



## 01 Corporate Overview

---

- 01 Delivering Value. Driving Fashion with ESG at Core
- 02 Pearl Global: A Brief Overview
- 04 Journey of Delivering Sustainable Fashion
- 06 Delivering Value Through Operational Excellence
- 08 Diversifying Portfolio to Drive Value Creation
- 10 Delivering Value to Strengthen Relations & Reach
- 11 Driving Growth Through Strengths
- 12 Driving Fashion Through Sustainable Partnerships
- 14 Driving Success, Sustainably
- 16 Chairman's Communique
- 18 Message from the Vice Chairman
- 20 MD's Message
- 22 Group CFO's Message
- 23 Board of Directors
- 24 Delivering Sustainability and Value
- 26 Corporate Information

## 29 Statutory Reports

---

- 29 Management Discussion and Analysis
- 49 Notice
- 60 Directors' Report
- 83 Corporate Governance
- 99 Business Responsibilities Report

## 111 Financial Statements

---

- 111 Standalone
- 186 Consolidated

### Investor Information

Market Cap., as on

March 31, 2022	: ₹ 924 Crores
CIN	: L74899DL1989PLC036849
BSE Code	: 532808
NSE Symbol	: PGIL
Bloomberg Code	: PGIL:IN
Dividend Paid	: Interim
AGM Date	: 26 <sup>th</sup> September, 2022
AGM Mode	: Video Conferencing/OAVM



Disclaimer: This document contains statements about expected future events and financials of Pearl Global Industries Limited, 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.



Choices of any kind are individual. Yet, each choice holds the potential to affect others at large. At Pearl Global, we are in the business of fashion – an industry that is all about catering to individual styles. And as one of the leading industry players, we have chosen to meet our customers’ requirements, which we do, sustainably.

At Pearl Global, we are in the business of fashion – an industry that is all about catering to individual styles. And as one of the leading industry players, we have chosen to meet our customers’ requirements, which we do, sustainably.

As a conscious business, our value lies in the quality we deliver while delivering sustainable fashion. We truly believe innovation is key for the competitive circular future of the fashion industry. This is why we are actively working to find solutions and searching for new partnerships, processes and materials to co-create value for all with the least planetary impact. The fashion industry being the 4<sup>th</sup> largest sector in the world, holds the potential to change how fashion is perceived among buyers globally. We, at Pearl Global, through our eco-friendly endeavours, resources and processes, are advancing in this direction, responsibly.

In this era of competition, we are making a difference by making conscious decisions and keeping the planet & safety of people at the core.

With this approach, we are no longer just a fashion company, but have transformed into a global innovation brand powered by core value.

We hold an advanced capacity to bring about a change by ‘transforming the world of fashion!’. We believe it is important to cater to fashion needs, while maintaining stability & sustainability.

Our marketable insights and customers around the globe are supporting us in being a multinational apparel manufacturing company. We are empowered by standing on our core value ESG and being ecologically responsible and innovative. Thus, helping us drive long-term value for our stakeholders, while transforming the way fashion is perceived globally.

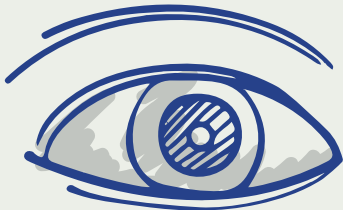
Our primary goal is to foster an environment of creativity and sustainability amid the dynamic fashion industry. With ESG at our core, we are confident about unfolding our future growth prospects.

Thereby, driving a comprehensive approach that entails and addresses both our organisational goals and the business’ impact on our surroundings. We are certain of delivering value and driving fashion with ESG at our core. This is what we have been doing and this is what we always will.



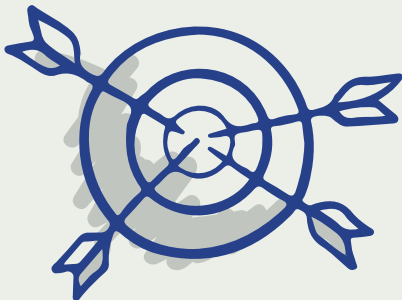


Pearl Global is in the business of adding glamour to everyday life. We deliver confidence, style and trends through our services but we do it responsibly. In an era of fast fashion, we are among the drivers of conscious fashion. As one of the leading multinational apparel manufacturing company, we are the one-stop providers of supply chain solutions to leading global brands – Delivering long-term value through our sustainability-led endeavours. Simply put, we add ethics, environmental friendliness, and all other small steps that come together to make a big difference towards the necessity called sustainability.



## Vision

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



## 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



# What We Do?

**Customised Solutions:** The biggest pillar for our operations is providing customised solutions as per need

**Strong Analytics:** Facts-driven analytics help us drive insights and conclusions for projects

**Infrastructure:** Installed state-of-the-art renewables technology in all factories for faster operations

**Planning and Execution:** Customised solutions are carefully prepared with the help of in-house experts and R&D

**Sustainable Care:** Adopted the world's leading processing standard for textiles made from organic fabric to provide sustainable solutions

**Performance Management:** The team at Pearl Global strategies, plans, performs, and monitors processes at every stage to ensure seamless functioning

**Strategically Established Design Units:** Established presence across Hong Kong, U.S.A. (New York), U.K., Spain, India, Vietnam, Indonesia & Bangladesh

8 Countries

Global Presence

32,000+

Workforce

21

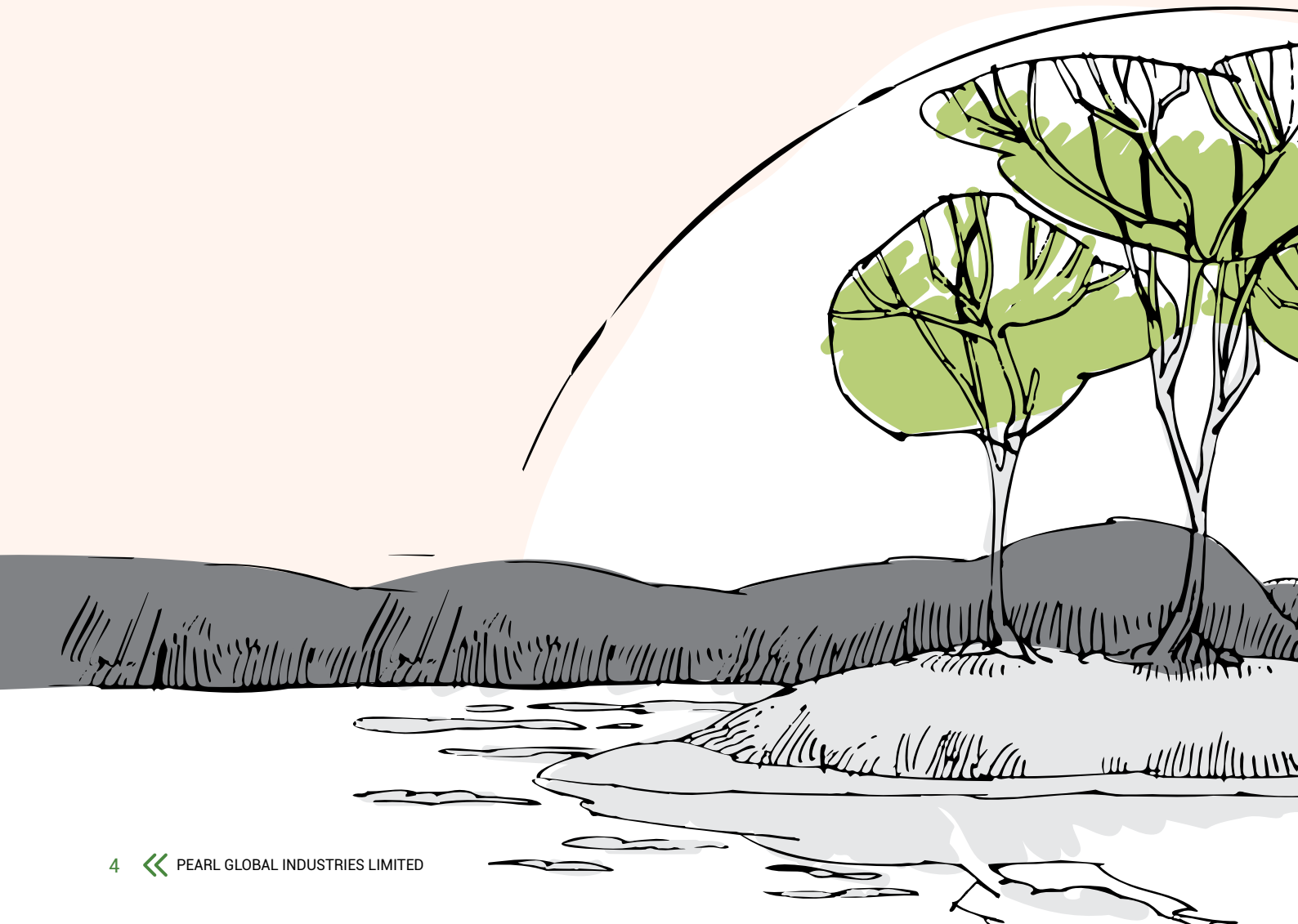
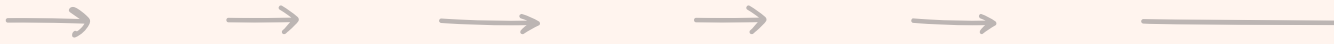
Manufacturing Units

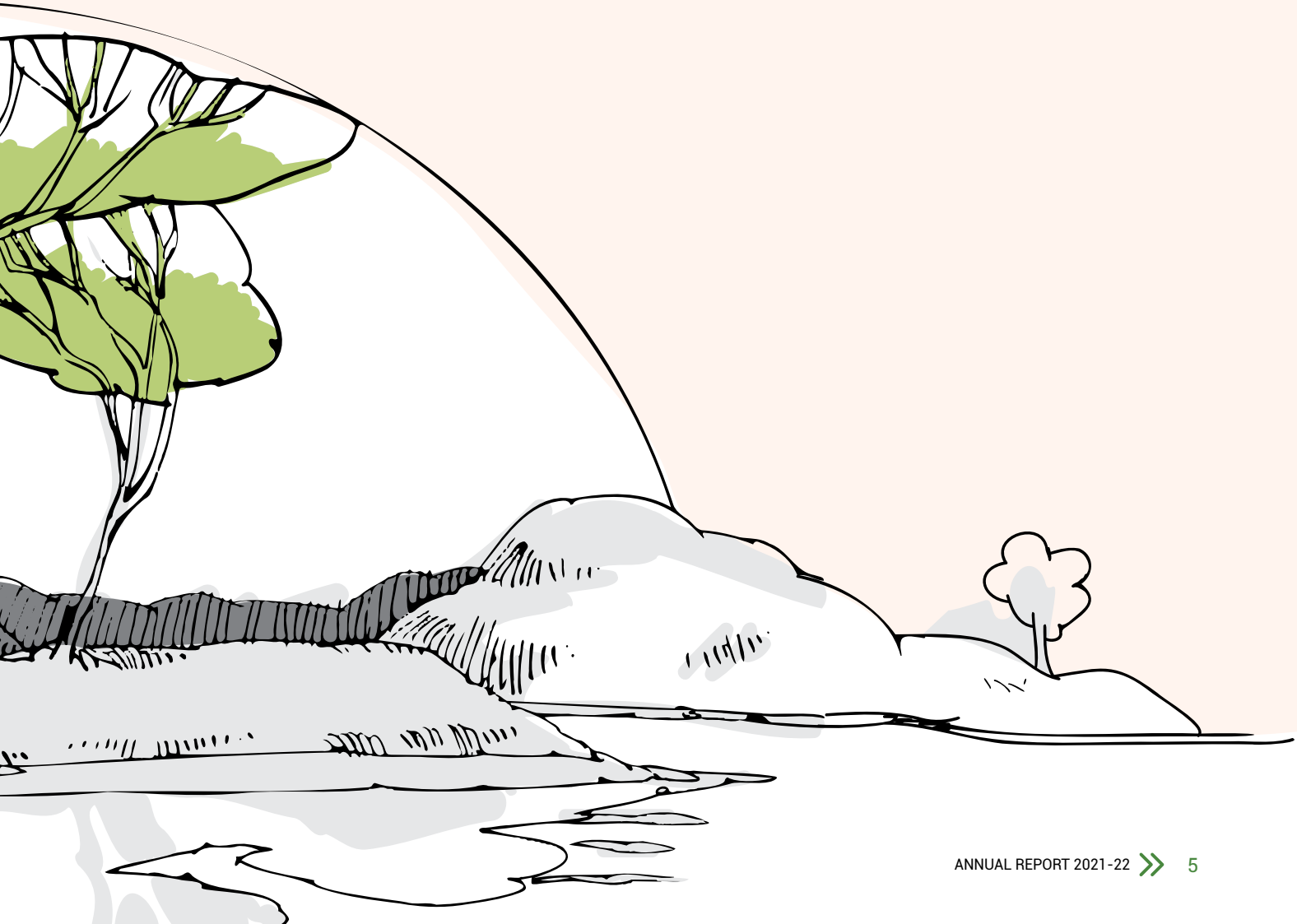
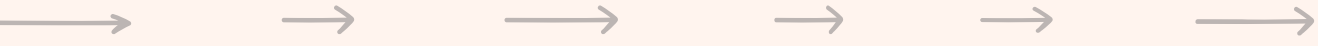
75

Designers, Globally

80+ Million Units

Unit Capacity Annually








We strive to achieve operational excellence through a well-managed manufacturing process that enables us to carry out bulk production. This makes the Company competent to serve some of the world's largest clients in the fashion industry. With this prowess, the Company balances technology, innovation, talent, planning, cross-operations, and communication to deliver value, sustainably.

Pearl Global's manufacturing facilities are designed specifically for high-quality bulk production. As a textile and clothing manufacturer, the Company is at the forefront of textile innovation and sustainability. The Company pursues scalable expansion, while ensuring that our factories are equipped with the necessary resources at all times to carry out activities such as knitting, washing, and drying fabric – obtained from strategic locations.

### Global Presence Across 8 Countries

- 1 U.S.A. (New York)
- 2 The U.K.
- 3 Spain
- 4 India (Gurugram, Chennai, Bangalore)
- 5 Bangladesh
- 6 Vietnam
- 7 Indonesia
- 8 Hong-Kong

 Click locations on the Map



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.





## Manufacturing Facilities









Location	No. of Units	Annual Capacity in Pieces	Specialisation
India	8	28 Million	Woven and knitted products, including women's fashion wear, men's wear, and kid's wear. South Indian factories make women's tops and dresses.
Bangladesh	8	45 Million	Woven and knitted tops and bottoms for men, women, and kids
Vietnam	3	4.5 Million	Multiple products, including outerwear and jackets, including down jackets, woolen jackets & coats, seam-sealed jackets, puffers, parka's, blazers, anoraks, swim trunks, and synthetic bottoms
Indonesia	2	3 Million	Women's professional wear, performance wear, activewear, woven tops & dresses, sleepwear, and loungewear





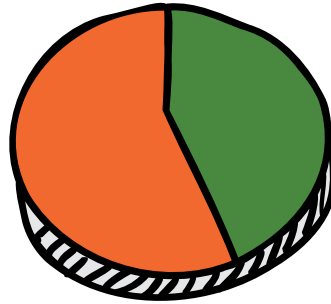
Through the years, Pearl Global has been working with passion and ethics, while designing apparel for individuals of all ages, sizes, and genders through a well-diversified portfolio. We refine our craft consistently while creating top-notch apparel for worldwide brands through sustainable solutions. Through our extensive product portfolio, the Company is driving value creation for our stakeholders, ensuring world-class quality and customer satisfaction.

### Offerings across

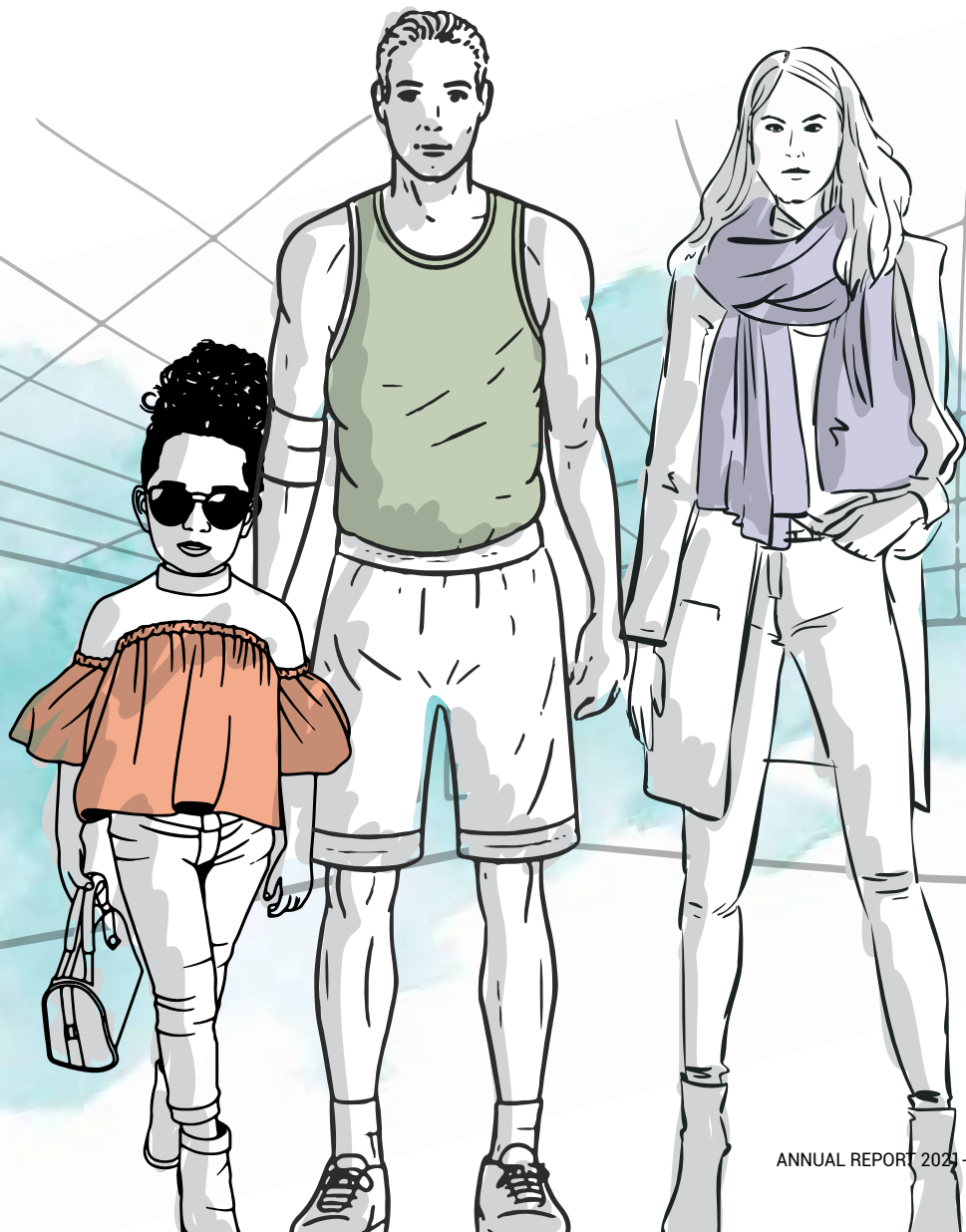
-  Knits
-  Wovens
-  Denim
-  Outerwear
-  Activewear and Athleisure
-  Sleepwear and Lounge
-  Workwear
-  Children's wear

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

## Product-wise Split



Hong Kong	Design studios and sales offices
Spain	Denim jackets, denim bottoms, and more
The U.K.	Jerseys, wovens, denims, outerwears, sleepwears, loungewears, beachwears, and kids' wear
New York	Market intelligence for knits, wovens, denims, outerwears, activewears, sleepwears/loungewears, and children's wear category





Over the years, Pearl Global has established a strong and wide industrial presence. Today, the Company's clientele includes some of the most renowned companies on a global scale. We meet our clients' diversified and ever-evolving requirements by carefully identifying and catering to the ongoing trends, serving a rich clientele worldwide.

### Large-Format



### High-Fashion Speciality Retailers



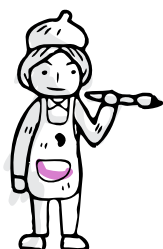


The Company is consistently growing on the back of our strengths that enabled us to attain market distinction, and long-term success. The following factors play a key role in helping the Company stand out in the market:



### Multinational Presence

We have established our presence at multiple global locations, with 21 manufacturing facilities spread across four nations. Being an end-to-end supply chain provider, these facilities are present in two of the four supply chain sectors. As a result, these facilities help the Company deliver products with a much faster turnaround time – leading to an increased wallet share of existing customers.



### Robust Design Team

To fulfil and meet both local and global fashion trends, the Company's robust design team emphasise on a comprehensive market intelligence analysis conducted by our talented design personnel. This analysis includes gathering and assessing data from both large and regional areas, enabling Pearl Global to capitalise on these insights. The Company integrates technology like 3D CAD rendering, 3D optitex, CLO, and Browzwear with raw talent and insights to create final product. A robust design team, therefore allows the business to achieve success by delivering a worthy performance and acquiring more customer for a broadened industry presence.



### Shift Towards Asset Light Model

Shifting to an asset-light business has provided an impetus for the Company to expand into new geographies and penetrate deeper into existing markets. This model serves as the Company's core strength and has helped Pearl Global master its partnership model. Thereby, propelling the business to the next stage of growth, reducing our lead time and improving return ratios in the process.



### Strong Customer Relationship

The Company has established a long-term collaboration with well-known big retail format stores such as Kohl's, Macy's, Target Australia, and others, as well as specialised retail format stores such as Bershka, Gap, Old Navy, and others. Pearl Global's solid and long-standing customer relationships enable us to introduce new product categories to a ready number of customers easily.



Any partnership can make a huge difference, when it brings the expertise of two individuals. Partnerships are all about doing what one does better and continue doing more of it.

Pearl Global benefits from the synergies resulting from the Company's partnerships. The Company's partnership model enables us to build value, manage frameworks, and offer high-quality output by using the available capacity and resources comprehensively. This helps the Company develop strategies with collective efforts for better growth, bring the best each one offers to the table.

### Pearl Global Contribution

Working capital investment is a critical component of any company's operations that helps it manage short-term financing and investment decisions. Pearl Global's partnership model helps in leveraging the Company's designing and procurement capabilities. Along with the capital investment, the Company also appoints an industrial engineer, whose role is to ensure compliance with industry norms and monitor production processes in line with the set guidelines.

### Partnering Company's Contribution

As Pearl Global continues to collaborate and engage with different companies globally, the partnering company prudently manages capex and labour expenses in the local setup. As a result of this arrangement, Pearl Global enjoys the benefits of an asset light model while also offering the best of both the worlds.







## Synergies Derived from Partnership Model



Faster  
turnaround  
time



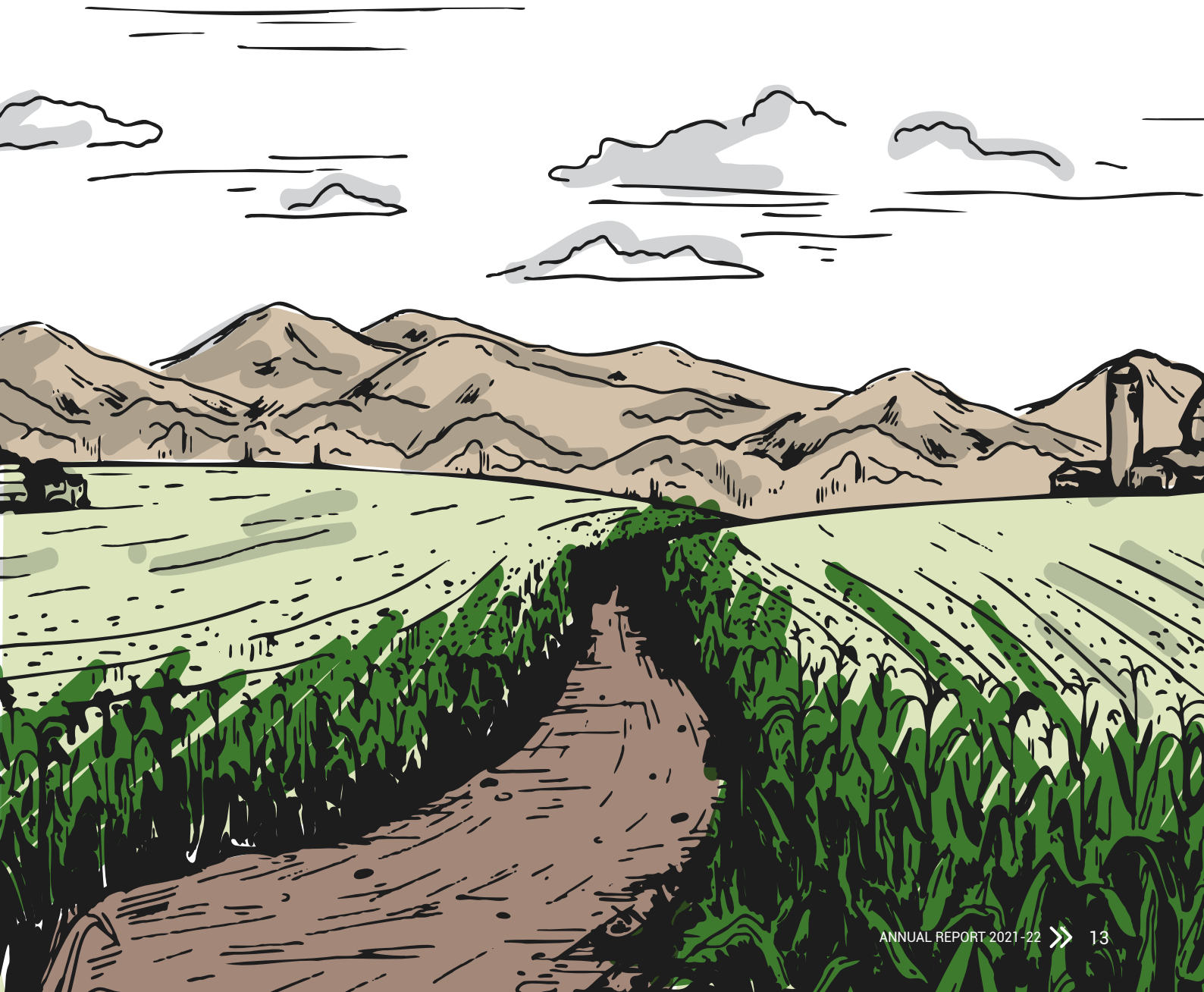
Asset light  
model



Capacities in  
proximity to supply  
chain area



Better return  
ratios

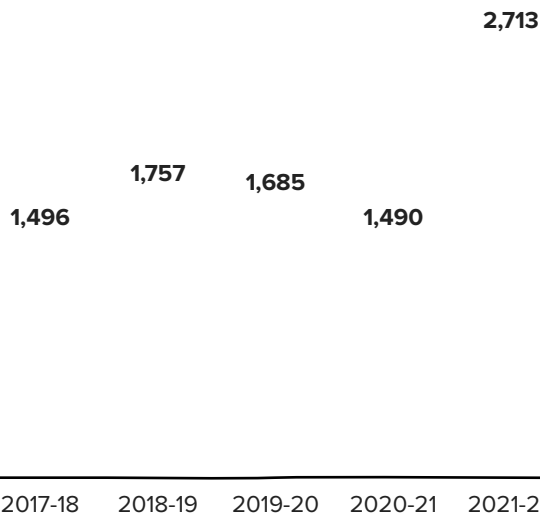




In the year 2021-22, termed the year of recovery since the Covid-19 pandemic, the Company registered an admirable performance. While other businesses were still recovering, the Company established a goal and persistently worked towards achieving it. Pearl Global believes in driving success sustainably, and is hence focused on optimising allocation of resources, maintaining topline, and delivering significant output/results consistently.

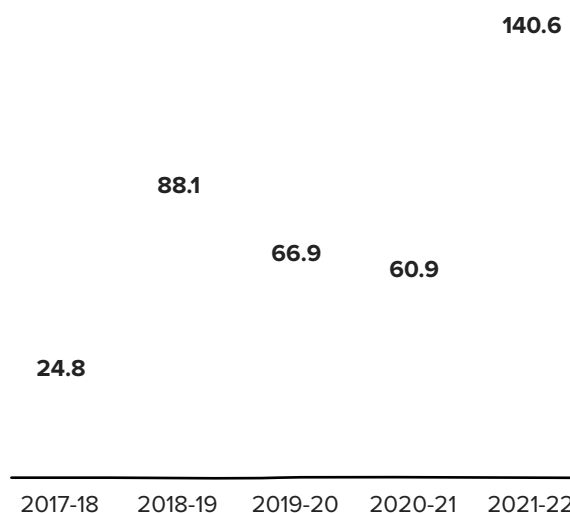
### Revenue from Operations

(₹ in Crores)



### EBITDA

(₹ in Crores)

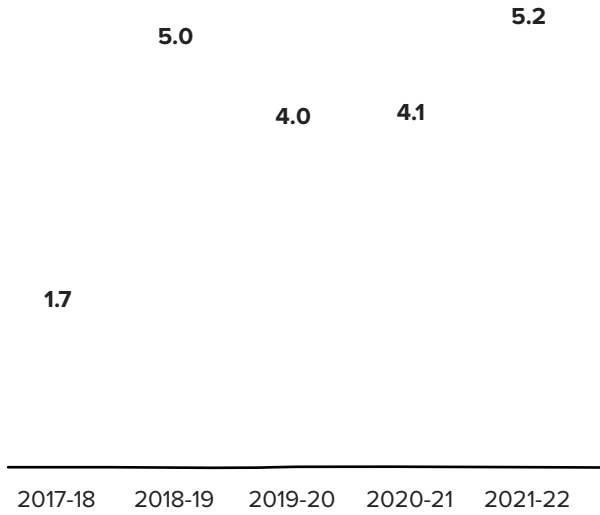






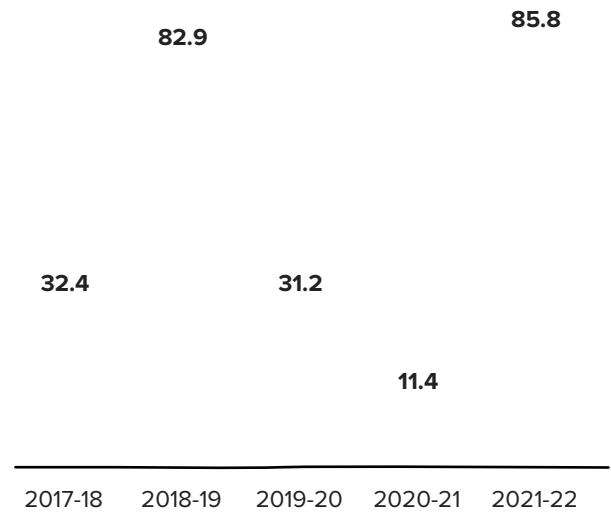
### EBITDA Margin

(%)



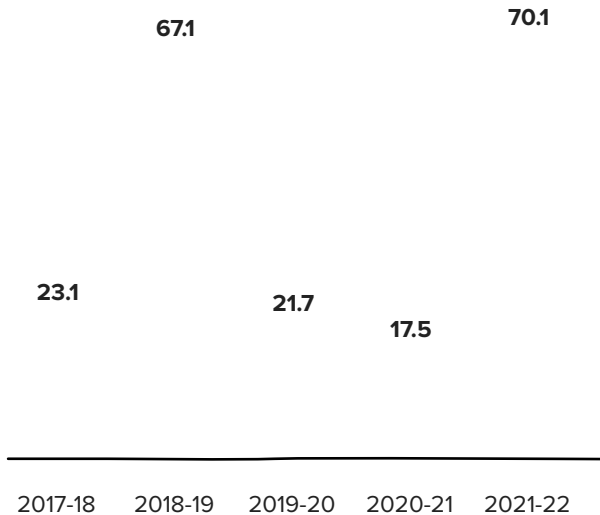
### PBT

(₹ in Crores)



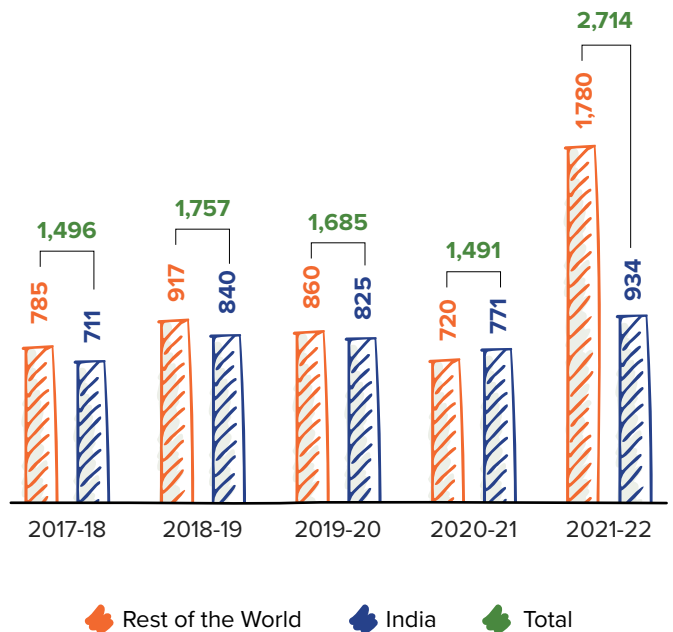
### PAT

(₹ in Crores)



### Geographical Revenue Split

(₹ in Crores)





At Pearl Global, 2021-22 was a year of records both in the financial and extra-financial spheres – thanks to our robust and balanced business model and the strategic choices made over the past few years. Our agility and resilience helped us remarkably overcome the crisis while continuing on our virtuous path. The exceptional financial performance achieved in 2021-22 – a combination of strong sales growth, market share gains, pieces shipped and a record increase in profitability – enabled us to pursue our dynamic shareholder return policy. In continuation, we made tremendous progress in sustainable development, gender equality and inclusion. We must continue accelerating our growth course while tackling today's huge environmental and societal challenges. We believe in radically

transforming our Company into an ever-more exemplary, responsible, and supportive corporate citizen.

### **Macroeconomic Environment**

India showcased strong recovery by posting an 8.7% growth. For Indian businesses, the financial year 2021-22 started on a sombre note as the Delta variant led to colossal loss of lives and livelihoods. Fortunately, our vaccination programme gained momentum as the year progressed, and the deadly strain also subsided. By the time the festive season started, the country's mood and the business environment became quite upbeat.

In response to the pandemic, the Central Bank resorted to strongly supportive monetary policy, causing interest rates to go down to record lows. At the same time, another consequence of this policy was

a surfeit of liquidity – leading to a strong rally in prices of many industrial commodities, supported by the evolving economic recovery, stimulus-related demand expectations and certain supply side disruptions. This caused inflationary pressures on the cost dynamic of several manufacturing industries.

In addition, the war in Ukraine further worsened the socio-economic situation globally. Lesser developed and smaller countries have suffered disproportionately as stronger nations cornered vaccines and other resources.

With the vigilance required by the current geopolitical context, we will continue investing in ever more appealing designs, unique experiences and further progress in corporate social responsibility. We will spur momentum over the months ahead by focusing on the quest for perfection and creativity



that runs through all our professions. We will actively pursue our commitment to promoting and passing on excellence in craftsmanship and design professions. We will continue to showcase the values that provide an endless source of inspiration for our designers and the unique heritage whose timeless modernity they reveal season-after-season, combined with our manufacturing capabilities.

### Industry Trends

Fashion is one of the world's most important industries, driving a significant part of the global economy. It is one of the key value-creating industries for the world economy. Before the Covid-19 pandemic, the fashion industry's global revenue was estimated between USD 1.7 Trillion and USD 2.5 Trillion, according to two different research reports by Euromonitor and McKinsey. McKinsey states that the fashion and apparel industry suffered a 20% decline in revenues in 2019-20. After lockdown restrictions were lifted in many parts of the world, consumers headed back to the stores. With that, the fashion industry returned to pre-pandemic levels. According to Euromonitor, the world's apparel retail market expectedly enjoyed a 7.5% growth in 2021-22, which increased to USD 1.84 Billion in 2022, and a 6.1% growth in 2022-23 to USD 1.95 Billion in 2023.

Several fundamental and long-term macro drivers and opportunities influence the industry's growth and evolution. Due to the Covid-19 interruptions, the shortage of skilled labour, and uncertainty in the raw material supply chain, many underprepared players found maintaining their respective market shares challenging. Only the fittest players with solid balance sheets and agile management could survive through these challenges relatively

unscathed. As we tread along, these stronger players are the ones to enjoy an upper hand further to grow their respective market shares within a consolidating industry.

Our pro-activeness helped us post an exceptional growth, underpinned by high-quality innovations and rigorous cost control. We reinvested significantly in our strategies and capabilities to boost our desires while improving profitability.

At the same time, we invested in our social and environmental commitments, reflecting our goal of achieving responsible growth and sharing value with all stakeholders.



**Pearl Global sees value creation as a combination of financial performance and environmental and social performance, a guiding principle that drives our actions on a daily basis. We firmly believe financial performance is inextricably tied to social and environmental performance. The goal is to sustainably create value and share the same with our Company's entire ecosystem.**

### Sustainability Focus

We have set our vision higher and pledged to respect planetary boundaries – what the planet can withstand, as defined by environmental science. The strategy is based on quantifiable goals to minimise the impact of our Company's activities on the climate, water, biodiversity and natural resources while helping meet some of the most urgent social and environmental challenges facing the world.

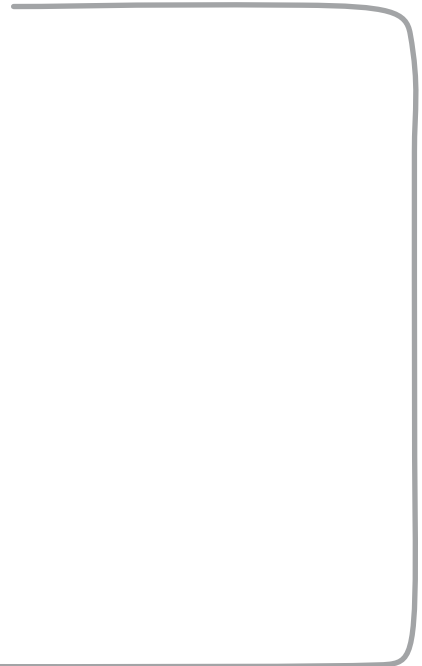
At Pearl Global, we believe that being a member of a society is a fundamental obligation. We realise our role in crafting a sustainable future and, as a result, we will continue to engage in socially constructive endeavours. Our consistent emphasis on empowering lives and making significant contributions to the communities around us has shaped us. In the midst of hardship, Pearl Global flourished and took a tremendous leap forward.

### Closing Note

I would like to thank our Executive Committee and our exceptional teams for their passion and energy over the past year. I am also grateful to my fellow Board members for their unfaltering commitment and counsel and their flexibility as we worked mostly virtually through a very busy agenda. Finally, on behalf of everyone at Pearl Global, I would like to thank our shareholders, customers, bankers and all business associates for their steadfast and continued support.

Regards,

**Deepak Seth**  
Chairman



Much has changed in the past year but I continue to be very proud of our teams around the world as they adapted to multiple external challenges while continuing to progress on our brand elevation strategy and, critically, staying true to our Company's purpose and values. The global context in which Pearl Global operates has evolved amid the conflict in Ukraine, amplified warnings about the climate crisis and the ongoing impacts of the Covid-19 pandemic. Yet our teams showed resilience, agility and creativity to drive acceleration in full-year revenue and record profitability while continuing to play a positive role in society.

### **Business Highlights**

Last year, we were in the recovery stage, and conquered it with newer heights and milestones with a target to achieve a better sustainable place in society. We could demonstrate the durability of our business strategy yet again, and provide added value to our clients. One of the primary reasons behind this is exceptional operational competence. Our focus is always on offering end-to-end supply chain solutions to our partners while maintaining design, technology, innovation, sustainability, and quality at the forefront.

We believe in paving the road for a circular economy by minimising waste and maximising resource utilisation. And our procedures are built to facilitate this without sacrificing quality or production. This approach has enabled us develop an infrastructure dedicated to strategic production and environmental preservation through renewable energy.

As a worldwide corporation, we recognise our obligations to our partners, workers, stakeholders, and society. We ensure that all our operations and efforts are coordinated to match customer expectations while not interfering with our productivity.



**Our excellent relationships with our clients and stakeholders put us on the path to bigger accomplishments and new chances. As the year progressed we capitalised on the opportunities and won considerable market share from other manufacturers.**

Over the course of our history, Pearl Global has consistently demonstrated the ability to identify promising projects and high-potential partnerships. We have secured success through a combination of smart strategic choices, the provision of relevant resources and appropriate means, and unique expertise. Partnership-based expansion remains a powerful growth driver for our Company, empowering Pearl Global to meet all fashion aspirations across the globe. Each partnership represents a new chapter, a new value chain and new expertise.

### **Towards Society with Sustainable Approach**

To accomplish sustainability, we have always believed in the triple bottom line: people, planet, and profit. One of the fundamental pillars of our social duty is environmental sustainability. To fulfill our

responsibilities as a clothing vendor, we have put in place the following procedures to achieve the highest level of sustainability requirements.

- A framework that enables meeting environmental performance expectations, ensures regulatory compliance, minimises environmental risks and establishes & implements long-term environmental strategies.
- A measuring tool that helps us map, plan and implement meaningful improvements that protect the well-being of factory workers, local communities and the environment.
- Adopted the world's leading processing standard for textiles made from organic fibers.

As a responsible apparel manufacturer, we are dedicated to finding new and inventive methods to minimise our carbon footprints. One such endeavour is using renewable energy in our operations. We have taken some ongoing sustainable initiatives like using eco-friendly fabrics with longer life span, environmental impact measurements, and solar power generation.

### **Growth Drivers**

Covid-19 and geopolitical situations have led to the redistribution of global trade shares and recalibration of sourcing partners. China +1 provides an enormous opportunity for India textiles industry to regain leadership as a top exporting economy. India textiles exports is expected to expand at ~11% CAGR to reach USD 65 Billion by 2026 from pre-Covid-19 level of USD 36 Billion in 2019. Capex and investments are expected to pick up in the sector, while productivity and industry competitiveness will improve. With the improvement in the domestic economy and increase in exports, domestic production is expected to increase substantially to meet the demand. With

favourable Indian demographics and industry dynamics, India is poised to become a global textiles hub.

We, at Pearl Global, stand tall in India and across developing nations to benefit from the China+1 strategy. Our 21 manufacturing facilities spread across 4 countries with a presence in 2 out of 4 supply chain areas will help us establish and strengthen our hold as an end-to-end supply chain provider. Our Concept + Store ability will propel this cause, and our fashion trend analysis by talented design personnel and unique modern techniques will help us craft and execute strategies based on our robust business model.

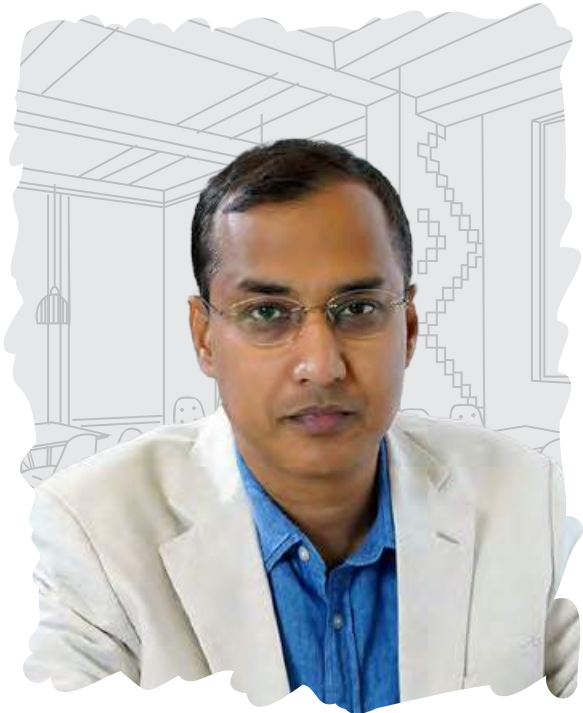
We have strong foundations to build and accelerate growth in this next phase. Our strategy is clear and a shared purpose and values unite our teams. I am confident that Pearl Global will continue demonstrating its extraordinary potential, leveraging our unique Indian brand to deliver sustainable and responsible growth.

### **Sincere Gratitude**

I would like to thank our shareholders for believing in our Company's vision and principles, which have allowed us to continue our success and expansion. Finally, I'd want to congratulate our staff for their enthusiasm for working and growing within the group of firms. We are looking forward to effectively overcome the obstacles and new possibilities that await us.

Regards,

**Pulkit Seth**  
Vice-Chairman



Going forward, we will continue to work on improving our operational efficiencies to enhance our ROCE trajectory. A more stable Government policies, coupled with our asset-light business model, is expected to lead us to robust growth in terms of topline and bottomline.

Our world has been changing faster post the Covid-19 lockdowns. Our fashion and apparel industry has been adopting and changing quickly to keep pace with the changing demands of customers – entailing big changes in raw materials and manufacturing processes. We experienced a massive change in how we work, as organisations started working remotely – thus, changing the place of work and the clothes

worn to work, as a consequence. This fast-paced shift and transition have only one loud and clear message to give away – it is only the nimble and flexible organisations that will survive and thrive in this fast-changing business environment.

We also witnessed another global change in the area of transportation and international logistics. We experienced a higher cost and longer transportation time to reach international markets. This did not directly affect us financially as our business is on FOB terms. However, the situation is expected to continue pushing the global retailers to rework their supply chains and lead time for creating and manufacturing fashion. For 2021-22, we did feel the start

of inflationary pressure in the western economy – a trend which is still continuing. Among the major apparel export markets, American retailers experienced a high pent-up demand while EU, the U.K., Japan and Australia experienced prolonged lockdowns and slower opening.

We expect the world view of China +1 will continue to shape the new economic world order. Other Asian countries will continue to gain manufacturing businesses. Each of their performances will depend on their infrastructure, available manpower, raw materials and the local government policies. In our textile and apparel world, western retailers continue to look for alternatives to China. The U.S. and many other countries do not





accept cotton produced in Xinjiang, thus accelerating this business shift. India is the largest cotton producer, and the Xinjian cotton ban put a lot of pressure and demand for Indian cotton. As a result, we experienced a hike in price and various shortages. But, on the positive side, the biggest gainers in apparel manufacturing have been in Bangladesh and Vietnam, followed by India, Pakistan and Myanmar. This shift will continue to gain momentum despite some major western economies' fear of high inflation and recession.

Pearl Global has successfully adapted every cycle that fashion retail has been through. Our manufacturing facilities across Bangladesh, India, Vietnam and Indonesia provide us with a unique opportunity. We could successfully offer multiple products and service to our clients at a time when various parts of the world were shutting down at different times due to the spread of Covid-19. This ability helped add to the confidence amongst our customers as we could serve them with the right product at the right time.

We completely accredit our ability to respond to the unfolding market conditions to our Company's deep and longstanding connection with the real world of fashion – a premise so simple but core to our personality. Our business model is the result of a winning combination of teamwork, talent, creativity, innovation, dynamism, efficiency and flexibility – an entrenched culture that pushes our boundaries beyond comfort zones.

### Operational Highlights

Covid-19 led to the redistribution of global trade shares and recalibration of sourcing partners. China +1 opened opportunities for global garment

players like Pearl Global as we enjoy a presence in multiple countries with deep penetration into apparel supply chains.

With the acquisition of Alpha, our Company's production capacity is anticipated to increase by 6 Million pieces per year. Alpha Clothing, being Gold Leed Certified facility and approved by our major strategic buyers, will help us to further strengthen our manufacturing presence in Bangladesh market and fuel incremental growth through new customer acquisition and additional demand from existing customers.

### Our Strategy for the Road Ahead

We are expanding and improving our services to our customers across various geographies. We bring to the table multiple products in the apparel basket and from multiple locations. We provide our clients with a one-stop shop catering to most of their needs and mitigate their risks as the Pearl Global supply chain is across multiple locations, avoiding the adverse effects of local shutdowns. With our in-country offices for our customers, we work closely with the customers' product development teams to add continuous innovation to our offerings.

Ethics & sustainability is at the core of our business. We protect our future and we take all the responsibility for it. With 32,000+ workforce directly related to the manufacturing lines, we strive to add value to their lives in every way, every day. Our vision is critical to a conscious approach to decreasing our carbon footprints, developing and using renewable energy across our manufacturing units, and conserving water.

Undertaking robust risk management, our knowledgeable leadership team comprises experienced manufacturing and retail sourcing professionals. As a team, we intend to play a part in setting the course for our Company, assuring appropriate business practices to mitigate various risks that affect manufacturing and the apparel manufacturing/supply chain.

Delivery value, we take a customer-centric approach in which we provide products with high quality by adopting technology, automation and analytics.

### Closing Thoughts

We promise to keep our unique business approach and philosophy alive and well. It will allow us to fully leverage our knowledge and vision for the fashion business and design, all of which are vital in our sector. In assuming my duties, I am confident that I can rely on the best team of professionals with perfect combination of talent and proven experience. I have the assurance that comes from knowing that I am buoyed by the passion of a group of ethically-committed designers and product developers, factories, logistics, international market and corporate service managers who make this a leading global company. We are thankful to their efforts, we will continue to build our Company into becoming further of what we aspire to be.

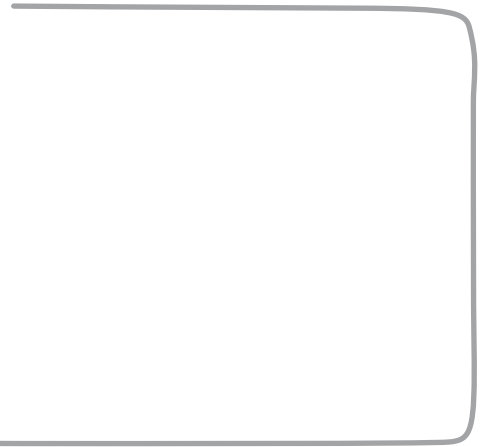
Regards,

**Pallab Banerjee**

Managing Director



“



Our overseas business showed 147% y-o-y growth and a chunk of revenue from partnership business. With this, our revenue reflected 82% y-o-y growth across our business lines i.e. from ₹ 1,490.9 in 2020-21 to ₹ 2,713.5 in 2021-22. The overall wind of business demand is blowing across the globe, helping us build a stronger presence and reach. As an organisation, our ultimate aim is to fulfill the generational demand with a sustainable approach.

With a focus on robust internal control mechanisms and sound corporate governance, we endeavour to sustain best corporate practices within the Group. Our continued emphasis on financial discipline by adopting prudent capital allocation, efficient working capital management & risk management, ensures the enhancement of all stakeholders' value.

I would like to thank our customers, shareholders, banks, analysts, rating agencies, business partners and key advisors for their continued trust in Pearl Global and their ongoing support to initiate and execute the right measures helping us to emerge stronger and be in the best position to take advantage of the opportunities we see on our way ahead.

With Best Wishes,

**Sanjay Gandhi**  
Group CFO



**Mr. Deepak Seth**

Chairman

**Mr. Pulkit Seth**

Vice-Chairman

**Mrs. Shifalli Seth**

Non-Executive Director

**Mr. Pallab Banerjee**

Managing Director

**Mr. Anil Nayar**

Independent Director

**Mr. Rajendra Kumar Aneja**

Independent Director

**Mr. Chittranjan Dua**

Independent Director

**Mr. Abhishek Goyal**

Independent Director

**Mrs. Madhulika Bhupatkar**

Independent Director

**Ms. Neha Khanna**

Independent Director

**Mr. Shailesh Kumar**

Executive Director

**Mr. Deepak Kumar**

Executive 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

**Bangladesh****Mr. Vikas Mehra**

CEO

**Mr. Sanjay Sarkar**

Country Director

**U.K.****Ms. Joanna Hales**

Senior Vice President

**Ms. Narinda Leon**

Design Head

**U.S.A.****Dr. Mahesh Seth**

Vice President – Operations

**Ms. Amy Rosenberg**

Vice President – Merchandising

**Mr. David Ayala**

Global Creative Director

**Mr. Jeff Kreindel**

Executive Vice President

**Vietnam and Hong Kong****Mr. Gurusankar Gurumoorthy**

CEO

**Mr. Kulbhusan Aggarwal**

Director -Finance

**Mr. Sumit Lath**

CFO (Hong Kong)

**Indonesia****Mr. Rajesh Ajwani**

Commissioner

**Mr. Amit Kumar**

Director



Through Pearl Global's CSR activities, we contribute towards enriching lives and protecting the future by creating sustainable value for the society we thrive in. The Company engages in and commits to doing business that can positively impact stakeholders at large, towards their wellbeing and a better tomorrow.

Pearl Global delivers on the Company's responsibility of sustaining the business with a long-term resource planning. We also undertake initiatives to improve the accessibility of education and other necessities, while spreading awareness about crucial topics, such as environmental sustainability and health.



### Read Out Loud Programme

The Company launched the 'Read Out Loud' programme on October 22, 2021, in collaboration with Adhyayan Quality Education Foundation (AQEF). The programme aims to tackle the children's loss in attaining education during the pandemic, because of school closures since March 2020.



### Arpan Education Society

'Arpan' is a programme created and operated by the Company to bridge the knowledge gap, by providing quality education to the needy. Under Arpan, the centre provides free tuition, acts as a training centre and gives scholarships to children to help them grow and develop their skills.



### Drug-Free India

The Company recognises how drug abuse is becoming a growing concern in India. Therefore, through the 'Happy and Healthy' campus programme, we partnered with the Government of Haryana and the Art of Living organisation to educate youth about these issues.



### Awareness and Screening of Cervical Cancer

In association with CAPEL India, the Company helps spread awareness about and facilitates cervical cancer screening among women and girls from low-income families in the Delhi-NCR region.



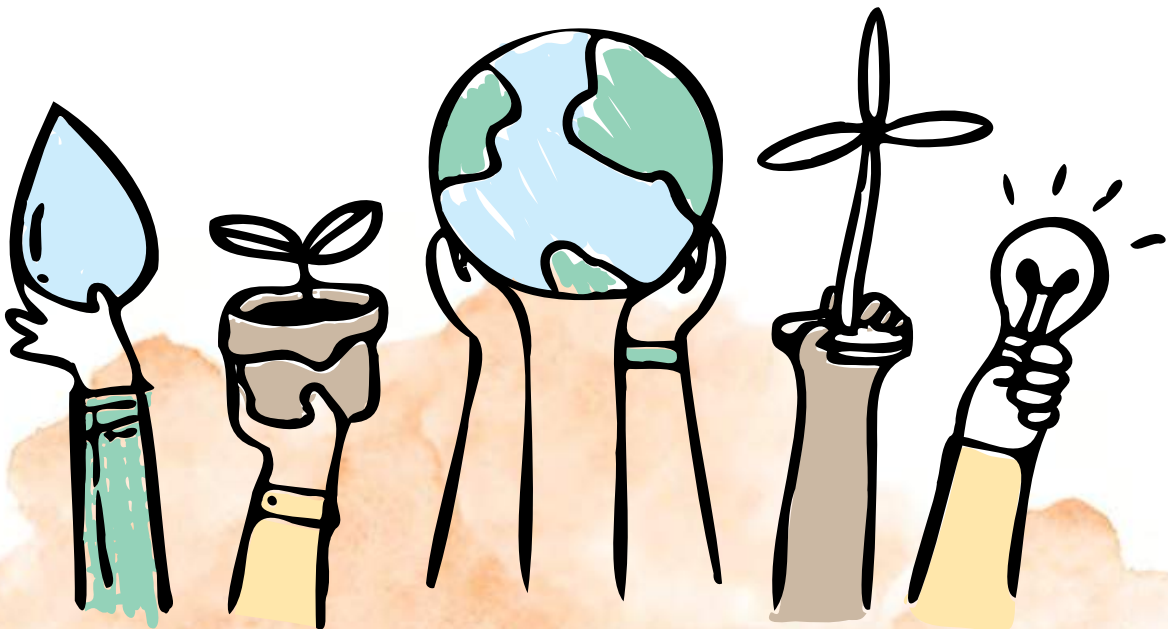
### Scholarships under Mina Seth Foundation

The Company provides scholarships to underprivileged school children under the Mina Seth Foundation. Through this, we aim to help children build a bright future for themselves, by overcoming certain constraints that hinder their future growth prospects. So far, more than 200 students have been given scholarship under this initiative.



### Scholarship to Hanoi University of Science & Technology

The Company provided scholarship to students at Hanoi University of Science and Technology, who achieved high GPAs but belonged to low-income families. Through this, the Company's goal is to make college more accessible and affordable for prospective students, who might otherwise fail to secure a degree. In addition, many students were given a chance to do internships at Pearl Global, Vietnam, following which, they were also been given an opportunity to secure jobs there, based on their performance.



## Board Members

**Mr. Deepak Seth**

Chairman

**Mr. Pulkit Seth**

Vice-Chairman

**Mrs. Shifalli Seth**

Director

**Mr. Pallab Benerjee**

Managing Director

**Mr. Shailesh Kumar**

Executive Director

**Mr. Deepak Kumar**

Executive Director

**Mr. Chitranjan Dua**

Non-Executive Independent  
Director

**Mr. Rajendra Kumar Aneja**

Non-Executive Independent  
Director

**Mr. Anil Nayar**

Non-Executive Independent  
Director

**Mr. Abhishek Goyal**

Non-Executive Independent  
Director

**Mrs. Madhulika Bhupatkar**

Non-Executive Independent  
Director

**Ms. Neha Khanna**

Non-Executive Independent  
Director

---

## Group Chief Financial Officer

**Mr. Sanjay Gandhi**

---

## Chief Financial Officer

**Mr. Narendra Kumar Somani**

## Audit Committee

**Mr. Anil Nayar**

Chairman

**Mrs. Madhulika Bhupatkar**

Member Director

**Mr. Rajendra Kumar Aneja**

Member Director

**Mr. Abhishek Goyal**

Member Director

---

## Nomination and Remuneration Committee

**Mr. Abhishek Goyal**

Chairman

**Mr. Deepak Seth**

Member Director

**Mr. Rajendra Kumar Aneja**

Member Director

**Mr. Anil Nayar**

Member Director

---

## Stakeholder Relationship Committee

**Mr. Anil Nayar**

Chairman

**Mr. Pulkit Seth**

Member Director

**Mr. Rajendra Kumar Aneja**

Member Director

---

## Risk Management Committee

**Mr. Pallab Banerjee**

Chairman

**Mr. Abhishek Goyal**

Member Director

**Ms. Neha Khanna**

Member Director

## Corporate Social Responsibility Committee

**Mrs. Madhulika Bhupatkar**

Chairperson

**Mr. Pulkit Seth**

Member Director

**Mr. Anil Nayar**

Member Director

---

## Auditors

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

---

## Registered Office

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

---

## Corporate Office

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

---

## Bankers

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







# MANAGEMENT DISCUSSION AND ANALYSIS



# Economic Overview

## Global Economy

The year 2021 witnessed the global economy recovery, posting a strong 6.1% Y-o-Y growth, after having contracted by 3.2% in 2020. Successful and large-scale vaccination and a more nuanced approach toward restrictions, mitigated the trade-off between economic growth and Covid-19 prevention, despite the onslaught of the Delta wave in the early part of 2021 and the highly contagious Omicron wave in the later part. There has been a perceptible fall in Covid-19 stringency indices across most parts of the world, including lifting of the mask mandate, with most governments having adopted an approach of 'learning to live with the virus.' On the other hand, since March 2022, China has been facing its worst Covid-19 surge since the pandemic began, and its Zero Covid Policy has dented economic activity in the country. With the Russia-Ukraine conflict in late February, the narrative is shifting from 'Covid to Conflict' and global growth projections have since then been downgraded in view of the economic damage caused by the war, with concerns of a prolonged slowdown in China adding to the downside risks.

Globally, inflation broadened and acquired persistence during 2021, under the impact of repetitive shocks. Inflation has emerged as the biggest macroeconomic worry for policy-makers across the globe, having risen to multi-decade highs, especially in advanced countries. Central banks have, therefore, started tightening their monetary policies and raising interest rates. The global economy witnessed severe supply chain bottlenecks and shortages (of semi-conductors, natural gas, coal etc.) as pent-up demand overlapped with disrupted production and shutting down of ports, and delays in orders for new shipping vessels. These shocks severely constrained the supply response to the release of pent-up demand and pushed up costs and prices. Fortunately, the waves turned out to be short-lived and global trade recovered, amidst supply and logistics bottlenecks, recording a growth of 10.1% over the year as a whole. Underpinning this upturn, global manufacturing accelerated from 4.2% a year ago, to 9.4% in 2021.

### Growth Projections

World Economic Outlook April 2022

#### Global Economy (%)

6.1		
	3.6	3.6

---

2021	2022	2023
------	------	------

#### Advanced Economies (%)

5.2		
	3.3	2.4

---

2021	2022	2023
------	------	------

#### Emerging Market & Developing Economies (%)

6.8		
	3.8	4.4

---

2021	2022	2023
------	------	------





Global growth is projected to slow down from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023. Beyond 2023, global growth is predicted to decline to about 3.3% over the medium-term. Scarring effects are expected to be much larger in emerging market and developing economies than in advanced economies — reflecting more limited policy support and generally slower vaccination — with output expected to remain below the pre-pandemic trend throughout the forecast horizon.

## Growth Projections

World Economic Outlook April 2022

(Percentage Change)

World*	United States	Euro Area
6.1	5.7	5.3
3.6	3.7	2.8
3.6	2.3	2.3
2021	2021	2021
2022	2022	2022
2023	2023	2023
Middle East and Central Asia	Emerging and Developing Asia	Latin America and the Caribbean
5.7	7.3	6.8
4.6	5.4	2.5
3.7	5.6	2.5
2021	2021	2021
2022	2022	2022
2023	2023	2023
Sub-Saharan Africa		
4.5		
3.8		
4.0		
2021	2022	2023

Source: <https://www.imf.org/en/Publications/WEO/Issues/2021/10/12/world-economic-outlook-october-2021>, <https://www.imf.org/en/Publications/WEO/Issues/2022/04/19/world-economic-outlook-april-2022>

## Indian Economy

The Indian economy recovered, with 8.7% growth in 2021-22, which mitigated the GDP loss experienced in 2020-21. Real GDP in 2021-22 (2011-12 prices) stood at H 147.3 Lakh Crores, surpassing 2019-20's real GDP (2011-12 prices) of H 145 Lakh Crores. While growth in 2021-22 came on a low base, the economy was able to tide over the impact of the two pandemic waves during the year. The Delta wave in the first quarter of 2021-22 severely affected the services sector, after which the sector rebounded with sequential opening up of high contact sectors. The third wave turned out to be short-lived and less debilitating in terms of impact on economic activity than the first two waves, as a result of higher efficacy of the nationwide vaccination drive and better adaptability. The success in navigating two waves of pandemic was led by coordinated efforts from Central and State Governments and three tiers of administration along with multiple awareness campaigns to quell vaccination hesitancy. The services sector has been a key driver of India's turnaround, while the industrial sector witnessed a broad-based recovery. However, towards the end of the year, growth in industrial sector slowed down and became uneven, with demand for consumer goods particularly being sluggish.

As per RBI, in spite of the severity of the second wave, the loss of output in Q1 of 2021-22, was about one-third of what was suffered during Q1 of 2020-21. This resilience and the underlying strengthening of the impulses of growth were evident in the recommencement of the recovery from Q2 of 2021-22 onwards. In fact, the third wave, starting end-December 2021, was flattened in a month's time, with infections back to levels, as seen at the start of the pandemic. Fiscal re-prioritisation of expenditure towards infrastructure, robust crop production, ebullient export growth in the face of hostile international conditions, and congenial monetary and financial conditions engendered by the Reserve Bank, led to this macroeconomic performance.

### Trade has rebounded

Index 2015 = 100, 3-month m.a.



## Outlook

Indian economy has remained resilient and is well placed to deal with the challenges emanating from the geopolitical developments. There are sparks in the wind that ignite the innate strength of the economy and set it on course to becoming the fastest-growing economy in the world, though it might be besieged by fears of recession. The Indian economy is showing resilience and dynamism in spite of the geopolitical situation and high-risk aversion in financial markets that is stampeding portfolio investors and taking down all currencies against the unrelenting strength of the USD. The recent revival of the southwest monsoon and rejuvenation of sowing activity has raised hopes of another bountiful year for agricultural activity, raising expectations that rural demand will soon catch up with urban spending and consolidate the recovery.

The banking sector remains resilient and strong. Overall, the macroeconomic numbers also broadly look alright, despite the depreciation of the Indian rupee. So far it

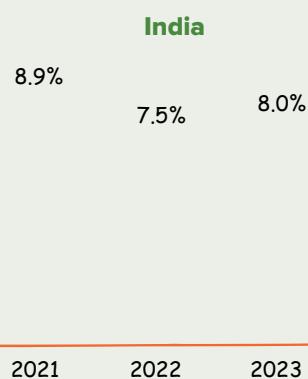


had been among the better-performing currencies in its peer group in emerging market nations and others. The fiscal deficit [target] which was there in the budget for the last year has been achieved. So, overall Indian economy continues to be in a resilient position. The recovery is getting traction and is reflected in the sense that capacity utilisation has improved. The disbursal of bank credit is also picking up. Rural and urban demand are also showing signs of further improvement and that is how we stand today.

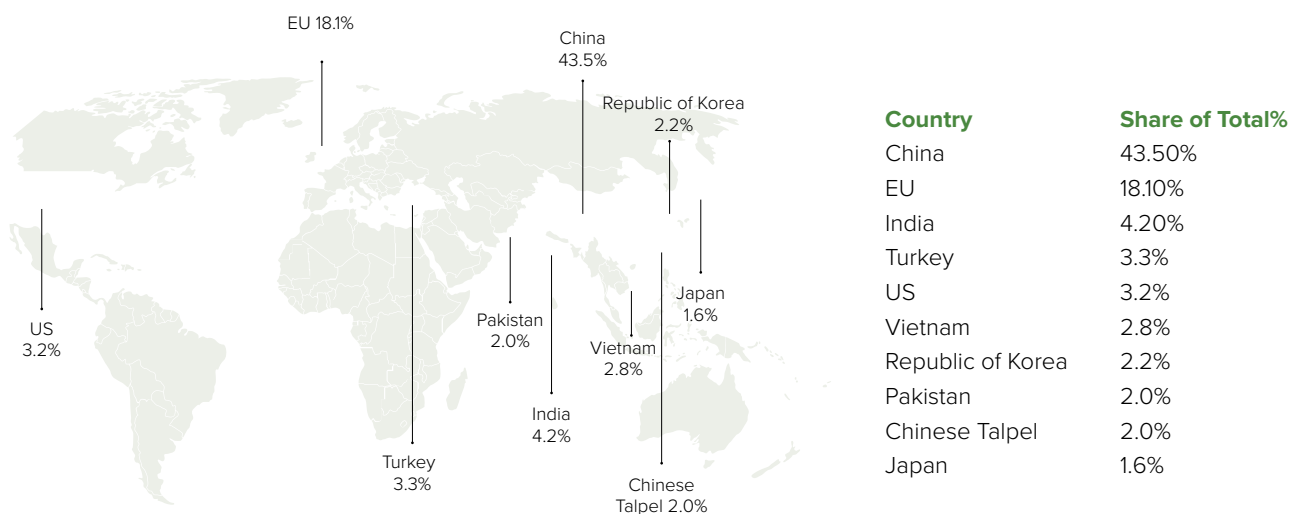
## Industry Overview

India is one of the leading exporters of textiles and clothing, owing to the vast raw material and manufacturing base. The sector contributes significantly to the economy, both domestically, and through exports. In ranking, India is the 6<sup>th</sup> largest exporter of textile and apparels in the world. The domestic Apparel and Textile industry contributes 5% to country's earnings and 12% of the country's export earnings. It also owns 7% of the industry's output in value terms. India also produces silk and 95% of the world's hand-woven fabric comes from India. The Technical Textiles segment is estimated at USD 16 Billion and approximately 6% of the global market. Traditional hand weaving, technological textiles, and contemporary textile mills are all part of the textile business.

### GDP Growth Forecast



### Top 10 Clothing Exporters, 2020

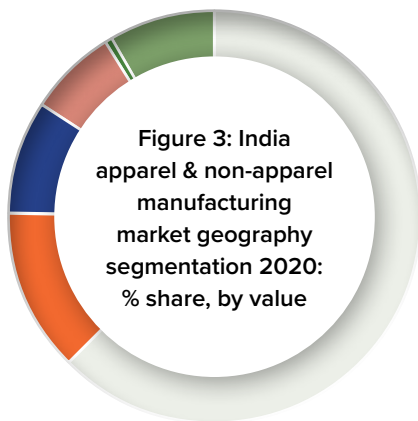


(Source: Adb.org)

**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.

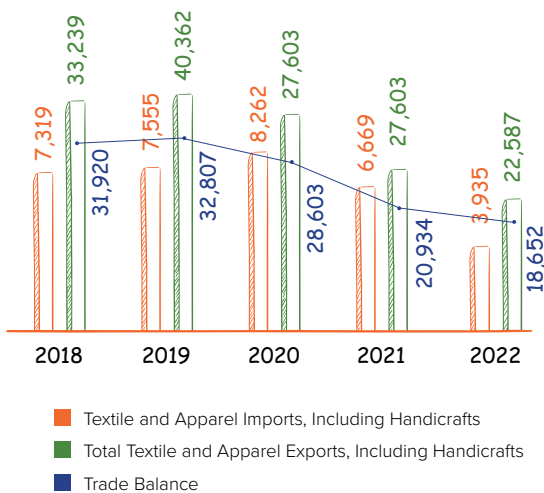
In 2020-21, the Indian Textile and Apparel (T&A) production market was worth USD 106 Billion, with the domestic market accounting for 70% of demand. It is expected that the industry will witness a CAGR of 16% over the next five years, driven by greater exports and sustained domestic market demand. In 2021-22, India achieved its highest-ever T&A export total of USD 44.4 Billion, representing a significant rise of 41% and 26%, above equivalent amounts in 2020-21 and 2019-20, respectively. The Textile industry's market value is estimated to reach USD 190 Billion by 2025-2026.

**Indian apparel and non-apparel manufacturing market geography segmentation 2020 (% share, by value)**



- China
- South Korea
- India
- Taiwan
- Japan
- Rest of Asia-Pacific

**Textile and Apparel Exports, USD Million**



Source: EMIS, <https://www.ibef.org/industry/textiles>  
Source: Marketune





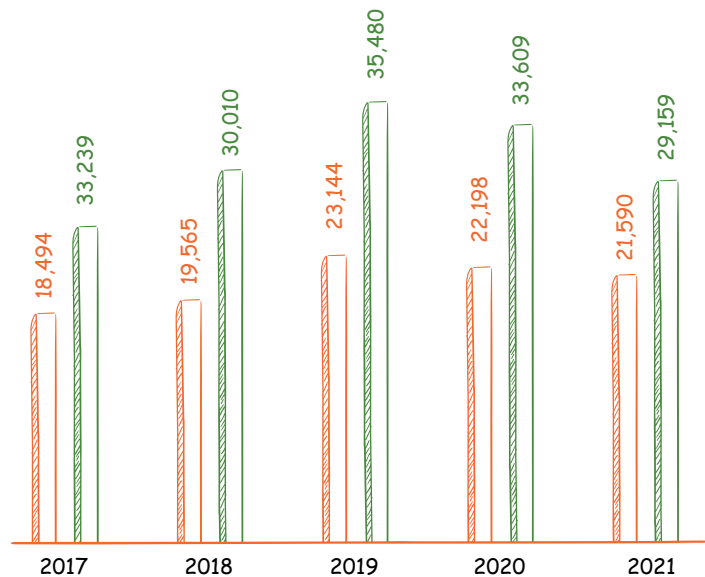


## Fashion Industry

The Fashion industry was in critical situation in 2019-20. The year 2020-21, brought many opportunities for the Company to grow and recover from the situation, with increasing demand in the market for fashion and ever-evolving trends. India's Apparel market is estimated at USD 59.3 Billion in 2021-22, and the Indian Fashion industry is slated to be the 6<sup>th</sup> largest market in the world. In recent years, private labels have emerged as the rising stars of retail and e-commerce. Private labels or in-house brands, typically offer shoppers value for money, while earning higher margins for retailers, with potential to develop into self-sustaining brands. There is also a growing emphasis on enriching customer experience. Window displays, in-store ambience, coordinated product displays, lighting, music and communication help build brand presence and awareness. The fashion sales are expected to increase in 2021-22, as increasingly optimistic consumers release pent-up purchasing power and renewing their wardrobes, with social life resuming in several important countries across the world. While the Luxury sector is predicted to fully recover.



**Total Exports and Imports, ₹ in Billion**



.....  
Fashion industry Globally

**Textile and Apparel Exports, USD Million**

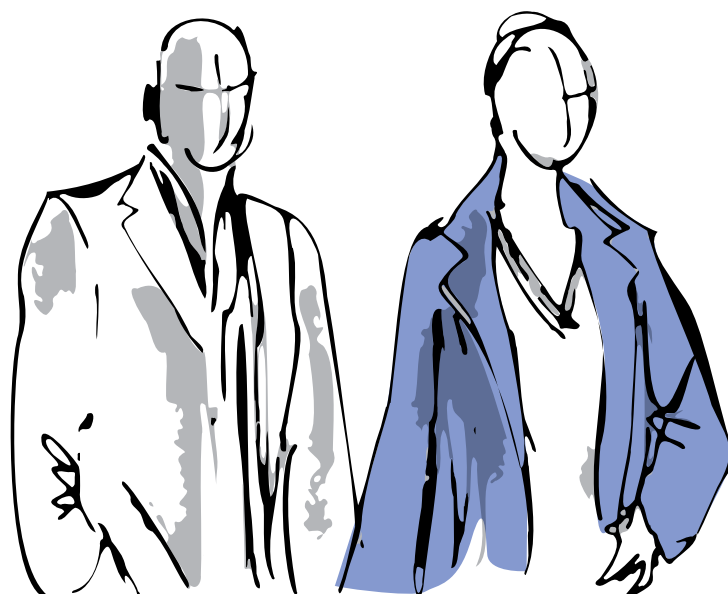
	2018	2019	2020	2020 (Apr-Dec)	2021 (Apr-Dec)
Textile and Apparel Exports	35,666	36,558	33,378	24,861	20,319
Handicrafts	3,573	3,804	5,564	2,742	2,268
Total Textile and Apparels, including Handicrafts	39,239	40,362	36,943	27,603	22,587
Total India Exports	3,03,3763	3,29,536	3,13,139	2,38,274	2,01,295
Share of Total Textile and Apparel Exports in Total	13.0%	12.0%	11.8%	11.6%	11.2%

(Source: <https://www.thebusinessresearchcompany.com/report/apparel-global-market-report#:~:text=The%20global%20apparel%20market%20size,at%20a%20CAGR%20of%208.6%25.>)



## Apparels Industry

Menswear, women's clothing, and children's wear are the three primary categories of the Garment industry. Women's wear dominates the industry in India, followed by men's wear and children's wear. The Garment market may also be divided into online and offline modes, and luxury and non-luxury clothes. The Textile and Clothing sector generates 2.3% of India's GDP, 13% of industrial production, and 12% of India's exports. The Textile industry's market value is estimated to reach USD 190 Billion by 2025-26. The clothing business alone is predicted to reach USD 135 Billion by 2025-26, accounting for more than 70% of the overall Textile and Apparel market. Given the economic sustainability of manufacturing garments on any size, India's Apparel sector includes numerous small firms. With technology in the way and to boost productivity and save operational costs, apparel manufacturers are investing in computer-controlled embroidery equipment.



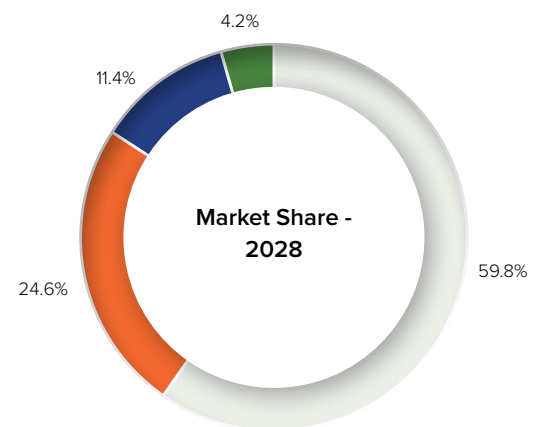
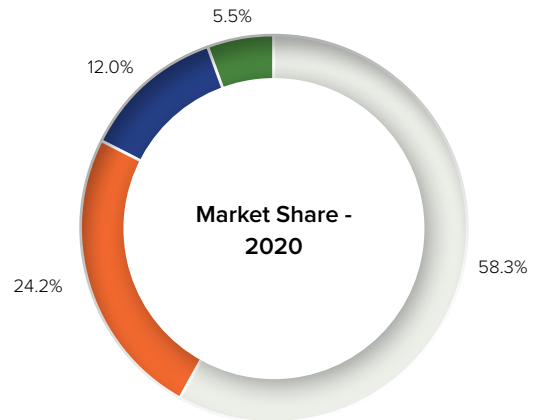
(Source: EMIS- India Textiles sector, <https://www.thebusinessresearchcompany.com/report/apparel-global-market-report#:~:text=The%20global%20apparel%20market%20size,at%20a%20CAGR%20of%208.6%25.>)

\*(Source: INDIA TEXTILE SECTOR 2022/2023, EMIS)

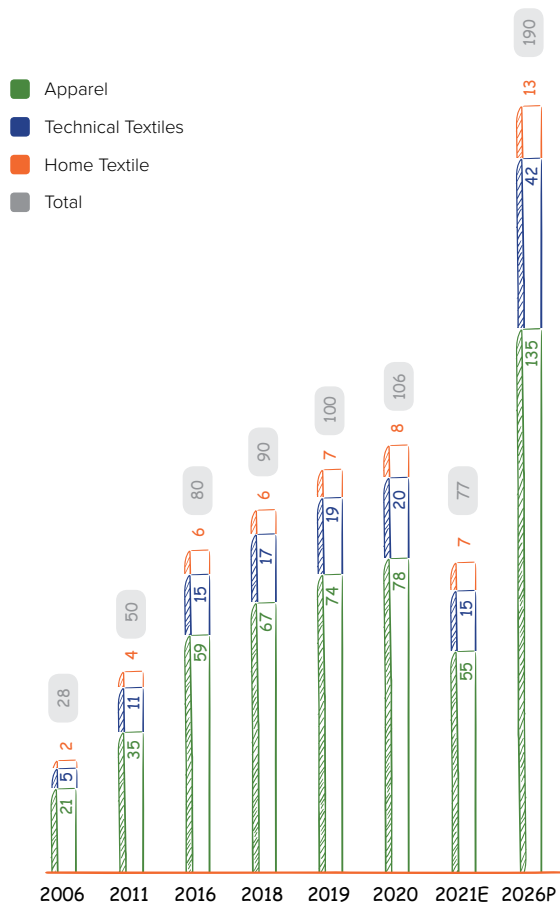
## Market Share of Apparels

The textiles sector shows strong growth prospects after recovering from the corona virus induced slump. The Government's robust support for the textiles sector raises industry players' hopes that the sector will grow by 300% in the next few years, reaching USD 300bn by 2025-2026. A primary driver of India's textile sector's growth is likely to be apparel brands' increasing diversification of their supply chains away from China. Due to increasing manufacturing costs and growing tariff issues amidst the US-China trade war, international brands had already been seeking to reduce their supply chain dependence on China before COVID-19. Presently, China's insistence on adhering to a zero COVID strategy, applying quarantine measures to stamp out outbreaks as they emerge, risks causing unpredictable supply chain disruptions.

## Market Share of Apparels



## India's Domestic Textile and Apparels Market Size



**Incremental Growth – Topwear**

**USD 11,474.08 Million**

**CAGR (2021-2028) 7.3%**

(Source: EMIS- India Textiles sector)

(Source: Expert Interviews, Survey, Secondary Research, and The Insight Partners Analysis)





## Driving Forces:

The availability of abundant raw materials and capabilities in value chain of textiles makes India a good base for the textile industry. The growth of the textile sector is also supported by favourable demographic factors, such as growing youth population, rising disposable incomes, rapid urbanisation, and rising standards of living, among others.

The increasing penetration of digitisation over the years, which is being provided a great push amid the COVID-19 restrictions, is also supporting the textile market through growth of the online fashion industry. The technical textiles segment is also on a rise, led by the growing prevalence of industries like medical, construction, etc. The anticipated high GDP growth of India by various international and national agencies and the demand for Indian textile abroad, indicate the potential the textile industry of India holds.



## Government Initiatives

For quite some time, the Ministry of Textiles has been discussing the adoption of a New Textile Policy. This New Textile Policy was still in draught form, as of October 2021. The Policy, among other things, is designed to boost textile exports and provide more job opportunities. It is being developed through extensive discussions with organisations, industry groups, State Governments, and other stakeholders, representing cotton, silk, jute, wool, handloom, handicrafts, and power loom.

Furthermore, the Government has been supportive to the Textile sector, with its extensive growth-oriented policies such as Make in India, Aatmanirbhar Bharat, Production-Linked Incentive Scheme, Mega Textile Parks, Revised Restructured Technological Upgradation Fund Scheme (RRTUFS), liberalised FDI in textile, and many more.

The Union and State Governments continued to roll out various support initiatives for the textiles sector in H2 2021-22 and into 2022-23. In August 2021, the Union Ministry of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution announced the establishment of a committee comprising weavers, trained equipment makers, marketing experts and other stakeholders to recommend ways to boost production capacity in the handloom sector from ₹ 600 Billion to ₹ 1.25 Trillion and quadruple exports from ₹ 25 Billion to ₹ 100 Billion, within three years.

(Source: EMIS Insights)

The Union Government allocated ₹ 123.8 Billion for the textile sector in its Union Budget 2022-23 of which ₹ 1.3 Billion will be used for the Textile Cluster Development Scheme, ₹ 1.0 Billion for the National Technical Textiles Mission and ₹ 150 Million each for the PM Mega Integrated Textile Region, Apparel Parks scheme, and the Production-Linked Incentive Scheme.

(Source: EMIS Insights)

The Federal Indian Government, approved the continuance of the Rebate of State and Central Taxes and Levies (RoSCTL) at the same rates as issued by the Ministry of Textiles for apparel/garments and made-ups exports. Garment exporters will continue to get a tax rebate on their outbound shipments, after the Government extended the RoSCTL. This measure is intended to boost the competitiveness of the labour-intensive Textile industry.

## MITRA Scheme

Under the scheme, seven mega parks will be set up in the country over the upcoming three years with plug and play facilities, in a bid to create global champions in exports.

## Extension of RoSCTL Scheme

The extension is likely to benefit exporters of Apparel/Garment and Home Textiles products, since the extension till March 31, 2024, ensures a stable and predictable policy regime for three years.

## Notification of RoDTEP Rates

The announcement is likely to benefit the entire value chain of textiles, since exporters can now claim rebate either under RoSCTL or RoDEP theme.

## Free Trade Agreement

With the IndAUS ECTA, India's exports of textiles and apparels are expected to go up to USD 1,100 Million in the next three years.



## Key Trends

### Omnichannel Takes Precedence

Earlier, brands believed in building a multi-channel marketing experience where the aim was to reach far and wide. Marketers are now looking at going deeper, than wider and therefore, are focusing on fewer platforms, but enriching the user experience there. However, omnichannel focuses on quality rather than quantity, which is making brands ace their marketing games on platforms, especially like Instagram and of course, the e-Commerce platforms.

On the e-Commerce platform and online shops, a great customer experience is entailing easy to access information about the clothes and is providing hands on support with scrollable content. This works very well in the post-pandemic-led 'back to office' time where formal wear for women is taking over and more and more brands are highlighting this segment via their social media handles, giving viewers a feel of their office fashion.

### Fashion Influencers Take Over

Social media platforms remove the obstacles and help establish a more direct connection, where consumers can share their ideas or grievances. It is also great for product development and becoming a consumer-friendly brand. It is difficult to overlook the importance of influencers, especially the micro-influencers who create more reasonable and resonating content. This relatability has helped them amass true and loyal following that tends to trust their opinions about fashion and lifestyle. Brands are seeking this camaraderie between the two and use it to build a tangible presence in the social media community, where they are in direct touch with the customers.

### Influx of New Technologies

The meta verse has already infiltrated the fashion industry globally and it is only a matter of time that it becomes a vital part of the Indian market as well. For instance, retailers can easily deploy virtual fashion to build a hands-on catalogue instead of going for physical dresses that includes time and money.

Another important contribution of Web-3 technology can be its lack of contribution to carbon emissions. No logistics, hyper-production or deployment of extra equipment means less resource reliability and more sustainability.

### Sustainable Fashion

Sustainability is in rage and for all the right reasons. In contrast to fast fashion that relies on use and throw models, without considering the rising landfills, sustainable fashion believes in slow production and implementation of organic practices. Several brands are incorporating natural fibres only, like hemp jute to create durable products. During such processes, the raw materials do not demand an exorbitant amount of natural resources and when discarded, go back to the earth without causing any harm.

Such practices are not only good for earth but for traditional communities as well, that are often skilled at creating sustainable products. This can help boost the Indian economy as well.

## Industry Outlook

India is one of the favourite business locations for global retailers. According to the Global Retailer Development Index, retail in developing countries has grown tremendously. As the developing world's population has grown by 21% to 6.2 Billion, retail sales in those markets have increased more than 350% and represent more than half of total global retail sales. India was ranked second, with retail sales of USD 1,009 Billion among 30 emerging markets. India's huge market potential, fast growth and improved ease of doing business moved it into second place. India is now the world's fastest-growing major economy, overtaking China. In e-commerce, the Indian Government now permits 100% FDI for online marketplaces, with some caveats to create a level playing field. Overall, the rule is expected to boost market entry in the online space. This has increased the demand for apparel and non-apparel manufacturing in the country, thus creating demand amongst manufacturers.

## Company Outlook

With the opening up of activities we are confident about our future. Our capabilities and partnerships will help us drive the next set of growth helping us benefit from the tailwinds in demand from international markets. Our multinational presence will enable us to cater to clients across geographies, thereby moving with the trend and offering the best of the industry. With further normalisation of COVID-19 situation and change in consumers' buying preferences will help us retain strong traction. We will continue to deploy strategies that will help us improve capacity utilisations. The commencement of Bangladesh factory and partnership facility in India and Vietnam will further help us leverage our expertise to strengthen our brand presence in the industry.

## Company Overview





Pearl Global Industries Limited, is a worldwide clothing manufacturing corporation that provides end-to-end supply chain solutions to global brands with our integrated production capabilities centred 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 21 state-of-the-art manufacturing plants across four countries, including India (Gurugram, Chennai and Bengaluru), Indonesia, Bangladesh, Vietnam and has design centres in India, Indonesia, Bangladesh, Vietnam, U.S.A, Spain, Hong Kong and U.K.

Our product portfolio includes outer wear, active wear, children's wear, denim (for both men and women). We are a well-diversified company with a de-risked manufacturing base, having multinational presence. Our business is primarily focused on export services, with USA contributing the highest amongst all countries. Our marquee clientele includes Kohls, Macy's, Tommy Hilfiger, Gap, Old Navy, NEXT, Nordstrom, among others.









## Manufacturing Strengths

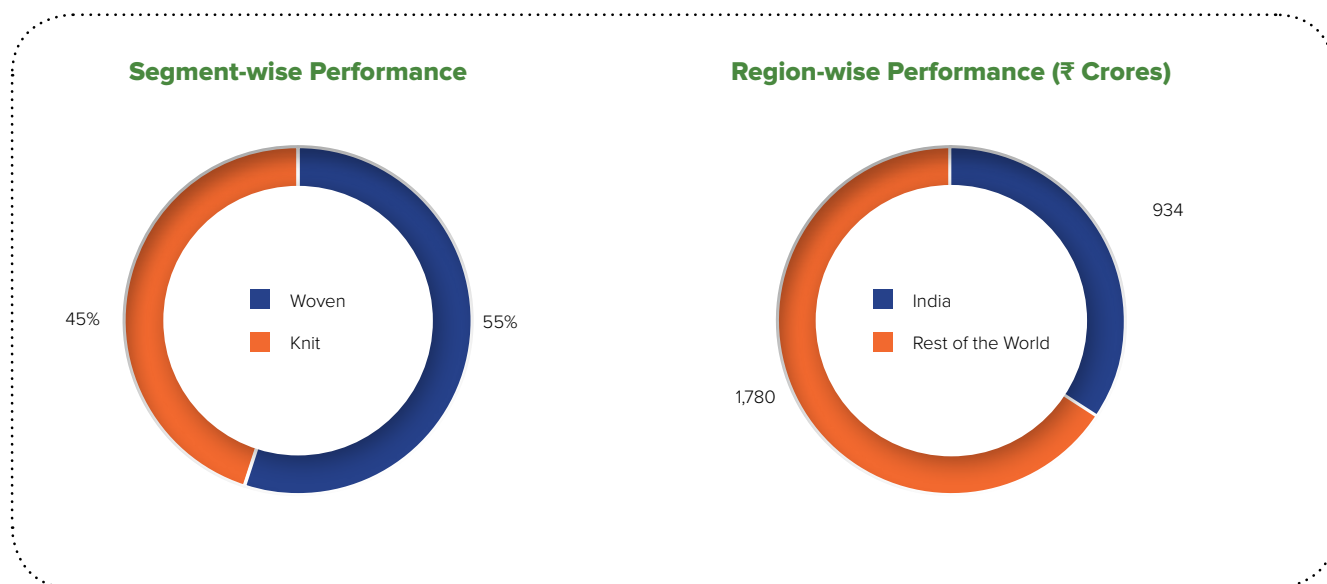
Maps	Location	No. of Units	Annual Capacity	Specialisation
	<b>India</b>	8	28 Million pieces p.a.	Woven and knitted products, including women's fashion wear, men's wear and kid's wear. South factories make women's tops and dresses
	<b>Bangladesh</b>	8	45 Million pieces p.a.	Woven and knitted tops and bottoms for men, women and kids
	<b>Vietnam</b>	3	4.5 Million pieces p.a.	Multiple products, including outerwear and jackets including down jackets, woolen jackets & coats, seam-sealed jackets, puffers, parka's, blazers, anoraks, swim trunks and synthetic bottoms
	<b>Indonesia</b>	2	3 Million pieces p.a.	Women's professional wear, performance wear, activewear, woven tops & dresses, sleepwear and loungewear

## Design and Office Studios Offices

Maps	Location	Specialisation
	<b>Hong Kong</b>	Design Studio and Sales Office
	<b>Spain</b>	Denim jackets, denim bottoms and more
	<b>UK</b>	Jerseys, wovens, denims, outerwear, sleepwear, loungewear, beachwear and kids wear
	<b>New York</b>	Market intelligence for knits, woven, denim, outerwear, activewear, sleepwear/ loungewear and children wear category

## Business Performance

The Company recorded a Gross Income of ₹ 2,713.5 Crores, compared to ₹ 1,490.9 Crores in previous financial year. The Net Profit Before Tax stands at ₹ 85.8 Crores, compared to ₹ 11.3 Crores in the previous financial year.



## Financial Highlights

Profit and loss (₹ in Crores unless otherwise stated)	2021-22	2020-21	2019-20	2018-19	2017-18
Revenue from Operations	2,713.5	1,490.9	1,685.1	1,757.5	1,496.0
EBITDA	140.6	60.6	66.9	88.1	24.8
EBITDA Margin (%)	5.2%	4.1%	4.0%	5.0%	1.7%
Other Income	33.5	23.5	49.1	33.9	47.6
Profit Before Tax	85.8	11.4	31.2	82.9	32.4
Profit After Tax	70.1	17.5	21.7	67.1	23.1
Profit After Tax Margin (%)	2.6%	1.2%	1.3%	3.8%	1.5%
Earnings per Share (₹)	31.5	8	9.9	31.0	11.1

During the year, the Revenue from Operations stood at ₹ 2,713.5 Crores, registering a growth of 82%, as compared ₹ 1,490.9 Crores in 2020-21. This growth can be attributed to the 147% YoY growth in overseas business, increase in revenue from partnership facility in India and Vietnam, start of commercial production in Bangladesh factory and 65% YoY increase in number of pieces shipped.



Cost of goods contributed the highest to the total expenses at ₹ 1,510.6 Crores, as compared to last year's expense of ₹ 768.9 Crores and our Gross Profit Margins, were seen lower at 44.3% as compared to 48.4% in 2020-21 due to Lower margins due to change in product mix.

Employee and Other Expenses were recorded at ₹ 152.2 Crores and ₹ 325.3 Crores, respectively during the year. Our Employee cost as percentage of sales has declined from 22% to 17%. EBITDA was recorded at ₹ 140.6 Crores as compared to ₹ 60.6 Crores in the previous year. Higher contribution from knit business supported this growth.

Finance cost as percentage of sales has declined from 2.8% to 1.7%.

## Financial Ratio

SN	Particulars	2021-22	2020-21	Change
1	Interest Coverage Ratio (x) <sup>@</sup>	3.46	1.33	2.13
2	Current Ratio (x)	1.37	1.47	-0.10
3	Debt Equity Ratio (x) <sup>^</sup>	0.92	0.69	0.23
4	Operating Profit Margin (%) <sup>#</sup>	4.1%	2.5%	1.6%
5	Net Profit Margin (%) <sup>\$</sup>	2.6%	1.2%	1.4%
6	Return on Net Worth (%)	11.4%	3.3%	8.1%
7	Debtors Turnover Ratio (x)	7.40	6.16	1.24
8	Inventory Turnover Ratio (x)	2.80	2.76	0.04
9	Return on Capital Employed (%) <sup>**</sup>	11.3%	5.7%	5.7%

<sup>@</sup>Interest coverage ratio is calculated as Earnings Before Interest, and Tax (including other income) over Interest. Interest denotes interest to the financial institutions on short term and long term borrowings and interest on lease liabilities. The change is attributable to 165% increase in Earnings Before Interest, and Tax vs. 2% increase in Interest.

<sup>^</sup>Debt equity ratio is calculated as Total Borrowings over Total Equity (including Non Controlling Interest) of the Company. Borrowings denote short term and long term borrowings from financial institutions. The change is attributable to an increase in Total Debt and increase in Total Equity due to higher Profit After Tax.

<sup>#</sup>Operating profit margin is calculated as Earnings Before Interest and Tax (including Other Income) over Revenue from Operations of the Company. The change is attributable to better efficiency in operations.

<sup>\$</sup>Net profit margin is computed as Profit after Tax over Revenue from Operations. The change is attributable to increase in Earnings Before Interest and Tax.

<sup>\*\*</sup>Return on capital employed is calculated as Earnings Before Interest and Tax over Total Equity plus Net Debt. The return on capital employed improved during the year because of increase in Earning Before Interest and Tax.



## Risks Management and Concerns

Risks are an inherent element of any organisations, and sufficient structures and procedures, helps in timely detection and mitigation of the same. The safety of all parties engaged is of the highest concern to the Company, as we deliver on our obligations. We constantly observe the environment in which we operate, in order to identify any new uncertainties and risks that may arise, so that proactive efforts can be taken to reduce them.

There are no hazards to the Company's continued existence. The Company has identified Business Dynamics Risk, Market Risks/Industry Risks, Political Risks, Environment Risks, Disaster Risks, Liquidity Risks, Credit Risks, Foreign Exchange Risks, Human Resource Risks, Environmental Risk and Legal Risks. We also have a detailed action plan to mitigate the identified risks and concerns.

## Robust Risk Mitigation Practices

### Customer

#### Retention and Growth

Direct relationships with all the customers and continuous monitoring of the developments in customer's market

#### Payment Security

Credit assessment before on-boarding a new customer and ensuring pre-shipment and post-shipment coverage

### Product

#### Quality

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

### Raw Material

#### Prices and Supply Chain

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

#### Inventory

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





## Currency

### Fluctuation

With natural hedge in all overseas operations, Indian-export is also looking forward to cover the import-only minimal procurement

## Social and Ethical Compliance

### Non-Compliance

- Robust internal control and compliance system
- Regular monitoring and implementing immediate corrections
- Onboarding of customers only after ensuring complete compliance standard

## Cashflow

### Debt Repayment and Servicing

- Resources ensure collection on time

The Company has adequate systems of internal controls to ensure that transactions are properly recorded, authorised and reported apart from safeguarding Pearl Global's assets. The Company has successfully implemented SAP for our manufacturing units and will continue upgrading the same. We have our own Corporate Internal Audit set up which carries out periodic audits at all locations and all functions and brings out deviations to internal control procedures. The observations arising out of audit are periodically reviewed and compliance ensured. We has successfully implemented SAP for our manufacturing units and will continue upgrading the same.



## Internal Control System

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

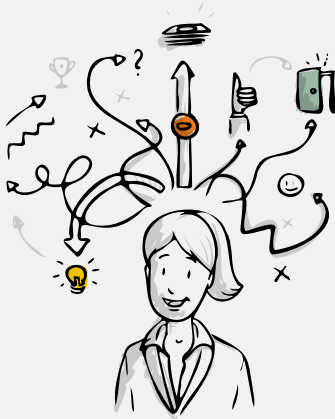
- Accurate recording of transactions with internal checks and prompt reporting through SAP
- Adherence to applicable accounting standards and policies
- Review of capital investments and long-term business plans
- Periodic review meetings, to manage effective implementation of system
- Compliance with applicable statutes, policies, listing requirements and operating guidelines
- Effective use of resources and safeguarding of assets
- IT systems with in-built controls to facilitate all of the above

## Human Resource Management

The Company's forward-thinking and employee-centric human resource department is devoted, to provide effective policies, procedures, people-friendly guidelines and support governance within the organisation. Our HR philosophy revolves around right people for the right job, maintaining a safe, hygienic, and sustainable work environment across geographies. We ensure capability building at all levels with programmes, such as iLEAD [Leadership Development Programme], SEED [Operational Development Programme], innovate with technology with our Human Resource Management System, Pay for Performance [Achieve: Pearl's Performance Management System]. Thereby, building a PearlONE culture, with employee engagement being centric of all our HR initiatives. As on March 31, 2022, 19,094 employees were on Company's payroll.



## Pearl Global's Programmes for the Community:



- **Health and Medical:** Health Camps for workers across all our facilities, every quarter.
- **Education:** Scholarship funded education, for more than 200 primary and middle school children.
- **Women Empowerment:**
  - Personal Advancement and Career Enhancement (P.A.C.E.), empowering women in their professional and personal lives
  - Training on menstrual hygiene and sanitary napkins vending machine
  - HER health programme to raise health-related awareness
  - Gender equality project, in partnership with Mands British High Commission
  - Leadership Hiring – Top-notch leadership team Hiring in the U.K. and U.S.A. offices
- Employee Welfare – Company-sponsored Covid-19 vaccination drive for all our employees across the India's Pearl Global factories
- **Initiating Various Projects:**
  - Reviewing Pearl Global brand
  - Revamping the website
  - Reviewing the mission and vision of the organisation
  - Initiating the performance management process for all employees across all locations
  - Digitising HR processes
- **My Voice:** Third-party ethics helpline for whistle blowing of unethical practices, POSH issues and violation of code of conducts at workplace

## Cautionary Statements

Investors are cautioned that this discussion contains statements that involve risks and uncertainties. Words like anticipate, believe, estimate, intend, will, expect and other similar expressions are intended to identify such forward-looking statements. The Company assumes no responsibility to amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events. Besides, the Company cannot guarantee that these assumptions and expectations are accurate or will be realised and actual results, performance or achievements could thus, 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](http://www.pearlglobal.com); e-mail: [investor.pgil@pearlglobal.com](mailto:investor.pgil@pearlglobal.com)

CIN: L74899DL1989PLC036849

### NOTICE TO MEMBERS

Notice is hereby given that the 33<sup>rd</sup> Annual General Meeting of the Members of **Pearl Global Industries Limited** will be held on Monday, September 26, 2022, at 5:00 PM 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, 2022, including the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Shifalli Seth (DIN 01388430), who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. Shailesh Kumar (DIN 08897225), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. S.R. Dinodia & Co. LLP, Chartered Accountants, New Delhi (Firm's Registration No. 001478N/N500005) as Statutory Auditors.

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

**"RESOLVED THAT** pursuant to Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of the Audit Committee and the Board of Directors, M/s. S. R. Dinodia & Co. LLP, Chartered Accountants (Firm's Registration No. 001478N/N500005), be and are hereby appointed as Statutory Auditors of the Company in place of M/s. B. R. Gupta & Co., Chartered Accountants, the retiring Statutory Auditors, to hold office for a first term of 5 (five) consecutive years from the conclusion of this Annual General Meeting until the conclusion of the 38<sup>th</sup> Annual General Meeting, on such remuneration as may

be decided by the Board of Directors of the Company on the recommendation of the Audit Committee from time to time.

**RESOLVED FURTHER THAT** the Board of Directors including any Committee thereof be and is hereby authorised to take all such steps and do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this resolution."

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

**(Pallab Banerjee)**

Managing Director

DIN 07193749

Place: Gurugram

Date: August 13, 2022

### NOTES:

1. In view of the prevailing COVID-19 pandemic scenario, the Ministry of Corporate Affairs ('MCA') vide its General Circular No. 20/2020 dated May 5, 2020 read with General Circular Nos. 02/2021, 17/2020, 14/2020 & 2/2022 dated January 13, 2021, April 13, 2020, April 8, 2020, May 5, 2022 respectively (collectively referred to as 'MCA Circulars') and Securities and Exchange Board of India ('SEBI') vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 read with Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 ('SEBI Circular') have permitted the holding of Annual General Meeting by companies through VC / OAVM during the calendar year 2021 and 2022, without the physical presence of the Members. Accordingly, in compliance with the provisions of the Companies Act, 2013 ('Act'), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), MCA Circulars and SEBI Circular, the 33<sup>rd</sup> AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue. The Registered Office of the Company shall be deemed as venue for the 33<sup>rd</sup> AGM.

## NOTICE (Contd.)

2. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
3. The relevant details, pursuant 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed herewith.
4. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA & SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
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. authorizing its representatives to attend the AGM through VC / OAVM on their behalf and to vote through remote e-voting, by e-mail to [investor.pgil@pearlglobal.com](mailto:investor.pgil@pearlglobal.com)
6. The Members may join the 33<sup>rd</sup> 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 33<sup>rd</sup> AGM and the Company may close the window for joining the VC/ OAVM facility 30 (thirty) minutes after the scheduled time to start the 33<sup>rd</sup> 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 33<sup>rd</sup> AGM without any restriction on account of 'first come first served' basis.
7. The attendance of the Members participating in the 33<sup>rd</sup> 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. Monday, September 19, 2022.
9. In view of the outbreak of the COVID-19 pandemic, resultant difficulties involved in dispatching of physical copies of the Annual Report and in line with the MCA Circulars and SEBI Circulars, the Annual Report for the year 2021-22 including Notice of the 33<sup>rd</sup> AGM of the Company, inter alia, indicating the process and manner of e-voting is being sent only by Email, to all the Members whose Email IDs are registered with the Company/ Registrar and Share Transfer Agent or with the respective Depository Participant(s) for communication purposes to the Members and to all other persons so entitled.
10. Further, in terms of the applicable provisions of the Act, SEBI Listing Regulations read with the MCA Circulars and SEBI Circular, the Annual Report including Notice of the 33<sup>rd</sup> AGM of the Company will also be available on the website of the Company at [www.pearlglobal.com](http://www.pearlglobal.com). The same can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and on the website of Link Intime India Private Limited ("**Link Intime**") at <https://instavote.linkintime.co.in>.
11. Pursuant to Section 91 of the Act, the Register of Members of the Company will remain closed from Tuesday, September 20, 2022, to Monday, September 26, 2022 (both the days inclusive).
12. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agent, Link Intime at their address – Noble Heights, 1st floor, Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi – 110058; Email – [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in).
13. 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.
14. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are,



## NOTICE (Contd.)

therefore, requested to submit PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agent.

15. The Registers maintained under Section 170 & 189 of the Act and all relevant documents as referred in the Notice calling the AGM and the Explanatory Statement will be available electronically for inspection by the Members upto the date of AGM. Members seeking to inspect such documents can send an email to [investor.pgil@pearlglobal.com](mailto:investor.pgil@pearlglobal.com).
16. In terms of the SEBI Listing Regulations, securities of listed companies can only be transferred in dematerialised form with effect from April 1, 2019. In view of the above, Members are advised to dematerialise shares held by them in physical form.
17. The Board of Directors have in its meeting held on May

25, 2022, declared interim dividend of ₹ 5/- per equity shares for the financial year 2021-22. The record date to determine eligibility of members was June 8, 2022 for payment of interim dividend.

Members are requested to note that in terms of Section 124 and 125 of the Companies Act, 2013, dividend remaining unclaimed for a period of seven years from the date of transfer to the Company's unpaid dividend Account shall be transferred to the Investor Education and Protection Fund ("IEPF") and all shares on which dividend has not been paid or claimed for seven consecutive years or more shall also be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

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

Financial year ended	Rate of Dividend per equity share	Date of declaration of Dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEPF
March 31, 2015	₹ 2.25/- (Final)	September 22, 2015	October 20, 2022	November 19, 2022
March 31, 2016	₹ 2.50/- (Interim)	March 11, 2016	April 9, 2023	May 8, 2023
March 31, 2016	₹ 0.50/- (Final)	September 27, 2016	October 26, 2023	November 25, 2023
March 31, 2017	₹ 3.00/- (Final)	September 28, 2017	October 27, 2024	November 26, 2024
March 31, 2018	₹ 2.00/- (Final)	September 24, 2018	October 23, 2025	November 22, 2025
March 31, 2019	₹ 3.00/- (Final)	September 24, 2019	October 23, 2026	November 22, 2026
March 31, 2022	₹ 5.00/- (Interim)	May 25, 2022	June 24, 2029	July 23, 2029

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 Private Limited, Noble Heights, 1st Floor, Plot NH-2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi-110058.

18. Members who wish to obtain any information about the Company or the financial statements for the financial year ended March 31, 2022, send their queries at [investor.pgil@pearlglobal.com](mailto:investor.pgil@pearlglobal.com) at least 7 (Seven) days before the date of 33<sup>rd</sup> AGM. The same will be replied by/ on behalf of the Company suitably.
19. Members who have not registered their e-mail address so far are requested to register their e-mail for receiving all communications including Annual Report, Notices and Circulars etc. electronically from the Company. Members can do this by updating their email addresses with their depository participants.
20. In case of joint holders attending the 33<sup>rd</sup> 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.
21. **E-VOTING**

In compliance with provisions of Section 108 of the Company's Act 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide its Members the facility to cast their votes either for or against each resolutions set forth in the Notice of the 33<sup>rd</sup> AGM using electronic voting system ('remote e-voting') and e-voting (during the 33<sup>rd</sup> AGM), provided by Link Intime and the businesses may be transacted through such voting.



## NOTICE (Contd.)

Only those Members who will be present in the 33<sup>rd</sup> 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 33<sup>rd</sup> AGM.

The voting period begins on Friday, September 23, 2022 (9.00 AM IST) and ends on Sunday, September 25, 2022 (5.00 PM IST). During this period, Members holding shares either in physical or dematerialised form, as on cut-off date, i.e., as on Monday, September 19, 2022 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 33<sup>rd</sup> 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](mailto:investor.pgil@pearlglobal.com) or [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in) (RTA email id). However, if a member is already registered with Link Intime for e-voting, then he/she can use existing user id and password/PIN for casting the vote.

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

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

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

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

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

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

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

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

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

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

- Shareholders who would like to speak during the meeting must register their request 7(Seven) days in advance i.e. on or before September 20, 2022, with the Company on the specific email id i.e. [investor.pgil@pearlglobal.com](mailto:investor.pgil@pearlglobal.com).
- Shareholders will get confirmation on first cum first basis.
- Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
- Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
- Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

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

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

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

- On the Shareholders VC page, click on the link for e-Voting "Cast your vote"



## NOTICE (Contd.)

2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently

**Note:**

- Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/

participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

- Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.
- Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.
- Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175

**D. REMOTE E-VOTING INSTRUCTIONS FOR SHAREHOLDERS:**

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their accounts.

**LOGIN METHOD FOR INDIVIDUAL SHAREHOLDERS**

Type of shareholders	Login Method
<b>Individual Shareholders holding securities in demat mode with NSDL</b>	<ol style="list-style-type: none"> <li>1. Existing IDeAS user can visit the e-Services website of NSDL viz... <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> 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 <b>name i.e. LINKINTIME</b> and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol>

NOTICE (Contd.)

Type of shareholders	Login Method
	<p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider name <b>i.e. LINKINTIME</b> and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.</p>
<p><b>Individual Shareholders holding securities in demat mode with CDSL</b></p>	<p>1. Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</p> <p>2. After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. LINKINTIME. Click on <b>LINKINTIME</b> and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.</p>
<p><b>Individual Shareholders (holding securities in demat mode) &amp; login through their depository participants</b></p>	<p>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 name i.e. <b>LINKINTIME</b> and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.</p>
<p><b>Individual Shareholders holding securities in Physical form / Non-Individual Shareholders holding securities in demat mode.</b></p>	<p>Individual Shareholders of the Company, holding shares in physical for / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-voting facility of Link Intime as under:</p> <p>1. Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a></p> <p>2. Click on "<b>Sign Up</b>" under '<b>SHARE HOLDER</b>' tab and register with your following details: -</p> <p><b>A. User ID:</b> Shareholders/ members holding shares in <b>physical form shall provide</b> Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit beneficiary ID.</p> <p><b>B. PAN:</b> Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.</p>



## NOTICE (Contd.)

Type of shareholders	Login Method
	<p>C. <b>DOB/DOI:</b> Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)</p> <p>D. <b>Bank Account Number:</b> Enter your Bank Account Number (last four digits), as recorded with your DP/Company.</p> <ul style="list-style-type: none"> <li>• Shareholders/ members holding shares in <b>physical form</b> but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above.</li> <li>• Shareholders holding shares in <b>NSDL form</b>, shall provide 'D' above.</li> </ul> <p>3. Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&amp;*), at least one numeral, at least one alphabet and at least one capital letter).</p> <p>4. Click "confirm" (Your password is now generated).</p> <p><b>Cast your vote electronically:</b></p> <p>1. After successful login, you will be able to see the notification for e-voting. Select '<b>View</b>' icon.</p> <p>2. E-voting page will appear.</p> <p>3. Refer the Resolution description and cast your vote by selecting your desired option '<b>Favour / Against</b>' (If you wish to view the entire Resolution details, click on the '<b>View Resolution</b>' file link).</p> <p>4. After selecting the desired option i.e. Favour / Against, click on '<b>Submit</b>'. A confirmation box will be displayed. If you wish to confirm your vote, click on '<b>Yes</b>', else to change your vote, click on 'No' and accordingly modify your vote.</p>

**GUIDELINES FOR INSTITUTIONAL SHAREHOLDERS:**

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

**Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:**

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on:- Tel: 022 – 4918 6000.

**Helpdesk for Individual Shareholders holding securities in demat mode:**

Individual Shareholders holding securities in demat mode may contact the respective helpdesk 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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 22-23058542-43.

## NOTICE (Contd.)

### **Individual Shareholders holding securities in Physical mode has forgotten the password:**

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

*In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/ her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
  - During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".
22. 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 33<sup>rd</sup> AGM in a fair and transparent manner.
  23. 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.
  24. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutiniser's Report shall be placed immediately on the Company's website **www.pearlglobal.com** and on the website of Link Intime India Private Limited and communicated to the BSE Limited and National Stock Exchange of India Limited simultaneously.
  25. Section 72 of the Act provides for Nomination by the Members of the Company in the prescribed Form No. SH-13 for shares held in physical form. Blank forms will be supplied by Link Intime on request. Members holding shares in dematerialised form may contact their respective Depository Participants for recording of nomination.



## NOTICE (Contd.)

**EXPLANATORY STATEMENT**

As required by Section 102 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2, the following Explanatory Statement sets out the material facts relating to the businesses under Item Nos. 2 to 4 of the accompanying Notice.

**Details of Directors seeking re-appointment at the forthcoming annual general meeting:****Item no. 2: Mrs. Shifalli Seth (DIN 01388430)**

Age	:	41 Years
Qualifications	:	Bachelor of Science in Business Administration from University of Bradford, U.K.
Experience (including expertise in specific functional area) / Brief resume	:	She has varied exposure in Garments and Textiles Industry including Design & Product Development. She is having international experience in trading, marketing of Readymade Garments and knowledge of Southeast Asia region.
Date of first appointment on the Board	:	January 19, 2012
Shareholding in the Company as on March 31, 2022	:	2,01,478 Equity shares.
Directorships and Committee memberships held in other companies as on March 31, 2022	:	She holds directorship in the following Companies: (i) Pearl Global Kaushal Vikas Limited (ii) SBUYS E-Commerce Limited (iii) PS Arts Private Limited She holds membership in Finance Committee of the Company.
Inter-se relationships between Directors, Manager and other Key Managerial Personnel	:	She is spouse of Mr. Pulkit Seth, Vice-Chairman and immediate relative of Mr. Deepak Seth, Chairman of your Company.
No. of Board Meetings attended during the financial year 2021-22	:	1
Terms and conditions of re-appointment	:	All terms and conditions of appointment as per applicable policies of the Company. As a Director he is liable to retire by rotation.
Details of last drawn remuneration and proposed remuneration	:	Last drawn remuneration: ₹ 75 Lakhs per annum Proposed remuneration: Nil

**Item no.3: Mr. Shailesh Kumar (DIN 08897225)**

Age	:	53 Years
Qualifications	:	Bachelor degree in Science from Magadh University, Post Graduate Diploma in Personnel Management & Industrial Relations from LNMI Patna and Diploma in Labour Laws with Administrative Law from Annamalai University.
Experience (including expertise in specific functional area) / Brief resume	:	Having more than 28 years of experience in the field of HR and Personnel Management and Labour Laws Compliances and currently heading HR functions of the Company.
Date of first appointment on the Board	:	October 7,2020
Shareholding in the Company as on March 31, 2022	:	Nil



**NOTICE (Contd.)**

Directorships and Committee memberships held in other companies as on March 31, 2022	:	He does not hold directorship and membership in any other Company.
Inter-se relationships between Directors, Manager and other Key Managerial Personnel	:	None
No. of Board Meetings attended during the financial year 2021-22	:	5
Terms and conditions of re-appointment	:	All terms and conditions of appointment as per applicable policies of the Company. As a Director he is liable to retire by rotation.
Details of last drawn remuneration and proposed remuneration	:	Last drawn remuneration: 1,50,000 per month Proposed remuneration: Nil

Mrs. Shifalli Seth and Mr. Shailesh Kumar, the retiring Directors, being eligible, offers themselves for re-appointment. The Board of Directors of your Company propose to appoint Mrs. Shifalli Seth and Mr. Shailesh Kumar as Directors, liable to retire by rotation and therefore this Resolution is recommended for approval of the Shareholders of the Company.

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

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

**Item No. 4: Appointment of M/s S. R. Dinodia & Co. LLP, Chartered Accountants as Statutory Auditors of the Company**

M/s B.R. Gupta & Co., Chartered Accountants, (Firm's Registration No. 008352N), were appointed as the Statutory Auditors of the Company at the 28<sup>th</sup> Annual General Meeting ("AGM") of the Company held on September 28, 2017, to hold office from the conclusion of the 28<sup>th</sup> AGM till the conclusion of the 33<sup>rd</sup> AGM. Accordingly, the first term of the existing statutory auditors expires on the conclusion of the forthcoming AGM.

In terms of the provisions of Section 139 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, the Company can appoint or reappoint an audit firm as statutory auditors for not more than two (2) terms of five (5) consecutive years.

In order to ensure the independence of the Auditors and to have better control and system in place, the Board of Directors has decided to change the Auditors every five years on completion of first term by bringing the new

Auditor/Auditors Firm. Accordingly, the Board of Directors on recommendation of Audit Committee at their meetings held on August 13, 2022, recommended to appoint M/s S.R. Dinodia & Co. LLP, Chartered Accountants, New Delhi-110 001, in place of M/s B.R. Gupta & Co., Chartered Accountants, whose first term of five consecutive years is expiring on the conclusion of forthcoming 33<sup>rd</sup> AGM. The recommendation is based on various parameters, including but not limited to independence, competence, technical capability, overall audit approach, sector expertise and understanding of the business.

M/s S.R. Dinodia & Co. LLP, Chartered Accountants, New Delhi-110001 (Firm's Registration No. 001478N/N500005) are eligible and have given their consent for their appointment as Statutory Auditors of the Company and have issued a certificate confirming that their appointment, if made, will be within the limits prescribed under the provisions of section 139 read with section 141 of the Companies Act, 2013 ('the Act') and the rules made thereunder. M/s S.R. Dinodia & Co. LLP, Chartered Accountants, has confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI. The Board of Directors has approved remuneration of ₹ 40 Lakh plus applicable taxes and out of pocket expenses for the financial year ended March 31, 2023, subject to their appointment by the Members. The remuneration to be paid to the Statutory Auditors for the remaining period during their first term would be decided in line with the existing remuneration and shall be commensurate with the services to be rendered by them during the said tenure. The Board of Directors, in consultation with the Audit Committee, may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors. In addition to the statutory audit, the Company may also obtain certifications from Statutory Auditors under various statutory regulations and other permissible non-audit



## NOTICE (Contd.)

services as required from time to time, for which their remuneration shall be approved by the Audit Committee, in accordance with the provisions of Sections 142 and 144 of the Act.

None of the Directors, Key Managerial Personnel and their relatives are interested, financially or otherwise in this resolution. Your directors recommend passing of this resolution at Item No.4 as Ordinary Resolution.

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

Place: Gurugram  
Date: August 13, 2022

**(Pallab Banerjee)**  
Managing Director  
DIN 07193749

# DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 33<sup>rd</sup> Annual Report and Audited Financial Statements for the financial year ended March 31, 2022, together with the Auditors' Report thereon.

## WORKING RESULTS OF THE COMPANY

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Income from operations	93,377.06	77,140.04	2,71,352.90	1,49,092.65
Other Income	3,204.83	2,408.39	3,345.94	2,350.49
<b>Profit before Tax</b>	<b>3,610.59</b>	<b>(919.52)</b>	<b>8,581.82</b>	<b>1,135.56</b>
Provision for Tax	894.81	(996.92)	1,570.94	(612.76)
<b>Profit After Tax</b>	<b>2,715.78</b>	<b>77.40</b>	<b>7,010.88</b>	<b>1,748.32</b>
Other comprehensive income	260.26	706.70	1,405.26	(86.91)
<b>Total comprehensive income</b>	<b>2,976.04</b>	<b>784.10</b>	<b>8,416.14</b>	<b>1,661.41</b>
<b>Earnings per share</b>	<b>12.54</b>	<b>0.36</b>	<b>31.46</b>	<b>7.97</b>

## STATE OF THE AFFAIRS OF THE COMPANY

During the year, your Company's consolidated income from operations was ₹ 2,71,352.90 Lakhs as against ₹1,49,092.65 Lakhs in the previous year and Net Profit ₹ 7,010.88 Lakhs as against Net Profit ₹1,748.32 Lakhs in the previous year.

The income from operations for the year under review for the Company on Standalone basis was ₹ 93,377.06 Lakhs as compared to ₹ 77,140.04 Lakhs in the previous year and Net Profit ₹ 2,715.78 Lakhs as compared to Net Profit ₹ 77.40 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.

Pearl Global Industries Limited, is a worldwide clothing manufacturing corporation that provides end-to-end supply chain solutions to global brands with its integrated production capabilities centered on Design and Development, Global Manufacturing, Marketing and Distribution, and Sourcing and Supply Chain. The Company develops apparels for all genders and age groups across locations and style preferences. The Company has 21 state-of-the-art manufacturing plants across four countries including India (Gurgaon, Chennai and Bengaluru), Indonesia, Bangladesh, Vietnam and has design centres India, Indonesia, Bangladesh, Vietnam, U.S.A, Spain, Hong Kong and U.K.

Our product portfolio includes outer wear, active wear, children's wear, denim (for both men and women). We are a well-diversified Company with a de-risked manufacturing base having multinational presence. Our business is primarily focused on export services, with USA contributing the highest amongst all countries. Marquee Clientele includes Kohls, Macy's, Tommy Hilfiger, Gap, Old Navy, NEXT, Nordstrom among others. MANGO, TALBOTS, TARGET, Kmart, MARKS & SPENCER, LANE BRYANT, LOFT, ANN TAYOR, We have a total capacity to manufacture 80+ Million garments per annum including own and outsourced facilities.

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.

## TRANSFER TO GENERAL RESERVES

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

## DIVIDEND

The Board of Directors have in its meeting held on May 25, 2022, declared interim dividend of ₹ 5/- per equity share of face value of ₹10/- each, total outgo amounting to ₹ 10,83,19,685/- for the financial year 2021-22. The record date to determine eligibility of members was June 8, 2022 and payment of said dividend have been made to the members within the prescribed time after deduction of tax in terms with the provisions of Income Tax Act.



## DIRECTORS' REPORT (Contd.)

### DIVIDEND DISTRIBUTION POLICY

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

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

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### Change in Directors during 2021-22

During the year Mr. Uma Shankar Kaushik, Whole-Time Director has resigned from the Board of the Company with effect from January 10, 2022, due to personal reasons. Mr. Pulkit Seth and Mrs. Shifalli Seth, resigned from the office of Managing Director and Whole-Time Director, respectively, with effect from close of business hours on March 31, 2022, due to shifting in USA. Mr. Pulkit Seth and Mrs. Shifalli Seth is continuing as Non-Executive and Non-Independent Directors.

The Board of Directors have in its meeting held on February 14, 2022, on the recommendation of Nomination and Remuneration Committee appointed Mr. Deepak Kumar (DIN 09497467) as Whole-Time Director and Mr. Pallab Banerjee, Joint Managing Director as Managing Director of the Company with effect from February 14, 2022 and April 1, 2022, respectively.

The Company has also obtained shareholders' approval for appointment of Mr. Deepak Kumar and Mr. Pallab Banerjee through Postal Ballot conducted during the period from March 2, 2022 to March 31, 2022. The result of Postal Ballot was declared on March 31, 2022.

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

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

The Board of Directors of your Company met five times on May 25, 2021, June 21, 2021, August 14, 2021, November 13, 2021, and February 14, 2022 during the financial year 2021-22.

### DIRECTORS' IDENTIFICATION NUMBER (DIN)

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

Name	DIN	Name	DIN
Mr. Deepak Seth	- 00003021	Mr. Chitranjan Dua	- 00036080
Mr. Pulkit Seth	- 00003044	Mr. Abhishek Goyal	- 01928855
Mrs. Shifalli Seth	- 01388430	Mr. Rajendra Kumar Aneja	- 00731956
Mr. Pallab Banerjee	- 07193749	Mr. Anil Nayar	- 01390190
Mr. Shailesh Kumar	- 08897225	Mrs. Madhulika Bhupatkar	- 08712718
Mr. Deepak Kumar	- 09497467	Ms. Neha Khanna	- 03477800

#### Change in Key Managerial Personnel

Mr. Mayank Jain who was appointed by the Board of Directors in its meeting held on June 21, 2021 as Company Secretary and Compliance officer of the Company, resigned from the office of the Company Secretary and Compliance officer on November 8, 2021 due to personal reasons.

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

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

### BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, committees and individual Directors pursuant to the provisions of the Companies Act, 2013 and Rules made there under.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

## DIRECTORS' REPORT (Contd.)

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors, performance of non-independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and individual Directors was also discussed.

### NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Policy of the Company is annexed herewith as **Annexure-I** with this report and also available on the website of the Company at <https://www.pearlglobal.com/investor-relations/corporate-governance/>

### INTERNAL FINANCIAL CONTROLS

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

### AUDIT COMMITTEE

The current composition of the Audit Committee comprises four Non-executive Independent Directors, namely Mr. Anil Nayar, Chairman, Mr. Abhishek Goyal, Mr. Rajendra Kumar Aneja and Mrs. Madhulika Bhupatkar, as Members of the Committee. All the recommendations made by the Audit Committee were accepted by the Board.

### VIGIL MECHANISM

The Company has a Vigil Mechanism, which also incorporates a whistle blower policy in terms of Listing Agreement/Regulations made by the SEBI. Protected disclosures can be made by a whistle blower through a letter to the Vigilance Officer or to the Chairman of the Audit Committee. The policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: <https://www.pearlglobal.com/investor-relations/corporate-governance/>. During the year, no complaint is received.

### CORPORATE SOCIAL RESPONSIBILITY

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

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

Your Company has identified an hostel for women vocational training and education education and health care activities for the financial year 2021-22. The prescribed CSR amount for the financial year 2021-22 was ₹ 23.92. However, the Company has spent ₹ 76.30 Lakhs during the financial year 2021-22.

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

### SUBSIDIARY COMPANIES

During the year under review, Pearl Global USA Inc., USA has become a wholly owned subsidiary of the Company and one subsidiary Pearl Global (Changzhou) Textile Technology Co. Ltd., China, has voluntary liquidated.

Pursuant to Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of the subsidiary companies is attached to the Financial Statements in Form AOC-1. The Company will make available the said financial statements and related detailed information of the subsidiary companies upon the request by any member of the Company.

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

The Policy of determining material subsidiaries as approved may be accessed on the Company's website at <https://www.pearlglobal.com/investor-relations/corporate-governance/>

### STATUTORY AUDITORS

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

The Board of Directors have in its meeting held on August 13, 2022, on the recommendation of Audit Committee,



## DIRECTORS' REPORT (Contd.)

approved and recommended appointment of M/s. S.R. Dinodia & Co. LLP, Chartered Accountants, New Delhi (Regn. No. 001478N/N500005) as Statutory Auditors in the first term of five years, effective from financial year 2022-23. M/s. S.R. Dinodia & Co. LLP is eligible to be appointed as Statutory Auditors of the Company. Necessary resolution for their appointment and payment of remuneration is proposed in the Notice calling 33<sup>rd</sup> Annual General Meeting for approval of the shareholders.

### STATUTORY AUDITORS' REPORT

The Auditors' Reports (Consolidated & Standalone) for the financial year ended March 31, 2022 do not contain any qualification, reservation or adverse remark. The Auditors' Reports are enclosed with the financial statements in this Annual Report.

### SECRETARIAL AUDITOR

Mr. Jayant Sood, Practising Company Secretary, proprietor of M/s Jayant Sood & Associates (Company Secretaries) was appointed by the Board to conduct Secretarial Audit for the financial year 2021-22. The Secretarial Audit Report for the financial year 2020-21 is annexed herewith as **Annexure-III**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### INTERNAL AUDITOR

M/s. S.S. Kothari Mehta & Company, Chartered Accountants, New Delhi (FRN. 000756N) was appointed by the Board, as Internal Auditor for the financial year 2021-22.

### COST AUDIT

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

### ANNUAL RETURN

Pursuant to the Section 92(3) of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, Annual Return of the Company for the financial year 2021-22 in the prescribed Form MGT-7 is available on the website of the Company at <https://www.pearlglobal.com/investor-relations/corporate-governance/>

### RELATED PARTY TRANSACTIONS

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

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

### PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

### FIXED DEPOSITS

Your Company has not accepted any Fixed Deposits from Public or Shareholders during the year, nor has any unclaimed or unpaid deposits at the end of the financial year.

### RISK MANAGEMENT

Pursuant to Regulation 21 and other applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company has Risk Management Committee with following members and Risk Management Policy.

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

During the financial year Risk Management Committee met two times on November 13, 2021 and February 14, 2022.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors Responsibility Statement, your Directors state that:

- in the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures. There are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2022 and of the profit and loss of the Company for that period;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;



## DIRECTORS' REPORT (Contd.)

- 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 2021-22 have been paid.

### REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Ltd is Company's Registrars and Share Transfer Agent (RTA) as common agency both for physical and demat shares, as required under Securities Contract (Regulation) Act, 1956. The detail of RTA forms part of the Corporate Governance Report.

### CORPORATE GOVERNANCE

Report on Corporate Governance along with the certificate from the Practicing Company Secretary, confirming compliance of conditions of Corporate Governance as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of the Annual report.

### MANAGEMENT DISCUSSION AND ANALYSIS

A detailed review of operations, performance and future outlook of the Company is given separately under the head "Management Discussion and Analysis".

### BUSINESS RESPONSIBILITY REPORT

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

### PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, is annexed as **Annexure-V** to this report.

Particulars of employees as required under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, is annexed as **Annexure- VI** to this report.

### EMPLOYEE STOCK OPTION PLAN-2022

The Company has structured this Plan for its employees, whose present and potential contributions are important to the success of the Company, by offering them an opportunity to participate in the Company's future and also acquire a proprietary interest in the Company by award of Options. The objectives of this Plan are as under:

- a) Alignment of employee's gains with Company's performance
- b) Enhancing shareholder's value
- c) Creation of employee wealth
- d) Driving performance of the key employees
- e) Retaining/motivating/attracting the best talent within the Company
- f) Creating commonality of interest between employees and shareholders

In order to reward and retain the employees and to create a sense of ownership and participation amongst them, the Board of Directors has in its meeting held on June 30, 2022, approved Pearl Global Industries Limited Employee Stock Option Plan 2022 ("Plan or ESOP 2022"), subject to approval of the shareholders.

The Company is seeking shareholders' approval by Postal Ballot (e-voting), which is being conducted from July 29, 2022 to August 28, 2022 and it's results will be declared on August 29, 2022.

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

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

### TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

The Company has transferred unclaimed/unpaid dividend amounting to ₹3,49,788/- during the financial year 2021-22 to Investor Education and Protection Fund (IEPF) established by the Central Government, in compliance with the Companies Act, 2013. The above said amount represents unclaimed dividend for the financial year 2013-



## DIRECTORS' REPORT (Contd.)

14 which was lying with the Company for a period of seven years. Further, the Company has transferred 3,950 shares to Investor Education and Protection Fund Authority established by the Central Government, in compliance with the Companies Act, 2013.

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

### DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

### REPORT ON SEXUAL HARASSMENT-INTERNAL COMPLAINTS COMMITTEE

Pursuant to the provisions of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, Internal Complaints Committee

has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaint received during the financial year 2021-22.

### SECRETARIAL STANDARDS

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

### ACKNOWLEDGEMENT

The Directors of your Company are thankful to Bankers, Business Associates, Customers, Members, Government Bodies & Regulators for the continuous support received from them and place on record their appreciation for the sincere services rendered by the employees at all level.

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

**(Pallab Banerjee)**

Managing Director  
DIN 07193749

**(Pulkit Seth)**

Vice-Chairman  
DIN 00003044

Place: Gurugram

Date: August 13, 2022

# ANNEXURE-I TO THE DIRECTORS' REPORT

## 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 read along with the applicable rules thereto and requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Key Objectives of the Committee would be:

- 1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.3. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.4. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.6. To devise a policy on Board diversity
- 1.7. To develop a succession plan for the Board and to regularly review the plan;

### 2. DEFINITIONS

- 2.1. **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2. **Board** means Board of Directors of the Company.
- 2.3. **Directors** mean Directors of the Company.
- 2.4. **Key Managerial Personnel** means
  - 2.4.1. Chief Executive Officer or the Managing Director or the Manager;
  - 2.4.2. Whole-time director;
  - 2.4.3. Chief Financial Officer;
  - 2.4.4. Company Secretary; and
  - 2.4.5. such other officer as may be prescribed.

2.5. Senior Management means Senior Management means personnel of the Company who are members of its core management team excluding the Board of Directors.

### 3. Policy for appointment and removal of Director, KMP and Senior Management

#### 3.1. Appointment criteria and qualifications:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

#### 3.2. Term / Tenure

##### a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than 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



## ANNEXURE-I TO THE DIRECTORS' REPORT (Contd.)

- resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he / she shall be eligible for appointment for one more term of 5 years only.
  - At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed Company or such other number as may be prescribed under the Act.

### 3.3. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

### 3.4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

### 3.5. Retirement

The KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company.

The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## 4. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

### 4.1. General:

- a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee or as per policies framed by the committee. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
- c) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

### 4.2. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

#### a) Fixed pay:

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/

## ANNEXURE-I TO THE DIRECTORS' REPORT (Contd.)

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 in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

### **c) Provisions for excess remuneration:**

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

### **4.3. Remuneration to Non- Executive / Independent Director:**

#### **a) Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ One 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 directors, majority of them being independent.
- 5.2 Minimum two (2) members shall constitute a quorum for the Committee meeting.
- 5.3 Membership of the Committee shall be disclosed in the Annual Report.

- 5.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

## **6. CHAIRPERSON**

- 6.1 Chairperson of the Committee shall be an Independent Director.
- 6.2 Chairperson of the Board may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- 6.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- 6.4 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

## **7. FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at such regular intervals as may be required.

## **8. COMMITTEE MEMBERS' INTERESTS**

- 8.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- 8.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

## **9. SECRETARY**

The Company Secretary of the Company shall act as Secretary of the Committee.

## **10. VOTING**

- 10.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- 10.2 In the case of equality of votes, the Chairman of the meeting will have a casting vote.

## **11. NOMINATION DUTIES**

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

- 11.1 Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;



## ANNEXURE-I TO THE DIRECTORS' REPORT (Contd.)

- 11.2** Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- 11.3** Identifying and recommending Directors who are to be put forward for retirement by rotation.
- 11.4** Determining the appropriate size, diversity and composition of the Board;
- 11.5** Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- 11.6** Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- 11.7** Delegating any of its powers to one or more of its members or the Secretary of the Committee; and
- 11.8** Considering any other matters, as may be requested by the Board.

## 12. REMUNERATION DUTIES

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

- 12.1** To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- 12.2** To approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company.
- 12.3** To delegate any of its powers to one or more of its members or the Secretary of the Committee.
- 12.4** To consider any other matters as may be requested by the Board.
- 12.5** Professional indemnity and liability insurance for Directors and senior management.



## ANNEXURE-II ANNUAL REPORT ON CSR ACTIVITIES

### 1. Brief out line of CSR Policy of the Company:

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

### 2. Composition of CSR Committee:

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

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

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

- 6 Average net profit of the Company as per section 135(5). ₹ 1,196.16 Lakhs
- 7 (a) Two percent of average net profit of the Company as per section 135(5) ₹ 23.92 Lakhs
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. Nil
- (c) Amount required to be set off or the financial year, if any Nil
- (d) Total CSR obligation for the financial year (7a+7b-7c). ₹ 23.92 Lakhs



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

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

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

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

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in ₹/ Lakh).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR registration number
1.	Setting up homes and hostels for women	Setting up hostels for women	Yes	Karnataka	Bangalore	57.70	No	Arpan Educational Society for Underprivileged Children	CSR00008260
2.	Vocation Skills	Enhancing vocation skills	Yes	Gurugram	Gurugram	16.58	No	The Apparel Training & Design Centre	CSR00000938
3.	Education	Promoting Education	Yes	Delhi	Delhi	2.02	No	Adhyayan Quality Education Foundation	CSR00002080

(d) Amount spent in Administrative Overheads

Nil

(e) Amount spent on Impact Assessment, if applicable

Nil

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

76.30

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

(g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in ₹/Lakh)
(i)	Two percent of average net profit of the Company as per section 135(5)	23.92
(ii)	Total amount spent for the Financial Year	76.30
(iii)	Excess amount spent for the financial year [(ii)-(i)]	52.38
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	52.38

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

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

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

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

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

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

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

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

Place: Gurugram  
Date: August 13, 2022

**(Pallab Banerjee)**  
Managing Director

**(Madhulika Bhupatkar)**  
Chairman of CSR Committee



# ANNEXURE-III TO THE DIRECTORS' REPORT

## SECRETARIAL AUDIT REPORT

**For the financial year ended March 31, 2022**

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

To,

**The Members**

**Pearl Global Industries Limited**

**CIN:L74899DL1989PLC036849**

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

**New Delhi-110057**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Pearl Global Industries Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We report that:

- a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) \*The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

- h) \*The Securities and Exchange Board of India (Buy-back of Securities) regulations, 2018; and
  - i) The Securities and Exchange Board of India (Listing obligations and Disclosures requirements) Regulations, 2015;
- \*No event took place under these regulations during the audit period.

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

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

Based on our verification of **Pearl Global Industries Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and 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 year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has **proper Board-processes** and **compliance mechanism** in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and their records maintained by **Pearl Global Industries Limited** ("the Company") for the financial year ended on March 31, 2022, according to the provisions of (hereinafter to be referred as "Act" collectively) (Many of the Records were examined online due to Covid 19):

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with BSE and NSE Stock Exchange(s).
- iii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, we found that the Company has complied with the various provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above are as follows:

## ANNEXURE-III TO THE DIRECTORS' REPORT (Contd.)

- Company has received the disclosures from promoters as intimated to the Stock Exchanges under Regulation 30(1) and 30(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- Company has received declaration under Section 149(6) of the Companies Act, 2013 from all the Independent directors.
- Company has adopted a conflict of interest policy, a code of business conduct setting out the Company's requirements and process to report and deal with noncompliance.
- Company has made responsible the Compliance officer for oversight and management of these policies and procedures.
- Company has established various policies as per the Companies Act, 2013 and listing agreement / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, like, CSR policy, Vigil Mechanism policy, Related Party Transaction Policy, Whistle Blower Policy and Directors appointment and remuneration policy.
- Company has constituted various committee(s) are as under:

### 1. Audit Committee:

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

### 2. Nomination and Remuneration Committee:

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

### 3. Stakeholders Relationship Committee:

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

### 4. CSR Committee:

Mrs. Madhulika Bhupatkar	- Chairperson
--------------------------	---------------

Mr. Pulkit Seth - Member Director

Mr. Anil Nayar - Member Director

### 5. Finance Committee

Mr. Pulkit Seth - Chairman

Mrs. Shifalli Seth - Member Director

Mr. Abhishek Goyal - Member Director

### 6. Risk Management Committee

Mr. Pallab Banerjee - Chairman

Mr. Abhishek Goyal - Member Director

Ms. Neha Khanna - Member Director

### 7. Compliance Officer:

Mr. Ravi Arora\*

\*(Appointed as a Company secretary and Compliance Officer of the Company on February 14, 2022)

- The Company's shares are in compulsory Demat segment and are available for trading in the depository system of both NSDL and CDSL. As on March 31, 2022 the Company has 19335041 shares in NSDL A/c, 2260292 shares in CDSL A/c and balance of 68604 are in physical mode.

The Company's shares in physical form are processed by the Registrar and Share Transfer Agent **Link Intime India Private Limited having office at Noble Heights, 1st Floor, NH 2 C-1 LSC, Near Shavtri Market, Janakpuri, New Delhi – 110 058**, and approved by the Stakeholders Relationship Committee. Share transfer process also reviewed by the Board.

Investor's Grievance Report during the Financial year:

No. of Grievances Received - 0

No. of Grievances Attended - 0

No. of Grievances Pending - 0

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

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



## ANNEXURE-III TO THE DIRECTORS' REPORT (Contd.)

**Audit Committee:**

Date of Meeting	Date of notice	Place of Meeting/ VC	Total No. of members on date of meeting	Leave of Absence Granted	Total No. of members Present	Chairman of the Meeting
May 25, 2021	May 10, 2021	VC	4	2	2	Mr.Anil Nayar
June 21, 2021	June 11, 2021	VC	4	1	3	Mr.Anil Nayar
August 14, 2021	August 7, 2021	VC	4	NIL	4	Mr.Anil Nayar
November 13,2021	November 2,2021	VC	4	NIL	4	Mr.Anil Nayar
February 14, 2022	February 4, 2022	VC	4	1	3	Mr.Anil Nayar

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

**Stakeholders Relationship Committee:** During the Financial Year 2021-22 the committee met on August 16, 2021, and January 25, 2022. The Company has also maintained the proper record of the minutes of the meetings.

**Nomination and Remuneration Committee meeting:**

The Committee met on June 21, 2021, August 14, 2021 and February 14, 2022 during the Financial Year 2021-22. The Company has also maintained the proper record of the minutes of the meetings.

**CSR Committee:**

The Committee met on June 21, 2021 during the Financial Year 2021-22. The Company has also maintained the proper record of the minutes of the meetings.

**Finance Committee:**

The Committee met on April 28, 2021, June 21, 2021, July 12, 2021, August 24, 2021, September 13, 2021,

October 21, 2021, November 22, 2021, November 30, 2021, December 4, 2021, December 15, 2021, December 21, 2021, January 5, 2022, February 15, 2022 and March 15, 2022 during the Financial Year 2021-22. The Company has also maintained the proper record of the minutes of the meetings.

**Risk Management Committee meeting:**

The Committee met on November 13, 2021 and February 14, 2022 during the Financial Year 2021-22. The Company has also maintained the proper record of the minutes of the meetings.

**Independent Directors' meeting:**

During the Financial Year 2021-22 the meeting of Independent Directors was convened and held on March 30, 2022.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

**Composition of the Board:****LIST OF DIRECTORS AS ON 31.03.2022**

S.No.	NAME OF THE DIRECTORS	DESIGNATION	DIN	DIRECTOR SINCE
1	MR. DEEPAK SETH	Chairman	00003021	March 22, 1994
2	MR. PULKIT SETH*	Managing Director	00003044	November 1, 2004
3	MR. CHITTRANJAN DUA	Independent Director	00036080	September 12, 2006
4	MR. RAJENDRA KUMAR ANEJA	Independent Director	00731956	September 12, 2006
5	MRS. SHIFALLI SETH*	Whole-Time Director	01388430	January 19, 2012
6	MR. ANIL NAYAR	Independent Director	01390190	January 19, 2012
7	MR. ABHISHEK GOYAL	Independent Director	01928855	May 26, 2017
8	MS. NEHA KHANNA	Independent Director	03477800	June 21, 2021
9	MR. PALLAB BANERJEE#	Joint Managing Director	07193749	October 1, 2021
10	MR. DEEPAK KUMAR	Whole-Time Director	09497467	February 14, 2022
11	MRS. MADHULIKA BHUPATKAR	Independent Director	08712718	March 18, 2020
12	MR. SHAILESH KUMAR	Whole-Time Director	08897225	October 7, 2020



## ANNEXURE-III TO THE DIRECTORS' REPORT (Contd.)

\*Mr. Pulkit Seth and Mrs. Shifalli Seth, resigned from the position of Managing Director and Whole-Time Director, respectively, with effect from close of business hours on March 31, 2022. However, they will continue on the Board as Non-Executive Directors.

# Mr. Pallab Banerjee appointed as Managing Director with effect from April 1, 2022.

### Details of Board Meeting:

Board has met five times during the financial year on:

Date of Meeting	Date of serving the notice	Meeting Held Physically /VC	Total No. of Directors on the Board on date of meeting	Leave of Absence granted to Director	Total No. of Directors Present	Chairman of the Meeting
May 25, 2021	May 10, 2021	VC	10	6	4	Mr. Anil Nayar
June 21, 2021	June 11, 2021	VC	11	2	9	Mr. Deepak Seth
August 14, 2021	August 7, 2021	VC	11	3	8	Mr. Pulkit Seth
November 13, 2021	November 2, 2021	VC	12	1	11	Mr. Deepak Seth
February 14, 2022	February 4, 2022	VC	12	2	10	Mr. Deepak Seth

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

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

### Annual General Meeting:

During the Financial Year 2021-22 the Company has called 32<sup>nd</sup> Annual General Meeting for the Financial Year 2020-21 on **September 24, 2021**, through Video Conferencing facility. The Company has kept the e-voting period from September 21, 2021 to September 23, 2021 (both days inclusive).

### Maintenance of Statutory Registers:

The Company has maintained the following Statutory Registers required under the Companies Act 2013.

1. Register of Members
2. Register of Directors and Key Managerial personnel
3. Register of Security held by the Director
4. Register of Loans, Investment and Guarantee
5. Register of Charge
6. Register of Contracts or Arrangements
7. Register of Transfer and Transmission.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting

8. Register of Renewal and Duplicate Shares Certificate

### Declaration and Payment of Dividend:

No Dividend declared and distributed during the financial year ending March 31, 2022.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines mentioned above at para (i) to (v) and also laws listed herein below:

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

1. The Air (Prevention and Control of Pollution) Act, 1981.
2. The Child Labour (Prohibition and Regulation) Act, 1986.
3. The Contract Labour (Regulation and Abolition) Act, 1970.
4. The Factories Act, 1948.
5. The Fatal Accidents Act, 1855.
6. The Industrial Disputes Act, 1947.



## ANNEXURE-III TO THE DIRECTORS' REPORT (Contd.)

7. The Industrial Employment (Standing Orders) Act, 1946.

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

We were examined all the records with physical visit at Corporate office of the Company, Pearl Tower, Plot No.51, Sector-32, Gurgaon, Haryana - 122016.

For **Jayant Sood and Associates**  
Company Secretaries

Place: Gurugram

Date: May 25, 2022

UDIN: F004482D000381210

Peer Review Certificate No. 1061/2022

**(CS Jayant K Sood)**

Proprietor

FCS: 4482, CP No. 22410

## ANNEXURE-IV TO THE DIRECTORS' REPORT

## FORM NO. AOC-2

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

- Details of contracts or arrangements or transactions not at arm's length basis: **NIL**
- Details of material contracts or arrangement or transactions at arm's length basis:

Sl. No.	Name of the related party	Nature of the relationship	Nature of Contracts/ arrangement/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Value (₹ in Lakh)	Date of approval of the Board, if any	Amount paid as advances, if any
1	Pearl Global (HK) Limited	Wholly Owned Subsidiary	Sale of goods	April 1, 2021	-	30,208.89	August 14, 2021	NIL
			SAP Income	to		51.35		
			Expenses incurred by them on our behalf	March 31, 2022		82.19		
			Income on Corporate Guarantee			108.13		
			Expenses paid by us on their behalf			16.64		

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: August 13, 2022

## ANNEXURE-V TO THE DIRECTORS' REPORT

[Pursuant to Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Sl. No.	Particulars	Disclosures												
I	The ratio of the remuneration of each Director to the median remuneration of the employees for the financial year	<table border="1"> <tr> <td>Mr. Pulkit Seth (VC&amp;MD)</td> <td>56.71x</td> </tr> <tr> <td>Mrs. Shifalli Seth (WTD)</td> <td>23.63x</td> </tr> <tr> <td>Mr. Pallab Banerjee (JMD)</td> <td>32.36x</td> </tr> <tr> <td>Mr. Uma Shankar Kaushik (WTD)</td> <td>7.09x</td> </tr> <tr> <td>Mr. Shailesh Kumar (WTD)</td> <td>5.67x</td> </tr> <tr> <td>Mr. Deepak Kumar (WTD)</td> <td>7.15x</td> </tr> </table>	Mr. Pulkit Seth (VC&MD)	56.71x	Mrs. Shifalli Seth (WTD)	23.63x	Mr. Pallab Banerjee (JMD)	32.36x	Mr. Uma Shankar Kaushik (WTD)	7.09x	Mr. Shailesh Kumar (WTD)	5.67x	Mr. Deepak Kumar (WTD)	7.15x
Mr. Pulkit Seth (VC&MD)	56.71x													
Mrs. Shifalli Seth (WTD)	23.63x													
Mr. Pallab Banerjee (JMD)	32.36x													
Mr. Uma Shankar Kaushik (WTD)	7.09x													
Mr. Shailesh Kumar (WTD)	5.67x													
Mr. Deepak Kumar (WTD)	7.15x													
II	The percentage increase in remuneration of each Director, CFO, CS in the financial year	Nil												
III	The percentage increase in the median remuneration of employees in the financial year	The median remuneration of the employees in the financial year was increased by 6.66%.												
IV	The number of permanent employees on the rolls of the Company	There were approx 5966 permanent employees as on March 31, 2022												
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;	<p>Average percentiles increase in the salary of employees other than managerial personnel in the last financial year was 6.66%.</p> <p>Average percentiles increase in the salary of Managerial personnel in the last financial year was NIL.</p>												
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.												

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

Place: Gurugram  
Date: August 13, 2022

**(Pallab Banerjee)**  
Managing Director  
DIN 07193749

**(Pulkit Seth)**  
Vice-Chairman  
DIN 00003044



## ANNEXURE-VI TO THE DIRECTORS' REPORT

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

### List of top ten employee in terms of remuneration drawn

Sl. No.	Name of Employee	Designation	Educational qualification	Age	Experience (in years)	Date of Joining	Remuneration paid	Previous employment	Percentage of equity share held	Whether employee is relative of any Director or Manager
1	Mr. Sanjay Gandhi	Group CFO	B.Com (Hons), CA	46	22	18.12.2019	59,07,546	CFO-Solutions, Sterlite Power	NIL	No
2	Ms. Ratna Singh	Chief Human Resource Officer	B.A.	47	27	19.10.2020	50,29,654	Director-HR, Flipkart	NIL	No
3	Mr. Sundeep Chatrath	COO-Knits Division (India)	B.A.	55	34	01.06.2017	46,97,274	Head-Merchandising, Gupta Exim, Faridabad	NIL	No
4	Mr. Shankar H C	Vice President	Diploma in Textile Technology	54	30	17.02.2016	44,99,500	VP-Operation Shahi Exports Pvt.Ltd	NIL	No
5	Mr. Pankaj Bhasin	CEO-Sampling & Merchandising	B.Com and Apparel Production Management	49	27	15.07.1995	42,27,137	NIL	NIL	No
6	Mr. Narendra Kumar Somani	CFO-India	Chartard Accountant	53	29	21.04.2021	42,00,065	CFO-Modelama Exports Pvt Ltd.	NIL	No
7	Mr. Anand Bhatia	Sr. Vice-President (Production)	B.Sc., MBA	53	30	09.08.2011	38,35,498	Factory Manager, Texport Fashion Ltd	NIL	No
8	Mr. Pankaj Agarwal	Sr. Vice-President	MBA	48	24	01.04.2021	37,93,332	SVP-Merchandising, Norp Knit Industries Ltd-Bangladesh	NIL	No
9	Mr. Hari S	COO	Post Graduate In Garment Manufacturing Technology, NIFT	49	24	01.10.2019	30,10,645	GM-Operations, JMS Garments	NIL	No
10	Mr. Sandeep Hooda	Vice President	B.Tech (Textile Technology)	41	20	14.05.2021	27,74,890	Manager - Strategy & Operations - Triburg	NIL	No

Note: Nature of employment is non contractual

## ANNEXURE VII TO THE DIRECTOR'S REPORT

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014.

### A. CONSERVATION OF ENERGY

#### (i) Steps taken for conservation of energy:

- Installed Steam boilers in place of electrical boilers
- Replaced old office electrical items like Air Conditions, fans with energy efficient ones.
- Other measures like placing focused lighting systems and reducing lights wherever not needed.
- Effective utilisation of work station for energy conservation

#### (ii) Steps taken by the Company for utilizing alternate sources of energy:

The Company being into garment manufacturing does not consume heavy electricity. However, the Company has installed 200 KW capacity of solar energy plant at its factory located at Chennai.

#### (iii) The Capital investment on energy 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:

(₹ Lakhs)

Expenditure on R & D	2021-22	2020-21
a) Capital	NIL	NIL
b) Recurring	254.90	517.85
<b>Total</b>	<b>254.90</b>	<b>517.85</b>

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings

(₹/Lakhs)

Particulars	2021-22	2020-21
Export of Goods - FOB basis	84,129.91	73,525.71
Interest Income	14.40	32.21
IT/SAP Income	97.87	117.07
<b>Total</b>	<b>84,242.18</b>	<b>73,674.99</b>



## ANNEXURE VII TO THE DIRECTOR'S REPORT (Contd.)

## Foreign Exchange Outgo

(₹/Lakhs)

Particulars	2021-22	2020-21
Imports	2,270.03	601.67
Foreign Travelling	37.72	43.67
EDI Expenses	10.97	41.12
Others	102.50	102.12
<b>Total</b>	<b>2,421.22</b>	<b>788.58</b>

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

Place: Gurugram  
Date: August 13, 2022

**(Pallab Banerjee)**  
Managing Director  
DIN 07193749

**(Pulkit Seth)**  
Vice-Chairman  
DIN 00003044



# STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARY COMPANIES

[ Pursuant to first proviso to Sub-Section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014-AOC-1 ]

(₹ in Lakh)

Sl. No.	Name of Subsidiary	Date of Acquisition	Reporting Period	Reporting Currency	Exchange rate	Equity Share Capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit/ Loss before taxation	Provision for taxation	Profit /Loss after taxation	Proposed dividend	% of shareholding	Other comprehensive (Expenses) Income	Total Comprehensive income for the Year
1	Pearl Global Kaushal Vikas Limited	18.06.2014	31-Mar-22	INR	NA	5.00	(5.32)	0.10	0.42	-	-	(0.42)	-	(0.42)	-	100.00	-	(0.42)
2	SBUY'S E-Commerce Limited	20.09.2019	31-Mar-22	INR	NA	1.00	48.67	184.02	134.35	-	816.24	65.86	16.93	48.93	-	100.00	-	48.93
3	Norp Knit Industries Limited	22.03.2006	31-Mar-22	USD	75.8071	3,651.27	12,494.72	50,802.16	34,656.18	984.63	95,509.45	2,423.89	505.31	1,918.58	-	99.99	-	1,918.58
4	Pearl Global Fareast Limited#	16.03.2009	31-Mar-22	USD	75.8071	3,786.56	3,547.18	11,032.16	3,698.42	2,345.19	15,336.73	(439.91)	-	(439.91)	379.04	100.00	(80.15)	(520.06)
5	Peal Global (HK) Limited#	22.12.2009	31-Mar-22	USD	75.8071	6,868.12	9,531.68	68,643.34	52,243.53	12,419.52	2,08,567.69	2,805.26	165.36	2,639.90	189.52	100.00	218.29	2,858.19
6	PGIC Investment Limited	16.08.2016	31-Mar-22	USD	75.8071	0.00	(706.85)	3,952.25	4,659.10	-	-	(218.05)	-	(218.05)	-	100.00	-	(218.05)
7	Pearl Grass Creations Limited	11.07.2016	31-Mar-22	USD	75.8071	303.23	(1,017.73)	4,740.05	5,454.55	-	20,823.71	553.49	-	553.49	-	80.00	-	553.49
8	Vin Pearl Global Vietnam Limited#	11.07.2016	31-Mar-22	USD	75.8071	9.10	(270.61)	3,130.47	3,391.98	3,126.51	-	(27.77)	-	(27.77)	-	100.00	-	(27.77)
9	Pearl Global Vietnam Co. Limited	01.05.2017	31-Mar-22	VND	0.0033	2,381.24	(984.34)	18,621.06	17,224.15	-	35,753.10	880.46	-	880.46	-	100.00	-	880.46
10	Prudent Fashions Limited	02.03.2017	31-Mar-22	BDT	0.8610	1,689.94	(1,152.76)	9,579.87	9,042.69	-	4,336.31	(551.60)	255.05	(806.66)	-	99.95	-	(806.66)
11	DSPP Global Limited#	08.11.2012	31-Mar-22	USD	75.8071	1,273.65	4,510.00	20,206.66	14,423.01	928.62	34,943.72	(60.49)	(99.63)	(160.12)	-	100.00	(90.10)	(250.22)
12	PT Pinnacle Apparels	30.03.2006	31-Mar-22	USD	75.8071	1,329.63	4,698.65	9,206.23	3,177.95	-	14,992.51	396.36	99.63	296.73	-	69.92	(90.10)	90.10
13	Pearl Global USA Inc.	29.07.2021	31-Mar-22	USD	75.8071	0.76	2.88	259.96	256.32	-	358.00	2.88	-	2.88	-	100.00	-	2.88

# Figurers are on consolidated basis.

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

**(Pallab Banerjee)**  
Managing Director  
DIN 07193749

**(Pulkit Seth)**  
Vice-Chairman  
DIN 00003044

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

**(Ravi Arora)**  
Company Secretary  
M.No.: ACS-21187

Place: Gurugram  
Date: May 25, 2022



# CORPORATE GOVERNANCE

## 1. COMPANY'S PHILOSOPHY

Effective corporate governance practice constitutes the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance overseas business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors, and the society at large.

Strong leadership and effective corporate governance practice have been the Company's hallmark inherited from the Pearl culture and ethos.

The Company has a strong legacy of fair, transparent, and ethical governance practices. The Company's corporate governance philosophy has been further strengthened through the Pearl Business Excellence Model.

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

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

## 2. BOARD OF DIRECTORS

As on March 31, 2022, the Company's Board of Directors consists of 12 (Twelve) members. The Chairman of the Board is non-executive Promoter Director. The Board comprises of three executive Directors and Nine non-executive Directors, of whom six are Independent Directors including one women Independent Director. The composition of the Board is in conformity with the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All non-executive independent Directors are persons of eminence and brings a wide range of expertise and experience to the Board.

**Composition and Category of the Board as on 31.03.2022 and their attendance in the Board and last Annual General Meetings are as hereunder:**

S. No.	Name of Director	Category	Attendance		Number of other Directorships, committee memberships/chairmanships		
			Board Meetings	Annual General Meeting	Other Directorships*	Memberships**	Chairmanships**
1	Mr. Deepak Seth	Promoter, Non-Executive	3	Yes	3	2	-
2	Mr. Pulkit Seth\$	Promoter, Non-Executive	4	Yes	2	-	-
3	Mrs. Shifalli Seth\$	Promoter, Non-Executive	1	No	2	-	-
4	Mr. Pallab Banerjee#	Joint Managing Director	2	NA	2	-	-
5	Mr. Shailesh Kumar	Whole-Time Director	5	Yes	-	-	-
6	Mr. Deepak Kumar	Whole-Time Director	1	NA	-	-	-
7	Mr. Chitranjan Dua	Non-executive Independent	3	Yes	6	5	2
8	Mr. Rajendra Kumar Aneja	Non-executive Independent	4	Yes	-	-	-
9	Mr. Anil Nayar	Non-executive Independent	5	Yes	-	-	-

CORPORATE GOVERNANCE (Contd.)

S. No.	Name of Director	Category	Attendance		Number of other Directorships, committee memberships/chairmanships		
			Board Meetings	Annual General Meeting	Other Directorships*	Memberships**	Chairmanships**
10	Mr. Abhishek Goyal	Non-executive Independent	3	Yes	1	-	-
11	Mrs. Madhulika Bhupatkar	Non-executive Independent	4	Yes	-	-	-
12	Ms. Neha Khanna	Non-executive Independent	4	Yes	-	-	-

§ Mr. Pulkit Seth and Mrs. Shifalli Seth, resigned from the office of Managing Director and Whole-Time Director, respectively, with effect from close of business hours on March 31, 2022.

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

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

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

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

Name of Director	DIN	Name of listed entities in which the concerned Director is a Director	Category of Directorship
Mr. Deepak Seth	00003021	PDS Limited (Formerly Multinational Fashions Limited)	Promoter, Non-Executive Director
Mr. Pulkit Seth	00003044	NIL	NIL
Mrs. Shifalli Seth	01388430	NIL	NIL
Mr. Pallab Banerjee	07193749	NIL	NIL
Mr. Shailesh Kumar	08897225	NIL	NIL
Mr. Deepak Kumar	09497467	NIL	NIL
Mr. Chittranjan Dua	00036080	TVS Motor Company Limited	Non-Executive Independent Director
		Gillette India Limited	Non-Executive Independent Director
		Procter & Gable Hygiene and Health Care Limited	Chairman of the Board and Non-Executive Independent Director
Mr. Rajendra Kumar Aneja	00731956	NIL	NIL
Mr. Anil Nayar	01390190	NIL	NIL
Mr. Abhishek Goyal	01928855	NIL	NIL
Mrs. Madhulika Bhupatkar	08712718	NIL	NIL
Ms. Neha Khanna	03477800	NIL	NIL

Mr. Deepak Seth, Chairman, Mr. Pulkit Seth, Vice Chairman and Mrs. Shifalli Seth, Directors are relatives. Mrs. Shifalli Seth is spouse of Mr. Pulkit Seth, Mr. Pulkit Seth is son of Mr. Deepak Seth.

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

During the financial year 2021-22, five (5) Board Meetings were held on May 25, 2021, June 26, 2021, August 14, 2021, November 13, 2021 and February 14, 2022.

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



## CORPORATE GOVERNANCE (Contd.)

Details of familiarisation programmes imparted to Independent Directors are disclosed at Company's website at <https://www.pearlglobal.com/investor-relations/corporate-governance/>

**Skills/Expertise/Competence of the Board of Directors**

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

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

Skill area	Description	Number of Directors having particular skills
Product design, Manufacturing, Sales and Marketing	<ul style="list-style-type: none"> <li>Experience in design and manufacturing of products and developing strategies to increase sales and market share.</li> </ul>	6
Finance	<ul style="list-style-type: none"> <li>Qualification and experience in accounting and finance and ability to understand key financial statements, strategic financial planning, and budgets.</li> </ul>	7
Global Business	<ul style="list-style-type: none"> <li>Experience in driving business in markets around the world.</li> <li>Understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks.</li> </ul>	9
Leadership and Strategic Planning	<ul style="list-style-type: none"> <li>Ability to understand organization, processes, strategic planning, and risk management.</li> <li>Experience in developing talent, succession planning and driving change and long-term growth.</li> </ul>	10
Technology and Innovation	<ul style="list-style-type: none"> <li>Knowledge of technological trends in apparel industry.</li> </ul>	4
Legal and Governance	<ul style="list-style-type: none"> <li>Ability to protect shareholders' interest and observe appropriate governance practices.</li> <li>Monitor risk and compliance management system including legal framework.</li> </ul>	10
Human Resource and Administration	<ul style="list-style-type: none"> <li>Ability to understand Labour Laws and other related applicable Laws including administration functions of the Company.</li> </ul>	6

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

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

**CORPORATE GOVERNANCE (Contd.)**

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

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

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

**Information supplied to the Board**

The Board has complete access to all information with the company. Inter alia, the following information are provided to the Board and the agenda papers for the meetings are circulated in advance of each meeting or are tabled.

- Annual Operating plans and budgets, Capital budgets, updates;
- Quarterly results for the company and its operating divisions or business segments;



## CORPORATE GOVERNANCE (Contd.)

- Minutes of meetings of Audit Committee and other committees of the board;
- Information on recruitment and remuneration of senior officers just below the board level including appointment or removal of Chief Financial Officer and Company Secretary;
- Materially important show cause, demand, prosecution and penalty notices;
- Fatal or serious accidents or dangerous occurrences;
- Any materially significant effluent or pollution problems;
- Any materially relevant default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
- Any issue, which involves possible public or product liability claims of a substantial nature;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labour problems and their proposed solutions;
- Any significant development in the human resources and industrial relations fronts;
- Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business;
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement, and
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholder services such as non-payment of dividend and/or delay in share transfer.

### 3. AUDIT COMMITTEE

The Audit Committee has been constituted as per Section 177 of the Companies Act, 2013 and the guidelines set out in Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference includes:-

- Overseeing financial reporting processes.
- Reviewing periodic financial results, financial statements and adequacy of internal control systems.
- Discussion and review of periodic audit reports and
- Discussions with external auditors about the scope of audit including the observations of the auditors.
- Recommending the appointment, remuneration and removal of statutory auditors.
- Discussing with internal auditors any significant findings and follow up there on.
- Reviewing the adequacy of internal control systems with management, external and internal auditors and reviewing the Company's risk management policies / systems.
- Reviewing the financial statements and quarterly financial results.
- Reviewing Management discussion and analysis of financial condition and result of operations.
- Reviewing statement of significant related party transactions.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Scrutiny of inter-corporate loans and investments.
- Approval of appointment of Chief Financial Officer.
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary.



## CORPORATE GOVERNANCE (Contd.)

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

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

During the year, the Audit Committee, met five times and discharged its responsibilities in accordance with Section 177 of the Companies Act, 2013 and SEBI Listing Regulations. The meetings of the Audit Committee were held on May 25, 2021, June 21, 2021, August 14, 2021, November 13, 2021 and February 14, 2022 during the financial year 2021-22. The maximum gap between any two meetings was in compliance with as per Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year 2021-22, the members of the Audit Committee and their attendance are as under:

<b>Audit Committee</b>	
<b>Composition</b>	<b>No. of Meetings attended</b>
Mr. Anil Nayar - Chairman	5
Mrs. Madhulika Bhupatkar - Member Director	4
Mr. Abhishek Goyal - Member Director	3
Mr. Rajendra Kumar Aneja - Member Director	4

#### 4. NOMINATION AND REMUNERATION COMMITTEE

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

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

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

Three meetings of the Nomination and Remuneration Committee were held on June 21, 2021, August 14, 2021, and February 14, 2022, during the financial year 2021-22. Details of meeting of the members of Nomination and Remuneration Committee and their attendance are as under:

<b>Nomination and Remuneration Committee</b>	
<b>Composition</b>	<b>No. of Meetings attended</b>
Mr. Abhishek Goyal - Chairman	1
Mr. Deepak Seth - Member Director	1
Mr. Anil Nayar - Member Director	3
Mr. Rajendra Kumar Aneja - Member Director	3

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

- Attendance and contribution at Board and Committee meetings



## CORPORATE GOVERNANCE (Contd.)

- 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.

### 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

As on March 31, 2022, the Stakeholders Relationship Committee comprises of:

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

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

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

The meetings of the Stakeholders Relationship Committee were held on August 16, 2021, and January 25, 2022 during the financial year 2021-22.

#### **Status of Shareholders Complaints during the year 2021-22**

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

### 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As on March 31, 2022, the Corporate Social Responsibility Committee comprises of:

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

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

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

One meeting held on June 21, 2021, during the financial year 2021-22.

### 7. FINANCE COMMITTEE

As on March 31, 2022, the Finance Committee comprises of:

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

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

The meetings of Finance Committee were held on April 28, 2021, May 6, 2021, May 22, 2021, June 21, 2021, July 12, 2021, August 24, 2021, September 13, 2021, October 21, 2021, November 30, 2021, December 4, 2021, December 15, 2021, December 22, 2021, January 5, 2022, February 15, 2022 and March 15, 2022 during the financial year 2021-22.

**CORPORATE GOVERNANCE (Contd.)**

**8. REMUNERATION OF DIRECTORS**

Details of remuneration paid to all the Directors for the year 2021-22 are as under:

(Amount in ₹/ Lakhs)

Name of the Director(s)	Mr. Deepak Seth	Mr. Pulkit Seth	Mrs. Shifalli Seth	Mr. Pallab Banerjee	Mr. Uma Shankar Kaushik	Mr. Shailesh Kumar	Mr. Deepak Kumar	Mr. Anil Nayar	Mr. C R Dua	Mr. Rajendra K Aneja	Mr. Abhishek Goyal	Mrs. Madhulika Bhupatkar	Ms. Neha Khanna
Designation	Chairman	Managing Director	Whole Time Director	Joint Managing Director	Whole Time Director	Whole Time Director	Whole Time Director	Director	Director	Director	Director	Director	Director
Salary	--	90.14	37.64	162.46	10.33	9.60	2.70	--	--	--	--	--	--
HRA	--	--	--	--	5.16	4.80	1.35	--	--	--	--	--	--
Special Allowance	--	--	--	--	3.09	3.60	1.05	--	--	--	--	--	--
Conveyance Allowance	--	--	--	--	0.16	--	--	--	--	--	--	--	--
Medical	--	--	--	--	--	--	--	--	--	--	--	--	--
Bonus	--	--	--	--	--	--	--	--	--	--	--	--	--
Commission	--	--	--	--	--	--	--	--	--	--	--	--	--
Pension	--	--	--	--	--	--	--	--	--	--	--	--	--
Provident Fund	--	0.11	0.11	--	--	--	--	--	--	--	--	--	--
Perquisites	--	--	--	--	--	--	--	--	--	--	--	--	--
Break up of fixed components and Performance linked incentives with performance criteria	--	--	--	--	--	--	--	--	--	--	--	--	--
Performance Incentive	--	--	--	--	--	--	--	--	--	--	--	--	--
Service Contract	--	3 years	3 years	3 years	3 years	3 years	3 years	--	--	--	--	--	--
Notice Period, Severance fees	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	--	Nil	--	--	Nil	Nil	Nil	Nil	Nil	Nil
Sitting Fees	0.60	-	-	--	-	-	--	0.80	0.45	0.70	0.45	0.70	0.70
<b>Total</b>	<b>0.60</b>	<b>90.25</b>	<b>37.75</b>	<b>162.46</b>	<b>18.74</b>	<b>18.00</b>	<b>5.10</b>	<b>0.80</b>	<b>0.45</b>	<b>0.70</b>	<b>0.45</b>	<b>0.70</b>	<b>0.70</b>

A sitting fee of ₹ 25,000/- is payable to Independent Directors for attending meeting of Independent Directors. Besides above, the Company does not pay any other commission or remuneration to its Directors and there is no performance linked incentives except the fixed component as stated above.

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

**9. GENERAL BODY MEETINGS**

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

Year	AGM	Location	Date	Time
2018-19	30 <sup>th</sup>	Sri Sathya Sai International Centre, Pragati Vihar (Near Pragati Vihar Hostel) Lodhi Road, New Delhi-110 003	24.09.2019	10.30 A.M.
2019-20	31 <sup>st</sup>	Through Video Conferencing (VC) or Other Audio-Visual Means (OAVM)	26.11.2020	11.30 A.M.
2020-21	32 <sup>nd</sup>	Through Video Conferencing (VC) or Other Audio-Visual Means (OAVM)	24.09.2021	5.00 P.M.



## CORPORATE GOVERNANCE (Contd.)

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

Sl. No.	Particulars of Special Resolution	Date	Financial Year
1	Appointment of Ms. Neha Khanna as an Independent Director of the Company. Re-Appoint Mr. Abhishek Goyal as an Independent Director of the Company. Re-appoint Mrs. Shifalli Seth as Whole-Time Director of the Company. To appoint of Mr. Pallab Banerjee as Whole Time Director to be Designated as Joint Managing Director of the Company. To approve Related Party Transactions with Mr. Pulkit Seth, Managing Director of the Company for holding office or place of profit in the branch office of the Company.	September 24, 2021	2020-21
2	NIL	November 26, 2020	2019-20
3	Re-appointment of Mr. Pulkit Seth as Managing Director of the Company. Re-appointment of Mr. Anil Nayar as an Independent Director of the Company. Re-appointment of Mr. Chitranjan Dua as an Independent Director of the Company. Re-appointment of Mr. Rajendra Kumar Aneja as an Independent Director of the Company.	September 24, 2019	2018-19

**Details of Resolutions Passed Through Postal Ballot:**

During the year 2021-22, under Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company passed the following Resolutions by postal ballot:

S. No.	Particular of Resolutions	Total valid votes cast	Votes cast in favour of Resolution		Votes cast against the Resolution	
			No.	%	No.	%
1.	Appointment of Mr. Deepak Kumar (DIN 09497467) as Director of the Company.	1,47,40,064	1,47,26,071	99.91	13,993	0.09
2.	Appointment of Mr. Deepak Kumar (DIN 09497467) as Whole Time Director of the Company.	1,47,40,064	1,47,26,071	99.91	13,993	0.09
3.	Appointment of Mr. Pallab Benerjee (DIN 07193749) as Managing Director.	1,47,40,064	1,47,39,863	99.99	201	0.01
4.	Approval for Related Party Transactions.	3,28,858	3,28,657	99.94	201	0.06

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

**Procedure followed for postal ballot:**

The Company dispatched on 28th February, 2022 Postal Ballot Notice dated 14th February, 2022 containing draft resolutions together with the explanatory statement as required under Section 102 of the Companies Act, 2013, setting out material facts and the reasons for the Ordinary and Special Resolutions through email to all the Members of the Company whose names appear on the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited / Central Depository Services (India) Limited, Depositories, on the cut-off date i.e. 25th February, 2022 and who have registered their email addresses in respect of electronic holdings with the Depository and in respect of physical holdings with the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited (RTA) for facilitating e-voting to enable the shareholders to cast their votes electronically instead of physical mode due to COVID-19 situation and in terms of the relaxations issued by the MCA vide various circulars. Further, postal ballot notice was also made available on the website of RTA and was submitted to the stock exchanges and placed on the website of the Company at [www.pearlglobal.com](http://www.pearlglobal.com).

The Company also published the details of Postal Ballot Notice in the Business Standard newspapers (Hindi & English), pursuant to the requirements as mandated by the Companies Act, 2013 and Rules framed thereunder. The newspaper publications were also placed at the Company's website [www.pearlglobal.com](http://www.pearlglobal.com).

## CORPORATE GOVERNANCE (Contd.)

E-voting was conducted from March 2, 2022 (9.00 A.M. IST) to March 31, 2022 (5.00 P.M. IST). The voting rights were reckoned on the paid-up value of the shares registered in the names of the Members / Beneficial Owner as on cut-off date. The last date of receipt of approval of shareholders through e-voting on March 31, 2022 has been taken as the date of passing of the Resolutions with requisite majority. The results of the Postal Ballot were declared on March 31, 2022 and displayed at the registered office of the Company. The results of the postal ballot were submitted to the Stock Exchanges (BSE & NSE) and placed on the website of the Company at [www.pearlglobal.com](http://www.pearlglobal.com) and also communicated to the Registrar and Share Transfer Agent.

### 10. MEANS OF COMMUNICATION

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

### 11. GENERAL SHAREHOLDER INFORMATION

#### (i) Annual General Meeting

33<sup>rd</sup> Annual General Meeting will be held on September 26, 2022.

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

#### **Financial Calendar, 2022-23 (Tentative)**

First Quarter Results	: Second week of August, 2022
Second Quarter & Half Yearly Results	: Second week of November, 2022
Third Quarter Results	: Second week of February, 2023
Fourth Quarter & Annual Results	: Last week of May, 2023

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

#### (iv) Listing on Stock Exchanges and their Stock Code

Name of the Stock Exchanges, wherein shares of the Company are currently listed and their Script Code:

<b>Stock Exchange</b>	<b>Script Code</b>
<b>BSE LIMITED</b> 1ST FLOOR, NEW TRADING RING ROTUNDA BUILDING, P. J. TOWERS DALAL STREET, FORT, MUMBAI – 400 001 Mumbai	<b>532808</b>
<b>NATIONAL STOCK EXCHANGE OF INDIA LTD.</b> "EXCHANGE PLAZA", PLOT NO. C- 1, G- BLOCK, BANDRA - KURLA COMPLEX, BANDRA ( E ), MUMBAI - 400 051	<b>PGIL</b>

The Annual Listing Fee for the financial year 2022-2023 has been paid to the Stock Exchanges within stipulated time.

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



## CORPORATE GOVERNANCE (Contd.)

**(v) Market Price Data: High, Low during each month in financial year 2021-22:**

MONTH(S)	BOMBAY STOCK EXCHANGE Company Code: 532808		NATIONAL STOCK EXCHANGE Company Code: PGIL	
	High	Low	High	Low
April 2021	196.10	165.00	197.05	167.00
May 2021	237.50	162.00	237.45	172.05
June 2021	244.35	204.20	244.80	205.15
July 2021	389.60	207.75	388.80	210.00
August 2021	474.35	295.80	474.70	292.05
September 2021	341.20	294.05	342.80	292.35
October 2021	329.30	284.75	329.00	284.00
November 2021	436.00	287.40	435.00	291.25
December 2021	396.05	311.85	399.90	312.05
January 2022	574.85	342.45	573.95	342.35
February 2022	598.00	339.75	575.00	339.95
March 2022	439.95	374.05	443.00	371.10

**(vi) Share price performance in comparison to BSE Sensex and NSE Nifty.**

MONTH(S) (As on end of last trading day of the month)	SHARE PRICES COMPARISON			
	BSE		NSE	
	PGIL	Sensex	PGIL	Nifty
April 2021	179.00	48,782.36	177.90	14,631.10
May 2021	210.15	51,937.44	211.15	15,582.80
June 2021	211.95	52,482.71	212.15	15,721.50
July 2021	367.40	52,586.84	366.55	15,763.05
August 2021	334.90	57,552.39	336.30	17,132.20
September 2021	312.05	59,126.36	314.05	17,618.15
October 2021	295.95	59,306.93	296.90	17,671.65
November 2021	366.25	57,064.87	368.80	16,983.20
December 2021	349.20	58,253.82	349.75	17,354.05
January 2022	523.30	58,014.17	524.25	17,339.85
February 2022	392.05	56,247.28	394.55	16,793.90
March 2022	426.90	58,568.51	425.15	17,464.75

**(vii) Registrar and Share Transfer Agent**

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

**(viii) Share Transfer System**

The Company's shares being in compulsory demat form are transferable through the depository system. The Shares in physical form are processed by the Registrar and Transfer Agents and approved by the Stakeholder Relationship Committee. Share transfer process reviewed by the Board.



CORPORATE GOVERNANCE (Contd.)

(ix) Distribution Schedule

(a) Distribution of Equity Shareholding of the Company as on March 31, 2022

Number of Equity Shares held	Shareholders		Equity shares held	
	Numbers	% to total	Numbers	% to total
1 - 500	13457	95.9091	873420	4.0317
501 - 1000	247	1.7604	192252	0.8874
1001 - 2000	130	0.9265	193651	0.8939
2001 - 3000	44	0.3136	113758	0.5251
3001 - 4000	20	0.1425	71446	0.3298
4001 - 5000	24	0.1710	116973	0.5399
5001 - 10000	50	0.3564	382551	1.7658
10001 and above	59	0.4205	19719886	91.0263
<b>Total</b>	<b>14031</b>	<b>100.0000</b>	<b>21663937</b>	<b>100.0000</b>

(b) Categories of Shareholders as on March 31, 2022

	No. of Folios	% to total Folios	No. of Shares Held*	% to total Shares
<b>PROMOTERS (A)</b>				
Indian	2	0.02	2,01,508	0.93
NRI	3	0.02	1,42,23,401	65.65
<b>TOTAL (A)</b>	<b>5</b>	<b>0.04</b>	<b>1,44,24,909</b>	<b>66.58</b>
<b>PUBLIC (B)</b>				
Mutual Funds / Foreign Portfolio Investors	6	0.04	12,25,691	5.66
Alternate Investment Funds	1	0.01	54,173	0.25
Financial Institutions/Banks	1	0.01	2,56,666	1.18
NBFC registered with RBI	1	0.01	1,000	0.00
NRI's	145	1.08	1,71,031	0.79
Bodies Corporate	97	0.72	2,25,625	1.04
Clearing Members	28	0.21	5,602	0.03
Individual	12,675	94.05	49,78,624	22.98
Hindu Undivided Family	515	3.82	2,44,268	1.13
Trusts	1	0.01	100	0.00
Unclaimed Shares	1	0.01	420	0.00
IEPF	1	0.01	75,828	0.35
<b>TOTAL (B)</b>	<b>13,472</b>	<b>99.96</b>	<b>72,39,028</b>	<b>33.42</b>
<b>TOTAL [(A) + (B)]</b>	<b>13,477</b>	<b>100.00</b>	<b>2,16,63,937</b>	<b>100.00</b>

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

(x) Dematerialisation of Shares and liquidity

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both NSDL and CDSL. As on March 31, 2022, 2,15,95,333 equity shares of the Company forming 99.68% of the Share Capital of the Company stand dematerialized.

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

The Company has not issued any GDRs/ADRs/Warrants etc. till date.



## CORPORATE GOVERNANCE (Contd.)

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

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

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

### (xiii) Plant locations:

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

- i) 446, Udyog Vihar, Phase-V, Gurgaon - 122 016 (Haryana)
- ii) Plot No.73,Udyog Vihar,Phase-I,Gurgaon-122016
- iii) Plot No.274,Udyog Vihar,Phase-II,Gurgaon-122016
- iv) 16-17, Udyog Vihar, Phase VI, Khandsa, Gurgaon - 122 004 (Haryana)
- v) 751, Pace City II, Sector 37, Khandsa, Gurgaon - 122 004 (Haryana)
- vi) Plot at Khasra No 15//19 & 22, Village Begumpur Khatola, Gurugram, Haryana – 122001
- vii) NH-8, Narsinghpur Village, District, Gurgaon (Haryana)
- viii) 2/31/,Thirukahukundram Road, Melavalam Village, Madhuranthagam, Taluk, Kancheepuram District-603303
- ix) Plot No. 19A, NTT Road, Peenya Industrial Area, Bengaluru-560058
- x) Norp Knit Industries Ltd, North Khailkur, P.O. National University, Gazipur-1704 Bangladesh.
- xi) Norp Knit Industries Ltd- 93, Islampur, Kodda, Nandun, Gazipur-1700, Bangladesh
- xii) Prudent Fashions Ltd. Kaichabari Road, Bypail, Ashulia, Savar, Bangladesh
- xiii) PT Pinnacle Apparels, JL Coaster No. 8, Blok A-15-15, a TEPZ, Kawasan Berikat Lamicitra Tanjung Emas Export Processing Zone,Semarang-50174, Indonesia
- xiv) 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
- xv) Pearl Global Vietnam Company Limited, Dinh Tri Commune, Bae Giang City, Bae Giang Province,Vietnam

### (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)  
Tel. No.: 91 - 124 - 4651714

## CORPORATE GOVERNANCE (Contd.)

Mr. Ravi Arora who was appointed as Company Secretary and Compliance Officer of the Company by the Board of Directors in its meeting held on 14th February, 2022, resigned from the office of the Company Secretary and Compliance officer of the Company on 28th June, 2022.

### (xv) Credit Ratings

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

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

## 12. OTHER DISCLOSURES

- There had been no materially significant related party transaction that might have potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in Note 46 of Notes to Standalone Financial Statement in the Annual Report.
- There has been no non-compliance, penalties/strictures imposed on the company by Stock Exchange(s) or SEBI or any other Statutory Authority, on any matter related to capital markets, during the last three years.
- The Company has a Whistle Blower Policy and Vigil Mechanism. No personnel of the Company have been denied access to the Audit Committee.
- The Company has complied with all the mandatory requirements including Regulations 17 to 27 and 46 (2) (b) to (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As regard the non-mandatory requirements, the extent of compliance has been stated in this report against each of them.
- Policy for determining 'material' subsidiaries is disclosed at Company's website at <https://www.pearlglobal.com/investor-relations/corporate-governance/>
- Policy on dealing with related party transactions is disclosed at Company's website at <https://www.pearlglobal.com/investor-relations/corporate-governance/>
- During the financial year 2021-22, the Company has not raised funds through preferential allotment or qualified institutional placement.
- 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.
- The Board had accepted all recommendations of Committees of the Board, which is mandatorily required, in the financial year 2021-22.
- 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:

(₹/Lakhs)

Particulars	For the financial year ended March 31, 2022	For the financial year ended March 31, 2021
Audit Fee	20.50	17.92
Other Services	10.00	11.65
Reimbursement of Expenses	1.85	0.75
<b>Total</b>	<b>32.35</b>	<b>30.32</b>



## CORPORATE GOVERNANCE (Contd.)

k) There were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, during the financial year 2021-22.

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

### 14. NON-MANDATORY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II OF THE SEBI LISTING REGULATIONS

#### Discretionary requirements are as follows:

##### A. The Board

Maintenance of Non-Executive Chairman's Office

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

##### B. Shareholders Rights

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

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

##### D. Separate Posts of chairperson and chief executive officer

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

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

#### Compliance with the Code of Conduct

The Company has adopted a "Code of Conduct for the Directors and Senior Management". The Code is available on the official website of the Company <https://www.pearlglobal.com/investor-relations/corporate-governance/>.

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

#### Compliance certificate on Corporate Governance

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

### CEO/CFO CERTIFICATION

The Managing Director and Chief financial Officer have certified to the Board, inter alia, the accuracy of financial statements and adequacy of Internal Controls for the financial reporting purpose as required under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the year ended 31st March 2022. Certificate is annexed with this Annual Report.

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

Shares remains unclaimed and lying in the IPO escrow A/c of the company for the financial year 2021-22, information is as follows:

- Total shares outstanding at the beginning of Financial Year are 420 & total number of shareholders is 20.
- Number of shareholders approached the company for transfer of shares: Nil
- No. of shareholders to whom shares transferred from escrow a/c: Nil
- Aggregate number of shareholders & shares at the close of the year are 20 and 420 respectively.
- Voting rights of these shares shall remain frozen till claim made against their shares.

## CORPORATE GOVERNANCE (Contd.)

### **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.

### **Depository Services**

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

#### **National Securities Depository Ltd.**

Trade World, 4<sup>th</sup> Floor, Kamala Mills Compound  
Senapati Bapat Marg, Lower Parel, Mumbai-400013  
Telephone : 022-24994200  
Facsimile : 022-24972993  
E-Mail : [info@nsdl.co.in](mailto:info@nsdl.co.in)  
Website : [www.nsdl.co.in](http://www.nsdl.co.in)

#### **Central Depository Services (India) Ltd.**

Phiroze Jeejeebhoy Towers  
28<sup>th</sup> Floor, Dalal Street, Mumbai-400023  
Telephone : 022-22723333/3224  
Facsimile : 022-22723199  
E-Mail : [investors@cdslindia.com](mailto:investors@cdslindia.com)  
Website : [www.cdslindia.com](http://www.cdslindia.com)



# BUSINESS RESPONSIBILITY REPORT (2021-22)

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L74899DL1989PLC036849
2.	Name of the Company	Pearl Global Industries Limited
3.	Registered address	C-17/1, Paschimi Marg, Vasant Vihar, New Delhi-110057
4.	Website	<a href="http://www.pearlglobal.com">www.pearlglobal.com</a>
5.	E-mail id	investor.pgil@pearlglobal.com
6.	Financial Year reported	April 1, 2021 to March 31, 2022
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code: 141 Manufacturing of wearing apparels
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Manufacturing of wearing apparels
9.	Total number of locations where business activity is undertaken by the Company	21
(a)	Number of International Locations	13
(b)	Number of National Locations	8
10.	Markets served by the Company -Local/State/National/International	International

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (₹)	₹ 21,66,39,370
2.	Total Turnover (₹)	₹ 93,377.06 Lakhs
3.	Total profit after taxes (₹)	₹ 2,715.78 Lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	6.37% (₹76.30 Lakhs) of average net profit of the Company for last three financial years calculated as per section 198 of the Companies Act, 2013.
5.	List of activities in which expenditure in 4 above has been incurred:-	(a) Hostel for women (b) Vocational Skills (c) Educations

## SECTION C: OTHER DETAILS

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



**BUSINESS RESPONSIBILITY REPORT (2021-22) (Contd.)**

		xiii. DSSP Global Limited xiv. PT Pinnacle Apparels xv. Pearl Global F.Z.E xvi. PGIC Investment Limited
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s):	No
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

**SECTION D: BR INFORMATION**

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

1. DIN Number : 07193749
2. Name : Mr. Pallab Banerjee
3. Designation : Joint Managing Director

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	07193749
2	Name	Mr. Pallab Banerjee
3	Designation	Joint Managing Director
4	Telephone number	0124-4651000
5	e-mail id	Investor.pgil@pearlglobal.com

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/policies for the principle?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	<a href="https://www.pearlglobal.com/investor-relations/corporate-governance/">https://www.pearlglobal.com/investor-relations/corporate-governance/</a>								



## BUSINESS RESPONSIBILITY REPORT (2021-22) (Contd.)

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

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

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

## 3. Governance related to BR

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

## SECTION E: PRINCIPLE-WISE PERFORMANCE

**Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

1.	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures / Suppliers / Contractors / NGOs /Others?	No The policy is expected to be adhered by the other stakeholders.								
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	During the financial year 2021-22, the Company has not received any complaints.								

**BUSINESS RESPONSIBILITY REPORT (2021-22) (Contd.)**

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

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

**Principle 3: Businesses should promote the wellbeing of all employees**

1.	Please indicate the Total number of employees.	5966
2.	Please indicate the Total number of employees hired on temporary / contractual / casual basis.	3334
3.	Please indicate the Number of permanent women employees.	3471
4.	Please indicate the Number of permanent employees with disabilities	NA
5.	Do you have an employee association that is recognised by management	NA
6.	What percentage of your permanent employees is members of this recognised employee association?	NA



## BUSINESS RESPONSIBILITY REPORT (2021-22) (Contd.)

7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.		
	<b>No.</b>	<b>Category</b>	<b>No of complaints filed during the financial year</b>
			<b>No of complaints pending as on end of the financial year</b>
	1.	Child labour / forced labour / involuntary labour	NIL
	2.	Sexual harassment	NIL
	3.	Discriminatory employment	NIL
8.	What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?		
	(a)	Permanent Employees	100%
	(b)	Permanent Women Employees	100%
	(c)	Casual/Temporary/Contractual Employees	100%
	(d)	Employees with Disabilities	100%

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised**

1.	Has the Company mapped its internal and external stakeholders? Yes/No	Yes
2.	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders.	Yes
3.	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.	We adhere to preference on payment and orders for such stakeholders.

**Principle 5: Businesses should respect and promote human rights**

1.	Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors /NGOs / Others?	Yes. The policy is expected to be adhered by the other stakeholders.
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No complaints relating to human rights were received during the financial year.

**Principle 6: Business should respect, protect, and make efforts to restore the environment**

1.	Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers / Contractors / NGOs / others	Yes, the Company's policy is extended to the entire group and its subsidiaries/joint ventures follow and adopt the practices/policies of the Company. The Company ensures that it is implemented at all these levels and the Suppliers/ Contractors / NGOs dealing with the Company are also encouraged to maintain ethical standards in all their practices.
2.	Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes, the Company has come up with various strategies/initiatives to address global environmental issues. The Company has worked extensively to address such issues by striking a balance between economic growth and preservation of the environment.  In line with the Company's commitment towards conservation of energy, all its units continue with their efforts to reduce wastage, optimise consumption and also to improve energy efficiency through innovative measures.

**BUSINESS RESPONSIBILITY REPORT (2021-22) (Contd.)**

3.	Does the Company identify and assess potential environmental risks? Y/N	Identification and assessment of environmental risk are under process.
4.	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	Project related to clean development mechanism are under planning stage.
5.	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	The Company has installed solar energy plant at its manufacturing plant located at Chennai.
6.	Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes, the emissions/waste generated by the Company is within the permissible limits given by CPCB/SPCB.
7.	Number of show cause/ legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Nil

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

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

**Principle 8: Businesses should support inclusive growth and equitable development**

1.	Does the Company have specified programmes / initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Principle 8 states that businesses should support inclusive growth and equitable development. The Company endeavours to achieve inclusive growth through its various skill development programmes to ensure that benefits accrued by the organisation are available even to the marginalised sections of the society.
2.	Are the programmes/projects undertaken through in-house team / own foundation /external NGO/government structures/any other organisation?	Skill development programmes are conducted through in-house team.
3.	Have you done any impact assessment of your initiative?	Assessment initiatives are done frequently.
4.	What is your Company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken.	The Company has spent ₹ 76.30 Lakh towards its CSR obligations during the financial year 2021-22.
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes. The Company has a dedicated team of employees to monitor the CSR activities. Also various activities such as internal tracking, periodical reports, telephonic and e-mail communications are carried out by the Company on regular basis to monitor the successful implementation of the initiative.



## BUSINESS RESPONSIBILITY REPORT (2021-22) (Contd.)

<b>Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner</b>		
1.	What percentage of customer complaints / consumer cases are pending as on the end of financial year.	A well-established system is in place for dealing with customer feedback and complaints. Customers are provided multiple options to connect with the Company through e-mail, telephone, website, social media, feedback forms, etc. All complaints are appropriately addressed and all efforts are taken to resolve the same.
2.	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)	Yes, the Company displays necessary product information on the products label.
3.	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No complaints or case is pending against the Company for unfair trade practices, irresponsible advertising and anti-competitive behaviour.
4.	Did your Company carry out any consumer survey/ consumer satisfaction trends?	Buyers are reputed Retail Chains and we do get their feedback on consumer fashion trends and feedback.



# CORPORATE GOVERNANCE CERTIFICATE

To

The Members of Pearl Global Industries Limited

1. We, Jayant Sood and Associates, Company Secretaries have examined the compliance of conditions of Corporate Governance by the Company **PEARL GLOBAL INDUSTRIES LIMITED** ("the Company"), for the year ended on March 31, 2022, 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 Listing Regulations during the year ended March 31, 2022.
7. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Jayant Sood and Associates**

Company Secretaries

**(Jayant Sood)**

FCS: 4482

COP-22410

UDIN: F004482D000790586

Place: Gurugram.

Date: August 13, 2022



# 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, 2022.

**For Pearl Global Industries Limited**

**Pallab Banerjee**

Managing Director

DIN 07193749

Place: Gurugram

Date: May 25, 2022

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

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

- A. We have reviewed that financial statements and the Cash Flow Statement for the year ended March 31, 2022 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 Pearl Global Industries Limited during the year, which are fraudulent, illegal or violate of the Company's Code of Conduct.
- C. We are responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
  - 1) Significant changes, if any, in internal control over financial reporting during the year.
  - 2) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statement; and
  - 3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**(Pallab Banerjee)**

Managing Director

**(Narendra Kumar Somani)**

Chief Financial Officer

Place: Gurugram

Date: May 25, 2022

## 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](http://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, 2022 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 August 13, 2022

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



## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS (CONTD.)

- \* *Mr. Pulkit Seth and Mrs. Shifalli Seth, resigned from the office of Managing Director and Whole-Time Director, respectively, with effect from close of business hours on March 31, 2022.*
- \*\* *Mr. Pallab Banerjee appointed as Managing Director with effect from April 1, 2022*

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 Jayantk Sood)**

Proprietor

FCS: 4482, CP No. 22410

Place: Gurugram

Date: August 13, 2022.

UDIN: F004482D000790553



# Financial Statements



# 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 comprises the balance sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, 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
<p><b>Assessment of impairment of investments in subsidiaries</b></p> <p>As disclosed in note 8 of standalone financial statements, the Company has investments in subsidiaries of 11,761.04 lakh (March 31, 2021: 11,578.00 lakh). Such investments are carried at cost less allowance for impairment.</p> <p>The Company analyses regularly for indicators of impairment of these investments by reference to the requirements under relevant Ind AS.</p> <p>We identified the annual impairment assessment as a key audit matter because carrying value of these investments is significant, assessment process is complex, judgmental by nature, significant changes in business environment specifically due to outbreak of COVID-19 and further, is based on assumptions on projected future cash inflows, expected growth rate, discount rate etc.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>✓ Obtained an understanding of Management's process for identification of impairment indicators. Assessed design, implementation and operating effectiveness of key controls in respect of impairment allowance process.</li> <li>✓ Inquired from the Management of the business plans for the subsidiary companies. We also referred to the economic conditions prevalent in the jurisdiction in which the subsidiary company operates.</li> <li>✓ In cases where such indicators of impairment of investments existed,               <ul style="list-style-type: none"> <li>- Tested the estimates and assumption made by the Company in calculation of the recoverable amounts, and the allowance for impairment for these investments.</li> <li>- Tested the arithmetical accuracy of the computation of recoverable amounts of investments.</li> </ul> </li> </ul>



INDEPENDENT AUDITOR'S REPORT (Contd.)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Adequacy and completeness of disclosures of Related Party Transactions</b></p> <p>Refer Note 46 to the accompanying standalone financial statements as at March 31, 2022 for the disclosure of related parties and transactions with them.</p> <p>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:</p> <ul style="list-style-type: none"> <li>- the significance of transactions with related parties during the year ended March 31, 2022; and</li> <li>- related party transactions are subject to compliance requirement under the Companies Act, 2013 and SEBI (listing and Obligation Disclosure Requirement) 2015.</li> </ul>	<ul style="list-style-type: none"> <li>- Evaluated the forecast of future cash flows used by the management in the model to compute the recoverable value.</li> <li>- Assessment of accuracy of historical forecasting by comparing previously forecasted cash flows to actual.</li> </ul> <p>✓ Discussed with the component auditors to develop an understanding of the operating performance and net worth position of the subsidiaries.</p> <p>Based on our procedures, we also considered the adequacy of disclosures in respect of investment in these subsidiaries in Note 8 to the standalone financial statements including whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loss allowance in the financial statements are appropriate and sufficient.</p> <p>Our procedures included the following steps:</p> <ul style="list-style-type: none"> <li>✓ 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.</li> <li>✓ 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.</li> <li>✓ 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.</li> <li>✓ 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.</li> <li>✓ 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.</li> </ul> <p>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.</p>

**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.



## INDEPENDENT AUDITOR'S REPORT (Contd.)

### 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

## INDEPENDENT AUDITOR'S REPORT (Contd.)

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.
  - III. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Change in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - IV. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - V. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- VI. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.
- VII. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. – refer Note No. 46 of the Standalone financial statements.
  - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. – refer Note No. 41 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 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 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 53 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"),



## INDEPENDENT AUDITOR'S REPORT (Contd.)

- 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) As stated in note 48 to the standalone financial statements, the Board of Directors of the Company have declared an interim dividend for the financial year 2021-22 subsequent to the balance sheet date. The same has not been paid as on the date of audit report. The dividend declared is in

accordance with section 123 of the Act to the extent it applies to declaration of dividend.

3. With respect to the matter to be included in the Auditors' report under Section 197(16):

In our opinion and according to the information and explanation given to us, the Company has paid remuneration to its directors during the year is in accordance with the provisions of and limit laid down under section 197 read with Schedule V of the Act.

**For B.R. Gupta & Co.**

*Chartered Accountants,*

Firm Registration Number 008352N

**(Deepak Agarwal)**

*Partner*

Membership Number 073696

**UDIN : 22073696AMMSGU7037**

Place of Signature : New Delhi

Date: May 25, 2022

## ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

### Annexure 'A' to the Independent Auditors' Report of even date on the standalone financial statements of Pearl Global Industries Limited

The Annexure referred to in 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, 2022, 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.
  - 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:
- e) 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 (i.e its employees). Further. The Company has not given any security to companies, firms, Limited Liability Partnerships (LLPs) or other parties.

Particulars	Guarantees	Loan
<b>Aggregate amount granted/ provided during the year</b>		
- Subsidiaries	USD 40.00 lakh equivalent to 3,032.40 lakh	-
- Others- Loan to companies	-	300.00 lakh
- Others- Loan to employees		61.47 lakh



## ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

Particulars	Guarantees	Loan
<b>Balance outstanding as at balance sheet date in respect of above cases</b>		
- Subsidiaries	USD 270.00 lakh equivalent to 20,468.70 lakh	-
- Others- Loan to companies	-	Nil
- Others- Loan to employees	-	41.36 lakh

- b) The terms and conditions of the grant of loans, guarantees and investment made, are, prima facie, not prejudicial to the Company's interest.
- c) The schedule of repayment of principal and payment of interest in respect of loan has been stipulated and the repayment/receipts of the principal amount and the interest are generally been regular as per stipulation.
- d) There is no overdue amount in respect of loan granted.
- e) No loans or advances in the nature of loan granted which has fallen due during the year or has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties. Accordingly, the provisions of clause 3(iii) (e) of the Order are not applicable.
- f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Accordingly, the provisions of clause 3(iii) (f) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, the Company has not advanced any loans during the year. Also, the Company has not provided any security in connection with a loan to any other body corporate or person and accordingly, compliance under Sections 185 and 186 of the Act in respect of loans and securities is not applicable to the Company. Further, the Company has complied with Section 186 of the Act in respect of investments made and corporate guarantee provided by the Company.
- 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:

- 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, 2022 for a period of more than six months from the date they became payable.

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	Appeal Pending before ITAT
b)	Income Tax Act, 1961	Income Tax Demand	0.04	A.Y 2015-16	Rectification u/s 154- Assessing Officer
c)	Income Tax Act, 1961	Income Tax Demand	3.49	A.Y 2016-17	Appeal Pending before ITAT
d)	Income Tax Act, 1961	Income Tax Demand	3.83	A.Y 2017-18	Appeal pending before CIT(A).
e)	Income Tax Act, 1961	Income Tax Demand	33.30	A.Y 2017-18	Rectification U/s 154 -Assessing Officer
f)	Income Tax Act, 1961	Income Tax Demand	5.70	A.Y 2018-19	Appeal pending before CIT(A).



**ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT (Contd.)**

- 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 were no whistle blower complaints received by the Company during the year.
- xii) The Company is not a Nidhi Company and hence, the provisions of paragraph 3(xii) of the Order are not applicable to the Company.
- xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and the details of such transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv) In respect of internal audit system in the Company:
- a) In our opinion and based on our examination, the Company has an internal audit system 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





## ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

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) on other than ongoing projects requiring to be transferred to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, provisions of clause 3 (xx) (a) of the Order are not applicable.
- b) There are on 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(xxii) 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 B.R. Gupta & Co.**

*Chartered Accountants,*  
Firm Registration Number 008352N

**(Deepak Agarwal)**

*Partner*

Membership Number 073696

**UDIN : 22073696AMMSGU7037**

Place of Signature : New Delhi

Date: May 25, 2022

# STANDALONE BALANCE SHEET

as at March 31, 2022

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As At	As At
		March 31, 2022	March 31, 2021
<b>ASSETS</b>			
<b>I. Non-current assets</b>			
(a) Property, plant and equipment	4	12,413.17	12,848.58
(b) Capital work in progress	5	-	41.63
(c) Right of use assets	49	2,171.47	2,903.27
(d) Investment properties	6	5,904.48	6,054.60
(e) Other Intangible assets	7	72.06	54.07
(f) Financial assets			
(i) Investments			
(ia) Investment in subsidiaries	8	11,761.04	11,578.00
(ib) Investment - others	9	875.13	336.63
(ii) Loans	10	5.38	492.31
(iii) Other financial assets	11	652.98	754.72
(g) Non current tax assets (net)	13	567.72	556.75
(h) Deferred Tax Assets (net)	12	-	390.53
(i) Other non current assets	14	52.46	53.60
<b>Total Non-current assets</b>		<b>34,475.89</b>	<b>36,064.69</b>
<b>CURRENT ASSETS</b>			
(a) Inventories	15	22,179.09	13,269.13
(b) Financial assets			
(i) Investments	9	532.26	754.38
(ii) Trade receivables	16	11,591.48	14,521.72
(iii) Cash and cash equivalents	17	4,322.04	4,599.50
(iv) Bank balances other than cash and cash equivalents	18	2,137.64	1,108.15
(v) Loans	10	35.98	323.84
(vi) Other financial assets	11	493.32	211.91
(c) Other current assets	14	10,582.14	6,842.69
<b>Total current assets</b>		<b>51,873.95</b>	<b>41,631.32</b>
<b>Total assets</b>		<b>86,349.84</b>	<b>77,696.01</b>
<b>II. Equity and liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	19	2,166.39	2,166.39
(b) Other equity	20	32,181.67	29,205.63
<b>Total equity</b>		<b>34,348.06</b>	<b>31,372.02</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	21	8,333.50	8,199.78
(ia) Lease Liabilities	49	2,147.63	2,836.18
(ii) Others financial liabilities	23	240.92	137.28
(b) Provisions	24	934.22	944.06
(c) Deferred tax liabilities (net)	12	232.27	-
(d) Other non current liabilities	25	3,006.08	3,013.35
<b>Total non-current liabilities</b>		<b>14,894.62</b>	<b>15,130.65</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	22	17,634.44	13,327.55
(ia) Lease Liabilities	49	391.22	381.57
(ii) Trade payables	26	-	-
- Total outstanding due of micro enterprises and small enterprises		663.71	481.65
- Total outstanding due of creditors other than micro enterprises and small enterprises		17,219.96	15,688.60
(iii) Other financial liabilities	23	235.32	530.61
(b) Other current liabilities	25	852.51	710.90
(c) Provisions	24	110.00	72.46
<b>Total current liabilities</b>		<b>37,107.16</b>	<b>31,193.34</b>
<b>Total equity and liabilities</b>		<b>86,349.84</b>	<b>77,696.01</b>
Summary of Significant Accounting Policies	3		

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

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

For **B.R. Gupta & Co.**  
Chartered Accountants  
Firm's Registration Number 008352N

**(Deepak Agarwal)**  
Partner  
Membership Number: 073696

**(Pallab Banerjee)**  
Managing Director  
DIN 07193749

**(Pulkit Seth)**  
Vice-Chairman  
DIN 00003044

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

**(Ravi Arora)**  
Company Secretary  
M. No. ACS - 21187

Place of Signature: New Delhi  
Date: May 25, 2022

Place of Signature: Gurugram  
Date: May 25, 2022



# STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2022

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I Revenue from operations	27	93,377.06	77,140.04
II Other income	28	3,204.83	2,408.39
<b>III Total income (I+II)</b>		<b>96,581.89</b>	<b>79,548.43</b>
<b>IV Expenses</b>			
(a) Cost of materials consumed	29	42,862.08	23,058.22
(b) Purchases of stock-in-trade	30	671.60	24,340.92
(c) Changes in inventories of finished goods, work in progress and stock in trade	31	(726.87)	(91.01)
(d) Employee benefits expense	32	15,219.19	10,779.00
(e) Finance costs	33	2,585.30	2,401.62
(f) Depreciation and amortisation expense	34	1,762.91	1,813.42
(g) Other expenses	35	31,252.11	19,429.61
<b>Total expenses</b>		<b>93,626.32</b>	<b>81,731.78</b>
<b>V Profit/ (loss) before exceptional items and tax (III-IV)</b>		<b>2,955.58</b>	<b>(2,183.35)</b>
VI Exceptional Items	36	(655.01)	(1,263.82)
<b>VII Profit/ (loss) before tax (V-VI)</b>		<b>3,610.59</b>	<b>(919.52)</b>
VIII Tax expense:	12		
(a) Current tax		397.95	-
(b) Deferred tax		496.86	(1,007.86)
(c) Adjustment of tax relating to earlier years		-	10.94
<b>Total tax expense</b>		<b>894.81</b>	<b>(996.92)</b>
<b>IX Profit/(loss) for the year (VII-VIII)</b>		<b>2,715.78</b>	<b>77.40</b>
<b>X Other comprehensive income</b>	37		
(A) (i) Items that will not be reclassified to profit or loss			
(a) Re-measurement gains/ (losses) on defined benefit plans		81.36	84.32
(ii) Income tax on items that will not be reclassified to profit or loss		(20.48)	(26.31)
(B) (i) Items that will be reclassified to of profit or loss			
(a) Net movement in effective portion of cash flow hedge reserve		419.03	979.45
(ii) Income tax on items that will be reclassified to profit or loss		(105.46)	(342.72)
(b) Exchange differences in translating the financial statements of a foreign operation		(114.20)	11.96
		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>260.26</b>	<b>706.70</b>
<b>XI Total comprehensive income for the year, net of tax</b>		<b>2,976.04</b>	<b>784.10</b>
XII Earnings per share: (face value ₹ 10 per share)	38		
1) Basic (amount in ₹)		12.54	0.36
2) Diluted (amount in ₹)		12.54	0.36
Summary of Significant Accounting Policies	3		

As per our Report of even date attached

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

For **B.R. Gupta & Co.**  
Chartered Accountants  
Firm's Registration Number 008352N

**(Deepak Agarwal)**  
Partner  
Membership Number: 073696

**(Pallab Banerjee)**  
Managing Director  
DIN 07193749

**(Pulkit Seth)**  
Vice-Chairman  
DIN 00003044

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

**(Ravi Arora)**  
Company Secretary  
M. No. ACS - 21187

Place of Signature: New Delhi  
Date: May 25, 2022

Place of Signature: Gurugram  
Date: May 25, 2022

# STANDALONE STATEMENT OF CASH FLOW

for the year ended March 31, 2022

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash flows from operating activities</b>		
<b>Profit before and tax</b>	3,610.59	(919.52)
<b>Adjustments for:</b>		
Depreciation and amortisation	1,762.91	1,813.42
Interest paid and other borrowing cost	2,585.30	2,401.62
Sundry balances written back	(297.41)	-
Provision written back	(204.11)	(133.67)
Sundry balances written off	410.37	-
Gain on lease modification	(50.38)	-
Grant amortised during the year	(1.00)	(1.00)
Amortisation of deferred rental income	(16.44)	(36.78)
Unwinding of discount on security deposits Income	(25.70)	(29.97)
Unwinding of discount on security deposits Expense	14.08	-
Profit on sale of current investment - mutual Fund	(16.34)	(16.61)
Rental income	(769.38)	(770.91)
Interest income	(149.53)	(119.39)
Fair value loss /(gain) on financial assets measured at fair value through profit or loss	(573.58)	(255.85)
Income on corporate guarantee	(132.75)	(174.27)
Loss Allowance for doubtful debts and advances	294.84	278.86
Enhanced Compensation Receivable	-	2,335.15
Loss /(Profit) on Sale of Property, plant & equipment	-	(1,037.41)
Impairment of investment in subsidiary	-	(33.91)
Foreign Currency Translation Reserve on Foreign Operation	(114.20)	11.96
<b>Operating profit before working capital changes</b>	<b>6,327.28</b>	<b>3,311.72</b>
<b>Movement in working capital:</b>		
(Increase)/decrease in trade receivables	2,166.41	(5,060.12)
(Increase)/decrease in other non-current financial assets	130.27	74.11
(Increase)/decrease in other current financial assets	167.22	(151.52)
(Increase)/decrease in other non-current assets	42.23	82.10
(Increase)/decrease in other current assets	(3,586.18)	(1,822.56)
(Increase)/decrease in inventories	(8,909.96)	1,523.42
Increase/(decrease) in trade payables	2,010.85	7,172.45
Increase/(decrease) in other non-current financial liabilities	89.56	(109.69)
Increase/(decrease) in other current financial liabilities	(61.26)	357.88
Increase/(decrease) in non-current provisions	71.52	147.24
Increase/(decrease) in current provisions	114.88	15.12
Increase/(decrease) in other non-current liabilities	(6.28)	15.44
Increase/(decrease) in other current liabilities	173.71	(66.50)
<b>Cash generated from operations</b>	<b>(1,269.74)</b>	<b>5,489.09</b>
Direct tax paid (net of refunds)	(408.92)	(98.30)
<b>Cash flow before exceptional items</b>	<b>(1,678.66)</b>	<b>5,390.79</b>
<b>Exceptional items:</b>		
Enhanced Compensation Receivable on Compulsary Acquisition	-	(2,335.15)
(Profit)/loss on sale of property, plant & equipment	(628.18)	1,037.41
Impairment of investment in subsidiaries provided/(written off)	(30.00)	33.91
Investment Written off	3.17	-
<b>Net cash inflow from/(used in) operating activities</b>	<b>(A) (2,333.67)</b>	<b>4,126.96</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment (Including ROU, net with lease liabilities)	(913.62)	(193.47)
Sale proceeds of property, plant and equipment	165.22	12.41
(Increase)/decrease in capital work in progress	41.63	190.87
Sale/(Purchase) of investment properties	714.60	218.04
Sale/(Purchase) of Intangible assets	(48.52)	(9.20)
In capital advances	(41.10)	66.43
Increase/(decrease) in capital creditors	(110.84)	173.53
(Increase)/decrease in Investment in subsidiaries	(23.45)	324.31



STANDALONE STATEMENT OF CASH FLOW  
for the year ended March 31, 2022 (Contd.)

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
(Increase)/decrease in current investment - Others		273.54	16.77
(Increase)/decrease in non-current Loans		486.92	12.89
(Increase)/decrease in current Loans		287.85	1.94
(Increase)/decrease in bank deposit		(1,029.49)	(176.54)
Interest received		121.19	108.72
Rent received		769.38	770.91
<b>Net Cash From/ (Used In) Investing Activities</b>	<b>(B)</b>	<b>693.32</b>	<b>1,517.61</b>
<b>Cash flows from financing activities</b>			
Increase/ (decrease) in long term borrowings		133.71	3,221.27
Increase/ (decrease) in short term borrowings		4,306.89	(3,922.15)
Payment of Lease Liabilities		(381.57)	-
Other borrowing cost		(721.25)	(403.94)
Interest paid		(1,974.89)	(2,000.02)
<b>Net cash inflow from/(used in) financing activities</b>	<b>(C)</b>	<b>1,362.89</b>	<b>(3,104.84)</b>
Net Increase (decrease) In cash and cash equivalents (A+B+C)		(277.46)	2,539.73
Opening balance of cash and cash equivalents		4,599.50	2,059.77
<b>Total cash and cash equivalent (Note no. 17)</b>		<b>4,322.04</b>	<b>4,599.50</b>
<b>Components of cash and cash equivalents</b>			
Cash, Cheque/drafts on hand		26.44	83.30
With banks - Current account		3,980.45	4,338.60
With banks - Deposit account		315.15	177.60
<b>Total cash and cash equivalent (Note no. 17)</b>		<b>4,322.04</b>	<b>4,599.50</b>

**Note :**

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

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
i) Conversion of loan given to subsidiary into equity	486.10	-

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
i) EIR adjustment of borrowings	7.91	7.39
ii) Unwinding of discount on security deposit	14.08	40.24

(d) During the 2021-22, the Company has made investment in a Wholly Owned Subsidiary (WOS) in USA in the name of "Pearl Global US INC" on July 28, 2021.

Summary of Significant Accounting Policies 3

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

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

For **B.R. Gupta & Co.**  
Chartered Accountants  
Firm's Registration Number 008352N

**(Deepak Agarwal)**  
Partner  
Membership Number: 073696

**(Pallab Banerjee)**  
Managing Director  
DIN 07193749

**(Pulkit Seth)**  
Vice-Chairman  
DIN 00003044

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

**(Ravi Arora)**  
Company Secretary  
M. No. ACS - 21187

Place of Signature: New Delhi  
Date: May 25, 2022

Place of Signature: Gurugram  
Date: May 25, 2022

# STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

(All amounts are in ₹ Lakhs, unless otherwise stated)

## A. Equity Share Capital

<b>As at April 1, 2020</b>	2,166.39
Changes during the year	-
<b>As at March 31, 2021</b>	2,166.39
Changes during the year	-
<b>As at March 31, 2022</b>	<b>2,166.39</b>

## B. Other Equity

Particulars	Reserves and Surplus					Other Comprehensive Income		Total Other Equity
	General Reserve	Security Premium	Capital Redemption Reserve	Amalgamation Reserve	Retained Earnings	Effective Portion of Cash Flow Hedge	Currency Translation Reserve	
<b>Balance as at April 1, 2020</b>	<b>4,204.36</b>	<b>17,103.90</b>	<b>95.00</b>	<b>625.95</b>	<b>7,037.54</b>	<b>(645.22)</b>	<b>-</b>	<b>28,421.53</b>
Profit/(loss) for the year	-	-	-	-	77.40	-	-	77.40
Net movement in effective portion of cash flow hedge reserve, net of tax effect	-	-	-	-	-	636.73	-	636.73
Remeasurement of the benefit plan, net of tax effect	-	-	-	-	58.01	-	-	58.01
Foreign Currency Translation Reserve	-	-	-	-	-	-	11.96	11.96
<b>Balance as at March 31, 2021</b>	<b>4,204.36</b>	<b>17,103.90</b>	<b>95.00</b>	<b>625.95</b>	<b>7,172.94</b>	<b>(8.49)</b>	<b>11.96</b>	<b>29,205.63</b>
Profit/(loss) for the year	-	-	-	-	2,715.78	-	-	2,715.78
Net movement in effective portion of cash flow hedge reserve, net of tax effect	-	-	-	-	-	313.57	-	313.57
Remeasurement of the benefit plan, net of tax effect	-	-	-	-	60.88	-	-	60.88
Foreign Currency Translation Reserve	-	-	-	-	-	-	(114.20)	(114.20)
<b>Balance as at March 31, 2022</b>	<b>4,204.36</b>	<b>17,103.90</b>	<b>95.00</b>	<b>625.95</b>	<b>9,949.62</b>	<b>305.08</b>	<b>(102.24)</b>	<b>32,181.67</b>

Summary of Significant Accounting Policies (Note No. 3)

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

As per our Report of even date attached

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

For **B.R. Gupta & Co.**  
Chartered Accountants  
Firm's Registration Number 008352N

**(Deepak Agarwal)**  
Partner  
Membership Number: 073696

**(Pallab Banerjee)**  
Managing Director  
DIN 07193749

**(Pulkit Seth)**  
Vice-Chairman  
DIN 00003044

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

**(Ravi Arora)**  
Company Secretary  
M. No. ACS - 21187

Place of Signature: New Delhi  
Date: May 25, 2022

Place of Signature: Gurugram  
Date: May 25, 2022





# Notes

## to standalone financial statements for the year ended March 31, 2022

### 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.

The financial statements were authorised for issue in accordance with a resolution of the board of directors on May 25, 2022.

### 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 Lakh upto two decimal places except otherwise stated.

#### Going Concern

The board of directors have considered the financial position of the Company at March 31, 2022 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.

#### Prior financial year reclassification of current maturities of long term borrowings:

During the current financial year, to comply with the requirements of amendments made in Schedule III to the Companies Act, 2013 which is effective from financial year commencing on or after April 01, 2021, the Company reclassified current maturities of long term borrowings from "Other Financial Liability" to "Short Term Borrowings". This reclassification more appropriately reflects the borrowings of the Company. Prior financial year comparatives have been restated to align to the current financial year approach. The impact of this reclassification on prior financial year amounts has been a reduction in Other financial liability by ₹ 1,998.68 Lakh and corresponding increase in short term borrowings.

#### Recent accounting pronouncements notified by Ministry of Corporate Affairs are as under:-

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

- a) **Ind AS 103 – Reference to Conceptual Framework**  
The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements
- b) **Ind AS 16 – Proceeds before intended use**  
The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items



## NOTES

### to standalone financial statements for the year ended March 31, 2022 (Contd.)

produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements

#### c) **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

#### d) **Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

#### e) **Ind AS 116 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

### 3 SIGNIFICANT ACCOUNTING POLICIES

#### a) **Significant accounting judgements, estimates and assumptions**

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

#### **Use of Estimates and Judgements**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Also, the Company has made certain judgements in applying accounting policies which have an effect on amounts recognised in the financial statements.

#### i) **Income taxes**

The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Where tax positions are uncertain, accruals are recorded within income tax liabilities for management's best estimate of the ultimate liability that is expected to arise based on the specific circumstances and the Company's historical experience. Factors that may have an impact on current and deferred taxes include changes in tax laws, regulations or rates, changing interpretations of existing tax laws or regulations, future levels of research and development spending and changes in pre-tax earnings.

#### ii) **Contingencies**

Contingent Liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and other claims. By virtue of their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment



## NOTES

## to standalone financial statements for the year ended March 31, 2022 (Contd.)

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 The Company is the lessor, the treatment of leasing transactions is mainly determined by whether the lease is considered to be an operating or finance lease. In making this assessment, management looks at the substance of the lease, as well as the legal form, and makes a judgement about whether substantially all of the risks and rewards of ownership are transferred. Arrangements which do not take the legal form of a lease but that nevertheless convey the right to use an asset are also covered by such assessments.

**vii) Amortisation of Government Grants**

Grants are amortised to Profit and Loss on a straight - line basis over the expected lives of related assets and presented within other income.

**viii) Impairment of financial instruments**

The Company analyses regularly for indicators of impairment of its financial instruments by reference to the requirements under relevant Ind AS.

The management's estimates and assessments were based in particular on assumptions regarding the development of the economy as a whole, the development of textiles markets, and the development of the basic legal parameters.

## NOTES

### to standalone financial statements for the year ended March 31, 2022 (Contd.)

#### 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 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

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

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

**Capital work in progress:** Capital work in progress comprises the cost of 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 :



## NOTES

### to standalone financial statements for the year ended March 31, 2022 (Contd.)

- 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 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.

## NOTES

### to standalone financial statements for the year ended March 31, 2022 (Contd.)

#### Transactions and balances

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the date the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currencies are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost are not retranslated.

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

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

#### 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 criterion like exposure to significant risks & rewards associated with the sale of goods or services. When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement 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) 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





## NOTES

### to standalone financial statements for the year ended March 31, 2022 (Contd.)

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.
- 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

## NOTES

### to standalone financial statements for the year ended March 31, 2022 (Contd.)

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





## NOTES

### to standalone financial statements for the year ended March 31, 2022 (Contd.)

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.

## NOTES

### to standalone financial statements for the year ended March 31, 2022 (Contd.)

#### 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.

**NOTES****to standalone financial statements for the year ended March 31, 2022 (Contd.)****(ii) Financial liabilities**

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

**Subsequent measurement**

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

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

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

**De-recognition**

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

**(iii) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the 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 recognized

## NOTES

### to standalone financial statements for the year ended March 31, 2022 (Contd.)

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 occurring as the weights.

#### o) **Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

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

assessed at end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### p) **Fair value measurement**

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

**NOTES****to standalone financial statements for the year ended March 31, 2022 (Contd.)****q) Taxes****Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

The Government of India has issued the Taxation Laws (Amendment) Act, 2019, which provides domestic companies an option to pay corporate tax at reduced rates effective April 1, 2019 subject to certain conditions. The Company intends to opt for lower tax regime from assessment year 2022-23 and accordingly the impact has been considered in computing deferred tax.

**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).

**Minimum Alternate Tax**

Minimum Alternate Tax (MAT) paid in the year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

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

**r) Investment in subsidiaries**

Investment in subsidiaries

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

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

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



## NOTES

### to standalone financial statements for the year ended March 31, 2022 (Contd.)

**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 separately as exceptional items.





## NOTES

to standalone financial statements for the year ended March 31, 2022 (Contd.)

**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
<b>Gross carrying amount</b>								
<b>As at April 1, 2020</b>	<b>1,829.72</b>	<b>47.74</b>	<b>3,930.05</b>	<b>557.98</b>	<b>8,961.64</b>	<b>1,026.66</b>	<b>1,088.06</b>	<b>17,441.85</b>
Add: Additions made during the year	-	532.57	0.49	20.89	235.57	20.27	72.96	882.77
Less: (Disposals)/adjustments during the year	-	-	-	22.60	(11.60)	-	(41.29)	(30.29)
<b>As at March 31, 2021</b>	<b>1,829.72</b>	<b>580.32</b>	<b>3,930.54</b>	<b>601.47</b>	<b>9,185.61</b>	<b>1,046.93</b>	<b>1,119.73</b>	<b>18,294.32</b>
Add: Additions made during the year	-	38.53	21.61	-	813.53	22.54	16.61	912.82
Less: (Disposals)/adjustments during the year	(92.41)	92.41	-	(189.94)	(123.83)	-	(127.10)	(440.88)
<b>As at March 31, 2022</b>	<b>1,737.31</b>	<b>711.25</b>	<b>3,952.15</b>	<b>411.53</b>	<b>9,875.30</b>	<b>1,069.47</b>	<b>1,009.24</b>	<b>18,766.26</b>
<b>Accumulated depreciation/amortisation</b>								
<b>As at April 1, 2020</b>	-	<b>1.36</b>	<b>558.99</b>	<b>190.35</b>	<b>2,768.67</b>	<b>368.95</b>	<b>380.16</b>	<b>4,268.48</b>
Add: Depreciation charge for the year	-	1.96	155.17	87.38	718.48	93.54	139.02	1,195.54
Less: (Disposals)/adjustments during the year	-	-	-	9.69	(2.65)	-	(25.32)	(18.28)
<b>As at March 31, 2021</b>	-	<b>3.32</b>	<b>714.16</b>	<b>287.42</b>	<b>3,484.50</b>	<b>462.48</b>	<b>493.86</b>	<b>5,445.74</b>
Add: Depreciation charge for the year	-	7.82	153.12	86.12	689.66	97.87	129.90	1,164.50
Less: (Disposals)/adjustments during the year	-	-	-	(142.45)	(61.92)	-	(52.78)	(257.14)
<b>As at Mar 31, 2022</b>	-	<b>11.14</b>	<b>867.28</b>	<b>231.09</b>	<b>4,112.24</b>	<b>560.35</b>	<b>570.99</b>	<b>6,353.09</b>
<b>Net carrying amount</b>								
<b>As at March 31, 2022</b>	<b>1,737.31</b>	<b>700.11</b>	<b>3,084.87</b>	<b>180.43</b>	<b>5,763.06</b>	<b>509.12</b>	<b>438.25</b>	<b>12,413.17</b>
<b>As at March 31, 2021</b>	<b>1,829.72</b>	<b>577.00</b>	<b>3,216.38</b>	<b>314.05</b>	<b>5,701.13</b>	<b>584.45</b>	<b>625.87</b>	<b>12,848.58</b>

- a) The above assets includes Gross block of land of ₹ 78.55 Lakhs (March 31, 2021: ₹ 78.55 Lakhs) situated at Narshingpur, Tehsil District Gurgaon(Haryana). Out of this Gross block of land of ₹ 42.50 Lakhs (March 31, 2021: ₹ 42.50 Lakhs) represents the amount for which the Company has executed a construction project agreement with DLF Retail Developers Limited on November 30, 2007. However, as certified by the Management, the work has not started during the financial year 2021-22 due to pending receipt of license from the concerned authority.
- b) For Information on Property, plant and equipment pledged as security by the Company refer Note 21
- c) The above property, plant and equipment includes assets given on lease given in the below table:

	Plant and Equipment	Furniture and Fixtures	Total
<b>As at March 31, 2022</b>			
Gross carrying amount	27.77	21.22	48.99
Accumulated depreciation	21.64	18.20	39.84
<b>Net carrying amount</b>	<b>6.13</b>	<b>3.02</b>	<b>9.15</b>
<b>As at March 31, 2021</b>			
Gross carrying amount	27.77	21.22	48.99
Accumulated depreciation	18.96	15.24	34.20
<b>Net carrying amount</b>	<b>8.81</b>	<b>5.98</b>	<b>14.79</b>

**5 CAPITAL WORK IN PROGRESS**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	41.63	232.50
Add: Addition made during the year	-	-
Less: (Disposals)/adjustments during the year	(41.63)	(190.87)
<b>Balance at the end of the year</b>	<b>-</b>	<b>41.63</b>

NOTES

to standalone financial statements for the year ended March 31, 2022 (Contd.)

(All amounts are in ₹ Lakhs, unless otherwise stated)

a) Breakup of capital work in progress is as follows:	As at March 31, 2022	As at March 31, 2021
Building	-	41.63
	-	<b>41.63</b>

b) Ageing schedule of CWIP as at March 31, 2022:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Ageing schedule of CWIP as at March 31, 2021:

(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	41.63	-	-	-	41.63
Projects temporarily suspended	-	-	-	-	-

- c) There are no capital-work-in progress as at March 31, 2022 and as at March 31, 2021 whose completion is overdue or has exceeded its cost as compared to its original plan.

**6 INVESTMENT PROPERTIES**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Land freehold	Land leasehold	Building	Total
<b>Gross carrying amount</b>				
<b>As at April 01, 2020</b>	<b>3,135.92</b>	<b>10.36</b>	<b>4,580.71</b>	<b>7,726.99</b>
Add: Additions made during the year	103.45	-	228.52	331.97
Less: Disposals/adjustments during the year	(1,401.01)	-	(197.49)	(1,598.50)
<b>As at March 31, 2021</b>	<b>1,838.36</b>	<b>10.36</b>	<b>4,611.74</b>	<b>6,460.46</b>
Add: Additions made during the year	60.39	-	-	60.39
Less: Disposals/adjustments during the year	(23.07)	(10.36)	(129.65)	(163.08)
<b>As at Mar 31, 2022</b>	<b>1,875.68</b>	<b>0.00</b>	<b>4,482.09</b>	<b>6,357.77</b>
<b>Accumulated depreciation and amortisation</b>				
<b>As at April 01, 2020</b>	-	-	<b>333.73</b>	<b>333.73</b>
Add: Depreciation & amortisation charge for the year	-	-	86.77	86.77
Less: Disposals/adjustments during the year	-	-	(14.64)	(14.64)
<b>As at March 31, 2021</b>	-	-	<b>405.86</b>	<b>405.86</b>
Add: Depreciation & amortisation charge for the year	-	-	82.20	82.20
Less: Disposals/adjustments during the year	-	-	(34.76)	(34.76)
<b>As at Mar 31, 2022</b>	-	-	<b>453.30</b>	<b>453.30</b>
Net carrying amount				
<b>As at Mar 31, 2022</b>	<b>1,875.68</b>	<b>0.00</b>	<b>4,028.80</b>	<b>5,904.48</b>
<b>As at March 31, 2021</b>	<b>1,838.36</b>	<b>10.36</b>	<b>4,205.88</b>	<b>6,054.60</b>



## NOTES

to standalone financial statements for the year ended March 31, 2022 (Contd.)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>(a) Amounts recognised in Statement of Profit and Loss for investment properties</b>		
Rental Income	769.38	770.91
Direct operating expenses of property that generated rental income	47.44	56.44
Direct operating expenses of property that did not generated rental income	0.75	8.44
Income arising from Investment properties before charging depreciation	721.19	706.03
Depreciation & amortisation	82.20	86.77
<b>Income from Investment properties (net)</b>	<b>638.99</b>	<b>619.26</b>
<b>(b) Fair value of investment properties</b>	<b>11,213.29</b>	<b>10,259.00</b>

**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
<b>Gross carrying amount</b>		
<b>As at April 1, 2020</b>	265.11	265.11
Add: Additions made during the year	9.20	9.20
Less: (Disposals) / adjustments during the year	-	-
<b>As at March 31, 2021</b>	<b>274.31</b>	<b>274.31</b>
Add: Additions during the year	48.53	48.53
Less: (Disposals) / adjustments during the year	-	-
<b>As at March 31, 2022</b>	<b>322.84</b>	<b>322.84</b>
<b>Accumulated amortisation</b>		
<b>As at April 01, 2020</b>	180.35	180.35
Add: Amortisation charge for the year	39.89	39.89
Less: (Disposals) / adjustments during the year	-	-
<b>As at March 31, 2021</b>	<b>220.24</b>	<b>220.24</b>
Add: Amortisation charge for the year	30.53	30.53
Less: (Disposals) / adjustments during the year	-	-
<b>As at March 31, 2022</b>	<b>250.78</b>	<b>250.77</b>
<b>Net carrying amount</b>		
<b>As at March 31, 2022</b>	<b>72.06</b>	<b>72.06</b>
<b>As at March 31, 2021</b>	<b>54.07</b>	<b>54.07</b>

NOTES  
to standalone financial statements for the year ended March 31, 2022 (Contd.)

**8 INVESTMENT IN SUBSIDIARIES**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars		As at March 31, 2022	As at March 31, 2021
<b>Non- Current</b>			
<b>Investments in equity shares of Subsidiaries - (unquoted) (At Cost)</b>			
<b>Pearl Global Far East Limited, Hong Kong (Refer note (c) below)</b>			
1195000 (March 31, 2021: 535000) Equity Shares of USD 1 Each fully paid up		3,283.39	2,797.29
Pearl Apparel Fashions Limited, India			
27639145 (March 31, 2020: 27639145) Equity Shares of ₹ 10 each fully paid up	1,648.35	1,648.35	
Less: Provision for diminution in value of Investments	(1,648.35)	- (1,648.35)	-
Pearl Global (HK) Limited, Hong Kong		-	
1610000 (March 31, 2021: 1610000) Equity Shares of USD 1 each fully paid up		6,231.90	6,291.36
Pearl Global Kausal Vikas Limited			
50000 (March 31, 2021: 50000) Equity Shares of ₹ 10 each fully paid up		5.00	5.00
Norp Knit Industries Limited, Bangladesh			
3381211 (March 31, 2021: 3381211) Equity Shares of Taka 100 Each fully paid up		2,238.98	2,213.35
SBUYS E-commerce Limited			
10000 (March 31, 2021: 10000) Equity Shares of ₹ 10 each fully paid up		1.00	1.00
Pearl Global USA Inc. (Refer note (d) below)			
1000 (March 31, 2021: Nil) Equity Shares of USD 1 each fully paid up		0.76	-
<b>Investment in Preference Share of Subsidiary - (Unquoted) (At Amortised Cost)</b>			
Pearl Apparel Fashions Limited, India (Refer note (e) below)			
Nil (March 31, 2021: 3000000) Preference Shares of ₹ 10 each fully paid up	-	300.00	
Less: Provision for diminution in value of Investments	-	- (30.00)	270.00
		<b>11,761.04</b>	<b>11,578.00</b>
i) Aggregate value of unquoted investments		13,409.38	13,256.35
ii) Aggregate amount of impairment in value of unquoted investments		1,648.35	1,678.35
iii) Aggregate value of unquoted investments (net of impairment)		11,761.04	11,578.00



## NOTES

to standalone financial statements for the year ended March 31, 2022 (Contd.)

## (a) Information about subsidiaries

(All amounts are in ₹ Lakhs, unless otherwise stated)

Name of Company	Country of incorporation	Principal activities	Porportion (%) of equity interest	
			As At March 31, 2022	As At March 31, 2021
<b>Subsidiaries</b>				
Pearl Apparel Fashions Limited	India	Trading of garments	100.00	100.00
Pearl Global Kaushal Vikas Limited (Formally known as Pixel Industries Limited)	India	Skill Development	100.00	100.00
Pearl Global Far East 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 Limited	India	Online Trading of garments	100.00	100.00
Pearl Global USA Inc.	USA	Trading of garments	100.00	NA

## (b) Investment in equity shares of subsidiary includes Income from Corporate Guarantee for the following Companies:-

(All amounts are in ₹ Lakhs, unless otherwise stated)

Name of the Company	As at March 31, 2022	As at March 31, 2021
Pearl Global (HK) Limited, Hong Kong	299.70	359.16
Norp Knit Industries Limited, Bangladesh	37.34	11.71
<b>Total</b>	<b>337.05</b>	<b>370.87</b>

- c) During the FY 2021-22, loan of USD 6.60 Lakhs in Pearl Global Fareast Limited, Hongkong, has been converted into USD 6.60 Lakhs ordinary equity shares of USD 1.00 each of the PGFE.
- d) During the FY 2021-22, the Company has made investment in a Wholly Owned Subsidiary (WOS) in USA in the name of "Pearl Global US INC" on July 28, 2021.
- e) During the period ended December 31, 2020, Pearl Apparel Fashions Limited, a wholly owned subsidiary of the Company has gone into voluntary liquidation and appointed the official liquidator in October, 2020. In effect of above resolution, the Company has impaired its investment in aforesaid subsidiary and recognised the same at its recoverable in 2020-21. During the FY 2021-22, the Company has received ₹ 296.83 Lakhs from Pearl Apparel Fashions Limited on redemption of preference share capital of Pearl Apparel Fashions Limited. Provision for Impairment amounting to ₹ 30 Lakhs has been written back and Investment for the same has been written of by ₹ 3.17 Lakhs.
- f) The number of shares in note above represents absolute numbers.

**9 INVESTMENTS OTHERS**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Non- Current</b>		
<b>A. Equity Instruments- Quoted</b>		
<b>(At Fair value through profit and loss)</b>		
PDS Limited (Formerly known as PDS Multinational Fashions Limited) 50000 (March 31, 2021: 50000) Equity Shares of ₹ 10 each fully paid up	873.50	335.00

NOTES

to standalone financial statements for the year ended March 31, 2022 (Contd.)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	<b>873.50</b>	<b>335.00</b>
<b>B. Investments in Government securities -Unquoted</b>		
<b>(At Amortised cost)</b>		
Investments in Government securities		
- Gold Sovereign Bond- 37 units of 2 gram each issued by Reserve Bank of India	1.63	1.63
	<b>1.63</b>	<b>1.63</b>
<b>Total (A + B)</b>	<b>875.13</b>	<b>336.63</b>
<b>Current</b>		
<b>C. Investments in mutual funds - (Quoted)</b>		
<b>Investments carried at fair value through profit and loss</b>		
ICICI Prudential Short Term Fund DP Growth	273.64	260.63
536068.057 units of Face Value of ₹ 10 per unit (March 31, 2021: 536068.057 units)		
L&T Banking and PSU debt fund direct plan - growth	-	246.01
Nil units of Face Value of ₹ 10 per unit (March 31, 2021: 1223214.3850 units)		
IDFC Banking and PSU debt fund direct plan - growth		
1267806.9250 units of Face Value of ₹ 10 per unit (March 31, 2021: 1267806.9250 units)	258.62	247.74
	<b>532.26</b>	<b>754.38</b>
a) Aggregate book value of quoted investments	1,405.76	1,089.38
Aggregate market value of quoted investments	1,405.76	1,089.38
Aggregate value of unquoted investments	1.63	1.63
Aggregate value of unquoted investments (net of impairment)	1.63	1.63
b) The number of units and number of shares in note above represents absolute numbers.		

**10 Loans**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Non - Current		Current	
	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
(Unsecured, considered good unless otherwise stated)				
Loans to employees				
Loans Receivables considered good – Unsecured	5.38	7.21	35.98	23.84
Loans to related parties (Refer Note No. 46)	-	485.10	-	300.00
	<b>5.38</b>	<b>492.31</b>	<b>35.98</b>	<b>323.84</b>

- a) The Company has no loans which have significant increase in credit risk and loans which are credit impaired. (Refer Note No. 43)





## NOTES

to standalone financial statements for the year ended March 31, 2022 (Contd.)

**11 OTHER FINANCIAL ASSETS**

(Unsecured, considered good unless otherwise stated)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Non - Current		Current	
	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
Security deposits	603.05	706.07	16.21	28.56
Interest accrued but not due on				
- Term deposits and others	5.95	3.11	40.09	14.59
- Loan to related parties	-	-	-	168.75
Deposits with original maturity of more than 12 months (Refer note 18)	43.98	45.54	-	-
Financial Liabilities at Fair Value through OCI - Cash Flow Hedge	-	-	406.69	-
Other receivables	-	-	30.34	-
	<b>652.98</b>	<b>754.72</b>	<b>493.32</b>	<b>211.91</b>

**12 INCOME TAX**

The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are:

**Statement of profit and loss:**

Profit or loss section

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Tax Expense:</b>		
a) Current tax	397.95	-
b) Adjustments in respect of relating to earlier years	-	10.94
c) Deferred tax	496.86	(1,007.86)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>894.80</b>	<b>(996.92)</b>
<b>OCI section</b>		
<b>Deferred tax related to items recognised in OCI during the year:</b>		
Net loss/(gain) on remeasurements of defined benefit plans	(20.48)	(26.31)
Income tax on items that will be reclassified subsequently to statement of profit and loss	(105.46)	(342.72)
<b>Income tax charged to OCI</b>	<b>(125.95)</b>	<b>(369.03)</b>

**a) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021.**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Accounting profit before tax from continuing operations	3,610.59	(919.52)
<b>Accounting profit before income tax</b>		
At India's statutory income tax rate of 25.168% (March 31, 2021: 31.2%)	908.71	(286.89)
Adjustments in respect of current income tax of previous years	-	10.94

NOTES  
to standalone financial statements for the year ended March 31, 2022 (Contd.)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Balance sheet et	
	As at March 31, 2022	As at March 31, 2021
Deferred tax impact of change in tax	-	-
MAT Change	76.85	
Change in B/f lossees	(54.68)	-
<b>Tax effect of the amounts which are Non-deductible/(taxable) for tax purposes:</b>		
Expenses not deducted for tax purposes	35.57	32.58
Income exempted from income tax	(99.35)	(800.39)
Impact of tax at different tax rate and Others	27.70	46.83
At the income tax rate of 25.168 % (March 31, 2021: 31.20 %)	894.80	(996.92)
Income tax expense reported in the statement of profit and loss	894.80	(996.92)

b) **Deferred tax:**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Balance sheet et	
	As at March 31, 2022	As at March 31, 2021
<b>Deferred tax assets relates to the following:</b>		
Provision for employee benefits	349.69	395.70
Expenses allowed in the year of payment	191.69	219.67
Unabsorbed Losses	255.61	764.67
Lease Liabilities	638.98	1,003.94
Mark to Mark Forward Contracts - Cash Flow Hedge	(102.36)	3.85
Others	5.97	100.85
(A)	<b>1,339.59</b>	<b>2,488.68</b>
<b>Deferred tax liability relates to the following:</b>		
Property, plant and equipment	990.52	1,227.05
Right to use assets	546.52	905.82
Fair valuation of mutual fund	17.11	17.55
Borrowing (EIR)	1.99	4.06
Others	15.72	20.51
	-	
(B)	<b>1,571.86</b>	<b>2,175.00</b>
MAT Credit Entitlement	(C)	76.85
<b>Total deferred tax assets/(liabilities) (Net)</b>	(A-B+C)	<b>(232.27)</b>



## NOTES

to standalone financial statements for the year ended March 31, 2022 (Contd.)

## c) The movement between net deferred tax assets /(liabilities) is as under :

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As At March 31, 2021	Adjusted against current tax	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As At March 31, 2022
<b>Deferred tax assets relates to the following:</b>					
Provision for employee benefits	395.70	-	(25.53)	(20.48)	349.69
Expenses allowed in the year of payment	219.67	-	(27.98)	-	191.69
Lease Liabilities	1,003.94	-	(364.96)	-	638.98
Mark to Mark Forward Contracts - Cash Flow Hedge	3.85	-	(0.74)	(105.46)	(102.36)
Others	100.85	-	(94.88)	-	5.97
	<b>2,488.68</b>	<b>-</b>	<b>(1,023.16)</b>	<b>(125.94)</b>	<b>1,339.59</b>
<b>Deferred tax liability relates to the following:</b>					
Property, plant and equipment	1,227.05	-	(236.53)	-	990.52
Right to use assets	905.82	-	(359.30)	-	546.52
Fair valuation of mutual fund	17.55	-	(0.44)	-	17.11
Borrowing (EIR)	4.06	-	(2.07)	-	1.99
Others	20.51	-	(4.79)	-	15.72
	<b>2,175.00</b>	<b>-</b>	<b>(603.15)</b>	<b>-</b>	<b>1,571.86</b>
MAT Credit Entitlement	76.85	-	(76.85)	-	-
<b>Total deferred tax assets/ (liabilities) (Net)</b>	<b>390.53</b>	<b>-</b>	<b>(496.86)</b>	<b>(125.94)</b>	<b>(232.27)</b>

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As At April 1, 2020	Adjusted against current tax	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As At March 31, 2021
<b>Deferred tax assets relates to the following:</b>					
Provision for employee benefits	442.25	-	(20.24)	(26.31)	395.70
Expenses allowed in the year of payment	197.89	-	21.78	-	219.67
Unaborsbed Losses	17.07	-	747.60	-	764.67
Lease Liabilities	1,065.71	-	(61.77)	-	1,003.94
Mark to Mark Forward Contracts - Cash Flow Hedge	346.57	-	0.00	(342.72)	3.85
Others	167.20	-	(66.35)	-	100.85
	<b>2,236.69</b>	<b>-</b>	<b>621.01</b>	<b>(369.03)</b>	<b>2,488.68</b>
<b>Deferred tax liability relates to the following:</b>					
Property, plant and equipment	1,434.36	-	(207.31)	-	1,227.05
Right to use assets	913.56	-	(7.74)	-	905.82
Fair valuation of mutual fund	7.93	-	9.62	-	17.55
Borrowing (EIR)	8.46	-	(4.40)	-	4.06
Others	197.55	-	(177.04)	-	20.51
	<b>2,561.86</b>	<b>-</b>	<b>(386.85)</b>	<b>-</b>	<b>2,175.00</b>
MAT Credit Entitlement	76.85	-	-	-	76.85
<b>Total deferred tax assets (liabilities) (Net)</b>	<b>(248.32)</b>	<b>-</b>	<b>1,007.86</b>	<b>(369.03)</b>	<b>390.53</b>

**NOTES**

**to standalone financial statements for the year ended March 31, 2022 (Contd.)**

- 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.
- e) The Government of India has issued the Taxation Laws (Amendment) Act, 2019, which provides domestic companies an option to pay corporate tax at reduced rates effective April 1, 2019 subject to certain conditions. The Company intends to opt for lower tax regime from assessment year 2022-23 and accordingly the impact has been considered in computing deferred tax. During the year, Company has written off balance MAT Credit Entitlement of ₹ 76.85 Lakhs as the benefit of MAT credit is not available to Companies which opts for lower corporate tax rate.

**13 NON CURRENT TAX ASSET**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Advance income tax	567.72	556.75
(Net of provision of ₹ 1,685.98 Lakhs (March 31, 2021 : ₹ 1,288.03 Lakhs))		
	<b>567.72</b>	<b>556.75</b>

**14 OTHER ASSETS**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Non - Current		Current	
	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
(Unsecured, considered good, unless otherwise stated)				
Capital advances (Refer Note No. 45b)	12.61	29.03	57.51	-
Balance with government authorities - considered good	-	15.03	2,812.06	2,103.76
Balance with government authorities - considered doubtful	22.74	22.74	-	-
Less: Loss Allowance	(22.74)	(22.74)	-	-
Deferred Assets - Security Deposit	1.84	1.84	-	3.13
Prepaid expenses	7.70	7.71	461.93	209.41
Export incentive receivable	-	-	3539.74	1,215.59
Advances to related parties (Refer note no. 46)	-	-	121.59	116.98
Advances to suppliers	-	-	435.12	462.32
Other receivables	30.31	-	3,307.46	2,731.49
Less: Loss Allowance			(153.28)	-
	<b>52.46</b>	<b>53.60</b>	<b>10,582.14</b>	<b>6,842.69</b>

- a) Other Receivables of ₹ 3,009.35 Lakhs ( March 31, 2021 ₹ 2,538.77 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 36). Further, 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.



## NOTES

to standalone financial statements for the year ended March 31, 2022 (Contd.)

**15 INVENTORIES**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials	12,858.83	4,905.89
Good in transit- raw materials	243.35	19.88
Work in progress	5,142.30	5,703.23
Finished goods	3,825.43	2,412.60
Scrap Stock	41.82	166.84
Stores spares & others	67.36	60.68
	-	-
	<b>22,179.09</b>	<b>13,269.13</b>

a) Refer note 21 for information on above assets being pledged as security by the Company.

**16 TRADE RECEIVABLES**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As At March 31, 2022	As At March 31, 2021
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	11,591.48	14,521.72
Trade receivables - credit impaired	572.61	656.18
Less: Allowance for Expected Credit Loss	(572.61)	(656.18)
	<b>11,591.48</b>	<b>14,521.72</b>

a) Trade receivables ageing schedule as at March 31, 2022:

(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	7,799.55	3,779.88	5.78	2.87	3.41	-	11,591.48
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	572.61	572.61
(iv) Dispute Trade Receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowances for expected credit loss	-	-	-	-	-	(572.61)	(572.61)
<b>Net Trade receivables</b>	<b>7,799.55</b>	<b>3,779.88</b>	<b>5.78</b>	<b>2.87</b>	<b>3.41</b>	<b>-</b>	<b>11,591.48</b>

NOTES

to standalone financial statements for the year ended March 31, 2022 (Contd.)

Trade receivables ageing schedule as at March 31, 2021:

(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	3,597.22	9,847.18	911.61	64.87	100.83	-	14,521.72
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	656.18	656.18
(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	-	-	-	-	-	(656.18)	(656.18)
<b>Net Trade receivables</b>	<b>3,597.22</b>	<b>9,847.18</b>	<b>911.61</b>	<b>64.87</b>	<b>100.83</b>	<b>-</b>	<b>14,521.72</b>

a) The movement in the allowance for expected credit loss allowance is as follows:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As At March 31, 2022	As At March 31, 2021
<b>Balance as at beginning of the year</b>	<b>656.18</b>	<b>377.32</b>
Loss allowances during the year	-	278.88
Trade receivables written off / written back during the year	(83.57)	-
<b>Balance as at the end of the year</b>	<b>572.61</b>	<b>656.18</b>

- b) Trade receivables are generally on terms of 45- 60 days (March 31, 2021: 0-180 days).
- c) The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 43.
- d) The above includes amount due from related parties is ₹ 5,599.37 Lakhs (March 31, 2021: ₹ 2,008.11 Lakhs) (Refer note no. 46).
- e) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other persons.

**17 CASH AND CASH EQUIVALENTS**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks:		
- Current account	3,980.45	4,338.60
- Deposits with original maturity of less than 3 months	315.15	177.60
Cash on hand	5.91	3.90
Cheque/drafts on hand	20.53	79.40
	<b>4,322.04</b>	<b>4,599.50</b>

- a) For the purpose of the statement of cash flow, the cash and cash equivalent are same given above.
- b) Refer note 21 for information on above assets being pledged as security by the Company.





## NOTES

to standalone financial statements for the year ended March 31, 2022 (Contd.)

**18 BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Earmarked balances with banks		
Unpaid dividend account	26.24	29.75
Deposits with original maturity of more than 3 months but less than 12 months (Refer note (a) below)	2,111.40	1,078.40
Deposits with original maturity of more than 12 months (Refer note (a) below)	43.98	45.54
Balance with bank (Considered doubtful)	-	0.03
Less: Loss Allowance	-	(0.03)
	<b>2,181.62</b>	<b>1,153.69</b>
Less: Amount disclosed under "Other Financial Assets" (Refer Note No.11)	43.98	45.54
	<b>2,137.64</b>	<b>1,108.15</b>

- a) Refer note 21 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 ₹ 4,400 Lakhs for Letter of credit issued for the Company.

**19 SHARE CAPITAL**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Authorised</b>		
51440000* (March 31, 2021: 51440000) equity shares of ₹ 10 each	5,144.00	5,144.00
10000* (March 31, 2021: 10000) 4% Non Cumulative Redeemable Preference Shares of ₹ 10 each	1.00	1.00
3256000* (March 31, 2021: 3256000) 10.5% Non Cumulative Redeemable Preference Shares of ₹ 100 each	3,256.00	3,256.00
	<b>8,401.00</b>	<b>8,401.00</b>
<b>Issued, subscribed and paid up</b>		
21663937* (March 31, 2021: 21663937) Equity Shares of ₹ 10 each fully paid up	2,166.39	2,166.39
	<b>2,166.39</b>	<b>2,166.39</b>

\* Number of Shares are given in absolute numbers.

**a) Reconciliation of issued and subscribed share capital:**

Equity Share of ₹ 10 each	No. of shares	Amount
<b>Balance as at April 1, 2020</b>	<b>2,16,63,937</b>	<b>2,166.39</b>
Changes during the year	-	-
<b>Balance as at March 31, 2021</b>	<b>2,16,63,937</b>	<b>2,166.39</b>
Changes during the year	-	-
<b>Balance as at March 31, 2022</b>	<b>2,16,63,937</b>	<b>2,166.39</b>

**b) Terms/ rights attached to equity shares:**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the

**NOTES**

**to standalone financial statements for the year ended March 31, 2022 (Contd.)**

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. Subsequent to the balance sheet date, the Board of Directors has declared interim dividend of ₹ 5/- per share for FY 2021-22 for distribution to shareholders.

**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, 2022		As at March 31, 2021	
	No. of shares	% of total shares	No. of shares	% of total shares
Mrs. Payel Seth	4413635	20.37	4413635	20.37
Mr. Deepak Seth	2862145	13.21	2862145	13.21
Mr. Pulkit Seth	6947621	32.07	6947621	32.07
Mr. Sanjiv Dhiresbhai Shah	1761979	8.13	1881004	8.68
<b>Total</b>	<b>15985380</b>	<b>73.78</b>	<b>16305883</b>	<b>75.26</b>

**d) Details of Promotor's shareholding:**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Name of Shareholder	As at March 31, 2022		As at March 31, 2021		% change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Mrs. Payel Seth	4413635	20.37	4413635	20.37	-
Mr. Deepak Seth	2862145	13.21	2862145	13.21	-
Mr. Pulkit Seth	6947621	32.07	6947621	32.07	-
Mrs. Shifalli Seth	201478	0.93	201478	0.93	-
Nim International Commerce LLP	30	0.00	30	0.00	-
<b>Total</b>	<b>14424909</b>	<b>66.58</b>	<b>14424909</b>	<b>66.58</b>	

(All amounts are in ₹ Lakhs, unless otherwise stated)

Name of Shareholder	As at March 31, 2021		As at March 31, 2020		% change during the year
	No. of shares	Holding %	No. of shares	Holding %	
Mrs. Payel Seth	44,13,635	20.37	44,13,635	20.37	-
Mr. Deepak Seth	28,62,145	13.21	28,62,145	13.21	-
Mr. Pulkit Seth	69,47,621	32.07	69,47,621	32.07	-
Mrs. Shifalli Seth	2,01,478	0.93	2,01,478	0.93	-
Nim International Commerce LLP	30	0.00	30	0.00	-
<b>Total</b>	<b>1,44,24,909</b>	<b>66.58</b>	<b>1,44,24,909</b>	<b>66.58</b>	

**20 OTHER EQUITY**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
General reserve	4,204.36	4,204.36
Securities premium	17,103.90	17,103.90
Capital redemption reserve	95.00	95.00
Amalgamation reserve	625.95	625.95
Retained earnings	9,949.62	7,172.94
Cash Flow Hedge Reserve (Net of tax of ₹ 101.61 Lakhs (March 31, 2021 : - ₹ 3.85 Lakhs))	305.08	(8.49)
Foreign currency translation reserve- Foreign Operations	(102.24)	11.96
	<b>32,181.67</b>	<b>29,205.63</b>



## NOTES

## to standalone financial statements for the year ended March 31, 2022 (Contd.)

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, 2022	As at March 31, 2021
Balance as at beginning/ end of the year	4,204.36	4,204.36

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

## b) Securities Premium

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at beginning/ end of the year	17,103.90	17,103.90

The amount received in excess of face value of the equity shares is recognised in securities premium. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

## c) Capital Redemption Reserve

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at beginning/ end of the year	95.00	95.00

This Reserve has been created at the time of merger of other companies in earlier years in accordance with the provisions of the Companies Act, 2013.

## d) Amalgamation Reserve

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
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.

## e) Retained Earnings

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at beginning/ end of the year	9,949.62	7,172.94

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 ₹ 402.39 Lakhs (March 31, 2021: ₹ 400.51 Lakhs) is not available for distribution.

**NOTES**

to standalone financial statements for the year ended March 31, 2022 (Contd.)

**f) Cash Flow Hedge Reserve**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at beginning/ end of the year	305.08	(8.49)

This reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion.

**g) Foreign Currency Translation Reserve**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at beginning/ end of the year	(102.24)	11.96

The exchange differences arising from the translation of financial statements of foreign operations is recognized in other comprehensive income and is presented within equity.

**21 LONG TERM BORROWINGS**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Non - Current		Current	
	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
From banks (secured)				
- Corporate loan [refer note a(i), a(ii) & a(iii) below]	8,254.70	8,014.64	2,457.55	1,913.56
- Vehicle loans [refer note a(iv) below]	78.82	118.30	37.52	36.58
From financials institutional (secured)				
- Vehicle loans [refer note a(iv) below]	-	66.84	64.85	48.55
	<b>8,333.50</b>	<b>8,199.78</b>	<b>2,559.91</b>	<b>1,998.68</b>
Less: Amount disclosed under other financial liabilities as 'Short term borrowings' (refer note 22)	-	-	2,559.91	1,998.68
	<b>8,333.50</b>	<b>8,199.78</b>	-	-

**i) Nature of Security:** Following security details rank pari passu (first, second, exclusive or equitable as per respective sanction letters) amongst different lenders under multi bank arrangement for long term borrowings:

- a) Hypothecation over the entire movable/ Immovable property, plant & equipment of the Company including creation of negative lien on the assets which are unencumbered and are not proposed to be mortgaged to any of the lenders.
- b) Equitable mortgage over Industrial plot no. (i) 16/17, phase-6, Udyog Vihar, Gurugram, (ii) 751, Pace City-II, Sector 37, Gurugram, (iii) Company's property at Plot No. 51, Sector 32, Gurugram, and (iv) Land and building at Chennai and Bangalore Plant of the Company.
- c) Hypothecation of the Company's entire current assets including stocks of raw material, stock in process, finished goods, spares and book debts (present & future).
- d) Pari-Passu charge on FDR of ₹ 713.61 Lakhs. Other FDR's pledged with specific banks- PNB, UCO & IndusInd Bank are ₹ 876.80 Lakhs (March 31, 2021: ₹ 607.02 Lakhs)
- e) Irrevocable and Unconditional Personal Guarantee of Mr. Deepak Seth (Promoter Director) and Mr. Pulkit Seth (Promoter Director)

**ii) Charges not registered / Satisfied by the Company**

- a) Satisfaction of charges of loan relating to 5 vehicle loan have not yet been filed with Ministry of Corporate Affairs.



## NOTES

## to standalone financial statements for the year ended March 31, 2022 (Contd.)

- iii) Vehicle loans are secured against hypothecation of respective vehicles.

<b>Maturity profile of secured term loans is as set out below :</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>Beyond 2024-25</b>	<b>Total</b>
Term loan from banks are repayable in monthly/quarterly/yearly installments	2,457.55	2343.47	2505.99	3405.24	10,712.25
Vehicle loans from banks and financial institutions are repayable in monthly installments	102.37	36.81	30.67	11.34	181.19

- iv) The above term loan(s) and vehicle loan(s) carries rate of interest ranging between 7.40% to 10.30% per annum.

**22 SHORT TERM BORROWINGS**

(All amounts are in ₹ Lakhs, unless otherwise stated)

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Working capital loan from banks(secured)		
- Rupee loan [refer note (a) below]	15,074.52	11,328.87
Current Maturities of Long Term Borrowings (Refer Note 21)	2,559.92	1,998.68
	<b>17,634.44</b>	<b>13,327.55</b>

- a) The nature of Security for short term borrowings are as under:

The Company has entered into borrowing arrangements with lenders under consortium Arrangement for short term borrowings. The security details set out under Note 21 ranks pari passu ( as per respective sanction letters) amongst all secured lenders for short term and long term borrowings.

- b) 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).
- c) For interest rate & liquidity risk related disclosures, (refer note 43).

**23 OTHER FINANCIAL LIABILITIES**

(All amounts are in ₹ Lakhs, unless otherwise stated)

<b>Particulars</b>	<b>Non - Current</b>		<b>Current</b>	
	<b>As At March 31, 2022</b>	<b>As At March 31, 2021</b>	<b>As At March 31, 2022</b>	<b>As At March 31, 2021</b>
Security deposit	240.92	137.28	6.51	-
Book overdraft	-	-	-	261.51
Interest accrued but not due on borrowings	-	-	93.59	23.26
Unpaid dividends (Refer note below b)	-	-	26.24	29.75
Financial Liabilites at Fair Value through OCI - Cash	-	-	-	12.34
Flow Hedge				
Creditors for capital goods	-	-	92.90	203.74
Others	-	-	16.08	-
	<b>240.92</b>	<b>137.28</b>	<b>235.32</b>	<b>530.61</b>

**Notes:**

- a) The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 43.
- b) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end ( March 31,2021: Nil)

NOTES

to standalone financial statements for the year ended March 31, 2022 (Contd.)

**24 PROVISIONS**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Non - Current		Current	
	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
<b>Provision for employee benefits</b>				
Provision for compensated absences (Refer note 39)	369.84	350.57	30.87	25.85
Provision for gratuity (Refer note 39)	564.38	593.49	79.13	46.61
	<b>934.22</b>	<b>944.06</b>	<b>110.00</b>	<b>72.46</b>

**25 OTHER LIABILITIES**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Non - Current		Current	
	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
Advance received against sale of land	2,963.62	2,963.62	-	-
Deferred government grant	6.58	7.58	145.60	145.61
Deferred rental income	35.88	42.15	18.83	15.06
Statutory dues	-	-	688.08	550.23
	<b>3,006.08</b>	<b>3,013.35</b>	<b>852.51</b>	<b>710.90</b>

**26 TRADE PAYABLES**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Current	
	As At March 31, 2022	As At March 31, 2021
Total Outstanding dues of Micro and Small enterprises	663.71	481.65
Total Outstanding dues of Creditors other than Micro and Small enterprises	17,219.96	15,688.60
	<b>17,883.67</b>	<b>16,170.25</b>

a) Trade Payables ageing schedule as at March 31, 2022:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Unbilled dues	Total
(i) MSME	482.99	180.72	-	-	-	-	663.71
(ii) Others	15,087.05	1,611.90	6.67	-	-	514.34	17,219.96
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-

Trade Payables ageing schedule as at March 31, 2021:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Unbilled dues	Total
(i) MSME	472.48	9.16	-	-	-	-	481.65
(ii) Others	14,404.18	934.14	2.05	1.38	-	346.85	15,688.60
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-





## NOTES

## to standalone financial statements for the year ended March 31, 2022 (Contd.)

- a) 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.
- b) This amount includes amount due to related parties amounting to ₹ 2,099.24 Lakhs (March 31, 2021: ₹ 7,815.58 Lakhs) (Refer Note No. 46)
- c) As per Schedule III of the Companies Act, 2013 and as certified by the Management, the amount due to Micro & Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under :

**Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006**

- |   |        |        |
|---|--------|--------|
| (i) The amount due thereon remaining unpaid to any supplier at the end of each accounting year  | 662.58 | 481.53 |
| - Principal   | 1.13   | 0.12   |
| - Interest on above   | -      | -      |
| (ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.                     | -      | -      |
| (iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.                | -      | -      |
| (iv) The amount of interest accrued and remaining unpaid at the end of each accounting year   | -      | -      |
| (v) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006. | -      | -      |
- d) Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act and as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date except disclosed above.
- e) The Company's exposure to market and liquidity risk related to trade payables are disclosed in Note no. 43.

**27 REVENUE FROM OPERATIONS**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of product	86,203.83	73,909.07
Job receipts	25.98	-
Other operating revenues	7,147.25	3,230.97
<b>Revenue from operations</b>	<b>93,377.06</b>	<b>77,140.04</b>

**a) Performance obligation**

Revenue is recognised upon transfer of control of products.

During the year, The Company has not entered into long term contracts with Customers and accordingly disclosure of unsatisfied or remaining performance obligation (which is affected by several factors like changes in scope of Contracts, periodic revaluations, adjustment for revenue that has not been materialized, tax laws etc.) is not applicable to the Company.

**NOTES**

to standalone financial statements for the year ended March 31, 2022 (Contd.)

- 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:

<b>Revenue based on Geography</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
India	9,247.15	3,614.27
Outside India	84,129.91	73,525.76
<b>Revenue from operations</b>	<b>93,377.06</b>	<b>77,140.04</b>

<b>Revenue based on Customer-wise</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
Related Party	30,389.94	9,570.62
Non- Related Party	62,987.11	67,569.42
<b>Revenue from operations</b>	<b>93,377.06</b>	<b>77,140.04</b>

- c) Reconciliation of revenue from operations with contracted price**

<b>Particulars</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
Contracted Price	93,374.62	77,212.68
Less:		
Sales Returns	-	72.64
Rebate and Discount	2.44	-
	<b>93,377.06</b>	<b>77,140.04</b>

- 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, 2022.

Further, the Company doesn't have any contract liabilities as at March 31, 2022 and March 31, 2021

- e) Under the Remission of Duties and Taxes on Export Products (RoDTEP), the Company is eligible to claim a government grant in the form of refunds of embedded taxes and duties. The scheme has been effective since January 1, 2021. However, the incentive rates were not notified by the authorities till the last day of the previous year i.e March 31, 2021. For the relevant period from January 1, 2021 to March 31, 2021, the Company had recognized income towards RoDTEP basis estimated calculations and pending notification of the rates.**

The Ministry of Textiles vide press release dated July 14, 2021 has given its approval for continuation of Rebate of State and Central taxes and Levies (RoSCTL) with the same rates as notified by Ministry of Textiles vide Notification dated 8th March 2019, on exports. The Ministry of Textiles has decided to continue the scheme of RoSCTL up to March 31, 2024

Pursuant to the aforesaid press release, the Company has recognised the RoSCTL income for the period from April 1, 2021 to June 30, 2021 in line with the earlier rates notified and additionally also recognised ₹ 337.21 Lakhs in the quarter ended June 30, 2021 being the balance income to the extent previously not recognized during the fourth quarter of the financial year 2020-2021 i.e; January 1, 2021 to March 31, 2021.



## NOTES

to standalone financial statements for the year ended March 31, 2022 (Contd.)

**28 OTHER INCOME**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Interest Income</b>		
- On fixed deposits	94.25	55.81
- On loans and advances	55.27	63.58
<b>Other non-operating income:</b>		
IT/ SAP income	97.87	117.07
Rental income	769.38	770.91
Foreign exchange fluctuation	825.91	751.47
Profit on sale of current investment - mutual fund	16.34	16.61
Fair value gain on investments measured at fair value ...through profit and loss (net)	573.58	255.85
Dividend Income	7.87	-
Excess provision written back	160.91	-
Sundry balances written back	340.60	133.67
Gain on termination of lease	50.38	-
Miscellaneous income	212.47	243.41
	<b>3,204.83</b>	<b>2,408.39</b>

**29 COST OF RAW MATERIAL CONSUMED**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Raw Material</b>		
Balance at the beginning of the Year	4,905.89	6,485.70
Add:- Purchases during the year	50,815.02	21,478.41
	<b>55,720.91</b>	<b>27,964.11</b>
Less:- Balance at the end of the Year	12,858.83	4,905.89
<b>Total raw material consumption</b>	<b>42,862.08</b>	<b>23,058.22</b>

**30 PURCHASE OF STOCK IN TRADE**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Purchases during the year	671.60	24,340.92
	<b>671.60</b>	<b>24,340.92</b>

**31 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Inventories at the beginning of the year</b>		
Work-in-progress	5,703.23	7,086.13
Finished goods	2,412.60	1,072.32
Scrap Stock	166.84	33.21
	<b>(A) 8,282.67</b>	<b>8,191.67</b>
<b>Inventories at the end of the year</b>		
Work-in-progress	5,142.30	5,703.23
Finished goods	3,825.43	2,412.60
Scrap Stock	41.82	166.84
	<b>(B) 9,009.55</b>	<b>8,282.67</b>
<b>(Increase) / decrease in inventory (A-B)</b>	<b>(726.87)</b>	<b>(91.01)</b>

NOTES

to standalone financial statements for the year ended March 31, 2022 (Contd.)

**32 EMPLOYEE BENEFITS EXPENSE**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages & bonus	13,622.34	9,617.59
Contribution to provident and other fund (Refer note 39)	834.10	569.20
Gratuity expense (Refer note 39)	255.24	229.39
Compensated absences	203.67	178.16
Staff training & welfare expenses	303.84	184.67
	<b>15,219.19</b>	<b>10,779.00</b>

**33 FINANCE COSTS**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Interest expense</b>		
- on term loans, cash credit & working capital facilities	1,573.30	1,639.39
- delayed payment of taxes	5.82	1.51
- lease liabilities	270.85	304.66
Unwinding of discount on security deposit	14.08	40.24
Other borrowing cost	721.25	415.82
	<b>2,585.30</b>	<b>2,401.62</b>

**34 DEPRECIATION AND AMORTISATION EXPENSE**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of property, plant and equipment (Refer note 4)	1,164.50	1,195.54
Depreciation & amortisation of Investment Properties (Refer note 6)	82.20	86.77
Amortisation of intangible assets (Refer note 7)	30.53	39.89
Amortisation of Right-of-use assets (Refer note 49)	485.69	491.22
	<b>1,762.91</b>	<b>1,813.42</b>

**35 OTHER EXPENSES**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Manufacturing expense	21,878.38	12,878.85
Consumption of stores & spare parts	321.62	260.36
Power & fuel	1,227.10	955.18
Rent	191.69	73.64
Rates & taxes	84.72	114.81
Travelling & conveyance	885.21	479.41
Freight & clearing charges	1,797.88	1,803.34
Claim to buyers	894.46	418.20
Repair & maintenance		
Plant & machinery	145.58	75.12
Buildings	24.59	7.18
Others	382.36	335.17
Commission	112.44	59.13
Legal & professional expenses	440.93	264.75
Security charges	218.62	220.75
Bank charges	324.23	176.24
Insurance Expenses	219.17	148.93
Payment to the auditors (refer note 'a' below)	31.35	29.52



## NOTES

to standalone financial statements for the year ended March 31, 2022 (Contd.)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sundry Balances written off	551.93	96.29
Corporate social responsibility (refer note 'b' below)	80.54	27.10
Loss Allowance for doubtful debts and advances	153.28	278.86
Loss on sale of Licenses	366.89	95.38
Miscellaneous expenses	919.16	631.41
<b>Total</b>	<b>31,252.11</b>	<b>19,429.61</b>

## a) Details of payment made to auditors is as follows:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>i) Payment to Auditor</b>		
- Statutory audit fee	19.50	19.50
- Other Services	10.00	9.65
- Reimbursement of Expenses	1.85	0.37
	<b>31.35</b>	<b>29.52</b>

## b) Details of Corporate Social Responsibility (CSR) expenditure is as follows:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
i) Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits of last three years)	23.92	22.26
ii) Amount spent during the year		
- Construction/acquisitions of any asset	-	-
- For purpose other than above	80.54	27.10
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, 2022 and March 31, 2021.	-	-
vi) The Company does not have any transactions with related parties for CSR expenditure as at March 31, 2022 and March 31, 2021.	-	-

**36 EXCEPTIONAL ITEMS**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit on sale of property, plant and equipment and investment property (Refer Note 'a' below)	(628.18)	1,037.41
Impairment of investment in subsidiaries written back (Refer Note 8(e))	(30.00)	33.91
Investment written off (Refer note 8 (e))	3.17	-
Enhanced Compensation on Land Acquisition by NHAI	-	(2,335.15)
	<b>(655.01)</b>	<b>(1,263.82)</b>

a) The figures in bracket above represents income/profit.

NOTES

to standalone financial statements for the year ended March 31, 2022 (Contd.)

**37 COMPONENTS OF OTHER COMPREHENSIVE INCOME**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A (i) Items that will not be reclassified to profit or loss</b>		
Re-measurement gains/ (losses) on defined benefit plans	81.36	84.32
Income tax expense on items that will not be reclassified to profit or loss	(20.48)	(26.31)
	-	-
<b>B (i) Items that will be reclassified to profit or loss</b>		
Cash Flow Hedging reserve on forward contract	419.03	979.45
Income tax expense on items that will be reclassified to profit or loss	(105.46)	(342.72)
Foreign currency translation reserve	(114.20)	11.96
	<b>260.26</b>	<b>706.70</b>

**38 EARNINGS PER SHARE (EPS)**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit attributable to the equity shareholders (A)	2,715.78	77.40
Number/Weighted average number of equity shares outstanding at the end of the year (B)	21,663,937	21,663,937
Nominal value of Equity shares	₹ 10	₹ 10
Basic/Diluted Earning per share (A/B) (in )	12.54	0.36

**39 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS**

a) **Defined contribution plans**

The Company makes contribution towards Employees Provident Fund, Employee's State Insurance scheme and other welfare schemes. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year recognised the following amount in the Statement of profit and loss under Company's contribution to defined contribution plan.

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Employer's Contribution to Provident Fund/ Pension Fund	623.70	423.74
Employer's Contribution to Employee State Insurance	197.78	138.43
Employer's Contribution to Welfare Fund	12.62	7.03
<b>Total</b>	<b>834.10</b>	<b>569.20</b>

The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes.

b) **Defined benefit plans**

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Company is able to determine the present value of obligations. "Projected Unit Credit Method" recognises each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to 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 . Till previous financial year 2020-21, the status of gratuity was as under:

- a) Gratuity in case of Gurgaon Division was funded & maintained by Life Insurance Corporation of India



## NOTES

## to standalone financial statements for the year ended March 31, 2022 (Contd.)

b) Gratuity in case of Chennai & Bangalore Division was unfunded.

ii) **Other long term employee benefits**

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during the service, on early retirement, on withdrawal of scheme, at resignation by employee and upon death of employee. The scale of benefits is determined based on the seniority and the respective employee's salary. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

Re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest and if applicable), is reflected immediately in Other Comprehensive Income in the statement of profit and loss in case of Gratuity. All other expenses related to defined benefit plans are recognised in statement of profit and loss as employee benefit expenses. Re-measurements recognised in Other Comprehensive Income will not be reclassified to statement of profit and loss hence it is treated as part of retained earnings in the statement of changes in equity. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Curtailment gains and losses are accounted for as past service costs.

c) The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the defined benefit plan and other long term benefits. These have been provided on accrual basis, based on year end actuarial valuation.

**Change in benefit obligation**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021	
	Gratuity (Funded)	Gratuity (Funded)	Gratuity (Unfunded)
<b>Opening defined benefit obligation</b>	<b>929.10</b>	<b>654.60</b>	<b>298.17</b>
Interest cost	69.78	44.29	20.02
Service cost	207.89	89.46	100.21
Past Service cost	-	-	-
Benefits paid	(199.61)	(92.36)	(90.10)
Actuarial (gain) / loss on obligations	(90.40)	(41.19)	(53.96)
<b>Present value of obligation as at the end of the year</b>	<b>916.76</b>	<b>654.80</b>	<b>274.33</b>

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:

**Cost for the year included under employee benefit**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021	
	Gratuity (Funded)	Gratuity (Funded)	Gratuity (Unfunded)
Current service cost	207.89	89.46	100.21
Past service cost	-	-	-
Interest cost	69.78	44.29	20.02
Expected return on plan assets	(22.42)	(24.55)	-
Actuarial (gain) / loss	-	-	-
<b>Net cost</b>	<b>255.24</b>	<b>109.19</b>	<b>120.23</b>



NOTES

to standalone financial statements for the year ended March 31, 2022 (Contd.)

e) 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, 2022	As at March 31, 2021	
	Gratuity (Funded)	Gratuity (Funded)	Gratuity (Unfunded)
Fair value of plan assets at the beginning	298.57	363.22	-
Expected return on plan assets	22.42	24.55	-
Contributions	22.70	4.43	-
LIC charges	(4.37)	-	-
Benefits paid	(57.04)	(92.36)	-
Actuarial gains / (losses) on the plan assets	(9.03)	(10.84)	-
<b>Fair value of plan assets at the end</b>	<b>273.25</b>	<b>289.02</b>	<b>-</b>

f) Detail of actuarial gain/loss recognised in OCI is as follows:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021	
	Gratuity (Funded)	Gratuity (Funded)	Gratuity (Unfunded)
Actuarial gain / (loss) for the year – obligation	90.39	41.19	53.96
Actuarial gain / (loss) for the year - plan assets	(9.03)	(10.84)	-
Unrecognised actuarial gains / (losses) at the end of year	<b>81.36</b>	<b>30.36</b>	<b>53.96</b>

g) Principal actuarial assumptions at the balance sheet date are as follows:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021	
	Gratuity (Funded)	Gratuity (Funded)	Gratuity (Unfunded)
<b>Economic assumptions</b>			
1. Discount rate	7.51%	6.76%	6.72%
2. Rate of increase in compensation levels	5.00%	5.00%	5.00%
<b>Demographic assumptions</b>			
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	
<b>Withdrawal Rate (Average in case of unfunded amounts)</b>			
1. Ages from 18 to 30 Years	3.00%	3.00%	5.66%
2. Ages from 30 to 45 Years	2.00%	2.00%	5.66%
3. Ages Above 45 years	1.00%	1.00%	5.66%

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, 2022	As at March 31, 2021	
	Gratuity (Funded)	Gratuity (Funded)	Gratuity (Unfunded)
<b>Present value of obligation</b>	<b>916.76</b>	<b>654.79</b>	<b>274.33</b>
Less: Fair value of plan assets	273.25	289.02	-
<b>Net assets / (liability)</b>	<b>(643.51)</b>	<b>(365.77)</b>	<b>(274.33)</b>



## NOTES

to standalone financial statements for the year ended March 31, 2022 (Contd.)

i) Expected contribution for the next year is ₹ 965.67 Lakhs (March 31, 2021: ₹ 492.69 Lakhs) in respect of Gratuity.

j) A quantitative sensitivity analysis for significant assumptions is as shown below:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Gratuity (Funded)		Gratuity (Funded)	Gratuity (Unfunded)
<b>A. Discount rate</b>				
Effect on DBO due to 1% increase in Discount Rate		(93.76)	(61.46)	(29.09)
Effect on DBO due to 1% decrease in Discount Rate		111.49	71.91	34.40
<b>B. Salary escalation rate</b>				
Effect on DBO due to 1% increase in Salary Escalation Rate		113.23	72.51	34.74
Effect on DBO due to 1% decrease in Salary Escalation Rate		(96.65)	(63.00)	(29.85)
<b>C. Sensitivities due to mortality &amp; withdrawals are not material &amp; 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.</b>				

k) Risk

Discount Rate	Reduction in discount rate in subsequent valuations can increase the liability.
Salary Increases	Actual salary increases will increase the defined benefit liability. Increase in salary increase rate assumption in future valuations which in turn also increase the liability.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawals rates at subsequent valuations can impact defined benefit liability.
Mortality and disability	Actual details and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

l) Maturity profile of cash outflows relating to defined benefit obligation are as follows:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Gratuity (Funded)		Gratuity (Funded)	Gratuity (Unfunded)
0 to 1 years		80.06	67.06	9.78
1 to 2 years		31.17	33.07	11.47
2 to 3 years		63.98	28.21	22.85
3 to 4 years		88.75	50.46	47.49
4 to 5 years		130.34	74.33	66.68
From 5 years onwards		1,208.66	753.72	470.02

## 40 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- 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

**NOTES**

**to standalone financial statements for the year ended March 31, 2022 (Contd.)**

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:

<b>Particulars</b>	<b>As At March 31, 2022</b>	<b>As At March 31, 2021</b>
Borrowings (Refer to note 21 and 22)	25,967.94	21,527.33
Interest accrued but not due on borrowings (refer note no. 23)	93.59	23.26
Less: Cash and Cash Equivalents (Refer to note 17)	(4,322.04)	(4,599.50)
<b>Net debt (A)</b>	<b>21,739.51</b>	<b>16,951.10</b>
Equity share capital (Refer to note 19)	2,166.39	2,166.39
Other equity (Refer to note 20)	32,181.67	29,205.63
<b>Total Capital (B)</b>	<b>34,348.07</b>	<b>31,372.02</b>
<b>Capital and net debt (A+B=C)</b>	<b>56,087.57</b>	<b>48,323.12</b>
<b>Gearing ratio (A/C)</b>	<b>38.76%</b>	<b>35.08%</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

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.

**41 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 1, 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)

<b>Particulars</b>	<b>Assets March 31, 2022</b>	<b>Liabilities March 31, 2021</b>
Fair value of foreign currency forward exchange contract designated as hedging instruments	406.69	12.34

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, 2022 were assessed to be highly effective and unrealised profit of ₹ 419.03 Lakhs, with a deferred tax assets of ₹ 105.46 Lakhs relating to the hedging instruments, is included in OCI. (March 31, 2021: Unrealised profit of ₹ 979.45 Lakhs with a corresponding deferred tax assets of ₹ 342.72 Lakhs).

(iii) **Maturity Profile: The following table includes the maturity profile of the foreign exchange forward contracts:**

<b>Particulars</b>	<b>Less than 1 month</b>	<b>1 to 3 months</b>	<b>3 to 6 months</b>	<b>6 to 9 months</b>	<b>9 to 12 months</b>	<b>Total</b>
As at March 31, 2022 (₹)	8,031.01	12,657.88	19,245.30	14,329.11	8,296.72	62,560.03
Notional amount (in USD)	104.99	165.36	249.00	183.68	105.50	808.53
Average forward rate (USD/₹)	76.49	76.55	77.29	78.01	78.64	77.37
As at March 31, 2021 (₹)	-	-	-	-	2,278.85	2,278.85
Notional amount (in USD)	-	-	-	-	30.00	30.00
Average forward rate (USD/₹)	-	-	-	-	-	75.96



## NOTES

to standalone financial statements for the year ended March 31, 2022 (Contd.)

## (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 2021: Other current Financial Liabilities). The changes in fair value of forward exchange contract are disclosed as under:

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Amount (₹)
Foreign currency risk forward contract- As at March 31, 2022 (Asset)	406.69
Foreign currency risk forward contract- As at March 31, 2021 (Liability)	979.45

## (v) The effect of the cash flow hedge in the statement of profit or loss and other comprehensive income is, as follows:

(All amounts are in ₹ Lakhs, unless otherwise stated)

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
<b>As at March 31, 2022</b>	419.03	Cash Flow Hedge Reserve (OCI)	907.55	Revenue from Operations
Highly probable forecast sales				
<b>As at March 31, 2021</b>	979.45	Cash Flow Hedge Reserve (OCI)	19.15	Revenue from Operations
Highly probable forecast sales				

## (vi) Impact of hedging on equity

Set out below are the details of each component of equity and the analysis of other comprehensive income in respect of CFHR.

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Cash Flow Hedge Reserve (CFHR)
<b>As at March 31, 2022</b>	419.03
Effective Portion of Changes in fair Value arising from Foreign Exchange Forward Contracts	(907.55)
Amount reclassified to profit & loss	907.55
Tax effect	(105.46)
<b>As at March 31, 2021</b>	979.45
Effective Portion of Changes in fair Value arising from Foreign Exchange Forward Contracts	(19.15)
Amount reclassified to profit & loss	19.15
Tax effect	(342.72)

## (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, 2022		As At March 31, 2021	
	Foreign Currency (In absolute no.)	Amount	Foreign Currency (In absolute no.)	Amount
Foreign currency receivable	-	-	\$ 21,920,846.96	16,111.82
Foreign currency payable	-	-	€ 2,635.05	2.27
Foreign currency loan receivable	-	-	\$ 889,599	653.85

## III) In respect of the derivative contracts entered into by the Company, the Management assesses no material foreseeable losses as at the reporting date.

NOTES

to standalone financial statements for the year ended March 31, 2022 (Contd.)

**42 FAIR VALUE MEASUREMENTS**

**I Financial instruments**

**a) Financial instruments by category**

Except Investment in equity instruments (Quoted) and investment in mutual funds which are measured at fair value through profit or loss, all other financial assets and liabilities viz. trade receivables, security deposits, cash and cash equivalents, other bank balances, interest receivable, other receivables, trade payables, employee related liabilities and borrowings, are measured at amortised cost. Derivative financial instruments are measured at fair value through other comprehensive income..

**b) Fair value hierarchy**

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table. The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels of in the fair value hierarchy:

As at March 31, 2022

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Carrying amount					Fair value			
	FVOCI	FVTPL	Financial Assets - amortised cost	Financial Liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>									
Investment in equity shares (Quoted)	-	873.50	-	-	873.50	873.50	-	-	873.50
Investment in mutual funds	-	532.26	-	-	532.26	532.26	-	-	532.26
Financial Assets at Fair Value through OCI - Cash Flow Hedge	406.69	-	-	-	406.69	406.69	-	-	406.69
<b>Financial assets not measured at fair value</b>									
Investment in equity shares (Unquoted)	-	-	11,761.04	-	11,761.04	-	-	-	-
Investment in preference shares	-	-	-	-	-	-	-	-	-
Investment in government securities	-	-	1.63	-	1.63	-	-	-	-
Loan to employees	-	-	41.36	-	41.36	-	-	-	-
Loan to related parties	-	-	-	-	-	-	-	-	-
Security Deposits	-	-	619.26	-	619.26	-	-	-	-
Interest accrued but not due on term deposits	-	-	46.04	-	46.04	-	-	-	-
Interest accrued but not due on loan to related parties	-	-	-	-	-	-	-	-	-
Deposits with original maturity of more than 12 months	-	-	43.98	-	43.98	-	-	-	-
Other Receivable	-	-	30.34	-	30.34	-	-	-	-
Trade receivables	-	-	11,591.48	-	11,591.48	-	-	-	-



## NOTES

to standalone financial statements for the year ended March 31, 2022 (Contd.)

(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
Cash and cash equivalents	-	-	4,322.04	-	4,322.04	-	-	-	-
Other bank balances	-	-	2,137.64	-	2,137.64	-	-	-	-
	406.69	1,405.76	30,594.80	-	32,407.25	1,812.45	-	-	1,812.45
<b>Financial liabilities not measured at fair value</b>									
Borrowings	-	-	-	25,967.94	25,967.94	-	-	-	-
Lease Liabilities	-	-	-	2,538.85	2,538.85	-	-	-	-
Security Deposits	-	-	-	247.44	247.44	-	-	-	-
Interest accrued but not due on borrowings	-	-	-	93.59	93.59	-	-	-	-
Unpaid dividends	-	-	-	26.24	26.24	-	-	-	-
Trade payables	-	-	-	17,883.67	17,883.67	-	-	-	-
Creditors for capital goods	-	-	-	92.90	92.90	-	-	-	-
Others	-	-	-	16.08	16.08	-	-	-	-
	-	-	-	46,866.71	46,866.71	-	-	-	-

As at March 31, 2021

(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
<b>Financial assets measured at fair value</b>									
Investment in equity shares (Quoted)	-	335.00	-	-	335.00	335.00	-	-	335.00
Investment in mutual funds	-	754.38	-	-	754.38	754.38	-	-	754.38
<b>Financial assets not measured at fair value</b>									
Investment in equity shares (Unquoted)	-	-	11,308.00	-	11,308.00	-	-	-	-
Investment in preference shares	-	-	270.00	-	270.00	-	-	-	-
Investment in government securities	-	-	1.63	-	1.63	-	-	-	-
Loan to employees	-	-	31.04	-	31.04	-	-	-	-
Loan to related parties	-	-	785.10	-	785.10	-	-	-	-
Security Deposits	-	-	734.62	-	734.62	-	-	-	-
Interest accrued but not due on term deposits	-	-	17.70	-	17.70	-	-	-	-
Interest accrued but not due on loan to related parties	-	-	168.75	-	168.75	-	-	-	-
Deposits with original maturity of more than 12 months	-	-	45.54	-	45.54	-	-	-	-
Trade receivables	-	-	14,521.72	-	14,521.72	-	-	-	-
Cash and cash equivalents	-	-	4,599.50	-	4,599.50	-	-	-	-
Other bank balances	-	-	1,108.15	-	1,108.15	-	-	-	-

NOTES

to standalone financial statements for the year ended March 31, 2022 (Contd.)

(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
	-	1,089.38	33,591.76	-	34,681.14	1,089.38	-	-	1,089.38
<b>Financial liabilities measured at fair value</b>									
Financial Liabilities at Fair Value through OCI - Cash Flow Hedge	12.34	-	-	-	12.34	12.34	-	-	12.34
<b>Financial liabilities not measured at fair value</b>									
Borrowings	-	-	-	21,527.33	21,527.33	-	-	-	-
Lease Liabilities	-	-	-	3,217.75	3,217.75	-	-	-	-
Security Deposits	-	-	-	137.28	137.28	-	-	-	-
Book overdraft	-	-	-	261.51	261.51	-	-	-	-
Interest accrued but not due on borrowings	-	-	-	23.26	23.26	-	-	-	-
Unpaid dividends	-	-	-	29.75	29.75	-	-	-	-
Trade payables	-	-	-	16,170.25	16,170.25	-	-	-	-
Creditors for capital goods	-	-	-	203.74	203.74	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
	<b>12.34</b>	-	-	<b>41,570.87</b>	<b>41,583.21</b>	<b>12.34</b>	-	-	<b>12.34</b>

c) The Company has an established control framework with respect to the measurement of fair values. The finance and accounts team that has overall responsibility for overseeing all significant fair value measurements and reports directly to the board of directors. The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Company's board of directors.

d) Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers in either direction for the year ended 31 March 2022 and 31 March 2021.

e) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of short-term trade and other receivables, trade payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature. For other financial liabilities/ assets that are measured at fair value, the carrying amounts are equal to the fair values.





## NOTES

## to standalone financial statements for the year ended March 31, 2022 (Contd.)

f) Specific Valuation techniques used to value financial instruments include:

Type	Valuation technique	Significant	Inter-relationship
Derivative financial instruments (forward exchange contract)	Mark to Market valuation	Not Applicable	Not Applicable
Investments in mutual fund measured at FVTPL (quoted)	Net asset value ('NAV') technique, as stated by the issuers of these mutual fund units as at Balance Sheet date	Not Applicable	Not Applicable
Investment in quoted equity instruments of entities other than subsidiaries	On the basis of quoted rates available from securities markets in India	Not Applicable	Not Applicable
Fair Value of security deposits paid & received (Other than perpetual security deposits)	*Based on the discounting factor as at reporting date.	Not Applicable	Not Applicable

**\*Discount rate used in determining fair value**

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Company and in case of financial asset is the average market rate of similar credit rated instrument. The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

#### 43 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprises of trade and other payables, borrowings, current maturity of borrowings, interest accrued and capital creditors. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets includes Investment in mutual funds, loans to related parties, security deposits, trade receivables, cash and cash equivalents, deposits with bank, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

The Company has exposure to the following risks arising from financial instruments:

- credit risk,
- liquidity risk and
- market risk.

The Company's senior level management oversees the management of these risks and is supported by finance department that advises on the appropriate financial risk governance framework.

##### A. Credit Risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to the Company. Credit risk arise from Cash and cash equivalents, deposit with banks, trade receivables and other financial assets measure at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporate this information into its credit risk control.

##### (i) Trade Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The credit risk is managed by the Company based on credit approvals, establishing credit limits and continuously monitoring the credit worthiness of the customers, to whom the Company grants credit period in the normal course of business including taking credit insurance against export receivables. The Company uses expected credit loss model to assess the impairment loss in trade receivables and makes an allowance of doubtful trade receivables using this model.

(ii) **Other Financial Assets:** The Company maintains exposure in cash & cash equivalents, term deposits with banks, investments, advances and security deposits etc. Credit risk from balances with banks, investment in mutual funds and loan to related parties is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to

**NOTES**

**to standalone financial statements for the year ended March 31, 2022 (Contd.)**

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, 2022 and March 31, 2021 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**

<b>Guarantee Given to</b>	<b>Details of Subsidiary</b>	<b>Purpose of Guarantee</b>	<b>Amount as at March 31, 2022</b>	<b>Guarantee Valid Upto</b>
Standard Chartered Bank, Hongkong Branch	Pearl Global (HK) Limited	Securing Credit Facilities	USD 30.00 Lakhs equivalent to ₹ 2,274.30 Lakhs	February 4, 2023
HSBC Bank, Hongkong Branch	Pearl Global (HK) Limited	Securing Credit Facilities	USD 200.00 Lakhs equivalent to ₹ 15,162.00 Lakhs	November 17, 2023
HSBC Bank, Hongkong Branch	Pearl Global (HK) Limited	Securing Credit Facilities	USD 40.00 Lakhs equivalent to ₹ 3,032.40 Lakhs	December 31, 2023

**- 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, 2022**

<b>Particulars</b>	<b>Less than 3 months</b>	<b>3 to 12 months</b>	<b>1 to 5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
Borrowings	15,765.65	1,868.79	8,207.50	126.00	25,967.93
Lease Liabilities	65.09	326.13	995.64	1,151.99	2,538.85
Trade payables	17,600.45	283.20	-	-	17,883.65
Other financial liabilities	228.81	6.51	240.92	-	476.24
<b>Total</b>	<b>33,660.00</b>	<b>2,484.63</b>	<b>9,444.06</b>	<b>1,277.99</b>	<b>46,866.68</b>

**As at March 31, 2021**

<b>Particulars</b>	<b>Less than 3 months</b>	<b>3 to 12 months</b>	<b>1 to 5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
--------------------	---------------------------	-----------------------	---------------------	---------------------	--------------



## NOTES

## to standalone financial statements for the year ended March 31, 2022 (Contd.)

Borrowings	11,349.19	-	7,737.94	461.84	19,548.97
Lease Liabilities	161.36	220.21	1,452.10	1,384.08	3,217.75
Current maturities of long term borrowings	489.99	1,508.69	-	-	1,998.68
Trade payables	16,170.25	-	-	-	16,170.25
Other financial liabilities	530.61	-	137.28	-	667.89
<b>Total</b>	<b>28,701.40</b>	<b>1,728.90</b>	<b>9,327.32</b>	<b>1,845.92</b>	<b>41,603.54</b>

## C. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Board of Directors is responsible for setting up the policies and procedures to manage risks of the Company.

## i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its net exposure to interest rate risk related to borrowings, by balancing a proportion of fixed rate and floating rate borrowing in its total borrowing portfolio.

**Interest Rate Sensitivity:** The sensitivity analysis in the following sections relate to the position as at March 31, 2022 and March 31, 2021. 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
<b>March 31, 2022</b>	50	11.87
	(50)	(11.87)
March 31, 2021	50	10.94
	(50)	(10.94)

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
<b>March 31, 2022</b>	5%	-
	(5%)	-
March 31, 2021	5%	(70.19)
	(5%)	70.19

**NOTES**

**to standalone financial statements for the year ended March 31, 2022 (Contd.)**

**44 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 10 customers (March 31, 2021: 8 customers).

**45 CONTINGENT LIABILITIES AND COMMITMENTS**

**a) Contingent liabilities (To the extent not provided for)**

- I The Company has reviewed all its pending claims, litigations and other proceedings and has adequately provided for wherever required. However, wherever it is difficult for the Company to estimate the timings of cash outflows, if any, in respect of the below as it is determinable only on receipt of judgement/decisions pending with various forums/authorities, the Company has disclosed the same as Contingent Liabilities (pending resolution of the respective proceedings).

The Company does not expect the outcome of these proceedings to have a material or adverse effect on financial position of the Company. Also, the Company does not expect any reimbursements in respect of the below contingent liabilities.

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
-Tax Demand as per Sec 154 and Sec 16(1) of Income Tax Act, 1961 (with respect to Assessment Year 2015-16) - Rectification application has been filled)	15.57	8.34
-Tax Demand as per Sec 35(1) of Wealth Tax Act, 1957 (with respect to Assessment Year 2015-16- Rectification u/s 154- Assessing Officer)	0.04	-
-Tax Demand as per Sec 250 of Income Tax Act, 1961 (with respect to Assessment Year 2016-17) - Rectification application has been filled with ITAT	3.49	38.83
-Tax Demand as per Sec 143(3) of Income Tax Act, 1961 (with respect to Assessment Year 2017-18) - Rectification application has been filled	3.83	16.61
-Tax Demand as per Sec 115-O of Income Tax Act, 1961 (with respect to Assessment Year 2017-18) - Rectification application has been filled with Assessing Officer	33.30	-
-Tax Demand as per Sec 154 of Income Tax Act, 1961 (with respect to Assessment Year 2018-19) - Appeal pending before CIT(A)	5.70	-
-Demand as per TDS (TRACES) portal - CPC	4.65	8.71

- (ii) Several Legal Cases of labour pending at labour Court, Civil Court and High Court. The Company has assessed and believe that none of these cases, either individually or in aggregate, are expected to have any material adverse effect on its financial statements. However, Since it is difficult for the Company to estimate the timings of the cash outflows, if any, no further provision or seperate disclosure is made in books of account.

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
II Irrevocable letter of credit outstanding with banks (net of margin of ₹ 876.84 Lakhs)	3,946.24	3,870.51



## NOTES

## to standalone financial statements for the year ended March 31, 2022 (Contd.)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
III Bank Guarantee given to government authorities	37.08	38.08
IV Counter Guarantees given by the Company to the Sales Tax Department over which Key Managerial Personnel have Significant influence		
- For enterprise	1.00	1.00
- For others	0.50	0.50
V The Company has given the corporate guarantees to banks of its foreign subsidiaries amounting to ₹ 20,468.70 Lakhs (March 2021 ₹ 24,541.03 Lakhs.) Refer note 43 & 46.		

## b) Commitments

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Commitment: Estimated amount of contracts remaining to be executed on the capital account (net of capital advances of ₹ 70.12 Lakhs)	420.11	-

The Company does not have any other long term Commitments or material non cancellable contractual commitments, which may have a material impact on the standalone financial statement.

**46 RELATED PARTY TRANSACTIONS**

## a) List of related parties

Nature of Relationship	Name of the Related Party
Subsidiary (Direct / Indirect)	<b>Domestic (Direct)</b>
	Pearl Apparel Fashions Limited (Formerly known as Lerros Fashions India Limited) (Under Liquidation)
	Pearl Global Kaushal Vikas Limited (Formerly known as Pixel Industries Limited)
	SBUYS E-Commerce Limited
	<b>Overseas (Direct)</b>
	Pearl Global Fareast Limited
	Pearl Global (HK) Limited
	Norp Knit Industries Limited
	Pearl Global USA, Inc.
	<b>Overseas (Indirect)</b>
	A & B Investment Limited
	Pearl Global F.Z.E.
	DSSP Global Limited
	Pearl Global Vietnam Company Limited
	Pearl Global(Chang Zhou) Textile Technology Company Limited (Liquidated on August 5, 2021)
	Pearl Grass Creations Limited (Formerly known as Pearl Tiger HK Limited)
	PGIC Investment Limited
	Prudent Fashions Limited
	PT Pinnacle Apparels (Formerly known as PT Norwest Industry)
	Vin Pearl Global Vietnam Limited

NOTES

to standalone financial statements for the year ended March 31, 2022 (Contd.)

Nature of Relationship	Name of the Related Party	
<b>Enterprise over which Key Managerial Personnel exercise Significant influence</b>	PDS Limited (Formerly PDS Multinational Fashions Limited)	
<b>Key Management Personnel (KMP) &amp; their relative</b>	Mr. Deepak Seth	Chariman
	Mr. Pulkit Seth	- Vice Chairman
		- Managing Director
	Mrs. Shifalli Seth	- Whole -Time Director
	Mr. Pallab Banerjee	- Joint Managing Director (from October 1, 2021)
	Mr. Vinod Vaish	Whole-Time Director (till April 30, 2020)
	Mr. Uma Shankar Kaushik	Whole-Time Director (from July 28, 2020 till January 10, 2022)
	Mr. Shailesh Kumar	Whole-Time Director (from October 7, 2020)
	Mr. Deepak Kumar	Whole-Time Director (from February 14, 2022)
	Mr. Raghav Garg	Chief Financial Officer (till June 30, 2020)
	Mr. Kashmir Singh Rathour	Chief Financial Officer (from July 28, 2020 till April 20, 2021)
	Mr. Narendra Kumar Somani	Chief Financial Officer (w.e.f June 21, 2021)
	Mr. Sandeep Sabharwal	Company Secretary (till February 15, 2021)
	Mr. Mayank Jain	Company Secretary (from June 21, 2021 to November 8, 2021)
Mr. Ravi Arora	Company Secretary (w.e.f February 14, 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, 2022	For the year ended March 31, 2021
Purchase of goods	2,522.61	24,341.08
Sale of goods - raw material	17.16	438.20
Sale of goods – readymade garments	30,275.44	9,132.42
Source support income	97.35	55.39
Income on corporate guarantee	132.75	174.27
Expenses paid by them on behalf of the Company	94.54	17.72
Expenses paid by the Company on other's behalf	149.67	74.71
SAP income	97.87	117.07
Investment in equity shares	486.86	-
Interest income	14.40	32.15
Impairment of investment in subsidiaries	-	33.91
Sale of Assets	53.69	-

Corporate Guarantee given by the Company (as per Section 186(4) of the Companies Act 2013)

- To Standard Chartered Bank, Hongkong Branch for securing credit facilities to its wholly owned subsidiary Pearl Global (HK) Limited, Hong Kong for USD 30.00 Lakhs equivalent to ₹ 2,274.30 Lakhs (March 31, 2021 USD 30.00 Lakhs equivalent to ₹ 2,205.00 Lakhs).
- To Hongkong and Shanghai Banking Corporation Limited, Hongkong Branch for securing credit facilities to its wholly owned subsidiary Pearl Global (HK) Limited, Hong Kong and its step down subsidiary DSSP Global



## NOTES

## to standalone financial statements for the year ended March 31, 2022 (Contd.)

Limited and Pearl Grass Creations Limited for USD 200.00 Lakhs equivalent to ₹ 15,162.00 Lakhs (March 31, 2021: USD 200.00 Lakhs equivalent to ₹ 14,700.00 Lakhs).

- To Hongkong and Shanghai Banking Corporation Limited, Hongkong Branch for securing credit facilities to its wholly owned subsidiary Pearl Global (HK) Limited, Hong Kong and its step down subsidiary DSSP Global Limited and Pearl Grass Creations Limited for USD 40.00 Lakhs equivalent to ₹ 3,032.40 Lakhs (March 31, 2021: USD Nil equivalent to ₹ Nil).
- To Standard Chartered Bank, Bangladesh Branch for securing credit facilities to its subsidiary Norp Knit Industries, Bangladesh for BDT Nil equivalent to ₹ Nil (March 31, 2021: BDT 9,000.00 Lakhs equivalent to ₹ 7,636.03 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, 2022	As at March 31, 2021
Loan given to subsidiary (inclusive of interest)	-	653.85
Trade Receivable	5,599.37	2,008.11
Trade Payable	2,099.24	7,815.58
Advance Receivable	-	116.98

**(ii) Enterprise over which KMP has Significant Influence**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Dividend Received	7.87	-
Expenses paid by them on behalf of the Company	2.87	2.25
Loan Received Back	300.00	-
Interest income	28.68	30.05

**Closing Balance**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Loan receivable (including interest)	-	300.00

**(iii) Key Management Personnel (KMP)**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Remuneration paid	498.21	173.81
EPF paid	2.93	0.52
Expenses incurred on behalf of the Company	40.91	39.58
Directors sitting fees	0.60	3.50

**Closing Balance**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Payable - Payable to KMP	14.40	-



NOTES

to standalone financial statements for the year ended March 31, 2022 (Contd.)

- c) Disclosure of Material Transactions: Related Parties having more than 10% interest in each transaction in the ordinary course of business

(i) **Subsidiary Companies**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Purchase of goods</b>		
Norp Knit Industries Limited	474.17	19,319.41
Pearl Global Vietnam Co Limited	191.64	5,021.67
DSSP Global Limited	1,856.80	-
<b>Sale of goods - raw material</b>		
Norp Knit Industries Limited	16.27	77.76
Pearl Global Vietnam Co Limited	-	360.44
Pearl Apparel Fashions Limited	0.88	-
<b>Sale of goods - readymate garments</b>		
Pearl Global Far East Limited	-	-
Pearl Global (HK) Limited	30,208.89	9,132.42
Pearl Grass Creations Limited	66.55	-
DSSP Global Limited	-	-
<b>Sale of Assets</b>		
Pearl Global US INC	53.69	-
<b>Source support income</b>		
Pearl Global (HK) Limited	-	55.39
SBUYS E-Commerce Limited	97.35	-
<b>Income on corporate guarantee</b>		
Norp Knit Industries Limited	24.63	46.06
Pearl Global (HK) Limited	108.13	128.20
<b>Expenses paid by them on behalf of the Company</b>		
Norp Knit Industries Limited	9.11	4.13
DSSP Global Limited	0.03	0.12
Pearl Grass Creations Limited	0.03	-
Pearl Global Vietnam Co Limited	-	12.80
Pearl Global (HK) Limited	82.19	0.79
Pearl Global Far East Limited	-	0.04
SBUYS E-Commerce Limited	3.19	-
<b>Expenses paid by the Company on their behalf</b>		
DSSP Global Limited	-	-
Norp Knit Industries Limited	0.44	8.64
Pearl Global (HK) Limited	16.64	60.91
Pearl Global Vietnam Co Limited	54.99	-
P.T. Pinnacle Appreals	-	5.16
SBUYS E-Commerce Limited	77.60	-
<b>Investment in equity shares</b>		
Pearl Global Far East Limited (Refer sub note 46(g))	486.10	-
Pearl Global US INC	0.76	-
SBUYS E-Commerce Limited	-	-
<b>SAP income</b>		
Pearl Global Far East Limited	30.97	37.86
Pearl Global (HK) Limited	51.35	64.61
Pearl Grass Creations Limited	15.54	14.60
<b>Interest income</b>		
Pearl Global Far East Limited	14.40	32.15
<b>Impairment of investment in subsidiaries</b>		
Pearl Apparel Fashions Limited	-	33.91
<b>Impairment of investment in subsidiaries written back</b>		
Pearl Apparel Fashions Limited	30.00	-



## NOTES

to standalone financial statements for the year ended March 31, 2022 (Contd.)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Impairment of investment in subsidiaries written off</b>		
Pearl Apparel Fashions Limited	3.17	-
<b>Closing Balance</b>		
<b>Loan given to subsidiary (inclusive of interest)</b>		
Pearl Global Far East Limited	-	653.85
<b>Amount payable</b>		
DSSP Global Limited	1,833.62	269.72
Norp Knit Industries Limited	265.62	6,063.18
Pearl Global Vietnam Co Limited	-	1,482.69
<b>Amount receivable</b>		
Pearl Global Far East Limited	7.61	26.79
PT. Pinnacle Apparels	5.16	5.16
Pearl Global(HK) Limited.	5,333.77	2,042.68
Pearl Global Vietnam Co Limited	93.57	-
Pearl Grass Creations Limited	4.26	16.82
Vin Pearl Global Vietnam Limited	-	1.23
Norp Knit Industries Limited	37.34	-
Pearl Global US INC	116.90	-
SBUYS E-COMMERCE LIMITED	0.75	32.41

## (ii) Enterprise over which KMP has significant influence

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Dividend Received</b>		
PDS Multinational Fashion Limited	7.87	-
<b>Expenses paid on behalf of the Company</b>		
PDS Multinational Fashion Limited	2.87	2.25
<b>Interest income</b>		
PDS Multinational Fashion Limited	28.68	30.05
<b>Loan received back</b>		
PDS Multinational Fashion Limited	300.00	-
<b>Closing Balance</b>		
<b>Loan receivable (including interest)</b>		
PDS Multinational Fashion Limited	-	300.00

## (iii) Key Management Personnel

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Remuneration paid</b>		
Mr.Pulkit Seth	255.04	83.40
Mrs. Shifalli Seth	37.50	34.75
Mr. Uma Shankar	22.50	14.95
Mr. Deepak Kumar	6.58	-
Mr. Mayank Jain	9.72	9.26
Mr. Narendra Somani	42.00	20.34
Mr. Shailesh Kumar	18.00	11.12
Mr. Pallab Banerjee	102.72	-
Mr. Ravi Arora	4.15	-
<b>Expenses paid by the Company on their behalf</b>		
Mr.Pulkit Seth	0.11	0.11
Mrs. Shifalli Seth	0.11	0.11
Mr. Deepak Kumar	0.05	-

NOTES

to standalone financial statements for the year ended March 31, 2022 (Contd.)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Mr. Mayank Jain	0.14	0.14
Mr. Kashmir Rathour	-	0.16
Mr. Pallab Banerjee	2.52	-
<b>Expenses incurred on behalf of the Company</b>		
Mr. Uma Shankar	13.32	4.71
Mr. Sandeep Sabharwal	-	6.04
Mr. Raghav Garg	-	13.36
Mr. Vinod Vaish	-	13.88
Mr. Mayank Jain	6.00	-
Mr. Narendra Somani	14.43	-
Mr. Shailesh Kumar	5.31	1.58
Mr. Pallab Banerjee	1.85	-
<b>Directors sitting Fees:</b>		
Mr. Deepak Seth	0.60	0.50

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 Seth (Promoter Director) and Mr. Pulkit Seth (Managing Director) against the Borrowings (refer note no. 21)
- f) The remuneration of Key managerial Personnel does not include amount in respect of gratuity and leave encashment payable as the same are not determinable as individual basis for the KMP. The liabilities of gratuity and leave encashment are provided for Company as whole on the basis of actuarial valuation.
- g) During the FY 2021-22, Loan of USD 6.60 Lakhs in Pearl Global Fareast Limited, Hongkong, has been converted into USD 6.60 Lakhs ordinary equity shares of USD 1.00 each of the Pearl Global Fareast Limited,

**47 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, 2022	For the year ended March 31, 2021
<b>(a) Loans to subsidiaries</b>		
<b>Loan to wholly owned subsidiary: Pearl Global Fareast Limited</b>		
Principal Balance as at the year end	-	485.10
Maximum amount outstanding at any time during the year*	486.10	485.10
(Pearl Global Fareast Limited has utilised the loan for meeting operating and working capital requirements. It is converted into equity and carried an average rate of interest at 6% p.a till the date of conversion (2020-21: 6.5%)		
(b) Investments made are given under the respective heads (Refer Note No. 8)	11,761.04	11,578.00
(c) Corporate guarantees given are disclosed in Note 46	20,468.70	24,541.03

\*During the FY 2021-22, Loan of USD 6.60 Lakhs in Pearl Global Fareast Limited, Hongkong, has been converted into USD 6.60 Lakhs ordinary equity shares of USD 1.00 each of the PGFE.



## NOTES

to standalone financial statements for the year ended March 31, 2022 (Contd.)

**48 EVENT OCCURRING AFTER BALANCE SHEET DATE****(a) Interim Dividend :**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>(i) Declared for the year:</b>		
Interim dividend declared on May 25, 2022 for the financial year 2021-22: 5 per share (2020-21: ₹ Nil per share) <b>(₹ 5 on 21,663,937 equity shares)</b>	1,083.20	-

**(b)** No other material events have occurred between the balance sheet date to the date of issue of these financial statements that could affect the values stated in the financial statements.

**49 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.

<b>Right-of-use assets: movements in carrying value of assets</b>	<b>Buildings</b>
<b>Gross Block As at March 31, 2020</b>	<b>2,965.05</b>
Add: Additions during the year	452.56
Less: (Disposals) / adjustments during the year	327.58
<b>Gross Block As at March 31, 2021</b>	<b>3,745.19</b>
Add: Additions during the year	-
Less: (Disposals) / adjustments during the year	(457.48)
<b>Gross Block As at March 31, 2022</b>	<b>3,287.71</b>
<b>Accumulated Depreciation :</b>	
<b>As at April 1, 2020</b>	<b>350.70</b>
Add: Depreciation charge for the year	491.22
Less: (Disposals) / adjustments during the year	-
<b>As at March 31, 2021</b>	<b>841.92</b>
Add: Depreciation charge for the year	485.69
Less: (Disposals) / adjustments during the year	(211.37)
<b>As at March 31, 2022</b>	<b>1,116.24</b>
<b>Net Block :</b>	
<b>As at March 31, 2022</b>	<b>2,171.47</b>
<b>As at March 31, 2021</b>	<b>2,903.27</b>
In 2021-22, there were no impairment charges recorded for right-of-use assets.	
<b>Leases: movements in carrying value of recognised liabilities</b>	
<b>As at April 1, 2020</b>	<b>3,049.75</b>
Add: Additions during the year	452.56
Add: Interest expense on lease liabilities	304.66
Less: Repayment of lease liabilities	(589.23)
<b>As at March 31, 2021</b>	<b>3,217.75</b>
Add: Additions during the year	-
Add: Interest expense on lease liabilities	270.85
Less: (Disposals) / adjustments during the year	(305.79)
Less: Repayment of lease liabilities	(643.97)
<b>As at March 31, 2022</b>	<b>2,538.85</b>
Non-current lease liabilities	2,147.63
Current lease liabilities	391.22
<b>Total lease liabilities</b>	<b>2,538.85</b>

The maturity analysis of lease liabilities is given in Note 43 in the 'Liquidity risk' section.

Cash flows from operating activities includes cash flow from short term lease & leases of low value. Cash flows from financing activities includes the payment of interest and the principal portion of lease liabilities.

## NOTES

### to standalone financial statements for the year ended March 31, 2022 (Contd.)

Leases committed and not yet commenced: There are no leases committed which have not yet commenced as on reporting date.

The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116, 'Leases', by inserting a practical expedient w.r.t "Covid-19-Related Rent Concessions" effective from the period beginning on or after April 1, 2020. Pursuant to the amendment, the Company has opted to apply the practical expedient by accounting for the rent concessions of ₹ 148.40 Lakhs during the year ended March 31, 2022 in the Standalone Statement of Profit and Loss. The rent concessions are recognised in the period in which formal consents have been received.

#### 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 ₹ 769.38 Lakhs (March 31, 2021: ₹ 770.91 Lakhs) has been recognised and included under Other Income. (Refer Note No. 28)

## 50 RATIO ANALYSIS

(All amounts are in ₹ Lakhs, unless otherwise stated)

Description	Numerator	Denominator	March 31, 2022	March 31, 2021	% change	Reason for variance
Current ratio (in times)	Current Assets	Current Liabilities	1.40	1.33	4.75%	
Debt- Equity Ratio (in times)	Total Debt (excluding lease liabilities in debt)	Shareholder's Equity	0.76	0.69	10.45%	
	Total Debt (including lease liabilities in debt)	Shareholder's Equity	0.83	0.79	5.47%	
Debt Service Coverage ratio (in times)	Earnings available for debt service (Refer note (a) below)	Debt Service (Refer note (b) below)	1.34	0.67	99.21%	Improvement in profitability helped to improve DSCR.
Return on Equity ratio (in %)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	8.26%	0.25%	3207.80%	Improvement in profitability led to better Return on Equity.
Inventory Turnover ratio (in times)	Revenue	Average Inventory	2.42	3.37	(28.37%)	Due to change in sales mix led to increase in inventory levels.



## NOTES

## to standalone financial statements for the year ended March 31, 2022 (Contd.)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Description	Numerator	Denominator	March 31, 2022	March 31, 2021	% change	Reason for variance
Trade Receivable Turnover Ratio (in times)	Revenue	Average Trade Receivable:	6.60	6.09	8.40%	
Trade Payable Turnover Ratio (in times)	Purchases of goods and services	Average Trade Payables	3.02	3.62	(16.51%)	
Net Capital Turnover Ratio (in times)	Revenue	Working capital (Refer note (c) below)	6.84	9.34	(26.78%)	Due to change in sales mix led to increase in working capital employed.
Net Profit ratio (in %)	Net Profit after tax.	Revenue	3.15%	0.10%	2907.23%	Change in Sales mix and improved margins led to increase in profits.
Return on Capital Employed (in %)	Earnings before interest and taxes	Capital Employed (Refer note (d) below)	8.56%	1.36%	529.14%	Improvement in profitability led to higher Return on Capital Employed.
	Earnings before interest and taxes	Capital Employed (Refer note (e) below)	8.65%	1.83%	373.59%	Improvement in profitability led to higher Return on Capital Employed.
Return on Investment (in %)	Income from Investments	Average Cost of Investments	4.89%	2.22%	120.07%	Increased income on account of dividend and fair value gain on investments has resulted in the improvement in the ratio.

**Notes:**

- 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.
- Interest, Lease Payments and Principal Repayments of long term debt
- Current assets – Current liabilities
- Tangible Net Worth + Total Debt(excluding lease liabilities in debt) + Deferred Tax Liability
- Tangible Net Worth + Total Debt(including lease liabilities in debt) + Deferred Tax Liability

## NOTES

### to standalone financial statements for the year ended March 31, 2022 (Contd.)

**51** 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.

**52** The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of liquidity and going concern assumption, the recoverability of recoverability of carrying amounts of financial and non-financial assets. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these standalone financial statements and expects to recover the carrying amount of its assets. The Company will continue to monitor future economic conditions and its consequent impact on the business operations, given the uncertain nature of the pandemic.

**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 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.

**55**

A) No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:





## NOTES

## to standalone financial statements for the year ended March 31, 2022 (Contd.)

- (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 except charges mentioned in note 21 (ii) of the standalone financial statements.
- (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

**56** 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**

**(Pallab Banerjee)**  
Managing Director  
DIN 07193749

**(Pulkit Seth)**  
Vice-Chairman  
DIN 00003044

Place of Signature: Gurugram  
Date: May 25, 2022

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

**(Ravi Arora)**  
Company Secretary  
M. No. ACS - 21187

# INDEPENDENT AUDITOR'S REPORT

To,  
The Members of  
**Pearl Global Industries Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of **Pearl Global Industries Limited** (hereinafter referred to as "the Holding Company") and its Subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statement, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditors on separate financial statements of subsidiaries audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, the consolidated profit, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit

of the consolidated financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### 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, 2022. 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
<p><b>Adequacy and completeness of disclosures of Related Party Transactions</b></p> <p>The Group has related party transactions which include among others, sale/purchase of goods to its subsidiaries and other related parties.</p> <p>This area was significant to our audit due to the following reasons:</p>	<p>Our procedures included the following steps:</p> <ul style="list-style-type: none"> <li>✓ Obtaining an understanding of policies and procedures in respect of identification of related parties and transactions with them. We also traced the related parties from declaration given by directors and financial statements of the subsidiaries, wherever applicable.</li> </ul>



## INDEPENDENT AUDITOR'S REPORT (Contd.)

Key Audit Matter	How our audit addressed the Key Audit Matter
<ul style="list-style-type: none"> <li>- the significance of transactions with related parties during the year ended March 31, 2022; and</li> <li>- Related party transactions are subject to compliance and disclosure requirement under the Companies Act, 2013 and Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India.</li> </ul>	<ul style="list-style-type: none"> <li>✓ 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.</li> <li>✓ Tested on a sample basis the arrangements between the related parties along with supporting documents to evaluate the assertions that the transactions were at arm's length and in the ordinary course of business.</li> <li>✓ 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.</li> <li>✓ We have also relied upon the audited financial statements of the subsidiaries and audit reports issued thereupon. Also, we have reviewed the signed component instructions received from Statutory Auditors of the subsidiaries as per SA 600.</li> </ul> <p>Our procedures as mentioned above did not identify any findings that are significant for the consolidated financial statements as whole in respect of accounting, presentation and disclosure of Related Party Transactions.</p>

### 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

## INDEPENDENT AUDITOR'S REPORT (Contd.)

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, 2022 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



## INDEPENDENT AUDITOR'S REPORT (Contd.)

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 four subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets (before eliminating of inter-company transaction of ₹ 22,521.82 lakh) of ₹ 130,700.99 lakh as at March 31, 2022, total revenues (before eliminating of inter-company transaction of ₹ 108,125.74 lakh) ₹ 315,911.01 lakh, total net profit after tax (before eliminating of inter-company transaction of ₹ (2.31) lakh) of ₹ 4,241.04 lakh and total comprehensive income (before eliminating of inter-company transaction of ₹ 16.19 lakh ) of ₹ 5404.49 lakh for the year ended March 31, 2022 respectively and total net cash inflow of ₹ 2,476.71 lakh for the year ended March 31, 2022, as considered in the consolidated financial statements. These financial statements and other information have been audited by other auditors whose reports have been furnished to us by the Management and our conclusion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of Regulation read with the Circulars, in so far as it relates to the aforesaid subsidiaries, are based on the reports of the other auditors and the procedures performed by us as stated in paragraph below.
- (b) Further, of these subsidiaries, three subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's Management has converted the financial statements of such subsidiaries from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. Independent firm of Chartered Accountant have audited these conversion adjustments made by the Holding Company management in India. Our opinion in so far as it relates to the balances and affairs of such subsidiary companies located outside India are based on the report of other auditor in their respective countries and conversion adjustments prepared by the Management and audited by independent firm of Chartered Accountants of India.

Our opinion on the consolidated financial statement is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

- (c) The Consolidated financial statements also include the financial statements of one foreign subsidiary whose financial statements reflect total assets (before eliminating of inter-company transaction of ₹ Nil) ₹ 259.97 lakh as at March 31, 2022, total revenues (before eliminating of inter-company transaction of ₹ Nil) of ₹ 351.88 lakh, total net profit after tax (before eliminating of inter-company transaction of ₹ Nil) of ₹ 2.83 lakh & total comprehensive income (before eliminating of inter-company transaction of ₹ Nil) of ₹ 2.88 lakh for the year ended March 31, 2022 and net cash inflow of ₹ 14.73 lakh for the year ended March 31, 2022, as considered in the consolidated financial statements, which have not been audited. These financial statements have been certified by the respective Management and furnished to us by Holding Company's Management. Our conclusion, in so far as it relates to the amounts included in respect of aforesaid subsidiary, is based solely on such financial statements. In our view and according to the information and explanations given to us by the Holding Company's Management, these financial statements are not material to the Group.

Our conclusion is not modified in respect of this matter with respect to our reliance on these unaudited financial statements of aforesaid subsidiary, as certified by the respective Management

- (d) The consolidated financial statements do not include the financial statement of one subsidiary for the year ended March 31, 2022, as the same has gone into voluntary liquidation and due to the reason as explained in Note no. 9(d) of the consolidated financial statement. According to the information and explanations given to us by the Management, financial statement of this subsidiary does not have any material impact on the consolidated statement of the Group. Our conclusion on the Statement is not modified in respect of this matter.

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

## INDEPENDENT AUDITOR'S REPORT (Contd.)

### 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 and reports of the other auditors.
  - III. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - IV. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - V. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of the subsidiaries companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164 (2) of the Act.
- VI. With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to these consolidated financial statements of the Holding Company and its subsidiaries incorporated in India, refer to our separate report in **Annexure – A**.
- VII. With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanation given to us and based on the report of other auditors as separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:
  - a) The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group - Refer Note No. 45 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, 2022.
  - 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, 2022.
  - 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 51 to the accounts, no funds (which are material either individually or in the aggregate) have





## INDEPENDENT AUDITOR'S REPORT (Contd.)

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 51 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) As stated in note 49 to the standalone financial statements, the Board of Directors of the Holding Company have declared an interim dividend for the financial year 2021-22 subsequent to the balance sheet date. The same has not been paid as on the date of audit report. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. Further, the subsidiaries companies incorporated in India, consolidated in the group, have not declared any dividend during the year.
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, 2022, has been paid/ provided by Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V of the Act.

**For B.R. Gupta & Co.**

*Chartered Accountants,*  
Firm Registration Number 008352N

**(Deepak Agarwal)**

*Partner*

Membership Number 073696

**UDIN : 22073696AMMSRF8906**

Place of Signature : New Delhi

Date: 25 May, 2022



# CONSOLIDATED BALANCE SHEET

as at March 31, 2022

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As At	As At
		March 31, 2022	March 31, 2021
<b>I. ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property, plant and equipment	4	25,815.42	21,379.87
(b) Capital work in progress	5	1,521.50	4,701.46
(c) Right of use assets	48	11,168.15	9,802.36
(d) Investment properties	6	5,904.48	6,054.60
(e) Goodwill	7	1,800.78	1,756.13
(f) Other Intangible assets	8	72.06	54.08
(g) Financial assets			
(i) Investments	9	4,985.82	4,735.54
(ii) Loans	10	125.01	2,165.44
(iii) Other financial assets	11	1,096.34	1,219.95
(h) Non current tax assets (net)	13	601.00	771.37
(i) Deferred Tax Assets (net)	12	89.81	466.99
(j) Other non current assets	14	210.77	209.62
<b>Total Non-current assets</b>		<b>53,391.14</b>	<b>53,317.40</b>
<b>2. CURRENT ASSETS</b>			
(a) Inventories	15	53,958.18	27,876.97
(b) Financial assets			
(i) Investments	9	532.26	754.38
(ii) Trade receivables	16	36,662.31	24,217.21
(iii) Cash and cash equivalents	17	11,685.07	9,471.34
(iv) Bank balances other than cash and cash equivalents	18	3,292.39	2,233.21
(v) Loans	10	3,459.46	1,707.73
(vi) Other financial assets	11	590.85	89.24
(c) Other current assets	14	14,490.19	9,731.09
<b>Total current assets</b>		<b>124,670.71</b>	<b>76,081.17</b>
<b>Total assets</b>		<b>178,061.85</b>	<b>129,398.57</b>
<b>II. Equity and liabilities</b>			
<b>1. Equity</b>			
(a) Equity share capital	19	2,166.39	2,166.39
(b) Other equity	20	57,727.53	49,555.07
Equity attributable to equity shareholders		59,893.92	51,721.47
Non - controlling interest		1,593.33	1,293.82
<b>Total equity</b>		<b>61,487.25</b>	<b>53,015.28</b>
<b>2. Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	21	12,382.81	12,462.33
(ia) Lease Liabilities	48	7,161.40	6,531.37
(ii) Others financial liabilities	22	240.92	137.28
(b) Provisions	23	2,427.56	2,310.12
(c) Deferred tax liabilities (net)	12	256.64	-
(d) Other non current liabilities	24	3,006.07	3,013.35
<b>Total non-current liabilities</b>		<b>25,475.40</b>	<b>24,454.45</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	21A	44,031.37	24,120.63
(ia) Lease Liabilities	48	883.75	863.57
(ii) Trade payables	25		
Total outstanding due of micro enterprises and small enterprises		663.99	481.71
Total outstanding due of creditors other than micro enterprises and small enterprises		43,204.80	24,195.13
(iii) Other financial liabilities	22	904.09	1,326.74
(b) Other current liabilities	24	948.52	738.57
(c) Provisions	23	244.81	109.04
(d) Current tax liabilities (net)	26	217.87	93.44
<b>Total current liabilities</b>		<b>91,099.20</b>	<b>51,928.84</b>
<b>Total equity and liabilities</b>		<b>178,061.85</b>	<b>129,398.57</b>
Summary of Significant Accounting Policies	3		

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

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

For **B.R. Gupta & Co.**  
Chartered Accountants  
Firm's Registration Number 008352N

**(Deepak Agarwal)**  
Partner  
Membership Number: 073696

**(Pallab Banerjee)**  
Managing Director  
DIN 07193749

**(Pulkit Seth)**  
Vice-Chairman  
DIN 00003044

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

**(Ravi Arora)**  
Company Secretary  
M. No. ACS - 21187

Place of Signature: New Delhi  
Date: May 25, 2022

Place of Signature: Gurugram  
Date: May 25, 2022



# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2022

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>I Income</b>			
Revenue from operations	27	271,352.90	149,092.65
Other income	28	3,345.94	2,350.49
<b>Total income (I+II)</b>		<b>274,698.84</b>	<b>151,443.14</b>
<b>II Expenses</b>			
(a) Cost of materials consumed	29	116,530.95	67,737.23
(b) Purchases of stock-in-trade	30	40,790.23	9,337.91
(c) Changes in inventories of finished goods, work in progress and stock in trade	31	(6,258.87)	(184.34)
(d) Employee benefits expense	32	45,862.10	32,534.85
(e) Finance costs	33	4,660.37	4,125.34
(f) Depreciation and amortisation expense	34	4,833.68	4,410.55
(g) Other expenses	35	60,370.37	33,611.35
<b>Total expenses</b>		<b>266,788.84</b>	<b>151,572.89</b>
<b>III Profit/ (loss) before exceptional items and tax (I-II)</b>		<b>7,910.00</b>	<b>(129.75)</b>
<b>IV Exceptional Items</b>	36	(671.82)	(1,265.31)
<b>V Profit/ (loss) before tax (III-IV)</b>		<b>8,581.82</b>	<b>1,135.56</b>
<b>VI Tax expense:</b>	12		
(a) Current tax		1,074.08	372.04
(b) Deferred tax		496.86	(995.74)
(c) Adjustment of tax relating to earlier periods		-	10.94
<b>VII Profit/(loss) for the year (V-VI)</b>		<b>7,010.88</b>	<b>1,748.32</b>
<b>VIII Other comprehensive income</b>	37		
<b>IX Profit/(loss) for the year (VII-VIII)</b>			
<b>X Other comprehensive income</b>			
(A) (i) Items that will not be reclassified to profit or loss			
(a) Re-measurement gains/ (losses) on defined benefit plans		(100.97)	(48.22)
(ii) Income tax on items that will not be reclassified to profit or loss		(20.48)	(23.22)
(B) (i) Items that will be reclassified to of profit or loss			
(a) Foreign exchange translation reserve		1,242.11	(825.45)
(b) Fair valuation of investment in mutual fund		(28.98)	173.25
(c) Net movement in effective portion of cash flow hedge reserve		419.03	979.45
(ii) Income tax on items that will be reclassified to profit and loss		(105.46)	(342.72)
<b>Other comprehensive income for the year, net of tax</b>		<b>1,405.26</b>	<b>(86.91)</b>
<b>IX Total comprehensive income for the year, net of tax</b>		<b>8,416.14</b>	<b>1,661.41</b>
<b>Profit Attributable to:</b>			
Equity shareholders		6,814.64	1,727.11
Non-controlling interests		196.24	21.21
<b>Other comprehensive income attributable to:</b>			
Equity shareholders		1,357.87	(63.07)
Non-controlling interests		47.39	(23.84)
<b>Total comprehensive income attributable to:</b>			
Equity shareholders		8,172.51	1,664.04
Non-controlling interests		243.63	(2.63)
<b>X Earnings per share: (Face value ₹ 10 per share)</b>	38		
1) Basic (amount in ₹)		31.46	7.97
2) Diluted (amount in ₹)		31.46	7.97
Summary of Significant Accounting Policies	3		

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

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

For **B.R. Gupta & Co.**  
Chartered Accountants  
Firm's Registration Number 008352N

(Deepak Agarwal)  
Partner  
Membership Number: 073696

(Pallab Banerjee)  
Managing Director  
DIN 07193749

(Pulkit Seth)  
Vice-Chairman  
DIN 00003044

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

(Ravi Arora)  
Company Secretary  
M. No. ACS - 21187

Place of Signature: New Delhi  
Date: May 25, 2022

Place of Signature: Gurugram  
Date: May 25, 2022

# CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended March 31, 2022

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash Flows From Operating Activities</b>		
<b>Profit before exceptional items and tax</b>	8,581.82	1,135.56
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Profit on sale of current investment - Mutual Fund	(16.34)	(16.61)
Rental Income	(742.30)	(770.91)
Interest Income	(310.44)	(337.74)
Interest Paid and other borrowing cost	3,484.16	3,423.46
Depreciation and amortisation	4,833.68	4,410.55
Unwinding of discount on security deposit - Expense	14.08	40.24
Sundry balances written back	(297.41)	(133.67)
Provision written back	(204.11)	-
Gain on lease modification	(50.38)	-
Allowance for bad and doubtful debts and Advances	469.99	278.86
Bad debts written off	2.93	56.90
Grant Amortised during the year	(1.00)	(1.00)
Amortisation of deferred Rental Income	(16.44)	(36.78)
Unwinding of discount on security deposits - Income	(26.72)	(31.17)
Fair value loss /(gain) on financial assets measured at fair value through profit and loss	(209.27)	(255.85)
Amortisation of deferred asset - security deposit paid	3.13	11.32
Fair value loss /(gain) on financial assets measured at fair value through OCI	28.98	(173.25)
Foreign exchange translation	662.27	(335.03)
<b>Operating profit before working capital changes</b>	<b>16,206.66</b>	<b>7,264.88</b>
<b>Changes In Operating Assets And Liabilities:</b>		
(Increase)/Decrease in other non-current financial assets	144.28	128.70
(Increase)/Decrease in other non-current assets	(18.42)	184.47
(Increase)/Decrease in Inventories	(26,081.21)	(1,489.64)
(Increase)/Decrease in Trade Receivables	(12,670.09)	(2,510.50)
(Increase)/Decrease in other current financial assets	(475.39)	3.74
(Increase)/Decrease in other current assets	(4,912.39)	1,545.15
Increase/(Decrease) in other non-current financial liabilities	120.09	(72.91)
Increase/(Decrease) in non-current provisions	117.44	230.40
Increase/(Decrease) in other non-current liabilities	(6.28)	16.44
Increase/(Decrease) in Trade Payables	19,489.35	6,703.82
Increase/(Decrease) in other current financial liabilities	22.02	(799.43)
Increase/(Decrease) in current provisions	112.14	(7.58)
Increase/(Decrease) in other current liabilities	242.04	(118.79)
<b>Cash Generated From Operations</b>	<b>(7,709.76)</b>	<b>11,078.73</b>
Direct Tax paid (Net of Refunds)	(768.26)	(352.03)
<b>Cash flow before exceptional items</b>	<b>(8,478.02)</b>	<b>10,726.70</b>
Exceptional items	(671.82)	(1,265.31)
<b>Net Cash Inflow From/(Used In) Operating Activities (A)</b>	<b>(9,149.84)</b>	<b>9,461.39</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment (including ROU, net of Lease Liabilities)	(8,320.85)	(2,079.50)
Sale proceeds of property, plant and equipment	168.59	40.85
(Increase)/Decrease in Capital work in progress	3,179.96	(1,091.17)
Purchase of Investment Properties	-	(331.97)
Sale proceeds of Investment Properties	714.60	550.00
Purchase of Intangible assets	(48.52)	(9.20)
(Increase)/decrease in capital advances	14.12	70.16
Increase/(decrease) in capital creditor	(110.84)	173.53
(Increase)/Decrease in non-current Investments	315.04	(1,491.07)
(Increase)/Decrease in current Investments	(119.75)	190.02
(Increase)/Decrease in non-current Loans	2,040.43	279.82
(Increase)/Decrease in current Loans	(1,751.73)	23.51
(Increase)/Decrease in bank deposit	(1,070.70)	(67.06)
Interest Income	284.18	366.47



STANDALONE STATEMENT OF CASH FLOW  
for the year ended March 31, 2022 (Contd.)

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rental Income	742.30	770.91
<b>Net Cash From/ (Used In) Investing Activities (B)</b>	<b>(3,963.17)</b>	<b>(2,604.70)</b>
<b>Cash Flows From Financing Activities</b>		
Increase/ (Decrease) in Long Term Borrowings	(61.14)	3,839.43
Lease Rental paid	(2,011.72)	(1,708.94)
Increase/ (Decrease) in Short Term Borrowings	19,910.75	(5,724.69)
Share application money received from NCI	55.89	-
Interest paid (net)	(2,567.04)	(2,600.04)
<b>Net cash inflow from/(used in) Financing Activities (C)</b>	<b>15,326.74</b>	<b>(6,194.24)</b>
<b>Net Increase (Decrease) In Cash And Cash Equivalents (A+B+C)</b>	<b>2,213.73</b>	<b>662.45</b>
Opening Balance of Cash and Cash Equivalents	9,471.34	8,808.89
<b>Total Cash And Cash Equivalent (Note 17)</b>	<b>11,685.07</b>	<b>9,471.34</b>
<b>Components Of Cash And Cash Equivalents</b>		
Cash, Cheque/drafts on hand	1,013.27	499.55
With banks - on current account	10,356.64	8,794.19
With banks - on deposits with banks	315.15	177.60
<b>Total Cash and Cash Equivalent ((Note 17)</b>	<b>11,685.07</b>	<b>9,471.34</b>

**Note :**

- (a) The above Consolidated statement of Cash Flows has been prepared under the Indirect Method as set out in IND AS 7 'Statement of Cash Flows'.
- (b) For the Increase/ (Decrease) in liabilities arising from financing activities in respect of non-cash transactions, refer respective standalone financial statements of holding company & subsidiary companies.

Summary of Significant Accounting Policies

3

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

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

For **B.R. Gupta & Co.**

Chartered Accountants

Firm's Registration Number 008352N

**(Deepak Agarwal)**

Partner

Membership Number: 073696

**(Pallab Banerjee)**

Managing Director

DIN 07193749

**(Pulkit Seth)**

Vice-Chairman

DIN 00003044

**(Narendra Somani)**

Chief Financial Officer

M. No. 092155

**(Ravi Arora)**

Company Secretary

M. No. ACS - 21187

Place of Signature: New Delhi

Date: May 25, 2022

Place of Signature: Gurugram

Date: May 25, 2022

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

(Amount in ₹ Lakhs, unless otherwise stated)

## A. Equity Share Capital

<b>As at April 1, 2020</b>	2,166.39
Changes during the year	-
<b>As at March 31, 2021</b>	2,166.39
Changes during the year	-
<b>As at March 31, 2022</b>	<b>2,166.39</b>

## B. Other Equity

Particulars	Reserves and Surplus					Other Comprehensive Income			Total Other Equity	Non-controlling interest	Total Equity
	General Reserve	Security Premium	Capital Redemption Reserve	Amalgamation Reserve	Retained Earnings	Change in investment through other comprehensive income	Effective Portion of Cash Flow Hedge	Currency Translation Reserve			
<b>Balance as at April 1, 2020</b>	<b>4,204.36</b>	<b>17,103.90</b>	<b>95.00</b>	<b>625.95</b>	<b>21,989.10</b>	<b>(105.34)</b>	<b>(645.23)</b>	<b>4,623.28</b>	<b>47,891.01</b>	<b>1,296.44</b>	<b>49,187.47</b>
Profit / (loss) for the year	-	-	-	-	1,727.11	-	-	-	1,727.11	21.21	1,748.32
Remeasurement of the benefit plan, net of tax effect	-	-	-	-	(47.61)	-	-	-	(47.61)	-	(47.61)
Other Comprehensive Income	-	-	-	-	-	(204.19)	(636.73)	825.45	(15.47)	(23.84)	(39.30)
Total Comprehensive Income for the year	-	-	-	-	1,679.50	(204.19)	(636.73)	825.45	1,664.04	(2.63)	1,661.41
Dividend	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>4,204.36</b>	<b>17,103.90</b>	<b>95.00</b>	<b>625.95</b>	<b>23,668.60</b>	<b>(309.53)</b>	<b>(1,281.96)</b>	<b>5,448.73</b>	<b>49,555.07</b>	<b>1,293.82</b>	<b>50,848.89</b>
Profit / (loss) for the year	-	-	-	-	6,814.64	-	-	-	6,814.64	196.24	7,010.88
Adjustments during the year	-	-	-	-	-	377.43	1,273.47	(1,650.90)	-	-	-
Remeasurement of the benefit plan, net of tax effect	-	-	-	-	(94.81)	-	-	-	(94.81)	(26.64)	(121.45)
Share Application Money	-	-	-	-	-	-	-	-	-	55.88	55.88
Other Comprehensive Income	-	-	-	-	-	(103.01)	313.57	1,242.11	1,452.67	74.03	1,526.71
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,719.83</b>	<b>274.42</b>	<b>1,587.04</b>	<b>(408.79)</b>	<b>8,172.50</b>	<b>299.51</b>	<b>8,472.02</b>
Dividend	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2022</b>	<b>4,204.36</b>	<b>17,103.90</b>	<b>95.00</b>	<b>625.95</b>	<b>30,388.43</b>	<b>(35.11)</b>	<b>305.08</b>	<b>5,039.94</b>	<b>57,727.53</b>	<b>1,593.33</b>	<b>59,320.86</b>

Summary of Significant Accounting Policies (Note No. 3)

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

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

For **B.R. Gupta & Co.**  
Chartered Accountants  
Firm's Registration Number 008352N

**(Deepak Agarwal)**  
Partner  
Membership Number: 073696

**(Pallab Banerjee)**  
Managing Director  
DIN 07193749

**(Pulkit Seth)**  
Vice-Chairman  
DIN 00003044

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

**(Ravi Arora)**  
Company Secretary  
M. No. ACS - 21187

Place of Signature: New Delhi  
Date: May 25, 2022

Place of Signature: Gurugram  
Date: May 25, 2022



# Notes

to consolidated financial statements for the year ended March 31, 2022

## 1 CORPORATE INFORMATION

Pearl Global Industries Limited is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956, and now under the Companies Act, 2013. The Company along with its subsidiaries (collectively referred to as "the Group"), is primarily engaged in manufacturing, sourcing, distribution and export of ready to wear apparels through its domestic and global facilities and operations. The shares of the Company are listed on

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

The Consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 25, 2022.

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, 2022	As At March 31, 2021
<b>Subsidiaries</b>				
Pearl Global Industries Limited	India	Manufacturing and trading of garments	Holding Company	Holding Company
Pearl Global Kausal Vikas Limited	India	Skill development	100.00	100.00
SBUYS E-Commerce Limited	India	Online Trading of garments	100.00	100.00
Pearl Global Far East Limited	Hong Kong	Trading of garments	100.00	100.00
Pearl Global (HK) Limited	Hong Kong	Trading of garments	100.00	100.00
Norp Knit Industries Limited	Bangladesh	Manufacturing and trading of garments	99.99	99.99
Pearl Global USA Inc.	USA	Trading and marketing of garments	100.00	-

As at December 31, 2020, Pearl Apparel Fashions Limited, a wholly owned subsidiary of the company has gone into voluntary liquidation and appointed the official liquidator in October 2020. Accordingly, the same is not considered in these consolidated financial statements as at March 31, 2022. However, the comparative consolidated financial statements as at March 31, 2021 includes the financial statements of Pearl Apparel Fashions limited.

## 2 BASIS OF PREPARATION AND MEASUREMENT

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

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

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

All assets and liabilities have been classified as current or noncurrent according to the Group's operating cycle and other criteria set out in the Act. Based on the nature of

products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current non-current classification of assets and liabilities.

### Going Concern

The board of directors have considered the financial position of the Group at 31st March 2022 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.

### Prior financial year reclassification of current maturities of long term borrowings:

During the current financial year, to comply with the requirements of admendments made in Schedule III to the Companies Act, 2013 which is effective from financial



## NOTES

### to consolidated financial statements for the year ended March 31, 2022 (Contd.)

year commencing on or after April 01, 2021, the Group reclassified current maturities of long term borrowings from "Other Financial Liability" to "Short Term Borrowings". This reclassification more appropriately reflects the borrowings of the Group. Prior financial year comparatives have been restated to align to the current financial year approach. The impact of this reclassification on prior financial year amounts has been a reduction in Other financial liability by ₹ 4,129.99 Lakhs and corresponding increase in short term borrowings.

#### 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.

#### Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

#### a) Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the





## NOTES

### to consolidated financial statements for the year ended March 31, 2022 (Contd.)

Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

#### b) Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Group is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

#### c) Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

#### d) Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

#### e) Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.

### 3 SIGNIFICANT ACCOUNTING POLICIES

#### a) Significant accounting judgements, estimates and assumptions

In preparing these financial statements, Management

has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and 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 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 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

## NOTES

### to consolidated financial statements for the year ended March 31, 2022 (Contd.)

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 Group has a right to direct the use of the asset. In order to determine the lease term judgement is required as extension and termination options have to be assessed along with all facts and circumstances that may create an economic incentive to exercise an extension option, or not exercise a termination option. The Group revises the lease term if there is a change in the non-cancellable period of a lease. Estimates include calculating the discount rate which is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Where the The Group is the lessor, the treatment of leasing transactions is mainly determined by whether the lease is considered to be an operating or finance lease. In making this assessment, management looks at the substance of the lease, as well as the legal form, and makes a judgement about whether substantially all of the risks and rewards of ownership are transferred. Arrangements which do not take the legal form of a lease but that nevertheless convey the right to use an asset are also covered by such assessments..

#### vii) Amortisation of Government Grants

Grants are amortised to Profit and Loss on a straight - line basis over the expected lives of related assets and presented within other income.

#### viii) Impairment of financial instruments

The Group analyses regularly for indicators



## NOTES

### to consolidated financial statements for the year ended March 31, 2022 (Contd.)

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) **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 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

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

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

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

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

##### **Depreciation :**

Depreciation is provided on a pro-rata basis on the straight-line basis on the estimated useful life

## NOTES

### to consolidated financial statements for the year ended March 31, 2022 (Contd.)

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.

#### d) **Investment Properties**

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

The Group, based on technical assessment made by management, depreciates the building over estimated useful life of 60 years. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Transition to Ind AS: On transition to Ind AS, the Group has elected to continue with the carrying value of all its investment properties as at April 1, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such investment properties.

#### e) **Other Intangible assets**

##### **Recognition and measurement**

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

#### 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.

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.

#### g) **Foreign Currency Transactions and Translations**

##### **Functional and presentational currency**

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



## NOTES

### to consolidated financial statements for the year ended March 31, 2022 (Contd.)

#### 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.

#### h) Revenue Recognition

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

##### Revenue from contract with customers

Revenue from contract with customers is recognised when control of the goods or services are transferred

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

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

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

#### Specific revenue recognition criteria:

##### (i) Sale of products

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

##### (ii) Job work income

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

##### (iii) Export Incentives

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

##### (iv) Other Incomes

- a) Sale of software/ SAP income is 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.



## NOTES

### to consolidated financial statements for the year ended March 31, 2022 (Contd.)

- 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.

#### i) 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.



## NOTES

## to consolidated financial statements for the year ended March 31, 2022 (Contd.)

**j) 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.



## NOTES

### to consolidated financial statements for the year ended March 31, 2022 (Contd.)

#### 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.

#### k) Employee's benefits

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

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

#### Defined contribution plan

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

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



## NOTES

### to consolidated financial statements for the year ended March 31, 2022 (Contd.)

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.

#### l) Provisions

##### General

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

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

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

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

#### m) Financial instruments

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

##### (i) Financial assets

###### Initial recognition and measurement

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

##### Subsequent measurement

For purposes of subsequent measurement, financial 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

**NOTES**

**to consolidated financial statements for the year ended March 31, 2022 (Contd.)**

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



## NOTES

### to consolidated financial statements for the year ended March 31, 2022 (Contd.)

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

#### o) **Impairment of non-financial assets**

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

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For

the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

An impairment loss is 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 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

## NOTES

### to consolidated financial statements for the year ended March 31, 2022 (Contd.)

measurement is directly or indirectly observable

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

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

#### q) **Taxes**

##### **Current income tax**

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

Current income tax relating to items 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).

##### **Minimum Alternate Tax**

Minimum Alternate Tax (MAT) paid in the year is charged to the Statement of Profit and Loss as current tax. The Group recognises MAT credit available as an asset only to the extent that there is convincing evidence that normal income tax will be paid during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which MAT credit is recognised as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement". The Group reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

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

#### r) **Cash and cash equivalents**

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





## NOTES

## to consolidated financial statements for the year ended March 31, 2022 (Contd.)

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash balance on hand, cash balance at banks and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

**s) 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.

**t) 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.

**u) Government grants**

Grants from the government are recognised at their fair value where there is reasonable assurance that the

grant will be received and the 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.

**v) Contingent liabilities and contingent assets**

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

**w) Research & development costs**

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

**x) Exceptional items**

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



NOTES

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

**4 PROPERTY, PLANT AND EQUIPMENT**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	Land-freehold	Land-leasehold	Buildings	Leasehold improvements	Plant and Equipment	Furniture and Fixures	Vehicles	Total
<b>Gross carrying amount</b>								
<b>As at April 1, 2020</b>	<b>1,829.72</b>	<b>47.74</b>	<b>6,965.06</b>	<b>809.06</b>	<b>19,219.53</b>	<b>1,644.00</b>	<b>1,490.92</b>	<b>32,006.06</b>
Add: Additions made during the year	-	532.57	367.37	33.86	895.03	184.53	88.47	2,101.84
(Less): Disposals during the year	-	-	-	-	(17.26)	-	(66.27)	(82.53)
(Less)/Add: Adjustments during the year	-	-	(79.55)	28.46	(193.18)	(17.03)	(8.86)	(271.15)
<b>As at March 31, 2021</b>	<b>1,829.72</b>	<b>580.32</b>	<b>7,252.88</b>	<b>871.38</b>	<b>19,904.12</b>	<b>1,811.50</b>	<b>1,504.26</b>	<b>33,754.22</b>
Add: Additions made during the year	947.36	38.53	578.01	1,306.85	3,570.34	730.24	86.20	7,257.53
(Less): Disposals during the year	-	-	-	(189.94)	(132.04)	-	(210.52)	(532.51)
(Less)/Add: Adjustments during the year	(75.88)	92.41	114.12	42.75	440.83	32.13	(7.60)	638.77
<b>As at March 31, 2022</b>	<b>2,701.20</b>	<b>711.25</b>	<b>7,945.01</b>	<b>2,031.04</b>	<b>23,783.25</b>	<b>2,573.87</b>	<b>1,372.34</b>	<b>41,118.00</b>
<b>Accumulated depreciation</b>								
<b>As at April 1, 2020</b>	<b>-</b>	<b>1.37</b>	<b>1,213.61</b>	<b>348.85</b>	<b>7,067.56</b>	<b>640.16</b>	<b>545.45</b>	<b>9,817.00</b>
Add: Depreciation charge for the year	-	1.96	283.55	173.37	1,884.32	188.24	190.65	2,722.09
(Less): Disposals during the year	-	-	-	-	(7.71)	-	(32.91)	(40.62)
(Less)/Add: Adjustments during the year	-	-	(17.62)	11.16	(105.92)	(7.69)	(4.06)	(124.15)
<b>As at March 31, 2021</b>	<b>-</b>	<b>3.33</b>	<b>1,479.54</b>	<b>533.37</b>	<b>8,838.25</b>	<b>820.71</b>	<b>699.13</b>	<b>12,374.33</b>
Add: Depreciation charge for the year	-	7.82	308.82	331.27	1,968.55	234.90	175.77	3,027.13
(Less): Disposals during the year	-	-	-	(142.45)	(62.95)	-	(136.20)	(341.60)
(Less)/Add: Adjustments during the year	-	-	26.77	12.01	184.56	13.65	5.71	242.69
<b>As at March 31, 2022</b>	<b>-</b>	<b>11.15</b>	<b>1,815.13</b>	<b>734.20</b>	<b>10,928.42</b>	<b>1,069.26</b>	<b>744.40</b>	<b>15,302.55</b>
<b>Net carrying amount</b>								
<b>As at March 31, 2022</b>	<b>2,701.20</b>	<b>700.11</b>	<b>6,129.88</b>	<b>1,296.84</b>	<b>12,854.83</b>	<b>1,504.61</b>	<b>627.94</b>	<b>25,815.42</b>
<b>As at March 31, 2021</b>	<b>1,829.72</b>	<b>576.98</b>	<b>5,773.34</b>	<b>338.01</b>	<b>11,065.87</b>	<b>990.79</b>	<b>805.13</b>	<b>21,379.87</b>

- a) The above assets includes Gross block of land of ₹ 78.55 Lakhs (March 31, 2021: ₹ 78.55 Lakhs) situated at Narshingpur, Tehsil District Gurgaon (Haryana). The group has executed a collaboration agreement with DLF Retail Developers Limited on November 30, 2007 for construction of a commercial project on part-land amounting to ₹ 42.50 (March 31, 2021: ₹ 42.50) However, as certified by the Management, the work has not started during the financial year 2021-22 due to pending receipt of license from the concerned authority.
- b) For Information on property, plant and equipment pledged as security by the Group, Refer Note 21.
- c) The above property, plant and equipment includes assets given on lease (Holding Company), the details of which are as under:

	Plant and Equipment	Furniture and Fixures	Total
<b>As at March 31, 2022</b>			
Gross carrying amount	27.77	21.22	48.99
Accumulated depreciation	21.64	18.20	39.84
<b>Net carrying amount</b>	<b>6.13</b>	<b>3.02</b>	<b>9.15</b>
<b>As at March 31, 2021</b>			
Gross carrying amount	27.77	21.22	48.99
Accumulated depreciation	18.96	15.24	34.20
<b>Net carrying amount</b>	<b>8.81</b>	<b>5.98</b>	<b>14.79</b>

- d) Adjustments made above includes fluctuations in foreign currency on conversion into presentation currency.

**5 CAPITAL WORK IN PROGRESS**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	4,701.46	3,610.29



## NOTES

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Add: Addition made during the year	524.14	1,684.75
Less: (Disposals)/adjustments during the year	(3,704.10)	(593.58)
<b>Balance at the end of the year</b>	<b>1,521.50</b>	<b>4,701.46</b>

(Amount in ₹ Lakhs, unless otherwise stated)

a) Breakup of capital work in progress is as follows:	As at March 31, 2022	As at March 31, 2021
Building	1,331.66	3,892.71
Plant and Machinery	189.84	808.75
	<b>1,521.50</b>	<b>4,701.46</b>

## b) Ageing schedule of CWIP as at March 31, 2022:

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	686.63	834.17	-	0.70	<b>1,521.50</b>
Projects temporarily suspended	-	-	-	-	-

## Ageing schedule of CWIP as at March 31, 2021:

(Amount 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	1,445.76	2,038.59	739.95	477.15	<b>4,701.46</b>
Projects temporarily suspended	-	-	-	-	-

- c) There are no capital work in progress as at March 31, 2022 and March 31, 2021 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, 2022:

(Amount 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	
<b>Projects in progress</b>					
Project 1 - PG(HK)	-	-	-	0.70	<b>0.70</b>

## Completion schedule of CWIP as at March 31, 2021:

(Amount 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	
<b>Projects in progress</b>					
Project 1 - PG(HK)	-	-	0.68	477.15	<b>477.15</b>

NOTES

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

**6 INVESTMENT PROPERTIES**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	Land freehold	Land leasehold	Building	Total
<b>Gross carrying amount</b>				
<b>As at April 01, 2020</b>	<b>3,135.93</b>	<b>10.36</b>	<b>4,580.71</b>	<b>7,727.00</b>
Add: Additions made during the year	103.45	-	228.52	<b>331.97</b>
Less: Disposals/adjustments during the year	(1,401.01)	-	(197.49)	<b>(1,598.50)</b>
<b>As at March 31, 2021</b>	<b>1,838.38</b>	<b>10.36</b>	<b>4,611.74</b>	<b>6,460.47</b>
Add: Additions made during the year	60.39	-	-	<b>60.39</b>
Less: Disposals/adjustments during the year	(23.07)	(10.36)	(129.65)	<b>(163.08)</b>
<b>As at Mar 31, 2022</b>	<b>1,875.70</b>	<b>-</b>	<b>4,482.09</b>	<b>6,357.78</b>
<b>Accumulated depreciation</b>				
<b>As at April 01, 2020</b>	-	-	333.74	<b>333.74</b>
Add: Depreciation charge for the year	-	-	86.77	<b>86.77</b>
(Less): Disposals /adjustments during the year	-	-	(14.64)	<b>(14.64)</b>
<b>As at March 31, 2021</b>	-	-	<b>405.87</b>	<b>405.87</b>
Add: Depreciation charge for the year	-	-	82.20	<b>82.20</b>
(Less): Disposals /adjustments during the year	-	-	(34.76)	<b>(34.76)</b>
<b>As at Mar 31, 2022</b>	-	-	<b>453.31</b>	<b>453.31</b>
<b>Net carrying amount</b>				
<b>As at Mar 31, 2022</b>	<b>1,875.70</b>	<b>-</b>	<b>4,028.78</b>	<b>5,904.48</b>
<b>As at March 31, 2021</b>	<b>1,838.38</b>	<b>10.36</b>	<b>4,205.87</b>	<b>6,054.60</b>

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>(a) Amounts recognised in statement of profit and loss for investment properties</b>		
Rental Income	769.38	770.91
Direct operating expenses of property that generated rental income	47.44	56.44
Direct operating expenses of property that did not generated rental income	0.75	8.44
<b>Income arising from Investment properties before charging depreciation</b>	<b>721.19</b>	<b>706.03</b>
Depreciation	82.20	86.77
<b>Income from Investment properties (net)</b>	<b>638.99</b>	<b>619.26</b>
<b>(b) Fair value of investment properties</b>	<b>11,213.29</b>	<b>10,259.00</b>

**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 GOODWILL**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Goodwill on acquisition of subsidiaries	1,756.13	1,792.66
Add/ (Less): Foreign Exchange Fluctuation	44.65	(36.53)
	<b>1,800.78</b>	<b>1,756.13</b>



## NOTES

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

**8 OTHER INTANGIBLE ASSETS**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	Computer Software	Total
<b>Gross carrying amount</b>		
<b>As at April 1, 2020</b>	<b>265.11</b>	<b>265.11</b>
Add: Additions during the year	9.21	9.21
Less: (Disposals) / adjustments during the year	-	-
<b>As at March 31, 2021</b>	<b>274.32</b>	<b>274.32</b>
Add: Additions during the year	48.53	48.53
Less: (Disposals) / adjustments during the year	-	-
<b>As at March 31, 2022</b>	<b>322.84</b>	<b>322.84</b>
<b>Amortisation and impairment</b>		
<b>As at April 01, 2020</b>	180.35	180.35
Add: Amortisation charge for the year	39.89	39.89
(Less): Disposals / adjustments during the year	-	-
<b>As at March 31, 2021</b>	<b>220.24</b>	<b>220.24</b>
Add: Amortisation charge for the year	30.53	30.53
(Less): Disposals/adjustments during the year	-	-
<b>As at March 31, 2022</b>	<b>250.77</b>	<b>250.77</b>
<b>Net Carrying Amount</b>		
<b>As at March 31, 2022</b>	<b>72.06</b>	<b>72.06</b>
<b>As at March 31, 2021</b>	<b>54.07</b>	<b>54.07</b>

**9 INVESTMENTS**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(I) Non- Current</b>		
<b>A. Equity Instruments</b>		
<b>Fair value through profit and loss</b>		
<b>(Quoted)</b>		
PDS Multinational fashions Limited, India 50000 (March 31, 2021: 50000) Equity Shares of ₹ 10 each fully paid up	873.50	335.00
	<b>873.50</b>	<b>335.00</b>
<b>B. Investments in Financial Markets</b>		
<b>(Fair value through other comprehensive income)</b>		
Investments in Units in money market funds, at fair value - (Quoted)	-	96.33
Debt Investment, at fair value - (Unquoted)	600.41	1,946.59
Investment in listed equity investment, at fair value- (Quoted)	1,308.08	-
	<b>1,908.49</b>	<b>2,042.92</b>
<b>C. Investment in Preference Share of Subsidiary - (Unquoted)</b>		
<b>(At Amortised Cost)</b>		
Pearl Apparel Fashions Limited, India (Refer 'b' below)		-

NOTES

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
3000000 (March 31, 2021: 3000000) Preference Shares of ₹ 10 each fully paid up	300.00	
Less: Provision for diminution in value of Investments	(30.00)	270.00
	-	<b>270.00</b>
<b>D. Investments in Government securities - (Unquoted)</b>		
<b>At Amortised cost</b>		
Investments in key man insurance policy (Refer 'c' below)	2,202.21	2,085.98
Investments in Government securities		
- Gold Sovereign Bond- 37 units of 2 gram each issued by Reserve Bank of India	1.63	1.63
	<b>2,203.84</b>	<b>2,087.62</b>
<b>Total (A + B + C + D)</b>	<b>4,985.82</b>	<b>4,735.54</b>
<b>(II) Current</b>		
<b>A. Investments in mutual funds - (Quoted)</b>		
<b>Fair value through profit and loss</b>		
ICICI Prudential Short Term Fund DP Growth	273.64	260.63
536068.057 units of Face Value of ₹ 10 per unit (March 31, 2021: 536068.057 units)		
L&T Banking and PSU debt fund direct plan - growth	-	246.01
Nil units of Face Value of ₹ 10 per unit (March 31, 2021: 1223214.3850 units)		
IDFC Banking and PSU debt fund direct plan - growth	258.62	247.74
1267806.9250 units of Face Value of ₹ 10 per unit (March 31, 2021: 1267806.9250 units)		
	<b>532.26</b>	<b>754.38</b>
a) Aggregate book value of quoted investments	2,713.84	1,185.71
Aggregate market value of quoted investments	2,713.84	1,185.71
Aggregate value of unquoted investments	2,804.24	4,334.21
Aggregate amount of impairment in value of unquoted investments	-	30.00
Aggregate value of unquoted investments (net of impairment)	2,804.24	4,304.21

- b) During the period ended December 31, 2020, Pearl Apparel Fashions Limited, a wholly owned subsidiary of the Holding Company has gone into voluntary liquidation and appointed the official liquidator in October, 2020. In effect of above resolution, the Group has impaired its investment in aforesaid subsidiary and recognised the same at its recoverable in 2020-21.

During the 2021-22, the Group has received ₹ 296.83 Lakhs from Pearl Apparel Fashions Limited on redemption of preference share capital of Pearl Apparel Fashions Limited. Provision for Impairment amounting to ₹ 30 Lakhs has been written back and Investment for the same has been written of by ₹ 3.17 Lakhs.

- c) 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.
- d) In respect of Pearl Global Fareast Limited, financial assets at fair value through other comprehensive income with carrying value of ₹ Nil are pledged to bank to secure banking facilities granted to a subsidiary of the group.(March 31, 2021: ₹ 1,121.67 Lakhs).
- e) The number of units and number of shares in note above represents absolute numbers.

An impairment analysis is performed at each reporting date by considering the probability of default of the loan receivables. The expected credit losse are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions.



## NOTES

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

**10 LOANS**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	Non - Current		Current	
	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
(Unsecured, considered good unless otherwise stated)				
Loans to employees	5.38	7.21	35.98	23.84
Loans to related parties (Refer note no. 46)	-	-	-	300.00
Loans to others	119.62	2,158.23	3,423.48	1,383.90
Loans receivable from others - credit impaired	1.67	-	47.86	-
Less: Loss Allowance	(1.67)	-	(47.86)	-
<b>Total</b>	<b>125.01</b>	<b>2,165.44</b>	<b>3,459.46</b>	<b>1,707.73</b>

**11 OTHER FINANCIAL ASSETS**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	Non - Current		Current	
	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
(Unsecured, considered good unless otherwise stated)				
Security deposits	799.91	931.57	113.02	43.42
Interest accrued but not due on				
- Term deposits	21.59	21.56	40.82	14.59
Deposits with original maturity of more than 12 months (Refer note 18)	273.70	265.69	-	-
Mark to market forward contracts	-	-	406.69	-
Other receivable	1.14	1.13	30.34	31.22
<b>Total (A)</b>	<b>1,096.34</b>	<b>1,219.95</b>	<b>590.85</b>	<b>89.24</b>

**12 INCOME TAX**

The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are:

**a) Income Tax recognised in Statement of Profit and Loss**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Tax Expense:</b>		
a) Current tax	1,074.08	372.04
b) Adjustments in respect of current income tax of previous year	-	10.94
c) Deferred tax	496.86	(995.74)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>1,570.94</b>	<b>(612.75)</b>

**b) Income Tax recognised in Other Comprehensive Income**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Net loss/(gain) on remeasurements of defined benefit plans	(20.48)	(23.22)
Income tax on items that will be reclassified subsequently to statement of profit and loss	(105.46)	(342.72)
<b>Income tax charged to OCI</b>	<b>(125.94)</b>	<b>(365.94)</b>



NOTES

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

**c) Net Deferred tax Asset/(Liability)**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	Balance sheet et	
	As at March 31, 2022	As at March 31, 2021
<b>Pearl Global Industries Limited</b>		
Recognised DTA- Pearl Global Industries Limited	-	2,488.68
Recognised DTA- Pearl Global (HK) Limited	89.81	70.89
	<b>89.81</b>	<b>2,559.57</b>
Recognised DTL- Pearl Global Industries Limited	232.27	2,174.99
Recognised DTL- Pearl Global (HK) Limited	24.37	(5.56)
	<b>256.64</b>	<b>2,169.43</b>
MAT Credit Entitlement	-	<b>76.85</b>
<b>Total Net Deferred tax Assets</b>	<b>89.81</b>	<b>466.99</b>
<b>Total Net Deferred tax Liabilities</b>	<b>232.27</b>	<b>-</b>

**d) Reconciliation of Effective tax Rate and itemwise movement of deferred tax**

Since the Holding Company and its subsidiaries operates in different tax jurisdictions and has different tax laws, refer standalone financial statements of Holding Company and subsidiaries as at reporting date for effective tax reconciliation and itemwise movement of deferred tax.

- e) The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.
- f) MAT paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities. MAT is recognised as a deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

**13 NON CURRENT TAX ASSET**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance income tax	601.00	771.37
(Net of provision of ₹ 1,685.98 Lakhs (March 31, 2021 : ₹ 1,288.03 Lakhs))		
	<b>601.00</b>	<b>771.37</b>

**14 OTHER ASSETS**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	Non - Current		Current	
	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
(Unsecured, considered good, unless otherwise stated)				
Capital advances (Refer note no. 45(b) for capital commitments)	170.92	185.04	57.51	-
Balance with government authorities	30.32	15.03	2,818.75	2,103.76
Balance with government authorities - considered doubtful	22.74	22.74	-	-
Less: Loss allowance	(22.74)	(22.74)	-	-
Deferred Assets- Security Deposit	1.84	1.84	-	-



## NOTES

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	Non - Current		Current	
	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
Prepaid expenses	7.70	7.71	505.40	301.09
Export incentive receivable	-	-	4,661.60	1,680.90
Advances to suppliers	-	-	2,184.56	889.25
Other receivables	-	-	4,415.66	4,756.09
Less: Loss allowance	-	-	(153.28)	-
<b>Total (A)</b>	<b>210.77</b>	<b>209.62</b>	<b>14,490.19</b>	<b>9,731.09</b>

- a) Other Receivables of ₹ 3,009.35 Lakhs ( March 31, 2021 ₹ 2,538.77 Lakhs) includes enhanced compensation of ₹ 2,335.15 Lakhs receivable by the Group from National Highways Authority of India pursuant to land acquisition by the Central Government under National Highways Act, 1956 (Refer note 36). Further, 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.

**15 INVENTORIES**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials	32,955.06	13,670.22
Good in transit- raw material	243.35	19.88
Work in progress	12,466.08	9,637.71
Finished goods	8,044.05	4,299.21
Scrap Stock	41.82	166.84
Stores spares & others	363.39	321.34
	<b>54,113.74</b>	<b>28,115.20</b>
Less: Provision on inventories (Finished Goods)	(155.57)	(238.23)
	<b>53,958.18</b>	<b>27,876.97</b>

- a) Refer note 21 for information on above assets being pledged as security by the Group.

**16 TRADE RECEIVABLES**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As At March 31, 2022	As At March 31, 2021
Considered good - secured	-	-
Considered good - unsecured	36,662.31	24,217.21
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	756.25	656.18
Less: Loss allowance	(756.25)	(656.18)
<b>Total</b>	<b>36,662.31</b>	<b>24,217.21</b>

NOTES

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

a) Trade receivables ageing schedule as at March 31, 2022:

(Amount 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	28,234.48	8,351.56	5.78	67.09	3.41	-	<b>36,662.31</b>
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	110.64	73.01	0.00	-	-	572.61	<b>756.25</b>
(iv) Dispute Trade Receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowances for expected credit loss	(110.64)	(73.01)	-	-	-	(572.61)	<b>(756.25)</b>
<b>Net Trade receivables</b>	<b>28,234.48</b>	<b>8,351.56</b>	<b>5.78</b>	<b>67.09</b>	<b>3.41</b>	<b>-</b>	<b>36,662.31</b>

Trade receivables ageing schedule as at March 31, 2021:

(Amount 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	6,827.20	16,005.65	1,003.14	280.39	100.83	-	24,217.21
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	656.18	656.18
(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	-	-	-	-	-	(656.18)	(656.18)
<b>Net Trade receivables</b>	<b>6,827.20</b>	<b>16,005.65</b>	<b>1,003.14</b>	<b>280.39</b>	<b>100.83</b>	<b>-</b>	<b>24,217.21</b>

b) The movement in the allowance for expected credit loss allowance is as follows:

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As At	As At
	March 31, 2022	March 31, 2021
<b>Balance as at beginning of the year</b>	<b>656.18</b>	<b>377.33</b>
Loss allowances during the year	183.65	278.85
Trade receivables written off / written back during the year	(83.57)	-
<b>Balance as at the end of the year</b>	<b>756.25</b>	<b>656.18</b>



## NOTES

## to consolidated financial statements for the year ended March 31, 2022 (Contd.)

- c) Trade receivables are generally on terms of 30 - 90 days (March 31, 2021: 0-180 days).
- d) The Group exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 43.
- e) For information on trade receivables pledged as security, Refer note no. 21.
- 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**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Balances with banks:		
- Current account	10,356.64	8,794.19
- Deposits with original maturity of less than 3 months (Refer note (b))	315.15	177.60
Cash on hand	63.32	41.95
Cheque/drafts on hand	949.95	457.61
	<b>11,685.07</b>	<b>9,471.34</b>

- a) For the purpose of the statement of cash flow, the cash and cash equivalent are same given above.
- b) Refer note 21 for information on above assets being pledged as security by the Group.

**18 BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	Non - Current		Current	
	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
Earmarked balances with banks				
Unpaid dividend account	-	-	26.24	29.75
Deposits with original maturity of more than 3 months but less than 12 months (Refer note 'a' below)	-	-	3,266.15	2,203.46
Deposits with original maturity of more than 12 months (Refer note 'a' below)	273.70	265.69	-	-
Balance with bank (Considered doubtful)	-	-	-	0.03
Less: Loss allowance	-	-	-	(0.03)
	<b>273.70</b>	<b>265.69</b>	<b>3,292.39</b>	<b>2,233.21</b>
Less: Amount disclosed under "other financial assets" (Refer Note No. 11)	273.70	265.69	-	-
	-	-	3,292.39	2,233.21

- a) Refer note 21 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 ₹ 4,400 Lakhs for Letter of credit issued for the Group..

NOTES

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

**19 SHARE CAPITAL**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>Authorised</b>		
51440000* (March 31, 2021: 51440000) equity shares of ₹ 10 each	5,144.00	5,144.00
10000* (March 31, 2021: 10000) 4% Non Cumulative Redeemable Preference Shares of ₹ 10 each	1.00	1.00
3256000* (March 31, 2021: 3256000) 10.5% Non Cumulative Redeemable Preference Shares of ₹ 100 each	3,256.00	3,256.00
	<b>8,401.00</b>	<b>8,401.00</b>
<b>Issued, subscribed and paid up</b>		
21663937* (March 31, 2021: 21663937) Equity Shares of ₹ 10 each fully paid up	2,166.39	2,166.39
	<b>2,166.39</b>	<b>2,166.39</b>

\* Number of Shares are given in absolute numbers.

a) Reconciliation of issued and subscribed share capital:

Equity Share (₹ 10 each fully paid up)	No. of shares	Amount
<b>Balance as at April 1, 2020</b>	<b>21,663,937</b>	<b>2,166.39</b>
Changes during the year	-	-
<b>Balance as at March 31, 2021</b>	<b>21,663,937</b>	<b>2,166.39</b>
Changes during the year	-	-
<b>Balance as at March 31, 2022</b>	<b>21,663,937</b>	<b>2,166.39</b>

b) Terms/ rights attached to equity shares:

The Holding Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors of the Holding Company is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Subsequent to the balance sheet date, the Board of Directors has declared interim dividend of ₹ 5/- per share for FY 21-22 for distribution to shareholders.

c) Details of shareholders holding more than 5% shares

(Amount in ₹ Lakhs, unless otherwise stated)

Name of Party	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Holding %	No. of shares	Holding %
Mrs. Payel Seth	4,413,635	20.37	4,413,635	20.37
Mr. Deepak Seth	2,862,145	13.21	2,862,145	13.21
Mr. Pulkit Seth	6,947,621	32.07	6,947,621	32.07
Mr. Sanjiv Dhiresbhai Shah	1,761,979	8.13	1,881,004	8.68
<b>Total</b>	<b>15,985,380</b>	<b>73.78</b>	<b>16,104,405</b>	<b>74.33</b>

d) Details of Promotor's shareholding:

(Amount in ₹ Lakhs, unless otherwise stated)

Name of Shareholder	As at March 31, 2022		As at March 31, 2021		% change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Mrs. Payel Seth	4,413,635	20.37	4,413,635	20.37	-
Mr. Deepak Seth	2,862,145	13.21	2,862,145	13.21	-
Mr. Pulkit Seth	6,947,621	32.07	6,947,621	32.07	-
Mrs. Shifalli Seth	201,478	0.93	201,478	0.93	-
Nim International Commerce Llp	30	0.00	30	0.00	-
<b>Total</b>	<b>14,424,909</b>	<b>66.58</b>	<b>14,424,909</b>	<b>66.58</b>	



## NOTES

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

(Amount in ₹ Lakhs, unless otherwise stated)

Name of Shareholder	As at March 31, 2021		As at March 31, 2020		% change during the year
	No. of shares	Holding %	No. of shares	Holding %	
Mrs. Payel Seth	4,413,635	20.37	4,413,635	20.37	-
Mr. Deepak Seth	2,862,145	13.21	2,862,145	13.21	-
Mr. Pulkit Seth	6,947,621	32.07	6,947,621	32.07	-
Mrs. Shifalli Seth	201,478	0.93	201,478	0.93	-
Nim International Commerce Llp	30	0.00	30	0.00	-
<b>Total</b>	<b>14,424,909</b>	<b>66.58</b>	<b>14,424,909</b>	<b>66.58</b>	

**20 OTHER EQUITY**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
General Reserve	4,204.36	4,204.36
Securities Premium	17,103.90	17,103.90
Capital Redemption Reserve	95.00	95.00
Amalgamation Reserve	625.95	625.95
Foreign Currency Translation Reserve	5,039.94	5,448.73
Change in investment through other comprehensive income	(35.11)	(309.53)
Retained Earnings	30,388.43	23,668.60
Cash Flow Hedge Reserve	305.08	(1,281.96)
	<b>57,727.53</b>	<b>49,555.07</b>

I. For Movement during the period in Other Equity, Refer Statement of Changes in Equity.

## II. Nature and purpose of reserves

## a) General reserve

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at beginning/ end of the year	4,204.36	4,204.36

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at an specified percentage in accordance with Companies (Transfer of profits to Reserve) Rules 1975. Consequent to introduction of the Companies Act 2013, there is no such requirement to mandatorily transfer a specified percentage of the net profit to general reserve.

## b) Securities premium

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at beginning/ end of the year	17,103.90	17,103.90

The amount received in excess of face value of the equity shares is recognised in securities premium. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.



NOTES

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

c) Capital redemption reserve

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at beginning/ end of the year	95.00	95.00

This Reserve has been created at the time of business combination with companies in earlier years in accordance with the provisions of the Companies Act, 2013.

d) Amalgamation reserve

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at beginning/ end of the year	625.95	625.95

This Reserve has been created at the time of amalgamation of other companies in earlier years in accordance with the provisions of the Companies Act, 2013.

e) Foreign currency translation reserve

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at beginning/ end of the year	5,039.94	5,448.73

The exchange differences arising from the translation of financial statements is recognised in other comprehensive income and is presented within equity.

f) Retained earnings

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at beginning/ end of the year	30,388.43	23,668.60

Retained earnings are the profits that the Group 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 ₹ 402.39 Lakhs (March 31, 2021: ₹ 400.51 Lakhs) is not available for distribution.

g) Cash Flow Hedge Reserve

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at beginning/ end of the year	305.08	(1,281.96)

This reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. This reserve will be reclassified to statement of profit and loss only when the hedged transaction affects the profit or loss.

h) Change in investment through Other Comprehensive Income (OCI) represents fair valuation of investments of subsidiary company routed through OCI.

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at beginning/ end of the year	(35.11)	(309.53)



## NOTES

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

**21 LONG TERM BORROWINGS**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	Non - Current		Current	
	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
From Banks (Secured)				
- Term Loan*	12,072.77	12,218.39	4,046.00	4,044.86
- Vehicle Loans	78.82	118.30	37.52	36.58
From Financials Institutional (Secured)				
- Vehicle Loans	-	66.84	64.85	48.55
From others - unsecured	231.22	58.80	-	-
	<b>12,382.81</b>	<b>12,462.33</b>	<b>4,148.37</b>	<b>4,129.99</b>
Less: Amount disclosed under other financial liabilities as 'Current maturities of long-term borrowings' (Refer note 21A)	-	-	4,148.37	4,129.99
	<b>12,382.81</b>	<b>12,462.33</b>	-	-

\*includes loans which are carried at amortised cost

**i) Nature of Security in respect of Holding Company:** Following security details rank pari passu (first, second, exclusive or equitable as per respective sanction letters) amongst different lenders under multi bank arrangement for long term borrowings:

- Hypothecation over the entire movable/ Immovable fixed assets of the Company including creation of negative lien on the assets which are unencumbered and are not proposed to be mortgaged to any of the lenders.
- Equitable mortgage over Industrial plot no. (i) 16/17, phase-6, Udyog Vihar, Gurugram, (ii) 751, Pace City-II, Sector 37, Gurugram, (iii) Company's property at Plot No. 51, Sector 32, Gurugram, and (iv) Land and building at Chennai and Bangalore Plant of the Company.
- Hypothecation of the Company's entire current assets including stocks of raw material, stock in process, finished goods, spares and book debts (present & future).
- Pari-Passu charge on FDR of ₹ 713.61 Lakhss. Other FDR's pledged with specific banks- PNB, UCO & IndusInd Bank are ₹ 876.80 Lakhss (March 31, 2021: ₹ 607.02 Lakhss)
- Irrevocable and Unconditional Personal Guarantee of Mr. Deepak Seth (Promoter Director) and/or Mr. Pulkit Seth (Promoter Director).

**ii) Security in respect of Pearl Global (HK) Limited**

- As at March 31, 2022, certain of the Company's Inventories with a net carrying amount of approximately ₹ 1,516.20 (March 2021: ₹ 1,470.00) were pledged to secure banking facilities granted to the Company.
- As at March 31, 2022, certain of the Company's property, plant & equipment with a net carrying amount of approximately ₹ 4,882.00 (March 31, 2021: ₹ 4,350.67) were pledged to secure banking facilities granted to the Company.
- As at March 31, 2022, certain of the Company's leasehold land with a net carrying amount of approximately ₹ 2,581.67 (March 31, 2021: ₹ 2,605.85) were pledged to secure banking facilities granted to the Company.
- As at March 31, 2022, certain of the Company's trade receivable with a net carrying amount of approximately ₹ 2,653.35 (March 31, 2021: ₹ 2,572.50) were pledged to secure banking facilities granted to the Company.

**iii) Maturity Profile.**

Particulars	2022-23	2023-24	2024-25	Beyond 2024-25
Term loan from Banks and Financial Institution are repayable in monthly/quarterly/yearly installments	4,046.00	3,837.67	3,876.60	4,358.50
Vehicle loans from banks and financial institutions are repayable in monthly installments	102.37	36.81	30.67	11.34
From others - unsecured	-	-	-	231.22

**NOTES**

**to consolidated financial statements for the year ended March 31, 2022 (Contd.)**

- iv) Vehicle loans are secured against hypothecation of respective vehicles.
- v) The above loan(s) carries rate of interest ranging between 1.75% to 12.11% per annum.

**21A : Short Term Borrowings**

Particulars	As at March 31, 2022	As at March 31, 2021
Working capital loan from banks(secured)		
- Rupee loan	39,883.00	19,990.64
Current maturities of long-term borrowings (Refer no. 21)	4,148.37	4,129.99
	<b>44,031.37</b>	<b>24,120.63</b>

**a) Nature of security in respect of Holding Company:** The Company has entered into borrowing arrangements with lenders under Consortium Arrangement for short term borrowings. The security details set out under Note 21 ranks pari passu (as per respective sanction letters) amongst all secured lenders for short term and long term borrowings.

**b) Security in respect of Pearl Global (HK) Limited,**

The bank borrowing facilities are secured by Company's property, plant and equipment, inventories, trade receivables, corporate guarantee of the holding company and a fellow subsidiaries and director's personal guarantee.

**c) Security in respect of Norp Knit Industries Limited,**

- First Pari-Passu charge on movable fixed assets and whole of current assets including stocks of raw material, semi-finished goods, finished goods, book debts, consumable stores and spares.
- As at March 31, 2022, Fixed Deposit of ₹ 352 Lakhs (March 31, 2021: ₹ 347 Lakhs).
- Personal Guarantee by the promoter director of the Company.

**c) Security in respect of Pearl Global Fareast Limited**

- As at March 31, 2022, Company's financial assets with a net carrying amount of ₹ Nil (March 2021: ₹ 1,121.67 Lakhs) were pledged to secure banking facilities granted to the Company.

**d) For interest rate & liquidity risk related disclosures, (refer note 43).**

**22 OTHER FINANCIAL LIABILITIES**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	Non - Current		Current	
	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
Security deposit	240.92	137.28	6.51	-
Book overdraft	-	-	-	261.51
Interest accrued but not due on borrowings	-	-	93.59	23.26
Unpaid dividends (Refer Note b)	-	-	26.24	29.75
Creditors for capital goods	-	-	92.90	203.74
Financial Liabilities at Fair Value through OCI - Cash Flow Hedge	-	-	-	12.34
Others	-	-	684.85	796.14
	<b>240.92</b>	<b>137.28</b>	<b>904.09</b>	<b>1,326.75</b>

**Notes:**

- a) The Group's exposure to market and liquidity risk related to other financial liabilities is disclosed in note 43.
- b) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end (March 31,2021: Nil).



## NOTES

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

**23 PROVISIONS**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	Non - Current		Current	
	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
Provision for employee benefits				
Provision for compensated absences	574.57	618.71	30.87	25.85
Provision for gratuity (Refer to note 39)	1,775.48	1,625.06	213.94	83.19
Other employee benefits	77.51	66.35	-	-
	<b>2,427.56</b>	<b>2,310.12</b>	<b>244.81</b>	<b>109.04</b>

**Notes:**

- The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 43.
- There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end ( March 31,2021: Nil)

**24 OTHER LIABILITIES**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	Non - Current		Current	
	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
Advance received against sale of land	2,963.62	2,963.62	-	-
Deferred government grant	6.58	7.58	145.61	145.61
Deferred rental income	35.87	42.16	18.84	15.06
Statutory dues	-	-	784.07	577.33
Others	-	-	-	<b>0.56</b>
	<b>3,006.07</b>	<b>3,013.35</b>	<b>948.52</b>	<b>738.57</b>

**25 TRADE PAYABLES**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro and small enterprises	663.99	481.71
Total outstanding dues of creditors other than micro and small enterprises	43,204.80	24,195.13
	<b>43,868.79</b>	<b>24,676.84</b>

- Trade Payables ageing schedule as at March 31, 2022:

(Amount 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	482.99	181.00	-	-	-	-	<b>663.99</b>
(ii) Others	31,491.38	6,787.52	30.62	0.92	5.68	4,888.71	<b>43,204.80</b>
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-

**NOTES**

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

**Trade Payables ageing schedule as at March 31, 2021:**

(Amount 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	472.54	9.16	-	-	-	-	481.71
(ii) Others	17,019.02	4,297.09	270.21	50.34	0.45	2,558.02	24,195.13
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-

- b) 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.
- c) For information of amount of trade payable to related parties, Refer note no. 46.
- d) As per Schedule III of the Companies Act, 2013 and as certified by the Management, the amount due to Micro & Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under :

**Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006**

- (i) The amount due thereon remaining unpaid to any supplier at the end of each accounting year
- |                     |        |        |
|---------------------|--------|--------|
| - Principal         | 662.86 | 481.59 |
| - Interest on above | 1.13   | 0.12   |
- (ii) The amount of interest paid by the Group in terms of section 16 of MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.
- (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. | 1.13 | 0.12 |
|--|------|------|
- (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.
- |   |   |   |
|---|---|---|
| (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. | - | - |
|---|---|---|
- e) Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Group regarding the status of registration of such vendors under the said Act and as per the intimation received from them on requests made by the Group. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date except disclosed above.
- f) The Group's exposure to market and liquidity risk related to trade payables is disclosed in note 43.

**26 LIABILITIES FOR CURRENT TAX (NET)**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for income tax		
(Net of advance tax ₹ 856.21 Lakhs (March 31, 2021 ₹ 278.60 Lakhs))	217.87	93.44
	<b>217.87</b>	<b>93.44</b>



## NOTES

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

**27 REVENUE FROM OPERATIONS**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of Product	262,931.37	145,861.69
Job Receipts	25.98	-
Other Operating Revenues	8,395.55	3,230.97
<b>Revenue from operations</b>	<b>271,352.90</b>	<b>149,092.65</b>

**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 revaluations, 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:

Revenue based on Geography	For the year ended March 31, 2022	For the year ended March 31, 2021
India	9,247.15	3,614.27
Outside India	262,105.75	145,478.38
<b>Revenue from operations</b>	<b>271,352.90</b>	<b>149,092.65</b>

**c) Reconciliation of revenue from operations with contracted price**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Contracted Price	271,355.34	149,165.29
Less: Sales Returns	-	(72.64)
(Less): Rebates and discounts	(2.44)	-
	<b>271,352.90</b>	<b>149,092.65</b>

**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, 2022.

Further, the Group doesn't have any contract liabilities as at March 31, 2022 and March 31, 2021

- 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.

- f) Disclosure in respect of Export Incentive (Holding Group) Under the Remission of Duties and Taxes on Export Products (RoDTEP),** the Group is eligible to claim a government grant in the form of refunds of embedded taxes and duties. The scheme has been effective since January 1, 2021. However, the incentive rates were not notified by the authorities till the last day of the previous year i.e March 31, 2021. For the relevant period from January 1, 2021 to March 31, 2021, the Group had recognised income towards RoDTEP basis estimated calculations and pending notification of the rates.

The Ministry of Textiles vide press release dated July 14, 2021 has given its approval for continuation of Rebate of State and Central taxes and Levies (RoSCTL) with the same rates as notified by Ministry of Textiles vide Notification dated March



**NOTES**

**to consolidated financial statements for the year ended March 31, 2022 (Contd.)**

8, 2019, on exports. The Ministry of Textiles has decided to continue the scheme of RoSCTL up to March 31, 2024.

Pursuant to the aforesaid press release, the Group has recognised the RoSCTL income for the period from April 1, 2021 to June 30, 2021 in line with the earlier rates notified and additionally also recognised ₹ 337.21 Lakhs in the quarter ended June 30, 2021 being the balance income to the extent previously not recognised during the fourth quarter of the financial year 2020-2021 i.e; January 1, 2021 to March 31, 2021.

g) The group doesn't have any sales to related party in the consolidated financial statement.

**28 OTHER INCOME**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Interest Income</b>		
- On fixed deposits	117.46	103.92
- On loans and advances	117.75	173.99
- On Investment	67.36	59.83
<b>Other non-operating income:</b>		
- Rental income	742.30	770.91
- Foreign exchange fluctuation	523.24	458.01
- Government grant received	-	64.66
- Amortisation of deferred rental income	16.44	36.78
- Profit on sale of current investment - mutual fund	16.34	16.61
- Fair value gain on investments measured at fair value through profit and loss(net)	573.58	255.85
- Dividend Income	25.62	-
- Excess provision written back	160.91	-
- Sundry balances written back	340.60	133.67
- Gain on termination of lease	50.38	-
- Miscellaneous income	593.94	276.24
	<b>3,345.94</b>	<b>2,350.49</b>

**29 COST OF RAW MATERIAL CONSUMED**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Raw Material</b>		
Balance at the beginning of the Year	13,670.22	12,245.71
Add:- Purchases during the year	135,350.71	69,336.18
Add: Impact of exchange fluctuation & re-instatement	465.08	(174.43)
	<b>149,486.01</b>	<b>81,407.45</b>
Less:- Balance at the end of the Year	32,955.06	13,670.22
Total Raw Material Consumption	<b>116,530.95</b>	<b>67,737.23</b>

**30 PURCHASE OF STOCK IN TRADE**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Purchases during the year	40,790.23	9,337.91
	<b>40,790.23</b>	<b>9,337.91</b>



## NOTES

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

**31 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Inventories at the beginning of the year</b>		
Work-in-progress	9,637.71	12,212.16
Finished goods	4,060.98	1,611.09
Scrap Stock	166.84	-
	<b>(A) 13,865.53</b>	<b>13,823.25</b>
<b>Inventories at the end of the year</b>		
Work-in-progress	12,466.08	9,637.71
Finished goods	7,888.48	4,060.98
Scrap Stock	41.82	166.84
	<b>(B) 20,396.38</b>	<b>13,865.53</b>
Impact of exchange fluctuation & re-instatement	<b>271.98</b>	<b>(142.06)</b>
<b>(Increase) / decrease in inventory (A-B+C)</b>	<b>(6,258.87)</b>	<b>(184.34)</b>

**32 EMPLOYEE BENEFITS EXPENSE**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, Wages & Bonus	43,310.54	30,727.62
Contribution to Provident and Other funds	1,002.40	578.86
Gratuity expense (Refer note 39)	421.73	413.62
Compensated absences	408.04	591.18
Staff Training & Welfare Expenses	719.39	223.57
	<b>45,862.10</b>	<b>32,534.85</b>

**33 FINANCE COSTS**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Interest Expense</b>		
- On Term loans, Cash Credit & Working Capital Facilities	2,637.31	2,585.82
- Delayed Payment of Taxes	5.82	1.51
- lease liabilities	846.80	837.64
Unwinding of discount on security deposit	14.09	40.24
Other borrowing cost	1,156.36	660.13
	<b>4,660.37</b>	<b>4,125.34</b>

**34 DEPRECIATION AND AMORTISATION EXPENSE**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of - Property, plant and equipment (Refer note no. 4)	3,027.13	2,722.09
Depreciation of Investment Properties (Refer note no. 6)	82.20	86.77
Amortisation of intangible assets (Refer note no. 8)	30.53	39.89
Amortisation of Right-of-use assets (Refer note no. 48)	1,693.82	1,561.80
	<b>4,833.68</b>	<b>4,410.55</b>

NOTES

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

**35 OTHER EXPENSES**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Manufacturing Expense	28,627.46	15,129.20
Consumption of Stores & Spare Parts	1,662.03	1,011.51
Power & fuel	2,587.39	1,843.21
Rent	478.61	310.24
Rates & Taxes	104.66	71.06
Travelling & Conveyance	1,259.16	544.76
Freight & clearing Charges	7,344.39	3,840.85
Claim to Buyers	1,437.97	582.92
Repair & Maintenance		
- Plant & Machinery	162.32	75.12
- Buildings	75.72	7.18
- Other	1,325.23	866.88
Commission	395.77	524.45
Legal & Professional Expenses	6,106.97	3,893.71
Security Charges	452.16	385.14
Bank charges	1,472.21	619.65
Insurance Expenses	1,193.61	422.45
Payment to the Auditors (Refer note 'a' below)	134.63	90.98
Sundry Balances written off	554.86	153.19
Loss allowance for doubtful debts and advances	336.93	278.86
Corporate social responsibility	80.54	27.10
Foreign Exchange Fluctuation	364.31	-
Miscellaneous Expenses	4,213.43	2,932.88
<b>Total</b>	<b>60,370.36</b>	<b>33,611.35</b>

**36 EXCEPTIONAL ITEMS**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit on sale of property, plant and equipment and investment property (Refer Note 'a' below)	(644.99)	1,035.93
Enhanced Compensation on land acquisition by NHAI	-	(2,335.15)
Impairment of investment in subsidiaries written back(Refer Note 9 (d))	(30.00)	-
Investment written off (Refer note 9 (d))	3.17	33.91
	<b>(671.82)</b>	<b>(1,265.31)</b>

a) The figures in bracket above represents income/ profit.

**37 COMPONENTS OF OTHER COMPREHENSIVE INCOME**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A (i) Items that will not be reclassified to profit or loss</b>		
Re-measurement gains/ (losses) on defined benefit plans	(100.97)	(48.22)
Income tax expense	(20.48)	(23.22)
<b>B (i) Items that will be reclassified to profit or loss</b>		
Foreign exchange translation reserve	1,242.11	(825.45)
Fair valuation of investment in mutual fund	(28.98)	173.25
Hedging Reserve through OCI	419.03	979.45
Income tax expense	(105.46)	(342.72)
	<b>1,405.26</b>	<b>(86.91)</b>



## NOTES

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

**38 EARNINGS PER SHARE (EPS)**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit attributable to the equity shareholders (A)	6,814.64	1,727.11
Number/Weighted average number of equity shares outstanding at the end of the year (B)	21,663,937	21,663,937
Nominal value of equity shares	₹ 10	₹ 10
Basic/Diluted earning per share (A/B) (in ₹)	31.46	7.97

**39 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS****a) Defined contribution plans**

The Group makes contribution towards Employees Provident Fund and Employee's State Insurance scheme. Under the rules of these schemes, the Group is required to contribute a specified percentage of payroll costs. The Group during the year recognised the following amount in the Statement of profit and loss account under Group's contribution to defined contribution plan.

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Employer's Contribution to Provident Fund/ Pension Fund	792.01	433.40
Employer's Contribution to Employee State Insurance	197.77	138.43
Employer's Contribution to Welfare Fund	12.62	7.03
<b>Total</b>	<b>1,002.40</b>	<b>578.86</b>

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.

## NOTES

### to consolidated financial statements for the year ended March 31, 2022 (Contd.)

#### **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**

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 . Till previous financial year 2020-21, the status of gratuity was as under:

- a) Gratuity in case of Gurgaon Division was funded & maintained by Life Insurance Corporation of India
- b) Gratuity in case of Chennai & Bangalore Division was unfunded.

##### **ii) Other long term employee benefits**

As per the Group policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during the service, on early retirement, on withdrawal of scheme, at resignation by employee and upon death of employee. The scale of benefits is determined based on the seniority and the respective employee's salary. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

Re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest and if applicable), is reflected immediately in Other Comprehensive Income in the statement of profit and loss. All other expenses related to defined benefit plans are recognised in statement of profit and loss as employee benefit expenses. Re-measurements recognised in Other Comprehensive Income will not be reclassified to statement of profit and loss hence it is treated as part of retained earnings in the statement of changes in equity. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Curtailment gains and losses are accounted for as past service costs.

- 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.



## NOTES

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

## Change in benefit obligation

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
<b>Opening defined benefit obligation</b>	929.10	1,068.15	654.60	1,209.60
Interest cost	69.78	78.36	44.29	87.27
Service cost	207.89	196.94	89.46	272.13
Past Service cost	-	(108.82)	-	(54.93)
Benefits paid	(199.61)	(114.75)	(92.36)	(226.61)
Foreign currency translation reserve	-	43.69	-	(23.54)
<b>Actuarial (gain) / loss on obligations</b>	(90.40)	182.33	(41.19)	78.57
<b>Present value of obligation as at the end of the year</b>	<b>916.76</b>	<b>1,345.92</b>	<b>654.80</b>	<b>1,342.49</b>

- e) The following tables summarise the components of net benefit expense recognised in the Statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

## Cost for the year included under employee benefit

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Current service cost	207.89	196.94	89.46	272.13
Past service cost	-	(108.82)	-	(54.93)
Interest cost	69.78	78.36	44.29	87.27
Expected return on plan assets	(22.42)	-	(24.55)	-
Actuarial (gain) / loss	-	-	-	-
<b>Net cost</b>	<b>255.23</b>	<b>166.50</b>	<b>109.20</b>	<b>304.47</b>

- f) Changes in the fair value of the plan assets are as follows::

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Fair value of plan assets at the beginning	298.57	-	363.22	-
Expected return on plan assets	22.42	-	24.55	-
Contributions	22.70	-	4.43	-
LIC charges	(4.37)	-	-	-
Benefits paid	(57.04)	-	(92.36)	-
Actuarial gains / (losses) on the plan assets	(9.03)	-	(10.84)	-
<b>Fair value of plan assets at the end</b>	<b>273.25</b>	<b>-</b>	<b>289.01</b>	<b>-</b>

- g) Detail of actuarial gain/loss recognised in OCI is as follows:

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Actuarial (gain) / loss for the year – obligation	(90.40)	182.33	(41.19)	78.57
Actuarial (gain) / loss for the year - plan assets	9.03	-	10.84	-
<b>Total (gain) / loss for the year</b>	<b>(81.36)</b>	<b>182.33</b>	<b>(30.35)</b>	<b>78.57</b>

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.



NOTES

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

**h) Net (assets) / liabilities recognised in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets -**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Present value of obligation	916.76	1,345.92	654.80	1,342.49
Less: Fair value of plan assets	273.25	-	289.01	-
<b>Net assets /( liability)</b>	<b>(643.51)</b>	<b>(1,345.92)</b>	<b>(365.79)</b>	<b>(1,342.49)</b>

**i) A quantitative sensitivity analysis for significant assumptions is as shown below:**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
<b>A. Discount rate</b>				
Effect on DBO due to increase in Discount Rate (1% in funded and 0.5% in unfunded)	(93.76)	846.99	(61.46)	775.66
Effect on DBO due to decrease in Discount Rate (1% in funded and 0.5% in unfunded)	111.49	1,006.31	71.91	1,002.92
<b>B. Salary escalation rate</b>				
Effect on DBO due to increase in Salary Escalation Rate (1% in funded and 0.5% in unfunded)	113.23	1,009.06	72.51	999.87
Effect on DBO due to decrease in Salary Escalation Rate (1% in funded and 0.5% in unfunded)	(96.65)	848.19	(63.00)	773.73

**C.Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated for group as a whole.**

**j) Risk**

Discount Rate	Reduction in discount rate in subsequent valuations can increase the liability.
Salary Increases	Actual salary increases will increase the defined benefit liability. Increase in salary increase rate assumption in future valuations which in turn also increase the liability.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawals rates at subsequent valuations can impact defined benefit liability.
Mortality and disability	Actual details and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

**k) Refer respective standalone financial statements of Holding Company and the Subsidiary Companies forming part of the Group for Maturity Profile of Defined Benefit obligation.**

**40 CAPITAL MANAGEMENT**

The Group's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an appropriate capital structure of debt and equity.

The Board of Directors have the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management in deployment of funds and sourcing by leveraging opportunities in domestic and international markets so as to maintain investors, creditors and markets confidence and to sustain future development of the business.

The Group monitors capital, using a medium term view ranging between three to five years, on the basis of a number of financial ratios generally used by the industry. The Group monitors capital structure using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises of long term and short term borrowings less cash and cash equivalents. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of reporting periods were as follows:





## NOTES

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

Particulars	As At	As At
	March 31, 2022	March 31, 2021
Borrowings (Refer to note 21 & 21A)	56,414.18	36,582.96
Interest accrued but not due on borrowings (Refer note no. 22)	93.59	23.26
Less: cash and cash equivalents (Refer to note 17)	(11,685.07)	(9,471.34)
<b>Net debt (A)</b>	<b>44,822.70</b>	<b>27,134.88</b>
Equity share capital (Refer to note 19)	2,166.39	2,166.39
Other equity (Refer to note 20)	57,727.53	49,555.07
<b>Total Capital (B)</b>	<b>59,893.93</b>	<b>51,721.46</b>
<b>Capital and net debt (A+B=C)</b>	<b>104,716.62</b>	<b>78,856.34</b>
<b>Gearing ratio (A/C)</b>	<b>42.80%</b>	<b>34.41%</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

**41 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE****I) Hedge Accounting**

- (i) The Group enters into hedging instruments in accordance with policies as approved by the Board of Directors with written principles which is consistent with the risk management strategy of the Group. The Group has decided to apply hedge accounting for certain derivative contracts that meets the qualifying criteria of hedging relationship entered post April 01, 2019. Hedging strategies are decided and monitored periodically by the Risk Management Committee of the Board. The Hedging Practice and its corresponding hedge accounting is mainly followed by the Holding Company.

**Cash Flow Hedges**

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecasted hedged items in US dollar. These forecast transactions are highly probable. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

- (ii) **The fair value of derivative financial instruments is as follows:**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	Assets	Liabilities
	March 31, 2022	March 31, 2021
Fair value of foreign currency forward exchange contract designated as hedging instruments	406.69	12.34

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, 2022 were assessed to be highly effective and unrealised profit of ₹ 419.03 Lakhs, with a deferred tax liability of ₹ 105.46 Lakhs relating to the hedging instruments, is included in OCI. (March 31, 2021: Unrealised profit of ₹ 979.45 Lakhs with a corresponding deferred tax liability of ₹ 342.72 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, 2022 (in ₹)	8,031.01	12,657.88	19,245.30	14,329.11	8,296.72	62,560.03
Notional amount (in USD)	104.99	165.36	249.00	183.68	105.50	808.53
Average forward rate (USD/₹)	76.49	76.55	77.29	78.01	78.64	77.37
As at March 31, 2021 (in ₹)	-	-	-	-	2,278.85	2,278.85
Notional amount (in USD)	-	-	-	-	30.00	30.00
Average forward rate (USD/₹)	-	-	-	-	-	75.96

- (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 2021: Other current Financial Liabilities). The changes in fair value of forward exchange contract are disclosed as under:

NOTES

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	Amount (₹)
Foreign currency risk forward contract- As at March 31, 2022 (Asset)	406.69
Foreign currency risk forward contract- As at March 31, 2021 (Liability)	979.45

(v) The effect of the cash flow hedge in the statement of profit or loss and other comprehensive income is, as follows:

(Amount in Lakhs, unless otherwise stated)

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
<b>As at March 31, 2022</b>	419.03	Cash Flow Hedge Reserve (OCI)	907.55	Revenue from Operations
Highly probable forecast sales				
<b>As at March 31, 2021</b>	979.45	Cash Flow Hedge Reserve (OCI)	19.15	Revenue from Operations
Highly probable forecast sales				

(vi) Impact of hedging on equity

Set out below is the reconciliation of each component of equity and the analysis of other comprehensive income:

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	Cash Flow Hedge Reserve (CFHR)
<b>As at March 31, 2022</b>	419.03
Effective Portion of Changes in fair Value arising from Foreign Exchange Forward Contracts	(907.55)
Amount reclassified to profit & loss	907.55
Tax effect	(105.46)
<b>As at March 31, 2021</b>	979.45
Effective Portion of Changes in fair Value arising from Foreign Exchange Forward Contracts	(19.15)
Amount reclassified to profit & loss	19.15
Tax effect	(342.72)

(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:

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As At March 31, 2022		As At March 31, 2021		
	Foreign Currency in Lakhs	₹ in Lakhs	Foreign Currency in Lakhs	₹ in Lakhs	
Foreign currency receivable	HKD	-	HKD	6.17	58.37
	IDR	26,535.38	IDR	31,013.67	156.56
	BDT	53.96	EUR	-	-
	GBP	-	GBP	0.01	0.77
	SGD	-	SGD	0.00	0.01
	VND	1,66,239.38	VND	7,137.67	22.79
	CNY	-	CNY	0.29	3.28
	USD	-	USD	219.21	16,111.82
Foreign currency payable	HKD	-	HKD	159.43	1,507.30
	IDR	80,992.23	IDR	27,825.03	140.46
	VND	15,80,358.81	VND	203,645.44	650.10
	EUR	-	EUR	0.03	2.27
	BDT	1,056.77	USD	-	-

III) In respect of the derivative contracts entered into by the Group. The Management assesses no material foreseeable losses as at the reporting date.



## NOTES

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

**42 FAIR VALUE MEASUREMENTS****I Financial instruments****a) Financial instruments by category**

Except Investment in equity instruments (Quoted) and investment in mutual funds which are measured at fair value through profit or loss, all other financial assets and liabilities viz. trade receivables, security deposits, cash and cash equivalents, other bank balances, interest receivable, other receivables, trade payables, employee related liabilities and borrowings, are measured at amortised cost. Derivative financial instruments and certain investments are measured at fair value through other comprehensive income.

**b) Fair value hierarchy**

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels of in the fair value hierarchy:

As at March 31, 2022

(Amount 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
<b>Financial assets measured at fair value</b>									
Investment in equity shares (Quoted)	-	873.50	-	-	873.50	873.50	-	-	873.50
Investment in mutual funds	-	532.26	-	-	532.26	532.26	-	-	532.26
Investment in Units and Debt instrument	1,908.49	-	-	-	1,908.49	1,308.09	600.41	-	1,908.49
Investments in key man insurance policy	2,202.21	-	-	-	2,202.21	-	2,202.21	-	2,202.21
Financial Assets at Fair Value through OCI - Cash Flow Hedge	406.69	-	-	-	406.69	-	-	-	-
<b>Financial assets not measured at fair value</b>									
Investment in equity shares (Unquoted)	-	-	-	-	-	-	-	-	-
Investment in preference shares	-	-	-	-	-	-	-	-	-
Investment in government securities	-	-	1.63	-	1.63	-	-	-	-
Loan to employees	-	-	41.36	-	41.36	-	-	-	-
Loan to related parties	-	-	-	-	-	-	-	-	-
Loan to Others	-	-	3,543.10	-	3,543.10	-	-	-	-
Security Deposits	-	-	912.92	-	912.92	-	-	-	-
Interest accrued but not due on term deposits	-	-	62.41	-	62.41	-	-	-	-
Interest accrued but not due on loan to related parties	-	-	-	-	-	-	-	-	-

NOTES

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

(Amount 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	-	-	273.70	-	273.70	-	-	-	-
Trade receivables	-	-	36,662.31	-	36,662.31	-	-	-	-
Cash and cash equivalents	-	-	11,685.07	-	11,685.07	-	-	-	-
Other bank balances	-	-	3,292.39	-	3,292.39	-	-	-	-
Other Financial assets	-	-	31.47	-	31.47	-	-	-	-
	4,517.39	1,405.76	56,506.36	-	62,429.51	2,713.85	2,802.62	-	5,516.46
<b>Financial liabilities not measured at fair value</b>									
Borrowings	-	-	-	56,414.18	56,414.18	-	-	-	-
Lease Liabilities	-	-	-	8,045.15	8,045.15	-	-	-	-
Security Deposits	-	-	-	247.44	247.44	-	-	-	-
Book overdraft	-	-	-	-	-	-	-	-	-
Interest accrued but not due on borrowings	-	-	-	93.59	93.59	-	-	-	-
Unpaid dividends	-	-	-	26.24	26.24	-	-	-	-
Trade payables	-	-	-	43,868.79	43,868.79	-	-	-	-
Creditors for capital goods	-	-	-	92.90	92.90	-	-	-	-
Others	-	-	-	684.85	684.85	-	-	-	-
	-	-	-	109,473.13	109,473.13	-	-	-	-

As at March 31, 2021

(Amount 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
<b>Financial assets measured at fair value</b>									
Investment in equity shares (Quoted)	-	335.00	-	-	335.00	335.00	-	-	335.00
Investment in mutual funds	-	754.38	-	-	754.38	754.38	-	-	754.38
Investment in Units and Debt instrument	2,042.92	-	-	-	2,042.92	2,042.92	-	-	2,042.92
Investments in key man insurance policy	2,085.98	-	-	-	2,085.98	2,085.98	-	-	2,085.98
<b>Financial assets not measured at fair value</b>									
Investment in equity shares (Unquoted)	-	-	-	-	-	-	-	-	-
Investment in preference shares	-	-	270.00	-	270.00	-	-	-	-
Investment in government securities	-	-	1.63	-	1.63	-	-	-	-
Loan to employees	-	-	31.04	-	31.04	-	-	-	-
Loan to related parties	-	-	300.00	-	300.00	-	-	-	-
Loan to Others	-	-	3,542.13	-	3,542.13	-	-	-	-



## NOTES

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

(Amount 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
Security Deposits	-	-	974.99	-	974.99	-	-	-	-
Interest accrued but not due on term deposits	-	-	36.15	-	36.15	-	-	-	-
Interest accrued but not due on loan to related parties	-	-	-	-	-	-	-	-	-
Deposits with original maturity of more than 12 months	-	-	265.69	-	265.69	-	-	-	-
Trade receivables	-	-	24,217.21	-	24,217.21	-	-	-	-
Cash and cash equivalents	-	-	9,471.34	-	9,471.34	-	-	-	-
Other bank balances	-	-	2,233.21	-	2,233.21	-	-	-	-
Other Financial assets	-	-	32.35	-	32.35	-	-	-	-
	<b>4,128.90</b>	<b>1,089.38</b>	<b>41,375.74</b>	<b>-</b>	<b>46,594.02</b>	<b>5,218.28</b>	<b>-</b>	<b>-</b>	<b>5,218.28</b>
<b>Financial liabilities measured at fair value</b>									
Financial Liabilities at Fair Value through OCI - Cash Flow Hedge	12.34	-	-	-	12.34	12.34	-	-	12.34
<b>Financial liabilities not measured at fair value</b>									
Borrowings	-	-	-	36,582.96	36,582.96	-	-	-	-
Lease Liabilities	-	-	-	7,394.94	7,394.94	-	-	-	-
Security Deposits	-	-	-	137.28	137.28	-	-	-	-
Book overdraft	-	-	-	261.51	261.51	-	-	-	-
Interest accrued but not due on borrowings	-	-	-	23.26	23.26	-	-	-	-
Unpaid dividends	-	-	-	29.75	29.75	-	-	-	-
Trade payables	-	-	-	24,676.84	24,676.84	-	-	-	-
Creditors for capital goods	-	-	-	203.74	203.74	-	-	-	-
Others	-	-	-	796.14	796.14	-	-	-	-
	<b>12.34</b>	<b>-</b>	<b>-</b>	<b>70,106.42</b>	<b>70,118.77</b>	<b>12.34</b>	<b>-</b>	<b>-</b>	<b>12.34</b>

c) Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers in either direction for the year ended 31 March 2022 and 31 March 2021.

d) **Fair value of financial assets and liabilities measured at amortised cost**

The carrying amounts of short-term trade and other receivables, trade payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

For other financial liabilities/ assets that are measured at fair value, the carrying amounts are equal to the fair values.e)

Fair value of financial assets and liabilities measured at amortised cost

## NOTES

### to consolidated financial statements for the year ended March 31, 2022 (Contd.)

The carrying amounts of short-term trade and other receivables, trade payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature. For other financial liabilities/ assets that are measured at fair value, the carrying amounts are equal to the fair values.

- e) For specific valuation techniques used to value financial instruments, Refer disclosures made in the standalone financials of Holding Company and Subsidiary companies.

#### **43 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group principal financial liabilities comprises of trade and other payables, borrowings, current maturity of borrowings, interest accrued and capital creditors. The main purpose of these financial liabilities is to finance the operations and to provide guarantees to support its operations.

The Group principal financial assets includes Investment in mutual funds, loans to related parties, security deposits, trade receivables, cash and cash equivalents, deposits with bank, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

The Group has exposure to the following risks arising from financial instruments:

- credit risk,
- liquidity risk and
- market risk.

The senior level management of respective companies in the Group oversees the management of these risks and is supported by treasury department that advises on the appropriate financial risk governance framework.

#### **A. Credit Risk**

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to the Group. Credit risk arise from Cash and cash equivalents, deposit with banks, trade receivables and other financial assets measure at amortised cost. The respective companies in the Group continuously monitors defaults of customers and other counterparties and incorporate this information into its credit risk control. The carrying amount of financial assets represents the maximum credit exposure.

##### **(i) Trade receivables**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The credit risk is managed by the Group based on credit approvals, establishing credit limits and continuously monitoring the credit worthiness of the customers, to whom the Group grants credit period in the normal course of business including taking credit insurance against export receivables. The Group uses expected credit loss model to assess the impairment loss in trade receivables and makes an allowance of doubtful trade receivables using this model.

- (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, 2022 and March 31, 2021 is majorly the carrying value of each class of financial assets.

- (iii)** Risk Exposure of Holding Company in respect of guarantees given as under:



## NOTES

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

**- Quantitative data about exposure and maturity profile**

Guarantee Given to	Details of Subsidiary	Purpose of Guarantee	Amount as at March 31, 2022	Guarantee Valid Upto
Standard Chartered Bank, Hongkong Branch	Pearl Global (HK) Limited	Securing Credit Facilities	USD 30.00 Lakhs equivalent to ₹ 2,274.30 Lakhs	February 04, 2023
HSBC Bank, Hongkong Branch	Pearl Global (HK) Limited and its step down subsidiaries DSSP Global Limited and Pearl Grass Creations Limited	Securing Credit Facilities	USD 200.00 Lakhs equivalent to ₹ 15,162.00 Lakhs	November 17, 2023
		Securing Credit Facilities	USD 40.00 Lakhs equivalent to ₹ 3,032.40 Lakhs	December 31, 2023

**- Policy of managing risk:** The Group considers the probability of default upon initial recognition and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of default as at the reporting date with the risk of default as at the date of initial recognition. The Group considers reasonable and supportive forward-looking information such as significant changes in the value of guarantee or in the quality of exposure or credit enhancements.

**B. Liquidity risk**

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Group's objective is to, maintain optimum levels of liquidity to meet its cash and collateral requirements both under normal & stressed conditions. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of fund through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

These facilities and limits vary at company level (forming part of Group) and takes into account, future cash flows and the liquidity in which the entity operates.

**The table below summarises the maturity profile of the financial liabilities based on contractual undiscounted payments.**

**As at March 31, 2022**

Particulars	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	34,891.47	9,139.90	12,256.81	126.00	56,414.17
Lease Liabilities	209.72	674.03	2,411.03	4,749.77	8,045.15
Trade payables	41,166.49	2,702.30	-	-	43,868.79
Other financial liabilities	897.58	6.51	240.92	-	1,145.02
<b>Total</b>	<b>77,165.26</b>	<b>12,522.74</b>	<b>14,909.36</b>	<b>4,875.77</b>	<b>109,473.13</b>

**As at March 31, 2021**

Particulars	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	21,023.14	3,097.49	12,000.49	461.84	36,582.96
Lease Liabilities	315.11	548.47	3,128.20	3,403.17	7,394.94
Trade payables	24,676.84	-	-	-	24,676.84
Other financial liabilities	1,326.75	-	137.28	-	1,464.03
<b>Total</b>	<b>47,341.83</b>	<b>3,645.95</b>	<b>15,265.97</b>	<b>3,865.01</b>	<b>70,118.77</b>



NOTES

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

**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, 2022 and March 31, 2021.

**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
<b>March 31, 2022</b>	+50	23.25
	-50	(23.25)
March 31, 2021	+50	7.34
	-50	(7.34)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

**ii) Foreign currency risk**

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. Foreign currency risk sensitivity is the impact on the profit before tax is due to changes in the fair value of monetary assets and liabilities on unhedged exposures. The following tables demonstrate the sensitivity to a reasonably possible change in applicable currency exchange rates, with all other variables held constant.

Particulars	Changes in Exchange rate	Decrease / (increase) in profit before tax
<b>March 31, 2022</b>	+5%	293.92
	-5%	(293.92)
<b>March 31, 2021</b>	+5%	(702.67)
	-5%	702.67



## NOTES

## to consolidated financial statements for the year ended March 31, 2022 (Contd.)

**44 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, 2022 and March 31, 2021 is as follows:

Particulars	Bangladesh	Hong Kong	India	Others	Un-allocable	Total	Elimination	Total
Segment Sales	7,185.57	150,026.90	63,891.55	50,248.87	-	271,352.90	-	271,352.90
	(7,537.81)	(61,526.19)	(67,595.75)	(12,432.90)	-	(149,092.65)	-	(149,092.65)
Inter Segment Sales	87,819.38	50,160.99	30,292.59	-	-	168,272.96	168,272.96	-
	(48,996.23)	(16,732.86)	(9,570.62)	-	-	(75,299.70)	(75,299.70)	-
<b>Total Segment Sales</b>	95,004.96	200,187.89	94,184.14	50,248.88	-	439,625.87	168,272.97	271,352.90
	(56,534.04)	(78,259.04)	(77,166.37)	(12,432.90)	-	(224,392.36)	(75,299.70)	(149,092.65)
Other Income	22.55	693.29	3,213.98	-	-	3,929.83	583.90	3,345.94
	2.88	(568.49)	(2,409.16)	-	-	(2,974.77)	(624.29)	(2,350.49)
<b>Total Segment Revenue</b>	<b>95,027.52</b>	<b>200,881.19</b>	<b>97,398.13</b>	<b>50,248.88</b>	<b>-</b>	<b>443,555.70</b>	<b>168,856.87</b>	<b>274,698.83</b>
	<b>(56,531.17)</b>	<b>(78,827.53)</b>	<b>(79,575.53)</b>	<b>(12,432.90)</b>	<b>-</b>	<b>(227,367.13)</b>	<b>(75,923.99)</b>	<b>(151,443.14)</b>
Total Revenue of each segment as a percentage of total revenue of all segment	21.42	45.29	21.96	11.33	-	100.00	-	-
	(24.86)	(34.67)	(35.00)	(5.47)	-	(100.00)	-	-
Total Segment Operative Profit	4,853.35	3,015.49	8,037.46	2,169.55	-	18,075.87	-	18,075.87
	(3,133.27)	(2,633.31)	(3,294.86)	(610.01)	-	(9,671.46)	-	(9,671.45)
Depreciation	1,449.37	1,160.98	1,772.78	450.55	-	4,833.68	-	4,833.68
	(1,595.80)	(664.45)	(1,813.42)	(336.88)	-	(4,410.55)	-	(4,410.55)
Total Segment Result before Interest & Taxes	3,403.99	1,854.52	6,264.68	1,719.00	-	13,242.19	-	13,242.19
	(1,537.47)	(1,968.87)	(1,481.44)	(273.13)	-	(5,260.91)	-	(5,260.91)
Total EBIT of each segment as a percentage of total EBIT of all segment	25.71	14.00	47.31	12.99	-	100.00	-	-
	(29.22)	(37.42)	(28.16)	(5.20)	-	(100.00)	-	-
Net Financing Cost	-	-	-	-	-	-	-	4,660.37
	-	-	-	-	-	-	-	(4,125.34)
Income Tax Expenses	-	-	-	-	-	-	-	1,570.94
	-	-	-	-	-	-	-	612.76
<b>Profit for the Year</b>	-	-	-	-	-	-	-	<b>7,010.88</b>
	-	-	-	-	-	-	-	<b>(1,748.32)</b>
<b>Segment Assets</b>	32,643.76	51,896.51	67,647.70	19,772.71	6,101.17	178,061.85	-	178,061.85
	(23,188.35)	(33,247.97)	(61,996.35)	(4,524.40)	(6,441.48)	(129,398.56)	-	(129,398.56)
Segment Assets as a percentage of Total assets of all segments	18.33	29.15	37.99	11.10	3.43	100.00	-	-
	(17.92)	(25.69)	(47.91)	(3.50)	(4.98)	(100.00)	-	-
<b>Segment Liabilities</b>	24,197.69	4,756.78	23,721.13	7,010.31	56,888.69	116,574.61	-	116,574.61
	(15,888.81)	(6,306.54)	(16,857.27)	(654.24)	(36,676.40)	(76,383.26)	-	(76,383.26)
Segment Liabilities as a percentage of Total Liabilities of all segments	20.76	4.08	20.35	6.01	48.80	100.00	-	-
	(20.80)	(8.26)	(22.07)	(0.86)	(48.02)	(100.00)	-	-
<b>Segment Capital Employed</b>	8,446.07	47,139.72	43,926.57	12,762.40	(50,787.53)	61,487.24	-	61,487.24
	(7,299.54)	(26,941.43)	(45,139.08)	(3,870.16)	30,234.92	(53,015.29)	-	(53,015.29)
Segment Capital Employed as a percentage of Total capital employed of all segments	13.74	76.67	71.44	20.76	(82.60)	100.00	-	-
	(13.77)	(50.82)	(85.14)	(7.30)	57.03	(100.00)	-	-

NOTES

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

Particulars	Bangladesh	Hong Kong	India	Others	Un-allocable	Total	Elimination	Total
<b>Capital Expenditure</b>	1,141.60	683.20	871.18	1,381.57	-	4,077.57	-	4,077.57
	(946.25)	(1,544.45)	(691.89)	(10.42)	-	(3,193.01)	-	(3,193.01)
Segment Capital Expenditure as a percentage of Total capital expenditure of all segments	28.00	16.76	21.37	33.88	-	100.00	-	-
	(29.64)	(48.37)	(21.67)	(0.33)	-	(100.00)	-	-

b) The Group revenue from sale of garments to external customer are as follows:

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Local Customers	2,172.02	439.41
Foreign Customers	260,759.36	145,422.28
<b>Total</b>	<b>262,931.37</b>	<b>145,861.69</b>

c) Non- current assets are located within India and outside India:

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Non Current Assets</b>		
- within India	22,754.36	23,670.78
- outside India	30,636.79	29,646.63

d) Revenue from major customer: During the year the Group generates 90% of its external revenues from 15 customers (March 31, 2021: 14 customers).

#### 45 CONTINGENT LIABILITIES AND COMMITMENTS

a) **Contingent liabilities (To the extent not provided for)**

The respective companies have reviewed all its pending claims, litigations and other proceedings and has adequately provided for wherever required. However, wherever it is difficult for the respective companies to estimate the timings of cash outflows, if any, in respect of the below as it is determinable only on receipt of judgement/decisions pending with various forums/authorities, the Group has disclosed the same as Contingent Liabilities (pending resolution of the respective proceedings).

The Group does not expect the outcome of these proceedings to have a material or adverse effect on financial position of the Company. Also, the Group does not expect any reimbursements in respect of the below contingent liabilities.

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
In respect of Holding Company:		
-Tax Demand as per Sec 154 and Sec 16(1) of Income Tax Act , 1961 (with respect to Assessment Year 2015-16) - Rectification application has been filled with ITAT	15.57	8.34
-Tax Demand as per Sec 35(1) of Wealth Tax Act, 1957 (with respect to Assessment Year 2015-16- Rectification u/s 154- Assessing Officer)	0.04	-
-Tax Demand as per Sec 250 of Income Tax Act, 1961 (with respect to Assessment Year 2016-17) - Rectification application has been filled with ITAT	3.49	38.83



## NOTES

## to consolidated financial statements for the year ended March 31, 2022 (Contd.)

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
-Tax Demand as per Sec 143(3) of Income Tax Act, 1961 (with respect to Assessment Year 2017-18) - Rectification application has been filled with CIT(A)	3.83	16.61
-Tax Demand as per Sec 115-O of Income Tax Act, 1961 (with respect to Assessment Year 2017-18) - Rectification application has been filled with Assessing Officer	33.30	-
-Tax Demand as per Sec 154 of Income Tax Act, 1961 (with respect to Assessment Year 2018-19) - Appeal pending before CIT(A)	5.70	-
-Demand as per TDS (TRACES) portal - CPC	4.65	8.71

- (ii) Several Legal Cases of labour pending at labour Court, Civil Court and High Court. The Group has assessed and believe that none of these cases, either individually or in aggregate, are expected to have any material adverse effect on its financial statements. However, Since it is difficult for the Group to estimate the timings of the cash outflows, if any, no further provision or separate disclosure is made in books of accounts.

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
II Irrevocable letter of credit (net of margin) outstanding with banks	14,630.34	13,678.44
III Bank Guarantee given to government authorities	214.48	204.93
IV Counter Guarantees given by the Group to the Sales Tax Department over which Key Managerial Personnel have Significant influence		
- For enterprise	1.00	1.00
- For others	0.50	0.50
V The Group has given the corporate guarantees to banks on behalf of its foreign subsidiaries [Refer note no. 43 A(iii)].		

## b) Commitments

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Commitment: Estimated amount of contracts remaining to be executed on the capital account (Net of capital advances of ₹ 228.43 Lakhs ( March 31, 2021: ₹ 185.04))	420.11	-

The Group does not have any other long term Commitments or material non cancellable contractual commitments, which may have a material impact on the financial statement.

NOTES

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

**46 RELATED PARTY TRANSACTIONS**

a) List of related parties

Nature of Relationship	Name of the Related Party		
<b>Subsidiary (Direct / Indirect)</b>	<b>Domestic (Direct)</b>		
	Pearl Apparel Fashions Limited (Formerly known as Lerros Fashions India Limited) (Under Liquidation)		
	Pearl Global Kaushal Vikas Limited (Formerly known as Pixel Industries Limited)		
	SBUYS E-Commerce Limited		
	<b>Overseas (Direct)</b>		
	Pearl Global Fareast Limited		
	Pearl Global (HK) Limited		
	Norp Knit Industries Limited		
	Pearl Global USA, Inc.		
	<b>Overseas (Indirect)</b>		
	A & B Investment Limited		
	Pearl Global F.Z.E.		
	DSSP Global Limited		
	Pearl Global Vietnam Company Limited		
	Pearl Global(Chang Zhou) Textile Technology Company Limited (Liquidated on 05.08.2021)		
	Pearl Grass Creations Limited (Formerly known as Pearl Tiger HK Limited)		
	PGIC Investment Limited		
	Prudent Fashions Limited		
	PT Pinnacle Apparels (Formerly known as PT Norwest Industry)		
	Vin Pearl Global Vietnam Limited		
	<b>Enterprise over which Key Managerial Personnel exercise Significant influence</b>	PDS Limited (Formerly known as PDS Multinational Fashions Limited)	
	<b>Key Management Personnel (KMP) &amp; their relative</b>	Mr. Deepak Seth	Chariman
		Mr. Pulkit Seth	- Vice Chairman - Managing Director
Mrs. Shifalli Seth		- Whole -Time Director	
Mr. Pallab Banerjee		- Joint Managing Director (from 01.10.2021)	
Mr. Vinod Vaish		Whole-Time Director (till 30.04.2020)	
Mr. Uma Shankar Kaushik		Whole-Time Director (from 28.07.2020 till 10.01.2022)	
Mr. Shailesh Kumar		Whole-Time Director (from 07.10.2020)	
Mr. Deepak Kumar		Whole-Time Director (from 14.02.2022)	
Mr. Raghav Garg		Chief Financial Officer (till 30.06.2020)	
Mr.Kashmir Singh Rathour		Chief Financial Officer (from 28.07.2020 till 20.04.2021)	
Mr. Narendra Kumar Somani		Chief Financial Officer (w.e.f 21.06.2021)	
Mr. Sandeep Sabharwal		Company Secretary (till 15.02.2021)	
Mr. Mayank Jain		Company Secretary (from 21.06.2021 to 08.11.2021)	
Mr. Ravi Arora	Company Secretary (w.e.f 14.02.2022)		



## NOTES

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

## b) Disclosure of Related Parties Transactions:

## (i) Enterprise over which KMP has Significant Influence

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Dividend Received	7.87	-
Expenses paid by them on behalf of the Company	2.87	2.25
Loan Received Back	300.00	-
Interest income	28.68	30.05

## Closing Balance

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Loan receivable (including interest)	-	300.00

## (ii) Key Management Personnel (KMP)

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Remuneration paid	498.21	173.81
EPF paid	2.93	0.52
Expenses incurred on behalf of the Company	40.91	39.58
Directors sitting fees	0.60	0.50

## Closing Balance

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Payable - Payable to KMP	14.40	-

C. Disclosure of Material Transactions: Related Parties having more than 10% interest in each transaction in the ordinary course of business.

## (i) Enterprise over which KMP has significant influence

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Dividend Received</b>		
PDS Multinational Fashion Limited	7.87	-
<b>Expenses paid on behalf of the Company</b>		
PDS Multinational Fashion Limited	2.87	2.25
<b>Interest income</b>		
PDS Multinational Fashion Limited	28.68	30.05
<b>Loan received back</b>		
PDS Multinational Fashion Limited	300.00	-
<b>Closing Balance</b>		
<b>Loan receivable (including interest)</b>		
PDS Multinational Fashion Limited	-	300.00

NOTES

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

(ii) Key Management Personnel

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Remuneration paid</b>		
Mr.Pulkit Seth	255.04	83.40
Mrs. Shifalli Seth	37.50	34.75
Mr. Uma Shankar	22.50	14.95
Mr. Deepak Kumar	6.58	-
Mr. Mayank Jain	9.72	9.26
Mr. Narendra Somani	42.00	20.34
Mr. Kumar Shailesh	18.00	11.12
Mr. Pallabh Banarjee	102.72	-
Mr. Ravi Arora	4.15	-
<b>Expenses paid by the Company on their behalf</b>		
Mr.Pulkit Seth	0.11	0.11
Mrs. Shifalli Seth	0.11	0.11
Mr. Deepak Kumar	0.05	-
Mr. Mayank Jain	0.14	0.14
Mr. Kashmir Rathour	-	0.16
Mr. Pallabh Banarjee	2.52	-
<b>Expenses incurred on behalf of the Company</b>		
Mr. Uma Shankar	13.32	4.71
Mr. Sandeep Sabharwal	-	6.04
Mr. Raghav Garg	-	13.36
Mr. Vinod Vaish	-	13.88
Mr. Mayank Jain	6.00	-
Mr. Narendra Somani	14.43	-
Mr. Kumar Shailesh	5.31	1.58
Mr. Pallabh Banarjee	1.85	-
<b>Directors sitting Fees:</b>		
Mr. Deepak Seth	0.60	0.50

iii) Terms and conditions of transactions with related parties

All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free except the interest bearing loan and settlement occurs in cash.

- iv) The remuneration of Key managerial Personnel does not include amount in respect of gratuity and leave encashment payable as the same are not determinable as individual basis for the KMP. The liabilities of gratuity and leave encashment are provided for Company as whole on the basis of actuarial valuation.
- v) Personal Gurantee given by Mr. Deepak Seth (Promoter Director) and Mr. Pulkit Seth (Managing Director) against the Borrowings (Refer note 21)..
- vi) Corporate Guarantee given by the Holding company (as per Section 186(4) of the Companies Act 2013),
- To Standard Chartered Bank, Hongkong Branch for securing credit facilities to its wholly owned subsidiary Pearl Global ( HK ) Limited, Hong Kong for USD 30.00 Lakhs equivalent to ₹ 2,274.30 Lakhs ( March 31, 2021 USD 30.00 Lakhs equivalent to ₹ 2,205.00 Lakhs).
  - To Hongkong and Shanghai Banking Corporation Limited, Hongkong Branch for securing credit facilities to its wholly owned subsidiary Pearl Global (HK) Limited, Hong Kong and its step down subsidiary DSSP Global Limited and Pearl Grass Creations Limited for USD 200.00 Lakhs equivalent to ₹ 15,162.00 Lakhs (March 31, 2021: USD 200.00 Lakhs equivalent to ₹ 14,700.00 Lakhs).
  - To Hongkong and Shanghai Banking Corporation Limited, Hongkong Branch for securing credit facilities to its wholly owned subsidiary Pearl Global (HK) Limited, Hong Kong and its step down subsidiary DSSP Global





## NOTES

## to consolidated financial statements for the year ended March 31, 2022 (Contd.)

Limited and Pearl Grass Creations Limited for USD 40.00 Lakhs equivalent to ₹ 3,032.40 Lakhs (March 31, 2021: USD Nil equivalent to ₹ Nil).

- To Standard Chartered Bank, Bangladesh Branch for securing credit facilities to its subsidiary Norp Knit Industries, Bangladesh for BDT Nil equivalent to ₹ Nil (March 31, 2021: BDT 9,000.00 Lakh equivalent to ₹ 7,636.03 Lakhs).

Above Corporate Guarantees have been given for business purpose.

**47 DISCLOSURES MANDATED BY SCHEDULE III OF COMPANIES ACT 2013, BY WAY OF ADDITIONAL INFORMATION**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	For financial year 2021-22							
	Net Assets i.e. total assets minus total liabilities		Share in profit /(loss)		Share in other Comprehensive Income		Share in total Comprehensive Income	
Name of the Entities	As a % of consolidated net assets	Amount	As a % of consolidated Profit	Amount	As a % of consolidated Profit	Amount	As a % of consolidated Profit	Amount
<b>Parent:</b>								
Pearl Global Industries Limited	57.35	34,348.05	38.74	2,715.78	18.52	260.26	35.36	2,976.04
<b>Subsidiary:</b>								
- Indian								
Pearl Global Kausal Vikas Limited	(0.00)	(0.31)	(0.01)	(0.43)	-	-	(0.01)	(0.43)
Pearl Apparel Fashions Limited	0.01	3.63	0.04	2.83	0.00	0.05	0.03	2.88
SBUYS E-Commerce Limited	0.08	49.67	0.70	48.93	-	-	0.58	48.93
- Foreign								
Norp Knit Industries Limited	26.09	15,626.06	27.68	1,940.37	23.40	328.80	26.96	2,269.17
Pearl Global Far East Limited	12.25	7,334.02	(6.17)	(432.39)	10.72	150.63	(3.35)	(281.76)
Pearl Global (HK) Limited	25.29	15,149.85	38.99	2,733.47	48.68	684.02	40.61	3,417.49
<b>Subtotal</b>	<b>- 72,510.99</b>		<b>- 7,008.56</b>		<b>- 1,423.75</b>		<b>- 8,432.32</b>	
Intercompany Elimination & Consolidation Adjustments	(21.07)	(12,617.07)	0.03	2.31	(1.32)	(18.49)	(0.19)	(16.18)
<b>Total</b>	<b>- 59,893.92</b>		<b>- 7,010.88</b>		<b>- 1,405.26</b>		<b>- 8,416.14</b>	
Non Controlling Interest in subsidiaries	-	1,593.33	-	(196.24)	-	(47.39)	-	(243.63)
<b>Grand Total</b>	<b>- 61,487.25</b>		<b>- 6,814.64</b>		<b>- 1,357.87</b>		<b>- 8,172.51</b>	

**(b) For financial year 2020-21:**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	For financial year 2020-21							
	Net Assets i.e. total assets minus total liabilities		Share in profit /(loss)		Share in other Comprehensive Income		Share in total Comprehensive Income	
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
<b>Parent:</b>								
Pearl Global Industries Limited	60.66	31,372.02	4.43	77.40	(813.05)	706.70	47.19	784.10
<b>Subsidiary:</b>								
- Indian								
Pearl Global Kausal Vikas Limited	0.00	0.10	(0.04)	(0.65)	-	-	(0.04)	(0.65)
Pearl Apparel Fashions Limited	-	-	-	-	-	-	-	-

NOTES

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	Net Assets i.e. total assets minus total liabilities		Share in profit /(loss)		Share in other Comprehensive Income		Share in total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated Profit	Amount	As a % of consolidated Profit	Amount	As a % of consolidated Profit	Amount
SBUYS E-Commerce Limited	0.00	0.74	(0.00)	(0.01)	-	-	(0.00)	(0.01)
- Foreign								
Norp Knit Industries Limited	25.82	13,356.89	13.27	231.96	442.40	(384.53)	(9.18)	(152.57)
Pearl Global Far East Limited	13.78	7,129.68	6.70	117.17	176.30	(153.22)	(2.17)	(36.05)
Pearl Global (HK) Limited	23.15	11,975.99	75.70	1,323.50	268.15	(233.07)	65.63	1,090.43
<b>Subtotal</b>	<b>-</b>	<b>63,835.42</b>	<b>-</b>	<b>1,749.37</b>	<b>-</b>	<b>(64.12)</b>	<b>-</b>	<b>1,685.25</b>
Intercompany Elimination & Consolidation Adjustments	(23.42)	(12,113.96)	(0.06)	(1.05)	26.22	(22.79)	(1.43)	(23.84)
<b>Total</b>	<b>-</b>	<b>51,721.46</b>	<b>-</b>	<b>1,748.32</b>	<b>-</b>	<b>(86.91)</b>	<b>-</b>	<b>1,661.41</b>
Non Controlling Interest in subsidiaries	-	1,293.82	-	(21.21)	-	23.84	-	2.63
<b>Grand Total</b>	<b>-</b>	<b>53,015.28</b>	<b>-</b>	<b>1,727.11</b>	<b>-</b>	<b>(63.07)</b>	<b>-</b>	<b>1,664.04</b>

**48 LEASES**

- a) Lease contracts entered by the Group majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Group does not have any lease restrictions and commitment towards variable rent as per the contract.

<b>Right-of-use assets: movements in carrying value of assets</b>	<b>Buildings</b>
<b>Gross Block as at March 31, 2020</b>	<b>12,159.53</b>
Add: Additions during the year	560.59
Add: Adjustment on account of addition of prepaid component of security deposit	327.58
Add / (Less): Reclassification from PPE on account of adoption of Ind AS 116	(62.60)
(Less): Disposal / adjustments during the year	(6.58)
Add/(Less): Exchange Fluctuation/ Translation	(228.54)
<b>Gross Block as at March 31, 2021</b>	<b>12,749.98</b>
Add: Additions during the year	3,224.17
(Less): Disposal / adjustments during the year	(624.32)
Add/(Less): Exchange Fluctuation/ Translation	333.31
<b>Gross Block As at March 31, 2022</b>	<b>15,683.12</b>
<b>Accumulated Depreciation and amortisation :</b>	
<b>As at April 01, 2020</b>	<b>1,433.53</b>
Add: Depreciation charge for the year	1,528.65
Add: Security Deposit Amortisation	33.15
Add: Reclassification from PPE on account of adoption of Ind AS 116	(12.11)
Add/(Less): Exchange Fluctuation/ Translation	(35.60)
<b>As at March 31, 2021</b>	<b>2,947.62</b>
Add: Depreciation charge for the year	1,692.61
Add: Security Deposit Amortisation	1.22
Less: (Disposals) / adjustments during the year	(211.37)
Add/(Less): Exchange Fluctuation/ Translation	84.89
<b>As at March 31, 2022</b>	<b>4,514.97</b>
<b>Net Block :</b>	
<b>As at March 31, 2022</b>	<b>11,168.15</b>
<b>As at March 31, 2021</b>	<b>9,802.36</b>
In 2021-22, there were no impairment charges recorded for right-of-use assets.	
<b>Leases: movements in carrying value of recognised liabilities</b>	
<b>As At April 01, 2021</b>	<b>7,394.94</b>
Add: Additions during the year	2,270.32
Add: Interest expense on lease liabilities	846.80



## NOTES

to consolidated financial statements for the year ended March 31, 2022 (Contd.)

<b>Right-of-use assets: movements in carrying value of assets</b>	<b>Buildings</b>
Less: Disposal /Adjustments during the year	(509.59)
Less: Repayment of lease liabilities	(2,049.72)
Add: Exchange Realisation/ Translation	92.40
<b>As At March 31, 2022</b>	<b>8,045.15</b>
Non-current lease liabilities	7,161.40
Current lease liabilities	883.75
<b>Total lease liabilities</b>	<b>8,045.15</b>

The maturity analysis of lease liabilities is given in note 43 in the 'Liquidity risk' section.

**Leases committed and not yet commenced:**

There are no leases committed which have not yet commenced as on reporting date. Cash flows from operating activities includes cash flow from short term lease & leases of low value.

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. For details of items of PPE given on lease, Refer to note no. 4 of Financial Statements.

**49 EVENT OCCURRING AFTER BALANCE SHEET DATE****a) Dividend paid and proposed:**

(Amount in ₹ Lakhs, unless otherwise stated)

<b>Particulars</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
<b>Declared for the year:</b>		
Interim dividend declared on May 25, 2022 by Pearl Global Industries Limited (India) for the financial year 2021-22: ₹ 5 per share (2020-21: ₹ Nil per share) <b>(₹ 5 on 21,663,937 equity shares)</b>	1,083.20	-
<b>b) Proposed Dividend:</b>		
- The directors of PG(HK) proposed final dividend for financial year 2021-22: \$0.16 per share (2020-21: \$ Nil per share) which is subject to the approval of the Group's shareholders at the forthcoming annual general meeting.	189.525	-
- The directors of Pearl Global Fareast Limited proposed final dividend for financial year 2021-22: \$0.42 per share (2020-21: \$ Nil per share) which is subject to the approval of the Group's shareholders at the forthcoming annual general meeting.	379.05	-

**c)** On April 22, 2022, the Group acquired a 52.11% equity interest in Alpha Clothing Limited, which engages in the manufacture of garment products in Bangladesh, at a consideration of ₹ 801.44 Lakhs (approx). The group has acquired Alpha Clothing Limited to further expand its production capacity.

**d)** No other material events have occurred between the balance sheet date to the date of issue of these financial statements that could affect the values stated in the financial statements.

## NOTES

### to consolidated financial statements for the year ended March 31, 2022 (Contd.)

#### **50 ESTIMATION OF UNCERTAINTIES RELATING TO THE GLOBAL HEALTH PANDEMIC - COVID-19:**

The group has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of liquidity and going concern assumption, the recoverability of recoverability of carrying amounts of financial and non-financial assets. The group has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these standalone financial statements and expects to recover the carrying amount of its assets. The group will continue to monitor future economic conditions and its consequent impact on the business operations, given the uncertain nature of the pandemic.

**51** 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.

#### **52 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.

#### **53**

- 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

**54** 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**

**(Pallab Banerjee)**  
Managing Director  
DIN 07193749

**(Pulkit Seth)**  
Vice-Chairman  
DIN 00003044

Place of Signature: Gurugram  
Date: May 25, 2022

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

**(Ravi Arora)**  
Company Secretary  
M. No. ACS - 21187











Exceeding Expectations...Always

## Pearl Global Industries Limited

---

### Registered Office

C-17/1, Paschimi Marg,  
Vasant Vihar,  
New Delhi-110057  
CIN: L74899DL1989PLC036849

### Corporate Office

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