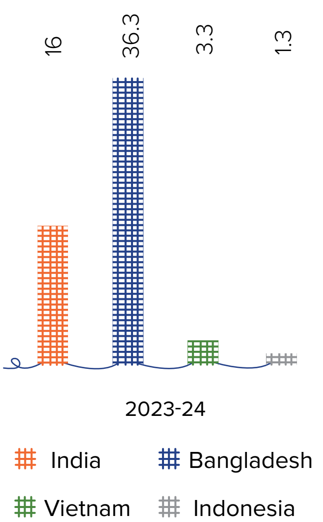
Geographical Revenue Split (₹ in Crores)



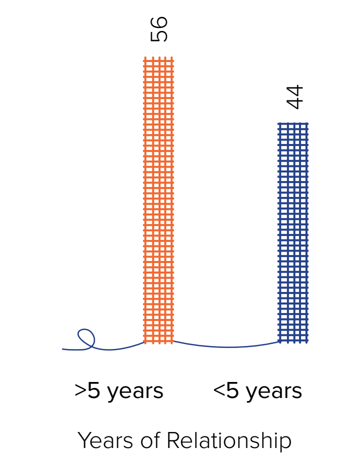
No. of Pieces Shipped (in Million)



No. of Pieces Shipped (in Million)



Revenue Contribution from Key Clients (in %)



Improving Credit Rating Over the Years

	2021	2022	2023
Long-Term	[ICRA] BBB (Stable)	[ICRA] BBB+ (Stable)	[ICRA] A- (Stable)
Short-Term	[ICRA] A3+	[ICRA] A2	[ICRA] A2+

Reasons for Upgrade

Our credit rating upgrade can be attributed to several key factors. Despite a demand slowdown in our key market, the US, our performance has remained consistent. By effectively re-routing business from China, we have partially offset this demand slowdown. Additionally, our multinational presence places us in a more favourable position compared to our peers. As a result, we are able to borrow funds at low-cost debt and have easy access to new credit lines.

We have established a dividend policy to ensure that our shareholders receive a minimum dividend of 20% of the consolidated Profit after Tax (PAT) each year.

PEARL GLOBAL
Exceeding Expectations...Always

Sustainable Steps, Global Impact

At Pearl Global, we recognise the importance of embracing environmental, social, and governance (ESG) principles. This commitment to sustainability drives us to integrate these practices across all facets of our operations. By embedding ESG principles into our core strategies, we strive to make a meaningful and lasting impact on the environment, society, and corporate governance. Through these sustainable steps, we aim to create a ripple effect, thereby contributing to a healthier planet and a more equitable future for all.

At Pearl Global, we are committed to reducing our carbon footprint by integrating renewable energy into our facilities. We are also exploring other methods to minimise our environmental impact, such as utilising recycled materials and implementing water conservation measures. Our business philosophy is rooted in the 'Triple Bottom Line' approach, which emphasises the balance of People, Planet, and Profit. We believe true success comes from sustainability in all three areas.

We have established a comprehensive framework that includes regulatory compliance, environmental risk mitigation, and long-term sustainability strategies. This framework allows us to effectively manage our environmental impact and continuously enhance our practices.

ONGOING SUSTAINABLE INITIATIVES

Ozone
Eco-Friendly
Reduce Water
Consumption

Magic Box
Eco-Friendly
Reduce Water, Chemical,
and Energy
Consumption

ETP/ STP/ WTP
Recycle and Re-use
Water Treatment
Solution

C.W.M.U.
Central Water
Monitoring Unit

Laser
Eco-Friendly, Innovative,
and Robust, Saving
Water, Chemical, and
Energy

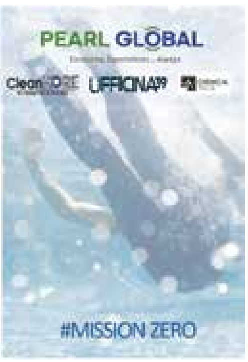
PNG Boiler
PNG Run Boilers for
Reduced Emissions

UV Filtration Plant
Facilitate Recycling
and Re-Use of Water
in Laundry, Toilets
Gardening, and Fire Pump

Solar Power Generation
Implemented
in Chennai and
Planned for Other
Facilities

Environmental Impact Measurement
Software to Monitor
the Impact of
Garment Finishing
Processes

Eco-Friendly
Recycled Poly Stone,
Longer Life Span
Replacement Of Pumic
Stone with No Residue



Aqualess Mission

Recognising the importance of sustainability, we have invested significantly in reducing water usage in denim production. Our efforts have led to an impressive 85% reduction in water usage, reflecting our commitment to environmental stewardship. Additionally, every garment we produce undergoes a thorough environmental impact assessment. Our Environmental Impact Score is consistently within the green zone, showcasing our dedication to sustainable practices.

PEARL GLOBAL
Exceeding Expectations...Always

Nurturing Talent, Strengthening Collaboration

At Pearl Global, we are deeply committed to fostering a people-centric culture that empowers and develops our global workforce. We believe in investing in our employees' growth and nurturing their potential, recognising their contributions as the driving force behind our success.

Our values of trust, integrity, ethics, care, respect, and empowerment underpin our interactions and collaborations, creating a foundation of mutual learning and growth. We prioritise talent development as a strategic imperative, aligning individual aspirations with our shared vision.

OUR BELIEFS

Diversity

At Pearl Global, we believe that every individual has a unique contribution to make towards making the 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.

Forward-Thinking

At Pearl Global, we believe in making a meaningful impact through innovative and entrepreneurial thinking. We encourage employees to think beyond conventional routes and embrace creative ideas that drive positive change.

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 the Company.

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 and adhere to a strict code of conduct that prioritises the well-being of our employees.

OUR VALUES

Sustainability

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

Strive for Excellence

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

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.

Strive for Excellence

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.

Integrity

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

CAPABILITY BUILDING INITIATIVES

Personal Advancement and Career Enhancement (PACE)

The PACE programme has been carried out in collaboration with our brand partner GAP, Inc. It has been instrumental in providing women and girls in the global apparel industry with opportunities to thrive. Through foundational life skills, technical training, and support, we aim to help them advance in their work, lives, and communities. The programme focuses on offering a practical education curriculum to support women in our supply chain. We have successfully trained over 559 female workers in 2023-24 in India through PACE. We are excited to announce the relaunch of PACE as Reimagining Industry to Support Equality

Supervisory Skills Training (SST)

At Pearl Global, we believe in empowering our supervisors with the essential skills needed to effectively manage relationships between our workforce and management. Our SST programme, developed in collaboration with Better Work and our implementation brand partner, GAP Inc., is designed to strike a fair balance between the interests of the Company and our workers. We are proud to have already trained 147 supervisors in 2023-24 across all our units in India and are committed to ensuring that 100% of our supervisors in India receive this training.

Empowering Locals, Enriching Lives

At Pearl Global, we are deeply committed to CSR and creating sustainable value for society. Our business practices are designed to positively impact stakeholders, promoting their well-being and a brighter future. Additionally, we undertake initiatives to improve access to education and essential resources while 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.

At Pearl Global, we are committed to reducing our carbon footprint by integrating renewable energy into our facilities. We are also exploring other methods to minimise our environmental impact, such as utilising recycled materials and implementing water conservation measures. Our business philosophy is rooted in the 'Triple Bottom Line' approach, which emphasises the balance of People, Planet, and Profit. We believe true success comes from sustainability in all three areas.

We have established a comprehensive framework that includes regulatory compliance, environmental risk mitigation, and long-term sustainability strategies. This framework allows us to effectively manage our environmental impact and continuously enhance our practices. Additionally, we use a powerful measuring tool to map, plan, and implement meaningful improvements that protect the well-being of our factory workers, local communities, and the environment. This tool helps us track our progress, identify areas for improvement, and make informed decisions about our environmental initiatives.

At Pearl Global, our operations are guided by five core CSR pillars, which are integral to our identity:

Education
We believe in empowering communities through education and providing them with the tools to shape their futures.

Women Development
We are dedicated to supporting the development and well-being of women and children, ensuring they have access to opportunities for growth and advancement.

Healthcare and Sanitation
We are committed to improving healthcare and sanitation facilities, contributing to healthier communities.

Diversity and Inclusion
We embrace diversity and promote inclusivity within our organisation and the communities we serve.

Environmental Sustainability
We strive to protect the environment through sustainable practices, reducing our carbon footprint and preserving natural resources.

Our Chief Sustainability Officer, Mrs. Shifalli Seth, showcases commitment to the UN's Sustainable Development Goals (SDGs) as a driving force behind our progress. These goals align closely with our CSR focus areas, guiding us towards our desired impact. At Pearl Global, we have initiated several programmes and projects within these pillars as part of our CSR efforts, ensuring that our business positively impacts society and the environment.

Education

Project Badhtey Kadam at Government Girls Secondary School in Gurugram, engages with over 700 girls from Shahid Lt. Atul Kataria Government Girls Senior Secondary School in Gurugram village, within the Gurugram district of Haryana. The project's objective is to facilitate mainstream education for these school children, with Pearl Global providing support through our NGO partner, ETASHA. Additionally, it aims to enhance the students' FLN fluency and assist them with NMM and other state-supported scholarship programmes. Furthermore, it provides career guidance to senior class students regarding their higher education options.

We also provide education scholarships and stipends to outstanding students of factory workers in India, Bangladesh, Vietnam, and Indonesia.

Women Development

Under 'Ek Nayi Pehchaan,' we are driving change by empowering women from disadvantaged communities. This initiative, operational in Begampur Khatola, Mohammadpur, and Khirki near Gurugram, addresses the pressing need for women's financial independence. Going beyond mere employment, the project focuses on nurturing entrepreneurial skills among these women.

Through this project, women receive training in stitching and tailoring, preparing them for employment in organised sector factories. Moreover, it identifies and supports women with entrepreneurial aspirations, providing them with the tools to establish their own ventures. Participants undergo comprehensive training in garment manufacturing, including stitching, tailoring, embroidery, and embellishments, with a focus on producing baby essentials and accessories.

The project also offers training in life skills, confidence-building, market-oriented skills, and enterprise management, fostering holistic growth among the women involved. In collaboration with the ETASHA Society, the project has already benefitted approximately 70 women, marking a significant step towards women empowerment and economic upliftment in the community.

Environment Sustainability

Green Belt, Sector 32, Gurugram

Collaborating with the Gurugram Metropolitan Development Authority (GMDA) and the Abhipsa Foundation, we at Pearl Global led the transformation of a 0.5-acre plot in sector 32 into a vibrant green belt. Once a waste dumping ground, this area now serves as a crucial green space, countering pollution and enhancing the city's green landscape amid ongoing construction and heavy traffic.

By utilising treated wastewater for plantation, the green belt has seasonal saplings tailored to the region's specifications. This initiative not only enriches the area's greenery but also contributes to groundwater recharge and beautification efforts. By reclaiming and revitalising this space, our Company is making significant strides towards environmental preservation and community enhancement.

Other CSR Initiatives Around the World

We have undertaken various CSR initiatives worldwide. In Bangladesh, we organised multiple dental, medical, and TB camps, as well as blanket and food distribution drives. Pearl Global Indonesia led Covid-19 vaccination efforts, administering two doses and booster shots to all employees, workers, and the local community to ensure their health and well-being. Our Company has also provided education scholarships and stipends to outstanding students of factory workers in India, Bangladesh, Vietnam, and Indonesia. Additionally, Pearl Global Indonesia runs the Workers' Children Education programme to provide quality education and support the development of workers' children. Various HER project programmes, such as HER Health and HER Essentials, have been implemented in our factories in India, Bangladesh, and Indonesia, training over 3,500 workers.

Community Activities

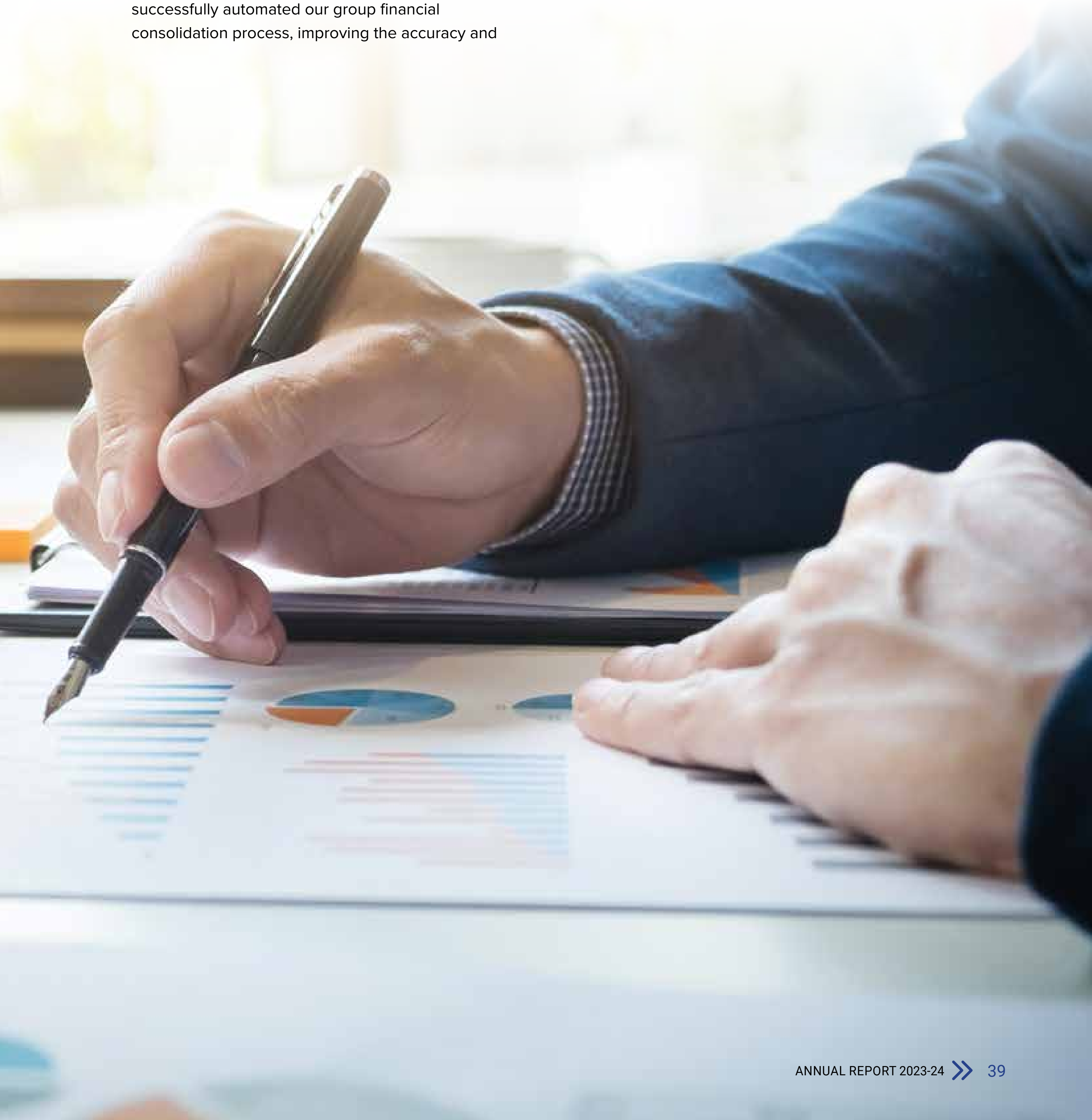
Pearl Global organises various events to help our employees connect with one another. This includes football matches, team-building activities, and lucky draws. Through these events, we aim to promote trust, commitment, and loyalty while fostering focussed and fruitful relationships. These activities enhance networking and skill-building within our team, thereby strengthening the Company's working community.

Strengthening Foundations, Harmonising Operations

We prioritise structure and integrity, champion our people and team, and adhere to meticulous policies and processes, upholding the highest standard and conduct. Through open communication and transparency, we cultivate a culture of trust, ensuring that governance excellence resonates across our organisation.

At Pearl Global, we are proud to announce several key initiatives aimed at enhancing our operational efficiency:

- We appointed Big 4 top accounting firm as statutory auditors for overseas companies, bringing in best practices that have helped in strengthening systems and processes.
- To reinforce adherence to internal control protocols, Ernst & Young (E&Y) serves as the Internal Auditor for India and Bangladesh operations.
- To streamline our financial reporting, we have successfully automated our group financial consolidation process, improving the accuracy and timeliness of our financial information.
- We also conduct townhall meetings to have open communication with employees to ensure transparency.
- Looking ahead, we are focussed on further automation initiatives, including the automation of our Financial Management Information System (MIS), Factory MIS, Budgeting process, and Sales Forecasting, which will enhance our operational efficiency and decision-making capabilities.



Steering Success, Shaping Growth

Mr. Deepak Kumar Seth
Chairman

Mr. Pulkit Seth
Vice-Chairman

Mrs. Shifalli Seth
Non-Executive Director

Mr. Pallab Banerjee
Managing Director

Mr. Shailesh Kumar
Whole-Time Director

Mr. Deepak Kumar
Whole-Time Director

Mr. Anil Nayar
Independent Director (till March 31, 2024)

Mr. Rajendra Kumar Aneja
Independent Director (till March 31, 2024)

Mr. Chittranjan Dua
Independent Director (till March 31, 2024)

Mr. Abhishek Goyal
Independent Director

Mrs. Madhulika Bhupatkar
Independent Director

Ms. Neha Khanna
Independent Director

Dr. Rajiv Kumar
Independent Director

Mr. Sanjay Kapoor
Independent Director

Mr. Ashwini Agarwal
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 – NorpKnit and Prudent

Mr. Paresh Kumar Powani
CEO – Alpha Clothing

Mr. Sanjay Sarker
Country Director

Mr. Rajesh Sharma
CFO

The UK

Ms. Joanna Hales
Senior Vice President

Ms. Narinda Leon
Design Head

The US

Dr. Mahesh Seth
Vice President – Operations

Mr. David Ayala
Global Creative Director

Mr. Matthew Healy
CEO – Pearl Unlimited

VIETNAM AND HONG KONG

Mr. Gurusankar Gurumoorthy
CEO

Mr. Kulbhushan Aggarwal
Director – Finance (Vietnam)

Mr. Sumit Lath
CFO (Hong Kong)

INDONESIA

Mr. Rajesh Ajwani
Commissioner

Mr. Amit Kumar
Director

GUATEMALA

Mr. Sebastian Del Pinal
CEO

Auditors

Statutory Auditors
M/s. S R Dinodia & Co. LLP

Internal Auditors
Ernst and Young LLP

Secretarial Auditors
M/s. Jayant Sood & Associates

Risk Mastery, Global Unity

Our commitment to risk mastery begins with a deep understanding of the diverse risks that our business faces, from supply chain disruptions to geopolitical tensions. Through meticulous analysis and scenario planning, we proactively identify and assess risks, ensuring that we are prepared to mitigate their impact effectively.

Customer

At Pearl Global, we forge direct connections with our customers, fostering a collaborative environment where we continuously monitor their market demands and adapt our services accordingly. Prior to welcoming new customers aboard, we conduct rigorous credit assessments to establish a solid foundation for a prosperous relationship. We also provide comprehensive pre and post-shipment coverage, safeguarding our clients' interests throughout the entire transaction cycle. By covering every stage of the process, we instil confidence and add tangible value to our customers' experiences.

Product

At Pearl Global, we are dedicated to upholding the highest quality standards, aligning our practices seamlessly with customer expectations to effectively eliminate product risk. Through ongoing communication with customer representatives, we foster a collaborative environment that drives continuous process improvement. Furthermore, we empower our customers by providing certification training to their associates, enabling them to confidently certify products on our behalf.

Raw Material

At Pearl Global, we prioritise supply chain resilience to prevent production delays caused by material shortages. We employ proactive demand forecasting and early booking of raw materials to secure a consistent supply. Our strategic partnerships with key suppliers further ensure reliable and timely deliveries. Additionally, we align production with confirmed sales orders and conduct regular physical inventory counts to maintain accurate stock levels, preventing both stockouts and overstocks.

Currency

We leverage currency fluctuations to our advantage through natural hedging in all our international operations. We minimise the impact of currency fluctuations by using the India-export-forward cover, coupled with minimal import procurement.

Social and Ethical Compliance

Pearl Global maintains a rigorous internal control and compliance framework to ensure that all processes and transactions meet the highest standards of regulatory adherence. We continuously monitor these systems and swiftly implement corrective actions when required. Furthermore, we adhere to a stringent customer onboarding process to guarantee that all partners meet comprehensive compliance standards.

Cashflow

Embracing an asset-light business model, we have transitioned from owning manufacturing facilities to establishing strategic partnerships with factories. This shift allows us to optimise capital utilisation, enabling us to fund operations through internal resources rather than relying on external financing. Additionally, we maintain a focus on timely collections to ensure financial stability.

Honouring Excellence, Strengthening Capacity

2006-07
Highest Export in Woven Garments to Pearl Global

2007-08
Highest Export in Woven Garments to Pearl Global

2008-09
Highest Exports by Young Entrepreneur - 1st Position to Mr. Pulkit Seth, Vice Chairman, Pearl Global

2009-10
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

2010-11
Highest Exports in Woven Garments

2011-12
Highest Exports in Woven Garments

2012-13
Highest Exports by Young Entrepreneur - Winner - Mr. Pulkit Seth, Vice Chairman, Pearl Global

2015-16
Highest Global Exports (above ₹ 100 Crores and up to ₹ 500 Crores) - 1st Position

2020-21
Asia One Most Influential Young Leaders - Mr. Pulkit Seth

2022-23
Honorary Ph.D awarded to Chairman, Dr. Deepak Kumar Seth

Recognised as one of the best organisations for women

2023-24
Dr. Deepak Kumar Seth, Chairman, PGIL honoured as the 'Icon of the Indian Apparel Industry

2023-24
PGIL awarded for 'Highest Exports in Woven Garments 2021-22 & 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
Whole-Time Director

Mr. Deepak Kumar
Whole-Time Director

Mr. Anil Nayar
Independent Director
(till March 31, 2024)

Mr. Chittranjan Dua
Independent Director
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Mr. Rajendra Kumar Aneja
Independent Director
(till March 31, 2024)

Mr. Abhishek Goyal
Independent Director

Mrs. Madhulika Bhupatkar
Independent Director

Ms. Neha Khanna
Independent Director

Dr. Rajiv Kumar
Independent Director

Mr. Sanjay Kapoor
Independent Director

Mr. Ashwini Agarwal
Independent Director

Group Chief Financial Officer

Mr. Sanjay Gandhi

Chief Financial Officer

Mr. Narendra Somani

Company Secretary

Ms. Shilpa Budhia

Audit Committee

Mr. Abhishek Goyal
Chairman

Mrs. Madhulika Bhupatkar
Member

Dr. Rajiv Kumar
Member

Mr. Ashwini Agarwal
Member

Nomination and Remuneration Committee

Mr. Abhishek Goyal
Chairman

Mr. Deepak Kumar Seth
Member

Dr. Rajiv Kumar
Member

Ms. Neha Khanna
Member

Stakeholders Relationship Committee

Mr. Ashwini Agarwal
Chairman

Mr. Pulkit Seth
Member

Mr. Sanjay Kapoor
Member

Risk Management Committee

Mr. Pallab Banerjee
Chairman

Mr. Sanjay Kapoor
Member

Ms. Neha Khanna
Member

Corporate Social Responsibility Committee

Mrs. Madhulika Bhupatkar
Chairperson

Mr. Pulkit Seth
Member

Mr. Pallab Banerjee
Member

Auditors

Statutory Auditors
M/s. S R Dinodia & Co. LLP

Internal Auditors
Ernst and Young LLP

Secretarial Auditors
M/s. Jayant Sood & Associates

Registered Office

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

Corporate Office

'Pearl Tower', Plot No. 51, Sector-32, Gurugram - 122 001, Haryana

Bankers

State Bank of India

Canara Bank

Standard Chartered Bank

RBL Bank Limited

HDFC Bank Limited

Punjab National Bank

Management Discussion and Analysis

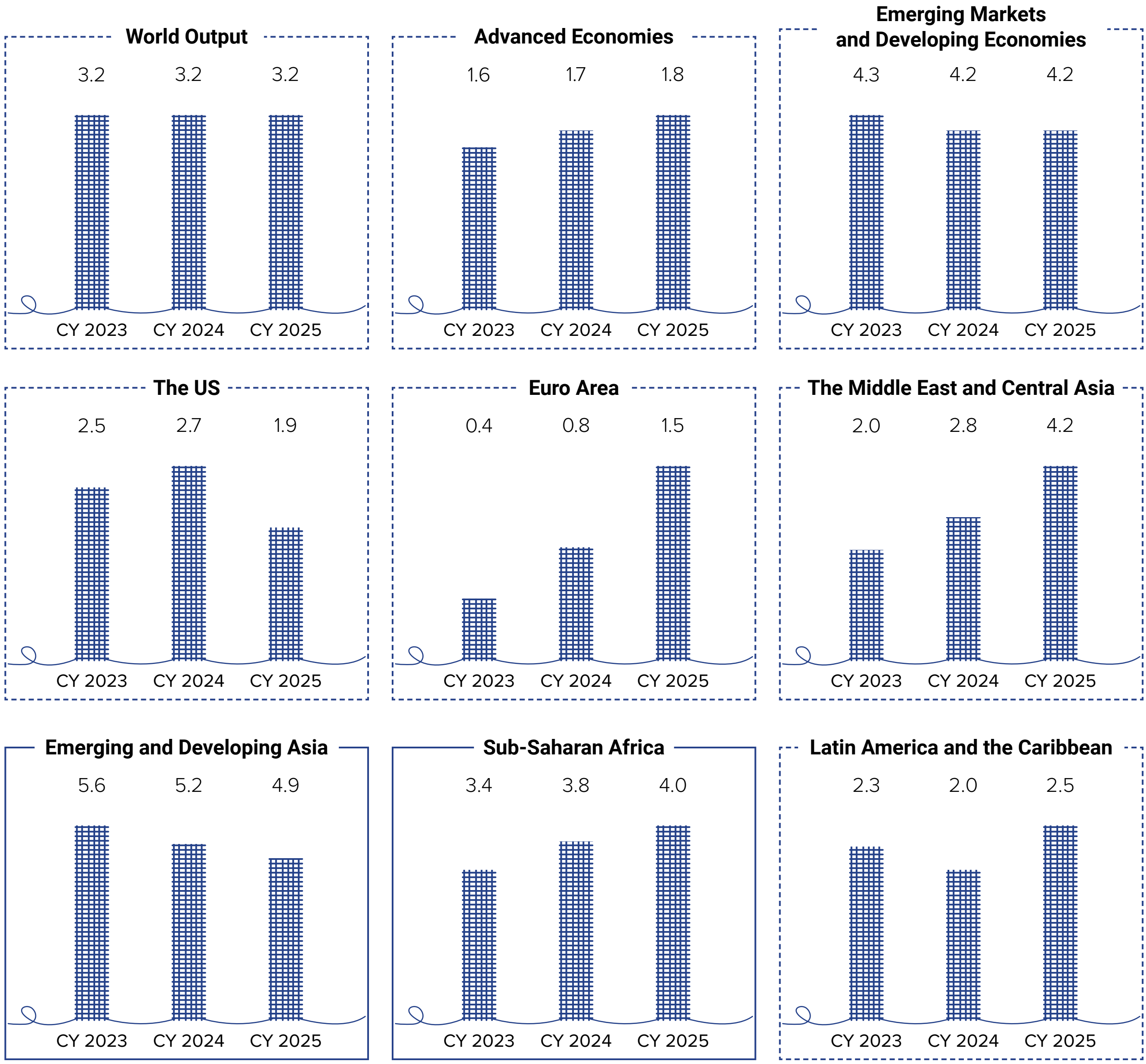
GLOBAL ECONOMY OVERVIEW

The global economy continues to perform resiliently, with growth holding steady as inflation aligns with targeted levels. The trajectory is shaped by major events, starting with supply-chain disruptions, the Russia-Ukraine conflict that triggered a global energy and food crisis, and a considerable surge in inflation. These headwinds were subsequently tackled by a globally synchronised monetary policy tightening.

Global growth, estimated at 3.2% in CY 2023, is projected to maintain the same pace in 2024 and 2025. However, this expansion remains below historical standards owing to a host of factors, including persistently high borrowing costs, reduced fiscal support, the lingering impact of the Covid-19 pandemic, alongside the continuation of the Russia-Ukraine conflict. In the inflationary front, the global headline inflation is anticipated to decrease from 6.8% in CY 2023 to 5.9% in CY 2024 and further to 4.5% in CY 2025. Advanced economies are expected to achieve their inflation targets sooner than emerging markets and developing economies.

Circling back to growth perspective, advanced economies are projected to experience a slight uptick, increasing slightly from 1.6% in CY 2023 to 1.7% in CY 2024, followed by a marginal surge to 1.8% in CY 2025. The US economy is projected to register a growth of 2.7% in CY 2024, before slowing down to 1.9% in CY 2025, influenced by fiscal tightening and softening labour markets. On the other hand, the Euro area is forecasted to recover from its low growth rate of 0.4% CY 2023 to record a growth rate of 0.8% in CY 2024, before moving further upward to clock 1.5% in CY 2025. Other advanced economies, like the UK, are also expected to see growth. On the contrary, there is an expectation of deceleration in Japan's output during the same period. In emerging markets and developing economies, growth is predicted to remain stable at 4.2% in 2024 and 2025. Low-income developing countries are forecasted to experience gradual increase in growth rates as constraints on near-term growth ease.

Global Economic Growth Projections



(Source: https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024)

OUTLOOK

Looking ahead to CY 2025, global GDP growth is projected to be moderate, akin to its 2019 performance, but slightly surpassing the anticipated 3.0% increase in 2023. This growth is expected to be mixed, with advanced economies experiencing modest growth of around 1.3%, while emerging markets maintain moderate momentum of 3.8%. Several factors are likely to hinder growth in CY 2024. These include sluggish employment expansion, consistently high prices and wages, elevated interest rates, tighter credit conditions, and fiscal tightening across most major economies, except China. Consequently, as supply chain constraints ease, final demand moderates, labour markets rebalance, and rents decrease, global disinflation is anticipated to persist in 2024.

(Source: https://www.ey.com/en_us/insights/strategy/global-economic-outlook#:~:text=In%202024%2C%20we%20anticipate%20moderate,about%203.8%25%20across%20emerging%20markets.)

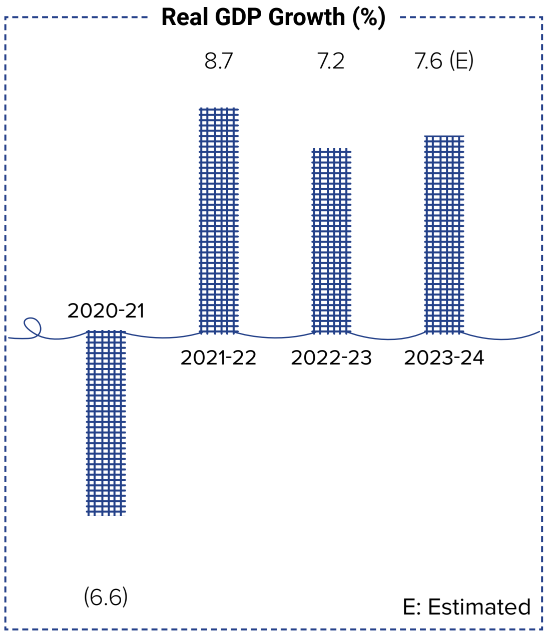
INDIAN ECONOMY OVERVIEW

India is positioned as a bright star within the global economic landscape, propelled by its rapid rise and indomitable commitment to scaling greater heights. With its rich cultural heritage and a population exceeding 1.4 Billion, the nation today stands as an economic powerhouse, consistently demonstrating its prowess on the global stage. The CY 2023 marked a major moment in India's boisterous journey, as the nation's GDP surged, further solidifying its leading position in the global economic arena. Additionally, real GDP recorded a remarkable growth of 7.6% in 2023-24, fuelled by robust demand in the residential sector, culminating in a double-digit growth in the construction industry. Furthermore, the Government statistics highlights that India's GDP growth rate surpasses that of major economies, such as Russia, the US, China, and Japan, firmly establishing the nation's economic dominance.

India witnessed major structural reforms since 2014, leading to transformative growth across sectors. The outcome of these focussed endeavours is evidenced in the positioning of the country as the fastest-growing economy among G20 nations, with estimated growth rates of 7.3% in 2023-24, 7.2% in 2022-23 and 9.1% in 2021-22. To keep the momentum going, India continues to make strides in innovation, ranking as the 48th most innovative country globally and securing the 40th position out of 132 economies in the Global Innovation Index 2023. Additionally, the nation ranks 3rd in the global number of scientific publications. Merchandise exports soared in March 2024, reaching USD 41.68 Billion, contributing to total merchandise exports of USD 437.06 Billion for the period spanning April 2023 to March 2024. As of April 12, 2024, India's foreign exchange reserves stood at USD 643.162 Billion, indicating a strong financial position for the country.

The Government's economic policy agenda is laser-focussed on revitalising and amplifying India's growth potential. This comprehensive strategy includes efforts to rejuvenate the financial sector, streamline business conditions, and enhance both physical and digital infrastructure to boost connectivity and augment manufacturing competitiveness. Furthermore, ongoing economic reforms are geared towards fostering a more conducive business ecosystem, improving quality of life, and fortifying governance systems to align with this overarching vision.

Growth of the Indian Economy



(Source: https://www.forbesindia.com/article/explainers/gdp-india/85337/1

https://pib.gov.in/PressReleasePage.aspx?PRID=2000586#:~:text=We%20are%20the%20third%2Dlargest,to%20the%20fastest%2Dgrowing%20unicorns.)

OUTLOOK

India's ambition to become a USD 7 Trillion economy by CY 2030 is reflected in its confident stride towards the milestone of attaining the status of a USD 5 Trillion economy within the next three years. This reinforces its stature as the world's third-largest economy. Furthermore, the Government is strategising effectively to reach its ambitious target of transforming India into a developed nation by CY 2047. With a foundation of stable and robust domestic demand, increasing private consumption and investments, and an ongoing push towards structural reforms, the nation is poised to maintain its upward growth trajectory in the foreseeable future.

(Source: https://www.livemint.com/economy/india-to-be-a-usd-7-trillion-economy-by-2030-finance-ministry-nirmala-sitharaman-11706525095022.html)

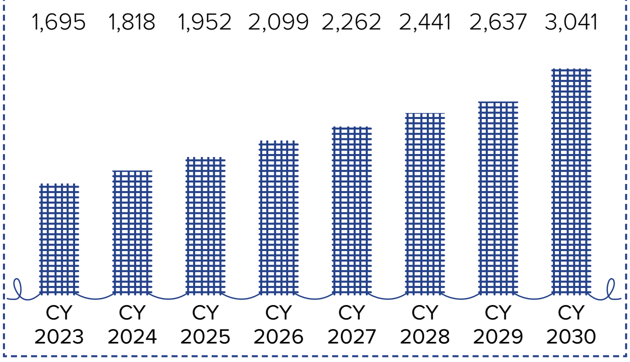
INDUSTRY OVERVIEW

Global Textile and Apparel Industry

The global textile market stood at USD 1,695 Billion in 2023. Moreover, it is projected to register an annual growth rate of 7.7% and reach USD 3,041 Billion by 2030. A multitude of factors, including a surge in population, growing pace of urbanisation, higher disposable incomes, the rise of online shopping, and a growing interest in eco-friendly textile are driving this growth. Digital technology is also making a big impact to bolster the growth potential of the textile market. Thriving on digital traction, the consumers can now interact directly with brands online, facilitating greater customisation and convenience. This trend, combined with a focus on sustainability and quality, is helping the industry to flourish, with China and India leading the way as the top producers and exporters of textile. Notably, the US occupies a prominent position in the market, both as a producer of raw cotton and as a big importer of textile.

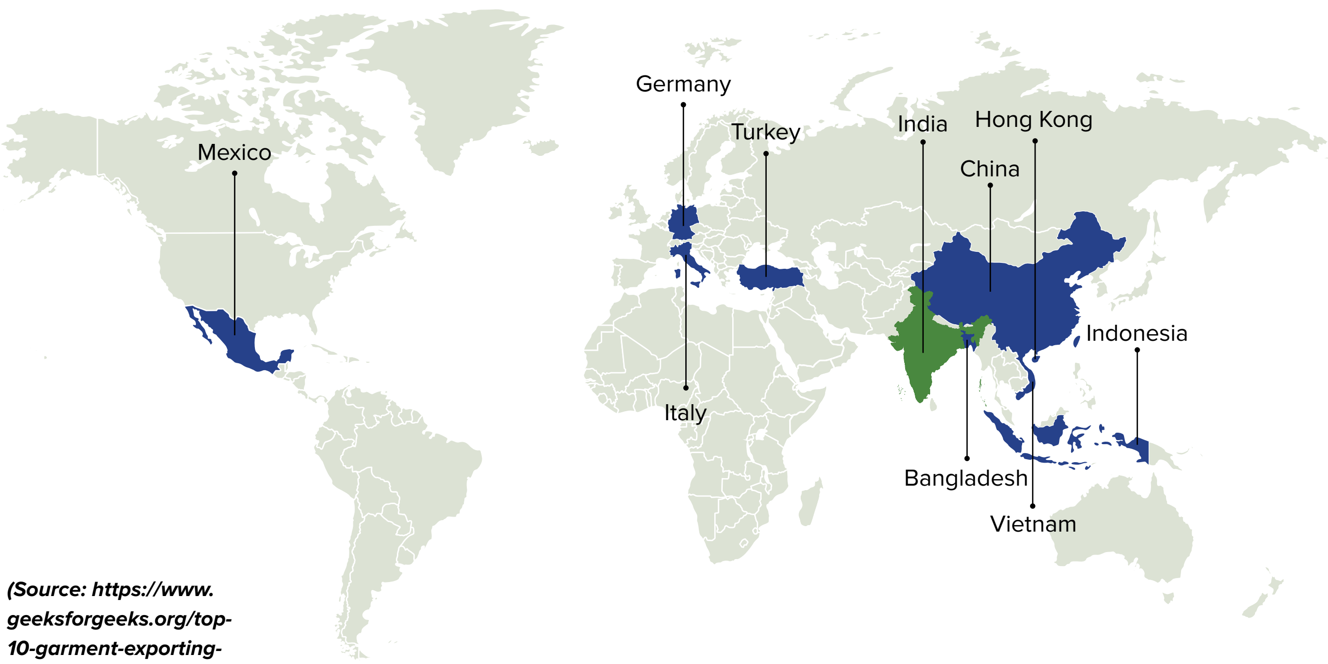
The apparel industry, being labour intensive, plays a pivotal role too, particularly in developing economies by bolstering revenue generation and stimulating employment creation. Several factors contribute to the industry's upward trajectory, including the prevalence of favourable demographics, shifting consumer preferences, and growing per capita and disposable incomes. Another factor strongly supporting the growth momentum of the apparel industry is the increasing number of working women, which in turn, is boosting household disposable income and fuelling demand for womenswear. Furthermore, a growing inclination towards branded and luxury wear, along with evolving fashion trends, is further propelling growth. The proliferation of online shopping and e-commerce platforms emerges as a significant enabler, providing apparel manufacturers with greater exposure, while enabling them to reach international buyers beyond domestic markets.

Global Textile Market, Forecast (in USD Billion)



(Source: https://www.maximizemarketresearch.com/market-report/textile-market/200298/)

Top 10 Apparel Exporters in CY 2023



(Source: https://www.geeksforgeeks.org/top-10-garment-exporting-countries-in-the-world/)

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.

Indian Textile and Apparel Industry

The Indian textile and apparel industry is expected to clock in a 10% CAGR from 2019-20 to reach USD 190 Billion by 2025-26, according to the Government. India currently holds a 4% share of the global trade in textile and apparel. The nation ranks as the world's third-largest exporter in this sector, leading in the exports of several textile categories. Forecasts suggest that by 2025-26, exports from India are anticipated to reach USD 65 Billion. The key export destinations for Indian textile and apparel include the US, EU27, and the UK, collectively accounting for approximately 50% of India's exports in this sector.

The textile industry's significance lies in its close ties with agriculture, particularly for raw materials such as cotton. Moreover, the sector imparts a deep-rooted influence in the cultural and traditional landscape of India. Boasting a diverse range of products suitable for various domestic and international markets, the textile industry stands out for its unique positioning. Moreover, with the aim of accelerating growth of this industry and generate fresh employment opportunities, the Government unveiled a host of schemes. For instance, the Scheme for Integrated Textile Parks (SITP), Technology Upgradation Fund Scheme (TUFS), and Mega Integrated Textile Region and Apparel (MITRA) Park scheme, seek to propel a holistic growth of the industry, emphasising on attracting private equity investments and fostering industry development.

The textile and apparel industry holds significant importance in India's economy. Its critical positioning is reflected through its contribution of approximately 2.3% to the country's GDP, 13% to industrial production, and 12% to exports, as reported by Invest India. Moreover, it is the second-largest employer in the country, providing jobs to 45 Million people directly and supporting another 100 Million in allied industries.

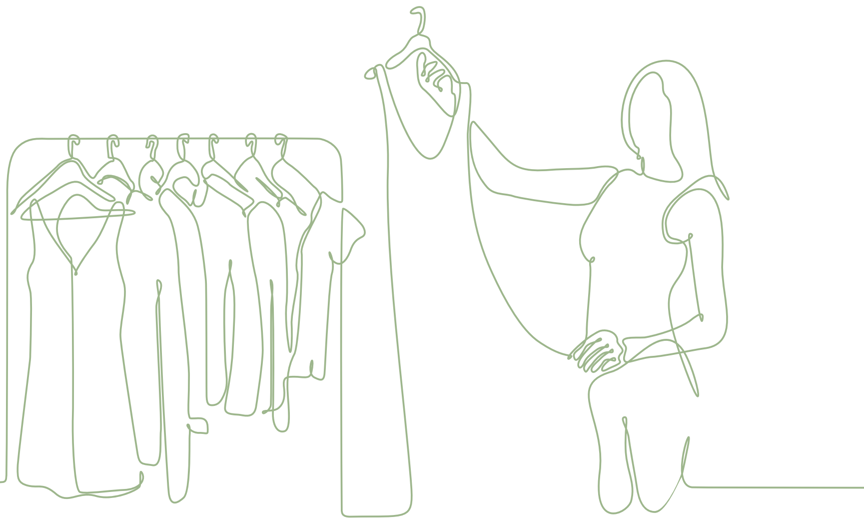
Textile and apparel exports experienced a rebound with a 6.91% year-on-year growth in March 2024. However, the overall trend reveals a contraction of 3.24% in exports during 2023-24, compared to the previous year. This decline is attributed to adverse economic conditions intensified by the Red Sea crisis, affecting the export of textile products, particularly ready-made garments, to foreign markets. On the contrary, the segment covering cotton yarn, fabrics, made-ups, and handloom products within the textile sector saw a notable year-on-year increase in exports by USD 740 Million in 2023-24 compared to the previous year, driven by a surge in cotton yarn exports.

India's Total Exports and Imports (in USD Million)

(Source: https://www.imarcgroup.com/indian-textiles-apparel-market

https://indiantextilejournal.com/industry-trends-for-2024/

https://economictimes.indiatimes.com/small-biz/sme-sector/interim-budget-2024-textile-and-apparel-industry-seeks-tax-incentives-infra-boost-for-growth/articleshow/107281018.cms?from=mdr



Contribution of Textile and Apparel Industry: Key Highlights

2.3%
Country's GDP

13%
Industrial Production

12%
Exports

21%
Total Employment

USD 451,065.44 Million
Textile and Apparel Exports in CY 2023

GROWTH DRIVERS OF INDIAN TEXTILE INDUSTRY

The Indian textile industry benefits from a host of favourable factors. Among them are adept Government schemes, a robust push for exports, the growing prevalence of digital technology, a thriving self-employment landscape, and a rising trend of women employment.

Government Schemes

The Indian Government's initiative to establish seven mega textile parks across India is aimed at catalysing employment opportunities and bolstering the MSME sector. These state-of-the-art parks feature advanced infrastructure and extend tax incentives and other benefits to textile companies. Additionally, the Government offers a varied range of strategic impetus to propel growth. For instance, the implementation of labour-friendly policies, such as the EPF scheme, ensure 12% coverage of the garment industry employers' contribution to the EPF for new employees earning less than ₹ 15,000 per month for the first three years. Furthermore, various policies and initiatives, including the Duty Drawback Scheme, Technology Upgradation Fund Scheme, Export Promotion Capital Goods Scheme, and Invest India Scheme, aim to promote industry growth.

(Source: https://www.impriindia.com/insights/pm-mitra-parks-indias-textile-sector/#:~:text=As%20per%20the%20scheme%2C%207,%2C%20Uttar%20Pradesh%2C%20and%20Maharashtra.)

Exports Enhancement

The textile and apparel industry in India spans the entire nation. The country ranks as the world's second-largest exporter of textile and clothing. Apparel stands out as the leading contributor to exports, with home textile and fabric also playing significant roles. In terms of export destinations, the US is the largest market for Indian textile, commanding an astounding 27% share, followed by the EU at 18%, Bangladesh at 12%, and the UAE at 6%.

(Source: https://pib.gov.in/PressReleasePage.aspx?PRID=1829802)

Sustainable Fashion

Sustainable fashion is revolutionising the textile industry, driven by consumer demand for eco-conscious clothing. This shift is fostering innovation, with companies investing in eco-friendly materials and production processes. Brands embracing sustainability are enhancing their reputations, attracting environmentally conscious consumers. Governments are also promoting sustainability through regulations. The concept of a circular economy, where products are recycled or biodegraded, is gaining traction, reducing the industry's environmental footprint. Collaboration across the supply chain is increasing, driving further sustainable practices.

(Source: https://www.globalpsa.com/conscious-consumption-rethinking-our-fashion-choices/)

Digital Technology

In recent years, digital textile technologies witnessed rapid advancements. New-age endeavours, including innovations in digital printing, fabric weaving, and associated areas resulted in the production of a wide range of fabrics with unparalleled precision, consistency, and cost-effectiveness. Furthermore, inkjet printing significantly accelerated fabric printing processes, with digital printing offering greater colour accuracy and vibrancy on textile. According to the announcement made by the Union Minister for Textile, India is currently ranked as the fifth-largest producer of technical textile globally, signifying its critical positioning in the industry.

(Source: https://www.investindia.gov.in/sector/textiles-apparel)

Increasing Consumer Preferences

Changes in consumer lifestyles, such as a growing emphasis on fitness, heightened brand consciousness, rapid shifts in fashion trends, increasing female participation in workforce, and greater awareness of hygiene, are influencing trends in end products. These shifts ripple through the textile value chain, leading to increased demand for fibres that can meet these evolving requirements at an affordable price.

Availability of Raw Materials and Manpower

India's unique strengths, including abundant raw material resources and a vast pool of skilled labour, position it as a leading player in the global textile and apparel value chain. With the capacity to capture more than 15% of global trade, India holds the potential to create between 40-50 Lakh jobs, thereby greatly fortifying the country's economy.

(Source: https://economictimes.indiatimes.com/small-biz/sme-sector/india-can-emerge-as-leading-destination-for-global-textile-apparel-value-chain-minister/articleshow/106008913.cms?from=mdr)

Free Trade Association

The textile industry welcomes the signing of the Trade and Economic Partnership Agreement with the European Free Trade Association, recognising its immense potential for advancing technology adoption and product development. This agreement poised to benefit the textile industry by opening up new markets and reducing trade barriers. By eliminating or reducing tariffs, quotas, and other trade barriers, textile companies can access a larger pool of consumers, leading to increased exports and higher revenues.

(Source: https://www.thehindu.com/news/cities/Coimbatore/textile-industry-welcomes-economic-pact/article67936158.ece)

Self-Employment

The textile business presents abundant opportunities for self-employment, catering to a diverse range of interests. From crafting unique apparel designs to creating personalised blankets and furnishings, the industry offers everyone something to specialise in. With technological advancements, the sector is poised to explore new and untapped markets, enhancing its growth prospects further. Individuals with a creative flair and entrepreneurial mindset are well-positioned to thrive in this industry. Moreover, the proliferation of internet opens boundless opportunities for growth across various platforms, that can be leveraged to showcase and market an individual's creations to potential customers. Additionally, a plethora of tools and resources are available to aspiring entrepreneurs to kickstart their journey into textile entrepreneurship.

Women Employment

Women's involvement in the textile sector not only fosters creativity but also enhances diversity of perspectives and ideas. Their receptiveness to innovative concepts and methods often propels them to leadership roles, driving significant contributions to economic advancement. Ensuring greater access to opportunities for women in the textile sector is crucial for fostering a fairer and more prosperous industry. Statistics reveal that women constitute 60-70% of the workforce in the textile and garment industry. In India alone, approximately 27 Million women are employed in the textile and clothing sectors.

(Source: https://www.impriindia.com/insights/policy-update/pm-mitra-pli-ftas/)

GOVERNMENT INITIATIVES

PM MITRA

The Government introduced the PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks Scheme. This initiative, with an allocation of ₹ 4,445 Crores until 2027-28, aims to develop top-notch infrastructure, including plug-and-play facilities. Inspired by the 5F vision of the Honourable Prime Minister—Farm to Fibre to Factory to Fashion to Foreign, these parks are anticipated to attract nearly ₹ 70,000 Crores in investment and generate 20 Lakh jobs. In addition, they are set to serve as a platform to establish an integrated textile value chain encompassing spinning, weaving, processing/dyeing, printing, and garment manufacturing at a single location.

PLI Scheme

The Government sanctioned the Production Linked Incentive (PLI) Scheme for Textile, aimed at fostering the production of MMF Apparel, MMF Fabrics, and Technical Textile products within the country. This initiative, with an allocation of ₹ 10,683 Crores over a period of five years, 2020-21 to 2024-25 is envisioned to propel the textile sector towards achieving greater size, scale, and competitiveness. The scheme consists of two parts; while the Part-1 mandates a minimum investment of ₹ 300 Crores and a minimum turnover of ₹ 600 Crores per company, the Part-2 necessitates a minimum investment of ₹ 100 Crores and a minimum turnover of ₹ 200 Crores per company. A gestation period of two years (2022-23 and 2023-2024) is incorporated into the scheme. Incentives are slated to be disbursed to companies upon meeting the investment and turnover thresholds, followed by incremental turnover targets.

Kasturi Cotton Bharat

The Kasturi Cotton Bharat programme, spearheaded by the Ministry of Textiles, represents a pioneering endeavour to promote Indian Cotton. This initiative encompasses branding, traceability, and certification of Indian Cotton, conducted collaboratively by the Government of India, trade bodies, and industry stakeholders. This initiative extensively engages with stakeholders across the supply chain, including farmers, ginning units, spinning mills, processing houses, weaving units, garmenting units, home textile manufacturers, retailers, and brands. The objective is to orchestrate a concerted effort to elevate the profile and value of Indian Cotton in both domestic and international markets.

National Technical Textile Mission (NTTM)

The Government launched the National Technical Textile Mission (NTTM) with a budget of ₹ 1,480 Crores. Anchored on key pillars including 'Research Innovation & Development', 'Promotion and Market Development', 'Education, Training, and Skilling', and 'Export Promotion', the mission is geared towards expanding the application of technical textile across various flagship programmes and strategic sectors in the country. Recently, NTTM received an extension until March 31, 2026, with a subsequent sunset clause in effect until March 31, 2028, marking a major move towards supporting the growth of the technical textile in India.

Samarth Scheme

The Government devised the Samarth Scheme as part of a comprehensive skilling policy framework to enhance the capabilities of workforce in the textile sector. The scheme primarily aims to offer opportunities for sustainable livelihoods. With an implementation period until March 2024, Samarth's target is to deliver demand-driven, placement-oriented skilling programmes, compliant with the National Skill Qualification Framework (NSQF).

Bharat Tex 2024

Bharat Tex 2024, a global textile mega-event, is jointly organised by a consortium of 11 Textile Export Promotion Councils, with the backing of the Ministry of Textiles. Convened on February 29, 2024, in New Delhi, this event blended tradition and technology, while emphasising sustainability and resilient supply chains. It promised to attract top talent and industry leaders from around the world. Furthermore, the event featured dedicated pavilions on Sustainability and Recycling, alongside thematic discussions on bolstering global supply chains and embracing digitalisation.

Rebate of State and Central Taxes and Levies (RoSCTL)

The Union Cabinet approved the extension of the Scheme for Rebate of State and Central Taxes and Levies (RoSCTL) for the export of apparel/ garments and made-ups until March 31, 2026. Extending the scheme for a duration of two years is set to facilitate the establishment of a stable policy framework, crucial for long-term trade planning. This strategic initiation is of particular significance for the textile sector where orders are often placed well in advance for extended delivery periods.

(Source: https://pib.gov.in/PressReleasePage.aspx?PRID=1989149#:~:text=The%20Government%20with%20a%20view,scheme%20is%20upto%20March%202024.)

OUTLOOK

Looking forward, the industry is on the brink of a transformative journey towards sustainability and circularity, transitioning from a mere 'nice-to-have' aspiration to an indispensable imperative. Furthermore, women-led enterprises are emerging as pivotal forces within the sector. Globally, women play a pivotal role in setting trends and market dynamics in apparel, as they account for 85% of graduates from premier fashion schools. With over 27 Million women employed in the sector, particularly in unorganised segments like handlooms, handicrafts, and sericulture, the presence is felt far and wide.

Moreover, emerging sectors such as technical textile and Government initiatives like the Production Linked Incentive Scheme are slated to generate additional avenues for employment generation for women. Notably, technical textile is projected to spearhead sectoral growth, with an anticipated Compound Annual Growth Rate (CAGR) of 15%. Encouraging the adoption of digital technologies, regular upgrades, and the implementation of blockchain-based supply chain traceability are crucial for the industry to advance. Moreover, collaborations with e-commerce platforms, including ONDC, are expected to drive industry objectives forward, ensuring a promising future for the sector.

(Source: https://www.indianretailer.com/article/retail-business/trends/textile-industry-targets-5-pc-gdp-share-2030-doubling-current)

COMPANY OVERVIEW

Pearl Global Industries Limited (also referred to as 'Pearl Global' or 'the Company'), stands as a distinguished force in global fashion and lifestyle, specialising in the design, manufacturing, and distribution of apparel. The Company offers an extensive product range spanning denims, casual and formal wear, knits, woven garments, and bottoms for men, women, and children. With a reputation of being a preferred, long-term vendor for leading global brands, the Company is known for its comprehensive supply chain solutions. Pearl Global boasts a diversified and risk-mitigated manufacturing presence across India, Indonesia, Bangladesh, Vietnam and Guatemala with a marketing and Design offices in the US, Spain, Hong Kong, and the UK. Catering to a diverse clientele, from high-end fashion labels to mass-market retailers, Pearl Global maintains a total manufacturing capacity of approximately 83.9 Million garments annually.

With an aim to become the preferred vendor for top global apparel brands and for being recognised as one of the world's premier garment manufacturers renowned for quality, service excellence, and customer satisfaction, the Company has strategic partnerships with key customers such as GAP, Kohl's, Inditex, PVH, Macy's, Ralph Lauren, Old Navy, Muji, and Talbots, among others.

The Company upholds a commitment to ethical and sustainable practices across its operations, manifesting through various sustainability initiatives like making significant investments to reduce water consumption in denim washes, resulting in an 85% reduction in water usage, reflecting Pearl Global's dedication to environmental responsibility and social accountability. The Company has implemented a QR code tracking system for every garment they manufacture, ensuring comprehensive traceability from fabric sourcing to the manufacturing stages and quality control. This system guarantees 100% traceability, inventory control, and quality assurance, particularly valued by customers, notably in the US market. Additionally, the Company has integrated 3D software and artificial intelligence to modernise its factories

COMPANY OUTLOOK

Revenue Growth

For the future, Pearl Global anticipates revenue growth driven by its customer expansion strategy, an increase in wallet share, capacity expansion, and enhanced plant efficiency. The Company expects that volume expansion will allow better leverage of infrastructure, combined with their global setup, resulting in sustainable margin improvements. Additionally, consistent revenue growth and margin enhancement are projected to lead to a sustainably improved RoCE. The Company aims at achieving a ~ 12-14% CAGR of revenue over the next 3 to 4 years driven by volume growth between 12-14% and strives to maintain a double-digit EBITDA over the coming years.

Capacity Expansion

Pearl Global forecasts capital expenditure for capacity expansion from 2023-24 to 2027-28 to amount to ₹ 450-550 Crore. This expansion will be funded through a mix of internal accruals, debt, and growth capital. In India, the Company is undertaking expansion in Indore through a subsidiary Company and exploring additional locations and states. Overseas, Pearl Global has executed a joint venture in Guatemala with factory expansion completed and is also considering the potential acquisition of factories in other countries.

Growth Potential Post Expansion

- Expansion of Customer Base and Product Range: Pearl Global remains committed to expanding its customer base while diversifying its product range.

- Focus on Technology and Sustainability: Embracing technology and sustainability are core pillars of Pearl Global's strategy. Investments in modernisation, digitalisation, and sustainable practices will not only improve operational efficiency but also enhance the brand's reputation as an environmentally responsible entity.

- Global Expansion and Risk Mitigation: Despite economic uncertainties and supply chain disruptions, Pearl Global's diversified geographical presence and robust risk management framework will help mitigate potential challenges. Strategic partnerships and investments in innovation will further strengthen its competitive position in key markets.

- Capacity Expansion and Process Optimisation: Plans for capacity expansion and internal process optimisation underscore Pearl Global's commitment to meeting growing demand efficiently. By enhancing production capabilities and streamlining operations, the Company aims to capitilise on emerging opportunities effectively.

- Commitment to Sustainability and Customer Satisfaction: With a focus on sustainability and customer satisfaction, Pearl Global is well-positioned to meet evolving consumer preferences and regulatory requirements. By aligning its business practices with environmental stewardship and customer-centricity, the Company reinforces its brand value and ensures long-term viability.

OUR PRESENCE

South Asia

India

Within India, the Company is significantly expanding its capacity coupled with the implementation of automation in machinery and maintenance infrastructure. The automation and maintenance CAPEX have already been accounted for, while capacity expansion in Chennai factory is completed. In the coming year, the Company plans to expand in Madhya Pradesh, Bihar and other states in India through its Indian subsidiaries. Land acquisition/ discussion is nearly at completion stage. Majority of capex in these states will be incurred in 2024-25. State administrations are actively encouraging us to establish factories within their jurisdictions. Collectively, these factors create a conducive environment for the Company's expansion efforts in India.

Bangladesh

Pearl Bangladesh takes pride in manufacturing and exporting the top three apparel categories: trousers, t-shirts, and knitted shirts, along with denim and other segments within the denim category. These products are shipped to various countries including the US, Germany, the UK, Spain, and France. Pearl Bangladesh is poised to introduce new products and technologies, enhancing our position as a key player in rapid market penetration. The Company's turnaround time for workers absenteeism averages less than 4%, demonstrating our commitment to efficiency, fostering a culture of pride and ownership among the team members. Looking ahead, the Company is eager to expand our footprint and increase impact. In essence, as a part of the Pearl Global Group, Pearl Bangladesh is primed to elevate its operations to the next level.

South-East Asia

Vietnam

Pearl Global's manufacturing facilities in Vietnam have seen a significant uptick in productivity, propelled by a more advantageous product assortment and an expanded array of choices for customers. The Company has observed increased returns and substantial enhancements in operational effectiveness. The growth of Pearl Vietnam can be attributed to a shift in management strategy. The Company has effectively capitalised on partnership model to maximise return on investment. With the infusion of new talent and diverse strategic approaches, the Company has cultivated a comprehensive understanding of the industry. This holistic perspective allows the Company to cater to the needs of buyers, excel in manufacturing, and deliver exceptional value to our customers.

Indonesia

Pearl Global's successful expansion into Indonesia includes the construction of a new facility on land acquired in 2021. This cutting-edge site has boosted the Company's Indonesian capacity by 35%, thereby augmenting revenues due to capacity expansion, facilitating the handling of more intricate processes and the provision of value-added products to clients.

Near Shore

In 2023, the Company extended its operations into Guatemala, now establishing a presence in three out of four major supply chains. In Guatemala, a joint venture has been executed and the expansion of a factory has been completed. This strategic move is geared towards enhancing the Company's growth by diversifying manufacturing capabilities and extending its geographic footprint. The confidence exhibited by customers in conducting business presents a promising opportunity for Pearl Global to capitalise on.

Location	No. of Units	Annual Capacity	Specialisation
India	7	24.5 Million pieces p.a	Woven and knit tops, dresses, shirts, women's fashion wear, kid's wear, sleepwear and woven and knits bottoms
Bangladesh	9	45.0 Million pieces p.a	Woven, knits, denim, sleepwear and loungewear, active wear & athleisure, tops and bottoms for men, women and kids
Vietnam	5	6.5 Million pieces p.a	Outerwear and jackets including down jackets, woollen jackets and coats, seam-sealed jackets, puffers, parkas, blazers, anoraks, swimming trunks, and synthetic bottoms
Indonesia	2	4.0 Million pieces p.a	Women's professional wear, performance wear, woven tops and dresses, sleepwear, and loungewear
Guatemala	1	2.0 Million pieces p.a	Polos, heavy weight knits, light weight knits, bottoms, and denims

The US

Pearl Global has launched a new division in the US specialising in branding and licensing. With the appointment of a new CEO possessing extensive expertise, the Company aims to strengthen its operations in the licensing segment and introduce a new revenue stream focussed on licensed product sales.

Design Studios and Marketing Offices

Pearl Global has design and marketing offices in

Hong Kong

Spain

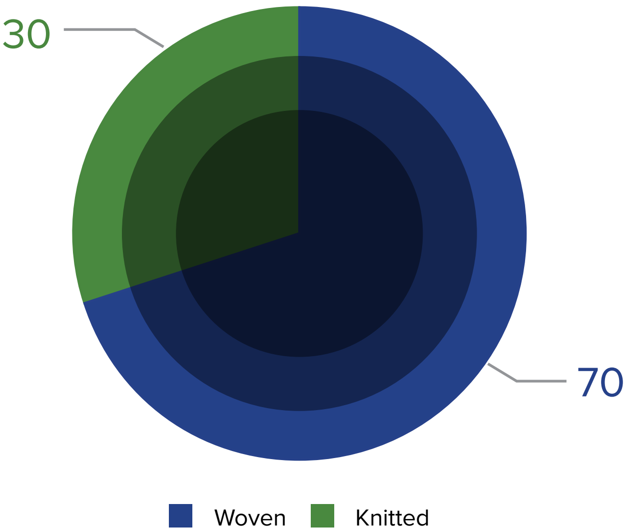
The UK

New York

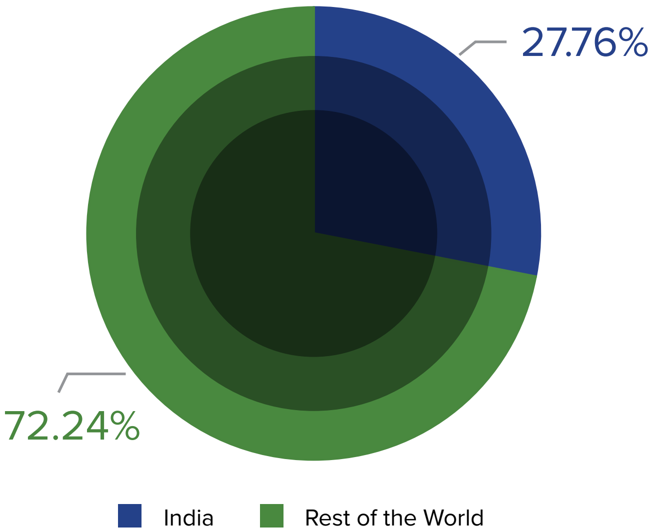
BUSINESS PERFORMANCE

Pearl Global has a strong financial framework along with a robust cash flow management. The Company's long-term credit rating stood at A- (Stable). Consolidated revenue from operations during the year was ₹ 3,436.15 Crores, compared to ₹ 3,158.41 Crores in previous financial year. The Net Profit before Tax stood at ₹ 192.05 Crores, compared to ₹ 175.84 Crores in the previous financial year.

Segment Wise Performance (%)



Region-Wise Export Performance (Revenue in ₹ Crores)



Financial Highlights (Consolidated)

Particulars (₹ in Crores unless stated otherwise)	2023-24	2022-23	2021-22	2020-21	2019-20
Revenue from Operations	3,436.15	3,158.4	2,713.5	1,490.9	1,685.1
EBITDA	307.8	255.5	140.6	60.6	66.9
EBITDA Margin (%)	8.96	8.1	5.2	4.1	4.0
Other Income	32.4	22.8	33.5	23.5	49.1
Profit before Tax	192.05	175.8	85.8	11.4	31.2
Profit after Tax	169.12	153	70.1	17.5	21.7
Profit after Tax Margin (%)	4.9%	4.8	2.6	1.2	1.3
Earnings per Share (₹)	40.26 *	34.45 *	31.5	8	9.9

*** EPS adjusted post-split of shares from face value of ₹ 10/- to ₹ 5/- each**

During the year, the Revenue from Operations stood at ₹ 3,436.15 Crores, registering a growth of 8%, as compared to ₹ 3,158.4 Crores in 2022-23. This growth can be attributed to the Overseas revenue increase by 21% led by growth in sales in the Bangladesh & Vietnam facilities. Further, enhancements in operational efficiency contributed to increased revenue from overseas, leading to economies of scale and consequently improving the EBITDA margin from international operations.

FINANCIAL RATIOS

Particulars	2023-24	2022-23	% Change	Reason for Change	Formula Used
Interest Coverage Ratio (x)	3.31	3.49	(5.04)	Improvement in ratio is because of higher profitability on account of higher realisation and significant improvement in operational efficiency across geographies, while keeping the debt under optimisation level	EBIT/Interest
Current Ratio (x)	1.45	1.42	1.89	The improvement in conversion cycle of working capital while keeping the liabilities in line with the acceptable limits	Current Assets/ Current Liabilities
Gross Debt-Equity Ratio (x)	0.54	0.60	(9.81)	Improvement in ratio is on account of keeping the debt at an optimised level and significant improvement in cash conversion cycle, resulting in healthy cash and bank balance	Total Borrowings/ Total Equity
Net Debt-Equity Ratio (x)	0.10	0.21	(53.61)	Improvement in ratio is on account of keeping the debt at an optimised level and significant improvement in cash conversion cycle, resulting in healthy cash and bank balance	Net Debt/Total Equity
Operating Profit Margin (%)	8.04	7.21	11.53	Improvement in ratio is because of higher profitability on account of higher realisation and significant improvement in operational efficiency across geographies, while keeping the debt under optimisation level	EBIT/ Revenue from Operations

Particulars	2023-24	2022-23	% Change	Reason for Change	Formula Used
Net Profit Margin (%)	4.93	4.84	1.74	Improvement in ratio is because of higher profitability on account of higher realisation and significant improvement in operational efficiency across geographies, while keeping the debt under optimisation level	PAT/ Revenue from Operations
Return on Net Worth (%)	21.11	21.18	(0.31)	On account of Increase in reserves	PAT/ Shareholders Equity
Debtors Turnover Ratio (x)	12.95	15.08	(14.15)	Debtor turnover has remained healthy within 30 days	Revenue from Operations/ Receivables
Inventory Turnover Ratio (x)	6.83	6.15	11.08	Improvement in efficiency and mixing of manufacturing with partnership factories	Revenue from Operations/ Inventory
Return on Capital Employed (%)	28.2	24.2	21.40	Improvement in ratio is because of: • 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 faces an array of risks that wield the potential to significantly impact its operations and financial stability. These risks are inherent in the organisation's functioning and require persistent vigilance for identification and mitigation. Pearl Global diligently conducts a thorough assessment of the risks looming over its operations. These include risks related to business dynamics, volatilities in market and industry landscapes, instability on the political front, liquidity challenges, credit vulnerabilities, foreign exchange fluctuations, human resources dynamics, and legal matters, in addition to environmental factors, and natural disasters. These risks can arise from both internal factors, such as changes in market conditions, and external factors, including shifts in regulatory environments or unforeseen events. To effectively manage these risks, Pearl Global harnesses a robust risk governance framework and puts in place a detailed action plan for risk mitigation. This proactive approach helps the Company anticipate and address potential challenges, thereby ensuring the continuity and stability of its operations.

Customer

Retention and Growth

- Maintaining direct engagement with every customer.
- Undertaking consistent monitoring of market trends pertinent to their needs.

Payment Security

- Conducting credit assessment before onboarding a new customer.
- Obtaining pre-shipment & post-shipment coverage.
- Non-recourse factoring arrangements.

Product

Quality

- Ensuring quality systems and practices are tailored to match customer expectations.
- Maintaining regular engagement with customer representatives to continually enhance processes.
- Appointing customer-certified Pearl associates to oversee product certification to streamline the process.

Raw Material

Prices and Supply Chain

- Anticipating and reserving raw materials proactively ahead of time.
- Fostering strategic and transparent partnerships with crucial suppliers.

Inventory

- Aligning production in strict accordance with confirmed sale orders.
- Ensuring regular review or physical count for maximum utilisation of stock.

Currency

Fluctuation

- Benefitting from natural hedging across all overseas operations.
- Utilising India-export-forward cover, with minimal import procurement, creating negligible impact.

Social and Ethical Compliance

Zero-Tolerance Policy

- Strict zero-tolerance policy ensures a robust internal control and compliance system.
- Regular monitoring allows for immediate corrections.
- Customers are onboarded only after complete compliance standards are met.

Geopolitical

Regulatory Compliance

- Closely monitors changes in regulations and trade policies across different geographies to ensure compliance.

Strategic Partnerships

- Building strategic partnerships with local businesses or Government agencies in regions provides valuable insights and support.

Cashflow

Debt Repayment and Servicing

- Sufficient operational cash flow to cover all near-term debt repayments and interest payments.
- Prudent working capital management.
- Resources ensure collection on time.

Governance

Compliance Assurance

- In its trajectory to strengthen compliance, Pearl Global has now engaged Big Four Accounting Firms as Statutory Auditors for overseas operations, bringing in best practices that have helped in strengthening systems and processes.

Supply Chain

Diversification of Suppliers

- Maintains relationships with multiple suppliers for critical materials and components, reducing dependence on any single source.
- Strong relationships enable better communication and collaboration, facilitating early identification and resolution of potential supply chain issues.

HUMAN RESOURCE MANAGEMENT

Pearl Global prioritises employee development and acknowledges their crucial role in the Company's success. A dedicated human resource department crafts effective policies and guidelines for employee growth and well-being. The Company ensures safe, hygienic, and sustainable work environments across all locations to attract, nurture, and retain talent. Pearl Global celebrates diversity and individuality, believing in every individual's leadership potential. Practical learning follows the 70-20-10 model, emphasising diverse learning sources: 70% from challenging experiences, 20% from relationships, and 10% from formal training. The Company had 25,708 direct employees as on March 31, 2024.

Pearl Global has also initiated an Employee Stock Option Plan for the well-being of its employees. Pursuant to the plan, 14,54,000 (no. adjusted post stock-split) options have been approved. The Plan follows the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. As per the plan, vesting period shall commence after a minimum of 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.

PEARL GLOBAL'S EMPLOYEE-CENTRIC INITIATIVES

Inclusion-based Programmes

P.A.C.E. (Personal Advancement and Career Enhancement): The Company offers P.A.C.E., a well-known initiative by GAP Inc., dedicated to empowering women in workplaces. This programme facilitates the professional advancement of female workers at Pearl Global, enabling them to assume leadership positions.

POSH (Prevention of Sexual Harassment): The Company launched gender awareness training in partnership with Corporate Ethos and Shakti Foundation, representing a notable step towards creating a safe and inclusive workplace. This initiative seeks to nurture a culture of respect and inclusivity, guaranteeing that every employee and factory worker feels appreciated and respected.

Innovation-based Programmes

Workplace Cooperation Programme (WCP): The Company continues its Workplace Cooperation Programme in partnership with GAP Inc., with the objective of enhancing relationships and collaboration between factory management and other departments. Focussed on promoting effective communication, role clarity, and risk

assessment, this initiative endeavours to build cohesive teams and instil a culture of trust and cooperation.

Supervisors Skill Training (S.S.T): The training is designed to provide supervisors with the necessary professional skills to facilitate more effective communication between workers and management, while also ensuring a fair balance between the organisation's interests and those of the workers. Developed by Better Work and implemented in our units in collaboration with our partner brand GAP Inc., this programme aims to enhance workplace relations and promote mutual understanding.

Leadership Conclave/Multipliers: To equip our leaders with the necessary skills and insights, a leadership intervention titled 'A.I.M- Align, Implement & Multiply' was introduced to recognise and harness the unique strengths of our teams, empowering them to maximise their impact. It was a 3-day conclave in association with Tracy Ann, aimed at facilitating the management's growth and development to unlock their full potential. Furthermore, this conclave was designed to discuss our vision and develop a much healthier bottom line in the next 3 years, working towards reaching our USD 1 billion+ goal.

Skills Training: The Company hosts workshops designed to instil an entrepreneurial mindset and broaden employee responsibilities, thereby aiding in their advancement. These sessions encompass various topics such as business communication, team management, basic computer skills, personal finance, interpersonal communication, conflict resolution, language proficiency, and industry-specific technical training for the garment sector.

VISIONARY APPROACH

Pearl Global embraces diversity as a source of strength, recognising that diverse perspectives, approaches, and ideas combine to drive the organisation forward synergistically. Equal opportunities are extended to all individuals to showcase their talents and contribute to the Company's enrichment. With a focus on recruiting the most skilled and suitable candidates, Pearl Global flourishes with a legacy spanning decade, bolstered by a team of experienced professionals.

CARE

HerHealth: Pearl Global takes pride in HerHealth, a specialised initiative focussed on women's health. Its aim is to enhance awareness of well-being within low-income families, emphasising healthy habits in vital areas like lifestyle, nutrition, and sanitation. To connect effectively with the intended audience, HerHealth sessions are routinely held across Pearl Global's factory facilities in India, Indonesia, and Bangladesh.

Fair Trading Practices: At Pearl Global, transparency and proactivity are core principles guiding our operations. We prioritise building strong client relationships and strive to exceed expectations through diligence and dedication.

Awareness Camps: At Pearl Global, educating our workforce about social issues is a top priority to foster societal well-being. To achieve this goal, we regularly organise educational camps and workshops covering a range of relevant topics. These include discussions on gender equality, substance abuse prevention, sexual harassment prevention, ethical conduct standards, women's empowerment, and general health awareness.

INTERNAL CONTROL SYSTEM

Pearl Global boasts robust internal control systems, meticulously overseeing transaction recording, authorisation, and reporting, while safeguarding Company assets. The successful implementation of SAP across its manufacturing units underscores the Company's commitment to ongoing system enhancements. The Company appointed the Big 4 top accounting firm as statutory auditors for overseas companies, bringing in best practices that have helped in strengthening systems and processes. To reinforce adherence to internal control protocols, Ernst & Young (E&Y) serves as the Internal Auditor for India and Bangladesh operations. A regular review of audit findings informs proactive compliance measures.

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 statement, 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 35th Annual General Meeting (AGM) of the Members of Pearl Global Industries Limited will be held on Thursday, July 25, 2024, 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

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2024, including the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Deepak Kumar Seth (DIN 00003021), who retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint a Director in place of Mr. Pulkit Seth (DIN 00003044), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. TO CONSIDER AND APPROVE INCREASE 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** pursuant to the provisions of Section 188, 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 increase in remuneration of Mr. Pallab Banerjee, Managing Director of the Company with effect from April 01, 2024 to March 31, 2025, as mentioned in the explanatory statement.

RESOLVED FURTHER THAT the other terms and conditions, as approved by the Members with respect to the appointment of Mr. Pallab Banerjee as Managing Director, on March 30, 2022 shall remain the same.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in the 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 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."

5. APPROVAL FOR RELATED PARTY TRANSACTIONS BETWEEN PEARL GLOBAL (HK) LIMITED AND PRUDENT FASHIONS LIMITED

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

"**RESOLVED THAT** pursuant to Section 188 and any other applicable provisions of the Companies Act, 2013 and the rules framed thereunder, Regulation 23 and any other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the consent of the Audit Committee and the Board of Directors, the approval of the members of the Company be and is hereby accorded for related party transactions between Pearl Global (HK) Limited, a wholly Owned Subsidiary and Prudent Fashions Limited a Step down Subsidiary of the Company as per following terms:

Nature of Transactions	Amount (₹ in Crores)	Financial Year
Purchase / Sale of Goods	400.00	2024-2025
Purchase / Sale of Goods	450.00	2025-2026
Purchase / Sale of Goods	500.00	2026-2027

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

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

(Shilpa Budhia)
Company Secretary
ICSI M. No.: A23564

Place: Gurugram
Date: May 20, 2024

NOTES:

1. Pursuant to the General Circular No. 10/2022 dated December 28, 2022 and Circular No. 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs (MCA) and the SEBI Circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 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.

2. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

3. The relevant details, pursuant to regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed herewith.

4. 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.

5. 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.

6. The Members may join the 35th 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 35th AGM and the Company may close the window for joining the VC/ OAVM facility 30 (thirty) minutes after the scheduled time to start the 35th 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 35th AGM without any restriction on account of 'first come first served' basis.

7. The attendance of the Members participating in the 35th AGM through VC/ OAVM facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

8. 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. Thursday, July 18, 2024. A person who is not a member as on the cut-off date is requested to treat this Notice for information purposes only.

9. In compliance with the Circulars, the Annual Report 2023-24, the Notice of the 35th 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).

10. Members may please note that the Annual Report including Notice of the 35th AGM of the Company will also be available on the website of the Company at www.pearlglobal.com. The same can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com.

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 RTA, Link Intime India Private Limited at delhi@linkintime.co.in, to receive copies of the Annual Report 2023-24 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, 1st 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
	Declaration to opt out	Form ISR-3
	Cancellation of nomination by the holder(s) (along with ISR-3) / Change of nominee	Form SH-14
	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 Registrar and Share Transfer Agent, Link Intime.

    SEBI has mandated through its circular dated March 16, 2023, for submission of PAN, KYC details and nomination by holders of physical securities. 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 Depository Participant.

13. In terms of the SEBI 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 and paid the following dividends during the year in compliance with the Dividend Distribution Policy:

Particulars	**2nd Interim Dividend 2022-23**	**1st Interim Dividend 2023-24**	**2nd Interim Dividend (Special) 2023-24**
Date of Declaration	May 15, 2023	August 21, 2023	November 08, 2023
Record Date	May 26, 2023	September 01, 2023	November 22, 2023
Rate of Dividend per share (Face Value of ₹ 10/- per share)	₹ 5/- per Equity Share	₹ 5/- per Equity Share	₹ 12.5/- per Equity Share
%	50%	50%	125%
Total Payout (₹ in Lakhs)	1083.20	1,083.19	2,721.99

Notice (Contd.)

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 Ministry of Corporate Affairs.

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
31.03.2017	₹ 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
31.03.2024	₹ 5.00/- (Interim)	21.08.2023	20.09.2030	19.10.2030
31.03.2024	₹ 12.50/- (Interim-Special)	08.11.2023	07.12.2030	06.01.2031

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

15. Members who wish to obtain any information about the Company or the financial statements for the financial year ended March 31, 2024, may send their queries at investor.pgil@pearlglobal.com at least 7 (Seven) days before the date of 35th AGM. The same will be replied by/ on behalf of the Company suitably.

16. In case of joint holders attending the 35th 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 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 35th AGM using electronic voting system ('remote e-voting') and e-voting (during the 35th AGM), provided by NSDL and the businesses may be transacted through such voting.

Only those Members who will be present in the 35th 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 35th AGM.

The voting period begins on Monday, July 22, 2024 (10:00 AM IST) and ends on Wednesday, July 24, 2024 (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 Thursday, July 18, 2024, 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 35th AGM and holds shares as of the cut-off date, may obtain the login ID and password by sending a request at investor.pgil@pearlglobal.com or delhi@linkintime.co.in (RTA email id). However, if a member is already registered with Link Intime for e-voting, then he/she can use existing user id and password/PIN for casting the vote.

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.	1. 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. 2. 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 3. 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.
	4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

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 use 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

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 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 Ms. 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 (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 AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of 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 18, 2024, 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) has been appointed as the Scrutiniser to scrutinise the remote e-voting process and voting during 35th 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 of the 35th AGM of the Company will be declared within the prescribed timeframe. 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 Act)

As required by Section 102 of the Act, the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 4 & 5 of the 35th AGM Notice.

Item No. 4

Mr. Pallab Banerjee was appointed as the Managing Director of the Company for a period of 3 (three) years commencing from April 01, 2022. The current remuneration of Mr. Pallab Banerjee is ₹ 3.75 Crores per annum, excluding the value of perquisites arising from the exercise of stock options granted to him, in terms with Pearl Global Industries Limited Employee Stock Option Plan 2022.

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 we stay 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 Nomination and Remuneration Committee considered and recommended to the Board an increase in the remuneration of Mr. Pallab Banerjee.

Accordingly, the Board of Directors have in its meeting held on May 20, 2024, on the recommendation of Nomination and Remuneration Committee, approved and recommended payment of following remuneration to Mr. Pallab Banerjee with effect from April 01, 2024, till his remaining tenure as Managing Director:

A) Gross salary upto ₹ 5.00 Crores p.a. (Basic Salary, Perquisites, Allowances, Variable pay/Bonus) from the Company and its material wholly owned subsidiary Pearl Global (HK) Limited, Hong Kong;

B) Apart from the above, Perquisite value arising on account of exercise of Stock Options granted to him;

C) Reimbursement of actual business expenses of Conveyance including Driver and Entertainment reimbursement, Provident Fund & Gratuity and other benefits as per Company's rules.

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 Act and Listing Regulations.

Shareholders' approval is sought for payment of remuneration to 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 appointment of Mr. Pallab Banerjee under Section 190 of the Act.

Additional information in 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.

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

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.

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 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 Act, is provided below:

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)

	2023-24		2022-23		2021-22	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Revenue from operations	95,366.71	3,43,615.11	110,377.07	315,840.92	93,377.06	271,352.90
Profit Before Tax	3,047.69	19,205.97	6,167.05	17,584.92	3,610.59	8,581.82
Profit After Tax	2,823.77	16,912.36	5,381.65	15,299.22	2,715.78	7,010.88

5.	Foreign investments or collaborators, if any	Apart from 6,209,125 equity shares of ₹ 5/- each of your Company being held by 208 NRI/FPI/ Members/Folios representing approx 14.25% of the total paid up Capital of the Company as on March 31, 2024, there is no other foreign investment in the Company.
II.	**INFORMATION ABOUT MR. PALLAB BANERJEE**	
1.	Background Details	Mr. Pallab Banerjee, aged about 55 years, holds B.Sc. (Hons) degree and Postgraduate in Apparel Manufacturing and Marketing from NIFT and Financial Management from eCornell and having three decades of experience in the apparel industry has provided him with strategic thinking and keen market analysis. He has built a knack for identifying emerging global trends and leveraging them to our advantage, ensuring that we stay ahead of the competition. He is Managing Director of the Company and overseeing the domestic and overseas operations of the Pearl Group.
2.	Past Remuneration	₹ 3.75 Crores per annum.
3.	Recognition or Awards	N.A.
4.	Job Profile and their Suitability	Mr. Pallab Banerjee, 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.
5.	Remuneration Proposed	As per the explanatory statement as set out in item no. 4
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.
7.	Pecuniary relationship directly or indirectly with the Company or with the managerial personnel, if any.	NIL

Notice (Contd.)

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	The Standalone Turnover of your Company during the year 2023-24 was ₹ 95,366.71 Lakhs and Profit after tax was ₹ 2,823.77 Lakhs for the financial year 2023-24. Considering the current year growth, the Company aims at achieving ~ 12-14% CAGR of revenue over the next 3 to 4 years driven by volume growth between 12-14% and aim to achieve a double-digit EBITDA over the coming years.
IV	**DISCLOSURES:**	
	The Disclosures on Remuneration under point no. IV of Section II of Part II of Schedule V of the Act is detailed in Corporate Governance Report included in Annual Report 2023-24.	

The Company has not defaulted in payment of dues to any Bank or Public Financial Institution or any other secured creditor.

ITEM NO. 5:

Pearl Global Industries Limited ("the Company") is engaged into the business of manufacturing, sourcing and trading of ready to wear apparels in India and overseas, through its overseas subsidiaries. The Manufacturing facilities of the Company are established In India, Bangladesh, Indonesia, Vietnam and Guatemala. The Company's one of the step-down subsidiary Prudent Fashions Limited has manufacturing facilities at Bangladesh. Pearl Global (HK) Limited, Hong Kong, is also a wholly owned subsidiary of the Company, engaged in the business of sourcing and trading of ready to wear apparels in Hong Kong.

During the normal course of the business and considering requirements of customers, trading and sourcing activities are being undertaken by Pearl Global (HK) Limited with Prudent Fashions Limited. Related Party Transactions are undertaken between Prudent Fashions Limited and Pearl Global (HK) Limited on a continuous basis, being the normal business practice. The value of such transactions between these entities is likely to exceed ₹ 343.61 Crores during the financial year 2024-25, being ten percent (10%) of the Consolidated turnover (₹ 3,436.15 Crores) of the Company for the financial year ended March 31, 2024.

As per the provisions of Regulation 23 of the Listing Regulations any material related party transactions between two subsidiary Companies exceeding 10% of annual consolidated turnover of immediately previous year of the listed Company, requires prior approval shareholders of the listed Company.

Since the value of such transactions is likely to exceed 10% of consolidated turnover of financial year 2023-24 of the Company, prior approval of Shareholders of the Company is sought for the following related party transactions between Pearl Global (HK) Limited and Prudent Fashions Limited for the period of three years:

Nature of Transactions	Amount (₹ in Crores)	Financial Year
Purchase / Sale of Goods	400.00	2024-2025
Purchase / Sale of Goods	450.00	2025-2026
Purchase / Sale of Goods	500.00	2026-2027

The Audit Committee and the Board of Directors have approved the proposed transactions, being in the interest of the Company, between two subsidiaries of the Company in their meetings held on May 20, 2024. The same is being placed before the members of the Company for their approval.

Your Directors recommend the passing of resolution at Item no.5 as an Ordinary Resolution.

Mr. Deepak Kumar Seth, Mr. Pulkit Seth, Mrs. Shifalli Seth and Mrs. Payel Seth, being Directors and/or Shareholders of the Company and Directors/shareholders in the subsidiaries are interested in this resolution. None of the other Directors or Key Managerial Personnel or their relatives, except to the extent of their shareholding, are interested financially or otherwise in this resolution.

Annexure 1

Details of Directors seeking appointment/reappointment including variation of the terms of their appointment/reappointment under Listing Regulations and Secretarial Standard-2, the following Explanatory Statement sets out the material facts relating to the businesses under Item Nos. 2,3 & 4 of the accompanying Notice.

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

Name of the Directors	Mr. Deepak Kumar Seth (DIN 00003021)	Mr. Pulkit Seth (DIN 00003044)	Mr. Pallab Banerjee (DIN 07193749)
Age	73 years	44 years	55 years
Qualifications	Master of Business Administration (MBA) and B.A. (Economics)	Bachelor of Business Management degree from Leonard N. Stern School of Business, University of New York, USA	B.Sc. (Hons) degree and Postgraduate in Apparel Manufacturing and Marketing from NIFT and Financial Management from eCornell
Experience (including expertise in specific functional area) / Brief resume	Mr. Deepak Kumar Seth is the Chairman of the Company. He is an active member of the Apparel Export Promotion Council of India ("AEPC") and has held the post of "Vice Chairman" of the Eastern Region of AEPC for 2 years. He is also an executive member of the Apparel Exporters & Manufacturers Association (AEMA) and was awarded "Icon of the Indian Apparel Industry" in the year 2022-23. His knowledge of the business environment and vast experience in general management has been an asset to the Company	Mr. Pulkit Seth is the Vice-Chairman of the Company. He has over twenty years of experience in the Apparel Industry. He has been overseeing the operations of Pearl Group. Under the able leadership of Mr. Pulkit Seth, the Company has established formidable moat in manufacturing business by creating sustainable development capabilities, global cost competitiveness, outstanding operational excellence with focus on customer centricity optimising regional presence. He has extensive experience to drive manufacturing excellence across geographies coupled with endearing commitment to serve customers.	Mr. Pallab Banerjee is the Managing Director of the Company. He has been in the Apparel Industry for three decades with world class 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.
Date of first appointment on the Board	22.03.1994	01.11.2004	01.10.2021
Shareholding of non-executive directors in the listed entity, including shareholding as a beneficial owner as on March 31, 2024	5,724,290 Equity Shares of ₹ 5/- each.	13,895,242 Equity Shares of ₹ 5/- each.	Being an Executive Director, he holds 140,708 Equity Shares of ₹ 5/- each and 102,000 stock options.

Notice (Contd.)

Name of the Directors	Mr. Deepak Kumar Seth (DIN 00003021)	Mr. Pulkit Seth (DIN 00003044)	Mr. Pallab Banerjee (DIN 07193749)
Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign companies)	He holds directorship in the following Companies: 1. PDS Limited 2. SBUYS E-Commerce Limited 3. Pearl Global Kaushal Vikas Limited 4. Digital Ecom Techno Private Limited 5. Technocian Fashions Private Limited 6. SEAD Apparels Private Limited	He holds directorship in the following Companies: 1. SBUYS E-Commerce Limited 2. Pearl Global Kaushal Vikas Limited 3. SEAD Apparels Private Limited	He holds directorship in the following Companies: 1. Pearl Global Kaushal Vikas Limited 2. SBUYS E-Commerce Limited 3. SEAD Apparels Private Limited
Memberships/ Chairmanships of committees across all companies	He holds membership in Nomination and Remuneration Committee of the Company. He is Member of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee of PDS Limited.	He holds membership in Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Chairmanship in Finance Committee of the Company.	He holds membership in CSR Committee, Finance Committee and Chairmanship in Risk Management Committee of the Company.
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	Father of Mr. Pulkit Seth; and Father in-Law of Mrs. Shifalli Seth	Son of Mr. Deepak Kumar Seth, Chairman; and Husband of Mrs. Shifalli Seth.	None
No. of Board Meetings attended during the financial year 2023-24	2	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.	The terms and conditions as per detailed in explanatory statement at item no. 4.
Details of last drawn remuneration and proposed remuneration	Sitting fees	Sitting fees	Last drawn remuneration: ₹ 3.75 Crores per annum. Proposed remuneration: As detailed in explanatory statement at Item no. 4.

DIRECTORS' REPORT

To the Members,

Your directors have pleasure in presenting their 35th Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended March 31, 2024.

FINANCIAL RESULTS

(₹ in Lakh)

Particulars	Consolidated		Standalone	
	2023-24	2022-23	2023-24	2022-23
Income from operations	3,43,615.11	3,15,840.92	95,366.71	1,10,377.07
Other Income	3,236.87	2,280.99	4,232.27	3,035.51
Total Income	**3,46,851.98**	**3,18,121.91**	**99,598.98**	**1,13,412.58**
EBITDA	**30,780.37**	**25,553.50**	**4,931.89**	**6,959.91**
Profit before Tax	**19,205.97**	**17,584.92**	**3,047.69**	**6,167.05**
Provision for Tax	2,293.61	2,285.70	223.92	785.40
Net Profit /(loss) for the period	**16,912.36**	**15,299.22**	**2,823.77**	**5,381.65**
Earnings per share				
(a) Basic	40.26	34.45	6.50	12.42
(b) Diluted	40.05	34.40	6.45	12.39

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

During the year, your Company's consolidated income from operations was ₹ 3,43,615.11 Lakhs as against ₹ 3,15,840.92 Lakhs in the previous year and Net Profit was ₹ 16,912.36 Lakhs as against Net Profit ₹ 15,299.22 Lakhs in the previous year.

Further during the year, your Company's standalone income from operations was ₹ 95,366.71 Lakhs as compared to ₹ 1,10,377.07 Lakhs in the previous year and Net Profit was ₹ 2,823.77 Lakhs as compared to Net Profit ₹ 5,381.65 Lakhs in the previous year.

Pearl Global Industries Limited (PGIL) is one of the India's largest listed garment exporters, manufacturing from multiple sourcing regions within India and countries within South Asia. A preferred long-term vendor to most leading global brands, we are amongst the leading player in our Industry. Our mainstay business is to create value from competitively manufacturing and exporting fashion garments to leading global brands.

PGIL is a worldwide clothing manufacturing company 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-four state-of-the-art manufacturing plants (including Partnership facilities) across five countries including India (Gurugram, Chennai and Bengaluru), Bangladesh, Vietnam, Indonesia and Guatemala and has design studios and marketing offices in Hong Kong, Spain, the UK and the US.

Our product portfolio includes Knits, Wovens, Denim, Outerwear, Activewear & Athleisure, Sleepwear and Lounge, Childrenswear and Workwear. We are a well-diversified company with a de-risked manufacturing base having multinational presence. Our business is primarily focused on the export of apparels with USA contributing the highest amongst all countries. Marquee Clientele includes GAP, Kohl's, Inditex, PVH, Macy's, Ralph Lauren, Old Navy, Muji, Talbots among others. We have a total capacity to manufacture around 6.99 Million garments per month (83.9 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. Your company is currently in the advanced stage of entering into lease for capacity expansion in two states through subsidiaries and also exploring opportunities in other locations and states to boost our domestic presence. Additionally, the Company continues to evaluate the acquisition of factories in other countries to further strengthen our global footprint. Furthermore, Pearl Global is strengthening its partnership model in overseas countries to serve its customers by meeting all their requirements, also maximizing the return for the investors with improved return ratios.

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 A- (Stable) from [ICRA] BBB+ (Stable) and Short Term Rating A2+ from [ICRA] A2.

TRANSFER TO GENERAL RESERVES

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

DIVIDEND DISTRIBUTION POLICY

The Company has a Dividend Distribution Policy in place as required under Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 Board of Directors had declared the following Interim Dividends during the year in compliance with the Dividend Distribution Policy. The dividend amount paid by the Company also includes the dividend received by the Company from its wholly owned subsidiary Pearl Global (HK) Limited, Hong Kong.

Particulars	For 2022-23	For 2023-24	
	2nd Interim Dividend	1st Interim Dividend	2nd Interim Dividend (Special)
Date of Declaration	May 15, 2023	August 21, 2023	November 08, 2023
Record Date	May 26, 2023	September 01, 2023	November 22, 2023
Rate of Dividend per share (Face Value of ₹ 10 per share)	₹ 5/- per Equity Share	₹ 5/- per Equity Share	₹ 12.5/- per Equity Share
%	50%	50%	125%
Total Payout (₹ in Lakhs)	1,083.19	1,083.19	2,721.99

Pursuant to the Finance Act, 2020, dividend is taxable in the hands of the shareholders with effect 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

In compliance with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and pursuant to the recommendations of the Nomination and Remuneration Committee, Dr. Rajiv Kumar (DIN: 02385076), Mr. Sanjay Kapoor (DIN: 00264602) and Mr. Ashwini Agarwal (DIN: 00362480) were appointed as Additional Directors in the category of Non-Executive, Independent Directors for a period of five years, w.e.f. February 12, 2024 by the Board of Directors at its meeting held on February 12, 2024. The Company has also obtained shareholders' approval for appointment of the aforesaid Directors through Postal Ballot on March 27, 2024.

Further, Mr. Anil Nayar (DIN: 01390190), Mr. Chittranjan Dua (DIN: 00036080) and Mr. Rajendra Kumar Aneja (DIN: 00731956) have completed their second term as Independent Directors and have consequently ceased to be Directors of the Company w.e.f. the close of business hours on March 31, 2024. Your Directors placed on record their appreciation for the valuable contribution made by them during their tenure as Directors of the Company.

During the year under review, Mr. Shailesh Kumar (DIN: 08897225) was re-appointed as a Whole Time Director (Key Managerial Personnel) for a period of three (3) year effective from October 07, 2023.

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 Companies Act, 2013 ("the Act") and Regulation 25(8) of the Listing Regulations.

Further, in accordance with the provisions of Section 152 of the Act and the Company's Articles of Association, Mr. Deepak Kumar Seth (DIN: 00003021) and Mr. Pulkit Seth (DIN: 00003044), Directors will retire by rotation at the forthcoming 35th Annual General Meeting ("AGM") and being eligible, have offered themselves for re-appointment. The Board of Directors recommend the proposal of their re-appointment as Directors in the Notice convening the 35th AGM for approval of the Members of the Company.

Mr. Deepak Kumar Seth and Mr. Pulkit Seth are not disqualified under Section 164(2) of the Act and not debarred from holding the office of Director pursuant to order of SEBI or any other authority.

During the financial year 2023-24, meetings of the Board of Directors were held on May 15, 2023, August 11, 2023, August 21, 2023, November 08, 2023, and February 12, 2024.

KEY MANAGERIAL PERSONNEL

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. Sanjay Gandhi - Group CFO, Mr. Narendra Somani - Chief Financial Officer, and Ms. Shilpa Budhia - Company Secretary are the Key Managerial Personnel of the Company.

During the year under review, there is no change in 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 SEBI.

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 09, 2024, 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 roles, 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 Company also undertakes 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/investor-relations/

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, 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 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 Directors' 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/2023/09/Nomination-and-Remuneration-Policy.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 relates 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.

Business risks and mitigation plans are reviewed, and the internal audit conducted by the Internal Auditors, M/s. Ernst and Young LLP 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 have re-constituted the following Committees on account of completion of tenure of Mr. Anil Nayar and Mr. Rajendra Kumar Aneja as Independent Directors of the Company, who were the members of the below Committees. As on date of this report, details of composition of the Board Committees are as follows:

1. **Audit Committee**

Name	Designation
Mr. Abhishek Goyal	Chairman
Mrs. Madhulika Bhupatkar	Member
Dr. Rajiv Kumar	Member
Mr. Ashwini Agarwal	Member

2. **Nomination and Remuneration Committee**

Name	Designation
Mr. Abhishek Goyal	Chairman
Mr. Deepak Kumar Seth	Member
Dr. Rajiv Kumar	Member
Ms. Neha Khanna	Member

3. **Stakeholders Relationship Committee**

Name	Designation
Mr. Ashwini Agarwal	Chairman
Mr. Pulkit Seth	Member
Mr. Sanjay Kapoor	Member

4. **Corporate Social Responsibility Committee**

Name	Designation
Mrs. Madhulika Bhupatkar	Chairperson
Mr. Pulkit Seth	Member
Mr. Pallab Banerjee	Member

5. **Risk Management Committee**

Name	Designation
Mr. Pallab Banerjee	Chairman
Ms. Neha Khanna	Member
Mr. Sanjay Kapoor	Member

6. **Finance Committee**

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

The details of the Committees of the Board along with their composition, attendance of members and number of meetings held during the financial year 2023-24 are provided in the Report on Corporate Governance forming part of the Annual Report 2023-24.

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, no complaints were received.

CORPORATE SOCIAL RESPONSIBILITY

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

The CSR Policy may be accessed on the Company's website at https://www.pearlglobal.com/investor-relations/corporate-governance/

Your Company had identified CSR spend for education, rural development, environment sustainability and promoting health care activities for the financial year 2023-24. The prescribed CSR amount for the financial year 2023-24 was ₹ 15.82 Lakhs. However, the Company has spent ₹ 398.16 Lakhs during the financial year 2023-24.

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

SUBSIDIARY COMPANIES

During the year under review, your Company has acquired 55% stake in Pearl GT Holdco Ltd (British Virgin Islands) on June 09, 2023. Pearl GT has two wholly owned subsidiaries, namely, Corporacion de Productos Y Servicios Asociados, Sociedad Anonima (CORPASA) and Shoretex, Sociedad Anonima (SHORETEX) in Guatemala and engaged into the business of trading and manufacturing of apparels, respectively, in Guatemala.

Further, the Company has acquired 100% stake in Trinity Clothing Limited, Hong Kong, through its wholly owned subsidiary Pearl Global (HK) Limited, Hong Kong. Trinity Clothing Limited is engaged into the business of trading of fabrics and interlining,

During the year under review, Pearl Global F.Z.E., Dubai (U.A.E), a non-material step down Subsidiary was liquidated on November 08, 2023.

Pursuant to Section 129(3) of the Act, 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 at www.pearlglobal.com/investor-relations.

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 the 2023-24. The Board of Directors of the Company have 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 www.pearlglobal.com/investor-relations.

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, 2024 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 Act, 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 Auditor of the Company for the financial year 2023-24.

The Secretarial Audit Report submitted by M/s Jayant Sood & Associates for the Financial Year 2023-24 is annexed as Annexure–III and forms part of this report. Further, there are no qualification, reservation, adverse remarks or disclaimer made by the Secretarial Auditor in their report for the financial year ended March 31, 2024.

During the year under review, the Auditors have 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. Ernst and Young LLP, New Delhi, were appointed as Internal Auditors of the Company for a period of two years w.e.f. October 01, 2022.

d) COST AUDIT

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

ANNUAL RETURN

Pursuant to the Section 92(3) of the Act,, read with the Companies (Management and Administration) Rules, 2014, Annual Return of the Company for the financial year 2023-24 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 into 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. Prior approval of the Audit Committee is obtained for undertaking Related Party Transactions, where required. Omnibus approval is obtained on a yearly basis for transactions which are repetitive in nature. Transactions entered 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 the ordinary course of the business and on arm's length basis.

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 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:

a) in the preparation of the annual accounts for the financial year ended March 31, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures. There are no material departures from the same;

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2024 and of the profit and loss of the Company for that period;

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

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

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

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

LISTING

The shares of your Company are listed at BSE Limited and National Stock Exchange of India Limited, Mumbai. The listing fees to the Stock Exchanges for the year 2024-25 have been paid.

REGISTRAR AND SHARE TRANSFER AGENT

M/s. Link Intime India Private Limited is Company's Registrars and Share Transfer Agent (RTA) and acts as a 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 2023-24.

SHARE CAPITAL

During the year under review, the Equity shares of your Company has undergone sub-division of face value from ₹ 10/- each to ₹ 5/- each. The same was approved by the Shareholders through Postal Ballot on December 19, 2023. The record date for determining the eligibility of members for giving the effect of sub-division was January 05, 2024.

As on March 31, 2024, the Authorised Share Capital of the Company is ₹ 84,01,00,000/- (Eighty Four Crore and One Lakh Only) divided into: -

1. 10,28,80,000 (Ten Crore Twenty-Eight Lakhs and Eighty Thousand) Equity Shares of ₹ 5/- each.
2. 32,56,000 (Thirty-Two Lakhs and Fifty-Six Thousand) 10.5% non-cumulative Preference Shares of ₹ 100/- each.
3. 10,000 (Ten Thousand) 4% non-cumulative Preference redeemable Shares of ₹ 10/- each.

During the year under review, the Company has allotted 2,55,650 equity shares of face value of ₹ 5/- each, pursuant to exercise of Stock Options by the eligible employees under Pearl Global Industries Limited Employee Stock Option Plan – 2022.

As on March 31, 2024, the issued, subscribed and paid-up Equity Share Capital of the Company is 21,79,17,620/- (Rupees Twenty-One Crore Seventy-Nine Lakhs Seventeen Thousand and Six Hundred Twenty Only) divided into 4,35,83,524 Equity Shares of ₹ 5/- each.

During the year under review, the Company has neither issued any shares with differential voting rights nor sweat equity shares 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 7,27,000 Stock Options exercisable into 7,27,000 Equity Shares of face value of ₹ 10/- each fully paid up to the eligible employees.

Further, the Nomination and Remuneration Committee had amended the Plan for giving the effect of sub-division of face value of equity shares from ₹ 10/- each to ₹ 5/- as approved by the shareholders through Postal Ballot on December 19, 2023. Consequently, the total Stock Options under the Plan stands as 14,54,000 Stock Options convertible into 14,54,000 Equity Shares of face value of ₹ 5/- each fully paid up to the eligible employees.

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&SE Regulations), and the resolution passed by the members of the Company.

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

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 as Annexure V 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 person 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.

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

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

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

The Company has transferred unclaimed/unpaid dividend amounting to ₹ 5,88,679/- during the financial year 2023-24 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 2015-16 which was lying with the Company for a period of seven years.

Any shareholder whose shares or unclaimed dividend have been transferred to the IEPF, may claim the shares under provision to Section 124(6) or apply for refund under Section 125(3) 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 2023-24.

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)	**(Pallab Banerjee)**
Place: Gurugram	Vice-Chairman	Managing Director
Date: May 20, 2024	DIN: 00003044	DIN: 07193749

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
- Whole-time 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, 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 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 01, 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 in 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 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 authorised 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 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 ₹ One Lakh 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.

Annexure-I (Contd.)

10. VOTING

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

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

11. NOMINATION DUTIES

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

11.1 Ensuring that there is an appropriate induction in place for new Directors, 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 as on March 31, 2024:

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
I.	Mrs. Madhulika Bhupatkar	Chairperson / Independent Director	1	1
II.	Mr. Pulkit Seth	Member / Non -Executive Director	1	1
III.	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).	₹ 791.18 Lakhs
	(b)	Two percent of average net profit of the Company as per section 135(5)	₹ 15.82 Lakhs
	(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)	₹ 15.82 Lakhs
6.	(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).	₹ 398.16 Lakhs (Spent on other than Ongoing projects)
	(b)	Amount spent on Administrative Overheads.	NIL
	(c)	Amount spent on Impact Assessment, if applicable	NIL
	(d)	Total amount spent for the Financial Year [(a)+(b)+(c)].	₹ 398.16 Lakhs

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹ /Lakhs)	Amount Unspent (in ₹ /Lakhs)				
	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.
398.16	NIL				

Annexure-II (Contd.)

(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)	15.82
(ii)	Total amount spent for the Financial Year	398.16
(iii)	Excess amount spent for the financial year [(ii)-(i)]	382.34
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	113.34
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	495.68

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

<table>
<tr><th rowspan="2">Sl. No.</th><th rowspan="2">Preceding Financial Year(s)</th><th rowspan="2">Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)</th><th rowspan="2">Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)</th><th rowspan="2">Amount Spent in the Financial Year (in ₹)</th><th colspan="2">Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any</th><th rowspan="2">Amount remaining to be spent in succeeding Financial Years (in ₹)</th><th rowspan="2">Deficiency, if any</th></tr>
<tr><th>Amount (in ₹)</th><th>Date of transfer</th></tr>
<tr><td colspan="9">NIL</td></tr>
</table>

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
Date: May 20, 2024

(Pallab Banerjee)
Managing Director

(Madhulika Bhupatkar)
Chairperson of CSR Committee

ANNEXURE-III

MR-3
Secretarial Audit Report
For the Financial Period Ended March 31, 2024
[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, 2024 (commencing from April 01, 2023 to March 31, 2024), 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 20, 2024 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, 2024 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;

      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);

      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).

Annexure-III (Contd.)

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 20, 2024
UDIN: F004482F000406565
Peer Review Certificate No: 1061/2021
Unique Identification No: S2019HR699200

Annexure-III (Contd.)

Annexure –A to Secretarial Audit Report dated May 20, 2024

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 20, 2024 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 20, 2024
UDIN: F004482F000406565
Peer Review Certificate No: 1061/2021
Unique Identification No: S2019HR699200

ANNEXURE - IV

DISCLOSURE UNDER REGULATION 14 OF SEBI (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021 for 2023-24

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 are made in the Plan. However, pursuant to the Sub-division of Equity shares of the Company on January 05, 2024, the Total Stock Options are adjusted in the Plan after giving effect of the sub-division 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 2023-24, 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, 2024 is ₹ 6.50 and ₹ 6.45 respectively (as per Standalone Financials 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 14,54,000 (Fourteen Lakh Fifty-Four Thousand only) options. (Nos. are adjusted after giving effect of the Sub-division of Equity shares)
	(c)	Vesting requirements	The Options granted shall vest based on performance-based and time-based Vesting conditions which shall be prescribed in the Letter of Grant. The Options granted shall vest for a period not less than 1 (one) year from the Grant Date and maximum 4 (four) years from the Grant Date, as prescribed in the Letter of Grant. The Nomination and Remuneration Committee may prescribe varying vesting schedule for different Participants, and/or for different Options under the Plan.
	(d)	Exercise price or pricing formula	The Exercise Price shall be the Fair Market Value or discounted Fair Market Value of the Share as on the Grant Date of the Options, as determined by the Nomination and Remuneration Committee and provided in the Letter of Grant in pursuance of this Plan.
	(e)	Maximum term of stock options granted	The Options granted shall vest 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-IV (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	See table below

Sl. No.	Particulars	Details
1	Number of options outstanding at the beginning of the period	8,26,200
2	Number of options granted during the year*	4,54,000
3	Number of options forfeited / lapsed during the year	43,400
4	Number of options vested during the year	3,30,700
5	Number of options exercised during the year	2,55,650
6	Number of shares arising as a result of exercise of options	2,55,650
7	Money realised by exercise of options (₹), if scheme is implemented directly by the Company	3,83,47,500
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	9,81,150
10	Number of options exercisable at the end of the year	75,050

* Break up of options granted during the year

May 15, 2023	54,000
August 10, 2023	3,48,000
October 10, 2023	52,000

Annexure-IV (Contd.)

Sl. No.	Particulars	Pearl Global Industries Limited Stock Option Plan – 2022 ("the Plan")
(v)	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.	

	Options granted on October 10, 2022	Options granted on May 15, 2023	Options granted on August 10, 2023		Options granted on October 10, 2023
			Option 1	Option 2	
Weighted average exercise price of Options outstanding at the end of the year whose exercise price is less than market price	150	162.5	150	225	375
Weighted average fair value of Options outstanding at the end of the year whose Exercise price is less than market price	230.675	222.95	322.875	322.875	507.125

Sl. No.	Particulars	Pearl Global Industries Limited Stock Option Plan – 2022 ("the Plan")
(vi)	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to –	
	(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 annexed:
	(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) NA
	(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) NA
	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;	

Options granted on October 10, 2022	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	122.88	128.645	132.22	135.81
Exercise price	150	150	150	150
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			
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			

Annexure-IV (Contd.)

Sl. No.	Particulars	Pearl Global Industries Limited Stock Option Plan – 2022 ("the Plan")

Options granted on May 15, 2023	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	114.015	122.855	129.335	134.705
Exercise price	162.5	162.5	162.5	162.5
Expected volatility	56.05%	54.82%	53.24%	52.03%
Expected option life	5 years	6 years	7 years	8 years
(Vesting & exercise period) in years	Vesting – 4 years Exercise – 4 years			
Expected dividends	1.06%	1.06%	1.06%	1.06%
Average Risk-free interest rate	6.83%	6.85%	6.88%	6.91%

Options granted on August 10, 2023

Option 1	Vest 1 100.00%		**Option 2**	Vest 1 33.33%	Vest 2 33.33%	Vest 3 33.34%
The weighted-average values of share price of option granted	208.275		The weighted-average values of share price of option granted	171.835	184.97	193.81
Exercise price	150		Exercise price	225	225	225
Expected volatility	56.73%		Expected volatility	56.73%	55.73%	53.73%
Expected option life	5 years		Expected option life	5 years	6 years	7 years
(Vesting & exercise period) in years	Vesting – 1 year Exercise – 4 years		(Vesting & exercise period) in years	Vesting – 3 years Exercise – 4 years		
Expected dividends	0.93%		Expected dividends	0.93%	0.93%	0.93%
Average Risk-free interest rate	6.99%		Average Risk-free interest rate	6.99%	7.02%	7.03%

Options granted on October 10, 2023	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	259.93	280.82	294.315	305.525
Exercise price	375	375	375	375
Expected volatility	57.23%	56.15%	53.97%	52.38%
Expected option life	5 years	6 years	7 years	8 years
(Vesting & exercise period) in years	Vesting – 4 years Exercise – 4 years			
Expected dividends	1.17%	1.17%	1.17%	1.17%
Average Risk-free interest rate	7.21%	7.26%	7.29%	7.31%

Annexure-IV (Contd.)

Sl. No.	Particulars	Pearl Global Industries Limited Stock Option Plan – 2022 ("the Plan")
	(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

Sl. No.	Name of the Employee	Designation	Options granted during the year	Exercise Price in INR
1.	Mr. Pallab Banerjee	Managing Director	102000	150
2.	Mr. Sanjay Gandhi	Group CFO	102000	150
3.	Mr. Sanjay Kumar Sarker	Country Director - Bangladesh Operations	42000	225
4.	Mr. Vikas Mehra	CEO - Bangladesh Operations	42000	225
5.	Mr. Gurusankar Gurumoorthy	CEO - Vietnam, Hongkong Operations	42000	225
6.	Ms. Ratna Singh	Group CHRO	40000	162.5
			18000	225
7.	Mr. Narendra Somani	CFO	20000	375

[#] All prices in the above ESOP disclosure is after providing effect to Stock- Split

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

(Pallab Banerjee)
Managing Director
DIN: 07193749

(Pulkit Seth)
Vice-Chairman
DIN: 00003044

Place: Gurugram
Date: May 20, 2024

PEARL GLOBAL
Exceeding Expectations...Always

ANNEXURE-V

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

SECTION A GENERAL DISCLOSURES

Required information

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 Tower, Plot no-51, Sector 32, Gurugram – 122 001, Haryana
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 01, 2023 to March 31, 2024
10. **Name of the Stock Exchange(s) where shares are listed**
    BSE Ltd. and National Stock Exchange of India Limited
11. **Paid-up capital (in ₹)**
    21,79,17,620
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 Telephone: 124-4651000
    E-mail: 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
Manufacturing and export of apparels	Manufacturing and export of apparels	97.78

15 Products/services sold by the entity (accounting for 90% of the entity's turnover):

Product/service	NIC code	% of total turnover contributed
Manufacturing of wearing apparels	141	100

III. Operations

16 Number of locations where plants and/or operations/offices of the entity are situated:

National

International

Location	plants	offices	Total
National	7	3	**10**
International	8	8	**16**

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?	97.78	
c.	A brief on type of customers	Pearl Global provides apparel solutions to leading fashion brands and corporate customers across various categories. The Company's main focus is on exporting apparel, with USA being the largest contributor among 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)	1731	1484	85.73%	247	14.27%
2	Other than Permanent (E)	0	0	0.00%	0	0.00%
3	**Total employees (D+E)**	**1731**	**1484**	**85.73%**	**247**	**14.27%**
	Workers					
4	Permanent (F)	7385	2327	31.51%	5058	68.49%
5	Other than Permanent (G)	1797	1228	68.34%	569	31.66%
6	**Total workers (F+G)**	**9182**	**3555**	**38.72%**	**5627**	**61.28%**
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:

	Total (A)	No. and percentage of Females No. (B)	% (B/A)
Board of Directors	15	3	20%
Key Management Personnel (not part of the Board)	3	1	33%

20 Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	2023-24 (Turnover rate in current FY)			2022- 23 (Turnover rate in previous FY)			2021 - 22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employees	43.37%	38.14%	42.64%	69.39%	58.93%	68.08%	53.54%	45.02%	52.53%
Permanent workers	115.67%	90.79%	98.84%	163.81%	108.90%	125.12%	76.57%	72.61%	73.70%

V. Holding, Subsidiary and Associate Company (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	Norp Knit Industries Limited	Subsidiary	99.99	No
2	Pearl Global Fareast Limited	Subsidiary	100	No
3	Pearl Global USA, INC	Subsidiary	100	No
4	Pearl Global Kaushal Vikas Limited	Subsidiary	100	No
5	SBUYS E-Commerce Limited	Subsidiary	100	No
6	Sead Apparels Private Limited	Subsidiary	100	No
7	Pearl Global (HK) Limited	Subsidiary	100	No
8	Vin Pearl Global Vietnam Limited	Subsidiary	100	No

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)
9	Pearl Global Vietnam Company Limited	Subsidiary	100	No
10	Pearl Grass Creations Limited	Subsidiary	100	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	Alpha Clothing Limited	Subsidiary	76.54	No
18	Trinity Clothing Limited	Subsidiary	100	No
19	Pearl Global Industries FZCO	Subsidiary	100	No
20	Pearl GT Holdco Limited	Subsidiary	55	No
21	Corporacion de Productos Y Servicios Asociados, Sociedad Anonima	Subsidiary	55	No
22	Shoretex, Sociedad Anonima	Subsidiary	55	No

VI. CSR details

22.

(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

Yes

(ii) Turnover (in ₹ Lakh)

95,366.71

(iii) Net worth (in ₹ Lakh)

37,413.31

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)*	2023 - 24			2022- 23		
		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
The list of the stakeholders							
Communities	Yes	0	0	Nil	0	0	Nil
Investors (other than shareholders)*	Yes	0	0	Nil	0	0	Nil
Shareholders*	Yes	3	0	Nil	0	0	Nil
Employees and workers	Yes	26	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

*Weblink: https://www.pearlglobal.com/investor-relations/

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

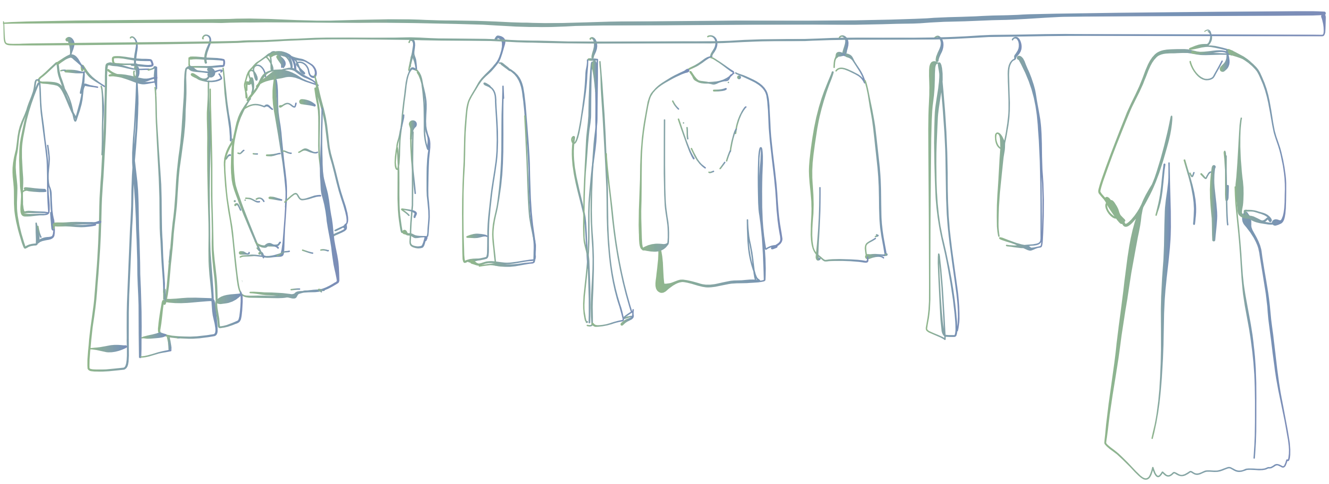
Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per 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 risks related to energy and water management, and implementing policies to reduce consumption are crucial steps in Pearl Global's sustainability strategy. Failing to conserve energy and manage waste could result in increased costs, reduced resource efficiency and potential regulatory compliance issues. **Opportunity** Concrete strategies to address these risks can improve the Company's resource efficiency, reduce costs, and enhance competitiveness. Implementing comprehensive resource management plans aligned with the Company's environmental conservation strategy underscores its commitment to environmental preservation and contributes to climate change mitigation through responsible financial practices.	Pearl Global is deeply committed to long-term resource conservation and environmental management, as demonstrated through its extensive sustainability initiatives and certifications. The Company adheres to the Global Recycled Standard (GRS) and established frameworks to anticipate and meet environmental performance expectations, ensure regulatory compliance, minimise environmental risks and develop long-term environmental strategies. For water treatment solutions, Pearl Global employs ETP/WTP/STP systems and maintains a central water monitoring unit. Additionally, Pearl Global utilises environmental impact measurement software to identify opportunities for reducing and adopting innovative eco-friendly practices for water and energy conservation. Energy conservation efforts include: - Installing steam boilers to replace electrical boilers - Replacing official electrical items with energy efficient models like air conditioners, fans - Implementing focussed lighting systems and reducing unnecessary lighting - Optimising workstation layouts for energy efficiency - Installing solar energy plants at factory units Pearl Global remains committed to waste reduction, raw material conservation and achieving zero pollution through ongoing various initiatives, technological upgrades and improvement projects.	**Positive** The Company's commitment to reducing environmental impact not only progresses its decarbonisation journey but also enhances credibility among stakeholders, decreases longer-term costs and effectively meets increasing stakeholder expectations. Strengthening climate and ESG initiatives enables the Company to create long-term value and effectively meet increasing stakeholder expectations. **Negative** Inadequate initiatives and action plans to promote ESG awareness and address climate change could weaken the Company's ESG profile. This may hinder sustainable growth and expansion into new markets, potentially resulting in a loss of market share to ESG-focussed competitors.

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** A well-structured and efficient supply chain management system mitigates risks related to procurement, production, strikes, labour disputes, and costs that could negatively impact business activities. **Opportunities** By maintaining a transparent and unambiguous value chain engagement, the Company can optimise efforts, create a circular economy, and enhance profitability. This approach enables faster product turnaround times, increasing the wallet share of customers. Effective supply chain management fosters better collaboration, improved quality control, enhanced risk mitigation, eco-friendly initiatives, and transparent product procurement.	Pearl Global prioritises providing end-to-end supply chain solutions to their partners, keeping design, technology, innovation, sustainability, and quality at the forefront. The Company complies with Organic Content Standards (OCS), which verify the organic content of products at every step of the value chain and ensure traceability back to the source. Additionally, Pearl Global is certified under the Global Organic Textile Standards (GOTS), recognised as the world's leading standard for organic fibre textile production. These certifications establish high-level environmental criteria, ensuring that products are processed sustainably.	**Positive** Efficient supply chain management ensures that the Company delivers maximum business value at the lowest possible cost. This approach reduces environmental impact and supports the Company's long-term sustainability efforts. **Negative** A mismanaged supply chain results in inefficient resource utilisation, disrupts the natural procurement of materials, and hinders waste elimination throughout the product lifecycle.
3.	Health & safety	Risk	**Risk** The risks include hazards in the working environment stemming from employee non-compliance with safety measures, lack of awareness of a safe and secure environment, and non-adherence to Covid-19 safety protocols. These issues can result in injuries, accidents, illness, and fatalities, leading to interruptions in workplace operations and a higher attrition rate.	Pearl Global values each individual as integral to the organisation and upholds high standards of safety and protection. Every employee is responsible for adhering to the Company's safety and security procedures, as well as relevant local laws and regulations, at all times. The Company operates facilities with required permits, approvals, and controls aimed at safeguarding health, safety, and the environment. It expects all other ecosystem participants to uphold comparable levels of health and safety protection.	**Negative** Weak mechanisms to promote health and safety in the workplace result in higher absenteeism and employee turnover rates, negatively impacting overall productivity. The Company's reputation suffers, leading to a loss of confidence among stakeholders. Additionally, it may incur losses due to legal actions and claims, affecting the organisation's top-line.

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 faces potential product risk losses due to non-compliance with product quality requirements or standards. This directly impacts customer satisfaction and poses a risk to ongoing partnerships, thereby affecting the Company's top-line growth. **Opportunities** Product quality and safety are crucial factors determining the Company's success and reputation in customer markets. They foster customer loyalty, establish brand recognition, and manage costs effectively. High product quality leads to higher return on investments and increased productivity, which in turn drives consumer demand.	Pearl Global demonstrates its commitment to delivering high-quality products through internationally recognised certifications such as Standard 100 by OEKO-TEX, Organic Content Standard (OCS), and Global Organic Textile Standards (GOTS). The Company's quality systems and practices are closely aligned with customer expectations, and it maintains regular communication with customer representatives to facilitate continuous process improvements. Pearl Global also employs dedicated customer-certified associates to ensure product certification on their behalf.	**Positive** Ensuring higher product quality enhances customer satisfaction and strengthens customer relationships. The Company should maintain direct relationships with all customers and continually monitor developments in the customer market. **Negative** Poor product quality and safety can result in several consequences, including lost customers, reduced productivity, and higher costs. Increased product recalls can lead to legal liabilities and damage the Company's reputation, thereby impacting revenue generation.
5.	Employee engagement & development	Risk and opportunity	**Risk** Employee development programmes and benefits provisions are considered expenses for the Company. **Opportunity** Structured employee development and engagement programmes significantly boost work satisfaction, enhancing overall performance and Pearl Global's topline. Improved collaboration among team members fosters better communication, trust, a robust talent pipeline, a shared understanding of company goals and priorities, and improved employee retention. An empowered and organised workforce is more stable, predictable, and productive, reducing resource shocks and generating productivity gains.	The Company's forward-thinking and employee-centric human resources department is dedicated to implementing effective policies, procedures, and people-friendly guidelines to support governance within the organisation. They focus on building capabilities at all levels through programmes like iLEAD (Leadership Development Programme), SEED (Operational Development Programme), and innovating with technology using the Company's Human Resource Management System. Additionally, they implement Pay for Performance (Achieve: Pearl's Performance Management System) initiatives. These efforts aim to foster a PearlONE culture, with employee engagement central to all HR initiatives.	**Positive** A strong workforce with high engagement, retention rates, and diversity brings new perspectives, experiences, and ideas, fostering innovation, enhancing performance, and nurturing a positive organisational culture. This underscores the Company's commitment to creating a conducive work environment. **Negative** Failure to meet workforce expectations can lead to decreased productivity, morale issues, and hinder the Company's long-term growth plans.

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	Compromising ethical standards could significantly damage the organisation's reputation and integrity. It may lead to reduced productivity and hinder business revenue growth due to the tarnished image. Investors might react negatively to unethical behaviour, impacting their willingness to invest further. This could indirectly affect employee performance, increase turnover, and pose challenges in recruitment.	Effective policies and mechanisms must be established to foster a culture of integrity and address evolving risks and challenges. The Company has implemented a conflict of interest policy and a code of business conduct that outlines the Company's standards and procedures for reporting and addressing non-compliance. All stakeholders are expected to adhere to these policies.	**Negative** Unethical behaviour could directly tarnish the bank's reputation and undermine morale and employee productivity, ultimately impacting the organisation's top-line growth.
7.	Regulatory & legal compliance	Risk	The risk of non-compliance exposes the Company to legal penalties and financial losses stemming from failure to adhere to industry laws and regulations. Non-compliance can directly impact the bank's revenue, valuations, and reputation, potentially leading to missed business opportunities. Companies that prioritise compliance typically achieve improved performance and enhanced process efficiency. Compliance also offers assurance and provides investors with a broader understanding of the organisation's operations.	The Company appoints an industrial engineer to ensure compliance with industry norms and monitor production processes according to established guidelines. They maintain a robust internal control and compliance system, onboarding customers only after verifying complete compliance with standards. Pearl Global's internal control system accurately records transactions, includes internal checks, and ensures prompt reporting through SAP. Additionally, the Company has adequate systems in place to ensure that transactions are properly recorded, authorised, and reported, thereby safeguarding Pearl Global's assets.	**Negative** Failure to comply could damage reputation and disrupt business operations. Banks that adhere to regulatory laws effectively manage risks and foster a stronger sense of fairness and loyalty among employees.



B SECTION 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.

P2: Businesses should provide goods and services in a manner that is sustainable and safe.

P3: Businesses should respect and promote the well-being of all employees, including those in their value chains.

P4: Businesses should respect the interests of and be responsive to all its stakeholders.

P5: Businesses should respect and promote human rights.

P6: Businesses should respect and make efforts to protect and restore the environment.

P7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

P8: Businesses should promote inclusive growth and equitable development.

P9: Businesses should engage with and provide value to their consumers in a responsible manner.

Disclosure questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes								
b. Has the policy been approved by the Board? (Yes/No)	Yes								
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. (Yes/No)	Yes								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes								

Disclosure questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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 adhere to the applicable laws of the country, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the National Guidance on Responsible Business Conduct. In addition, these policies are formulated in alignment with the following standards, wherever applicable: ISO 14001:2015, ISO 45001:2018, OHSAS, UNGC Guidelines and ILO Guidance. Pearl Global holds several internationally recognised certifications, including: SLCP/FSLM, SMETA, Global Organic Textile Standards, Organic Content Standard, Global Recycled Standard, Standard 100 by OEKO-TEX, USCTP, and FLAX European Linen.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company firmly integrates its financial performance with social and environmental considerations. Pearl Global invests in its social and environmental commitments, aiming for responsible growth and value creation for all stakeholders. The Company continuously seeks innovative ways to minimise its carbon footprint like using renewable energy and alternative fuels like PNG in its DG and Boilers. Pearl Global undertakes sustainable initiatives like using eco-friendly fabrics with extended lifespans, environmental impact measurements, solar power generation, community solar lighting projects and green belt development near Rajiv Chowk, Gurugram. The Company is committed to waste reduction, raw material conservation and achieving zero pollution through various technological upgrades and improvement projects. Moreover, Pearl Global channels its CSR funds to empower vulnerable and marginalised communities, operating skill centres like Project - Ek Nayi Pehchaan for women's empowerment, educational programmes like Badhtey Kadam for underprivileged children, scholarships under the Mina Seth Charitable Trust and providing safe driving water facilities in Melavalam village, Chennai. Pearl Global remains dedicated to responsible stakeholder engagement and ensures all interactions adhere to its 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.	Pearl Global has adopted the world's leading processing standard for textiles made from organic fabrics to promote sustainable solutions. The Company has implemented a robust sustainability policy to effectively oversee and integrate ESG aspects into its business operations. Continuously striving for process improvements, the Company through its innovative measures, aims to reduce energy consumption, emissions and waste. • The Company has enhanced biodiversity by establishing a green belt in Gurugram. • All suppliers have undergone health & safety audits, achieving a 100% assessment rate. • A dedicated ESG team is operational within the Company. • Pearl Global enjoys global recognition for its accomplishments and milestones, consistently praised for excellence in operations, sales, exports, and planning.								

Governance, leadership and oversight

7. **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)**

   Please refer to the Management's comments on the initial page nos. 32 and 33 of Annual Report.

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

   The Board of Directors, Corporate Social Responsibility Committee, Core Management Team and ESG Team are collectively responsible for overseeing and implementing sustainability initiatives across the business operations.

9. **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 Corporate Social Responsibility Committee and ESG team are responsible for making decisions on sustainability-related issues, guided by the Board of Directors and the 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 the Board of Directors.									Ongoing								
Compliancec with statutory requirements of relevance to the principles, and rectification of any non-compliances	Corporate Social Responsibility Committee and the Board of Directors.									Ongoing								

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**

P1	P2	P3	P4	P5	P6	P7	P8	P9
Pearl Global has not engaged external agencies for independent assessment or evaluation of its policies. However, all policies and processes undergo specific audits and reviews conducted internally within the Company.								

12 **If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:**

		P1	P2	P3	P4	P5	P6	P7	P8	P9
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)	–								

C SECTION MANAGEMENT AND PROCESS DISCLOSURES

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 categorised 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	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Board of Directors	4	Business strategy, regulations, corporate governance, sustainability initiatives, CSR and supply chain management.	100%
Key Managerial Personnel	5		100%
Employees other than BOD & KMP	4	Supervisory skill training workplace cooperation programme, supervisory development programme, management development programme, personal advancement and career enhancement.	75%
Workers	12	Health and safety, behaviour, capability building, and impact are to ensure overall growth and maintain the best work environment, ambiance and 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:**

	2023-24 (Current financial year)	2022-23 (Previous financial year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6 **Details of complaints with regard to conflict of interest:**

	2023-24 (Current financial year)		2022 - 23 (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:**

Total number of awareness programmes held	Topics/principles covered under the training	Percentage of value chain partners covered (by value of business done with such partners) under the awareness programmes
Pearl Global does not organise awareness programmes for its value chain partners.		

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	Nil		
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?**

23-25%

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

(a) Plastics (including packaging)

The Company segregates all waste into appropriate categories and stores it in designated areas. Additionally, the Company ensures disposal of such waste through authorised vendors.

(b) E-waste

We have an agreement with Authorised vendors to dispose off e-waste.

(c) Hazardous waste

The management and transboundary movement of hazardous waste are conducted in compliance with the Hazardous Waste Management Rules, 2016.

(d) Other waste

All non-hazardous waste is disposed of according to the 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, Pearl Global is committed to integrating sustainability into every business decision throughout its value chain. The waste collection plan aligns with government regulatory bodies like the Haryana State Pollution Control Board, the Tamil Nadu Pollution Control Board and the Karnataka 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 conducted in 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 2023-24 (Current financial year)	Recycled or re-used input material to total material 2022-23 (Previous financial year)
	1.28%	0.68%

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:

	2023-24 (Current financial year)			2022-23 (Previous financial year)		
	Re-used	Recycled	Safely disposed	Re-used	Recycled	Safely disposed
Plastics (including packaging)	0	0	47.74	0	0	87.27
E-waste	0	0	2.05	0	0	0.17
Hazardous waste	0	0	0.866	0	0	0.718
Other waste	0	0	1,709.19	0.5	3.01	1,050.00

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 as % of total 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				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	1484	1484	100%	1484	100%	Not Applicable		0	0%	0	0%
Female	247	247	100%	247	100%	247	100%	Not Applicable		0	0%
Total	**1731**	**1731**	**100%**	**1731**	**100%**	**247**	**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 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	2327	2327	100%	2327	100%	Not Applicable		0	0%	0	0%
Female	5058	5058	100%	5058	100%	5058	100%	Not Applicable		0	0%
Total	**7385**	**7385**	**100%**	**7385**	**100%**	**5058**	**100%**	**0**	**0%**	**0**	**0%**
Other than permanent employees											
Male	1228	1228	100%	1228	100%	Not Applicable		0	0%	0	0%
Female	569	569	100%	569	100%	569	100%	Not Applicable		0	0%
Total	**1797**	**1797**	**100%**	**1797**	**100%**	**569**	**100%**	**0**	**0%**	**0**	**0%**

2 Details of retirement benefits, for current FY and previous FY

Benefits	2023-24			2022-23		
	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	20%	100%	Yes	29%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	15%	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

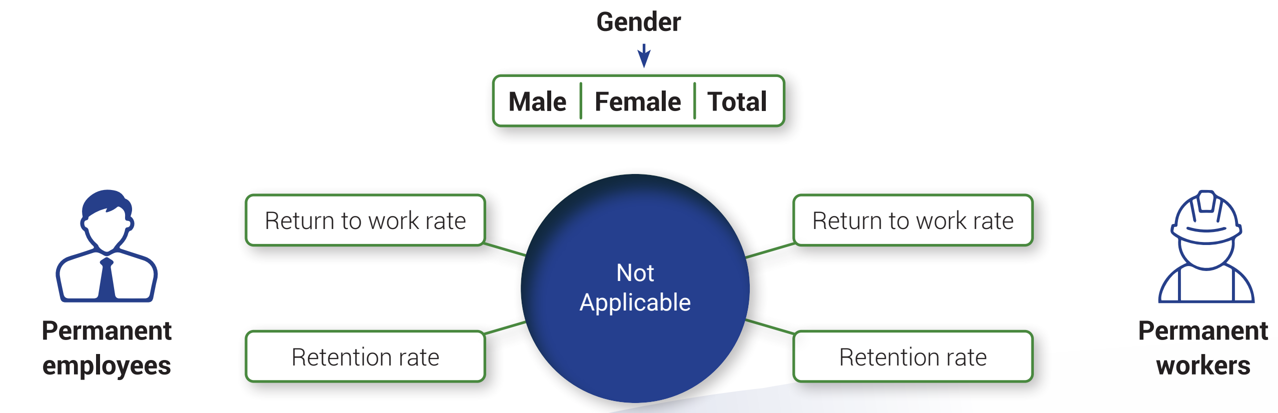
Yes

4 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, the Company offers equal opportunities to all its employees and eligible applicants for employment, without unfair discrimination based on race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, disability or any other category protected by applicable law.

Weblink: https://www.pearlglobal.com/investor-relations/

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



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

Other than permanent workers

Permanent employees

Other than permanent employees

Yes, the Company provides a dedicated ethics line portal (https://secure.integritymatters.in/signin) for all the employees/workers worldwide to raise grievances at each location or factory for resolution. A nominated Global Ethics Committee handles all grievances. Additionally, anonymous toll-free helpline numbers are available for employees to report issues at any time.

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

Category	2023-24			2022-23		
	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					
Male						
Female						
Total permanent workers						
Male						
Female						

8 Details of training given to employees and workers:

Category	2023-24					2022-23				
	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	1484	1484	100%	1484	100%	1436	1436	100%	1436	100%
Female	247	247	100%	247	100%	218	218	100%	218	100%
Total	**1731**	**1731**	**100%**	**1731**	**100%**	**1654**	**1654**	**100%**	**1654**	**100%**
Workers										
Male	3555	3555	100%	3555	100%	3898	3898	100%	3898	100%
Female	5627	5627	100%	5627	100%	5192	5192	100%	5192	100%
Total	**9182**	**9182**	**100%**	**9182**	**100%**	**9090**	**9090**	**100%**	**9090**	**100%**

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

Category	2023-24			2022-23		
	Total (A)	No.(B)	% (B/A)	Total (C)	No.(D)	% (D/C)
Employees						
Male	1484	1484	100%	1436	1436	100%
Female	247	247	100%	218	218	100%
Total	**1731**	**1731**	**100%**	**1654**	**1654**	**100%**
Workers						
Male	3555	3555	100%	3898	3898	100%
Female	5627	5627	100%	5192	5192	100%
Total	**9182**	**9182**	**100%**	**9090**	**9090**	**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 the 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?

Pearl Global conducts risk assessments every six months to ensure safety measures across all critical areas. Starting this year, the Company has implemented daily safety protocols to monitor hazardous areas regularly.

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 occur quarterly, with suggestion boxes installed within the factory for reporting safety or other concerns. Additionally, employees have access to anonymous helpline toll-free numbers to report any issues at 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	2023-24	2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers		
Total recordable work-related injuries	Employees		
	Workers		
No. of fatalities	Employees		
	Workers		
High consequence work-related injury or ill-health (excluding fatalities	Employees		
	Workers		

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

Yes, Pearl Global implements a comprehensive group-wide health & safety policy aimed at fostering safe and healthy working environments across all its facilities.

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

Category	2023-24			2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	10	0	NA	Nil	Nil	NA
Health & safety	16	0	NA	Nil	Nil	NA

14 Assessments for the year:

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)

Health and safety practices	100% by entity or statutory authorities.
Working conditions	100% by entity or statutory authorities.

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.

The assessment did not identify any significant risks or concerns.

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 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:

Category	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	
	2023-24	2022-23	2023-24	2022-23
Employees	Nil	Nil	Nil	NA
Workers	Nil	Nil	Nil	NA

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:

% of value chain partners (by value of business done with such partners) that were assessed

Health and safety practices	100%
Working conditions	100%

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 identified.

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

Pearl Global identifies its stakeholders through periodic stakeholder mapping exercises. The Company's early engagement policy provides a valuable opportunity to influence stakeholder perceptions and build long-term relationships that enhance performance. Stakeholders are prioritised based on their importance to business operations, categorised according to their connection to different stages of operations, as well as the impact and risks they face. In this financial year, Pearl Global conducted its first materiality assessment through a survey involving a diverse group of internal and external stakeholders. The feedback received played a crucial role in identifying key material issues relevant to the Company. This allows the Company to address these issues effectively and advance its sustainable business practices.

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, community meetings, notice board, 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	No	• Team meetings • Email communication • Trainings • Orientation/induction programme • Town halls • Learning Initiatives • Annual performance reviews • Rewards and recognition • Exit interviews	Ongoing -Throughout the year	Employee well-being, grievance handling, career development, organisational strategy, vision, policies, and procedures, workplace health and safety, and compensation and benefits
Customers	No	Customer meetings, personal/telephonic Interactions, conferences, customer surveys, face-to-face meetings, e-mails, and customer feedbacks	Ongoing -Throughout the year	Understanding customer needs, preferences, and expectations. Complaints handling and new product development communication and feedback
Shareholders	No	Annual General Meeting, shareholder meetings, plant visit, email, Stock Exchange (SE) intimations, investor/ analysts meet/conference calls, annual reports, quarterly results, media releases and Company website.	Ongoing-throughout the year	Disseminating and sharing of financial performance and business updates with the shareholders with a view to updating and also to seeking their approval, as required.

Stakeholder group	Whether identified as vulnerable & marginalised group (Yes/No)	Channels of communication (Email, SMS, newspaper, pamphlets, advertisement, community meetings, notice board, 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
Value chain partners	No	Visits and personal/ telephonic interactions, trainings and communication via e-mails.	Ongoing	Maintaining relationships with suppliers of raw materials and indirect services are crucial for Pearl Global to ensure uninterrupted delivery to its consumers.
Communities	Yes	Promoting special education, advancing gender equality and empowering women and supporting children in rural areas.	Ongoing	Improved access to basics, including water, sanitation and hygiene, promoting education.
Regulators/Govt. Ministries	No	Industry associations/ forums corporate presentations/written reports/e-mails, communication briefings and direct meetingss	Ongoing	Compliance, and 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.**

Stakeholder consultation with the Board is integrated into the management process through delegation. The Company engages with its stakeholders regularly and as required, adapting the format of engagement based on the stakeholders' nature and requirements.

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, this year marks a significant milestone for Pearl Global with the launch of its inaugural sustainability report titled Fashioning 'A Green Future'. The Company prioritises transparency and precision in documenting its progress, aligning closely with the UN SDGs. Insights from the Company's materiality assessment, involving 33 stakeholders, have provided valuable guidance on stakeholder concerns and priorities, influencing decision-making and resource allocation. Compliance with legal regulations and the social well-being of Pearl Global's stakeholders are highlighted as primary priorities, underscoring its commitment to ethical business practices and community welfare.

3 **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.**

Pearl Global's CSR initiatives target disadvantaged, vulnerable and marginalised segments of society. These activities are mentioned in principle no. 8.

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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	2023-24			2022-23		
	Total (A)	No. employees workers covered (B)	% (B/A)	Total (C)	No. employees workers covered (D)	% (D/A)
Employees						
Permanent	1731	1731	100.00%	1654	1000	60.46%
Other than permanent	0	0	0.00%	0	0	0.00%
Total Employees	**1731**	**1731**	**100.00%**	**1654**	**1000**	**60.46%**
Workers						
Permanent	7385	7385	100.00%	6798	6798	100.00%
Other than permanent	1797	1797	100.00%	2292	2292	100.00%
Total Workers	**9182**	**9182**	**100.00%**	**9090**	**9090**	**90.90%**

2 **Details of minimum wages paid to employees and workers, in the following format:**

Category	2022-23					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	1731	0	0%	1731	100%	1654	0	0%	1654	100%
Male	1484	0	0%	1484	100%	1436	0	0%	1436	100%
Female	247	0	0%	247	100%	218	0	0%	218	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	7385	7385	100%	0	0%	6798	6798	100%	0	0%
Male	2327	2327	100%	0	0%	2086	2086	100%	0	0%
Female	5058	5058	100%	0	0%	4712	4712	100%	0	0%
Other than Permanent	1797	1797	100%	0	0%	2292	2292	100%	0	0%
Male	1228	1228	100%	0	0%	1812	1812	100%	0	0%
Female	569	569	100%	0	0%	480	480	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
Board of Directors (BoD)	12	172444 p.m.	3	Nil
Key Managerial Personnel (other than BoD)	2	501024 p.m.	1	221021 p.m.
Employees other than BoD and KMP	1473	31000 p.m.	243	28169p.m.
Workers	2327	12100 p.m.	5058	10700 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 team is responsible for addressing human rights impacts and concerns.

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:

Category	2023-24 Current Financial Year			2022-23 Previous Financial Year		
	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					
Discrimination at workplace						
Child Labour						
Forced Labour/ Involuntary Labour						
Wages						
Other Human Rights related issues						

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	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	100%

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	100%
Child Labour	100%
Forced Labour/Involuntary Labour	100%
Wages	100%
Others – please specify	NIL

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	2023-24	2022-23
Total electricity consumption (A)	28,559.78	28,674.83
Total fuel consumption (B)	47.65	6,599.80
Energy consumption through other sources (C)	8.70	4,119.05
Total energy consumption (A+B+C)	**28,616.13**	**39,393.68**
Energy intensity per rupee Crores of turnover (Total energy consumption/turnover in ₹ Cr)	30	42.19
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	2023-24	2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	-
(ii) Groundwater	40,109.00	83,515.00
(iii) Third party water (tanker)	4,338.00	8,407.00
(iv) Seawater/desalinated water	NA	-
(v) Water from municipal corporation	88,287.00	-
(vi) Others		275.62
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**1,32,734.00**	**92,197.62**
Total volume of water consumption (in kilolitres)	1,32,734.00	92,197.62
Water intensity per rupee Crores of turnover (Water consumed/ turnover)	139.177	82.53
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	2023-24	2022-23
NOx	µg/m3	5.13	28.83
Sox	µg/m3	1.84	11.07
Particulate matter (PM)	µg/m3	21.60	91.81
Persistent organic pollutants (POP)	µg/m3	-	-
Volatile organic compounds (VOC)	µg/m3	-	-
Hazardous air pollutants (HAP)	µg/m3	0.11	82.20
Others – please specify	µg/m3	38.21	41.90

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	2023-24	2022-23
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Ton of CO2	25.77	425.43
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Ton of CO2	7,170.84	6,292.53
Total Scope 1 and Scope 2 emissions per rupee Crores of turnover	Ton of CO2	7.54	7.19
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 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	2023-24	2022-23
Total waste generated (in metric tonnes)		
Plastic waste (A)	43.31	65.50
E-waste (B)	1.86	1.50
Bio-medical waste (C)	0.03	0.10
Construction and demolition waste (D)	-	-
Battery waste (E)	0.23	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)	0.87	1.20
Other non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	1709.19	1,050.00
Total (A+B+C+D+E+F+G+H)	**1755.49**	**1,118.31**
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		6.95
(ii) Re-used		0.5
(iii) Other recovery operations		0
Total		**7**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration		The waste is sent to authorised vendors for safe disposal.
(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		

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 generated and disposed of responsibly in accordance with regulatory norms set by the State Pollution Control Board (SPCB) and the 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:

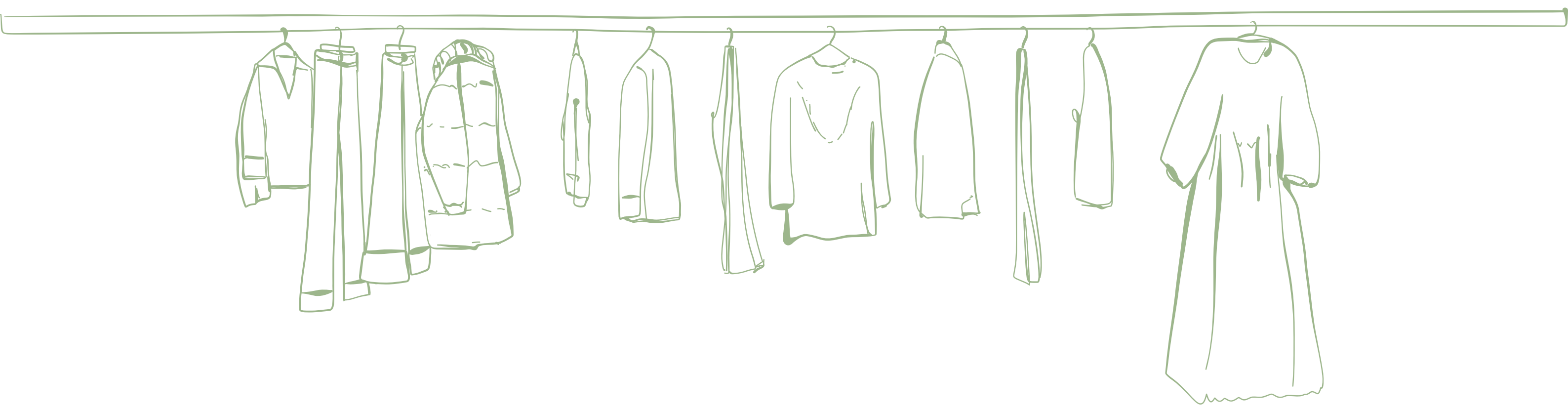
Sl. no	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
Nil			

11 Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA notification no.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web link
The identification and assessment of environmental risks are currently underway.					

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:

Sl. no	Specify the law/regulation/ guidelines which was not complied with	Provide details of the non-compliance 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 adheres to all relevant laws and regulations at all operational sites.				



Leadership Indicators

1 Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Pearl Global's factories and offices do not withdraw, consume or discharge water in areas experiencing water stress.

Note: No independent assessment/evaluation/assurance has been carried out by an external agency.

2 Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	2023-24	2022-23
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	Pearl Global aims to track Scope 3 emissions in the upcoming financial year.	
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

3 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

4 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	Energy reductions	The Company has replaced its ordinary lights (36 watts) with LED lights (18 watts).	Reduced GHG emissions
2	Optimised energy use	Conversion of ordinary motors to energy efficient turbo-motors	Minimised GHG emissions
3	Conversion of diesel geneartors from diesel to PNG and diesel	Fuel change process in diesel generators	Decreased GHG emissions
4	ETP and STP	Capacity of ETP and STP increased	Water optimisation

5 Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

Business continuity and disaster management planning are integral components of the Company's Risk Management Policy. Weblink: https://www.pearlglobal.com/investor-relations/.

6 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

7 Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Nil

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.

Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (state/national)
Apparel Export Promotion Council	National
Gurgaon Industrial Association	State
Gurgaon Chamber of Commerce	State
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	Brief of the case	Corrective action taken
	NIL	

Leadership Indicators

1 Details of public policy positions advocated by the entity:

Sr. no	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		

PEARL GLOBAL
Exceeding Expectations...Always

PRINCIPLE 8

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

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:

Sl.no	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.

Pearl Global's operations have no direct or indirect negative impact on the environment or society, resulting in minimal community grievances. However, the Company engages with community stakeholders to comprehend their needs and aspirations. Pearl Global actively participates in community engagement initiatives through its CSR projects.

4 Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	2023-24	2022-23
Directly sourced from MSMEs/small producers	12%	16%
Sourced directly from within the district and neighbouring districts	34%	29%

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	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:

Sl.no	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

3. (b) From which marginalised/vulnerable groups do you procure?

Pearl Global does not source materials from marginalised groups.

3. (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:

Sl.no	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	Brief of the case	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 - Badhtey Kadam is a project launched in government schools in Gurgaon to support underprivileged children. The Company has introduced remedial classes to enhance their mainstream education.	770 students	100%
2	Environment Sustainability - Green Belt: At Rajiv Chowk, Gurugram, 0.5 acres of land have been adopted to develop it into a green belt area.	Community benefits include enhanced air quality, groundwater quality improvement, and temperature regulation. This initiative also supports biodiversity by providing habitats for various plants and animals.	Approx. 70%
3	Women Development - Project Ek Nayi Pehchaan aims to empower women through skill development initiatives. Women participate in specialised courses in cutting and tailoring, along with training in entrepreneurial skills to enable them to start their own businesses.	70 women & families	100%

PRINCIPLE 9

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

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 handling customer feedback and complaints. Customers have multiple options to connect with the Company, including e-mail, telephone, website, social media, and feedback forms, among others. All complaints are promptly addressed, and every effort is made to resolve them.

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	NIL

3 **Number of consumer complaints in respect of the following:**

	2023-24 Current Financial Year			2022-23 Previous Financial Year		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
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
Quality of products	3	0	Nil	3	0	Pearl Global recalled the consignment and replaced it with other products.
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	NA
Forced recalls	0	NA

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 incidents related to the mentioned topics have been reported.

Leadership Indicators

1 **Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Detailed information about all the products and services offered by the Company is available at: 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 feature detailed instructions for safe and responsible use, including guidelines for washing, drying, and ironing.

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, Pearl Global displays essential product information on its labels. The Company's clients are well-known retail chains, and it actively seeks feedback on consumer fashion trends and preferences.

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

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)	100.65x
		Mr. Shailesh Kumar (WTD)	7.66x
		Mr. Deepak Kumar (WTD)	8.97x
II	The percentage increase in remuneration of each Director, CFO, CS in the financial year	Mr. Pallab Banerjee (MD)	36.36
		Mr. Shailesh Kumar (WTD)	9.60
		Mr. Deepak Kumar (WTD)	5.00
		Mr. Sanjay Gandhi (Group CFO)	20
		Mr. Narendra Somani (CFO)	NIL
		Ms. Shilpa Budhia (Company Secretary)	4.00
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 5.21%.	
IV	The number of permanent employees on the rolls of the Company	There were approx 9116 permanent employees as on March 31, 2024	
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 5.21%. Average percentile increase in the salary of Managerial personnel in the last financial year was 16.99%.	
VI	Affirmation that the remuneration is as per the remuneration policy of the Company	The remuneration paid to Directors/employees is as per remuneration policy.	

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

(iv) The expenditure incurred on Research & Development:

(₹ in Lakh)

Expenditure on R & D	2023-24	2022-23
a) Capital	NIL	NIL
b) Recurring	769.12	419.13
Total	**769.12**	**419.13**

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings

(₹ in Lakh)

Particulars	2023-24	2022-23
Export of Goods - FOB basis	86,729.91	1,00,943.77
Interest Income	18.68	8.07
IT/SAP Income	157.99	151.38
Total	**86,906.58**	**1,01,103.22**

Annexure-VIII (Contd.)

Foreign Exchange Outgo

(₹ in Lakh)

Particulars	2023-24	2022-23
Imports	4,624.86	3,974.36
Foreign Travelling	150.61	58.19
EDI Expenses	46.42	92.25
Others	2,867.73	302.77
Total	**7,689.63**	**4,427.57**

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

(Pallab Banerjee)
Managing Director
DIN: 07193749

(Pulkit Seth)
Vice-Chairman
DIN: 00003044

Place: Gurugram
Date: May 20, 2024

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, high 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 Women Directors, 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 meets the requirements of Regulation 17(1) of Listing Regulations. As on March 31, 2024, the Company's Board of Directors consists of 15 (Fifteen) Directors including Executive Directors (EDs), Non-Executive Directors (NEDs) and Independent Directors (IDs).

The following is the percentage of EDs and NEDs of the Company:

Category of Directors	No. of Directors	% of total no. of Directors
EDs	3	20
NEDs (Promoter)	3	20
IDs (Including women)	9	60
Total	**15**	**100**

Note: The Chairman of the Board is NED (Promoter).

The details of each member of the Board as on March 31, 2024 and their attendance at the Board Meetings during the year and last Annual General Meeting 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
				Chairperson	Member		
Mr. Deepak Kumar Seth (DIN: 00003021)	Promoter – Chairman & NED	57,24,290	3	-	2	PDS Limited *(Formerly PDS Multinational Fashions Limited)*	Promoter, NED
Mr. Pulkit Seth (DIN: 00003044)	Promoter – Vice -Chairman & NED	1,38,95,242	2	-	-	-	-
Mrs. Shifalli Seth (DIN: 01388430)	Promoter & NED	4,02,956	2	-	-	-	-
Mr. Pallab Banerjee (DIN: 07193749)	Managing Director	1,40,708 (1,02,000 Stock Options)	2	-	-	-	-
Mr. Shailesh Kumar (DIN: 08897225)	Whole Time Director	-	-	-	-	-	-
Mr. Deepak Kumar (DIN: 09497467)	Whole Time Director	-	-	-	-	-	-
Mr. Chittranjan Dua* (DIN: 00036080)	ID	-	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)	ID	-	-	-	-	-	-
Mr. Anil Nayar* (DIN: 01390190)	ID	-	-	-	-	-	-
Mr. Abhishek Goyal (DIN: 01928855)	ID	-	1	-	-	-	-
Mrs. Madhulika Bhupatkar (DIN: 08712718)	ID	-	-	-	-	-	-
Ms. Neha Khanna (DIN: 03477800)	ID	-	-	-	-	-	-

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. Ashwini Agarwal# (DIN: 00362480)	ID	-	-	-	-	-	-
Dr. Rajiv Kumar# (DIN: 02385076)	ID	-	-	-	-	-	-
Mr. Sanjay Kapoor# (DIN: 00264602)	ID	-	1	-	-	-	-

(*) Completed their second term of five years on March 31, 2024. Consequently, ceased to be IDs w.e.f. close of business hours on March 31, 2024.

(#) Appointed as IDs for a period of five years, w.e.f. February 12, 2024.

(@) Other Directorships do 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 Listing Regulations, for all public limited companies whether listed or not, excluding the memberships and chairmanships in the Company.

No convertible instruments are held by NEDs.

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

Board Meetings

The Board of Directors 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 Board Meetings and status updates thereof. The Chairman, Vice Chairman, Managing Director (MD), Group CFO, Chief Financial Officer and Company Secretary keep the members of the Board informed about any material development/business update from time to time.

During the financial year 2023-24, Board Meetings were held on May 15, 2023, August 11, 2023, August 21, 2023, November 08, 2023 and February 12, 2024. All meetings were held with a 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 July 31, 2023
		Entitled to attend	Attended	
1.	Mr. Deepak Kumar Seth	5	2	Yes
2.	Mr. Pulkit Seth	5	4	Yes
3.	Mrs. Shifalli Seth	5	1	No
4.	Mr. Pallab Banerjee	5	5	Yes
5.	Mr. Shailesh Kumar	5	5	Yes
6.	Mr. Deepak Kumar	5	4	Yes
7.	Mr. Chittranjan Dua	5	4	Yes

Sr. No.	Name of Directors	No. of Board Meetings		Attendance at the AGM held on July 31, 2023
		Entitled to attend	Attended	
8.	Mr. Rajendra Kumar Aneja	5	4	Yes
9.	Mr. Anil Nayar	5	5	Yes
10.	Mr. Abhishek Goyal	5	3	Yes
11.	Mr. Ashwini Agarwal	1	1	Not Applicable
12.	Dr. Rajiv Kumar	1	1	Not Applicable
13.	Mr. Sanjay Kapoor	1	1	Not Applicable
14.	Mrs. Madhulika Bhupatkar	5	4	Yes
15.	Ms. Neha Khanna	5	4	Yes

Relationship amongst Directors

Mr. Deepak Kumar Seth, Chairman, Mr. Pulkit Seth, Vice Chairman and Mrs. Shifalli Seth, NEDs are related to each other. 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 IDs

At the time of appointing an IDs, 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 IDs 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 skills, 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	-	✓	✓	✓	-	✓	-

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
Mrs. Madhulika Bhupatkar	-	-	✓	✓		✓	✓
Ms. Neha Khanna	-	✓	✓	✓	-	✓	-
Mr. Ashwini Agarwal	-	✓	✓	✓	-	✓	-
Dr. Rajiv Kumar	-	✓	✓	✓	-	✓	✓
Mr. Sanjay Kapoor	✓	✓	✓	✓	-	✓	-

Role of NEDs (including IDs)

NEDs 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 IDs and disclosures

IDs are NEDs 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 IDs, 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 IDs, has been received from all the IDs.

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

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

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

Directors and Officers Liability Insurance

As per the provisions of the Act, the Company has taken a Directors and Officers Liability Insurance on behalf of all Directors including IDs, 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.

4. 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:

A. Audit Committee

B. Nomination and Remuneration Committee

C. Stakeholders Relationship Committee

D. Risk Management Committee

E. Corporate Social Responsibility Committee

F. Finance Committee

A. AUDIT COMMITTEE

The Audit Committee has been constituted as per Section 177 of the Act and 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.

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, press release, 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 MD 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 Code. Ms. Shilpa Budhia, Company Secretary of the Company is the Compliance Officer under the Code.

Composition, Name of Members and Chairperson

The Committee comprises of 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 at least two IDs. The Chairperson of Audit Committee is an ID. Members of the Audit Committee meet the Statutory Auditors before the quarterly financial results meetings. The Audit Committee comprises of the following members as on March 31, 2024:

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

During the financial year 2023-24, the Audit Committee meetings were held on May 15, 2023, August 11, 2023, November 08, 2023 and February 12, 2024. The requisite quorum was present for all Meetings. The Chairperson of the Audit Committee was present at the previous Annual General Meeting of the Company held on July 31, 2023.

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	ID	4	4
Mrs. Madhulika Bhupatkar	ID	4	4
Mr. Abhishek Goyal	ID	4	3
Mr. Rajendra Kumar Aneja	ID	4	3

B. 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 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 ID, the Committee evaluates 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 ID. The person recommended to the Board for appointment as an ID 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 IDs, to be carried out either by the Board or by NRC or through an Independent External Agency and review its implementation and compliance. Formulation of criteria for evaluation of performance of IDs 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 ID, on the basis of the report of performance evaluation of IDs;
- To decide the remuneration of consultants engaged by the Committee;
- 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 Pearl Global Industries Limited - Employee Stock Option Plan 2022.

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 financial year 2023-24, the NRC meetings were held on May 15, 2023 and February 09, 2024. The requisite quorum was present for both the Meetings. The Chairperson of the NRC was present at the previous Annual General Meeting of the Company held on July 31, 2023.

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	ID	2	0
Mr. Deepak Kumar Seth	NED	2	1
Mr. Anil Nayar	ID	2	2
Mr. Rajendra Kumar Aneja	ID	2	2

Performance evaluation criteria for IDs

The performance evaluation criteria for NEDs, 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 IDs held on February 09, 2024, performance of Non-IDs, performance of the Board as a whole and performance of the Chairman and Management was evaluated, taking into account the views of EDs and NEDs. The same was discussed in the Board meeting that followed the meeting of the IDs, at which the performance of the Board, its committees and individual Directors was also discussed.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

Stakeholders Relationship Committee (SRC) oversees, inter-alia, redressal of Shareholders and Investor grievances, transfer/ transmission of Shares, nonreceipt 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.

- 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 1 NED. The Chairman of the Committee is an ID.

As on March 31, 2024, the committee comprises of the following members:

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

Meeting and Attendance:

During the financial year 2023-24, the SRC meetings were held on August 07, 2023 and March 01, 2024. The requisite quorum was present at both the Meetings.The Chairperson of the SRC was present at the previous Annual General Meeting of the Company held on July 31, 2023.

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	ID	2	2
Mr. Pulkit Seth	NED	2	2
Mr. Rajendra Kumar Aneja	ID	2	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 Meetings of SRC 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 satisfaction of the investors. Shareholders are requested to update their 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, 2024. 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 financial year 2023-24 is given below:

Complaints pending as on April 01, 2023	0
Complaints received during the year	3
Complaints resolved during the year	3
Complaints pending as on March 31, 2024	0

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

D. RISK MANAGEMENT COMMITTEE

The Risk Management Committee (RMC) 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 assigned 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 RMC is in conformity with the requirements of Listing Regulations, with all the members being Directors of the Company. The Members of the RMC comprise of 2 IDs, 1 ED. The Chairperson of the Committee is the ED.

As on March 31, 2024, the RMC 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 financial year 2023-24, the RMC meetings were held on August 04, 2023 and January 29, 2024. The requisite quorum was present for both the Meetings. The maximum gap between any two meetings was in compliance with the Act and Listing Regulations.

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. Pallab Banerjee	MD	2	2
Ms. Neha Khanna	ID	2	2
Mr. Abhishek Goyal	ID	2	2

E. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee (CSRC) is constituted by the Board in accordance with the Act to:

a. 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;

b. Recommend the amount of expenditure to be incurred on the activities referred to in the above clause (a); and

c. Monitor the Corporate Social Responsibility Policy of the Company from time to time

Composition, Name of Members and Chairperson

The Composition of CSRC is in accordance with the provisions of Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Members of the CSRC comprise of 2 IDs, 1 NED. The Chairperson of the Committee is the ID.

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

Meetings and Attendance

During the financial year 2023-24, the CSRC meeting was held on May 15, 2023. The requisite quorum was present for at the Meeting.

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

Name of the Member	Category	No. of Meetings entitled to attend	No. of Meetings attended
Mrs. Madhulika Bhupatkar	ID	1	1
Mr. Pulkit Seth	NED	1	1
Mr. Anil Nayar	ID	1	1

F. FINANCE COMMITTEE

Composition, Name of Members and Chairperson:

The Members of the Finance Committee comprise of 1 ID, 2 NEDs and 1 ED. The Chairperson of the Finance Committee is the NED.

As on March 31, 2024, 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 financial year 2023-24, the Finance Committee meetings were held on May 03, 2023, May 09, 2023, May 30, 2023, June 15, 2023, July 12, 2023, August 11, 2023, August 23, 2023, September 18, 2023, September 28, 2023, December 12, 2023, December 19, 2023, January 30, 2024, February 07, 2024, February 27, 2024 and March 20, 2024. The requisite quorum was present for all Meetings.

Name of the Members	Category	No. of Meetings entitled to attend	No. of Meetings attended
Mr. Pulkit Seth	NED	15	15
Mrs. Shifalli Seth	NED	15	15
Mr. Abhishek Goyal	ID	15	15
Mr. Pallab Banerjee	MD	15	15

5. REMUNERATION OF DIRECTORS

The NEDs including IDs are paid Sitting Fees for attending each Meeting of the Board and Committee. The NEDs/IDs do not have any pecuniary relationship or transactions with the Company.

Details of Remuneration paid to Directors for the financial year ended March 31, 2024:

(₹ in Lakh)

Name of the Director(s)	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	Mr. Ashwini Agarwal	Dr. Rajiv Kumar	Mr. Sanjay Kapoor
Designation	NED (Chairman)	NED (Vice-Chairman)	NED	MD	Whole-Time Director	Whole-Time Director	ID	ID	ID	ID	ID	ID	ID	ID	ID
Basic Salary	--	--	--	55.42	10.65	12.10	--	--	--	--	--	--	--	--	--
HRA	--	--	--	27.71	5.28	6.05	--	--	--	--	--	--	--	--	--
Special Allowance	--	--	--	26.14	1.35	3.07	--	--	--	--	--	--	--	--	--
Provident Fund	--	--	--	6.65	--	0.21	--	--	--	--	--	--	--	--	--
Perquisites	--			538.85	--	0.07	--	--	--	--	--	--	--	--	--
Break up of fixed components and Performance linked incentives with performance criteria	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Performance Incentive	--	--	--	258.56	--	2.07	--	--	--	--	--	--	--	--	--
Service Contract	--	-	-	3 years	3 years	3 years	--	--	--	--	--	--	--	--	--
Notice Period, Severance fees	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Stock Options details (if any): Whether issued at discount. Period over which it is accrued and is exercisable	Nil	Nil	Nil	102,000 (Issued at ~ 53.54% discount on market price and to be vested after a period of one year and exercisable within 4 years	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sitting Fees	0.60	1.20	0.25	--	-	--	2.90	1.25	2.65	1.80	2.25	1.55	0.25	0.25	0.25
Total	**0.60**	**1.20**	**0.25**	**913.33**	**17.28**	**23.57**	**2.90**	**1.25**	**2.65**	**1.80**	**2.25**	**1.55**	**0.25**	**0.25**	**0.25**

The Company has a policy of Employee Stock Option Plan. The Company does not have any separate service contract with EDs apart from Resolutions passed by the Board/ shareholders of the Company.

6. SENIOR MANAGEMENT :

During the year under review, there has been no change in the Senior Management Personnel of the Company.

7. GENERAL BODY MEETINGS

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

Year	AGM	Location	Date	Special Resolution passed	Time
2022-23	34th	Through Video Conferencing (VC) or Other Audio-Visual Means (OAVM)	31.07.2023	1. Adoption of New Set of Memorandum of Association of the Company in pursuance to the provisions of Companies Act, 2013. 2. Adoption of New Set of Articles of Association of the Company in pursuance to the provisions of Companies Act, 2013 3. Revision in remuneration of Mr. Pallab Banerjee (DIN 07193749), Managing Director of the Company. 4. Re-appointment of Mr. Shailesh Kumar, as Whole-Time Director of the Company.	5.00 PM IST
2021-22	33rd	Through Video Conferencing (VC) or Other Audio-Visual Means (OAVM)	26.09.2022	NIL	5.00 PM IST
2020-21	32nd	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-appointment of Mr. Abhishek Goyal as an Independent Director of the Company. 3. Re-appointment of Mrs. Shifalli Seth as Whole-Time Director of the Company. 4. Appointment of Mr. Pallab Banerjee as Whole Time Director to be Designated as Joint Managing Director of the Company. 5. Approval of related party transaction with Mr. Pulkit Seth, Managing Director of the Company for holding office or place of profit in the branch office of the Company as Chief Executive Officer.	5.00 PM IST

8. DETAILS OF RESOLUTIONS PASSED THROUGH POSTAL BALLOT:

During the financial year 2023-24, under Section 110 of the Act read with Companies (Management and Administration) Rules, 2014, the Company passed the following Special and Ordinary Resolutions by postal ballot:

1. Date of Postal Ballot Notice: February 12, 2024

   Date of Declaration of Result: March 27, 2024

Voting Period: February 26, 2024 to March 26, 2024

Date of Approval: March 26, 2024

S. No.	Particular of Resolutions	Total valid votes cast	Votes cast in favour of Resolution		Votes cast against the Resolution	
			No.	%	No.	%
1.	Appointment of Dr. Rajiv Kumar (DIN: 02385076) as an Independent Director of the Company.	2,96,00,742	2,96,00,068	99.998	674	0.002
2.	Appointment of Mr. Sanjeev Kapoor (DIN: 00264602) as an Independent Director of the Company.	2,96,00,742	2,95,99,836	99.997	906	0.003
3.	Appointment of Mr. Ashwini Agarwal (DIN: 00362480) as an Independent Director of the Company.	2,96,00,742	2,96,00,068	99.998	674	0.002

2. Date of Postal Ballot Notice: November 08, 2023

Date of Declaration of Result: December 20, 2023

Voting Period: November 20, 2023 to December 19, 2023

Date of Approval: December 19, 2023

S. No.	Particular of Resolutions	Total valid votes cast	Votes cast in favour of Resolution		Votes cast against the Resolution	
			No.	%	No.	%
1.	Approval for sub-division/split of Equity Shares from the face value of ₹ 10/- to face value of ₹ 5/- per Equity Share.	1,44,87,843	1,44,87,751	99.9994	92	0.0006
2.	Approval for alteration of the capital clause of the Memorandum of Association of the Company.	1,44,87,818	1,44,87,756	99.9996	62	0.0004
3.	Authorisation for raising capital through issue of Equity Shares and/or other eligible securities.	1,44,87,818	1,44,87,633	99.9987	185	0.0013
4.	Approval for revision in remuneration of Mr. Pallab Banerjee (DIN: 07193749) Managing Director for the purpose of exercise of stock options.	1,44,87,818	1,44,87,383	99.9970	435	0.0030

Procedure followed for postal ballot:

The Postal Ballot was carried out as per the provisions of Section 108, 110 and other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) ("Rules"), Regulation 44 of the Listing Regulations, General Circular No. 14/2020 dated April 08, 2020 and General Circular No. 17/2020 dated April 13, 2020 read with other relevant circulars, including General Circular No. 9/2023 dated September 25, 2023, issued by the Ministry of Corporate Affairs, Government of India ("MCA Circulars"), and any other applicable law.

The Company had engaged the services of National Securities Depository Limited (NSDL) for providing remote e-Voting facilities to the Members, enabling them to cast their vote electronically and in a secure manner.

In compliance with the MCA Circulars, the Company sent the Postal Ballot Notice only in electronic form to those Members whose names appeared in the Register of Members/List of Beneficial Owners as received from the Depositories and the Company's Registrars and Transfer Agents (RTA) as on cut-off date and whose email addresses were registered with the Company/ RTA/Depositories/Depository Participants (in case of electronic shareholding) or who registered their email addresses in accordance with the process outlined in the Postal Ballot Notice.

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

The Scrutiniser, after the completion of scrutiny, submitted his report to Ms. Shilpa Budhia, Company Secretary of the Company who was authorised to accept, acknowledge and countersign the Scrutiniser's Report as well as declared the voting results.

The consolidated results of the remote e-Voting was announced by the Company Secretary of the Company and were also made available on the Company's website at https://www.pearlglobal.com/ besides being communicated to BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and NSDL.

9. MEANS OF COMMUNICATION

The quarterly results of the Company are published in leading and widely circulated English National and Hindi 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.

An Investor/Analyst meet was organised by the Company on February 26, 2024 in Jio Convention Centre, Mumbai for interacting with Institutional Investors/Analyst.

10. GENERAL SHAREHOLDER INFORMATION

(i) Annual General Meeting 35th Annual General Meeting of the Company will be held on Thursday, July 25, 2024, at 5:00 pm IST through Video Conference.

(ii) Financial year: The financial year covers the period April 01 to March 31.

Financial Calendar, 2024-25 (Tentative)	
First Quarter Results	Second week of August, 2024
Second Quarter & Half Yearly Results	Second week of November, 2024
Third Quarter Results	Second week of February, 2025
Fourth Quarter & Annual Results	Last week of May, 2025

(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 Stock Code:

Stock Exchange	Stock Code
BSE LIMITED 1ST FLOOR, NEW TRADING RING ROTUNDA BUILDING, P. J. TOWERS DALAL STREET, FORT, MUMBAI – 400 001Mumbai	**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 2024-25 has been paid to the Stock Exchanges within the stipulated time.

The ISIN No. of the equity shares of your Company is **INE940H01022 (post-split)**.

(v) The Company's Market Price Data: High, Low during each month in financial year 2023-24:

(Amount in ₹)

MONTH(S)	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
April 2023	444.50	377.00	448.00	405.65
May 2023	555.00	412.20	556.95	432.20
June 2023	662.20	505.05	663.00	502.60
July 2023	658.55	571.90	657.80	571.10
August 2023	805.85	603.90	805.80	613.00
September 2023	1,046.60	785.35	1,047.80	786.00
October 2023	1,470.00	1,005.60	1,470.80	1,005.70
November 2023	1,373.80	1,202.05	1,375.80	1,205.00
December 2023	1,363.95	1,211.30	1,349.85	1,210.05
January 2024	1,415.00*	525.00	715.00$	522.00
February 2024	693.90	533.60	679.85	527.70
March 2024	672.35	524.90	670.95	524.20

**Pre-split price*

$ *Post-split price*

Note: The Company's shares have undergone sub-division of face value from ₹ 10/- each to ₹ 5/- each w.e.f. January 05, 2024.

(vi) The Company's Share price performance in comparison to BSE Sensex and NSE Nifty:

(Amount in ₹)

MONTH(S) (As on end of last trading day of the month)	SHARE PRICES COMPARISION			
	BSE		NSE	
	PGIL	Sensex	PGIL	Nifty
April 2023	435.85	61,112.44	436.10	18,065.00
May 2023	499.50	62,622.24	500.65	18,534.40
June 2023	644.30	64,718.56	643.70	19,189.05
July 2023	612.85	66,527.67	613.10	19,753.80
August 2023	800.95	64,831.41	799.10	19,253.80
September 2023	1,003.75	65,828.41	1,008.80	19,638.30
October 2023	1,286.40	63,874.93	1,266.60	19,079.60
November 2023	1,238.70	66,988.44	1,238.10	20,133.15
December 2023	1,287.00	72,240.26	1,298.85	21,731.40
January 2024*	583.00	71,752.11	584.35	21,725.70
February 2024	650.55	72,500.30	655.90	21,982.80
March 2024	540.15	73,651.35	547.15	22,326.90

**Post-split price*

(vii) Registrar and Share Transfer Agent

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

Corporate Governance (Contd.)

(viii) Share Transfer System

As mandated by SEBI, securities of the Company can be transferred / traded only in dematerialised form. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation. The Shares in physical form are processed by the Registrar and Transfer Agents and approved by the Stakeholders Relationship Committee.

(ix) Distribution Schedule

(a) Distribution of Equity Shareholding of the Company as on March 31, 2024

Number of Equity Shares Held	Shareholders		Equity Shares Held	
	Numbers	% to Total	Numbers	% to Total
1-500	15,636	92.87	13,89,449	3.19
501-1000	563	3.34	4,15,387	0.95
1001-2000	278	1.65	4,27,157	0.98
2001-3000	86	0.51	2,13,688	0.49
3001-4000	52	0.30	1,90,270	0.44
4001-5000	30	0.18	1,36,299	0.31
5001-10000	69	0.41	4,87,428	1.12
10001 and above	123	0.74	4,03,23,846	92.52
	16,837	**100.00**	**4,35,83,524**	**100.00**

* *Equity Share of the face value of ₹ 5/- each.*

(b) Categories of Shareholders as on March 31, 2024

	No. of Folio's	% to total Folios	No. of Shares held	% to total shares
PROMOTERS (A)				
Indian	1	0.01	4,03,016	0.92
NRI	6	0.04	2,84,46,802	65.27
TOTAL (A)	**7**	**0.05**	**2,88,49,818**	**66.19**
PUBLIC (B)				
Foreign Portfolio Investors Category – I	39	0.23	23,45,414	5.38
Foreign Portfolio Investors Category– II	3	0.02	29,764	0.07
Alternate Investment Funds	1	0.01	2,14,011	0.49
Key Managerial Personnel	4	0.02	2,20,758	0.51
NRI's	296	1.76	3,66,274	0.84
Bodies Corporate	113	0.67	9,13,315	2.10
Clearing Members	3	0.02	1,152	0.00
Individual	15,845	94.11	1,00,07,209	22.96
Hindu Undivided Family	509	3.02	3,60,058	0.83
Trusts	1	0.01	14,246	0.03
Unclaimed Shares	1	0.01	840	0.00
IEPF	1	0.01	1,61,516	0.37
LLP	14	0.08	99,149	0.23
TOTAL (B)	**16,830**	**99.95**	**1,47,33,706**	**33.81**
TOTAL [(A) + (B)]	**16,837**	**100.00**	**4,35,83,524**	**100.00**

* *Equity Share of the face value of ₹ 5/- 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, 2024, 4,34,74,030 Equity Shares of the Company forming 99.75% of the Share Capital of the Company are dematerialised.

(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.

However, the Company has granted Employee Stock Options to the eligible employees of the Company/Subsidiary Companies under Pearl Global Employee Stock Option Plan 2022. Further details of the grants are mentioned in the Annexure-IV of the Directors' Report.

(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 risks.

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, Vietnam and Guatemala, as follows:

- 446, Udyog Vihar, Phase-V, Gurgaon - 122 016 (Haryana)
- 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 (Haryana)
- 751, Pace City II, Sector 37, Khandsa, Gurgaon - 122 004 (Haryana)
- Plot at Khasra No 15//19 & 22, Village Begumpur Khatola, Gurugram, Haryana 122001
- 2/31/,Thirukahukundram Road, Melavalam Village, Madhuranthagam, Taluk, Kancheepuram District-603303
- Plot No. 19A, NTTF 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, Bangalore 561 203
- Norp Knit Industries Ltd, North Khailkur, P.O. National University, Gazipur-1704, Bangladesh
- Norp Knit Industries Ltd- 93, Islampur, Kodda, Nandun, Gazipur-1700, Bangladesh
- Alpha Clothing Limited, Tenguri, BKSP, Ashulia, Savar, Dhaka-1349, Bangladesh
- Prudent Fashions Ltd. Dag No. 49, Gazir Chat Alia Madrasha, Kaichabari Road, Dhamsona, Ashulia, Savar, Dhaka-1344 Bangladesh
- 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
- 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
- Pearl Global Vietnam Company Limited, Dinh Tri Commune, Bae Giang City, Bae Giang Province, Vietnam

- ➢ SHORETEX SOCIADAD ANONIMA, Km. 36.5 Carretera Interamericana, Santiago Sacatepéquez, Sacatepéquez, Guatemala

(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

Details of Credit ratings of the Company are given below:

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

11. OTHER DISCLOSURES

a) There had been no materially significant related party transaction that might have potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in Note 47 of Notes to Standalone Financial Statement in the Annual Report.

b) There has been no non-compliance, penalties/ strictures imposed on the Company by Stock Exchange(s) or SEBI or any other Statutory Authority, on any matter related to capital markets, during the last three years.

c) The Company has 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.

d) The Company has complied with all the mandatory requirements including Regulations 17 to 27 and 46 (2) (b) to (i) of the Listing Regulations. As regard the non-mandatory requirements, the extent of compliance has been stated in this report against each of them.

e) Policy for determining 'material' subsidiaries is disclosed at Company's website at https://www.pearlglobal.com/investor-relations/

f) Policy on dealing with related party transactions is disclosed at Company's website at https://www.pearlglobal.com/investor-relations/

g) The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out.

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

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps, full currency swaps and forward commodity contracts, to hedge its foreign currency risks and commodity price risks, respectively. Such derivative financial instruments are initially 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.

h) 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.

i) 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.

j) The Board had accepted all recommendations of Committees of the Board, which is mandatorily required, in the financial year 2023-24.

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:

(₹ in Lakh)

Particulars	For the financial year ended March 31, 2024	For the financial year ended March 31, 2023
Statutory Audit Fee	40.24	40.24
Tax Audit Fees	5.50	5.50
Other Services	3.70	7.26
Reimbursement of Expenses	3.69	1.99
Total	**53.13**	**54.99**

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 2023-24.

m) Disclosure by Company 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)	Rahman Rahman Huq (Member firm of KPMG)	12.12.2023

12. 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.

13. DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II OF THE 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 MD.

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

14. 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 MD regarding compliance with the code by all the Directors and Senior Management forms part of the Report.

15. COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

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

16. CEO/CFO CERTIFICATION

The MD 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 the Listing Regulations, for the year ended March 31, 2024. Certificate is annexed with this Annual Report.

17. DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT

Shares remaining unclaimed and lying in the IPO escrow A/c of the Company for the financial year 2023-24, is as follows:

- Total shares outstanding at the beginning of financial year are 840 (post split) & total number of shareholders is 20.
- Number of shareholders approached the Company for transfer of shares: Nil
- Number 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 840 respectively.
- Voting rights of these shares shall remain frozen till claim made against their shares.

18. 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.

19. 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, 2024, 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, 2024.
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: F004482F000401197
Peer Review Certificate Number: 1061/2021

Place: Gurugram
Date: May 20, 2024

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, 2024.

For Pearl Global Industries Limited

(Pallab Banerjee)
Managing Director
DIN 07193749

Place: Gurugram
Dated: May 20, 2024

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

We, Pallab Banerjee, Managing Director and Narendra 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, 2024 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. there are no significant changes in internal controls over financial reporting during the year;
   2. there are no significant changes in accounting policies during the year; and
   3. there are no instances of significant fraud of which we have become aware.

For Pearl Global Industries Limited

(Pallab Banerjee)
Managing Director
DIN 07193749

(Narendra Somani)
Chief Financial Officer
ICAI M. No. 092155

Place: Gurugram
Dated: May 20, 2024

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
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, 2024 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 MARCH 31, 2024

S. NO.	NAME OF THE DIRECTORS	DESIGNATION	DIN	Director Since
1.	Mr. Deepak Kumar Seth	Chairman	00003021	March 22, 1994
2.	Mr. Pulkit Seth	Vice-Chairman and Non-Executive Director	00003044	November 01, 2004
3.	Mrs. Shifalli Seth	Non-Executive Director	0001388430	January 19, 2012
4.	Mr. Pallab Banerjee	Managing Director	07193749	October 01, 2021
5.	Mr. Shailesh Kumar	Whole-Time Director	08897225	October 07, 2020
6.	Mr. Deepak Kumar	Whole-Time Director	09497467	February 14, 2022
7.	Mr. Chittranjan Dua*	Independent Director	00036080	September 12, 2006
8.	Mr. Rajendra Kumar Aneja*	Independent Director	00731956	September 12, 2006
9.	Mr. Anil Nayar*	Independent Director	01390190	January 19, 2012
10.	Mr. Abhishek Goyal	Independent Director	01928855	May 26, 2017
11.	Mrs. Madhulika Bhupatkar	Independent Director	08712718	March 18, 2020
12.	Ms. Neha Khanna	Independent Director	03477800	June 21, 2021
13.	Mr. Ashwini Agarwal	Independent Director	00362480	February 12, 2024
14.	Dr. Rajiv Kumar	Independent Director	02385076	February 12, 2024
15.	Mr. Sanjay Kapoor	Independent Director	00264602	February 12, 2024

(*) Completed their second term of five years on March 31, 2024. Consequently, ceased to be IDs w.e.f. close of business hours on March 31, 2024.

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

For **Jayant Sood & Associates**
Company Secretaries

(CS Jayant K Sood)
Proprietor
FCS: 4482
CP No. 22410
UDIN: F004482F000401494
Peer Review Certificate No: 1061/2021

Place: Gurugram
Date: May 20, 2024

INDEPENDENT AUDITOR'S REPORT

To

The Members of

Pearl Global Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Pearl Global Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, 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 material 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, 2024, 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, 2024 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, 2024; 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.

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, 2024 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 recognized 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.

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.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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 except for the matters stated in the paragraph 2 (VIII) (f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   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, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   V. On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

   VI. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2 (II) above on reporting under Section 143(3)(b) of the Act and paragraph 2(VIII) (f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   VII. 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"**.

   VIII. 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 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 interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013. Further, the interim dividend paid by the Company during the year in respect of the dividend declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

f) Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account which have feature of recording audit trail (edit log) facility for all relevant transactions recorded in the respective software:

i. The feature of recording audit trail (edit log) facility at database level is not enabled to log any direct data changes for the accounting software used for maintaining the books of account.

ii. The Company has used accounting software for payroll records. Audit trail feature at application layer as well as at database level is not available within the software configuration.

Further, audit trail (edit log) facility was operated throughout the year for the accounting software, and we did not come across any instance of audit trail feature being tampered with.

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
Membership Number 083689
UDIN: 24083689BKBLTN1588

Place of Signature: New Delhi
Date: May 20, 2024

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, 2024, 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 program 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 program, 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 crore 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 125.00 lakh equivalent to ₹ 10421.25 lakh	₹ 232.00 lakh
- Others- Loan to employees		₹ 130.66 lakh
Balance outstanding as at balance sheet date in respect of above cases		
- Subsidiaries	USD 125.00 lakh equivalent to ₹ 10421.25 lakh	₹ 234.67 lakh and USD 3 lakh equivalent to ₹ 250.11 lakh
- Others- Loan to employees	-	₹ 75.94 lakh

b) The terms and conditions of the grant of loans and 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. However, in respect of loan granted, investments made and corporate guarantee provided to its subsidiaries, the Company has compiled with Section 185 and Section 186 of the Act.

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, 2024 for a period of more than six months from the date they became payable.

b) According to the records of the Company examined by us and the information and explanations given to us, there were no dues 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 ` lakh	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	3.83	A.Y 2017-18	At CIT(A)
d)	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:

a) 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.

b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

c) The Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.

d) No funds raised on short-term basis have been used for long-term purposes by the Company.

e) 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.

f) 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:

a) 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) As represented to us by the management, there are no whistle blower complaints received by the Company during the year ended March 31, 2024.

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 to internal audit system in the Company:

a) In our opinion and based on our examination, the Company has an internal audit system

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

commensurate with the size and nature of its business.

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 realization 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) pursuant to any project 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
Membership Number 083689
UDIN: 24083689BKBLTN1588

Place of Signature: New Delhi
Date: May 20, 2024

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, 2024 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, 2024, 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
Membership Number 083689
UDIN: 24083689BKBLTN1588

Place of Signature: New Delhi
Date: May 20, 2024

STANDALONE BALANCE SHEET
as at March 31, 2024

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
I. Assets			
Non-current assets			
(a) Property, plant and equipment	4	15,342.01	12,824.77
(b) Capital work in progress	5	1,432.34	691.69
(c) Right of use assets	50	3,182.53	3,004.07
(d) Investment properties	6	5,643.04	5,736.06
(e) Other Intangible assets	7	209.58	156.19
(f) Financial assets			
(i) Investments			
(ia) Investment in subsidiaries	8	12,491.55	11,818.71
(ib) Investment - others	9	0.47	832.00
(ii) Loans	10	8.85	11.60
(iii) Other financial assets	11	672.03	684.85
(g) Non current tax assets (net)	13	518.68	518.66
(h) Deferred Tax Assets (net)	12	163.65	71.95
(i) Other non current assets	14	580.57	136.48
Total Non-current assets		**40,245.30**	**36,487.03**
Current assets			
(a) Inventories	15	15,070.23	13,562.99
(b) Financial assets			
(i) Investments	9	-	562.16
(ii) Trade receivables	16	12,632.97	11,040.37
(iii) Cash and cash equivalents	17	6,123.57	6,740.76
(iv) Bank balances other than cash and cash equivalents	18	2,354.87	2,197.49
(v) Loans	10	551.87	419.31
(vi) Other financial assets	11	177.89	98.04
(c) Other current assets	14	6,802.99	7,060.31
Total current assets		**43,714.39**	**41,681.43**
Total assets		**83,959.69**	**78,168.46**
II. Equity and liabilities			
Equity			
(a) Equity share capital	19	2,179.18	2,166.39
(b) Other equity	20	35,234.13	35,919.60
Total equity		**37,413.31**	**38,085.99**
Liabilities			
Non- current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	5,833.01	5,777.53
(ia) Lease Liabilities	50	2,981.58	2,950.56
(ii) Others financial liabilities	23	122.77	107.03
(b) Provisions	24	1,482.94	1,157.26
(c) Deferred tax liabilities (net)	12	-	-
(d) Other non current liabilities	25	73.73	96.53
Total non- current liabilities		**10,494.03**	**10,088.91**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	17,356.65	14,858.02
(ia) Lease Liabilities	50	860.27	569.52
(ii) Trade payables	26		
- Total outstanding due of micro enterprises and small enterprises		1,137.67	744.87
- Total outstanding due of creditors other than micro enterprises and small enterprises		14,890.89	11,850.25
(iii) Other financial liabilities	23	320.81	605.17
(b) Other current liabilities	25	1,337.77	1,066.36
(c) Provisions	24	134.13	101.73
(d) Current tax liabilities (net)	27	14.16	197.63
Total current liabilities		**36,052.35**	**29,993.55**
Total equity and liabilities		**83,959.69**	**78,168.46**
Summary of Material 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

Place of Signature: New Delhi
Date: May 20, 2024

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

(Pulkit Seth)
Vice-Chairman
DIN 00003044

(Pallab Banerjee)
Managing Director
DIN 07193749

(Sanjay Gandhi)
Group CFO
M. No. 096380

(Narendra Somani)
Chief Financial Officer
M. No. 092155

(Shilpa Budhia)
Company Secretary
M. No. A23564

Place of Signature: Gurugram
Date: May 20, 2024

STATEMENT OF STANDALONE PROFIT AND LOSS

for period ended March 31, 2024

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars			Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I	Revenue from operations		28	95,366.71	1,10,377.07
II	Other income		29	4,232.27	3,035.51
III	**Total income (I+II)**			**99,598.98**	**1,13,412.58**
IV	**Expenses**				
	(a)	Cost of materials consumed	30	41,919.00	52,666.18
	(b)	Purchases of stock-in-trade	31	673.12	-
	(c)	Changes in inventories of finished goods, work in progress and stock in trade	32	(1,087.30)	1,524.57
	(d)	Employee benefits expense	33	24,004.36	19,833.58
	(e)	Finance costs	34	3,008.17	3,042.33
	(f)	Depreciation and amortisation expense	35	2,439.38	1,882.90
	(g)	Other expenses	36	25,525.64	29,392.83
	Total expenses			**96,482.37**	**1,08,342.39**
V	**Profit/ (loss) before exceptional items and tax (III-IV)**			3,116.61	5,070.19
VI	Exceptional Items		37	68.92	(1,096.86)
VII	**Profit/ (loss) before tax (V-VI)**			**3,047.69**	**6,167.05**
VIII	Tax expense:		12		
	(a)	Current tax		501.66	951.58
	(b)	Deferred tax		(149.79)	(167.79)
	(c)	Adjustment of tax relating to earlier years		(127.95)	1.61
	Total tax expense			**223.92**	**785.40**
IX	**Profit/(loss) for the year (VII-VIII)**			**2,823.77**	**5,381.65**
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		46.52	53.35
	(ii)	Income tax on items that will not be reclassified to profit or loss		(11.71)	(13.43)
(B)	(i)	Items that will be reclassified to of profit or loss			
		(a) Net movement in effective portion of cash flow hedge reserve		184.28	(595.46)
		(b) Exchange differences in translating the financial statements of a foreign operation		(25.00)	127.24
	(ii)	Income tax on items that will be reclassified to profit or loss		(46.38)	149.87
	Other comprehensive income for the year, net of tax			**147.71**	**(278.43)**
XI	**Total comprehensive income for the year, net of tax**			**2,971.48**	**5,103.22**
XII	**Earnings per share: (face value ₹ 5 per share)**		39		
	1)	Basic (amount in ₹)		6.50	12.42
	2)	Diluted (amount in ₹)		6.45	12.39
Summary of Material 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

Place of Signature: New Delhi
Date: May 20, 2024

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

(Pulkit Seth)
Vice-Chairman
DIN 00003044

(Pallab Banerjee)
Managing Director
DIN 07193749

(Sanjay Gandhi)
Group CFO
M. No. 096380

(Narendra Somani)
Chief Financial Officer
M. No. 092155

(Shilpa Budhia)
Company Secretary
M. No. A23564

Place of Signature: Gurugram
Date: May 20, 2024

STATEMENT OF STANDALONE CASH FLOW
for the year ended March 31, 2024

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flows from operating activities			
Profit before and tax		**3,047.69**	**6,167.05**
Adjustments for:			
Depreciation and amortisation		2,439.38	1,882.90
Interest paid and other borrowing cost		2,996.34	3,024.18
Sundry balances written back		(80.10)	(91.51)
Loss Allowance for Receivables		-	(2,335.15)
Provision written back		-	(98.50)
Net unrealised Forex (gain)/ loss		117.02	155.83
Sundry balances written off		319.78	229.24
Gain on lease modification		-	1.86
Grant amortised during the year		(1.00)	(1.00)
Amortisation of deferred rental income		(14.89)	(19.36)
Unwinding of discount on security deposits Income		(33.35)	(31.70)
Unwinding of discount on security deposits Expense		11.83	18.15
Profit on sale of current investment - mutual Fund		(379.50)	(97.05)
Rental income		(728.92)	(774.49)
Interest income		(282.78)	(246.68)
Dividend Income		(1,492.11)	(1,006.25)
Fair value loss /(gain) on financial assets measured at fair value through profit or loss		-	13.19
Income on corporate guarantee		(122.00)	(151.58)
Loss Allowance for doubtful debts and advances		200.01	151.07
Enchanced Compensation Receivable on Compulsary Acquisition		-	14.48
Interest on Advance paid		-	(827.00)
Stock Compensation expense		600.38	143.92
Foreign Currency Translation Reserve on Foreign Operation		(25.00)	127.24
Operating profit before working capital changes		**6,572.78**	**6,248.87**
Movement in working capital:			
(Increase)/decrease in trade receivables		(1,723.48)	365.64
(Increase)/decrease in other non-current financial assets		16.75	(28.71)
(Increase)/decrease in other current financial assets		(84.95)	22.44
(Increase)/decrease in other non-current assets		(495.59)	0.31
(Increase)/decrease in other current assets		105.10	3,313.24
(Increase)/decrease in inventories		(1,507.24)	8,616.10
Increase/(decrease) in trade payables		3,280.56	(5,298.15)
Increase/(decrease) in other non-current financial liabilities		15.74	(133.89)
Increase/(decrease) in other current financial liabilities		(133.01)	181.41
Increase/(decrease) in non-current provisions		372.20	276.40
Increase/(decrease) in current provisions		32.40	(8.27)
Increase/(decrease) in other non-current liabilities		(22.80)	(2,908.53)
Increase/(decrease) in other current liabilities		287.32	233.21
Cash generated from operations		**6,715.77**	**10,880.08**
Direct tax paid (net of refunds)		(557.20)	(706.49)
Cash flow before exceptional items		**6,158.57**	**10,173.59**
Exceptional items:		69.07	(1,096.86)
Net cash inflow from/(used in) operating activities	**(A)**	**6,227.64**	**9,076.72**
Cash flows from investing activities			
Purchase of property, plant and equipment (Including ROU, net with lease liabilities)		(4,040.98)	(1,924.44)
Sale proceeds of property, plant and equipment		86.67	4,657.93
(Increase)/decrease in capital work in progress		(740.65)	(691.69)
Sale/(Purchase) of investment properties		(45.75)	(24.73)
Sale/(Purchase) of Intangible assets		(106.01)	(139.61)
(Increase)/decrease in capital advances		51.50	(26.81)
Increase/(decrease) in capital creditors		31.32	31.37
(Increase)/decrease in Investment in subsidiaries and others		(290.47)	239.43
(Increase)/decrease in investment - Others		1,773.19	67.14
(Increase)/decrease in non-current Loans		2.75	(6.22)
(Increase)/decrease in current Loans		(132.56)	(383.33)

STATEMENT OF STANDALONE CASH FLOW
for the year ended March 31, 2024 (Contd.)

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
(Increase)/decrease in bank deposit		168.50	(59.85)
Interest received		295.07	209.69
Dividend received		1,492.11	1,006.25
Rent received		597.40	774.49
Net Cash From/ (Used In) Investing Activities	**(B)**	**(1,194.92)**	**3,729.61**
Cash flows from financing activities			
Increase/ (decrease) in long term borrowings		55.48	(2,555.98)
Increase/ (decrease) in short term borrowings		2,498.63	(2,776.43)
Issue of Share Capital (inclusive of Security Premium)		383.47	-
Payment of Lease Liabilities		(1,140.50)	(704.57)
Dividend paid (Net of Tax)		(4,881.89)	(1,624.80)
Other borrowing cost		(1,050.56)	(925.39)
Interest paid		(1,514.55)	(1,800.45)
Net cash inflow from/(used in) financing activities	**(C)**	**(5,649.92)**	**(10,387.61)**
Net Increase (decrease) In cash and cash equivalents	**(A+B+C)**	**(617.19)**	**2,418.72**
Opening balance of cash and cash equivalents		6,740.76	4,322.04
Total cash and cash equivalents		**6,123.57**	**6,740.76**
Components of cash and cash equivalents			
Cash, Cheque/drafts on hand		58.58	26.63
With banks - Current account		868.05	4,425.43
With banks - Deposit account		5,196.94	2,288.71
Total cash and cash equivalent (Note no. 17)		**6,123.57**	**6,740.76**

Notes :

(a) The above Standalone statement of Cash Flows has been prepared under the Indirect Method as set out in IND AS 7 'Statement of Cash Flows'.

(b) The Increase/(Decrease) in liabilities arising from financing activities includes non-cash transactions as under:

		For the year ended March 31, 2024	For the year ended March 31, 2023
i)	EIR adjustment of borrowings	10.40	12.06
ii)	Unwinding of discount on security deposit	11.83	18.15

(c) During 2023-24, the Company has made investment of ₹ 451.94 Lakhs in newly incorporated partially owned subsidiary (POS) "Pearl GT HoldCo Ltd".

Summary of Material 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

(Pallab Banerjee)
Managing Director
DIN 07193749

(Sanjay Gandhi)
Group CFO
M. No. 096380

(Narendra Somani)
Chief Financial Officer
M. No. 092155

(Shilpa Budhia)
Company Secretary
M. No. A23564

Place of Signature: New Delhi
Date: May 20, 2024

Place of Signature: Gurugram
Date: May 20, 2024

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2024

A. Equity Share Capital

(Amount in ₹ Lakhs, unless otherwise stated)

As At April 01, 2022	2,166.39
Changes during the year	-
As at March 31, 2023	**2,166.39**
Changes during the year	12.79
As at March 31, 2024	**2,179.18**

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	Effective Portion of Cash Flow Hedge	Currency Transalation Reserve	
Balance as at April 01, 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**
Dividend					(1,624.80)				**(1,624.80)**
Remeasurement of the benefit plan, net of tax effect	-	-	-	-	39.92		-	-	**39.92**
Foreign Currency Transalation Reserve	-	-	-	-	-		-	127.24	**127.24**
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**
Profit/(loss) for the year	-	-	-	-	2,823.77		-	-	**2,823.77**
Net movement in effective portion of cash flow hedge reserve, net of tax effect	-	-	-	-	-		137.90	-	**137.90**
Security premium		591.75							**591.75**
Share Based Payment Reserve						639.68			**639.68**
Dividend					(4,888.39)				**(4,888.39)**
Remeasurement of the benefit plan, net of tax effect	-	-	-	-	34.81		-	-	**34.81**
Foreign Currency Translation Reserve	-	-	-	-	-		-	(25.00)	**(25.00)**
Balance as at March 31, 2024	**4,204.36**	**17,695.65**	**95.00**	**625.95**	**11,716.58**	**899.19**	**(2.61)**	**-**	**35,234.13**

Summary of Material 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 **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 20, 2024

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

(Pulkit Seth)
Vice-Chairman
DIN 00003044

(Pallab Banerjee)
Managing Director
DIN 07193749

(Sanjay Gandhi)
Group CFO
M. No. 096380

(Narendra Somani)
Chief Financial Officer
M. No. 092155

(Shilpa Budhia)
Company Secretary
M. No. A23564

Place of Signature: Gurugram
Date: May 20, 2024

NOTES
to standalone financial statements for the year ended March 31, 2024

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 Bombay Stock Exchange and National Stock Exchange in India.

2. BASIS OF PREPARATION AND MEASUREMENT

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

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

Basis of Preparation and presentation: The financial statements are prepared under the historical cost convention except for certain financial assets and liabilities (including derivative financial instruments) that are measured at fair value or amortised cost.

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

Functional and Presentation Currency

The financial statements are presented in ₹ 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, 2024 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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the company.

3. MATERIAL ACCOUNTING POLICIES

a) Material 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 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 from the use of that asset and whether the 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 textilles 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 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 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such investment properties.

e) Other Intangible assets

Recognition and measurement

Intangible assets that are acquired by the Company are measured initially at cost. Intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. All expenditures, qualifying as Intangible Assets are 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

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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 iabilities 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. 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 it is on the basis of date of airway bill/bill of lading.

(ii) Job work income

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

(iii) Export Incentives

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

(iv) Recovery from Customers / Claim or Penalty

a) Recovery from customers & Claim / Penalty Income is recognised when the right to receive is established.

(v) 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 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.

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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.

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 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.

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 share based 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 stock compensation cost by equity settlement.

l) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognised in the statement of profit and loss as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

m) Financial instruments

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

(i) Financial assets

Initial recognition and measurement

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

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

Financial asset carried at amortised cost

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

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

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

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

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

De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

(i) The contractual rights to receive cash flows from the asset has expired, or

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

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include borrowings, trade and other payables, security deposits received etc.

Subsequent measurement

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

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

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

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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 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 occuring 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

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 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.

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 seperately as exceptional items.

NOTES
to standalone financial statements for the year ended March 31, 2024

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, 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 during the year	(113.24)	-	(103.10)	-	(159.23)	-	(101.95)	(477.53)
(Less)/Add: Adjustments during the year	-	-	-	-	-	-	-	-
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**
Add: Additions made during the year	-	-	699.97	604.87	2,510.87	120.83	104.44	4,040.98
(Less): Disposals during the year	-	-	-	-	(310.70)	-	(48.73)	(359.43)
(Less)/Add: Adjustments during the year	64.96	-	-	-	-	-	-	64.96
As at March 31, 2024	**1,689.03**	**711.25**	**4,553.92**	**1,315.48**	**13,206.01**	**1,432.37**	**1,051.62**	**23,959.68**
Accumulated depreciation/ amortisation								
As At April 01, 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 during the year	-	-	(31.48)	-	(107.36)	-	(56.72)	(195.57)
(Less)/Add: Adjustments during the year	-	-	-	-	-	-	-	-
As at March 31, 2023	**-**	**19.34**	**987.47**	**296.59**	**4,793.26**	**677.86**	**613.91**	**7,388.40**
Add: Depreciation charge for the year	-	8.20	145.60	156.08	911.28	131.67	80.14	1,432.97
(Less): Disposals during the year	-	-	-	-	(161.64)	-	(42.07)	(203.71)
(Less)/Add: Adjustments during the year	-	-	-	-	-	-	-	-
As at March 31, 2024	**-**	**27.54**	**1,133.07**	**452.67**	**5,542.90**	**809.53**	**651.98**	**8,617.67**
Net carrying amount								
As at March 31, 2024	1,689.03	683.71	3,420.85	862.81	7,663.11	622.84	399.64	**15,342.01**
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**

a) For Information on Property, plant and equipment pledged as security by the Company refer Note 21 and 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, 2024			
Gross carrying amount	27.77	21.22	48.99
Accumulated depreciation	(22.09)	(19.71)	(41.80)
Net carrying amount	**5.68**	**1.51**	**7.19**
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**

5. CAPITAL WORK IN PROGRESS

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	691.69	-
Add: Addition made during the year	1,431.18	691.69
Less: (Disposals)/adjustments during the year	(690.53)	-
Balance at the end of the year	**1,432.34**	**691.69**

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

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
Building	1,280.31	658.21
Plant and machinery	110.69	32.49
Furniture and fittings	24.44	0.99
Other expenses	16.90	-
	1,432.34	**691.69**

b) Ageing schedule of CWIP as at March 31, 2024

(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	1,431.18	1.16	-	-	1,432.34
Projects temporarily suspended	-	-	-	-	-

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	-	-	-	-	-

c) There are no capital-work-in progress as at March 31, 2024 and as at March 31, 2023 whose completion is overdue or has exceeded its cost as compared to its original plan.

d) During the year interest expense amounting to ₹ 16.90 Lakhs relating to capital expenditure has been transferred to capital work in progress. (March 31, 2023: Nil)

6. INVESTMENT PROPERTIES

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Land freehold	Building	Total
Gross carrying amount			
As At April 01, 2022	**1,875.68**	**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**	**4,328.22**	**6,228.63**

NOTES
to standalone financial statements for the year ended March 31, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Land freehold	Building	Total
Add: Additions made during the year	45.76	-	45.76
Less: (Disposals)/adjustments during the year	(64.97)	-	(64.97)
As at March 31, 2024	**2,011.14**	**4,328.22**	**6,209.43**
Accumulated depreciation and amortisation			
As at April 01, 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 March 31, 2023	**-**	**492.58**	**492.58**
Add: Depreciation & amortisation charge for the year	-	73.81	73.81
Less: (Disposals)/adjustments during the year	-	-	-
As at March 31, 2024	**-**	**566.39**	**566.39**
Net carrying amount			
As at March 31, 2024	2,011.14	3,761.83	**5,643.04**
As at March 31, 2023	1,900.41	3,835.64	**5,736.06**

		For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	**Amounts recognised in Statement of Profit and Loss for investment properties**		
	Rental Income	728.92	774.49
	Less: Direct operating expenses of property that generated rental income	(62.05)	(69.17)
	Less: Direct operating expenses of property that did not generated rental income	-	-
	Income arising from Investment properties before charging depreciation	**666.87**	**705.33**
	Less: Depreciation & amortisation	(73.81)	(79.56)
	Income from Investment properties (net)	**593.06**	**625.77**
(b)	**Fair value of investment properties**	**12,187.78**	**11,560.52**

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, 2022	**322.84**	**322.84**
Add: Additions made 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**
Add: Additions during the year	106.02	106.02
Less: (Disposals) / adjustments during the year	-	-
As at March 31, 2024	**550.17**	**550.17**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Computer Software	Total
Accumulated amortisation		
As At April 01, 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**
Add: Amortisation charge for the year	52.63	52.63
Less: (Disposals) / adjustments during the year	-	-
As at March 31, 2024	**340.57**	**340.57**
Net carrying amount		
As at March 31, 2024	**209.58**	**209.58**
As at March 31, 2023	**156.19**	**156.19**

8. INVESTMENT IN SUBSIDIARIES

(All amounts are in ₹ Lakhs, unless otherwise stated)

		As at March 31, 2024	As at March 31, 2023
Non- Current			
A)	**Investments in equity instruments**		
	(At Cost)		
	Pearl Global Fareast Limited, Hong Kong		
	1195000 (March 31, 2023: 1195000) Equity Shares of USD 1 Each fully paid up	3,283.39	3,283.39
	Pearl Global (HK) Limited, Hong Kong		
	1610000 (March 31, 2023: 1610000) Equity Shares of USD 1 each fully paid up	5,932.20	5,932.20
	Pearl Global Kaushal Vikas Limited		
	50000 (March 31, 2023: 50000) Equity Shares of ₹ 10 each fully paid up	5.00	5.00
	Norp Knit Industries Limited, Bangladesh		
	3381211 (March 31, 2023: 3381211) Equity Shares of Taka 100 Each fully paid up	2,201.64	2,201.64
	SBUYS E-commerce Limited		
	10000 (March 31, 2023: 10000) Equity Shares of ₹ 10 each fully paid up	1.00	1.00
	Pearl Global USA Inc.		
	301000 (March 31, 2023: 301000) Equity Shares of USD 1 each fully paid up	239.42	239.42
	Sead Apparels Private limited		
	10000 (March 31, 2023: 10000) Equity Shares of ₹ 10 each fully paid up	1.00	1.00
	Pearl GT HoldCo Ltd		
	5500 (March 31, 2023: Nil) Equity Shares of USD 100 each fully paid up	451.94	
B)	**Equity Component : Corporate Guarantee**		
	Pearl Global (HK) Limited	-	39.47
C)	**Equity Component : Employee Stock Option Plan (ESOP) (Refer Note 52)**		
	Pearl Global Vietnam Co. Ltd	89.19	22.93
	PT Pinnacle Appreals	67.39	29.84
	Norp Knit Industries Limited	207.16	58.11
	Pearl Global (HK) Limited	12.22	4.71
		12,491.55	**11,818.71**
	i) Aggregate value of unquoted investments	12,491.55	11,818.71
	ii) Aggregate amount of impairment in value of unquoted investments	-	-
	iii) Aggregate value of unquoted investments (net of impairment)	12,491.55	11,818.71

NOTES
to standalone financial statements for the year ended March 31, 2024

(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, 2024	As at March 31, 2023
Subsidiaries				
Pearl Global Kaushal Vikas Limited	India	Skill Development	100.00	100.00
Pearl Global Fareast Limited	Hong Kong	Trading of garments	100.00	100.00
Pearl Global (HK) Limited	Hong Kong	Manufacturing and trading of garments	100.00	100.00
Norp Knit Industries Limited	Bangladesh	Manufacturing and trading of garments	99.99	99.99
SBUYS E-Commerce Limiited	India	Online Trading of garments	100.00	100.00
Pearl Global USA Inc.	USA	Trading of garments	100.00	100.00
Sead Apparels private limited	India	Manufacturing and trading of garments	100.00	100.00
Pearl GT HoldCo Ltd	USA	Manufacturing and trading of garments	55.00	-

b) During 2023-24, the Company has made investment of ₹ 451.94 Lakhs in newly incorporated partially owned subsidiary (POS) "Pearl GT HoldCo Ltd".

During preceding 2022-23, the Company has made investment of ₹ 1.00 Lakhs in newly incorporated wholly owned subsidiary (WOS) "Sead Apparels Private Limited".

c) 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, 2024	As at March 31, 2023
Non-Current Investments		
A. Equity Instruments- Quoted		
(At Fair value through profit and loss)		
PDS Limited (Formerly known as PDS Multinational Fashions Limited) Nil, Equity Shares of ₹ 2 each fully paid up (March 31, 2023 : 250000, Equity Shares of ₹ 2 each fully paid up)	-	830.37
	-	**830.37**
B. Investments in Government securities -Unquoted		
(At Amortised cost)		
Investments in Government securities		
- Gold Sovereign Bond- 15 units of 1 gram each(March 31, 2023: 22 units of 2 gram each and 15 units of 1 gram each) issued by Reserve Bank of India	0.47	1.63
	0.47	**1.63**
Total (A + B)	**0.47**	**832.00**
Current Investments		
C. Investments in mutual funds - (Quoted)		
(At Fair value through profit and loss)		
ICICI Prudential Short Term Fund DP Growth		

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
Nil units of Face Value of ₹ 10 per unit (March 31, 2023: 536068.057 units)	-	291.45
IDFC Banking and PSU debt fund direct plan - growth		
Nil units of Face Value of ₹ 10 per unit (March 31, 2023: 1267806.9250 units)	-	270.71
	-	**562.16**
Aggregate book value of quoted investments	-	1,392.53
Aggregate market value of quoted investments	-	1,392.53
Aggregate value of unquoted investments	0.47	1.63
Aggregate value of unquoted investments (net of impairment)	0.47	1.63
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, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good unless otherwise stated)				
Loans to employees				
Loans Receivables considered good – Unsecured	8.85	11.60	67.09	72.65
Loans to related parties (Refer Note No. 47)	-	-	484.78	346.66
	8.85	**11.60**	**551.87**	**419.31**

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, 2024		As at March 31, 2023	
	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	484.78	86.46%	246.66	57.24%

Note : For loans given to Director and KMP in FY 2022-23 has been received back during the year and the interest rate was 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.

NOTES
to standalone financial statements for the year ended March 31, 2024

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, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Security deposits	615.00	631.75	103.21	10.67
Interest accrued but not due on				
- Term deposits and others	1.93	9.12	68.81	70.40
- Loan to related parties	-	-	-	3.51
Deposits with original maturity of more than 12 months (Refer note 18)	55.10	43.98	-	-
Other receivables	-	-	5.87	13.46
	672.03	**684.85**	**177.89**	**98.04**

Note:

a) Other receivables of ₹ 5.87 Lakhs represents amount receivable from banks on hedged instruments (March 31, 2023: ₹ 13.46 Lakhs represents claim receivables from vendors)

12. INCOME TAX

The major components of income tax expense for the years ended March 31, 2024 and March 31, 2023 are:

Statement of profit and loss:

Profit or loss section

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
Tax Expense:		
a) Current tax	501.66	951.58
b) Adjustments in respect of relating to earlier years	(127.95)	1.61
c) Deferred tax	(149.79)	(167.79)
Income tax expense reported in the statement of profit or loss	**223.92**	**785.40**

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, 2024	As at March 31, 2023
Net loss/(gain) on remeasurements of defined benefit plans	(11.71)	(13.43)
Income tax on items that will be reclassified subsequently to statement of profit and loss	(46.38)	149.87
Income tax charged to OCI	**(58.09)**	**136.44**

a) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023.

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
Accounting profit before tax from continuing operations	3,047.69	6,167.05
Accounting profit before income tax		
At India's statutory income tax rate of 25.168% (March 31, 2023 : 25.168%)	767.04	1,552.12
Adjustments in respect of current income tax of previous years	(127.95)	1.61
Tax effect of the amounts which are Non-deductible/(taxable) for tax purposes:		
Expenses not deducted for tax purposes	74.27	749.68
Expenses Permanently disallowed for Income tax	51.06	
Impact of charging tax at lower rate on capital gain income	(64.59)	(282.91)
Loss on Sale of investment in subsidiary	-	(832.27)
Income exempted from income tax	(556.85)	(391.05)
Impact of tax at different tax rate and Others	80.94	(11.78)
At the income tax rate of 25.168 % (March 31, 2023: 25.168%)	223.92	785.40
Income tax expense reported in the statement of profit and loss	223.92	785.40

b) Deferred tax:

(All amounts are in ₹ Lakhs, unless otherwise stated)

		As at March 31, 2024	As at March 31, 2023
Deferred tax assets relates to the following:			
Provision for employee benefits		576.29	440.91
Expenses allowed in the year of payment		137.36	85.58
Unaborsbed Losses		154.22	322.52
Lease Liabilities		966.92	885.93
Mark to Mark Forward Contracts - Cash Flow Hedge		1.69	76.42
Others		81.79	16.88
	(A)	**1,918.27**	**1,828.24**
Deferred tax liability relates to the following:			
Property, plant and equipment		921.35	943.00
Right to use assets		800.98	756.06
Fair valuation of mutual fund		-	25.66
Borrowing (EIR)		8.18	3.00
Others		24.11	28.56
		-	
	(B)	**1,754.62**	**1,756.29**
Total deferred tax assets/(liabiities) (Net)	(A-B)	**163.65**	**71.95**

NOTES
to standalone financial statements for the year ended March 31, 2024

c) The movement between net deferred tax assets /(liabilities) is as under :

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As at April 01, 2023	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As at March 31, 2024
Deferred tax assets relates to the following:				
Provision for employee benefits	440.91	147.09	(11.71)	576.29
Expenses allowed in the year of payment	85.58	51.78	-	137.36
Unaborsbed Losses	322.52	(168.30)		154.22
Lease Liabilities	885.93	80.98	-	966.91
Mark to Mark Forward Contracts - Cash Flow Hedge	76.42	(28.34)	(46.38)	1.70
Others	16.88	64.91		81.79
	1,828.24	**148.12**	**(58.09)**	**1,918.27**
Deferred tax liability relates to the following:				
Property, plant and equipment	943.00	(21.65)	-	921.35
Right to use assets	756.06	44.92	-	800.98
Fair valuation of mutual fund	25.66	(25.66)	-	-
Borrowing (EIR)	3.00	5.18	-	8.18
Others	28.56	(4.45)	-	24.11
	1,756.28	**(1.66)**	**-**	**1,754.62**
Total deferred tax assets/(liabities) (Net)	**71.95**	**149.79**	**(58.09)**	**163.65**

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As at April 01, 2022	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
Unaborsbed 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/(liabiities) (Net)	**(232.27)**	**167.79**	**136.44**	**71.95**

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.

NOTES
to standalone financial statements for the year ended March 31, 2024

13. NON CURRENT TAX ASSET

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
Advance income tax	518.68	518.66
(Net of provision of ₹ 2186.53 Lakhs (March 31, 2023 : ₹ 1685.98 Lakhs)		
	518.68	**518.66**

14. OTHER ASSETS

(Unsecured, considered good, unless otherwise stated)

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Non - Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Capital advances (Refer Note No. 46b)	45.44	96.94	-	-
Balance with government authorities - considered good	-	-	2,267.17	2,028.85
Balance with government authorities - considered doubtful	22.74	22.74	-	-
Less: Loss Allowance	(22.74)	(22.74)	-	-
Deferred Assets - Security Deposit	0.26	-	0.78	10.26
Prepaid expenses	534.87	39.54	424.76	593.46
Export incentive receivable	-	-	1,924.04	1,873.36
Advances to related parties (Refer note no. 47)	-	-	110.87	50.94
Advances to suppliers - considered good	-	-	1,657.18	2,339.39
Advances to suppliers - considered doubtful	-	-	212.20	12.19
Less : Provision for doubtful advances	-	-	(212.20)	(12.19)
Other receivables - considered good (Refer note (a) below)	-	-	418.19	164.05
Other receivables - considered doubtful (Refer note (b) below)	-	-	2,639.50	2,639.50
Less: Loss Allowance	-	-	(2,639.50)	(2,639.50)
	580.57	**136.48**	**6,802.99**	**7,060.31**

a) Other receivables considered good of ₹ 418.19 Lakhs (March 31, 2023: ₹ 164.05 Lakhs) includes amount recoverable from employee gratuity trust, rent receivable and GST input credit which is not reflected in GST portal as on balance sheet date.

b) Other Receivables considered doubtful of ₹ 2639.50 lakh (March 31, 2023 ₹ 2639.50 lakh) includes enhanced compensation of ₹ 2,335.15 lakh 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 lakh (March 31, 2023 : ₹ 304.35 lakh)

NOTES
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15. INVENTORIES

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
Raw materials	6,399.61	5,974.66
Good in transit- raw materials	20.63	29.39
Work in progress	6,090.56	5,018.42
Finished goods	2,432.27	2,417.75
Scrap Stock	49.45	48.81
Stores spares & others	77.71	73.96
	15,070.23	**13,562.99**

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, 2024	As at March 31, 2023
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	12,632.97	11,040.37
Trade receivables - credit impaired	-	-
Less: Allowance for Expected Credit Loss	-	-
	12,632.97	**11,040.37**

a) Trade receivables ageing schedule as at March 31, 2024:

(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	12,577.77	54.78	0.42	-	-	-	**12,632.97**
(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	-	-	-	-	-	-	**-**
Less: Allowances for expected credit loss	-	-	-	-	-	-	**-**
Net Trade receivables	**12,577.77**	**54.78**	**0.42**	**-**	**-**	**-**	**12,632.97**

NOTES
to standalone financial statements for the year ended March 31, 2024

b) Trade receivables ageing schedule as at March 31, 2023:

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	-	-	-	-	-	-	**-**
(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**

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, 2024	As at March 31, 2023
Balance as at beginning of the year	-	572.61
Loss allowances during the year	-	-
Trade receivables written off / written back during the year	-	(572.61)
Balance as at the end of the year	**-**	**-**

d) Trade receivables are generally on terms of 45- 60 days (March 31, 2023: 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.

f) The above includes amount due from related parties is ₹ 2,878.67 Lakhs (March 31, 2023: ₹ 3,526.97 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, 2024	As at March 31, 2023
Balances with banks:		
- Current account	868.05	4,425.43
- Deposits with original maturity of less than 3 months	5,196.94	2,288.71
Cash on hand	7.83	13.39
Cheque/drafts on hand	50.75	13.24
	6,123.57	**6,740.76**

a) For the purpose of the statement of cash flow, the cash and cash equivalent are same given above.

NOTES
to standalone financial statements for the year ended March 31, 2024

18. BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
Earmarked balances with banks		
Unpaid dividend account	34.59	28.09
Deposits with original maturity of more than 3 months but less than 12 months (Refer note (a) below)	2,294.84	2,169.40
Deposits with original maturity of more than 12 months (Refer note (a) below)	80.54	43.98
	2,409.97	**2,241.47**
Less: Amount disclosed under "Other Financial Assets" (Refer Note No.11)	55.10	43.98
	2,354.87	**2,197.49**

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 ₹ 1810.36 lakh for Letter of credit issued and working capital for the company (March 31, 2023: ₹ 843.41 lakh).

19. SHARE CAPITAL

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
Authorised		
102880000* equity shares of ₹ 5 each (March 31, 2023: 51440000* equity share of ₹ 10 each)	5,144.00	5,144.00
10000* (March 31, 2023: 10000*) 4% Non Cumulative Redeemable Preference Shares of ₹ 10 each	1.00	1.00
3256000* (March 31, 2023: 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		
43583524* equity Shares of ₹ 5 each fully paid up (March 31, 2023: 21663937 *equity share of ₹ 10 each fully paid up)	2,179.18	2,166.39
	2,179.18	**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
Balance as at April 01, 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**
Changes during the year		
Add: Adjustment for sub divison of equity shares (refer note (b) below)	2,16,63,937	-
Add: Issued during the year	2,55,650	12.79
Balance as at March 31, 2024	**4,35,83,524**	**2,179.18**

b) Terms/ rights attached to equity shares:

The company has only one class of equity shares having a par value of ₹ 5 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 (if any) 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, prior to sub division of face value of shares , the Company had declared and paid Interim dividend of ₹ 5/- per share for FY 2022-23 and ₹ 17.5/- per share for FY 2023-24 for distribution to shareholders.

The Equity shares of the Company has undergone sub-division from the face value of ₹ 10 per equity share to ₹ 5 per equity share i.e. 1 equity share to be split into 2 equity shares. The record date was fixed as January 05, 2024 and thereafter the sub-division has become effective.

c) Details of shareholders holding more than 5% shares in the Company

(All amounts are in ₹ Lakhs, unless otherwise stated)

Name of Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares (FV of ₹ 5 each)	% of total shares	No. of shares (FV of ₹ 10 each)	% of total shares
Mrs. Payel Seth	88,27,270	20.25	44,13,635	20.37
Mr. Deepak Kumar Seth	57,24,290	13.13	28,62,145	13.21
Mr. Pulkit Seth	1,38,95,242	31.88	69,47,621	32.07
Mr. Sanjiv Dhireshbhai Shah	32,70,536	7.50	17,16,282	7.92
Total	**3,17,17,338**	**72.76**	**1,59,39,683**	**73.57**

d) Details of Promotor's shareholding:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Name of Shareholder	As at March 31, 2024		As at March 31, 2023		% change during the year
	No. of shares (FV of ₹ 5 each)	% of total shares	No. of shares (FV of ₹ 10 each)	% of total shares	
Mrs. Payel Seth	88,27,270	20.25	44,13,635	20.37	(0.12)
Mr. Deepak Kumar Seth	57,24,290	13.13	28,62,145	13.21	(0.08)
Mr. Pulkit Seth	1,38,95,242	31.88	69,47,621	32.07	(0.19)
Mrs. Shifalli Seth	4,02,956	0.92	2,01,478	0.93	(0.01)
Nim International Commerce LLP	60	-	30	-	-
Total	**2,88,49,818**	**66.18**	**1,44,24,909**	**66.58**	

(All amounts are in ₹ Lakhs, unless otherwise stated)

Name of Shareholder	As at March 31, 2023		As at March 31, 2022		% change during the year
	No. of shares (FV of ₹ 10 each)	% of total shares	No. of shares (FV of ₹ 10 each)	% 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 Internationa Commerce LLP	30	-	30	-	-
Total	**1,44,24,909**	**66.58**	**1,44,24,909**	**66.58**	

NOTES
to standalone financial statements for the year ended March 31, 2024

20. OTHER EQUITY

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
General reserve	4,204.36	4,204.36
Securities premium	17,695.65	17,103.90
Capital redemption reserve	95.00	95.00
Amalgamation reserve	625.95	625.95
Retained earnings	11,716.58	13,746.39
Share Based Payment Reserve	899.19	259.51
Cash Flow Hedge Reserve (Net of tax of ₹ 1.87 Lakhs (March 31, 2023 : ₹ 48.26 Lakhs)	(2.61)	(140.51)
Foreign currency translation reserve- Foreign Operations	-	25.00
	35,234.13	**35,919.60**

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 March 31, 2024	As at March 31, 2023
Balance as at end/beginning 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)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at end/beginning of the year	17,695.65	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. During the year, the company has issued 255,650 equity shares on which security premium of ₹ 591.75 lakh has been recognised in books of account.

c) Capital Redemption Reserve

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at end/beginning 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)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at end/beginning 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.

NOTES
to standalone financial statements for the year ended March 31, 2024

e) Retained Earnings

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at end/beginning of the year	11,716.58	13,746.39

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 ₹ 407.15 (March 31, 2023: ₹ 404.77 Lakhs) is not available for distribution. During the year, the Company has paid dividend of ₹ 4,888.39 Lakhs, out of which ₹ 1,083.20 Lakhs pertains to 2022-23.

f) Share Based Payment Reserve

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at end/beginning of the year	899.19	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)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at end/beginning of the year	(2.61)	(140.51)

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)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at end/beginning of the year	-	25.00

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, 2024	**As at March 31, 2023**	**As at March 31, 2024**	**As at March 31, 2023**
From banks (secured)				
- Corporate loan [refer note a(i), a(ii), a(iii), a(iv) & a(v) below]	5,763.00	5,716.05	2,922.44	2,342.01
- Vehicle loan [refer note a(vi) below]	70.01	61.48	57.24	46.44
	5,833.01	**5,777.53**	**2,979.68**	**2,388.45**
Less: Amount disclosed under other financial liabilities as 'Short term borrowings' (refer note 22)	-	-	2,979.68	2,388.45
	5,833.01	**5,777.53**	**-**	**-**

NOTES
to standalone financial statements for the year ended March 31, 2024

A) Nature of Securities :

i) Term Loan from Kotak Mahindra Bank is secured by Fixed Deposit of ₹ 20.00 Lakhs. (March 31, 2023 : secured by lien marked on investment in debt mutual fund and personal gurantee of Mr Pulkit Seth (Promoter Director))

ii) Term Loan Facility from Indusind Bank is secured by Fixed Deposit of ₹ 83 Lakhs (March 31, 2023: ₹ 83 Lakhs)

iii) 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).

iv) Term loans from Canara Bank are secured by charge over assets financed by term Loan, Land & building, Plant & Machinary at Survey No. 32/8,31/5A3,31/5B3,31/8CIB,31/8C2,31/13P,31/14,31/15 Melavalam Village, Madurantakam Taluk, Kancheepuram District, TamilNadu. and Personal Guarantee of Mr. Deepak Kumar Seth and Mr. Pulkit Seth (Promoter Director).

v) Emergency credit line guaranteed scheme (ECLGS 2.0) & ECLGS 2.0 (Extension) facilities are secured by second charge over securities provided for base credit facility, except personal guarantees.

vi) 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:	2024-25	2025-26	2026-27	Beyond 2026-27	Total
Term loan from banks are repayable in monthly/quarterly/ yearly installments	2,922.44	2,532.16	1,379.93	1,850.91	8,685.44
Vehicle loans from banks and financial institutions are repayable in monthly installments	57.24	35.94	14.92	19.14	127.24

C) The above term loan(s) and vehicle loan(s) carries rate of interest ranging between 8.45% to 11.30% per annum. (March 31, 2023 : Between 7.60% to 10.85%)

22. SHORT TERM BORROWINGS

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
Working capital loan from banks(secured)		
- Rupee loan [refer note A&B below]	14,376.97	12,469.57
Current Maturities of Long Term Borrowings (Refer Note 21)	2,979.68	2,388.45
	17,356.65	**14,858.02**

A. Securities for Working Capital Facilities under Consortium Arrangement

i) Primary Securities offered includes:

a) First Pari-Passu Charge by way of hypothecation of the entire current assets both present and future, including but not limited to stocks of raw materials, semi finished and finished goods, raw material, book debts and stock, loans and advances etc.

b) First Pari-Passu charge by way of hypothecation over the entire movable fixed assets belonging to the Borrower, except any assets charged to any banks/financial institutions for securing the terms loans.

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), Ward no 02 in Arryapakkam Village, Madurantakam Taluk, Kancheepuram District, TamilNadu.

b) Principal amount of fixed deposits pledged amounting to ₹ 710.00 Lakhs (Closing balance as on 31 March 2024 ₹ 747.43) (March 31, 2023: ₹ 710 Lakhs)

c) Irrrevocable and unconditional personal guarantee of Mr. Deepak Kumar Seth (Promoter Director) and Mr. Pulkit Seth (Promoter Director).

iii) Refer Note No. 21 for the terms and conditions, nature of security and maturity profile of the current maturities of long-term borrowings (forming part of long term borrowings of the Company).

B. Securities for Working Capital Facilities by HDFC Bank (Adhoc Outside Consortium)

a) Exclusive Charge over corpotate office (Land and Building) situated in Gurugram, 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.

E. Summary of reconciliation for the quarterly statements (statement of current assets filed by the Company with the bank) with the books of accounts is as follows :

Quarter Ended	Value Date	Stock and debtors as per books of accounts (A)	Stock and debtors as per quarterly statement filed with bank (B)	Variation (A-B)	Remarks
June 23	June 23	22,308.89	22,308.89	-	No variation
September 23	September 23	15,661.93	15,661.93	-	
December 23	December 23	24,994.49	24,994.49	-	
March 24	March 24	27,703.20	NA	-	Not yet filed as on date of signing of financial statements

23. OTHER FINANCIAL LIABILITIES

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Non - Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Security deposit	122.77	107.03	-	19.43
Interest accrued but not due on borrowings	-	-	123.89	95.43
Unpaid dividends (Refer note below b)	-	-	34.59	28.09
Financial Liabilites at Fair Value through OCI - Cash Flow Hedge	-	-	6.74	303.62
Creditors for capital goods	-	-	101.03	124.27
Creditors for capital goods- MSME	-	-	54.56	-
Others	-	-	-	34.34
	122.77	**107.03**	**320.81**	**605.17**

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, 2023: Nil)

c) Other payables of ₹ Nil (March 31, 2023 : ₹ 34.34 Lakhs represents amount payable to banks on hedged instruments).

NOTES
to standalone financial statements for the year ended March 31, 2024

24. PROVISIONS

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Non - Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits				
Provision for compensated absenses (Refer note 40)	409.00	326.82	24.90	19.26
Provision for gratuity (Refer note 40)	1,073.94	830.44	109.23	82.47
	1,482.94	**1,157.26**	**134.13**	**101.73**

25. OTHER LIABILITIES

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Non - Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Deferred government grant	4.58	5.58	145.60	145.60
Deferred rental income	69.15	90.95	14.82	6.97
Statutory dues	-	-	1,177.35	913.77
	73.73	**96.53**	**1,337.77**	**1,066.36**

26. TRADE PAYABLES

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
Total Outstanding dues of Micro and Small enterprises	1,137.67	744.87
Total Outstanding dues of Creditors other than Micro and Small enterprises	14,890.89	11,850.25
	16,028.56	**12,595.12**

a) Trade Payables ageing schedule as at March 31, 2024:

(All amounts are in ₹ Lakhs, unless otherwise stated)

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	799.54	328.68	9.44	-	-	-	**1,137.67**
(ii) Others	10,709.19	3,662.45	134.85	-	-	384.40	**14,890.89**
(iii) Disputed dues — MSME	-	-	-	-	-	-	**-**
(iv) Disputed dues — Others	-	-	-	-	-	-	**-**

b) 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	-	-	-	-	-	-	**-**

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 ₹ 519.08 Lakhs (March 31, 2023: ₹ 507.95 Lakhs) (Refer Note No. 47)

e) As per Schedule III of the Companies Act, 2013, the amount due to Micro & Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under :

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, 2024	As at March 31, 2023
(i) The amount due thereon remaining unpaid to any supplier at the end of each accounting year		
- Principal	1,137.29	744.87
- Interest on above	0.38	-
(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.	0.38	-
(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.	-	-

f) 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, 2024	As at March 31, 2023
Provision for income tax (Net of advance tax ₹ 487.50 Lakhs (March 31, 2022 : 765.11 Lakhs)	14.16	197.63
	14.16	**197.63**

28. REVENUE FROM OPERATIONS

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of product	88,037.74	1,01,499.35
Job receipts	702.15	83.89
Other operating revenues	6,626.82	8,793.83
Revenue from operations	**95,366.71**	**1,10,377.07**

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 disclsoure of unsatisfied or remaining performance obligation (which is affected by several factors like changes in scope of Contracts,

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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, 2024	For the year ended March 31, 2023
India	2,119.26	1,036.52
Outside India	93,247.45	1,09,340.54
Revenue from operations	**95,366.71**	**1,10,377.07**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Revenue based on Customer-wise	For the year ended March 31, 2024	For the year ended March 31, 2023
Related Party	23,743.07	40,684.81
Non- Related Party	71,623.64	69,692.26
Revenue from operations	**95,366.71**	**1,10,377.07**

c) Reconciliation of revenue from operations with contracted price

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Contracted Price	95,858.70	1,11,653.65
Less:		
Sales Returns	(2.42)	(11.07)
Rebate and Discount	(489.57)	(1,265.51)
	95,366.71	**1,10,377.07**

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, 2024.

Further, the Company doesn't have any contract liabilities as at March 31, 2024 and March 31, 2023

e) Other Operating Revenue

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Export Incentive	6,043.69	6,866.77
Other Operating Income	583.13	1,927.06
	6,626.82	**8,793.83**

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29. OTHER INCOME

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Income		
- On fixed deposits	216.79	158.07
- On loans and advances	65.99	88.61
- On income tax refund	4.22	26.34
Other non-operating income:		
IT/ SAP income	157.99	151.38
Rental income	728.92	774.49
Foreign exchange fluctuation	824.64	-
Profit on sale of current investment - mutual fund	379.50	97.05
Dividend Income	1,492.11	1,006.25
Excess provision written back		98.50
Sundry balances written back	80.10	91.51
Miscellaneous income	282.01	543.31
	4,232.27	**3,035.51**

30. COST OF RAW MATERIAL CONSUMED

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Raw Material		
Balance at the beginning of the Year	5,974.66	12,858.83
Add:- Purchases during the year	42,343.95	45,782.01
Less:- Cost of goods sold		
	48,318.61	**58,640.84**
Less:- Balance at the end of the Year	6,399.61	5,974.66
Total raw material consumption	**41,919.00**	**52,666.18**

31. PURCHASE OF STOCK IN TRADE

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Purchases during the year	673.12	-
	673.12	**-**

32. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the beginning 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
(A)	**7,484.98**	**9,009.55**

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(All amounts are in ₹ Lakhs, unless otherwise stated)

		For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the end of the year			
Work-in-progress		6,090.56	5,018.42
Finished goods		2,432.27	2,417.75
Scrap Stock		49.45	48.81
	(B)	**8,572.28**	**7,484.98**
(Increase) / decrease in inventory	**(A-B)**	**(1,087.30)**	**1,524.57**

33. EMPLOYEE BENEFITS EXPENSE

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages & bonus	20,703.29	17,578.42
Contribution to provident and other fund (Refer note 40)	1,553.55	1,293.03
Gratuity expense (Refer note 40)	415.76	326.30
Compensated absences	309.91	150.78
Share Based Payment	600.38	143.92
Staff training & welfare expenses	421.47	341.13
	24,004.36	**19,833.58**

34. FINANCE COSTS

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense		
- on term loans,cash credit & working capital facilities	1,507.91	1,711.91
- delayed payment of taxes	23.26	70.39
- lease liabilities	414.61	316.49
Unwinding of discount on security deposit	11.83	18.15
Other borrowing cost	1,050.56	925.39
	3,008.17	**3,042.33**

35. DEPRECIATION AND AMORTISATION EXPENSE

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment (Refer note 4)	1,432.97	1,230.88
Depreciation & amortisation of Investment Properties (Refer note 6)	73.81	79.56
Amortisation of intangible assets (Refer note 7)	52.63	37.61
Amortisation of Right-of-use assets (Refer note 50)	879.98	534.85
	2,439.38	**1,882.90**

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36. OTHER EXPENSES

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Manufacturing expense	15,350.08	17,892.72
Consumption of stores & spare parts	503.12	454.21
Power & fuel	1,424.79	1,326.53
Rent	63.46	538.92
Rates & taxes	239.68	325.99
Travelling & conveyance	1,355.02	1,183.90
Freight & clearing charges	1,546.90	2,254.06
Repair & maintenance		
Plant & machinery	138.12	221.00
Buildings	6.90	45.58
Others	610.98	578.18
Commission	178.43	70.21
Legal & professional expenses	653.19	780.72
Security charges	306.61	258.64
Bank charges	232.08	322.75
Insurance Expenses	134.98	256.28
Marketing Support fees	745.08	713.59
Inspection fees	282.99	346.34
Payment to the auditors (refer note 'a' below)	52.89	59.67
Sundry Balances written off	319.78	229.24
Corporate social responsibility (refer note 'b' below)	15.82	20.33
Foreign Exchange Fluctuation Loss	-	226.62
Loss Allowance for doubtful debts and advances	200.01	163.28
Loss on sale of Licenses	68.32	274.73
Miscellaneous expenses	1,096.41	849.34
Total	**25,525.64**	**29,392.83**

a) Details of payment made to auditors is as follows:

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
i) Payment to Auditor		
- Statutory audit fee	28.00	28.00
- Tax audit fee	5.50	5.50
- Other Taxation matters	1.25	9.13
- Company law matters	2.45	3.05
- Other Services	12.00	12.00
- Reimbursement of Expenses	3.69	1.99
	52.89	**59.67**

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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, 2024	For the year ended March 31, 2023
i)	Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits of last three years)	15.82	20.33
ii)	Amount spent during the year		
	- Construction/acquisitions of any asset		-
	- For purpose other than above	398.16	133.67
	During the year, the Company has spent ₹ 398.16 Lakhs on CSR activities. However, gross amount required to be spent as per Companies Act, 2013 is Nil, since opening prepaid amount of ₹ 113.34 Lakhs is still available in compliance with Rule 7(3) of the CSR Rules, 2014 as the Company has spent an amount in excess of requirement provided under section 135 (5) of Companies Act, 2013 which is disclosed in prepaid expenses. As on March 31, 2024, ₹ 495.68 Lakhs is shown under prepaid assets.		
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, 2024 and March 31, 2023.		
vi)	The company does not have any transactions with related parties for CSR expenditure as at March 31, 2024 and March 31, 2023.		

37. EXCEPTIONAL ITEMS

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Loss/ (Profit) on sale of property, plant and equipment and investment property	68.92	(4,259.01)
Impairment of investment in subsidiaries written back		(1,648.35)
Investment written off		1,648.35
Interest on Refund of advance		827.00
Loss allowance - recievables		2,335.15
	68.92	**(1,096.86)**

38. COMPONENTS OF OTHER COMPREHENSIVE INCOME

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
A (i) Items that will not be reclassified to profit or loss		
Re-measurement gains/ (losses) on defined benefit plans	46.52	53.35
Income tax expense on items that will not be reclassified to profit or loss	(11.71)	(13.43)
B (i) Items that will be reclassified to profit or loss		
Cash Flow Hedging reserve on forward contract	184.28	(595.46)
Income tax expense on items that will be reclassified to profit or loss	(46.38)	149.87
Foreign currency transalation reserve	(25.00)	127.24
	147.71	**(278.43)**

39. EARNINGS PER SHARE (EPS)

(All amounts are in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit attributable to the equity shareholders **(A)**	2,823.77	5,381.65
Number/Weighted average number of equity shares outstanding at the end of the year* **(B)**	4,34,23,828	4,33,27,874
Dilutive effect on Weighted average number of equity shares outstanding at the end of the year* **(C)**	3,58,484	1,23,574
Number/Weighted average number of diluted equity shares outstanding at the end of the year* **(D = B + C)**	4,37,82,312	4,34,51,448
Nominal value of Equity shares **(in ₹)** *	₹ 5	₹ 5
Basic/Diluted Earning per share **(A/B) (in ₹)**	6.50	12.42
Diluted Earning per share **(A/D) (in ₹)**	6.45	12.39

*The basic and diluted earnings per share and number of shares used for computation of the EPS have been adjusted retrospectively to give effect to the sub division of shares from ₹ 10 face value to ₹ 5 face value.

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, 2024	For the year ended March 31, 2023
Employer's Contribution to Provident Fund/ Pension Fund	1,191.34	980.65
Employer's Contribution to Employee State Insurance	344.95	295.76
Employer's Contribution to Welfare Fund	17.26	16.62
Total	**1,553.55**	**1,293.03**

The contribution 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 built up the final obligation.

i) Gratuity scheme

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. 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

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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.

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, 2024**	**As at March 31, 2023**
	Gratuity (Funded)	**Gratuity (Funded)**
Opening defined benefit obligation	**1,109.00**	**916.76**
Interest cost	81.62	68.85
Service cost	348.57	277.97
Benefits paid	(143.29)	(104.27)
Actuarial (gain) / loss on obligations	(47.16)	(50.30)
Present value of obligation as at the end of the year	**1,348.73**	**1,109.00**

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, 2024**	**As at March 31, 2023**
	Gratuity (Funded)	**Gratuity (Funded)**
Current service cost	348.57	277.97
Interest cost	67.19	48.33
Net cost	**415.76**	**326.29**

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, 2024	**As at March 31, 2023**
	Gratuity (Funded)	**Gratuity (Funded)**
Fair value of plan assets at the beginning	196.09	273.25
Expected return on plan assets	14.43	20.52
Contributions	101.92	7.19
LIC charges	(2.94)	(3.65)
Benefits paid	(143.29)	(104.27)
Actuarial gains / (losses) on the plan assets	(0.65)	3.05
Fair value of plan assets at the end	**165.56**	**196.09**

f) Detail of actuarial gain/loss recognised in OCI is as follows:

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2024 Gratuity (Funded)	As at March 31, 2023 Gratuity (Funded)
Actuarial gain / (loss) for the year – obligation	47.16	50.29
Actuarial gain / (loss) for the year - plan assets	(0.65)	3.05
Unrecognised actuarial gains / (losses) at the end of year	**46.52**	**53.35**

g) Principal actuarial assumptions at the balance sheet date are as follows:

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2024 Gratuity (Funded)	As at March 31, 2023 Gratuity (Funded)
Economic assumptions		
1. Discount rate	7.09%	7.36%
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, 2024 Gratuity (Funded)	As at March 31, 2023 Gratuity (Funded)
Present value of obligation	1,348.73	1,109.00
Less: Fair value of plan assets	165.56	196.09
Net assets /(liability)	**(1,183.17)**	**(912.91)**

i) Expected contribution for the next year is ₹ 1,698.87 Lakhs (March 31, 2023: ₹ 1,366.45 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)

	As at March 31, 2024 Gratuity (Funded)	As at March 31, 2023 Gratuity (Funded)
A. Discount rate		
Effect on DBO due to 1% increase in Discount Rate	(136.25)	(111.39)
Effect on DBO due to 1% decrease in Discount Rate	162.27	132.39
B. Salary escalation rate		
Effect on DBO due to 1% increase in Salary Escalation Rate	164.10	134.24
Effect on DBO due to 1% decrease in Salary Escalation Rate	(139.95)	(114.68)

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 inturn also increase the liability.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawals rates at subsequent valuations can impact defined benefit liability.
Morality and disability	Actual details and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

l) 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, 2024 Gratuity (Funded)	As at March 31, 2023 Gratuity (Funded)
0 to 1 years	110.26	83.41
1 to 2 years	62.45	60.95
2 to 3 years	96.31	70.63
3 to 4 years	148.66	129.73
4 to 5 years	219.01	166.16
From 5 years onwards	1,521.54	1,415.76

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 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:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings (Refer to note 21 and 22)	23,189.66	20,635.55
Lease Liabilties (Refer to Note 50)	3,841.85	3,520.08
Interest accrued but not due on borrowings (refer note no. 23)	123.89	95.43
Less: Cash and Cash Equivalents (Refer to note 17)	(6,123.57)	(6,740.75)
Net debt (A)	**21,031.83**	**17,510.30**
Equity share capital (Refer to note 19)	2,179.18	2,166.39
Other equity (Refer to note 20)	35,234.13	35,919.60
Total Capital (B)	**37,413.30**	**38,085.99**
Capital and net debt (A+B=C)	**58,445.15**	**55,596.29**
Gearing ratio (A/C)	**35.99%**	**31.50%**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

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/(Liability) March 31, 2024	Asset/(Liability) March 31, 2023
Fair value of foreign currency forward exchange contract designated as hedging instruments	(6.74)	(303.62)

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, 2024 were assessed to be highly effective and unrealised profit of ₹ 184.28 Lakhs, with a deferred tax asset / (liability) of ₹ (46.38) Lakhs relating to the hedging instruments, is included in OCI. [March 31, 2023: Unrealised profit of ₹ (-) 595.46 Lakhs with a corresponding deferred tax asset / (liability) of ₹ 149.87 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, 2024 (₹ in Lakhs)	4,238.01	12,983.44	5,176.41	2,821.98	2,783.32	28,003.16
Notional amount (in USD in Lakhs)	50.69	155.50	61.60	33.50	33.00	334.29
Average forward rate (USD/₹)	83.61	83.49	84.03	84.24	84.34	83.77
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)	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

(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 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, 2024 [Asset / (Liability)]	(6.74)
Foreign currency risk forward contract- As at March 31, 2023 [Asset / (Liability)]	(303.62)

(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, 2024 Highly probable forecast sales	184.28	Cash Flow Hedge Reserve (OCI)	79.04	Revenue from Operations
As at March 31, 2023 Highly probable forecast sales	(595.46)	Cash Flow Hedge Reserve (OCI)	(568.68)	Revenue from Operations

(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 hedging reserve.

Particulars	Cash Flow Hedge Reserve	Tax Amount	Movement net of tax
As at April 01, 2023	**(188.76)**	**(48.25)**	**(140.51)**
Effective Portion of Changes in fair Value arising from Foreign Exchange Forward Contracts	105.24	26.49	78.75
Amount reclassified to profit & loss	79.04	19.89	59.15
As at March 31, 2024	**(4.48)**	**(1.87)**	**(2.61)**
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)**

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.

(vii) Valuation Technique

The Company enters into derivative financial instruments which are valued using valuation techniques which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing models, using present value calculations. Where quoted market prices are not available, fair values are based on Management best estimates, which are arrived at by the reference to market prices.

II) Particulars of Unhedged foreign currency exposures:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024		As at March 31, 2023	
	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 asesesss no material foreseeable losses as at the reporting date.

43. FAIR VALUE MEASUREMENTS

I Financial instruments

a) Financial instruments by category

Except Investment in equity instruments (Quoted) and investment in mutual funds which are measured at fair value through profit or loss, all other financial assets and liabilities viz. trade receivables, security deposits, cash and cash equivalents, other bank balances, interest receivable, other receivables, trade payables, employee related liabilities and borrowings, are measured at amortised cost. Derivative financial instruments are measured at fair value through other comprehensive income.

b) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels of in the fair value hierarchy:

As at March 31, 2024

(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 not measured at fair value									
Investment in equity shares (Unquoted)	-	-	12,491.55	-	12,491.55	-	-	-	-
Investment in government securities	-	-	0.47	-	0.47	-	-	-	-
Loan to employees	-	-	75.94	-	75.94	-	-	-	-
Loan to related parties	-	-	484.78	-	484.78	-	-	-	-
Security Deposits	-	-	718.21	-	718.21	-	-	-	-
Interest accrued but not due on term deposits	-	-	70.74	-	70.74	-	-	-	-
Deposits with original maturity of more than 12 months	-	-	55.10	-	55.10	-	-	-	-

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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
Other Receivable	-	-	5.87	-	5.87	-	-	-	-
Trade receivables	-	-	12,632.97	-	12,632.96	-	-	-	-
Cash and cash equivalents	-	-	6,123.57	-	6,123.57	-	-	-	-
Other bank balances	-	-	2,354.87	-	2,354.87	-	-	-	-
	-	**-**	**35,014.06**	**-**	**35,014.06**	**-**	**-**	**-**	**-**
Financial liabilities measured at fair value									
Financial Liabilites at Fair Value through OCI - Cash Flow Hedge	6.74	-	-	-	6.74	6.74	-	-	6.74
Financial liabilities not measured at fair value									
Borrowings	-	-	-	23,189.66	23,189.66	-	-	-	-
Lease Liabilities	-	-	-	3,841.85	3,841.85	-	-	-	-
Security Deposits	-	-	-	122.77	122.77	-	-	-	-
Interest accrued but not due on borrowings	-	-	-	123.89	123.89	-	-	-	-
Unpaid dividends	-	-	-	34.59	34.59	-	-	-	-
Trade payables	-	-	-	16,028.56	16,028.56	-	-	-	-
Creditors for capital goods	-	-	-	155.59	155.59	-	-	-	-
	6.74	**-**	**-**	**43,496.91**	**43,503.65**	**6.74**	**-**	**-**	**6.74**

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									
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	-	-	-	-
Interest accrued but not due on loan to related parties	-	-	3.51	-	3.51	-	-	-	-

(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
Deposits with original maturity of more than 12 months	-	-	43.98	-	43.98	-	-	-	-
Other receivables			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 Liabilites 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**

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, 2024 and March 31, 2023.

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.

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f) Specific Valuation techniques used to value financial instruments include:

Type	Valuation technique	Significant unobservable data	Inter-relationship between fair valuation and significant unobservable data
Derivative financial instruments (forward exchange contract)	Mark to Market valuation	Not Applicable	Not Applicable
Investments in mutual fund measured at FVTPL (quoted)	Net asset value ('NAV') technique, as stated by the issuers of these mutual fund units as at Balance Sheet date	Not Applicable	Not Applicable
Investment in quoted equity instruments of entities other than subsidiaries	On the basis of quoted rates available from securities markets in India	Not Applicable	Not Applicable
Fair Value of security deposits paid & received (Other than perpetual security deposits)	Based on the discounting factor as at reporting date.	Not Applicable*	Not Applicable

***Discount rate used in determining fair value**

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Company and in case of financial asset is the average market rate of similar credit rated instrument. The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

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 continuosly monitoring the credit worthiness of the customers, to whom the Company grants credit period in the normal course of business inlcuding taking credit insurance against export receivables. The Company uses expected credit loss model to assess the impairement 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, 2024 and March 31, 2023 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, 2024	Guarantee Valid Upto
SCB Bank, Hongkong Branch	Pearl Global (HK) Limited	Securing Credit Facilities	USD 20.00 Lakhs equivalent to ₹ 1667.4 Lakhs	February 04, 2025
Vietnam Technological and Commercial Joint Stock Bank	Pearl Global Vietnam Company Limited	Securing Credit Facilities	USD 55.00 Lakhs equivalent to ₹ 4585.35 Lakhs	August 27, 2024
Heng Seng Bank Limited, Hong Kong	DSSP Global Limited	Securing Credit Facilities	USD 30.00 Lakhs equivalent to ₹ 2501.1 Lakhs	December 25, 2025
Heng Seng Bank Limited, Hong Kong	DSSP Global Limited	Securing Credit Facilities	USD 20.00 Lakhs equivalent to ₹ 1667.4 Lakhs	May 12, 2025

- 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, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	15,130.65	2,226.00	5,706.51	126.50	**23,189.66**
Lease Liabilities	142.10	718.17	2,377.19	604.40	**3,841.86**
Trade payables	16,028.56	-	-	-	**16,028.56**
Other financial liabilities	320.81	-	122.77	-	**443.58**
Total	**31,622.12**	**2,944.17**	**8,206.47**	**730.90**	**43,503.66**

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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**

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 withing acceptables parameters, while optimising the return. The Board of Directors is responsible for setting up the policies and procedures to amange 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, 2024 and March 31, 2023. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase or decrease in basis points	Decrease / (increase) in profit before tax
March 31, 2024	+50	109.56
	-50	(109.56)
March 31, 2023	+50	116.51
	-50	(116.51)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

ii) Foreign currency risk

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, 2024	+5%	-
	-5%	-
March 31, 2023	+5%	-
	-5%	-

45. SEGMENT INFORMATION

a) 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.

b) Revenue from major customer: During the year, the Company generates 90% of its external revenues from 7 customers (March 31, 2023: 7 customers).

46. CONTINGENT LIABILITIES AND COMMITMENTS

a) Contingent liabilities (To the extent not provided for)

I (i) The company has reviewed all its pending claims, litigations and other proceedings and has adequately provided for wherever required. The company does not expect the outcome of these proceedings to have a material or adverse effect on financial position of the Company. In certain cases, it is difficult for the Company to estimate the timings of cash outflows, if any, as it is determinable only on receipt of judgement/decisions pending with various forums/authorities. The company 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, 2024	As at March 31, 2023
-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 tax liability	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) The demand was deleted vide order u/s 154 r.w.s 143(3) of the Income Tax Act,1961 dated 14.12.2023.	-	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) The demand was deleted during the financial year.	-	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	2.90
-Demand as per TDS (TRACES) portal - CPC	14.13	2.86

(ii) Various legal cases of labour are pending at labour Court, Civil Court and High Court. The company has assesed 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, 2024	As at March 31, 2023
II	Irrevocable letter of credit outstanding with banks (net of margin of ₹ 1100.37 Lakhs (March 31, 2023: ₹ 843.41 Lakhs))	2,913.08	2,281.26
III	Counter Guarantees given by the Company to the Sales Tax Department for entities over which Key Managerial Personnel have Significant influence		₹

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		As at March 31, 2024	As at March 31, 2023
	- For enterprise	1.00	1.00
	- For others	0.50	0.50
IV	The company has given the corporate guarantee to banks for its foreign subsidiaries amounting to ₹ 10,421.25 Lakhs (March 2023 ₹ 23,843.80 Lakhs.) Refer note 44 & 47.		

b) Commitments

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Commitment: Estimated amount of contracts remaining to be executed on the capital account (net of capital advances of ₹ 45.44 Lakhs) (March 31, 2023 : ₹ 96.94 Lakhs)	467.55	294.66

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.

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 in FY 2022-23) (Refer Note (g) below)
	Sead Apparels Private Limited (Refer note (h) below)
	Overseas (Direct)
	Pearl Global Fareast Limited
	Pearl Global (HK) Limited
	Norp Knit Industries Limited
	Pearl Global USA Inc.
	Pearl GT Holdco Ltd (Refer note (i) below)
	Overseas (Indirect)
	A & B Investment Limited
	Pearl Global F.Z.E. (Liquidated w.e.f November 08, 2023)
	DSSP Global Limited
	Pearl Global Vietnam Company Limited
	Pearl Unlimited Inc.
	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 (w.e.f September 04, 2022)
	Trinity Clothing Limited (w.e.f May 10, 2023)
	Corporacion de Productos Y Servicios Asociados, Sociedad Anonima (CORPASA)
	Shoretex, Sociedad Anonima (SHORETEX)
	Pearl Global Industries FZCO

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Nature of Relationship	Name of the Related Party	
Enterprise over which Key Managerial Personnel exercise Significant influence	PDS Limited (Formerly PDS Multinational Fashions Limited)	
Key Management Personnel (KMP) & their relative	Mr. Deepak Kumar Seth	Chairman
	Mr. Pulkit Seth	Vice Chairman, Non-Executive Director
	Ms. Shifalli Seth	Non-Executive Director
	Mr. Pallab Banerjee	Managing Director
	Mr. Uma Shankar Kaushik	Whole-Time Director (till January 10, 2022)
	Mr. Shailesh Kumar	Whole-Time Director
	Mr. Deepak Kumar	Whole-Time Director
	Mr. Sanjay Gandhi	Group Chief Financial Officer
	Mr. Narendra Kumar Somani	Chief Financial Officer
	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) Subsidiary Companies

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Purchase of goods	-	393.56
Sale of goods - raw material	28.05	55.14
Sale of goods – readymade garments	23,174.62	40,557.17
Source support income	540.40	72.50
Income on corporate guarantee	122.00	151.58
SAP income	157.99	169.86
Rental income	5.30	37.69
Interest income	21.64	8.07
Commission Income	-	120.00
Dividend Income	1,492.11	988.08
Marketing Fees Paid	745.06	713.59
Sale of Property, plant and equipment	2.25	-
SAP maintenance charges recovered	149.55	-
Expenses paid by the Company on other's behalf	-	10.45
Impairment of investment in subsidiaries written back	-	1,648.35
Investment in subsidiaries written off	-	1,648.35
Investment in equity shares	451.94	239.67
ESOP related investments	260.37	115.59
Loan Given (After Reinstatement)	232.00	246.66

Corporate Guarantee given by the Company (as per Section 186(4) of the Companies Act 2013)

- To Standard Chartered Bank, Hongkong Branch for securing credit facilities to its wholly owned subsidiary Pearl Global (HK) Limited, Hong Kong for USD 20.00 Lakhs equivalent to ₹ 1667.40 Lakhs (March 31, 2023 : USD Nil equivalent to ₹ Nil).
- To Vietnam Technological and Commercial Joint Stock Bank for securing credit facilities to its wholly owned subsidiary Pearl Global Vietnam Company Limited for USD 55.00 Lakhs equivalent to ₹ 4585.35 Lakhs. (March 31, 2023 : USD Nil equivalent to ₹ Nil)
- To Heng Seng Bank Limited, Hong Kong for securing credit facilities to its wholly owned subsidiary Pearl Global (HK) Limited, Hong Kong and its step down subsidiary DSSP Global Limited for USD 30.00 Lakhs equivalent to ₹ 2501.10 Lakhs. (March 31, 2023 : USD Nil equivalent to ₹ Nil)

NOTES
to standalone financial statements for the year ended March 31, 2024

- To Heng Seng Bank Limited, Hong Kong for securing credit facilities to its wholly owned subsidiary Pearl Global (HK) Limited, Hong Kong and its step down subsidiary DSSP Global Limited for USD 20.00 Lakhs equivalent to ₹ 1667.40 Lakhs. (March 31, 2023 : USD Nil equivalent to ₹ Nil)
- To Hongkong and Shanghai Banking Corporation Limited, Hong Kong 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 Nil equivalent to ₹ Nil at year end (March 31, 2023: USD 290 Lakhs equivalent to ₹ 23,843.80 Lakhs

Above Corporate Guarantees have been given for business purpose.

Closing Balance

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Loan given to subsidiary (inclusive of interest)	484.78	246.66
Trade Receivables	2,878.67	3,526.97
Trade Payables	519.08	507.95
Advance Receivables	110.87	50.94

(ii) Enterprise over which KMP has Significant Influence

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Dividend Received	-	18.17

(iii) Key Management Personnel (KMP)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Short-term employee benefits	574.49	457.45
Share Based Payments	503.80	-
Expenses paid by the Company on their behalf (EPF Paid)	12.28	8.60
Expenses incurred on behalf of the Company	93.10	45.97
Loan Given	-	100.00
Loan recovered back	100.00	-
Interest Income	5.92	3.51

(All amounts are in ₹ Lakhs, unless otherwise stated)

Closing Balance	As at March 31, 2024	As at March 31, 2023
Loan Receivable (Inclusive of interest)	-	103.51
Trade Payable - Payable to KMP	20.70	10.92

c) Disclosure of transactions between Company and Related Parties during the year which are more than 1% of Revenue.

(i) Subsidiary Companies

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of goods - readymade garments		
Pearl Global (HK) Limited	23,047.80	40,527.33
Pearl Unlimited Inc.	126.82	-
Prudent Fashions Ltd	-	29.83

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Dividend income		
Pearl Global Fareast Limited		386.75
Pearl Global (HK) Limited	1,492.11	601.33
Impairment of investment in subsidiaries written back		
Pearl Apparel Fashions Limited	-	1,648.35
Investment in subsidiaries written off		
Pearl Apparel Fashions Limited	-	1,648.35

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 repect 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 acturial valuation.

g) 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.

h) During the financial year 2022-23, Investement was made in SEAD Apparels Private limited during the third quarter of FY 2022-23, making it a wholly owned subsidiary of the Company.

i) During the year, the Company had acquired 55% equity interest in substance in Pearl GT HoldCo Limited. Further, Pearl GT HoldCo Limited is the Holding Company of Corporacion de Productos Y Servicios Asociados, Sociedad Anonima (CORPASA) and Shoretex, Sociedad Anonima (SHORETEX), thereby making both CORPASA and SHORTEX, step down subsidiaries 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)

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	**Loans to wholly owned subsidiaries**		
	Domestic subsidiary: Sead Apparels Private Limited		
	Principal Balance as at the year end	234.67	-
	Maximum amount outstanding at any time during the year*	234.67	-
	(Sead Apparels Private Limited has utilised the loan for meeting operating and working capital requirements. It carries an average rate of interest at 7.25% p.a.)		
	Foreign subsidiary: Pearl Global USA Inc.		
	Principal Balance as at the year end	250.11	246.66
	Maximum amount outstanding at any time during the year	250.11	250.07
	(Pearl Global US INC. has utilised the loan for meeting operating and working capital requirements. It carries an average rate of interest at 7.5% p.a.)		
(b)	Investments made are given under the respective heads (Refer Note No. 8)	12,491.55	11,818.71
(c)	Corporate guarantees given are disclosed in Note 46	10,421.25	23,843.80

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49. EVENT OCCURING AFTER BALANCE SHEET DATE

(a) Interim Dividend :

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Declared for the year:		
Nil (Second Interim dividend declared on May 15, 2023 ₹ 5.00 per share for 2022-23)		1,083.20
[Nil (2022-23 ₹ 5 on 21,663,937 equity shares) (Prior to sub division)]		

(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.

Right-of-use assets: movements in carrying value of assets	Buildings
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**
Add: Additions during the year	1,058.44
Less: (Disposals) / adjustments during the year	-
Add: Adjustment due to Addition of Prepaid Component of Security Deposit	-
Gross Block As At March 31, 2024	**5,713.60**
Accumulated Depriciation :	
As At April 01, 2022	**1,116.24**
Add: Depreciation/Amortization charge for the year	534.85
Less: (Disposals) / adjustments during the year	-
As at March 31, 2023	**1,651.09**
Add: Depreciation/Amortization charge for the year	879.98
Less: (Disposals) / adjustments during the year	-
As at March 31, 2024	**2,531.07**
Net Block :	
As at March 31, 2024	**3,182.53**
As at March 31, 2023	**3,004.07**
In 2023-24, there were no impairment charges recorded for right-of-use assets.	
Leases: movements in carrying value of recognised liabilities	
As at April 01, 2022	**2,538.85**
Add: Additions during the year	1,187.74
Add: Interest expense on lease liabilities	316.49
Less: (Disposals) / adjustments during the year	181.56
Less: Repayment of lease liabilities	(704.57)

Right-of-use assets: movements in carrying value of assets	Buildings
As at March 31, 2023	**3,520.08**
Add: Additions during the year	1,047.66
Add: Interest expense on lease liabilities	414.60
Less: (Disposals) / adjustments during the year	-
Less: Repayment of lease liabilities	(1,140.49)
As at March 31, 2024	**3,841.86**
Non-current lease liabilities	2,981.58
Current lease liabilities	860.27
Total lease liabilities	**3,841.85**

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 commited 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 ₹ 728.92 Lakhs (March 31, 2023: ₹ 774.49 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	For the year ended March 31, 2024	For the year ended March 31, 2023
Less than one year	778.67	702.26
One to two years	797.30	778.67
Two to three years	841.89	797.30
Three to Four Years	813.25	841.89
Four to five years	670.42	813.25
More than five years	1,973.08	2,643.50

51. RATIO ANALYSIS

(All amounts are in ₹ Lakhs, unless otherwise stated)

Description	Numerator	Denominator	March 31, 2024	March 31, 2023	% change	Reason for variance
Current ratio (in times)	Current Assets	Current Liabilities	1.21	1.39	-12.75%	NA
Debt- Equity Ratio (in times)	Total Debt (excluding lease liabilities in debt)	Shareholder's Equity	0.62	0.54	14.48%	NA
	Total Debt (including lease liabilities in debt)	Shareholder's Equity	0.73	0.64	13.99%	NA

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to standalone financial statements for the year ended March 31, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Description	Numerator	Denominator	March 31, 2024	March 31, 2023	% change	Reason for variance
Debt Service Coverage ratio (in times)	Earnings available for debt service (Refer note (a) below)	Debt Service (Refer note (b) below)	1.32	1.71	-22.35%	NA
Return on Equity ratio (in %)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	7.48%	14.86%	-49.66%	Decrease in profitability led to reduced Return on Equity.
Inventory Turnover ratio (in times)	Revenue	Average Inventory	2.90	3.03	-4.39%	NA
Trade Receivable Turnover Ratio (in times)	Revenue	Average Trade Receivable:	7.50	8.98	-16.49%	NA
Trade Payable Turnover Ratio (in times)	Purchases of goods and services	Average Trade Payables	3.01	3.00	0.05%	NA
Net Capital Turnover Ratio (in times)	Revenue	Working capital (Refer note (c) below)	9.17	7.68	19.43%	NA
Net Profit ratio (in %)	Net Profit after tax.	Revenue	3.18%	5.30%	-39.94%	Change in Sales mix and decline in overall sales led to decrease in profits.
Return on Capital Employed (in %)	Earnings before interest and taxes	Capital Employed (Refer note (d) below)	7.54%	13.43%	-43.89%	Declined profitability led to reduced return on Capital Employed.
	Earnings before interest and taxes	Capital Employed (Refer note (e) below)	7.73%	13.18%	-41.35%	Declined profitability led to reduced Return on Capital Employed.
Return on Investment (in %)	Income from Investments	Cost of Investments	14.98%	8.88%	68.71%	Increased income on account of dividend and fair value gain 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.

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

e) Tangible Net Worth + Total Debt(including lease liabilities in debt) + Deferred Tax Liability

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 which was approved by the shareholders of the Company vide Postal Ballot on August 28, 2022. Pursuant to the terms of the said plan, the Company had granted 1,280,200 options till date to employees of the Company/ subsidiary company. During the year ended March 31, 2024, the Company has granted 4,54,000* (March 31, 2023: 8,26,200*) stock options to the eligible employees of the Company/subsidiary companies. Each option when exercised would be converted into one fully paid-up equity share of ₹ 5/- 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.

Further, during the year ended March 31, 2024, the Company has accelerated the vesting of 135,000 options based on the approval of Nomination and Remuneration Committee in accordance with 'the Plan', due to which an additional amount of ₹ 63.01 Lakhs has been charged to statement of profit and loss account.

The company has recognised an expense of ₹ 600.38 Lakhs (March 31, 2023: ₹ 143.92 Lakhs) 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, 2024 is ₹ 899.19 Lakhs (March 31, 2023: ₹ 259.51 Lakhs).

*The movement of options & the fair value assumptions have been restated to give effect of share split of equity shares of face value of ₹ 10 each sub-divided into 2 equity shares of face value of ₹ 5 each held vide shareholder's approval dated December 19, 2023 through postal ballot.

B. Options granted under ESOP Scheme

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024*	As at March 31, 2023
Options outstanding at the beginning of the year	8,26,200	-
Options granted during the year	4,54,000	8,26,200
Options forfeited during the year	-	-
Options expired/lapsed during the year	43,400	-
Options exercised during the year	2,55,650	-
Options outstanding at the end of the year	9,81,150	
Exercisable at the end of the year	75,050	-
For options outstanding at the end of the year		
Exercise price range (₹)	150-375	150
Weighted average remaining contractual life (in years)	2.33 years	3.53 years

C. Fair value of options granted

(i) Fair value of each option is estimated on the date of grant i.e. October 10, 2022, 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)	2.5 years	3 years	3.5 years	4 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*	₹ 230.675			
Fair value of options*	122.88	128.645	132.22	135.81

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to standalone financial statements for the year ended March 31, 2024

(ii) Fair value of each option is estimated on the date of grant i.e. May 15, 2023, based on the following assumptions:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV
Dividend yield (%)	1.06%	1.06%	1.06%	1.06%
Expected life (years)	3 years	4 years	5 years	6 years
Risk free interest rate (%)	6.83%	6.85%	6.88%	6.91%
Volatility (%)	56.05%	54.82%	53.24%	52.03%
Share price on date of grant*	₹ 222.95			
Fair value of options*	114.015	122.855	129.335	134.705

(iii) Fair value of each option is estimated on the date of grant i.e. August 10, 2023, based on the following assumptions:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Vest 1	Vest 2		
	Tranche I	Tranche I	Tranche II	Tranche III
Dividend yield (%)	0.93%	0.93%	0.93%	0.93%
Expected life (years)	3 years	3 years	4 years	5 years
Risk free interest rate (%)	6.99%	6.99%	7.02%	7.03%
Volatility (%)	56.73%	56.73%	55.73%	53.73%
Share price on date of grant*	₹ 322.875			
Fair value of options*	208.275	171.835	184.97	193.81

(iv) Fair value of each option is estimated on the date of grant i.e. October 10, 2023, based on the following assumptions:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV
Dividend yield (%)	1.17%	1.17%	1.17%	1.17%
Expected life (years)	3 years	4 years	5 years	6 years
Risk free interest rate (%)	7.21%	7.26%	7.29%	7.31%
Volatility (%)	57.23%	56.15%	53.97%	52.38%
Share price on date of grant*	₹ 507.125			
Fair value of options*	259.93	280.82	294.315	305.525

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.

D. Expenses arising from share-based payment transactions

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Stock based compensation expense determined under fair value method recognised in statement of profit or loss	600.38	143.92
Stock based compensation expense pertaining to employees of subsidiaries, determined under fair value method recognised as cost of investment as at balance sheet date	375.96	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.

56.

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

57. Figures have been rounded off to the nearest Lakhs upto two decimal places except otherwise stated.

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

(Pulkit Seth)
Vice-Chairman
DIN 00003044

(Pallab Banerjee)
Managing Director
DIN 07193749

(Sanjay Gandhi)
Group CFO
M. No. 096380

(Narendra Somani)
Chief Financial Officer
M. No. 092155

(Shilpa Budhia)
Company Secretary
M. No. A23564

Place of Signature: Gurugram
Date: May 20, 2024

Place of Signature: Gurugram
Date: May 20, 2024

INDEPENDENT AUDITOR'S REPORT

To,

The Members of

Pearl Global Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Pearl Global Industries Limited** (hereinafter referred to as " the Holding Company") and its Subsidiaries (the Holding Company and its subsidiaries together referred as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, 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 material 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, 2024, 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, 2024. 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.

Key Audit Matter	How our audit addressed the Key Audit Matter
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. √ 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 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, 2024 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 six subsidiaries included in the consolidated financial statements whose financial statements reflect total assets (before eliminating of inter-company transaction of ₹ 12,363.80 lakh) of ₹ 140,840.53 lakh as at March 31,2024, total revenues (before eliminating of inter-company transaction of ₹ 102,303.88 lakh) of ₹ 369,686.40 lakh, total net profit after tax (before eliminating of inter-company transaction of ₹ Nil) of ₹ 15,612.76 lakh & total comprehensive income (before eliminating of inter-company transaction of ₹ (99.95) lakh) of ₹ 14,826.12 lakh for year ended March 31, 2024 respectively and total net cash inflow of ₹ 8,131.67 lakh for the year ended March 31, 2024, 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, four 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 included in the consolidated financial statements, whose financial statements reflect total assets (before eliminating of inter-company transaction of ₹ 104.21 lakh) ₹ 2,177.24 lakh as at March 31, 2024, total revenues (before eliminating of inter-company transaction of ₹ 2,036.63 lakh) of ₹ 7,731.76 lakh, total net profit after tax (before eliminating of inter-company transaction of ₹ Nil) of ₹ (31.30) lakh & total comprehensive income (before eliminating of inter-company transaction of ₹ Nil) of ₹ (28.01) lakh for the year ended March 31, 2024 and net cash outflow of ₹ 333.22 lakh for the year ended March 31, 2024, 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.

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 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, except for the matters stated in the paragraph 2 (VIII) (f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 and that in respect of its one domestic subsidiary, instead of daily back-ups, periodic backups of books of account & other relevant documents have been maintained in the electronic format.
   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, 2024, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of the subsidiary’s companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164 (2) of the Act.
   VI. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2 (II) above on reporting under Section 143(3)(b) of the Act and paragraph 2(VIII) (f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
   VII. 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**.
   VIII. 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, 2024.
      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, 2024.

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 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 interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013. Further, the interim dividend paid by the Holding Company during the year in respect of the dividend declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

Further, the subsidiaries companies incorporated in India, consolidated in the group, have not declared any dividend during the year.

f) Based on our examination which included test checks, performed by us on the Holding Company and based on the consideration of reports of the component auditors of the subsidiaries which are Companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Holding Company and subsidiaries have used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software:

i. In the case of Holding Company, the feature of recording audit trail (edit log) facility at the database level is not enabled to log any direct data changes for the accounting software used for maintaining the books of account.

ii. In case of Holding Company, accounting software has been used for maintaining its payroll records. Audit trail feature at application layer as well as at database level is not available within the software configuration.

iii. In case of subsidiaries incorporated in India, in one subsidiary the feature of recording audit trail (edit log) facility has not been enabled throughout the year. while in one subsidiary, the books of account are maintained manually, therefore, assessment and reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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, 2024, 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
Membership Number 083689
UDIN: 24083689BKBLTO6641

Place of Signature: New Delhi
Date: May 20, 2024

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, 2024, 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, 2024, 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
Membership Number 083689
UDIN: 24083689BKBLTO6641

Place of Signature: New Delhi
Date: May 20, 2024

CONSOLIDATED BALANCE SHEET

as at March 31, 2024

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
I. Assets			
1. Non-current assets			
(a) Property, plant and equipment	4	36,918.69	28,822.60
(b) Capital work in progress	5	3,487.90	3,312.61
(c) Right of use asset	49	16,173.35	13,393.26
(d) Investment properties	6	5,643.04	5,736.05
(e) Goodwill	7	2,189.20	1,924.67
(f) Other Intangible assets	8	232.20	156.19
(g) Financial assets			
(i) Investment	9	2,996.65	5,415.10
(ii) Loans	10	8.85	27.16
(iii) Other financial assets	11	1,415.14	809.25
(h) Non current tax assets (net)	13	553.10	2,048.00
(i) Deferred tax assets (net)	12	253.52	138.49
(j) Other non current assets	14	780.68	163.61
Total Non-current assets		**70,652.33**	**61,946.99**
2. Current assets			
(a) Inventories	15	50,273.12	51,329.69
(b) Financial assets			
(i) Investments	9	-	562.16
(ii) Trade receivables	16	26,535.45	20,936.17
(iii) Cash and cash equivalents	17	32,795.29	25,614.50
(iv) Bank balances other than cash and cash equivalents	18	3,854.99	3,832.23
(v) Loans	10	2,264.32	2,538.00
(vi) Other financial assets	11	1,056.06	815.43
(c) Other current assets	14	11,114.71	10,489.02
Total current assets		**1,27,893.95**	**1,16,117.20**
Total Assets		**1,98,546.28**	**1,78,064.19**
II. Equity And Liabilities			
1. Equity			
(a) Equity share capital	19	2,179.18	2,166.39
(b) Other equity	20	78,023.55	70,080.17
Equity attributable to equity shareholders		**80,202.73**	**72,246.56**
Non - controlling interest		1,543.17	2,030.67
Total equity		**81,745.90**	**74,277.23**
2. Liabilities			
Non- current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	10,420.10	8,930.19
(ia) Lease Liabilities	49	12,666.79	9,682.32
(ii) Others financial liabilities	23	1,774.69	446.62
(b) Provisions	24	3,505.79	2,886.64
(c) Deferred tax liabilities	12	48.51	60.02
(d) Other non current liabilities	25	73.73	96.53
Total non- current liabilities		**28,489.61**	**22,102.32**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	34,094.82	35,908.24
(ia) Lease Liabilities	49	1,656.85	1,251.13
(ii) Trade payables	26		
- Total outstanding due of micro enterprises and small enterprises		1,141.66	744.87
- Total outstanding due of creditors other than micro enterprises and small enterprises		47,503.01	38,423.82
(iii) Other financial liabilities	23	628.35	1,395.08
(b) Other current liabilities	25	1,912.92	1,937.03
(c) Provisions	24	663.77	140.97
(d) Current tax liabilities (net)	27	709.39	1,883.50
Total current liabilities		**88,310.77**	**81,684.64**
Total equity and liabilities		**1,98,546.28**	**1,78,064.19**
Summary of Material 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

Place of Signature: New Delhi
Date: May 20, 2024

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

(Pulkit Seth)
Vice-Chairman
DIN 00003044

(Pallab Banerjee)
Managing Director
DIN 07193749

(Sanjay Gandhi)
Group CFO
M. No. 096380

(Narendra Somani)
Chief Financial Officer
M. No. 092155

(Shilpa Budhia)
Company Secretary
M. No. ACS - 23564

Place of Signature: Gurugram
Date: May 20, 2024

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2024

(Amount in ₹ Lakhs, unless otherwise stated)

	Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I	**Income**			
	Revenue from operations	28	3,43,615.11	3,15,840.92
	Other income	29	3,236.87	2,280.99
	Total income		**3,46,851.98**	**3,18,121.91**
II	**Expenses**			
	(a) Cost of materials consumed	30	1,54,692.59	1,49,241.21
	(b) Purchases of stock-in-trade	31	16,384.97	18,901.73
	(c) Changes in inventories of finished goods, stock in trade and work in progress	32	(1,288.70)	(5,192.84)
	(d) Employee benefits expense	33	67,036.33	56,146.52
	(e) Finance costs	34	8,331.33	6,517.89
	(f) Depreciation and amortisation expense	35	6,419.79	5,077.64
	(g) Other expenses	36	76,009.56	71,190.80
	Total expenses		**3,27,585.87**	**3,01,882.95**
III	**Profit before exceptional items and tax (I-II)**		**19,266.11**	**16,238.96**
IV	**Exceptional Items**	37	60.14	(1,345.96)
V	**Profit before tax (III-IV)**		**19,205.97**	**17,584.92**
VI	**Tax expense:**	12		
	(a) Current tax		2,553.62	2,407.75
	(b) Deferred tax		(217.53)	(127.29)
	(c) Adjustment of tax relating to earlier periods		(42.48)	5.24
VII	**Profit for the year (V-VI)**		**16,912.36**	**15,299.22**
VIII	**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		5.31	(56.05)
	(b) Gain on Bargain Purchase		67.76	506.98
	(c) Changes in fair value of financial assets designated at fair value		(185.85)	(193.77)
	(ii) Income tax on items that will not be reclassified to profit or loss		(26.87)	(0.53)
(B)	(i) Items that will be reclassified to profit or loss			
	(a) Foreign exchange translation reserve		(556.25)	(1,050.98)
	(b) Fair valuation of investment in mutual fund		-	-
	(c) Net movement in effective portion of cash flow hedge reserve		184.28	(595.46)
	(d) Changes in fair value of financial assets designated at fair value		70.38	(64.01)
	(ii) Income tax on items that will be reclassified to profit or loss		(46.38)	149.87
	Other comprehensive income for the year, net of tax		**(487.62)**	**(1,303.95)**
IX	**Total comprehensive income for the year, net of tax**		**16,424.74**	**13,995.27**
	Profit Attributable to:			
	Equity shareholders		17,483.38	14,925.44
	Non-controlling interests		(571.02)	373.78
	Other comprehensive income attributable to:			
	Equity shareholders		(565.93)	(1,284.13)
	Non-controlling interests		78.31	(19.82)
	Total comprehensive income attributable to:			
	Equity shareholders		16,917.45	13,641.31
	Non-controlling interests		(492.71)	353.96
X	**Earnings per share: (Face value ₹ 5 per share)**	39		
	1) Basic (amount in ₹)		40.26	34.45
	2) Diluted (amount in ₹)		40.05	34.40
	Summary of Material 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

Place of Signature: New Delhi
Date: May 20, 2024

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

(Pulkit Seth)
Vice-Chairman
DIN 00003044

(Pallab Banerjee)
Managing Director
DIN 07193749

(Sanjay Gandhi)
Group CFO
M. No. 096380

(Narendra Somani)
Chief Financial Officer
M. No. 092155

(Shilpa Budhia)
Company Secretary
M. No. ACS - 23564

Place of Signature: Gurugram
Date: May 20, 2024

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2024

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
Cash Flows From Operating Activities			
Profit before exceptional items and tax		**19,205.97**	**17,584.93**
Adjustments to reconcile profit before tax to net cash flows:			
Profit on sale of current investment - Mutual Fund		(379.50)	(97.05)
Rental Income		(723.63)	(751.10)
Interest Income		(739.95)	(436.38)
Interest Paid and other borrowing cost		8,319.50	6,499.74
Depreciation and amortisation		6,419.79	5,077.63
Unwinding of discount on security deposit - Expense		11.83	18.15
Sundry balances written back		(104.39)	(91.51)
Provision written back		-	(98.50)
Loss/ (Gain) on lease modification		-	86.09
Allowance for bad and doubtful debts and Advances		219.37	151.07
Sundry balance written off		319.78	227.11
Grant Amortised during the year		(1.00)	(1.00)
Amortisation of deferred Rental Income		(14.89)	(19.36)
Unwinding of discount on security deposits - Income		(33.35)	(32.81)
Interest on Advance Paid		-	(827.00)
Provision for amount receivable (net of expected credit loss)		-	(2,122.92)
Dividend Income		(8.14)	36.54
Fair value loss /(gain) on financial assets measured at fair value through profit and loss		-	13.19
Stock compensation expenses		860.85	270.51
Foreign exchange translation		(556.25)	(1,118.55)
Operating Profit Before Working Capital Changes		**32,795.99**	**24,368.79**
Changes In Operating Assets And Liabilities:			
(Increase)/Decrease in other non-current financial assets		(591.00)	306.44
(Increase)/Decrease in other non-current assets		(478.29)	(16.99)
(Increase)/Decrease in Inventories		1,056.57	2,628.49
(Increase)/Decrease in Trade Receivables		(6,105.08)	15,630.35
(Increase)/Decrease in other current financial assets		(109.09)	(237.78)
(Increase)/Decrease in other current assets		(625.69)	3,485.55
Increase/(Decrease) in other non-current financial liabilities		1,328.07	205.69
Increase/(Decrease) in non-current provisions		597.59	402.50
Increase/(Decrease) in other non-current liabilities		(21.81)	(2,908.54)
Increase/(Decrease) in Trade Payables		9,580.37	(4,608.60)
Increase/(Decrease) in other current financial liabilities		(678.52)	(5.98)
Increase/(Decrease) in current provisions		522.80	(103.84)
Increase/(Decrease) in other current liabilities		(24.11)	988.51
Cash Generated From Operations		**37,247.80**	**40,134.59**
Direct Tax paid (Net of Refunds)		(2,099.36)	(2,312.36)
Cash flow before exceptional items		**35,148.44**	**37,822.23**
Exceptional items		60.14	(1,345.96)
Net Cash Inflow From/(Used In) Operating Activities	**(A)**	**35,208.58**	**36,476.27**
Cash Flows From Investing Activities			
Purchase of property, plant and equipment (including ROU, net of Lease Liabilities)		(12,376.16)	(6,777.07)
Sale proceeds of property, plant and equipment		656.67	4,748.91
(Increase)/Decrease in Capital work in progress		(175.29)	(1,791.11)
Sale proceeds of Investment Properties		-	168.44
Purchase of Investment Properties		(45.76)	-
Purchase of Intangible assets including Goodwill		(375.38)	(254.63)
(Increase)/decrease in capital advances		(138.78)	121.66
Increase/(decrease) in capital creditor		31.32	31.37
(Increase)/Decrease in non-current Investments		2,302.98	(735.93)

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended March 31, 2024 (Contd.)

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
(Increase)/Decrease in current Investments		941.66	67.15
Capital reserve on acquisition of Subsidiary		67.76	-
Proceeds from NCI		167.45	184.36
Acquisition of non-controlling interest		(5,479.35)	-
(Increase)/Decrease in non-current Loans		18.31	97.85
(Increase)/Decrease in current Loans		273.68	921.46
(Increase)/Decrease in bank deposit		(22.76)	(539.84)
Interest Income		739.95	436.38
Rental Income		592.11	751.10
Dividend Income		8.14	-
Net Cash From/ (Used In) Investing Activities	**(B)**	**(12,813.45)**	**(2,569.90)**
Cash Flows From Financing Activities			
Issue of share capital (inclusive of security premium)		383.47	-
Increase/ (Decrease) in Long Term Borrowings		1,489.91	(3,452.62)
Lease Rental Paid		(3,438.56)	(2,135.82)
Increase/ (Decrease) in Short Term Borrowings		(1,813.52)	(8,123.13)
Dividend Paid		(4,881.89)	(764.39)
Interest paid (net)		(6,953.75)	(5,500.97)
Net cash inflow from/(used in) Financing Activities	**(C)**	**(15,214.34)**	**(19,976.93)**
Net Increase (Decrease) In Cash And Cash Equivalents (A+B+C)		**7,180.79**	**13,929.42**
Opening Balance of Cash and Cash Equivalents		25,614.50	11,685.08
Total Cash And Cash Equivalent (Note 17)		**32,795.29**	**25,614.50**
Components Of Cash And Cash Equivalents			
Cash, Cheque/drafts on hand		317.51	73.55
With banks - on current account		18,278.53	20,075.91
With banks - on deposits with banks		14,199.25	5,465.04
Total Cash and Cash Equivalent ((Note 17)		**32,795.29**	**25,614.50**

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 Cashflow'.

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 Material 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

Place of Signature: New Delhi
Date: May 20, 2024

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

(Pulkit Seth)
Vice-Chairman
DIN 00003044

(Pallab Banerjee)
Managing Director
DIN 07193749

(Sanjay Gandhi)
Group CFO
M. No. 096380

(Narendra Somani)
Chief Financial Officer
M. No. 092155

(Shilpa Budhia)
Company Secretary
M. No. ACS - 23564

Place of Signature: Gurugram
Date: May 20, 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended March 31, 2024

A. Equity Share Capital

(Amount in ₹ Lakhs, unless otherwise stated)

As At April 01, 2022	2,166.39
Changes during the year	-
As at March 31, 2023	**2,166.39**
Changes during the year	12.79
As at March 31, 2024	**2,179.18**

B. Other Equity

Particulars	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 earnings	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, 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)**
Remeasurement of the benefit plan, net of tax effect	-	-	-	-	-	(36.88)	-	-	-	-	**(36.88)**	(19.70)	**(56.58)**
Share Application Money	-	-	-	-	-	-	-	-	-	-		-	**-**
Other Comprehensive Income	-	-	-	-	-	-	-	(257.77)	-	(1,047.89)	**(1,305.66)**	(0.12)	**(1,305.78)**
Dividend paid	-	-	-	-		(1,624.80)		-	-	-	**(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**	**70,080.17**	**2,030.67**	**72,110.84**
Profit / (loss) for the year	-	-	-	-	-	17,483.38	-	-	-	-	**17,483.38**	(571.02)	**16,912.36**
Purchase on subsidiary acquired during the period												167.45	**167.45**
Gain on Bargain Purchase on subsidiary acquired during the year	-	-	-	-	67.76	-	-	-	-	-	**67.76**	-	**67.76**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended March 31, 2024 (Contd.)

Particulars	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 earnings	Share Based Payment Reserve	Change in investment through other comprehensive income	Effective Portion of Cash Flow Hedge	Currency Translation Reserve			
Acquisition of non-controlling interest					(5,317.11)						**(5,317.11)**	(162.24)	**(5,479.35)**
Security Premium		591.75									**591.75**		**591.75**
Share based payment Reserve	-	-	-	-	-		639.68	-	-	-	**639.68**	-	**639.68**
Net movement in effective portion of cash flow hedge reserve, net of tax effect	-	-	-	-	-	-	-	-	137.90	-	**137.90**	-	**137.90**
Remeasurement of the benefit plan, net of tax effect	-	-	-	-	-	(59.31)	-	-	-	-	**(59.31)**	37.75	**(21.56)**
Other Comprehensive Income	-	-	-	-	-	-	-	(115.47)	-	(596.81)	**(712.28)**	40.56	**(671.72)**
Dividend paid	-	-	-	-	-	(4,888.39)	-	-	-	-	**(4,888.39)**	-	**(4,888.39)**
Balance As at March 31, 2024	**4,204.36**	**17,695.65**	**95.00**	**625.95**	**(4,742.37)**	**56,264.46**	**899.19**	**(408.35)**	**(2.61)**	**3,392.27**	**78,023.55**	**1,543.17**	**79,566.72**

Summary of Material 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 **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 20, 2024

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

(Pulkit Seth)
Vice-Chairman
DIN 00003044

(Pallab Banerjee)
Managing Director
DIN 07193749

(Sanjay Gandhi)
Group CFO
M. No. 096380

(Narendra Somani)
Chief Financial Officer
M. No. 092155

(Shilpa Budhia)
Company Secretary
M. No. ACS - 23564

Place of Signature: Gurugram
Date: May 20, 2024

NOTES
to consolidated financial statements for the year ended March 31, 2024

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 holding 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 20, 2024.

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, 2024	As at March 31, 2023
Subsidiaries				
Pearl Global Industries Limited	India	Manufacturing and trading of garments	Holding Company	Holding Company
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	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
Pearl GT Holdco Limited	BVI	Manufacturing and trading of garments	55.00	-

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, 2024 and the projected cash flows and financial performance of the group for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

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

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.

NOTES
to consolidated financial statements for the year ended March 31, 2024

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 interests of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

iv) The Consolidated Financial Statements are presented, to the extent possible, in the same format as adopted by the Holding 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 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.
   - 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.

3. MATERIAL ACCOUNTING POLICIES

a) Material 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.

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 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.

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 statement of profit and 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 31 March. 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.

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 1, 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

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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 1, 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 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 lakh 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:

- 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 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 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.

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

Significant Financing Component

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

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the 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 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.

l) Employee's benefits

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

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

Defined contribution plan

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

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 share based 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 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' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The group financial liabilities include borrowings, trade and other payables, security deposits received etc.

Subsequent measurement

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

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

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

De-recognition

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

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the 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 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 (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 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 01, 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**
Add: Additions made during the year	-	-	3,143.61	637.61	6,831.17	459.92	394.99	11,467.30
Add: Business Combination	-	-	505.74	50.33	341.71	162.39	-	1,060.17
(Less): Disposals during the year	64.96	-	(45.38)	-	(799.61)	-	(149.42)	(929.45)
(Less)/Add: Adjustments during the year	(24.22)	-	694.43	(709.49)	(451.16)	(41.87)	11.73	(520.58)
As at March 31, 2024	**3,920.01**	**711.25**	**14,153.24**	**3,019.61**	**33,886.10**	**3,606.20**	**1,821.60**	**61,118.04**
Accumulated depreciation								
As at April 01, 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**
Add: Depreciation charge for the year	-	8.20	678.69	289.20	2,386.84	296.87	164.97	3,824.77
Add: Business Combination	-	-	19.43	4.11	29.56	12.47	-	65.57
(Less): Disposals during the year	-	-	(6.38)	-	(208.46)	-	(64.36)	(279.20)
(Less)/Add: Adjustments during the year	-	-	(90.93)	(2.12)	(508.68)	(19.16)	(8.92)	(629.81)
As at March 31, 2024	**-**	**27.54**	**3,427.38**	**1,317.58**	**16,758.63**	**1,790.02**	**878.19**	**24,199.34**
Net Carrying Amount								
As at March 31, 2024	3,920.01	683.71	10,725.87	1,702.01	17,127.46	1,816.18	943.40	**36,918.69**
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**

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 certain assets given on lease, details are as under:

Particulars	Plant and Equipment	Furniture and Fixtures	Total
As at March 31, 2024			
Gross carrying amount	27.77	21.22	48.99
Accumulated depreciation	(22.09)	(19.71)	(41.80)
Net carrying amount	**5.68**	**1.51**	**7.19**
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**

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5. CAPITAL WORK IN PROGRESS

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	3,312.61	1,521.50
Add: Addition made during the year	4,788.45	2,933.13
Less: (Disposals)/adjustments during the year	(4,613.16)	(1,142.02)
Balance at the end of the year	**3,487.90**	**3,312.61**

a) Breakup of Capital Work in Progress is as follows:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Building	1,740.39	3,234.68
Plant and Machinery	1,706.17	76.94
Furniture and Fittings	24.44	0.99
Other Expenses	16.90	-
	3,487.90	**3,312.61**

b) (i) Ageing schedule of CWIP as at March 31, 2024

(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	3,486.74	1.16	-	-	3,487.90
Projects temporarily suspended	-	-	-	-	-

b) (ii) 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

c) There are no capital work in progress as at March 31, 2024 and March 31, 2023 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, 2024

(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)	-	-	-	-	-

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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

d) During the year interest expense amounting to ₹ 16.90 Lakhs relating to capital expenditure has been transferred to capital work in progress. (March 31, 2023: Nil)

6. INVESTMENT PROPERTIES

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Land freehold	Building	Total
Gross carrying amount			
As at April 01, 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**
Add: Additions made during the year	45.77	-	45.77
(Less): Disposals /adjustments during the year	(64.97)	-	(64.97)
As at March 31, 2024	**1,881.21**	**4,328.22**	**6,209.43**
Accumulated depreciation			
As at April 01, 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**
Add: Depreciation charge for the year	-	73.81	73.81
(Less): Disposals /adjustments during the year	-	-	-
As at March 31, 2024	**-**	**566.39**	**566.39**
Net Carrying Amount			
As at March 31, 2024	**1,881.21**	**3,761.83**	**5,643.04**
As at March 31, 2023	1,900.41	3,835.64	5,736.05

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	**Amounts recognised in statement of profit and loss for investment properties**		
	Rental Income	728.92	774.49
	Less: Direct operating expenses of property that generated rental income	(62.05)	(69.17)
	Income arising from Investment properties before charging depreciation	**666.87**	**705.33**
	Less : Depreciation & amortisation	(73.81)	(79.56)
	Income from Investment properties (net)	**593.06**	**625.77**
(b)	**Fair value of investment properties**		
	Estimation of fair value	**12,187.78**	**11,560.52**

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. GOODWILL

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Goodwill on acquisition of subsidiaries	1,924.67	1,800.78
Add: Additions during the year (Refer note 52(a))	242.30	-
Add/(Less): Foreign Exchange Fluctuation	22.23	123.89
	2,189.20	**1,924.67**

8. OTHER INTANGIBLE ASSETS

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Computer Software	Total
Gross carrying amount		
As at April 01, 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**
Add: Additions during the year	110.85	110.85
Add: Business Combination	-	-
(Less): Disposals during the year	(10.32)	(10.32)
(Less)/ Add : Adjustments during the year	176.71	176.71
As at March 31, 2024	**721.39**	**721.39**
Amortisation and impairment		
As at April 01, 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**
Add: Amortisation charge for the year	60.37	60.37
(Less): Disposals during the year	(8.73)	(8.73)
(Less)/ Add : Adjustments during the year	149.61	149.61
As at March 31, 2024	**489.19**	**489.19**
Net Carrying Amount		
As at March 31, 2024	**232.20**	**232.20**
As at March 31, 2023	**156.19**	**156.19**

9. INVESTMENTS

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
(I) Non Current Investment		
A. Equity Instruments		
At Fair value through profit and loss		
(Quoted)		
PDS Limited Nil, equity shares of ₹ 2 each fully paid up (March 31, 2023 : 250000, of ₹ 10 each fully paid up)	-	830.37
Total	**-**	**830.37**

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to consolidated financial statements for the year ended March 31, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars		As at March 31, 2024	As at March 31, 2023
B.	**Investments Others**		
	At Fair value through other comprehensive income		
	Investment in Debt Instruments - (Unquoted)	696.95	915.47
	Investment in equity shares-(Quoted)	-	1,222.93
	Investment in key man insurance policy (Refer 'a' below)	2,299.23	2,444.70
		2,996.18	**4,583.10**
C.	**Investments in Government securities - (Unquoted)**		
	At Amortised cost		
	Investments in Government securities		
	Gold Sovereign Bond- 15 units of 1 gram each (March 31, 2023: 22 units of 2 gram each and 15 units of 1 gram each) issued by Reserve Bank of India	0.47	1.63
		0.47	1.63
	Total (A + B + C)	**2,996.65**	**5,415.10**
(II)	**Current Investment**		
A.	**Investments in mutual funds - (Quoted)**		
	At Fair value through profit and loss		
	ICICI Prudential Short Term Fund DP Growth	-	291.45
	Nil units (March 31, 2023: 536068.057 units) Face Value of ₹ 10 per unit		
	IDFC Banking and PSU debt fund direct plan - growth	-	270.71
	Nil units (March 31, 2023: 1267806.9250 units) of Face Value of ₹ 10 per unit		
		-	**562.16**
	Aggregate book value of quoted investments	-	2,615.46
	Aggregate market value of quoted investments	-	2,615.46
	Aggregate value of unquoted investments	2,996.65	3,361.80
	Aggregate amount of impairment in value of unquoted investments	-	-
	Aggregate value of unquoted investments (net of impairment)	2,996.65	3,361.80

a) 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.

b) The number of units and number of shares in note above represents absolute numbers.

10. LOANS

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Non - Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good unless otherwise stated)				
Loans to employees	8.85	11.60	99.92	80.25
Loans to related parties (Refer note no. 47)	-	-	-	100.00
Loans to others	-	15.56	2,164.40	2,357.75
Loans receivable from others - credit impaired	-	-	23.58	31.54
Less: Loss Allowance	-	-	(23.58)	(31.54)
	8.85	**27.16**	**2,264.32**	**2,538.00**

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, 2024		As at March 31, 2023	
	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 : Loans given to Director and KMP in F.Y 2022-23 which has been received back during the year the interest rate was 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

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Non - Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good unless otherwise stated)				
Security deposits	1,328.62	756.15	960.55	692.31
Interest accrued but not due on				
- Term deposits	1.93	9.12	87.08	106.17
- Loan to related parties	-	-	-	3.51
Deposits with original maturity of more than 12 months (Refer note 18)	84.59	43.98	-	-
Other receivable (Refer note (a) below)	-	-	8.43	13.46
	1,415.14	**809.25**	**1,056.06**	**815.43**

Note:

a) Other receivables of ₹ 8.43 Lakhs represents amount receivable from bank on hedged instruments ₹ 5.87 Lakhs and Insurance claim receivables ₹ 2.56 Lakhs (March 31, 2023 : ₹ 13.46 Lakhs claim receivables from vendors)

12. INCOME TAX

The major components of income tax expense for the years ended March 31, 2024 and March 31, 2023 are:

a) Income Tax recognised in Statement of Profit and Loss

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Tax Expense:		
a) Current tax	2,553.62	2,407.75
b) Adjustments in respect of current income tax of previous year	(42.48)	5.24
c) Deferred tax	(217.53)	(127.29)
Income tax expense reported in the statement of profit or loss	**2,293.61**	**2,285.70**

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to consolidated financial statements for the year ended March 31, 2024

b) Income Tax recognised in Other Comprehensive Income

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Net loss/(gain) on remeasurements of defined benefit plans	(26.87)	(0.53)
Income tax on items that will be reclassified subsequently to statement of profit and loss	(46.38)	149.87
Income tax charged to OCI	**(73.25)**	**149.34**

c) Net Deferred Tax Asset/(Liability)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Recognised DTA- Pearl Global Industries Limited	163.65	71.95
Recognised DTA- Pearl Global (HK) Limited	31.52	66.54
Nop Knit Industries Limited	58.35	-
Total Deferred Tax Assets	**253.52**	**138.49**
Recognised DTL- Pearl Global (HK) Limited	48.51	60.02
Total Deferred Tax Liabilities	**48.51**	**60.02**

d) Reconciliation of Effective tax Rate and item wise 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 item wise 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.

13. NON CURRENT TAX ASSET

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance income tax	553.10	2,048.00
(Net of provision of ₹ 2,186.53 Lakhs (March 31, 2023 : ₹ 3,083.74 Lakhs)		
	553.10	**2,048.00**

14. OTHER ASSETS

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Non - Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good, unless otherwise stated)				
Capital advances (Refer note no. 46(b) for capital commitments)	245.55	106.77	-	-
Balance with government authorities	-	-	2,845.66	2,585.63
Balance with government authorities - considered doubtful	22.74	22.74	-	-
Less: Loss allowance	(22.74)	(22.74)	-	-
Deferred Assets- Security Deposit	0.26	-	0.78	10.26

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Non - Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	534.87	56.84	787.15	1,040.05
Export incentive receivable	-	-	3,206.89	3,193.86
Advances to suppliers - considered good	-	-	3,868.20	3,166.57
Advances to suppliers - considered doubtful			239.75	12.19
Less : Provision for doubtful advances			(239.75)	(12.19)
Other receivables - considered good (Refer note (a) below)	-	-	406.03	492.65
Other receivables - considered doubtful (Refer note (b) below)			2,639.50	2,639.50
Less: Loss allowance	-	-	(2,639.50)	(2,639.50)
	780.68	**163.61**	**11,114.71**	**10,489.02**

a) Other receivables considered good of ₹ 406.03 Lakhs (March 31, 2023: ₹ 492.65 Lakhs) includes amount recoverable from employee gratuity trust, rent receivable and GST input credit which is not reflected in GST portal as on balance sheet date.

b) Other Receivables considered doubtful of ₹ 2639.50 Lakhs (March 31, 2023 ₹ 2639.50 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, 2023 : ₹ 304.35 Lakhs)

15. INVENTORIES

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials	21,919.09	24,473.89
Good in transit- raw material	1,405.86	1,190.20
Work in progress	17,214.05	15,980.33
Finished goods	9,187.22	9,327.43
Scrap Stock	49.45	48.81
Stores spares & others	557.53	409.46
	50,333.20	**51,430.12**
Less: Provision on inventories (Finished Goods)	(60.08)	(100.43)
	50,273.12	**51,329.69**

a) Refer note 22 for information on above assets being pledged as security by the Group.

16. TRADE RECEIVABLES

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Considered good - secured	-	-
Considered good - unsecured	26,535.45	20,936.17
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	4.07	4.30
Less: Loss allowance	(4.07)	(4.30)
	26,535.45	**20,936.17**

NOTES
to consolidated financial statements for the year ended March 31, 2024

a) Trade receivables ageing schedule as at March 31, 2024

(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	25,505.86	1,013.15	7.24	9.20	-	-	26,535.45
(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	-	4.07	-	-	-	-	4.07
Less: Allowances for expected credit loss	-	(4.07)	-	-	-	-	(4.07)
Net Trade receivables	**25,505.86**	**1,013.15**	**7.24**	**9.20**	**-**	**-**	**26,535.45**

Trade receivables ageing schedule as at March 31, 2023

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**

b) The movement in allowance for bad and doubtful debts is as follows:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	**4.30**	**756.25**
Loss Allowance during the year	-	-
Trade receivables written off / written back during the year	(0.23)	(751.95)
Balance as at the end of the year	**4.07**	**4.30**

c) Trade receivables are generally on terms of 30 - 90 days (March 31, 2023: 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)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks:		
- Current account	18,278.53	17,575.11
- Deposits with original maturity of less than 3 months	14,199.25	7,264.89
Cash on hand	192.32	60.31
Cheque/drafts on hand	125.19	714.19
Total	**32,795.29**	**25,614.50**

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)

Particulars	As at March 31, 2024	As at March 31, 2023
Earmarked balances with banks		
Unpaid dividend account	34.59	28.09
Deposits with original maturity of more than 3 months but less than 12 months (Refer note 'a' below)	3,794.96	3,804.14
Deposits with original maturity of more than 12 months (Refer note 'a' below)	110.03	43.98
	3,939.58	**3,876.21**
Less: Amount disclosed under "other financial assets" (Refer Note No. 11)	(84.59)	(43.98)
	3,854.99	**3,832.23**

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 ₹ 1810.36 Lakhs for Letter of credit issued and working capital for the Group (March 31, 2023: 843.41 Lakhs).

19. SHARE CAPITAL

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised		
102880000* equity shares of ₹ 5 each (March 31, 2023: 51440000* equity share of ₹ 10 each)	5,144.00	5,144.00
10000* (March 31, 2023: 10000*) 4% Non Cumulative Redeemable Preference Shares of ₹ 10 each	1.00	1.00
3256000* (March 31, 2023: 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		
43583524* equity Shares of ₹ 5 each fully paid up (March 31, 2023: 21663937* equity share of ₹ 10 each fully paid up)	2,179.18	2,166.39
	2,179.18	**2,166.39**

* Number of Shares are given in absolute numbers.

NOTES
to consolidated financial statements for the year ended March 31, 2024

a) Reconciliation of issued and subscribed share capital:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	No. of shares	Amount
Balance as at April 01, 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**
Changes during the year		
Add: Adjustment for sub divison of equity shares (refer note (b) below)	2,16,63,937	-
Add: Issued during the year	2,55,650	12.79
Balance As at March 31, 2024	**4,35,83,524**	**2,179.18**

b) Terms/ rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 5 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 prior to sub division of face value of shares , the holding company had declared and paid Interim dividend of ₹ 5/- per share for 2022-23 and ₹ 17.5/- per share for 2023-24 for distribution to shareholders.

The Equity shares of the Company has undergone sub-division from the face value of ₹ 10 per equity share to ₹ 5 per equity share i.e. 1 equity share to be split into 2 equity shares. The record date was fixed as January 05, 2024 and thereafter the sub-division has become effective.

c) Details of shareholders holding more than 5% shares

Name of Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares (FV of ₹ 5 each)	Holding %	No. of shares (FV of ₹ 10 each)	Holding %
Mrs. Payel Seth	88,27,270	20.25	44,13,635	20.37
Mr. Deepak Kumar Seth	57,24,290	13.13	28,62,145	13.21
Mr. Pulkit Seth	1,38,95,242	31.88	69,47,621	32.07
Mr. Sanjiv Dhireshbhai Shah	32,70,536	7.50	17,16,282	7.92
Total	**3,17,17,338**	**72.76**	**1,59,39,683**	**73.57**

d) Details of Promotor's shareholding:

Name of Shareholder	As at March 31, 2024		As at March 31, 2023		% change during the year
	No. of shares (FV of ₹ 5 each)	% of total shares	No. of shares (FV of ₹ 10 each)	% of total shares	
Mrs. Payel Seth	88,27,270	20.25	44,13,635	20.37	(0.12)
Mr. Deepak Kumar Seth	57,24,290	13.13	28,62,145	13.21	(0.08)
Mr. Pulkit Seth	1,38,95,242	31.88	69,47,621	32.07	(0.19)
Mrs. Shifalli Seth	4,02,956	0.92	2,01,478	0.93	(0.01)
Nim International Commerce LLP	60	-	30	0.00	(0.00)
Total	**2,88,49,818**	**66.18**	**1,44,24,909**	**66.58**	

Name of Shareholder	As at March 31, 2023		As at March 31, 2022		% change during the year
	No. of shares (FV of ₹ 10 each)	Holding %	No. of shares (FV of ₹ 10 each)	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	-

NOTES
to consolidated financial statements for the year ended March 31, 2024

Name of Shareholder	As at March 31, 2023		As at March 31, 2022		% change during the year
	No. of shares (FV of ₹ 10 each)	Holding %	No. of shares (FV of ₹ 10 each)	Holding %	
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	-	30	0.00	(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)

Particulars	As at March 31, 2024	As at March 31, 2023
General Reserve	4,204.36	4,204.36
Securities Premium	17,695.65	17,103.90
Capital Redemption Reserve	95.00	95.00
Amalgamation Reserve	625.95	625.95
Capital Reserve	(4,742.37)	506.98
Foreign Currency Translation Reserve	3,392.27	3,989.08
Change in investment through other comprehensive income	(408.35)	(292.88)
Retained Earnings	56,264.46	43,728.78
Share Based Payment reserve	899.19	259.51
Cash Flow Hedge Reserve (Net of tax of ₹ (1.87) Lakhs (March 31, 2023 : ₹ (48.25) Lakhs)	(2.61)	(140.51)
	78,023.55	**70,080.17**

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 March 31, 2024	As at March 31, 2023
Balance as at beginning/ end of the year	4,204.36	4,204.36

The holding company has transfered 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 March 31, 2024	As at March 31, 2023
Balance as at beginning/ end of the year	17,695.65	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. During the year, the Company has issued 255,650 equity shares on which security premium of ₹ 591.75 Lakhs has been recognised in books of account.

NOTES
to consolidated financial statements for the year ended March 31, 2024

c) Capital Redemption Reserve

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
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 March 31, 2024	As at March 31, 2023
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 March 31, 2024	As at March 31, 2023
Balance as at beginning/ end of the year	(4,742.37)	506.98

This Reserve pertains to gain on bargain purchase on subsidiary acquired during the year.

f) Foreign currency translation reserve

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at beginning/ end of the year	3,392.27	3,989.08

The exchange differences arising from the translation of financial statements is recognised 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, 2024	As at March 31, 2023
Balance as at beginning/ end of the year	56,264.46	43,728.78

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 ₹ 407.15 (March 31, 2023: ₹ 404.77 Lakhs) is not available for distribution. During the year, the Company has paid dividend of ₹ 4,888.39 Lakhs, out of which ₹ 1,083.20 Lakhs pertains to 2022-23 .

h) Share Based Payment Reserve

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at beginning/ end of the year	899.19	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, 2024	As at March 31, 2023
Balance as at beginning/ end of the year	(2.61)	(140.51)

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, 2024	As at March 31, 2023
Balance as at beginning/ end of the year	(408.35)	(292.88)

Change in investment through Other Comprehensive Income (OCI) represents fair valuation of investments of subsidiary company routed through OCI.

21. LONG TERM BORROWINGS

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Non - Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
From Banks (Secured)				
- Term Loan*	9,467.43	8,617.94	4,649.86	4,131.76
- Vehicle Loans	70.01	61.48	57.25	46.44
From Financials Institutional (Secured)				
- Vehicle Loans	-	-	-	-
From others - unsecured (Refer note "E" below)	882.66	250.77	-	-
	10,420.10	**8,930.19**	**4,707.11**	**4,178.20**
Less: Amount disclosed under other financial liabilities as 'Current maturities of long-term borrowings' (Refer note 22)	-	-	4,707.11	4,178.20
	10,420.10	**8,930.19**	**-**	**-**

*includes loans which are carried at amortised cost.

A) Nature of Security in respect of Holding Company:

i) Term Loan from Kotak Mahindra Bank is secured by Fixed Deposit of ₹ 20.00 Lakh. (March 31, 2023 : secured by lien marked on investment in debt mutual fund and personal gurantee of Mr. Pulkit Seth (Promoter Director))

ii) Term Loan Facility from IndusInd Bank is secured by Fixed Deposit of ₹ 83 Lakh (March 31, 2023: ₹ 83 Lakhs)

iii) 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).

iv) Term loans from Canara Bank are secured by charge over assets financed by term loan, Land & building, Plant & Machinery at Survey No. 30(P), 31(P), 32(P) & 262(P), Melavalam & Arryapakkam Village, Madurantakam Taluk, Kancheepuram District, Tamil Nadu. and Personal Guarantee of Mr. Deepak Kumar Seth and Mr. Pulkit Seth (Promoter Director).

v) Emergency credit line guaranteed scheme (ECLGS 2.0) & ECLGS 2.0 (Extension) facilities are secured by second charge over securities provided for base credit facility, except personal guarantees.

vi) Vehicle Loans are secured by Hypothecation over the Vehicle financed by respective loan.

NOTES
to consolidated financial statements for the year ended March 31, 2024

B) Security in respect of Pearl Global (HK) Limited

i) 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	2024-25	2025-26	2026-27	Beyond 2026-27	Total
Term loan from Banks and Financial Institution are repayable in monthly/quarterly/yearly installments	4,649.86	3,457.84	2,550.49	3,459.09	**14,117.29**
Vehicle loans from banks and financial institutions are repayable in monthly installments	57.25	35.94	14.92	19.15	**127.26**
From others - unsecured	-	882.66	-	-	**882.66**

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.

F) The above loan(s) carries rate of interest ranging between 6.15% to 12.43% per annum (March 31, 2023 : Between 4.50% to 10.85%)

22. SHORT TERM BORROWINGS

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Working capital loan from banks(secured)		
- Rupee loan	29,200.13	31,730.04
Borrowings From Others-Current (Refer note (D) below)	187.58	-
Current maturities of long-term borrowings (Refer no. 21)	4,707.11	4,178.20
	34,094.82	**35,908.24**

A. 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 of the Borrower's entire current assets, including but not limited to stocks of raw materials, semi finished and finished goods, raw material, book debts and stock, loans and advances etc.

b) First Pari-Passu charge by way of hypothecation over the entire movable fixed assets belonging to the Borrower, except any assets charged to any banks/financial institutions for securing the terms loans.

c) Refer Note No. 21 for the terms and conditions, nature of security and maturity profile of the current maturities of long-term borrowings (forming part of long term borrowings of the Company).

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 & Arryapakkam 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, 2024 ₹ 747.43) (March 31, 2023: ₹ 710 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 property situated at Plot No. 51, Sector 32, Gurgaon (Land & Building)

C. Security in respect of Pearl Global (HK) Limited,

i) As at March 31, 2024, certain of the Company's Inventories with a net carrying amount of approximately ₹ 7,149.03 (March 2023: ₹ 3,946.56) were pledged to secure banking facilities granted to the Company.

ii) As at March 31, 2024, certain of the Company's property, plant & equipment with a net carrying amount of approximately ₹ 2,615.53 (March 31, 2023: ₹ 5,721.59) were pledged to secure banking facilities granted to the Company.

iii) As at March 31, 2024, certain of the Company's leasehold land with a net carrying amount of approximately ₹ 4,035.11 (March 31, 2023: ₹ 2,693.29) were pledged to secure banking facilities granted to the Company.

iv) As at March 31, 2024, certain of the Company's trade receivable with a net carrying amount of approximately ₹ 3,818.35 (March 31, 2023: ₹ 3,864.34) were pledged to secure banking facilities granted to the Company.

D. It represents loan from Non-Controlling shareholders of PGIL HK which is unsecured, interest free and expected to be repayable within one year.

E. 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.

F. For interest rate & liquidity risk related disclosures, (refer note 44).

23. OTHER FINANCIAL LIABILITIES

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Non - Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Security deposit	122.78	107.03	-	19.43
Book overdraft	-	-	215.17	-
Interest accrued but not due on borrowings	-	-	216.26	137.57
Unpaid dividends (Refer Note (b) below)	-	-	34.59	28.09
Creditors for capital goods	-	-	101.03	124.27
Creditors for capital goods-MSME	-	-	54.56	-
Financial Liabilities at Fair Value through OCI - Cash Flow Hedge	-	-	6.74	303.62
Others (Refer Note (c) below)	1,651.91	339.59	-	782.10
	1,774.69	**446.62**	**628.35**	**1,395.08**

Notes:

a) The Group's exposure to market and liquidity risk related to other financial liabilities 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, 2023: Nil)

c) Other payables under non current financial liabilities of ₹ 1651.91 represents payable for acquisition of non controlling interest of Pearl Grass Creation Limited (March 31, 2023 : ₹ 339.59 Lakhs represents consideration payable to Non-Controlling interest shareholders for acquisition of Step-down subsidiary "Alpha Clothing Limited").

Other payable under current financial liabilities of ₹ Nil (March 31, 2023 : ₹ 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").

NOTES
to consolidated financial statements for the year ended March 31, 2024

24. PROVISIONS

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Non - Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits				
Provision for compensated absences	569.49	400.02	438.13	19.26
Provision for gratuity (Refer to note 40)	2,936.30	2,355.57	225.64	82.47
Other employee benefits	-	131.05	-	39.24
	3,505.79	**2,886.64**	**663.77**	**140.97**

25. OTHER LIABILITIES

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Non - Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Advance from customers	-	-	240.66	114.94
Deferred government grant	4.58	5.58	145.60	145.60
Deferred rental income	69.14	90.95	14.82	6.97
Statutory dues	-	-	1,511.84	1,383.14
Others	-	-	-	286.38
	73.73	**96.53**	**1,912.92**	**1,937.03**

26. TRADE PAYABLES

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro and small enterprises	1,141.66	744.87
Total outstanding dues of creditors other than micro and small enterprises	47,503.01	38,423.82
	48,644.67	**39,168.69**

a) Trade Payables ageing schedule as at March 31, 2024:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	799.55	332.67	9.44	-	-	**1,141.66**
(ii) Others	4,350.54	24,685.93	18,231.34	219.11	14.17	1.92	**47,503.01**
(iii) Disputed dues — MSME	-	-	-	-	-	-	**-**
(iv) Disputed dues — Others	-	-	-	-	-	-	**-**

b) Trade Payables ageing schedule as at March 31, 2023:

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	742.65	2.22	-	-	-	**744.87**
(ii) Others	3,575.64	23,597.03	11,207.42	41.75	1.98	-	**38,423.82**
(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)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for income tax [Net of advance tax ₹ 2,285.57 Lakhs (March 31, 2023 ₹ 1788.26 Lakhs)]	709.39	1,883.50
	709.39	**1,883.50**

28. REVENUE FROM OPERATIONS

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of Product	3,37,124.00	3,04,697.93
Job Receipts	902.85	354.40
Other Operating Revenues	5,588.26	10,788.59
	3,43,615.11	**3,15,840.92**

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, 2024	For the year ended March 31, 2023
India	2,511.56	1,036.52
Outside India	3,41,103.55	3,14,804.40
	3,43,615.11	**3,15,840.92**

c) Reconciliation of revenue from operations with contracted price

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Contracted Price	3,44,226.96	3,18,682.33
(Less): Sales Returns	(2.42)	(11.07)
(Less): Rebates and discounts	(609.43)	(2,830.34)
	3,43,615.11	**3,15,840.92**

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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, 2024.

Further, the Group doesn't have any contract liabilities as at March 31, 2024 and March 31, 2023

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)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income		
- On bank and fixed deposits	556.81	228.15
- On loans and advances	127.13	147.01
- On income tax refund	4.21	26.34
- On Investment	51.80	34.88
Other non-operating income:		
- Rental income	723.63	751.10
- Foreign exchange fluctuation	825.09	-
- Amortisation of deferred rental income	14.89	19.36
- Profit on sale of current investment - mutual fund	379.50	97.05
- Dividend Income	8.14	36.54
- Sundry balances written off relating to Provision	-	98.50
- Sundry balances written back	104.39	91.51
- Gain on lease modification	59.97	-
- Miscellaneous income	381.31	750.55
	3,236.87	**2,280.99**

30. COST OF MATERIAL CONSUMED

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at the beginning of the Year	24,473.89	32,955.06
Add:- Purchase during the year	1,53,403.88	1,44,048.38
Add: Impact of exchange fluctuation & re-instatement	(1,266.09)	(3,288.34)
	1,76,611.68	**1,73,715.10**
Less:- Balance at the end of the Year	(21,919.09)	(24,473.89)
	1,54,692.59	**1,49,241.21**

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31. PURCHASE OF STOCK IN TRADE

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Purchases during the year	16,384.97	18,901.73
	16,384.97	**18,901.73**

32. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK IN PROGRESS

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the beginning 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
	(A)	**25,256.14**	**20,396.38**
Inventories at the end of the year			
Work-in-progress		17,214.05	15,980.33
Finished goods		9,127.14	9,227.00
Scrap Stock		49.45	48.81
	(B)	**26,390.64**	**25,256.14**
Impact of exchange fluctuation & re-instatement	**(C)**	**(154.20)**	**(333.08)**
	(A-B+C)	**(1,288.70)**	**(5,192.84)**

33. EMPLOYEE BENEFITS EXPENSE

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, Wages & Bonus	59,508.31	50,467.63
Contribution to Provident and Other funds	2,064.79	1,839.89
Gratuity expense (Refer note 40)	1,006.98	615.50
Compensated absences	1,003.31	710.39
Stock compensation expense (Refer Note 51)	860.85	259.51
Staff welfare expense	2,592.09	2,253.60
	67,036.33	**56,146.52**

34. FINANCE COSTS

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Expense		
- On Term loans, Cash Credit & Working Capital Facilities	4,691.82	2,777.35
- Delayed Payment of Taxes	26.30	72.51
- lease liabilities	1,365.75	997.47
Unwinding of discount on security deposit	11.83	18.15
Other borrowing cost	2,235.63	2,652.41
	8,331.33	**6,517.89**

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35. DEPRECIATION AND AMORTISATION EXPENSE

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of Property, plant and equipment (Refer note no. 4)	3,824.77	3,176.89
Depreciation & Amortisation of Investment Properties (Refer note no. 6)	73.81	79.56
Amortisation of intangible assets (Refer note no. 8)	60.37	37.61
Amortisation of Right-of-use assets (Refer note no. 49)	2,460.82	1,783.58
	6,419.79	**5,077.64**

36. OTHER EXPENSES

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Manufacturing Expense	34,682.97	32,016.00
Consumption of Stores & Spare Parts	2,023.58	1,509.11
Power & fuel	3,933.09	3,075.46
Rent	247.71	1,031.11
Rates & Taxes	405.53	481.49
Travelling & Conveyance	3,610.50	2,416.58
Freight & clearing Charges	5,908.19	5,895.06
Repair & Maintenance		
- Plant & Machinery	579.76	530.04
- Buildings	13.74	98.82
- Other	1,796.58	1,405.65
Commission	827.90	308.68
Legal & Professional Expenses	9,128.12	7,062.45
Security Charges	402.25	344.21
Bank charges	1,659.08	1,691.75
Insurance Expenses	862.24	779.07
Inspection Fees	591.88	650.23
Payment to the Auditors	212.60	191.57
Sundry Balances written off	319.78	227.11
Foreign Exchange Fluctuation	3,653.28	6,817.57
Corporate social responsibility	15.82	20.33
Loss on Lease Modification	-	86.09
Loss allowance for doubtful debts and advances	219.37	163.28
Loss on sale of Licenses	68.32	274.73
Miscellaneous Expenses	4,847.27	4,114.41
	76,009.56	**71,190.80**

37. EXCEPTIONAL ITEMS

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(Profit)/Loss on sale of property, plant and equipment and investment property	60.14	(4,295.89)
Impairment of investment in subsidiaries written back	-	(1,648.35)
Investment written off	-	1,648.35
Interest on refund of advance	-	827.00
Loss allowance for receivables (net of expected credit loss reversal)	-	2,122.93
	60.14	**(1,345.96)**

38. COMPONENTS OF OTHER COMPREHENSIVE INCOME

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A	**Items that will not be reclassified to profit or loss**		
	Re-measurement gains/ (losses) on defined benefit plans	5.31	(56.05)
	Income tax expense	(26.87)	(0.53)
	Gain on Bargain Purchase	67.76	506.98
	Changes in fair value of financial assets designated at fair value OCI Movement will not be reclassified	(185.85)	(193.77)
B	**Items that will be reclassified to profit or loss**		
	Foreign exchange translation reserve	(556.25)	(1,050.98)
	Hedging Reserve through OCI	184.28	(595.46)
	Changes in fair value of financial assets designated at fair value OCI Movement will be reclassified	70.38	(64.01)
	Income tax expense	(46.38)	149.87
	Total	**(487.62)**	**(1,303.95)**

39. EARNINGS PER SHARE (EPS)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit attributable to the equity shareholders **(A)**	17,483.38	14,925.44
Number/Weighted average number of equity shares outstanding at the end of the year* **(B)**	4,34,23,828	4,33,27,874
Dilutive effect on Weighted average number of equity shares outstanding at the end of the year* **(C)**	2,25,932	68,533
Number/Weighted average number of diluted equity shares outstanding at the end of the year* **(D = B + C)**	4,36,49,760	4,33,96,407
Nominal value of equity shares*	₹ 5	₹ 5
Basic Earning per share **(A/B) (in ₹)**	40.26	34.45
Diluted Earning per share **(A/D) (in ₹)**	40.05	34.40

*The basic and diluted earnings per share and number of shares used for computation of the EPS have been adjusted retrospectively to give effect to the sub division of shares from ₹ 10 face value to ₹ 5 face value.

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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)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Employer's Contribution to Provident Fund/ Pension Fund	1,702.58	1,527.51
Employer's Contribution to Employee State Insurance	344.95	295.76
Employer's Contribution to Welfare Fund	17.26	16.62
Total	**2,064.79**	**1,839.89**

The contribution payable to these schemes by the Group are at the rates specified in the rules of the schemes.

b) Employee Benefit Obligation in case of Pearl Global (HK) Limited

Policy for the Group's operation in the Republic of Indonesia

The Group determines its post-employment benefits obligation under the Labor Law of the Republic of Indonesia No. 13/2003. The cost of providing post-employment benefits is determined using "Projected Unit Credit" method. Actuarial gains or losses are 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.

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 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 (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.

(All amounts are in ₹ Lakhs, unless otherwise stated)

Change in benefit obligation	As at March 31, 2024		As at March 31, 2023	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Opening defined benefit obligation	1,109.00	1,525.13	916.76	1,345.90
Adjustment in opening obligation	-	102.14	-	7.76
Interest cost	81.62	146.45	68.85	94.55
Service cost	348.57	480.89	277.97	220.65
Past Service cost	-	(36.12)	-	(26.00)
Benefits paid	(143.29)	(235.52)	(104.27)	(139.17)
Foreign currency translation reserve	-	(45.41)	-	(87.97)
Actuarial (gain) / loss on obligations	(47.16)	41.20	(50.30)	109.41
Present value of obligation as at the end of the year	**1,348.74**	**1,978.76**	**1,109.00**	**1,525.13**

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:

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Cost for the year included under employee benefit

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2024		As at March 31, 2023	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Current service cost	348.57	480.89	277.97	220.65
Past service cost	-	(36.12)	-	(26.00)
Interest cost	67.19	146.45	48.33	94.55
Expected return on plan assets	-	-	-	-
Actuarial (gain) / loss	-	-	-	-
Net cost	**415.76**	**591.22**	**326.30**	**289.20**

f) Changes in the fair value of the plan assets are as follows:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Fair value of plan assets at the beginning	196.09	-	273.25	-
Difference amount in opening fund	-	-	-	-
Expected return on plan assets	14.43	-	20.52	-
Contributions	101.92	-	7.19	-
LIC charges	(2.94)	-	(3.65)	-
Benefits paid	(143.29)	-	(104.27)	-
Actuarial gains / (losses) on the plan assets	(0.65)	-	3.05	-
Fair value of plan assets at the end	**165.56**	**-**	**196.09**	**-**

g) Detail of actuarial gain/loss recognised in OCI is as follows:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Actuarial (gain) / loss for the year – obligation	(47.16)	41.20	(50.30)	109.41
Actuarial (gain) / loss for the year - plan assets	0.65	-	(3.05)	-
Total (gain) / loss for the year	**(46.51)**	**41.20**	**(53.35)**	**109.41**

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, 2024		As at March 31, 2023	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Present value of obligation	1,348.74	1,978.76	1,109.00	1,525.13
Less: Fair value of plan assets	165.56	-	196.09	-
Net assets /(liability)	**(1,183.18)**	**(1,978.76)**	**(912.91)**	**(1,525.13)**

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, 2024		As at March 31, 2023	
	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)	(136.25)	(1,245.65)	(111.39)	(905.26)
Effect on DBO due to decrease in Discount Rate (1% in funded and 0.5% in unfunded)	162.27	1,346.18	132.39	1,071.22
B. Salary escalation rate				
Effect on DBO due to increase in Salary Escalation Rate (1% in funded and 0.5% in unfunded)	164.10	1,353.24	134.24	1,074.89
Effect on DBO due to decrease in Salary Escalation Rate (1% in funded and 0.5% in unfunded)	(139.95)	(1,245.55)	(114.68)	(907.33)

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 Profile

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 inturn also increase the liability.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawals rates at subsequent valuations can impact defined benefit liability.
Morality and disability	Actual details and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

k) Refer respective standalone financial statements of holding company and the subsidiary companies forming part of the Group for Maturity Profile of Defined Benefit obligation.

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)

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings (Refer to note 21 & 22)	44,514.92	44,838.43
Lease Liabilities (Refer to note 49)	14,323.64	10,933.45
Interest accrued but not due on borrowings (Refer note no. 23)	216.26	137.57
Less: Cash and cash equivalents (Refer to note 17)	(32,795.29)	(25,614.50)
Net debt (A)	**26,259.53**	**30,294.94**
Equity share capital (Refer to note 19)	2,179.18	2,166.39
Other equity (Refer to note 20)	78,023.55	70,080.17
Total Capital (B)	**80,202.73**	**72,246.56**
Capital and net debt (A+B=C)	**1,06,462.26**	**1,02,541.50**
Gearing ratio (A/C)	**24.67%**	**29.54%**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

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/(Liability) As at March 31, 2024	Asset/(Liability) As at March 31, 2023
Fair value of foreign currency forward exchange contract designated as hedging instruments	(6.74)	(303.62)

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, 2024 were assessed to be highly effective and unrealised profit of ₹ 184.28 Lakhs, with a deferred tax asset / (liability) of ₹ Lakhs relating to the hedging instruments, is included in OCI. [March 31, 2023: Unrealised profit of ₹ (-) 595.46 Lakhs with a corresponding deferred tax asset / (liability) of ₹ 149.87 Lakhs].

(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, 2024 (₹ in Lakhs)	4,238.01	12,983.44	5,176.41	2,821.98	2,783.32	28,003.16
Notional amount (in USD in Lakhs)	50.69	155.50	61.60	33.50	33.00	334.29
Average forward rate (USD/₹)	83.61	83.49	84.03	84.24	84.34	83.77
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

(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 2023: 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, 2024 [Asset / (Liability)]	(6.74)
Foreign currency risk forward contract- As at March 31, 2023 [Asset / (Liability)]	(303.62)

(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, 2024 (₹ in Lakhs) Highly probable forecast sales	184.28	Cash Flow Hedge Reserve (OCI)	79.04	Revenue from Operations
As At March 31, 2023 (₹ in Lakhs) Highly probable forecast sales	(595.46)	Cash Flow Hedge Reserve (OCI)	(568.68)	Revenue from Operations

(vi) Impact of hedging on equity

Set out below is the reconciliation 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, 2023	**(188.76)**	**(48.25)**	**(140.51)**
Effective Portion of Changes in fair Value arising from Foreign Exchange Forward Contracts	105.24	26.49	78.75
Amount reclassified to profit & loss	79.04	19.89	59.15
As at March 31, 2024	**(4.48)**	**(1.87)**	**(2.61)**
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)**

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.

(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, 2024			As at March 31, 2023		
		Foreign Currency in Lakhs	₹ in Lakhs		Foreign Currency in Lakhs	₹ in Lakhs
Foreign currency receivable	HKD	-	-	HKD	-	-
	IDR	75,455.50	417.66	IDR	47,512.65	260.97
	BDT	2,326.87	1,763.56	BDT	1,227.45	961.15
	GBP	-	-	GBP	-	-
	SGD	-	-	SGD	-	-
	VND	423,550.58	1,422.93	VND	21,746.48	76.20
	CNY	-	-	CNY	-	-
	USD	-	-	USD	-	-
Foreign currency payable	HKD	-	-	HKD	-	-
	IDR	25,680.07	135.05	IDR	89,136.65	489.60
	VND	824,465.57	2,769.81	VND	6,96,550.70	2,440.67
	EUR	-	-	EUR	-	-
	BDT	5,500.10	4,168.57	BDT	5,604.95	4,388.94

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. FAIR VALUE MEASUREMENTS

I Financial instruments

a) Financial instruments by category

Except Investment in equity instruments (Quoted) and investment in mutual funds which are measured at fair value through profit or loss, all other financial assets and liabilities viz. trade receivables, security deposits, cash and cash equivalents, other bank balances, interest receivable, other receivables, trade payables, employee related liabilities and borrowings, are measured at amortised cost. Derivative financial instruments 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 in the fair value hierarchy:

As At March 31, 2024

(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 Units and Debt instrument	696.95	-	-	-	696.95	-	696.95	-	696.95
Investments in key man insurance policy	2,299.23	-	-	-	2,299.23	-	2,299.23	-	2,299.23
Financial Assets at Fair Value through OCI - Cash Flow Hedge	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value									
Investment in government securities	-	-	0.47	-	0.47	-	-	-	-
Loan to employees	-	-	108.77	-	108.77	-	-	-	-
Loan to Others	-	-	2,164.40	-	2,164.40	-	-	-	-
Security Deposits	-	-	2,289.17	-	2,289.17	-	-	-	-
Interest accrued but not due on term deposits	-	-	89.01	-	89.01	-	-	-	-
Deposits with original maturity of more than 12 months	-	-	84.59	-	84.59	-	-	-	-
Trade receivables	-	-	26,535.45	-	26,535.45	-	-	-	-
Cash and cash equivalents	-	-	32,795.29	-	32,795.29	-	-	-	-
Other bank balances	-	-	3,854.99	-	3,854.99	-	-	-	-
Other Financial assets	-	-	8.43	-	8.43	-	-	-	-
	2,996.18	**-**	**67,930.57**	**-**	**70,926.75**	**-**	**2,996.18**	**-**	**2,996.18**
Financial liabilities measured at fair value									
Financial Liabilites at Fair Value through OCI - Cash Flow Hedge	6.74	-	-	-	6.74	6.74	-	-	6.74
Financial liabilities not measured at fair value									
Borrowings	-	-	-	44,514.92	44,514.92	-	-	-	-
Lease Liabilities	-	-	-	14,323.64	14,323.64	-	-	-	-
Security Deposits	-	-	-	122.78	122.78	-	-	-	-
Book overdraft	-	-	-	215.17	215.17	-	-	-	-
Interest accrued but not due on borrowings	-	-	-	216.26	216.26	-	-	-	-
Unpaid dividends	-	-	-	34.59	34.59	-	-	-	-
Trade payables	-	-	-	48,644.67	48,644.67	-	-	-	-
Creditors for capital goods	-	-	-	155.59	155.59	-	-	-	-
Others	-	-	-	1,651.91	1,651.91	-	-	-	-
	6.74	**-**	**-**	**1,09,879.53**	**1,09,886.27**	**6.74**	**-**	**-**	**6.74**

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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	2,444.71	-	-	-	2,444.71	-	2,444.71	-	2,444.71
Financial assets not measured at fair value									
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	-	-	-	-
	4,583.11	**1,392.53**	**54,574.37**	**-**	**60,550.01**	**2,615.46**	**3,360.18**	**-**	**5,975.64**
Financial liabilities measured at fair value									
Financial Liabilites 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	-	-	-	-
Lease Liabilities	-	-	-	10,933.45	10,933.45	-	-	-	-
Security Deposits	-	-	-	126.46	126.46	-	-	-	-
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**

c) The holding 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 holding 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, 2024 and March 31, 2023.

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.

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 continuosly 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 continuosly monitoring the credit worthiness of the customers, to whom the Group grants credit period in the normal course of business inlcuding taking credit insurance against export receivables. The Group uses expected credit loss model to assess the impairement loss in trade receivables and makes an allowance of doubtful trade receivables using this model.

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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, 2024 and March 31, 2023 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, 2024 (₹ in Lakhs)	Guarantee Valid Upto
SCB Bank, Hongkong Branch	Pearl Global (HK) Limited	Securing Credit Facilities	USD 20.00 Lakhs equivalent to ₹ 1667.4 Lakhs	February 04, 2025
Vietnam Technological and Commercial Joint Stock Bank	Pearl Global Vietnam Company Limited	Securing Credit Facilities	USD 55.00 Lakhs equivalent to ₹ 4585.35 Lakhs	August 27, 2024
Heng Seng Bank Limited, Hong Kong	DSSP Global Limited	Securing Credit Facilities	USD 30.00 Lakhs equivalent to ₹ 2501.1 Lakhs	December 25, 2025
Heng Seng Bank Limited, Hong Kong	DSSP Global Limited	Securing Credit Facilities	USD 20.00 Lakhs equivalent to ₹ 1667.4 Lakhs	May 12, 2025

- 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.

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, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	20,695.33	13,399.50	9,820.50	599.60	**44,514.93**
Lease Liabilities	336.74	1,320.11	4,915.22	7,751.57	**14,323.64**
Trade payables	44,976.06	3,668.61	-	-	**48,644.67**
Other financial liabilities	588.26	40.09	1,774.69	-	**2,403.04**
Total	**66,596.39**	**18,428.31**	**16,510.41**	**8,351.17**	**1,09,886.28**

As At March 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	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**

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, 2024 and March 31, 2023.

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 before tax
March 31, 2024	+50	223.38
	-50	(223.38)
March 31, 2023	+50	253.13
	-50	(253.13)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. Foreign currency risk senstivity 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, 2024	+5%	173.46
	-5%	(173.46)
March 31, 2023	+5%	301.04
	-5%	(301.04)

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, 2024 and March 31, 2023 is as follows:

Particulars	Bangladesh	Hong Kong	India	Vietnam	Others	Unallocable	Total	Elimination	Total
Segment Sales	7,086.76	2,49,986.43	71,733.40	615.52	14,193.01	-	3,43,615.11	-	3,43,615.11
	(9,994.44)	(2,25,845.86)	(70,938.65)	(6,310.51)	(2,751.45)	-	(3,15,840.92)	-	(3,15,840.92)
Inter Segment Sales	1,32,201.55	25,951.10	23,942.16	49,217.00	7,722.08	-	2,39,033.89	2,39,033.89	-
	(99,929.69)	(26,572.87)	(40,612.31)	(32,496.85)	(11,860.50)	-	(2,11,472.22)	(2,11,472.22)	-
Total Segment Sales	**1,39,288.32**	**2,75,937.52**	**95,675.55**	**49,832.52**	**21,915.09**	**-**	**5,82,649.00**	**2,39,033.89**	**3,43,615.11**
	(1,09,924.13)	**(2,52,418.73)**	**(1,11,550.97)**	**(38,807.36)**	**(14,611.94)**	**-**	**(5,27,313.13)**	**(2,11,472.22)**	**(3,15,840.92)**
Other Income	239.27	(36.03)	4,225.62	562.40	2,207.52	-	7,198.77	3,959.43	3,239.35
	(206.82)	(407.27)	(3,007.80)	(1,285.92)	(607.48)	-	(5,515.29)	(3,234.29)	(2,280.99)
Total Segment Revenue	**1,39,527.59**	**2,75,901.49**	**99,901.17**	**50,394.91**	**24,122.61**	**-**	**5,89,847.78**	**2,42,993.32**	**3,46,854.46**
	(1,10,130.95)	**(2,52,826.00)**	**(1,14,558.76)**	**(40,093.28)**	**(15,219.42)**	**-**	**(5,32,828.42)**	**(2,14,706.52)**	**(3,18,121.90)**
Total Revenue of each segment as a percentage of total revenue of all segment	23.65	46.78	16.94	8.54	4.09	-	100.00	-	-
	(20.67)	(47.45)	(21.50)	(7.52)	(2.86)	-	(100.00)	-	-
Total Segment Operative Profit	14,564.39	8,387.12	7,227.00	3,758.10	20.47	-	33,957.08	-	33,957.08
	(11,012.72)	(4,359.74)	(10,333.68)	(2,301.19)	(3,474.30)	-	(29,180.44)	-	(29,180.44)
Depreciation	2,460.80	175.43	2,439.97	466.12	877.46	-	6,419.78	-	6,419.78
	(2,122.50)	(229.65)	(1,888.66)	(192.81)	(644.01)	-	(5,077.64)	-	(5,077.64)
Total Segment Result before Interest & Taxes	12,103.59	8,211.69	4,787.03	3,291.98	(856.99)	-	27,537.30	-	27,537.30
	(8,890.22)	(4,130.09)	(8,445.02)	(2,108.38)	(529.10)	-	(24,102.81)	-	(24,102.81)
Total EBIT of each segment as a percentage of total EBIT of all segment	43.95	29.82	17.38	11.95	(3.11)	-	100.00	-	-
	(36.88)	(17.14)	(35.04)	(8.75)	(2.20)	-	(100.00)	-	-
Net Financing Cost	-	-	-		-	-	-	-	8,331.33
	-	-	-		-	-	-	-	(6,517.89)
Income Tax Expenses	-	-	-		-	-	-	-	2,293.61
	-	-	-		-	-	-	-	(2,285.70)
Profit for the Year	-	-	-		-	-	-	-	16,912.36
	-	-	-		-	-	-	-	(15,299.22)
Segment Assets*	66,110.24	44,862.85	71,234.94	21,307.49	17,215.53	(22,184.79)	1,98,546.26	-	1,98,546.26
	(56,132.30)	(32,678.71)	(65,182.68)	(20,164.69)	(8,962.98)	5,057.17	(1,78,064.19)	-	(1,78,064.19)
Segment Assets as a percentage of Total assets of all segments	33.30	22.60	35.88	10.73	8.67	(11.17)	100.00	-	-
	(31.52)	(18.35)	(36.61)	(11.32)	(5.03)	2.84	(100.00)	-	-
Segment Liabilities*	30,301.53	25,587.76	23,366.10	11,978.97	6,760.34	18,805.67	1,16,800.38	-	1,16,800.38
	(27,863.36)	(9,494.66)	(19,256.68)	(11,202.65)	(1,585.89)	(34,383.71)	(1,03,786.95)	-	(1,03,786.95)
Segment Liabilities as a percentage of Total Liabilities of all segments	25.94	21.91	20.01	10.26	5.79	16.10	100.00	-	-
	(26.85)	(9.15)	(18.55)	(10.79)	(1.53)	(33.13)	(100.00)	-	-

Particulars	Bangladesh	Hong Kong	India	Vietnam	Others	Unallocable	Total	Elimination	Total
Segment Capital Employed	35,808.71	19,275.09	47,868.84	9,328.52	10,455.19	(40,990.46)	81,745.89	-	81,745.89
	(28,268.94)	(23,184.05)	(45,926.00)	(8,962.04)	(7,377.09)	39,440.89	(74,277.23)	-	(74,277.23)
Segment Capital Employed as a percentage of Total capital employed of all segments	43.80	23.58	58.56	11.41	12.79	(50.14)	100.00	-	-
	(38.06)	(31.21)	(61.83)	(12.07)	(9.93)	53.10	(100.00)	-	-
Capital Expenditure	2,913.90	1,271.87	4,947.46	1,266.00	1,399.98	-	11,799.21	-	11,799.21
	(4,856.12)	(1,100.95)	(2,780.47)	(1,118.35)	(1,285.70)	-	(11,141.59)	-	(11,141.59)
Segment Capital Expenditure as a percentage of Total capital expenditure of all segments	24.70	10.78	41.93	10.73	11.87	-	100.00	-	-
	(43.59)	(9.88)	(24.96)	(10.04)	(11.54)	-	(100.00)	-	-

*Unallocable segment assets and liabilities have been merged with inter-segment assets and liabilities respectively.

b) The Group revenue from sale of garments to external customer are as follows:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Local Customers	2,511.56	555.57
Foreign Customers	3,41,103.55	3,04,142.36
	3,43,615.11	**3,04,697.93**

c) Non- current assets are located within India and outside India:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Non Current Assets		
- within India	27,967.32	24,668.32
- outside India	42,685.01	37,278.67

d) Revenue from major customer: During the year the Group generates 90% of its external revenues from 17 customers (March 31, 2023: 15 customers).

46. CONTINGENT LIABILITIES AND COMMITMENTS

a) Contingent liabilities (To the extent not provided for)

I (i) The respective companies has reviewed all its pending claims, litigations and other proceedings and has adequately provided for wherever required. The respective companies does not expect the outcome of these proceedings to have a material or adverse effect on financial position of the Company. In certain cases, it is difficult for the respective companies to estimate the timings of cash outflows, if any, as it is determinable only on receipt of judgement/ decisions pending with various forums/authorities. 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, 2024	As at March 31, 2023
-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

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-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 tax liability	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) The demand was deleted vide order u/s 154 r.w.s 143(3) of the Income Tax Act,1961 dated 14.12.2023.	-	33.30
-Tax Demand as per Sec 154 of Income Tax Act, 1961 (with respect to Assessment Year 2018-19) - Appear pending before CIT(A) The demand was adjusted against refund during the year.	-	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	2.90
-Demand as per TDS (TRACES) portal - CPC	14.13	2.86

(ii) Various legal cases of labour pending at labour Court, Civil Court and High Court. The group has assesed 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)

	Particulars	As at March 31, 2024	As at March 31, 2023
II	Irrevocable letter of credit outstanding with banks (net of margin)	17,963.90	15,473.16
III	Counter Guarantees given by the group to the Sales Tax Department for entities over which Key Managerial Personnel have Significant influence		
	- For enterprise	1.00	1.00
	- For others	0.50	0.50
IV	The group is provided with financial guarantee of Taka 2,079,601(equivalent to ₹ 15.76 Lakhs) as at March 31, 2024 (March 31, 2023: ₹ 17.43 Lakhs) by HSBC to clear the goods from customs		

b) Commitments

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Commitment: Estimated amount of contracts remaining to be executed on the capital account (net of capital advances of ₹ 245.55 Lakhs) (March 31, 2023 : ₹ 106.77 Lakhs)	467.55	294.66

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 in 2022-23)(Refer Note (g) below)	
	Sead Apparels Private Limited (Refer note (h) below)	
	Overseas (Direct)	
	Pearl Global Fareast Limited	
	Pearl Global (HK) Limited	
	Norp Knit Industries Limited	
	Pearl Global USA, Inc.	
	Pearl GT Holdco Ltd (Refer note (i) below)	
	Overseas (Indirect)	
	A & B Investment Limited	
	Pearl Global F.Z.E. (Liquidated w.e.f November 08, 2023)	
	DSSP Global Limited	
	Pearl Global Vietnam Company Limited	
	Pearl Unlimited Inc.	
	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 Limted (w.e.f September 04, 2022)	
	Trinity Clothing Limited (w.e.f May 10, 2023)	
	Corporacion de Productos Y Servicios Asociados, Sociedad Anonima (CORPASA)	
	Shoretex, Sociedad Anonima (SHORETEX)	
	Pearl Global Industries FZCO	
Enterprise over which Key Managerial Personnel exercise Significant influence	PDS Limited (Formerly PDS Multinational Fashions Limited)	
Key Management Personnel (KMP) & their relative	Mr. Deepak Kumar Seth	Chairman
	Mr. Pulkit Seth	Vice Chairman, Non-Executive Director
	Ms. Shifalli Seth	Non-Executive Director
	Mr. Pallab Banerjee	Managing Director
	Mr. Uma Shankar Kaushik	Whole-Time Director (till January 10, 2022)
	Mr. Shailesh Kumar	Whole-Time Director
	Mr. Deepak Kumar	Whole-Time Director
	Mr. Sanjay Gandhi	Group Chief Financial Officer
	Mr. Narendra Kumar Somani	Chief Financial Officer
	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) Enterprise over which KMP has Significant Influence

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Dividend Received	-	18.17

(ii) Key Management Personnel (KMP)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Short-term employee benefits	574.49	458.95
Share Based Payments	503.80	-
Expenses paid by the Company on their behalf (EPF Paid)	12.28	8.60
Expenses incurred on behalf of the Company	93.10	45.97
Loan Given	-	100.00
Loan recovered back	100.00	-
Interest Income	5.92	3.51

(All amounts are in ₹ Lakhs, unless otherwise stated)

Closing Balance	As at March 31, 2024	As at March 31, 2023
Loan Receivable (Inclusive of interest)	-	103.51
Trade Payable - Payable to KMP	20.70	10.92

c) Disclosure of transactions between group and related parties during the year which are more than 1% of revenue.

As the transactions between group and related parties does not exceed 1% of revenue, hence disclosure of transactions has not been made.

Terms and conditions of transactions with related parties

d) 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 acturial valuation.

g) 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.

h) During the financial year 2022-23, Investement was made in SEAD Apparels Private limited during the third quarter of 2022-23, making it a wholly owned subsidiary of the Company.

i) During the year, the group had acquired 55% equity interest in substance in Pearl GT HoldCo Limited. Further, Pearl GT Holdco Limited is the Holding Company of Corporacion de Productos Y Servicios Asociados, Sociedad Anonima (CORPASA) and Shoretex, Sociedad Anonima (SHORETEX)

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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 2023-24							
	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	46.65	37,413.31	16.70	2,823.77	(30.29)	147.71	18.09	2,971.48
Subsidiary:								
- Indian								
Pearl Global Kaushal Vikas Limited	(0.00)	(1.33)	(0.00)	(0.75)	-	-	(0.00)	(0.75)
SBUYS E-Commerce Limited	0.51	408.12	1.07	180.76	-	-	1.10	180.76
Sead Apparels Private Limited	(0.02)	(18.11)	(0.11)	(18.44)	-	-	(0.11)	(18.44)
- Foreign								
Norp Knit Industries Limited	27.40	21,977.66	37.21	6,293.40	120.39	(587.04)	34.74	5,706.35
Pearl Global Far East Limited	9.69	7,770.83	1.34	227.28	(38.19)	186.22	2.52	413.51
Pearl Global (HK) Limited	31.17	25,000.70	60.91	10,301.71	78.22	(381.42)	60.40	9,920.29
Pearl Global USA, Inc.	0.28	223.24	(0.19)	(31.30)	(0.68)	3.30	(0.17)	(28.01)
Pearl GT Holdco Limited	(1.24)	(993.45)	(8.11)	(1,371.95)	0.90	(4.40)	(8.38)	(1,376.35)
Subtotal	-	**91,780.97**	-	**18,404.48**	-	**(635.64)**	-	**17,768.84**
Intercompany Elimination & Consolidation	(14.44)	(11,578.24)	(8.82)	(1,492.11)	(30.36)	148.03	(8.18)	(1,344.08)
Total	-	**80,202.73**	-	**16,912.36**	-	**(487.61)**	-	**16,424.76**
Non Controlling Interest in subsidiaries	-	1,543.17	-	571.01	-	(78.31)	-	492.70
Grand Total	-	**81,745.90**	-	**17,483.38**	-	**(565.92)**	-	**16,917.46**

(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 Kaushal 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

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(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
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	(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**

49. LEASES

a) Lease contracts entered by the Group 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	Land	Buildings	Machinery	Office Premises	Vehicle	Total
Gross Block as at April 01, 2022	**2,940.27**	**12,529.14**	**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	248.24	(1,296.87)	3.57	-	-	(1,045.05)
Gross Block as at March 31, 2023	**3,188.51**	**15,265.45**	**217.28**	**-**	**-**	**18,671.25**
Add: Additions during the year	398.44	4,186.38	373.35	505.33	-	5,463.50
Add: Disposals/Adjustments	-	(748.61)	-	498.40	174.05	(76.16)
Add: Exchange Fluctuation	44.96	(309.16)	(7.36)	(2.89)	2.43	(272.02)
Gross Block as at March 31, 2024	**3,631.91**	**18,394.06**	**583.27**	**1,000.84**	**176.48**	**23,786.57**
Accumulated Depreciation/Amortisation :						
As at April 01, 2022	**358.60**	**4,141.34**	**15.03**	**-**	**-**	**4,514.97**
Add: Business Combination	-	10.39	-	-	-	10.39
Add: Depreciation/Amortisation charge for the year	111.57	1,616.07	55.94	-	-	1,783.58
Less: (Disposals) / adjustments during the year	(7.63)	(617.33)	-	-	-	(624.96)
Add/(Less): Exchange Fluctuation/Translation	32.69	(440.19)	1.52	-	-	(405.98)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Right-of-use assets: movements in carrying value of assets	Land	Buildings	Machinery	Office Premises	Vehicle	Total
As at March 31, 2023	**495.22**	**4,710.28**	**72.49**	**-**	**-**	**5,277.99**
Add: Depreciation/Amortisation charge for the year	125.32	1,859.42	99.51	318.15	58.42	2,460.82
Less: (Disposals) / adjustments during the year	-	(342.29)	-	189.41	76.72	(76.16)
Add/(Less): Exchange Fluctuation/Translation	6.20	(53.06)	1.69	(6.40)	2.13	(49.44)
As at March 31, 2024	**626.74**	**6,174.35**	**173.69**	**501.16**	**137.27**	**7,613.21**
Net Block :						
As at March 31, 2024	**3,005.17**	**12,219.71**	**409.58**	**499.68**	**39.21**	**16,173.35**
As at March 31, 2023	**2,693.29**	**10,555.17**	**144.79**	**-**	**-**	**13,393.26**

In 2023-24, there were no impairment charges recorded for right-of-use assets.

Leases: movements in carrying value of recognised liabilities	Amount
As at April 01, 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: (Disposals) / 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**
Add: Additions during the year	5,463.50
Add: Interest expense on lease liabilities	1,365.75
Less: (Disposals) / adjustments during the year	NIL
Less: Repayment of lease liabilities	(3,438.56)
Add: Exchange Realisation/Translation	(0.50)
As at March 31, 2024	**14,323.64**
Non-current lease liabilities	12,666.79
Current lease liabilities	1,656.85
Total lease liabilities	**14,323.64**

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 equipment's, 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 ₹ 723.63 Lakhs (March 31, 2023: ₹ 751.10 Lakhs) has been recognised and included under Other Income. (Refer Note No. 29)

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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, 2024	Year Ended March 31, 2023
Less than one year	778.67	702.26
One to two years	797.30	778.67
Two to three years	841.89	797.30
Three to Four Years	813.25	841.89
Four to five years	670.42	813.25
More than five years	1,973.08	2,643.50

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, 2024	For the Year ended March 31, 2023
Declared for the year:		
Nil (Second Interim dividend declared on May 15, 2023 ₹ 5.00 per share for the financial year 2022-23)	-	1,083.20
[Nil (2022-23 ₹ 5 on 21,663,937 equity shares)](Prior to sub division)		

(b) Proposed Dividend:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
- The directors of PG(HK) proposed final dividend for financial year 2023-24: $ 0.31 per share (2022-23: $ 0.31 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 $ 0.81 per share (2022-23: $ 0.16 per share)	416.10	411.10

(c) No other material events have occurred between the balance sheet date to the date of issue of these financial statements that could affect the values stated in the financial statements.

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, which was approved by the shareholders of the Company vide Postal Ballot on August 28, 2022. Pursuant to the terms of the said plan, the Company had granted 1,280,200 options till date to employees of the holding company. During the year ended March 31, 2024, the holding company has granted 4,54,000* (March 31, 2023: 8,26,200*) stock options to the eligible employees of the Company/subsidiary companies. Each option when exercised would be converted into one fully paid-up equity share of ₹ 5/- 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.

Further,during the year ended March 31, 2024, the group has accelerated the vesting of 135,000 options based on the approval of Nomination and Remuneration Committee in accordance with 'the Plan', due to which an additional amount of ₹ 63.01 Lakhs has been charged to statement of profit and loss account.

The group has recognised an expense of ₹ 860.85 Lakh (March 31, 2023 ₹ 259.51 Lakh) 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, 2024 is ₹ 899.19 Lakh (March 31, 2023: ₹ 259.51 Lakh).

*The movement of options & the fair value assumptions have been restated to give effect of share split of equity shares of face value of ₹ 10 each sub-divided into 2 equity shares of face value of ₹ 5 each held vide shareholder's approval dated December 19 , 2023 through postal ballot.

B. Options granted under ESOP Scheme

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Options outstanding at the beginning of the year	8,26,200	-
Options granted during the year	4,54,000	8,26,200
Options forfeited during the year	-	-
Options expired/lapsed during the year	43,400	-
Options exercised during the year	2,55,650	-
Options outstanding at the end of the year	9,81,150	
Exercisable at the end of the year	75,050	-
For options outstanding at the end of the year		
Exercise price range (₹)	150-375	150
Weighted average remaining contractual life (in years)	2.33 years	3.53 years

C. Fair value of options granted

(i) Fair value of each option is estimated on the date of grant i.e. October 10, 2022, 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)	2.5 years	3 years	3.5 years	4 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*	₹ 230.675			
Fair value of options	122.88	128.645	132.22	135.81

(ii) Fair value of each option is estimated on the date of grant i.e. May 15, 2023, based on the following assumptions:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV
Dividend yield (%)	1.06%	1.06%	1.06%	1.06%
Expected life (years)	3 years	4 years	5 years	6 years
Risk free interest rate (%)	6.83%	6.85%	6.88%	6.91%
Volatility (%)	56.05%	54.82%	53.24%	52.03%
Share price on date of grant*	₹ 222.95			
Fair value of options	114.015	122.855	129.335	134.705

(ii) Fair value of each option is estimated on the date of grant i.e. August 10, 2023, based on the following assumptions:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Vest 1	Vest 2		
		Tranche I	Tranche II	Tranche III
Dividend yield (%)	0.93%	0.93%	0.93%	0.93%
Expected life (years)	3 years	3 years	4 years	5 years
Risk free interest rate (%)	6.99%	6.99%	7.02%	7.03%

NOTES
to consolidated financial statements for the year ended March 31, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Vest 1	Vest 2		
		Tranche I	Tranche II	Tranche III
Volatility (%)	56.73%	56.73%	55.73%	53.73%
Share price on date of grant*	₹ 322.875			
Fair value of options	208.275	171.835	184.97	193.81

(ii) Fair value of each option is estimated on the date of grant i.e. October 10, 2023, based on the following assumptions:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV
Dividend yield (%)	1.17%	1.17%	1.17%	1.17%
Expected life (years)	3 years	4 years	5 years	6 years
Risk free interest rate (%)	7.21%	7.26%	7.29%	7.31%
Volatility (%)	57.23%	56.15%	53.97%	52.38%
Share price on date of grant*	₹ 507.125			
Fair value of options	259.93	280.82	294.315	305.525

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.

D. Expenses arising from share-based payment transactions

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Stock based compensation expense determined under fair value method recognised in statement of profit or loss	899.19	259.51

52. BUSINESS COMBINATION

a) During the year, on June 09, 2023, the Group acquired 55% equity interest in Pearl GT Holdco Ltd. (British virgin Islands). Pearl GT Holdco Ltd. is engaged in the manufacture readymade garments item and allied products and has two wholly owned subsidiaries namely Shoretex, Sociedad Anonima and Corporacion de Productos Y Servicious Asociados, Sociedad Anonima. The acquisition was made as part of the Group's strategy to expand the manufacturing footprints in Guatemala and expecting to benefit from the synergies of broader customer base. The purchase consideration for the acquisition was in the form of cash, with USD$ 550,000 (equivalent to ₹ 451.94 Lakhs) paid at the acquisition date and goodwill on purchase of subsidiary was USD$ 293,969 (equivalent to ₹ 242.30 Lakhs) .

b) During the year, the Group acquired 100% equity interest in Trinity Clothing Limited from a third party. Trinity Clothing is engaged in the trading of fabrics and interlining. The acquisition was made as part of the Group's strategy to expand its business operation, expecting to benefit from the synergies of broader customer base. The purchase consideration for the acquisition was in the form of cash at the acquisition date.

c) During the year, 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 became a wholly- owned subsidiary of Pearl Global (HK) Limited upon completion.

d) During previous year 2022-23, 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

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

(Pulkit Seth)
Vice-Chairman
DIN 00003044

(Pallab Banerjee)
Managing Director
DIN 07193749

(Sanjay Gandhi)
Group CFO
M. No. 096380

(Narendra Somani)
Chief Financial Officer
M. No. 092155

(Shilpa Budhia)
Company Secretary
M. No. ACS - 23564

Place of Signature: Gurugram
Date: May 20, 2024

FORM AOC-1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARY COMPANIES

[Pursuant to first proviso to Sub-Section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014-AOC-1]

(₹ in Lakh)

Sl. No.	Name of Subsidiary	Date of Acquisition	Reporting Period	Reporting Currency	Exchange rate (INR)	Equity Share Capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit/ Loss before taxation	Provision for taxation	Profit / Loss after taxation	Proposed dividend	% of shareholding	Other comprehensive (Expenses) Income	Total Comprehensive income for the Year
1	Pearl Global Kaushal Vikas Limited	18-06-2014	31-03-24	INR	NA	5.00	(6.34)	0.19	1.53	-	-	(0.75)	-	(0.75)	-	100.00	-	(0.75)
2	SBUYS E-Commerce Limited	20-09-2019	31-03-24	INR	NA	1.00	407.12	461.47	53.35	-	390.68	242.59	61.83	180.76	-	100.00	-	180.76
3	Sead Apparels Private Limited	24-06-2022	31-03-24	INR	NA	1.00	(19.10)	227.34	245.44		1.62	(18.38)	0.05	(18.43)	-	100.00		(18.43)
4	Norp Knit Industries Limited	22-03-2006	31-03-24	BDT	0.75790	2,562.63	19,414.77	45,951.34	23,973.94	835.21	91,309.38	7,229.71	936.14	6,293.57	-	99.99	(70.42)	6,223.14
5	Pearl Global Fareast Limited#	16-03-2009	31-03-24	USD	83.3739	4,164.53	3,606.67	8,735.47	964.28	1,189.28	8,245.99	227.28	-	227.28		100.00	81.16	309.01
6	Peal Global (HK) Limited#	22-12-2009	31-03-24	USD	83.3739	7,553.68	20,156.77	82,040.17	54,329.73	18,546.49	2,67,434.23	11,449.50	1,035.51	10,414.00	-	100.00	(768.81)	9,639.76
7	PGIC Investment Limited	16.08.2016	31-03-24	USD	83.3739	0.00	(720.79)	3,986.86	4,707.65	-	-	35.68	-	35.68	-	100.00	-	35.68
8	Pearl Grass Creations Limited	11.07.2016	31-03-24	USD	83.3739	333.50	1,804.05	5,795.07	3,657.52	-	49,803.81	1,542.07	219.69	1,322.38	-	100.00	-	1,322.38
9	Vin Pearl Global Vietnam Limited#	11.07.2016	31-03-24	USD	83.3739	10.00	(305.43)	3,441.39	3,736.81	3,438.59	-	(4.03)	-	(4.03)	-	100.00	-	(4.03)
10	Pearl Global Vietnam Co. Ltd.	01.05.2017	31-03-24	VND	0.00335	2,417.32	3,240.52	21,091.09	15,433.25	-	49,257.85	2,911.36	285.29	2,626.07	-	100.00	-	2,626.07
11	Prudent Fashions Limited	02.03.2017	31-03-24	BDT	0.75790	1,487.58	2,938.74	13,823.51	9,397.19	-	31,225.29	2,388.56	295.73	2,092.83	-	99.95	-	2,092.83

Form AOC-1 (Contd.)

(₹ in Lakh)

Sl. No.	Name of Subsidiary	Date of Acquisition	Reporting Period	Reporting Currency	Exchange rate (INR)	Equity Share Capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit/ Loss before taxation	Provision for taxation	Profit / Loss after taxation	Proposed dividend	% of shareholding	Other comprehensive (Expenses) Income	Total Comprehensive income for the Year
12	DSSP Global Limited#	08-11-2012	31-03-24	USD	83.3739	1,400.78	5,925.45	19,465.04	12,138.81		37,680.59	415.67	45.72	369.95	-	100.00	125.60	495.55
13	PT Pinnacle Apparels	30-03-2006	31-03-24	USD	83.3739	1,462.34	5,599.68	9,378.87	2,316.84	-	11,725.05	196.39	45.72	150.66	-	69.92	125.60	277.15
14	Pearl Global USA Inc.	29-07-2021	31-03-24	USD	83.3739	250.96	(27.70)	2,177.34	1,954.09	-	5,667.31	(19.49)	11.84	(31.33)	-	100.00	-	(31.33)
15	Alpha Clothing Limited	04-09-2022	31-03-24	BDT	0.7579	1,310.31	2,078.60	9,505.14	6,116.22	-	16,723.93	748.55	162.66	585.89	-	76.54*	(77.75)	508.15
16	Pearl GT Holdco Ltd.#	09-06-2023	31-03-24	USD	83.3739	8.34	(1,001.84)	2,920.40	3,913.90	-	1,410.82	(1,371.95)	-	(1,371.95)		55.00	(1,371.95)	(1,381.63)
17	Pearl Global Industries FZCO	08-03-2023	31-03-24	AED	22.7166	22.72	554.17	2,570.69	1,993.80	-	5,987.63	552.36	-	552.36		100.00	-	552.36
18	Trinity Clothing Limited	10-05-2023	31-03-24	USD	83.3739	0.00	88.59	300.29	211.71	-	7,625.68	(1.05)	-	(1.05)		100.00	-	(1.05)

#Figurers are on consolidated basis.

** % shareholding of alpha as on 31st March 2024 is 76.54%. However consolidated 100%, Since purchase consideration paid for remaining 23.46% on 31st July 2024.*

Avarage exchange rate taken for Statement of profit & loss items:-

1US$ = ₹ 82.79

1BDT= ₹ 0.75

1VND = ₹ 0.0034

I AED = ₹ 22.55

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
Date: May 20, 2024

(Sanjay Gandhi)
Group CFO
M. No. 096380

(Narendra Somani)
Chief Financial Officer
M. No. 092155

(Shilpa Budhia)
Company Secretary
M.No.: ACS-23564

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PEARL GLOBAL

Exceeding Expectations...Always

Pearl Global Industries Limited

Registered Office
C-17/1, Paschimi Marg,
Vasant Vihar,
New Delhi - 110 057
CIN: L74899DL1989PLC036849

Corporate Office
'Pearl Tower'
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Gurugram - 122 001,
Haryana