ANNUAL REPORT
2017-2018

Pearl Global
Industries Limited

Pearl Global Industries Limited

DIGITAL INDIA IS THE INDIA OF EVERYONE'S DREAMS

PearlGlobal
Industries Limited

Board of Directors

Mr. Deepak Seth	-	Chairman
Mr. Pulkit Seth	-	Vice- Chairman & Managing Director
Mrs. Shefali Seth	-	Whole-Time Director
Mr. Vinod Vaish	-	Whole-Time Director
Mr. Chittranjan Dua	-	Non-executive Independent Director
Mr. Rajendra Kumar Aneja	-	Non-executive Independent Director
Mr. Anil Nayar	-	Non-executive Independent Director
Mr. Abhishek Goyal	-	Non-executive Independent Director

Company Secretary
Mr. Sandeep Sabharwal

Audit Committee

Mr. Anil Nayar	-	Chairman
Mr. Vinod Vaish	-	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. Vinod Vaish	-	Member Director
Mr. Rajendra Kumar Aneja	-	Member Director

Corporate Social Responsibility Committee

Mr. Vinod Vaish	-	Chairman
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
"Pearl House"
A-3, Community Centre
Naraina Industrial Area, Phase-II
New Delhi-110028

Bankers
Punjab National Bank
Standard Chartered Bank
UCO Bank
State Bank of India

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

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Registered Office: A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi-110028
Corporate Office: Pearl Tower, Plot No.51, Sector-32, Gurugram-122001(Haryana)
Tel: 0124-4651000, Fax: 0124-4651010, Website: www.pearlglobal.com; e-mail: investor.pgil@pearlglobal.com
CIN: L74899DL1989PLC036849

NOTICE TO MEMBERS

Notice is hereby given that the 29th Annual General Meeting of the Members of Pearl Global Industries Limited will be held on Monday, 24th September, 2018 at 10:30 A.M. at Air Force Auditorium, Near R&R Hospital, Subroto Park, New Delhi-110010, 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 31st March, 2018 including the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended 31st March, 2018.
3. To appoint a Director in place of Mrs. Shefali Seth (DIN 01388430), who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr. Vinod Vaish (DIN 01945795), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

5. **TO APPROVE REVISION IN REMUNERATION OF MR. VINOD VAISH (DIN: 01945795), WHOLE-TIME DIRECTOR**

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

   "RESOLVED THAT in partial modification of earlier Resolution passed by the shareholders at the 27th Annual General Meeting of the Company held on 27th September, 2016 and pursuant to the provisions of Sections 196, 197, and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), approval of members of the company be and is hereby accorded to increase the remuneration of Mr. Vinod Vaish, Whole-time Director of the Company with effect from 1st November, 2017, for his remaining tenure."

   "RESOLVED FURTHER THAT Mr. Vinod Vaish will be entitled for the following remuneration per month as Whole-Time Director of the Company:

Particulars	(Amount in Rs.)
Basic Pay	68,890/-
House Rent Allowance	34,440/-
Special Allowance	20,742/-
Medical Allowance	1,250/-
Provident Fund & Gratuity	As per Company's rules

   He will be provided a Company maintained Car with driver and a mobile phone for official purpose, and also be entitled for reimbursement of actual business expenses.

   "RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts and deeds as may be necessary to give effect to this Resolution."

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

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

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force) and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (which will be effective from 1st April, 2019), the approval of the members of the Company be and is hereby accorded for re-appointment and payment of remuneration to Mrs. Shefali Seth as Whole-Time Director of the Company for a period of Three years with effect from 19th January, 2018, with liberty to the Board of Directors to alter and vary the terms and conditions and / or remuneration."

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

Salary	:	Rs. 6.25 Lakh per month.
Car	:	A Company maintained car for official purpose.
Mobile / Telephone	:	A mobile for official purpose.
Provident Fund & Gratuity	:	As per Company's rules.

"RESOLVED FURTHER THAT Mrs. Shefali Seth, Whole-time Director shall be responsible for affairs of the Company with special focus on Design and Development of Products of the Company and also perform such other duties and services as shall from time to time be entrusted to her by the Board of Directors of the Company."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to this Resolution."

7. TO RE-APPOINT MR. VINOD VAISH (DIN: 01945795) AS WHOLE-TIME DIRECTOR

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), the approval of the members of the Company be and is hereby accorded for re-appointment of Mr. Vinod Vaish as Whole-Time Director of the Company for a period of Two years with effect from 19th October, 2018, with liberty to the Board of Directors to alter and vary the terms and conditions and / or remuneration."

"RESOLVED FURTHER THAT Mr. Vinod Vaish will be entitled for the following remuneration per month as Whole-Time Director of the Company:

Particulars	(Amount in Rs.)
Basic Pay	68,890/-
House Rent Allowance	34,440/-
Special Allowance	20,742/-
Provident Fund & Gratuity	As per Company's rules

He will be provided a Company maintained Car with driver and a mobile phone for official purpose, and also be entitled for reimbursement of actual business expenses.

"RESOLVED FURTHER THAT Mr. Vinod Vaish, Whole-time Director shall be responsible for affairs of the Company with special focus on HR & Administration functions of the Company and also perform such other duties and services as shall from time to time be entrusted to him by the Board of Directors of the Company."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts and deeds as may be necessary to give effect to this Resolution."

8. TO APPROVE REMUNERATION OF MR. PULKIT SETH (DIN 00003044), MANAGING DIRECTOR OF THE COMPANY

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

"RESOLVED THAT pursuant to the provision of Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (which will be effective from 1st April, 2019), the approval of the members of the Company be and is hereby accorded for payment of remuneration to Mr. Pulkit Seth, Managing Director of the Company for his remaining period upto 31st May, 2019, as set out below:

Salary	:	Rs.10.00 Lakh per month.
Car	:	A Company maintained car for official purpose.
Mobile / Telephone	:	A mobile for official purpose.
Provident Fund & Gratuity	:	As per Company's rules.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

9. TO INCREASE THE INVESTMENT LIMIT BY THE NON-RESIDENT INDIAN (NRI) OR OVERSEAS CITIZEN OF INDIAN (OCI) IN THE COMPANY

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

"RESOLVED THAT pursuant to the provision of Regulation 5(3) read with Schedule-3 and other applicable provisions, if any, of Foreign Exchange Management (Transfer or Issue of Security by Person Resident Outside India) Regulations, 2017, as amended, from time to time, or any other applicable law, the approval of the members of the Company be and is hereby accorded for increase of investment limit in the Company from 10% of the total equity capital to 24% of the total equity capital by the Non-Resident Indian or Overseas Citizen of India."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

10. **ALTERATION OF MEMORANDUM OF ASSOCIATION OF THE COMPANY FOR COMMENCEMENT OF NEW BUSINESS**

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

"RESOLVED THAT pursuant to the provisions of Section 13 and all other applicable provisions of the Companies Act, 2013 and the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to such approvals as may be necessary or required, the approval of the Members be and is hereby accorded for alteration of the Object Clause of the Memorandum of Association of the Company by inserting new Clause No.11 after Clause No. 10 in the Main Object III (A) as follows:

11. To carry on business of providing Training and Development, Skill Development, as Knowledge Trainers and Disseminators, Project and Training Implementing Agencies under various Skill Development schemes of Authorities, Advisors, Consultants in all types of activities, fields, professions, products, industries, markets and areas and to conceptualise the ideas, projects, concepts and advise, consult, train the people for completion of such idea, project or concept for specific assignment from the idea to implementation stage and to carry on the business of recruitment, training, skill development and placement of all kind of personnel in India and abroad.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

11. **TO APPROVE RELATED PARTY TRANSACTIONS FOR THE FINANCIAL YEAR 2019-2020**

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

"RESOLVED THAT pursuant to Section 188 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the consent of the Audit Committee and the Board of Directors, the approval of the members of the Company be and is hereby accorded for entering into contract or arrangement with the related parties as defined under the Act and the Rules made there under, namely Norp Knit Industries Limited, PT Pinnacle Apparels, Pearl Global (HK) Limited, Pearl Global Fareast Limited, DSSP Global Limited, Multinational Textile Group Limited, PDS Multinational Fashions Limited, Norwest Industries Limited, Pearl Grass Creations Limited, Pearl Apparel Fashions Limited, Nor Delhi Manufacturing Limited, PG Group Limited, Poeticgem Limited, Prudent Fashions Limited, Vin Pearl Global Vietnam Limited, Pearl Global F.Z.E., PGIC Investment limited, Pearl Global (Chang Zhou) Textile Technology Co. Limited, Pearl Global Vietnam Co. Limited, as per details and terms & conditions as set out under the Explanatory Statement annexed to this Notice."

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

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

Place: Gurugram
Date: August 09, 2018

(Sandeep Sabharwal)
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED MUST REACH THE COMPANY'S REGISTERED OFFICE ATLEAST 48 HOURS BEFORE THE TIME OF THE MEETING**.

2. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 18th September, 2018 to Monday, the 24th September 2018 (both days inclusive).

   The dividend of Rs. 2/- per equity share of Rs.10/- each, as recommended by the Board of Directors of the Company, if declared at the meeting, will be paid on or before Tuesday, 23rd October, 2018 to those members:

   - whose names appear as Beneficial Owners as at the end of business hours on Monday, 17th September, 2018 in the lists of Beneficial Owners furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the shares held in electronic form; and
   - whose names appear as members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before Monday, 17th September, 2018.

3. The relevant Explanatory Statements pursuant to Section 102 of the Companies Act, 2013 and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of re-appointment (s) of Directors are annexed to this notice.

4. Members/Proxies are requested to bring their attendance slip along with copy of Annual Report to the Meeting and are requested not to bring any article, briefcase, hand bag, carry bag etc., as the same will not be allowed to be taken inside the Auditorium for security reasons. Further, the Company or any of its officials shall not be responsible for their articles, bags etc., being misplaced, stolen or damaged at the Meeting place.

5. Members/Proxies should fill the attendance slip for attending the meeting. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those hold shares in Physical forms are requested to write their Folio Number in the attendance slip for attending the meeting.

6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

7. Corporate members intending to send their authorized representative are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.

   Information in respect of such unclaimed dividend including when due for transfer to the said Fund is given below:

Financial year ended	Rate of Dividend Declared on the paid-up equity share capital	Date of declaration of Dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEP Fund
31.03.2013	10.00% (Final)	27.09.2013	25.10.2020	24.11.2020
31.03.2014	20.00% (Final)	26.09.2014	24.10.2021	23.11.2021
31.03.2015	22.50% (Final)	22.09.2015	20.10.2022	19.11.2022
31.03.2016	25.00% (Interim)	11.03.2016	09.04.2023	08.05.2023
31.03.2016	5.00% (Final)	27.09.2016	26.10.2023	25.11.2023
31.03.2017	30.00% (Final)	28.09.2017	27.10.2024	26.11.2024

Members who have not en-cashed the dividend warrant(s) so far, are requested to make their claim to the Company or to the Registrar and Share Transfer Agent of the Company at Link Intime India Pvt. Limited, 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, New Delhi – 110 028.

8. Members who have not registered their e-mail addresses so for are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.

9. Soft copy of the Annual Report for the financial year 2017-18 is being sent to all the members, whose email IDs are registered with the Company/RTA/Depository

Participants(s) for communication purposes. For members who have not registered their email address, physical copies of the Annual Report for the financial year 2017-18 are being sent in the permitted mode.

10. **NO GIFT(S) SHALL BE DISTRIBUTED AT THE ENSUING 29TH ANNUAL GENERAL MEETING OF YOUR COMPANY.**

11. **Voting through electronic means**

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote at the 29th Annual General Meeting (AGM) by electronic means and the business contained herein may be transacted through e-voting Services provided by Central Depositary Services Limited (CDSL):

The instructions for e-voting are as under:-

(i) The voting period begins on Friday, 21st September, 2018 at 10:00 A.M. and ends on Sunday, 23rd September, 2018 at 5:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 17th September, 2018 (record date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot/Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member ID/folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholder can also cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non-Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.co.in and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e 17^{th} September, 2018 may follow the same instructions as mentioned above for e-Voting.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

II. Mr. Deepak Somaiya, Practicing Company Secretary (Membership No. FCS 5845) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

III. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

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

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

A brief Resume of the Director(s) offering themselves for re-appointment is given below:

ITEM No. 3:

Mrs. Shefali Seth aged about 37 years, is a Bachelor of Science in Business Administration from University of Bradford, U. K., has varied exposure in Garments and Textiles Industry. She is Whole-Time Director of the Company and heading Design & Product Development functions since 2012. She is having International experience in trading, marketing of Readymade Garments and knowledge of Southeast Asia region for over two years. She is wife of Mr. Pulkit Seth, Vice-Chairman and Managing Director of your Company.

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

Directorship

(i) Pixel Industries Limited (ii) PS Arts Private Limited (iii) DSSP Global Limited

She is Designated Partner in PSS Estates LLP.

She is not a member of any committee of the Company.

Mrs. Shefali Seth, the retiring Director, being eligible, offers herself for re-appointment.

Directors of your Company propose to re-appoint Mrs. Shefali Seth as Director, liable to retire by rotation and therefore this Resolution is recommended for approval of the Shareholders of the Company.

None of the Directors, Key Managerial Personnel or their relatives except Mrs. Shefali Seth herself, Mr. Deepak Seth and Mr. Pulkit Seth being relatives, are interested, whether directly or indirectly, in this Resolution.

Item No. 4

Mr. Vinod Vaish, aged about 60 years, is a Bachelor of Science and Long Logistics Management. He is Whole-Time Director of the Company and heading Administration and HR functions of the Company since 2012. He had been in the Indian Navy for 28 years at various levels in various capacities and has achieved in depth knowledge of all aspects of Administration and Logistics Management. He has been conferred President Gold Medal for overall outstanding best officer in Naval Academy.

Details of other directorship/committee membership held by him in other Companies are as follows:

Directorship

Pearl Apparel Fashions Limited (Formerly Lerros Fashions India Limited)

Committee

He is Chairman of CSR Committee and member of Audit Committee and Stakeholders Relationship Committee of your Company.

Mr. Vinod Vaish, the retiring Director, being eligible, offers himself for re-appointment.

Directors of your Company propose to re-appoint Mr. Vinod Vaish as Director, liable to retire by rotation and therefore this Resolution is recommended for approval of the Shareholders of the Company.

None of the Directors, Key Managerial Personnel or their relatives except Mr. Vinod Vaish himself is interested in this resolution.

Item No. 5:

Members of the Company in 27th Annual General Meeting held on 27th September, 2016 had approved the re-appointment and remuneration of Mr. Vinod Vaish as Whole-Time Director of the Company for the period of Two years, commencing from 19th October, 2016 to 18th October, 2018.

In view of the growth in the business activities, increased volume of work the Nomination and Remuneration Committee and subsequently the Board of Directors in their meetings held on 13th December, 2017, considered it just, fair and reasonable to revise remuneration of Mr. Vinod Vaish for the remaining tenure as Whole-Time Director of the Company.

Shareholders' approval is sought for the variation in terms of remuneration of Mr. Vinod Vaish as Whole-Time Director of the Company. The Remuneration payable to Mr. Vinod Vaish is within the limits provided under Section 197 read with Schedule V and other applicable provisions of the Companies Act, 2013.

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

None of the Directors and Key Managerial Personnel, except Mr. Vinod Vaish, himself is interested, whether directly or indirectly, in this Resolution.

Item No. 6:

Mrs. Shefali Seth, aged about 37 years, is presently heading Design & Product Development functions of the Company. She has a Bachelor degree in Business Administration from University of Bradford, U. K., has varied exposure in Garments and Textiles Industry.

Members of the Company in their 26th Annual General Meeting held on 22nd September, 2015 had approved the appointment and remuneration of Mrs. Shefali as Whole-Time Director of the Company for a period of three years w.e.f. 19th January, 2015.

Further, members of the Company in their 28th Annual General Meeting held on 28th September, 2017 had approved the revision in remuneration of Mrs. Shefali Seth from Rs. 5.0 Lakh to Rs. 6.25 Lakh per month for her remaining tenure w.e.f. 1st June, 2017.

The Board of Directors on the recommendation of Nomination and Remuneration Committee, at their meetings held on 13th December, 2017, has approved the re-appointment of Mrs. Shefli Seth as Whole-Time Director for a further period of three years and payment of remuneration, commencing from 19th January, 2018. The Nomination and Remuneration Committee and the Board of Directors of the Company are of the opinion that she is fit and proper person to hold the said office and her re-appointment will be in the interest of the Company.

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

Directorship

(i) Pixel Industries Limited, (ii) PS Arts Private Limited (iii) DSSP Global Limited

She is Designated Partner in PSS Estates LLP.

She is not a member of any committee of the Company.

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

Further, the Securities and Exchange Board of India (SEBI) has amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on May 09, 2018 and inserted a new provision as Clause (e) under Regulation 17(6).

Pursuant to this amendment the fees/remuneration or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if (i) the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or (ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity. The approval of the shareholders under this provision shall be valid only till the expiry of the term of such director.

As the Company has more than one Executive Director, belonging to promoter category, shareholders approval by Special Resolution is being sought on account of aggregate annual remuneration of such Directors exceeding 5% of the net profits of the Company.

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

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

None of the Directors and Key Managerial Personnel, except Mrs. Shefali Seth, herself, Mr. Deepak Seth, and Mr. Pulkit Seth being relatives, are interested, whether directly or indirectly, in this Resolution.

Item No. 7:

Mr. Vinod Vaish, aged about 60 years, is a Bachelor of Science and Long Logistics Management. He is Whole-Time Director of the Company and heading Administration and HR functions of the Company since 2012.

Members of the Company in their 27th Annual General Meeting held on 27th September, 2016 had approved the re-appointment and remuneration payable to Mr. Vinod Vaish as Whole-Time Director of the Company for a period of two years w.e.f. 19th October, 2016.

The Board of Directors on the recommendation of Nomination and Remuneration Committee in their meetings held on 9th August, 2018, has approved his re-appointment as Whole-Time Director for a further period of Two years commencing from 19th October, 2018 on the existing remuneration. The Nomination and Remuneration Committee and the Board of Directors of the Company are of the opinion that he is fit and proper person to hold the said office and his reappointment will be in the interest of the Company.

Details of other Directorship/Committee Membership held by him in other Companies are as follows:

Directorship:

Mr. Vinod Vaish is a Director of Pearl Apparel Fashions Limited (Formerly Lerros Fashions India Ltd.)

Committee Membership:

He is Chairman of the CSR Committee and member of Audit Committee of your Company.

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

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

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

None of the Directors and Key Managerial Personnel, except Mr. Vinod Vaish, himself is interested, whether directly or indirectly, in this Resolution.

THE STATEMENT PURSUANT TO SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013 FOR ITEM NO. 6 & 7

I. GENERAL INFORMATION:

1. NATURE OF INDUSTRY

   Pearl Global Industries Limited is engaged in manufacture and exports of Readymade Garments. Garment and Textile Industries plays a major role in the economy of the country. Indian garment and textile industry is the second largest after agriculture in the country in terms of employment generation. Indian industry currently generates employment to more than 45 million people directly and 60 million people indirectly. The Industry contributes approximately 5% to India's gross domestic product (GDP) and contributes to nearly 30% of the total exports.

   The Company has large installed capacity for apparel manufacturing with *state-of-the-art* machinery and work process for supplying high quality products to Customers and with the continuous up-gradation of manufacturing facilities, the Company shall record further increase in Turnover and Profits in future years.

2. DATE OF COMMENCEMENT OF COMMERCIAL PRODUCTION

   The date of commencement of commercial production (in erstwhile Pearl Global Limited, since merged with the Company) was 7th December, 1988.

   IN CASE OF NEW COMPANIES, EXPECTED DATE OF COMMENCEMENT OF ACTIVITIES AS PER PROJECT APPROVED BY FINANCIAL INSTITUTIONS APPEARING IN THE PROSPECTUS

   Not Applicable

3. FINANCIAL PERFORMANCE BASED ON GIVEN INDICATORS

   The gross income of the Company stood at Rs 758.79 Crore. The Profit before Tax for the year is Rs. 6.78 Crore against Rs. 18.16 Crore last year. The Company managed to have PAT of Rs. 2.66 Crore.

4. EXPORT PERFORMANCE AND NET FOREIGN EXCHANGE COLLABORATIONS

   The Readymade Garment saw exit of Multi Fibre Agreement regime to a new regime of quota free regime, this has resulted in a changing scenario in the Indian Readymade Garment Industry, which is to going through a changing face in which the Industry will have to improve upon its bottom line and upgrade its technology in line with the International norms.

   The FOB value of Export earnings of Rs. 643.03 Crore during the current financial year 2017-18, and Rs. 758.43 Crore in the last year

5. FOREIGN INVESTMENTS OR COLLABORATORS, IF ANY

   The Company has no foreign collaboration.

   Apart from holding 3610499 equity shares of Rs.10/- each of your Company by 174 NRI/FPI/ OCB's Members/Folios representing 16.67% of the total paid up Capital of the Company as on 31st March, 2018, there is no other foreign investment in the Company.

II. INFORMATION ABOUT THE APPOINTEE:

<table>
<tr><th>Information</th><th colspan="2">Mrs. Shefali Seth</th><th>Mrs. Vinod Vaish</th></tr>
<tr><td>Background Details</td><td colspan="2">Mrs. Shefali Seth aged about 37 years, a Bachelor of Science in Business Administration from University of Bradford, U. K., has varied exposure in Garments and Textiles Industry. She is Whole-Time Director of the Company and heading Design & Product Development functions since 2012. She is having International experience in trading, marketing of Readymade Garments and knowledge of Southeast Asia region.</td><td>Mr. Vinod Vaish, aged about 60 years, is a Bachelor of Science and Long Logistics Management. He had been in the Indian Navy for 28 years at various levels in various capacities and has achieved in depth knowledge of all aspects of Administration and Logistics Management. He has over 10 years experience in private sector, specifically in Administration and production.</td></tr>
<tr><td>Past Remuneration</td><td colspan="2">Rs. 6.25 Lakh Per Month</td><td>Rs. 1.25 Lakh Per Month</td></tr>
<tr><td>Recognition or Awards</td><td colspan="2">NIL</td><td>NIL</td></tr>
<tr><td>Job Profile and their Suitability</td><td colspan="2">Mrs. Shefali Seth, Whole-Time Director shall be responsible for product design and development functions of the Company and also perform such other duties and services as shall from time to time be entrusted to her by the Board of Directors of the Company.</td><td>Mr. Vinod Vaish shall be responsible for affairs of the Company with special focus on HR & Administration functions of the Company and also perform such other duties and services as shall from time to time be entrusted to him by the Board of Directors of the Company. Considering the contribution, Board considered him suitable for this position.</td></tr>
<tr><td>Remuneration Proposed</td><td colspan="2">Salary: Rs.6.25 Lac per month.
Car: A Company maintained car for official purpose.
Mobile/ Telephone: A mobile for official purpose.
Provident Fund & Gratuity: As per Company's rules</td><td>Basic Salary : 68,890/- per month
HRA : 34,440/- per month
Special Allowance : 20,742/- per month
Car: A Company maintained Car with driver for official purpose.
Mobile/Telephone : A mobile for official purpose
Provident Fund : As per Company's rules
He shall also be entitled for reimbursement of actual expenses for business of the Company</td></tr>
<tr><td>Comparative Remuneration profile with respect to industry, size of the company profile of position and person</td><td>Arvind Limited
Period: 2016-17
Turnover: Rs.5,955.68 Crore
Managerial Personnel:
Whole-Time Director
Annual Managerial Remuneration: Rs.2.69 Crore</td><td>Kitex Garments Ltd
Period:- 2016-17
Turnover: Rs.547.90 Crore
Managerial Personnel: Chairman & Managing Director
Annual Managerial Remuneration:
Rs.7.52 Crore</td><td>Bombay Rayon Fashions Ltd
Period:- 2016-17
Turnover: Rs.3,898.63 Crore
Managerial Personnel:
Whole-Time Director
Annual Managerial Remuneration:
Rs. 2.40 Crore</td></tr>
<tr><td>Pecuniary relationship directly or indirectly with the company or with the managerial personnel, if any</td><td colspan="2">Relating to Pecuniary Relationship, information provided under Past and proposed Remuneration hereinabove.
Mrs. Shefali Seth is related to Mr. Deepak Seth, and Mr. Pulkit Seth. She holds 2,01,478 Equity Shares of the Company</td><td>Pecuniary Relationship other than Remuneration proposed above, is NIL. No relationship with Managerial Personnel. He does not hold in any Share in the Company.</td></tr>
</table>

III. OTHER INFORMATION:

1. REASONS OF LOSS OR INADEQUATE PROFITS

The Readymade Garments Export Industry had yet another tough year where profitability was impaired due to higher cost of production coupled with pressure on margins due to recession.

2. STEPS TAKEN OR PROPOSED TO BE UNDERTAKEN FOR IMPROVEMENTS

Your Company realises that the Buyers can only be attracted through a proper blend of cost, speed / logistics, plant efficiency, supply chain, compliance, reliability and relationship.

The Company is laying special focus on technological up-gradation, lesser breakdown time, use labour saving devices, training of managers, supervisors and operators. Besides, the Company is also outsourcing manufacturing from low cost destinations. Maintaining quality, reducing cost with better productivity will help the Company to operate profitably.

3. EXPECTED INCREASE IN PRODUCTIVITY AND PROFITS IN MEASURABLE TERMS

The Sales Turnover of your Company during the year 2017-18 was Rs. 758.79 Crore. The Company's PAT stood at Rs. 2.66 Crore during 2017-18.

Your Company has since identified and prioritized its targets and has been gearing up to face the perceived challenges and further enhance its presence in the International Markets. Barring under seen circumstances, your company's profitability during 2018-19 should increase by 20% and productivity by 15% to 20%.

IV. DISCLOSURES:

Remuneration package of the Managerial Person(s) paid for the year 2017-18:

(Amount in Rs.)

Name of the Director(s)	Mr. Pulkit Seth	Mrs. Shefali Seth	Mr. Vinod Vaish	All other Directors
Designation	Managing Director	Whole Time Director	Whole Time Director	
Salary	1,17,07,800	72,87,800	15,38,769	--
Others (Provident Fund)	21,600	21,600	21,600	--
Service Contract	3 years	3 years	2 years	
Notice Period, Severance fees	Nil	Nil	Nil	Nil
Sitting Fees	Nil	NIL	NIL	Rs.10,000/- for attending each Board Meeting
Total	**1,17,29,400**	**73,09,400**	**15,60,369**	--

The Company has no policy for stock option, pension, and performance linked incentives. The company is not paying any bonus, commission or other benefits except as above, to the Executive Directors. The details of Directors remuneration are also disclosed in Corporate Governance Report.

The above said terms and conditions of payment of remuneration are duly considered, approved and recommended by the Nomination and Remuneration Committee in its Committee Meeting held on 13th December, 2017 and 9th August, 2018.

Copies of the resolutions passed by the Board in respect of the above may be inspected at the Corporate Office of your Company between 11:00 a.m. and 1:00 p.m. on all working days except Saturday and holidays.

Item No. 8:

Members are informed that Mr. Pulkit Seth was re-appointed as Managing Director of the Company for a period of Three years with effect from 1st June, 2016, by the Members in their 27th Annual General Meeting held on 27th September, 2016.

Further, Members of the Company in their 28th Annual General Meeting held on 28th September, 2017, had approved revision in remuneration of Mr. Pulkit Seth from Rs.8.35 Lakh to Rs.10.00 Lakh per month with effect from 1st June, 2017, through Ordinary Resolution.

It is further informed that the Securities and Exchange Board of India (SEBI) has amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on May 09, 2018 and inserted a new provision as Clause (e) under Regulation 17(6).

Pursuant to this amendment the fees/remuneration or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if (i) the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or (ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity. The approval of the shareholders under this provision shall be valid only till the expiry of the term of such director.

As Mr. Pulkit Seth, Managing Director and Mrs. Shefali Seth, Whole-Time Director belong to promoter category, shareholders approval is being sought on account of aggregate annual remuneration of such Directors exceeding 5% of the net profits of the Company.

Considering the remaining tenure of Mr. Pulkit Seth as Managing Director of the Company upto 31st May, 2019, Shareholders' approval is sought for payment of remuneration by Special Resolution to comply the Provisions of Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended, with effect from 1st April, 2019.

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

None of the Directors and Key Managerial Personnel, except Mr. Pulkit Seth, himself, Mr. Deepak Seth, and Mrs. Shefali Seth being relatives, are interested, whether directly or indirectly, in this Resolution.

Item No. 9:

Members are informed that the provisions of the Regulation 5(3) read with Schedule-3 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 as notified on November 07, 2017, restrict the total holdings of all Non Resident Indians (NRIs) and Overseas Citizen of India (OCI) put together shall not exceed 10% of the total paid-up equity capital.

Further, the limit of 10% may be increased to 24% of paid-up equity capital by passing a Special Resolution by the members in the General Meeting.

Considering the above it is proposed to increase the limit from 10% to 24% to comply the provisions of the said Regulations in case of increase of holding of NRIs/OCI.

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

None of the Directors and Key Managerial Personnel is interested, whether directly or indirectly, in this Resolution, except in their capacity as shareholder(s).

Item No. 10:

The Board of Directors of the Company has decided to venture into new business of providing Training and Development, Skill Development, as Knowledge Trainers and Disseminators, Project and Training Implementing Agencies under various Skill Development schemes of Authorities, and Service Provider in all types of activities, fields, professions, products, industries, markets and areas including new projects and ventures of all types whether private or public and descriptions and to conceptualise the ideas, projects, concepts and advise, consult, train the people for completion of such idea, project or concept for specific assignment from the idea to implementation stage and to carry on the business of education, higher education, recruitment, training, skill development and placement of all kind of personnel including managers, professionals, executives, skilled, semi-skilled, un-skilled workers, labourers & other technical personnel in India and abroad.

It is accordingly proposed to alter the Object Clause of the Memorandum of Association of the Company by inserting new Clause 11 after Clause 10 of Main Object III (A).

The Companies (Amendment) Act, 2017, has permitted to those Companies, who provides e-voting facility to the members to vote in the General Meeting, may seek approval of members on the items in the General Meeting, which is required to be transacted through Postal Ballot only.

Accordingly, the Directors of your Company recommend the passing of the resolution at Item no.11 as a Special Resolution.

None of the Directors and Key Managerial Personnel or their relatives is interested, whether directly or indirectly, in this Resolution, except in their capacity as shareholder(s).

Item No. 11: Related Party transactions:

The Board of Directors of the Company has approved a proposal for entering into the following related party transactions for the financial year 2019-20:

Sl. No.	Name of Related Party	Nature of relationship	Name of the Director or Key Managerial Personnel who is related, if any	Nature of Transactions	Amount (Rs. in Crore)
1	Norp Knit Industries Limited	Subsidiary	Mr. Deepak Seth Mr. Pulkit Seth	Purchase of Goods Sale of Goods SAP Facilities Charges Expenses incurred by them on our behalf Expenses paid by us on their behalf	225.00 25.00 0.25 3.00 1.00
2	PT Pinnacle Apparels	Step down subsidiary	Mr. Pulkit Seth	Purchase of Goods Sale of Goods SAP Facilities Charges Expenses incurred by them on our behalf Expenses paid by us on their behalf	15.00 1.00 0.10 2.00 2.00
3	Pearl Global (HK) Limited	Wholly owned subsidiary	Mr. Deepak Seth Mr. Pulkit Seth	Purchase of Goods Sale of Goods SAP Facilities Charges Expenses incurred by them on our behalf Expenses paid by us on their behalf	10.00 125.00 0.25 7.50 30.00
4	Pearl Global Fareast Limited	wholly owned subsidiary	Mr. Deepak Seth Mr. Pulkit Seth	Purchase of Goods Sale of Goods SAP Facilities Charges Expenses incurred by them on our behalf Expenses paid by us on their behalf	10.00 60.00 0.25 2.50 1.00
5	DSSP Global Limited	Step down subsidiary	Mr. Deepak Seth Mr. Pulkit Seth	Sale of Goods Purchase of Goods SAP Facilities Charges Expenses incurred by them on our behalf Expenses paid by us on their behalf	10.00 10.00 0.10 1.00 1.00
6	Multinational Textile Group Ltd.	Enterprise over KMP has significant influence	Mr. Deepak Seth	Expenses incurred by them on our behalf Expenses paid by us on their behalf	1.00 1.00
7	PDS Multinational Fashions Limited	Enterprise over KMP has significant influence	Mr. Deepak Seth	Expenses incurred by them on our behalf Expenses paid by us on their behalf	1.00 1.00

Sl. No.	Name of Related Party	Nature of relationship	Name of the Director or Key Managerial Personnel who is related, if any	Nature of Transactions	Amount (Rs. in Crore)
8	Norwest Industries Limited	Enterprise over KMP has significant influence	Mr. Deepak Seth	Sale of Goods Sale of Samples Expenses incurred by them on our behalf Expenses paid by us on their behalf	1.00 1.00 1.00 1.00
9	Pearl Grass Creations Limited	Step down subsidiary	Mr. Deepak Seth Mr. Pulkit Seth	Purchase of Goods Sale of Goods Expenses incurred by them on our behalf Expenses paid by us on their behalf SAP Facilities Charges	6.00 6.00 1.00 1.00 0.25
10	Pearl Apparel Fashions Limited (Formerly Lerros Fashions India Limited)	Wholly owned subsidiary	Mr. Vinod Vaish	Purchase of Goods Sale of Goods Expenses incurred by them on our behalf Expenses paid by us on their behalf	25.00 25.00 0.25 0.25
11	Nor Delhi Manufacturing Limited	Enterprise over KMP has significant influence	Mr. Deepak Seth	Purchase of Goods	1.00
12	PG Group Limited	Enterprise over KMP has significant influence	Mr. Deepak Seth	Sale of Goods	1.00
13	Poeticgem Limited	Enterprises over KMP has significant influence	Mr. Deepak Seth	Sale of Goods Expenses incurred by them on our behalf Expenses paid by us on their behalf	1.00 0.50 0.50
14	Prudent Fashions Limited	Step down subsidiary	Mr. Deepak Seth Mr. Pulkit Seth	Sale of Goods Sale of Samples SAP Facilities Charges Expenses incurred by them on our behalf Expenses paid by us on their behalf	1.00 1.00 0.10 1.00 1.00
15	Vin Pearl Global Vietnam Limited	Step down subsidiary	Mr. Deepak Seth Mr. Pulkit Seth	Sale of Goods Sale of Samples SAP Facilities Charges Expenses incurred by them on our behalf Expenses paid by us on their behalf	1.00 1.00 0.20 1.00 1.00

Sl. No.	Name of Related Party	Nature of relationship	Name of the Director or Key Managerial Personnel who is related, if any	Nature of Transactions	Amount (Rs. in Crore)
16	Pearl Global F.Z.E	Step down subsidiary	Mr. Deepak Seth Mr. Pulkit Seth	Sale of Goods	1.00
				Sale of Samples	1.00
				SAP Facilities Charges	0.10
				Expenses incurred by them on our behalf	1.00
				Expenses paid by us on their behalf	1.00
17	PGIC Investment Limited	Step down subsidiary	Mr. Deepak Seth Mr. Pulkit Seth	Sale of Goods	1.00
				Sale of Samples	1.00
				SAP Facilities Charges	0.10
				Expenses incurred by them on our behalf	1.00
				Expenses paid by us on their behalf	1.00
18	Pearl Global (Chang Zhou) Textile Technology Co. Ltd.	Step down subsidiary	Mr. Deepak Seth Mr. Pulkit Seth	Sale of Goods	1.00
				Sale of Samples	1.00
				SAP Facilities Charges	0.20
				Expenses incurred by them on our behalf	1.00
				Expenses paid by us on their behalf	1.00
19	Pearl Global Vietnam Co. Limited.	Step down subsidiary	NIL	Purchase of Goods	10.00
				Sale of Goods	10.00
				SAP Facilities Charges	0.20
				Expenses incurred by them on our behalf	1.00
				Expenses paid by us on their behalf	1.00

Mr. Deepak Seth, Chairman, Mr. Pulkit Seth, Managing Director, Mrs. Shefali Seth, Whole-Time Director, and Mrs. Payel Seth are relatives.

Mr. Pulkit Seth is member of Norp Knit Industries Limited, PT Pinnacle Apparels and Prudent Fashions Limited.

Mr. Deepak Seth is member of Norp Knit Industries Limited and Prudent Fashions Limited.

Your Directors recommend the passing of the resolution at Item no.11 as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel or their relatives except as disclosed above are interested in this resolution.

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

Place: Gurugram
Date: August 09, 2018

(Sandeep Sabharwal)
Company Secretary

Directors' Report

To the Members,

Your Directors are pleased to present the 29th Annual Report and Audited Financial Statements for the financial year ended 31st March 2018, together with the Auditors' Report thereon.

WORKING RESULTS OF THE COMPANY (STANDALONE)

(Rs. in Crore)

Particulars	2017-18	2016-17
Income from operations	710.77	858.14
Other Income	48.02	45.35
Profit before Tax	6.78	18.16
Provision for Tax	4.11	1.15
Profit After Tax	2.66	17.01
Other comprehensive income	(0.42)	(0.02)
Total comprehensive income	2.24	16.99
Transfer to General Reserves	----	---

WORKING RESULTS OF THE COMPANY (CONSOLIDATED)

(Rs. in Crore)

Particulars	2017-18	2016-17
Income from operations	1496.04	1538.06
Other Income	47.56	30.09
Profit before Tax	32.40	49.21
Provision for Tax	9.32	7.22
Profit After Tax	23.09	41.99
Other comprehensive income	(1.70)	(4.12)
Total comprehensive income	21.39	37.87

STATE OF THE AFFAIRS OF THE COMPANY

During the year, your Company's consolidated income from operations was Rs. 1496.04 Crore as against Rs.1538.06 Crore in the previous year and Net Profit Rs. 23.09 Crore as against Net Profit Rs. 41.99 Crore in the previous year.

The income from operations for the year under review for the Company on Standalone basis was Rs. 710.77 Crore as compared to Rs. 858.14 Crore in the previous year and Net Profit Rs. 2.66 Crore as compared to Net Profit Rs. 17.01 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. We have now also ventured into e–retail through established digital channels and our own e-com portal SbuyS.in, giving consumers access to global fashion at attractive values.

Our product range includes knits, woven and bottoms (basic and complex designs) across men, women and kids wear segments. We have a well diversified and de-risked manufacturing base across India, Indonesia and Bangladesh. We have a total capacity to manufacture around 5.5 million garments per month (including own and outsourced facilities).Our revenue structure is primarily export based, with a major contribution coming from exports to the United States and Europe . We provide total supply chain solutions to customers-value retailers and high end fashion brand, retails in the United States and Europe. Our business model enables us to offer superior quality products across various countries, catering to all kinds of consumers. Our esteemed global clientele includes premium retailers in USA

Directors' Report

and Europe, including GAP, Banana Republic, Kohl's, Macy, Ralph, Lauren, Tom Tailor and next among others.

We strive to be the most preferred vendor to the top global apparel brands and be ranked amongst the top garment manufacturers in the world, in terms of quality, service standards and ultimately-customers satisfaction, keeping in line with our broader vision.

We are geographically well positioned to produce from the most cost effective supply bases in Asia, keeping us highly competitive and relevant to our customers. We expect to maintain and step up our profitability from superior value added products and meticulous management of our costs and processes.

DIVIDEND

The Board of Directors recommend a dividend Rs.2/- per equity share for the year 2017-18 amounting to Rs.433.28 Lakhs (exclusive of tax on dividend).The dividend payout is subject to approval of the members at the forthcoming Annual General Meeting.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of your Company, Mrs. Shefali Seth and Mr. Vinod Vaish, 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 four times on May 26, 2017, September 12, 2017, December 13, 2017, and February 14, 2018 during the financial year 2017-18.

DIRECTORS' IDENTIFICATION NUMBER (DIN)

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

Mr. Deepak Seth	-	00003021	Mr. Chittranjan Dua	-	00036080
Mr. Pulkit Seth	-	00003044	Mr. Abhishek Goyal	-	01928855
Mrs.Shefali Seth	-	01388430	Mr. Rajendra Kumar Aneja	-	00731956
Mr. Anil Nayar	-	01390190	Mr. Vinod Vaish	-	01945795

The Company has received necessary declaration from each independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence as laid down in Section 149(6) of the Companies Act, 2013.

The Nomination and Remuneration Committee and the Board of Directors in their meetings held on 13th December, 2017, have approved the re-appointment Mrs. Shefali Seth as Whole-Time Director of the Company for a further period of Three years with effect from 19th January, 2018. Necessary Resolution for re-appointment of Mrs. Shefali Seth as Whole-Time Director is proposed in the Notice calling 29th Annual General Meeting for approval of the Shareholders.

The Nomination and Remuneration Policy of the Company is annexed herewith as ***Annexure-I*** with this report.

BOARD EVALUATION

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

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

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

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

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

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.

Directors' Report

AUDIT COMMITTEE

The Audit Committee comprises Three Non-executive Independent Directors and one Executive Director, namely Mr. Anil Nayar, Chairman, Mr. Abhishek Goyal, Mr. Rajendra Kumar Aneja and Mr. Vinod Vaish, as Members of the Committee. All the recommendations made by the Audit Committee were accepted by the Board.

VIGIL MECHANISM

The Company has set up a Vigil Mechanism, which also incorporates a whistle blower policy in terms of Listing Agreement/Regulations made by the SEBI. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone no. or a letter through to the Vigilance Officer or to the Chairman of the Audit Committee. The policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: *http://pearlglobal.com/investors/policy*

CORPORATE SOCIAL RESPONSIBILITY

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

The CSR Policy may be accessed on the Company's website at *http://pearlglobal.com/investors/policy*

Your Company has identified an area of education for underprivileged children and Promoting gender equality and empowering women under CSR activities. The Company had earmarked Rs. 27.00 Lakh for spending under CSR activities for the financial year 2017-18, which has been fully utilised.

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

SUBSIDIARY COMPANIES

During the year under review, one Company has become step down subsidiary of the Company, namely, Pearl Global Vietnam Company Limited.

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

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

The Policy of determining material subsidiaries as approved may be accessed on the Company's website at *http://pearlglobal.com/investors/policy*

STATUTORY AUDITORS' REPORT

The Auditors' Reports (Consolidated & Standalone) for the financial year ended 31st March, 2018 do not contain any qualification, reservation or adverse remark. The Auditors' Reports are enclosed with the financial statements in this Annual Report.

STATUTORY AUDITORS

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

The requirement of ratification of appointment of Statutory Auditor at every annual general meeting has been dispensed with enactment of provisions of the Companies (Amendment) Act, 2017, with effect from 7th May, 2018.

SECRETARIAL AUDITOR

The Board has appointed Mr. Deepak Somaiya, Practising Company Secretary, proprietor of M/s. Deepak Somaiya & Co., to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year 2017-18 is annexed herewith as ***Annexure-III***. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

INTERNAL AUDITOR

The Board has appointed M/s. Narula & Gupta, Chartered Accountants, New Delhi (FRN 013532N), as Internal Auditor for the financial year 2017-18.

EXTRACTS OF ANNUAL RETURN

Extract of Annual Return of the Company is annexed herewith as ***Annexure-IV*** to this Report.

Pursuant to the provision of Section 92(3) of the Companies Act, 2013, as amended, Annual Return is placed at Company's website at http://www.pearlglobal.com/investors/annual-return

Directors' Report

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. No material related party transactions were entered during the financial year by the Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable to the Company.

Members may refer to note no. 47 to the standalone financial statements which sets out related party disclosures pursuant to Ind AS-24.

A disclosure on related party, as required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 is annexed as ***Annexure-V***.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Particulars of Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 is annexed as ***Annexure-VI***.

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

The Company has implemented procedures and policies in place for risk management including identifying risk which may threaten the existence/operations of the Company.

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:

a) in the preparation of the annual accounts for the financial year ended 31st March 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures. There are no material departures from the same;

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2018 and of the profit and loss of the Company for that period;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

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

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

LISTING

The shares of your Company are listed at BSE Limited and National Stock Exchange of India Limited, Mumbai. The listing fees to the Stock Exchanges for the year 2017-18 have been paid.

REGISTRAR AND SHARE TRANSFER AGENT

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

CORPORATE GOVERNANCE

Report on Corporate Governance along with the certificate of the Auditors, 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".

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-VII*** to this report.

Directors' 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- VIII*** to this report.

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

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

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. There were no complaints received during the financial year 2017-18.

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**

(VINOD VAISH)	**(PULKIT SETH)**
Whole-Time Director	Managing Director
DIN 01945795	DIN 00003044

Place: Gurugram

Date: May 29, 2018

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:

Annexure-I to the Directors' Report

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

3.3. Evaluation

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

3.4. Removal

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

3.5. Retirement

The KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

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

4.1. General:

a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee or as per policies framed by the committee. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

b) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.

c) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, 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

Annexure-I to the Directors' Report

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

b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for excess remuneration:

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

4.3. Remuneration to Non- Executive / Independent Director:

a) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

b) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

5. MEMBERSHIP

5.1 The Committee shall consist of a minimum 3 non-executive 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

Annexure-I to the Directors' Report

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

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

11. NOMINATION DUTIES

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

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

11.2 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;

11.3 Identifying and recommending Directors who are to be put forward for retirement by rotation.

11.4 Determining the appropriate size, diversity and composition of the Board;

11.5 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;

11.6 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;

11.7 Delegating any of its powers to one or more of its members or the Secretary of the Committee; and

11.8 Considering any other matters, as may be requested by the Board.

12. REMUNERATION DUTIES

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

12.1 to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

12.2 to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

12.3 to delegate any of its powers to one or more of its members or the Secretary of the Committee.

12.4 to consider any other matters as may be requested by the Board.

1.5 Professional indemnity and liability insurance for Directors and senior management.

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Annexure-II-Annual Report on CSR activities

1. Over the year, we have been focusing on sustainable business practices encompassing economic, environmental and social imperatives that not only cover our business, but also that of communities around us.

   We had set up a Society namely Arpan Educational Society For Underprivileged Children in the year 2006. This was done to provide the free education to underprivileged children. *Visit http://www.arpaneducation.com/index.html for more details and the activities of the Society.*

2. The CSR Committee comprises Mr. Vinod Vaish, Chairman, Mr. Pulkit Seth, and Mr. Anil Nayar as Members.

3. Average net profit of the Company for last three financial years: **Rs. 1,337.63 Lakh**

4. Prescribed CSR expenditure (two percent of the amount mentioned in item 3 above): **Rs. 26.75 Lakh**

   The Company has earmarked Rs.27.00 Lakh for CSR expenditure for the financial year 2017-18.

5. Details of CSR spent during the financial year:

   (a) Total amount to be spent for the financial year: Rs. 27.00 Lakh

   (b) Amount unspent, if any: NIL

   (c) Manner in which the amount spent during the financial year is detailed below:

(Rs. in Lakh)

Sr. No.	CSR Project or activity indentified	Sector in which the Project is covered	Projects or programmes (1) Local Area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (Budget) Project or Program wise	Amount Spent on the Projects or Programs Sub heads: (1) Direct expenditure on projects or program (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1.	Education and other initiatives	Promoting Education	NCT of Delhi	16.50	16.50	16.50	Through Arpan Educational Society For Underprivileged Children
2.	Education and other initiatives	Promoting Education	NCT of Delhi	7.0	7.0	23.50	Through Sasakawa India Leprosy Foundation
3.	Education and other initiatives	Promoting Education	NCT of Delhi	1.0	1.0	24.50	Through Etasha Society
4.	Promoting gender equality and empowering women	Empowering women	NCT of Delhi	2.5	2.5	27.00	Through Tathapi Trust

6. Reasons for not spending the amount: Not applicable as the Company has spent more than the minimum prescribed amount of CSR activities.

7. **RESPONSIBILITY STATEMENTS**

   The Responsibility Statement of the CSR Committee of the Board of Directors of the Company is reproduced below:

   "The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company."

(Pulkit Seth)
Managing Director

(Vinod Vaish)
Chairman of CSR Committee

Annexure-III to the Directors' Report

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2018

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

To,
Pearl Global Industries Limited
A-3, Community Centre,
Naraina Industrial Area
Phase-II, New Delhi-110028

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**"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the **corporate conducts/statutory compliance**s and expressing our opinion thereon.

Based on our verification of **Pearl Global Industries Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 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 there records maintained by **Pearl Global Industries Limited** ("the Company") for the financial year ended on 31st March, 2018, according to the provisions of (hereinafter to be referred as "Act" collectively):

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(There is no stock option scheme issued during the year)**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the company)**

(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; **(Not applicable to the Company)**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(No such case)** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;**(There is no buyback of Shares during the year**)

(vi) No specific law applicable specifically to the company (like Banking and Insurance).

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:

- Company has received the disclosure under Regulation 30(1) and 30(2) of SEBI (Substantial Acquisition of

Annexure-III to the Directors' Report

Shares and Takeovers) Regulations, 2011 and intimated to Stock Exchanges also.

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

1. **Audit Committee:**

Mr. Anil Nayar	-	Chairman
Mr. Rajendra K. Aneja	-	Member Director
Mr. Abhishek Goyal	-	Member Director
Mr. Vinod Vaish	-	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. Vinod Vaish	-	Member Director
Mr.Rajendra K. Aneja	-	Member Director

4. **CSR Committee:**

Mr. Vinod Vaish	-	Chairman
Mr.Pulkit Seth	-	Member Director
Mr.Anil Nayar	-	Member Director

5. **Compliance Officer:**
   Mr.Sandeep Sabharwal

- The Company's shares are in compulsory demat segment and are available for trading in the depository system of both NSDL and CDSL. As on 31st March 2018 the company has **19216273** shares in NSDL A/c, **2296997** shares in CDSL A/c and balance of **150667** are in physical mode.
- The Company's shares in physical form are process by the Registrar and Share Transfer Agent **(Link Intime India Pvt Ltd at 44 Community Centre, 2nd Floor, Naraina Industrial Area Phase-1, New Delhi-110028)** 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	-	3
No. of Grievances Attended	-	3
No. of Grievances Pending	-	0

- As informed to us there is no change in general character or nature of business / disruption of operations due to natural calamity/ dispute with a material impact during year.
- The Company has published quarterly results during the year in time.

Various Committee meetings and meeting of Independent Directors:

Audit Committee: During the Financial Year 2017-18 Audit Committee met on 26/05/2017, 12/09/2017, 13/12/2017 and 14/02/2018 The Company has also maintained the proper record of the minutes of the meetings.

Stakeholders Relationship Committee: During the Financial Year 2017-18 the committee met on 20/04/2017, 06/05/2017, 20/05/2017, 29/08/2017, 07/09/2017, 20/09/2017, 10/10/2017, 09/11/2017, and 06/12/2017. The Company has also maintained the proper record of the minutes of the meetings.

Nomination and Remuneration Committee meeting:

The Committee met on 26/05/2017 and 13/12/2017 during the Financial Year 2017-18.

CSR Committee:

The Committee met on 13/12/2017 during the Financial Year 2017-18.

Independent Directors' meeting:

During the Financial Year 2017-18 the Independent Directors met on 16/03/2018.

We further report that

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

Annexure-III to the Directors' Report

Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Composition of the Board:

Mr. Deepak Seth	-	Chairman
Mr. Pulkit Seth	-	Vice-Chairman & Managing Director
Mrs.Shefali Seth	-	Whole-Time Director
Mr. Vinod Vaish	-	Whole-Time Director
Mr. Anil Nayar	-	Non-executive Independent Director
Mr. Chittranjan Dua	-	Non-executive Independent Director
Mr. Rajendra K. Aneja	-	Non-executive Independent Director
Mr. Abhishek Goyal	-	Non-executive Independent Director

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

Details of Board Meeting:

Board has met four times during the financial year on 26/05/2017, 12/09/2017, 13/12/2017, 14/02/2018. The Company has also maintained the proper record of the minutes of the meetings.

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

Annual General Meeting:

During the Financial Year 2017-18 the Company has called 28th Annual General Meeting for the Financial Year 2016-17 on 28th September 2017 at Sri Sathya Sai International Centre, Lodi Road, New Delhi-110003. The Company has kept the date of book Closure on 22nd September 2017 to 28th September 2017 (both days inclusive).

Maintenance of Statutory Registers:

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

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

Declaration and Payment of Dividend:

The Dividend declared for the financial year ending 31st March 2017 is paid in prescribed time.

The Board of Directors have declared final dividend Rs. 3/- per Equity Share of Rs. 10/- each for the financial year 2016-17.

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 the various applicable Acts are:

1. The Apprentices Act, 1961.
2. The Air (Prevention and Control of Pollution) Act, 1981.
3. The Indian Boilers Act, 1923.
4. The Child Labour (Prohibition and Regulation) Act, 1986.
5. The Child (Pledging of Labour) Act, 1933.
6. The Collection of Statistics Act, 2008.
7. The Contract Labour (Regulation and Abolition) Act, 1970.
8. Employee's Compensation Act, 1923 (earlier known as Workmen's Compensation Act, 1923)
9. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
10. The Employees' State Insurance Act, 1948.
11. The Employers' Liability Act, 1938.
12. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959.
13. The Environment (Protection) Act, 1986.
14. The Equal Remuneration Act, 1976.
15. The Factories Act, 1948.
16. The Fatal Accidents Act, 1855.
17. The Industrial Disputes Act, 1947.

Annexure-III to the Directors' Report

18. The Industrial Employment (Standing Orders) Act, 1946.
19. The Industries (Development and Regulation) Act, 1951.
20. The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.
21. The Maternity Benefit Act, 1961.
22. The Minimum Wages Act, 1948.
23. The Payment of Bonus Act, 1965.
24. The Payment of Gratuity Act, 1972.
25. The Payment of Wages Act, 1936.
26. The Personal Injuries (Compensation Insurance) Act, 1963.
27. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
28. The Water (Prevention and Control of Pollution) Act, 1974.
29. The Weekly Holidays Act, 1942.
30. Indian Stamp Act.

Other General Laws Relating to Finance:

Income Tax Act

Sales Tax Act and GST Act

Central Excise and Custom

Service Tax

Finance Act

ESI and PF

We have not checked the transactions relating to the above Financial Act, we simply rely on the Report of the Statutory Auditors for Financial Year 2017-18.

Company has established various policy and systems as per the above applicable Acts for all units and work Places are as below:

- **Hiring Policy**
- **Sub Contractor and Home working policy**
- **Anti Child Labour Policy**
- **Suggestion Policy**
- **Prevention of Sexual Harrassment Policy**
- **Employee Benefit Policy**
- **Safety Policy**
- **Broken Niddle Policy**
- **Blood Policy**
- **Company Policy**
- **Anti Forced Labour Policy**
- **Freedo of Association and Collective Bargaining**
- **Grievance Handling Policy**
- **Environment Policy**
- **Health and safety Policy**
- **Quality Policy**
- **Policy on Fire**
- **Overtime Policy**
- **Seccurity Policy**
- **Child Labour Policy**
- **Policy on fabric safety**
- **Human rights and Forced labour policy**
- **Chemical Spillage Control and Storage Policy**
- **Sharp Tools policy**
- **Social Accountability Policy**
- **Non Discrimination Policy**
- **Fast Aid Facility**
- **Creche Facility**
- **Canteen Facility**
- **Restroom Facility**
- **Medical Room**

We have checked the records available and provided to us during our visit to 3(three) units/ Plants (A) 446 Udyog Vihar Phase-V Gurugram, Haryana (B) 16-17 Udyog Vihar Phase VI Khandsa Gurugram Haryana (C) 274 Udyog Vihar Phase-II Gurugram Haryana. During our audit we have examined the records of the Company regarding various permissions and licenses:

NOC from Department of Air and Water Pollution Control required under **Air and Water (Prevention and Control of Pollution) Act.** The Company Units have effluent treatment plants (ETP) duly tested from the authorised Lab and also maintain the ETP log book.

Factory license as required under the **Factories Act.**

Inspection report obtained from Executive Engineer generally complying with the relevant Provision of **Central Electricity Authority (Measures relating to safety and**

Annexure-III to the Directors' Report

Electricity Supply) Regulation 2010.

Report of Examination of pressure vessel or plants required under the Factory Act, 1948 and Boiler Act 1923.

Fire fighting systems available and Company has obtained the adequate NOC from Municipal Corporation for the units where ever required.

The Company Permissible labour license required under the Factory Act and Contract Labour Act.

The Company has got the registration under ESI and PF Act.

The Company is paying Equal Remuneration to men and women.

Various Register maintained by the Company Required under the applicable Acts:

1. Accidental Register (Required under ESI and Factory Act)
2. Register of Deduction of loss and damages as per Factory Act 1948
3. Register of Accident and dangerous occurance as per Factory Act.
4. Register of Advance
5. Register of Loans to worker and staff
6. Register of fines under Factory Act
7. Adult workers register
8. Attendance Register/ Electronic device know as Bio matrices System.
9. Wage Register / Salary Sheet
10. Bonus Register

- The Industrial Employment Standing Order Act 1956 is applicable to Company and Company has Certified Standing Orders both in Hindi and English.
- Company has paid to Bonus to eligible staffs and workers during the year for the Financial Year 2016-17 as per the Bonus Act 1965
- Company is paying gratuity to the eligible Workers as per the Payment of Gratuity Act.
- Company has Constituted the Committee as required under The Sexual Harassment of Women at the Work Place (Prevention, Prohibition and Redressal) Act 2013.
- Company has appointed Welfare officer.

We further report that during the audit period the Company has not taken any major matter requiring members' approval.

For **Deepak Somaiya & Co.**
Company Secretaries

(CS Deepak Somaiya)
Proprietor
FCS: 5845, CP No. 5772

Place: New Delhi
Date: May 21, 2018

Annexure -IV to the Directors' Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1	CIN	L74899DL1989PLC036849
2	Registration Date	05/07/1989
3	Name of the Company	Pearl Global Industries Limited
4	Category/Sub-category of the Company	Public Limited Company / Limited by Shares
5	Address of the Registered office & contact details	A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi-110028
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited, 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-1, Near PVR Nariana, New Delhi-110028, Tel: 011-41410592-94

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing & Exporting of Readymade Gargments	141	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN/FCRN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Pearl Apparel Fashions Limited (Formerly Lerros Fashions India Limited) A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi-110028	U74900DL2007PLC161396	Subsidiary	100	2(87)(ii)
2	Pixel Industries Limited No. 1/31, Thirukazhukundram Road, Karunguzhi, Maduranthagam Taluk, Kancheepuram, Tamil Nadu - 603303	U74110TN2014PLC096204	Subsidiary	100	2(87)(ii)
3	Norp Knit Industries Limited Vill: North Khailpur, P.O. National University, Gazipur, Bangladesh	C-52664(2959)/2004	Subsidiary	99.99	2(87)(ii)
4	Pearl Global Fareast Limited Unit: 801-3, 8/F, 9 Wing Hong Kong Street Cheung Sha Wan, Kowloon, Hong Kong	NA	Subsidiary	100	2(87)(ii)
5	Pearl Global (HK) Limited Unit: 801-3, 8/F, 9 Wing Hong Kong Street Cheung Sha Wan, Kowloon, Hong Kong	NA	Subsidiary	100	2(87)(ii)
6	PGIC Investment Limited Unit: 801-3, 8/F, 9 Wing Hong Kong Street Cheung Sha Wan, Kowloon, Hong Kong	NA	Subsidiary	100	2(87)(ii)

Annexure -IV to the Directors' Report

S. No.	Name and address of the Company	CIN/GLN/FCRN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
7	Pearl Global F.Z.E SM-Office-E1-4013H, Ajman Free Zone, Ajman, UAE	NA	Subsidiary	100	2(87)(ii)
8	Prudent Fashions Limited 29, Gareeb-E-Newaz Avenue,(4th Floor), Sector-11, Uttara, Dhaka, Bangladesh	NA	Subsidiary	97.5	2(87)(ii)
9	Pearl Global (Chang Zhou) Textile Technology Co., Ltd. Changzhou city,Jiangsu Province, China	NA	Subsidiary	100	2(87)(ii)
10	Vin Pearl Global Vietnam Limited Unit: 801-3, 8/F, 9 Wing Hong Kong Street Cheung Sha Wan, Kowloon, Hong Kong	NA	Subsidiary	100	2(87)(ii)
11	Pearl Global Vietnam Company Limited Dinh Tri Commune, Bae Giang City, Bae Giang Province, Vietnam	NA	Subsidiary	100	2(87)(ii)
12	Pearl Grass Creations Limited Unit: 801-3, 8/F, 9 Wing Hong Kong Street Cheung Sha Wan, Kowloon, Hong Kong	NA	Subsidiary	80	2(87)(ii)
13	A&B Investment Limited PO Box 60869, Dubai, UAE	NA	Subsidiary	100	2(87)(ii)
14	DSSP Global Limited Unit: 801-3, 8/F, 9 Wing Hong Kong Street Cheung Sha Wan, Kowloon, Hong Kong	NA	Subsidiary	100	2(87)(ii)
15	PT Pinnacle Apparels Graha Kirana Lt.1, Suite 103, JI. Yos Sudarso Kav. 88, Menara Kelapa Gading Kondominium Tower E605, Kelapa Gading-Jakarta Utara, Indonesia	NA	Subsidiary	69.91	2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	11,562,734	-	11,562,734	53.37%	11,562,734	-	11,562,734	53.37%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	30	-	30	0.00%	30	-	30	0.00%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	11,562,764	-	11,562,764	53.37%	11,562,764	-	11,562,764	53.37%	0.00%
(2) Foreign									
a) NRI Individuals	2,862,145	-	2,862,145	13.21%	2,862,145	-	2,862,145	13.21%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Banks/FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Any other	-	-	-	0.00%			-	0.00%	0.00%
Sub Total (A) (2)	2,862,145	-	2,862,145	13.21%	2,862,145	-	2,862,145	13.21%	0.00%
TOTAL (A)	14,424,909	-	14,424,909	66.58%	14,424,909	-	14,424,909	66.58%	0.00%

Annexure -IV to the Directors' Report

Category of Shareholders Demat	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	805,451	-	805,451	3.72%	-	-	-	0.00%	-100.00%
b) Banks / FI	513,112	66	513,178	2.37%	509,431	66	509,497	2.35%	-0.72%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIIs	1,410,005	-	1,410,005	6.51%	1,301,678	-	1,301,678	6.01%	-7.68%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):-	2,728,568	66	2,728,634	12.60%	1,811,109	66	1,811,175	8.36%	-33.62%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	373,407	929	374,336	1.73%	561,721	863	562,584	2.60%	50.29%
ii) Overseas	-	325,606	325,606	1.50%	325,606	-	325,606	1.50%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1,719,134	132,074	1,851,208	8.55%	1,996,444	127,193	2,123,637	9.80%	14.72%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1,396,807.00	-	1,396,807	6.45%	1,737,991.00	-	1,737,991	8.02%	24.43%
c) Others (specify)									
Non Resident Indians (Non Repat)	26,759	-	26,759	0.12%	29,248	-	29,248	0.14%	9.30%
Non Resident Indians (Repat)	93,544	23,211	116,755	0.54%	165,230	22,545	187,775	0.87%	60.83%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	159,788	-	159,788	0.74%	46,588	-	46,588	0.22%	-70.84%
Trusts	160	-	160	0.00%	260	-	260	0.00%	62.50%
Hindu Undivided Family	258,975	-	258,975	1.20%	414,164	-	414,164	1.91%	59.92%
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(2):-	4,028,574	481,820	4,510,394	20.82%	5,277,252	150,601	5,427,853	25.05%	20.34%
Total Public (B)	6,757,142	481,886	7,239,028	33.42%	7,088,361	150,667	7,239,028	33.42%	0.00%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	21,182,051	481,886	21,663,937	100.00%	21,513,270	150,667	21,663,937	100.00%	0.00%

Annexure -IV to the Directors' Report

(ii) Shareholding of Promoter

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Pulkit Seth	6,947,621	32.07%	NIL	6,947,621	32.07%	NIL	0.00%
2	Mrs. Payel Seth	4,413,635	20.37%	NIL	4,413,635	20.37%	NIL	0.00%
3	Mr. Deepak Seth (NRI)	1,544,499	7.13%	NIL	2,862,145	13.21%	NIL	85.31%
4	Mr. Pallak Seth (NRI)	1,317,646	6.08%	NIL	-	0.00%	NIL	-100.00%
5	Mrs. Shefali Seth	201,478	0.93%	NIL	201,478	0.93%	NIL	0.00%
6	NIM International Commerce LLP	30	0.00%	NIL	30	0.00%	NIL	0.00%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	14,424,909	66.58%	14,424,909	66.58%
	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.	No Change during the year	No Change	No Change	No Change
	At the end of the year	14,424,909	66.58%	14,424,909	66.58%

Annexure -IV to the Directors' Report

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Premier Investment Fund Limited						
	At the beginning of the year	01.04.2017	-	1,051,231	4.85%	1,051,231	4.85%
	Changes during the year	-	-	-	0.00%	-	0.00%
	At the end of the year	31.03.2018	-	1,051,231	4.85%	1,051,231	4.85%
2	Reliance Capital Trustee Co Ltd-A/c Reliance MID & Small Cap Fund						
	At the beginning of the year	01.04.2017	-	805,451	3.72%	805,451	3.72%
	Changes during the year	13.10.2017	Transfer	-4,512		800,939	3.70%
		20.10.2017	Transfer	-10,867		790,072	3.65%
		27.10.2017	Transfer	-45,831		744,241	3.44%
		03.11.2017	Transfer	-88,745		655,496	3.03%
		10.11.2017	Transfer	-366,779		288,717	1.33%
		17.11.2017	Transfer	-288,717		-	0.00%
	At the end of the year	31.03.2018	-	-	-	-	0.00%
3	Sanjiv Dhireshbhai Shah						
	At the beginning of the year	01.04.2017	-	707,946	3.27%	707,946	3.27%
	Changes during the year	26.05.2017	Transfer	266		708,212	3.27%
		02.06.2017	Transfer	22,585		730,797	3.37%
		01.09.2017	Transfer	88,117		818,914	3.78%
		09.02.2018	Transfer	674		819,588	3.78%
		23.02.2018	Transfer	10,690		830,278	3.83%
		09.03.2018	Transfer	2,171		832,449	3.84%
	At the end of the year	31.03.2018				832,449	3.84%
4	LTS Investment Fund Limited						
	At the beginning of the year	01.04.2017	-	358,774	1.66%	358,774	1.66%
	Changes during the year	12.05.2017	Transfer	-410		358,364	1.65%
		19.05.2017	Transfer	-5,590		352,774	1.63%
		26.05.2017	Transfer	-4,283		348,491	1.61%
		02.06.2017	Transfer	-20,880		327,611	1.51%
		09.06.2017	Transfer	-1,000		326,611	1.51%
		16.06.2017	Transfer	-6,000		320,611	1.48%
		23.06.2017	Transfer	-10,813		309,798	1.43%
		30.06.2017	Transfer	-4,350		305,448	1.41%
		07.07.2017	Transfer	-853		304,595	1.41%
		14.07.2017	Transfer	-2,242		302,353	1.40%
		21.07.2017	Transfer	-1,615		300,738	1.39%
		28.07.2017	Transfer	-1,502		299,236	1.38%
		04.08.2017	Transfer	-3,162		296,074	1.37%
		18.08.2017	Transfer	-1,256		294,818	1.36%
		25.08.2017	Transfer	-3,504		291,314	1.34%
		08.09.2017	Transfer	-20		291,294	1.34%
		06.10.2017	Transfer	-4,906		286,388	1.32%
		13.10.2017	Transfer	-1,850		284,538	1.31%
		20.10.2017	Transfer	-3,000		281,538	1.30%
		03.11.2017	Transfer	-4,000		277,538	1.28%
		10.11.2017	Transfer	-5,150		272,388	1.26%

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S. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
		24.11.2017	Transfer	-3,000		269,388	1.24%
		01.12.2017	Transfer	-3,000		266,388	1.23%
		08.12.2017	Transfer	-3,000		263,388	1.22%
		15.12.2017	Transfer	-2,000		261,388	1.21%
		29.12.2017	Transfer	-2,000		259,388	1.20%
		05.01.2018	Transfer	-1,000		258,388	1.19%
		12.01.2018	Transfer	-1,545		256,843	1.19%
		19.01.2018	Transfer	-3,196		253,647	1.17%
		26.01.2018	Transfer	-2,000		251,647	1.16%
		02.02.2018	Transfer	-1,200		250,447	1.16%
	At the end of the year	31.03.2018	-			250,447	1.16%
5	Lesing Mauritius Limited						
	At the beginning of the year	01.04.2017	-	325,606	1.50%	325,606	1.50%
	Changes during the year	-	-	-	-	-	-
	At the end of the year	31.03.2018				325,606	1.50%
6	General Insurance Corporation of India						
	At the beginning of the year	01.04.2017	-	256,666	1.18%	256,666	1.18%
	Changes during the year	-	-	-	-	-	-
	At the end of the year	31.03.2018				256,666	1.18%
7	Life Insurance Corporation of India						
	At the beginning of the year	01.04.2017	-	227,292	1.05%	227,292	1.05%
	Changes during the year	-	-	-	-	-	-
	At the end of the year	31.03.2018				227,292	1.05%
8	Sanblue Corporation Limited						
	At the beginning of the year	01.04.2017	-	139,741	0.65%	139,741	0.65%
	Changes during the year	28.04.2017	Transfer	-16,886		122,855	0.57%
		20.10.2017	Transfer	-30,000		92,855	0.43%
		27.10.2017	Transfer	-20,000		72,855	0.34%
		03.11.2017	Transfer	-24,307		48,548	0.22%
		17.11.2017	Transfer	-48,548		-	0.00%
	At the end of the year	31.03.2018				-	0.00%
9	Mayur Mukundbhai Desai						
	At the beginning of the year	01.04.2017	-	130,691	0.60%	130,691	0.60%
	Changes during the year	23.06.2017	Transfer	-2,173		128,518	0.59%
		30.06.2017	Transfer	-14,050		114,468	0.53%
		07.07.2017	Transfer	-3,335		111,133	0.51%
		14.07.2017	Transfer	-3,677		107,456	0.50%
		21.07.2017	Transfer	-1,796		105,660	0.49%
		22.09.2017	Transfer	-2,000		103,660	0.48%
		27.10.2017	Transfer	-500		103,160	0.48%
	At the end of the year	31.03.2018				103,160	0.48%
10	Chetan D Shah HUF						
	At the beginning of the year	01.04.2017	-	94,749	0.44%	94,749	0.44%
	Changes during the year	25.08.2017	Transfer	-93,806		943	0.00%
	At the end of the year	31.03.2018				943	0.00%

Annexure -IV to the Directors' Report

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	**Mr. Deepak Seth, Chairman**						
	At the beginning of the year	01.04.2017	-	1,544,499	7.13%	1,544,499	7.13%
	Changes during the year	26.03.2018	Transfer	1,317,646	6.08%	2,862,145	13.21%
	At the end of the year	31.03.2018				2,862,145	13.21%
2	**Mr. Pulkit Seth, Managing Director**						
	At the beginning of the year	01.04.2017		6,947,621	32.07%	6,947,621	32.07%
	Changes during the year			No Change			
	At the end of the year	31.03.2018				6,947,621	32.07%
3	**Mrs. Shefali Seth, Whole-Time Director**						
	At the beginning of the year	01.04.2017		201,478	0.93%	201,478	0.93%
	Changes during the year			No Change			
	At the end of the year	31.03.2018				201,478	0.93%
4	**Mr. Vinod Vaish, Whole-Time Director**						
	At the beginning of the year	01.04.2017		-	0.00%	-	0.00%
	Changes during the year			No Change			
	At the end of the year	31.03.2018		-	0.00%	-	0.00%
5	**Mr. Chittranjan Dua, Non-Executive Independent Director**						
	At the beginning of the year	01.04.2017		-	0.00%	-	0.00%
	Changes during the year			No Change			
	At the end of the year	31.03.2018		-	0.00%	-	0.00%
6	**Mr. Anil Nayar, Non-Executive Independent Director**						
	At the beginning of the year	01.04.2017		-	0.00%	-	0.00%
	Changes during the year			No Change			
	At the end of the year	31.03.2018		-	0.00%	-	0.00%
7	**Mr. Rajendra Kumar Aneja, Non-Executive Independent Director**						
	At the beginning of the year	01.04.2017		-	0.00%	-	0.00%
	Changes during the year			No Change			
	At the end of the year	31.03.2018		-	0.00%	-	0.00%
8	**Mr. Abhishek Goyal, Non-Executive Independent Director**						
	At the beginning of the year	01.04.2017		-	0.00%	-	0.00%
	Changes during the year			No Change			
	At the end of the year	31.03.2018		-	0.00%	-	0.00%

Annexure -IV to the Directors' Report

(V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,793,246,279	-	-	1,793,246,279
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,017,716	-	-	1,017,716
Total (i+ii+iii)	1,794,263,995	-	-	1,794,263,995
Change in Indebtedness during the financial year				
* Addition	10,112,365,964	-	-	10,112,365,964
* Reduction	9,632,426,766	-	-	9,632,426,766
Net Change	479,939,198	-	-	19,744,792,730
Indebtedness at the end of the financial year				
i) Principal Amount	2,273,185,477	-	-	2,273,185,477
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,555,631	-	-	2,555,631
Total (i+ii+iii)	2,275,741,108	-	-	2,275,741,108

(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount in Rs.
	Name	**Mr. Pulkit Seth**	**Mrs. Shefali Seth**	**Mr. Vinod Vaish**	
	Designation	**Managing Director**	**Whole-Time Director**	**Whole-Time Director**	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11,679,000.00	7,259,000.00	1,490,099.00	20,428,099.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	28,800.00	28,800.00	48,670.00	106,270.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	**11,707,800.00**	**7,287,800.00**	**1,538,769.00**	**20,534,369.00**
	Ceiling as per the Act	As per Schedule-V of the Companies Act, 2013			

Annexure -IV to the Directors' Report

B. Remuneration to other Directors

S. No.	Particulars of Remuneration	Name of Directors				Total Amount (in Rs.)
1	**Independent Directors**	**Mr. Chittranjan Dua**	**Mr. Anil Nayar**	**Mr. Rajendra Kumar Aneja**	**Mr. Abhishek Goyal**	
	Fee for attending Board meetings	30,000.00	40,000.00	10,000.00	40,000.00	120,000.00
	Commission	-	-			-
	Others, please specify	-	-			-
	Total (1)	30,000.00	40,000.00	10,000.00	40,000.00	120,000.00
2	Other Non-Executive Directors	Mr. Deepak Seth				-
	Fee for attending board committee meetings	10,000.00	-	-	-	10,000.00
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	**10,000.00**	**-**	**-**	**-**	**10,000.00**
	Total (B)=(1+2)	**40,000.00**	**40,000.00**	**10,000.00**	**40,000.00**	**130,000.00**
	Total Managerial Remuneration					**20,664,369.00**
	Overall Ceiling as per the Act	As per Schedule-V of Companies Act, 2013				

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount in Rs.
	Name	**Mr. Raj Kumar Chawla**	**Mr. Sandeep Sabharwal**	
	Designation	**Chief Financial Officer**	**Company Secretary**	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,143,006.00	1,561,784.00	3,704,790.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	21,600.00	32,359.00	53,959.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	**2,164,606.00**	**1,594,143.00**	**3,758,749.00**

Annexure -IV to the Directors' Report

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil	Nil	Nil	N.A	N.A
Punishment	Nil	Nil	Nil	N.A	N.A
Compounding	Nil	Nil	Nil	N.A	N.A
B. DIRECTORS					
Penalty	Nil	Nil	Nil	N.A	N.A
Punishment	Nil	Nil	Nil	N.A	N.A
Compounding	Nil	Nil	Nil	N.A	N.A
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	N.A	N.A
Punishment	Nil	Nil	Nil	N.A	N.A
Compounding	Nil	Nil	Nil	N.A	N.A

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

(VINOD VAISH)
Whole-Time Director
DIN 01945795

(PULKIT SETH)
Managing Director
DIN 00003044

Place: Gurugram
Date: May 29, 2018

Annexure-V to the Directors' Report

Related Party disclosure under regulation 34 of listing regulations

Loan / Advances

(Amount in ₹)

Name of Party	Status	Balance as on 31.03.2018	Maximum during the year
PDS Multinational Fashions Limited	Associates	32,026,849	32,026,849
Pearl Global Fareast Limited	Subsidiary	46,769,003	46,769,003
Pearl Global (HK) Limited	Subsidiary	-	141,344,614

Investments (Equity Shares)

Name of Party	Status	Balance as on 31.03.2018	Maximum during the year
Pearl Global Fareast Limited	Subsidiary	279,729,184	279,729,184
Norp Knit Industries Ltd	Subsidiary	220,163,592	220,163,592
Pearl Apparel Fashions Limited (Formerly Lerros Fashions India Ltd)	Subsidiary	164,834,870	164,834,870
Pearl Apparel Fashions Limited (Formerly Lerros Fashions India Limited) (Preference Shares)	Subsidiary	30,000,000	30,000,000
Pearl Global (HK) Limited	Subsidiary	464,165,250	464,165,250
Pixel Industries Ltd	Subsidiary	500,000	500,000
PDS Multinational Fashions Limited	Associates	500,000	500,000

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

(VINOD VAISH)
Whole-Time Director
DIN 01945795

(PULKIT SETH)
Managing Director
DIN 00003044

Place: Gurugram

Date: May 29, 2018

Annexure-VI to the Directors' Report

Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

[Pursuant to Section 134 (3)(g) of the Companies Act, 2013]

(Amount in ₹)

Sl. No.	Name of the Company	Loans	Guarantees	Investments
1	Pearl Global (HK) Limited	-	778,080,000	464,165,250
2	PDS Multinational Fashions Limited	30,000,000	-	500,000
3	Pearl Global Fareast Limited	43,960,950	-	279,729,184
4	Norp Knit Industries Limited	-	711,000,000	220,163,592
5	Pearl Apparel Fashions Limited (Formerly Lerros Fashions India Limited)	-	-	164,834,870
6	Pearl Apparel Fashions Limited (Formerly Lerros Fashions India Limited) (Preference Shares)	-	-	30,000,000
7	Pixel Industries Limited	-	-	500,000

Annexure -VI to the Directors' Report

Note:
1. Investment are in equity shares, unless otherwise mentioned
2. Guarantees are issued to Banks to secure the facilities extended to these Companies

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

(VINOD VAISH)
Whole-Time Director
DIN 01945795

(PULKIT SETH)
Managing Director
DIN 00003044

Place: Gurugram
Date: May 29, 2018

Annexure-VII to the Directors' Report

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

Sl.No.	Particulars	Disclosures	
I	The ratio of the remuneration of each Director to the median remuneration of the employees for the financial year	Mr. Pulkit Seth (VC&MD)	59.39x
		Mrs. Shefali Seth (WTD)	37.12x
		Mr. Vinod Vaish (WTD)	7.36x
II	The percentage increase in remuneration of each Director, CFO, CS in the financial year	Mr. Pulkit Seth (VC&MD)	19.76%
		Mrs. Shefali Seth (WTD)	25%
		Mr. Vinod Vaish (WTD)	17.32%
		Chief Financial Officer	10.99%
		Company Secretary	3.25%
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%.	
IV	The number of permanent employees on the rolls of the Company	There were approx 5100 permanent employees as on 31st March, 2018	
V	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average percentile increase in the salary of employees other than managerial personnel in the last financial year was 6.0%. Average percentile increase in the salary of Managerial personnel in the last financial year was 15.26%.	
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**

(VINOD VAISH)
Whole-Time Director
DIN 01945795

(PULKIT SETH)
Managing Director
DIN 00003044

Place: Gurugram
Date: May 29, 2018

Annexure-VIII 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. Pankaj Bhasin	CEO-Woven Division	B.Com and Apparel Production Management	45	23	15/7/1995	8,381,495	NIL	NIL	No
2	Mr. Amit Mohan	Group CFO	B.Com (Hons), CA, CPA, ISA	52	29	02/11/2015	5,762,884	CFO, Vishvaraj Infrastructure, Nagpur	NIL	No
3	Mr. Ashish Garg	Vice-President (Sampling & Merchandising)	B.Sc., PG-GMT	40	19	30/01/2010	2,439,155	Sr. Business Manager, Shahi Export	NIL	No
4	Mr. Sachin Gupta	Vice-President (Merchandising & Marketing) SBUYS	B. E. (IE) from IIT Roorkee	44	23	08/02/2011	2,233,951	Busana Apparel Group, Indonesia	NIL	No
5	Mr. Raj Kumar Chawla	Chief Financial Officer	B.Com, CA	43	21	15/02/2012	2,164,606	GM-F&A, Shyam Telecom, Ltd,	NIL	No
6	Mr. Sumit Kumar	Executive Assistant-Chairman	B.E. (M.E.), PGDMA, CFA-II	36	8	08/02/2017	2,155,294	AGM, Punj Lloyd	NIL	No
7	Mrs. Viney Batra	Assistant Vice President - Marketing & Merchandising	B.Sc., MBA	41	11	16/11/2015	2,082,408	B. L. International, Noida	NIL	No
8	Mr. Anand Bhatia	Vice-President (Production)	B.Sc., MBA	48	25	09/08/2011	2,010,653	Factory Manager, Texport Fashion Ltd	NIL	No
9	Mr. Shakti Sinha	Head-SbuyS	B.Sc., MBA	50	24	23/04/2015	1,869,157	Business Head-Shri Lakshmi Cotsyn	NIL	No
10	Mr. Sundeep Chatrath	COO Unit 16-17	B.A.	51	28	01/06/2017	1,768,240	Head-Merchandising, Gupta Exim, Faridabad	NIL	No

Note: Nature of employment is non contructual

Annexure -VIII to the Directors' Report

Remuneration of Executive Directors

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.Pulkit Seth	Managing Director	Bachelor of Business Management	38	14	01/11/2004	11,707,800	NIL	32.07	Yes
2	Mrs. Shefali Seth	Whole-Time Director	Bachelor degree in Business Administration	37	13	01/05/2005	7,287,800	Pearl Global Ltd.	0.93	Yes
3	Mr. Vinod Vaish	Whole-Time Director	B.Sc.	60	28	08/06/2009	1,538,769	Director, Uttranchal Biodiesel Ltd	NIL	No

Note: Nature of employment is contructual

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

(VINOD VAISH)
Whole-Time Director
DIN 01945795

(PULKIT SETH)
Managing Director
DIN 00003044

Place: Gurugram
Date: May 29, 2018

Annexure IX to the Director's Report

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

A. CONSERVATION OF ENERGY

(i) Steps taken for conservation of energy:

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

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

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

(iii) The Capital investment on energy conversation equipment:

The Company has invested approx Rs. 1.07 crore for installation of solar energy plant.

B. TECHNOLOGY ABSORPTION :

(i) Efforts made towards technology absorption:

Nil

Annexure-IX to the Directors' Report

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:
Not Applicable

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

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

(iv) **The expenditure incurred on Research & Development:**

Expenditure on R & D (₹ / Lacs)

		2017-18	2016-17
a)	Capital	NIL	NIL
b)	Recurring	596.89	738.48
Total		**596.89**	**738.48**

C. Foreign Exchange Earnings and Outgo

Foreign Exchange Earnings

(Amount in ₹)

Particulars	2017-18	2016-17
Export of Goods - FOB basis	6,43,03,20,888	7,58,63,20,594
Interest Income	25,51,919	58,90,610
IT/SAP Income	81,49,258	79,95,705
Total	**6,44,10,22,065**	**7,60,02,06,909**

Foreign Exchange Outgo

(Amount in ₹)

Particulars	2017-18	2016-17
Foreign Travelling	86,36,858	82,52,775
EDI Expenses	37,09,931	36,58,820
Others	47,91,338	27,43,586
Total	**1,71,38,127**	**1,46,55,181**

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

(VINOD VAISH)
Whole-Time Director
DIN 01945795

(PULKIT SETH)
Managing Director
DIN 00003044

Place: Gurugram
Date: May 29, 2018

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]

(₹ / Lacs)

Sl. No.	Name of Subsidiary	Date of Acquisiton	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 comprehesive (Expenses) Income	Total Comprehensive income for the Year
1	Pearl Apparel Fashions Limited (Formerly Lerros Fashions India Limited)	30.03.2007	31-Mar-18	INR	0	2763.91	-2571.88	493.29	301.26	0.00	78.13	-30.98	9.92	-40.90	-	100	-	(40.90)
2	Pixel Industries Limited	18.06.2014	31-Mar-18	INR	0	5.00	-3.00	2.60	0.60	0.00	-	-0.26	0.00	-0.26	-	100	-	(0.26)
3	Norp Knit Industries Limited	22.03.2006	31-Mar-18	USD	65.04	3132.67	6129.60	28143.22	18880.95	0.00	50339.98	1809.68	352.31	1457.37	-	99.99	(111.98)	1,345.39
4	Pearl Global Fareast Limited	16.03.2009	31-Mar-18	USD	65.04	2819.48	2019.94	8904.22	4064.79	0.00	16787.06	494.46	0.00	494.46	-	100	-	494.46
5	Peal Global (HK) Limited	22.12.2009	31-Mar-18	USD	65.04	5892.62	1834.40	27326.46	18393.04	6859.28	72805.47	339.73	167.01	172.72	-	100	(69.01)	103.71
6	PGIC Investment Limited	16.08.2016	31-Mar-18	USD	65.04	0.00	-2.37	888.14	890.52	0.00	0.00	-1.01	0.00	-1.01	-	100	-	(1.01)
7	Pearl Grass Creations Limited	11.07.2016	31-Mar-18	USD	65.04	260.16	-568.31	327.52	635.67	0.00	722.38	-566.74	0.00	-566.74	-	80	-	(566.74)
8	Vin Pearl Global Vietnam Limited	11.07.2016	31-Mar-18	USD	65.04	7.80	-430.56	3394.72	2933.22	1238.78	230.18	-430.40	0.00	-430.40	-	100	(0.16)	(430.56)
9	Pearl Global Vietnam Co. Limited	01.05.2017	31-Mar-18	VND	0.00	590.39	-944.56	2094.32	2448.49	0.00	3445.78	-440.27	0.00	-440.27	-	100	-	(440.27)
10	DSSP Global Limited	08.11.2012	31-Mar-18	USD	65.04	978.93	2222.12	6636.50	2167.58	682.91	16933.86	325.45	143.61	181.84	-	100	(30.40)	151.44
11	PT Pinnacle Apparels	30.03.2006	31-Mar-18	USD	65.04	978.18	3234.93	5777.71	1564.60	0.00	14303.06	543.07	144.14	398.93	-	69.91	(30.40)	368.54

Note:

In addition to above the Company has invested in 3000000 Preference Shares of Rs. 10/- each aggregating Rs. 3,00,00,000/- of Pearl Apparel Fashions Limited.

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

(Pulkit Seth)
Managing Director
DIN 00003044

(Deepak Seth)
Chairman
DIN 00003021

(Raj Kumar Chawla)
Chief Financial Officer

(Sandeep Sabharwal)
Company Secretary

Place: Gurugram
Date: May 29, 2018

Corporate Governance

1. COMPANY'S PHILOSOPHY

Effective corporate governance practice constitute 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 31st March 2018, the Company's Board of Directors consists of 8 (Eight) members. The Chairman of the Board is non-executive Promoter Director. The Board comprises of three executive Directors of whom one women Director and five non-executive Directors, of whom four are Independent Directors. 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 bring a wide range of expertise and experience to the Board.

Composition and Category of the Board as on 31.03.2018 and their attendance in the Board and Annual General Meetings are as hereunder:

S. No.	Name of Director	Category	No. of outside Directorships*	No. of Committee		Attendance	
				Member	Chairman	Board Meetings	Annual General Meeting
1	Mr. Deepak Seth	Promoter, Non-Executive	2	1	--	1	Yes
2	Mr. Pulkit Seth	Promoter, Executive	1	2	--	3	No
3	Mrs. Shefali Seth	Promoter, Executive	1	--	--	1	No
4	Mr. Vinod Vaish	Executive	1	3	1	3	Yes
5	Mr. Chittranjan Dua	Independent Non-executive	6	5	1	3	Yes
6	Mr. Rajendra K Aneja	Independent Non-executive	-	3	--	1	No
7	Mr. Anil Nayar	Independent Non-executive	-	4	2	4	Yes
8	Mr. Abhishek Goyal	Independent Non-executive	1	2	1	4	Yes

**Foreign Companies, Bodies Corporate, Private Companies and Companies under Section 8 of the Companies Act, 2013 are excluded for the above purpose.*

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

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

During the financial year 2017-18, four (4) Board Meetings were held on 26th May 2017, 12th September 2017, 13th December 2017, 14th February, 2018.

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

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

Information supplied to the Board

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

- Annual Operating plans and budgets, Capital budgets, updates;
- Quarterly results for the company and its operating divisions or business segments;
- Minutes of meetings of Audit Committee and other committees of the board;
- Information on recruitment and remuneration of senior officers just below the board level including appointment or removal of Chief Financial Officer and Company Secretary;
- Materially important show cause, demand, prosecution and penalty notices;
- Fatal or serious accidents or dangerous occurrences;
- Any materially significant effluent or pollution problems;
- Any materially relevant default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
- Any issue, which involves possible public or product liability claims of a substantial nature;
- 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.

All the members of Audit Committee are Non-Executive Directors except Mr. Vinod Vaish and the Chairman of the Committee is Non-Executive Independent Director. All the members of the committee possess financial/accounting expertise.

Mr. Sandeep Sabharwal, General Manager and Company Secretary acts as Secretary of the Audit Committee.

During the year, the Audit Committee, met four times and discharged its responsibilities in accordance with Section 177 of the Companies Act, 2013 and SEBI Listing Regulations. The meetings of the Audit Committee were held on 26th May 2017, 12th September 2017, 13th December 2017 and 14th February 2018 during the financial year 2017-18. The maximum gap between any two meetings was less than one hundred twenty days.

During the year 2017-18, the members of the Audit Committee and their attendance are as under:

Audit Committee	
Composition	**No. of Meetings attended**
Mr. Anil Nayar – Chairman	4
Mr. Vinod Vaish – Member Director	3
Mr. Abhishek Goyal -- Member Director	4
Mr.Rajendra Kumar Aneja -- Member Director	1

4. NOMINATION AND REMUNERATION COMMITTEE

Terms of Reference of the Nomination and Remuneration Committee include:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 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.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To devise a policy on Board diversity
- To develop a succession plan for the Board and to regularly review the plan;

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

Two meetings of the Nomination and Remuneration Committee were held on 26th May, 2017 and 13th December, 2017, during the financial year 2017-18. Details of meeting of the members of Nomination and Remuneration Committee and their attendance are as under:

Nomination and Remuneration Committee	
Composition	No. of Meetings attended
Mr. Abhishek Goyal - Chairman#	2
Mr. Deepak Seth - Member Director	0
Mr. Anil Nayar - Member Director	2
Mr. R.K. Aneja - Member Director	0

Inducted as member by the Board of Directors in its meeting held on 26th May, 2017.

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

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

Details of remuneration paid to all the Directors for the year 2017-18 are as under:

(Amount in Rs.)

Name of the Director(s)	Mr.Deepak Seth	Mr. Pulkit Seth	Mr.Anil Nayar	Mr. C R Dua	Mr. Rajendra K Aneja	Mr. Abhishek Goyal	Mrs.Shefali Seth	Mr. Vinod Vaish
Designation	Chairman	Managing Director	Director	Director	Director	Director	Whole Time Director	Whole Time Director
Salary	--	1,16,70,000	--	--	--	--	72,50,000	7,62,560
Benefits	--	--	--	--	--	--	--	--
HRA	--	--	--	--	--	--	--	3,81,220
SPL..Allowance	--	--	--	--	--	--	--	2,16,886
Medical	--	--	--	--	--	--	--	--
Bonus	--	--	--	--	--	--	--	--
Commission	--	--	--	--	--	--	--	--
Pension	--	--	--	--	--	--	--	--
Others (Provident Fund)	--	21,600	--	--	--	--	21,600	21,600
Break up of fixed components and Performance linked incentives with performance criteria	--	--	--	--	--	--	--	--
Performance Ince9ntive	--	--	--	--	--	--	--	--
Service Contract	--	3 years	--	--	--	--	3 years	Upto October2018
Notice Period, Severance fees	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Stock Options details (if any): Whether issued at discount. Period over which it is accrued and is exercisable	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sitting Fees	10,000	--	40,000	30,000	10,000	40,000	--	--
Total	**10,000**	**1,16,91,600**	**40,000**	**30,000**	**10,000**	**40,000**	**72,71,600**	**13,82,266**

A sitting fee of Rs. 10,000/- is payable to Independent Directors for attending meeting of Independent Directors. Besides above, the Company does not pay any other commission or remuneration to its Directors. The Company has no policy of stock option, pension or severance fee for its Directors. Notice period of executive directors are as per Company policy, i.e. 3 months. The Company does not have any separate service contract with executive directors apart from Resolution of Board/shareholders.

6. STAKEHOLDER RELATIONSHIP COMMITTEE

As on 31st March, 2018,

The Stakeholder Relationship Committee comprises of:

Mr. Anil Nayar - Chairman

Mr. Pulkit Seth - Member

Mr. Vinod Vaish - Member

Mr. R.K Aneja - Member

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

Mr. Sandeep Sabharwal, Company Secretary, is the Compliance Officer of the Company.

Status of Shareholders Complaints during the year

Complaints at the beginning of the year. 1st April 2017	Complaints received during the year. 1st April 2017 – 31st March 2018	Complaints settled during the year. 1st April 2017 – 31st March 2018	Complaints pending at the ending of the year 31st March 2018
Nil	3	3	Nil

7. GENERAL BODY MEETINGS

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

Year	AGM	Location	Date	Time
2014-15	26th	Sri Sathya Sai International Centre, Pragati Vihar (Near Pragati Vihar Hostel) Lodhi Road, New Delhi-110 003	22.09.2015	10.30 A.M.
2015-16	27th	Sri Sathya Sai International Centre, Pragati Vihar (Near Pragati Vihar Hostel) Lodhi Road, New Delhi-110 003	27.09.2016	10.30 A.M.
2016-17	28th	Sri Sathya Sai International Centre, Pragati Vihar (Near Pragati Vihar Hostel) Lodhi Road, New Delhi-110 003	28.09.2017	03.30 P.M.

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

Sl. No.	Particulars of Special Resolution	Date	Financial Year
1	NIL	28th September, 2017	2016-17
2	Re-appointment of Mr. Pulkit Seth as Managing Director of the Company.	27th September, 2016	2015-16
	Revision in remuneration of Mr. Vinod Vaish as Whole-Time Director of the Company.	27th September, 2016	2015-16
	Re-appointment of Mr. Vinod Vaish as Whole-Time Director of the Company.	27th September, 2016	2015-16
3	Re-appointment of Mrs. Shefali Seth as Whole-Time Director of the Company.	22nd September, 2015	2014-15
	Re-appointment of Mr. Vinod Vaish as Whole-Time Director of the Company.	22nd September, 2015	2014-15

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

8. 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 Naya India (Hindi).

(iii) The Company's Financial Results, Shareholding Pattern and official news releases are displayed on the Company's website www.pearlglobal.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.

9. GENERAL SHAREHOLDER INFORMATION

(i) Annual General Meeting

29th Annual General Meeting is scheduled as under:-

Day	Date	Time	Venue
Monday	24th September, 2018	10.30 A.M.	Air force Auditorium, Subroto Park, New Delhi-110 010

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

(iv) Financial Calendar, 2018-19 (Tentative)

First Quarter Results : Second week of August, 2018

Second Quarter & Half Yearly Results : Second week of November, 2018

Third Quarter Results : Second week of February, 2019

Fourth Quarter & Annual Results : Last week of May, 2019

(v) Date of Book Closure : 18th September, 2018 to 24th September, 2018 (both days inclusive)

(vi) Listing on Stock Exchanges and their Stock Code

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

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

The Annual Listing Fee for the financial year 2017-2018 has been paid to the Stock Exchanges within stipulated time.

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

(vii) Market Price Data: High, Low during each month in financial year 2017-18:

MONTH(S)	BOMBAY STOCK EXCHANGE Company Code: 532808		NATIONAL STOCK EXCHANGE Company Code: PGIL	
	HIGH	**LOW**	**HIGH**	**LOW**
April 2017	138.00	116.05	138.40	114.50
May 2017	143.00	111.50	143.95	110.85
June 2017	176.00	122.20	176.00	122.40
July 2017	178.00	161.05	176.30	160.10
August 2017	166.00	135.00	166.00	131.50
September 2017	171.50	140.00	172.05	131.80
October 2017	163.70	132.00	164.40	135.15
November 2017	167.95	136.05	164.50	136.00
December 2017	160.00	130.00	159.70	131.20
January 2018	143.80	122.10	146.90	122.75
February 2018	134.85	95.00	129.40	110.50
March 2018	122.40	103.90	121.00	102.40

(viii) Share price performance in comparison to BSE Sensex and NSE Nifty:

MONTH(S) (As on end of last trading day of the month)	SHARE PRICES COMPARISION			
	PGIL	**BSE (Sensex)**	**PGIL**	**NSE (Nifty)**
April 2017	131.90	29,918.40	132.90	9304.05
May 2017	132.65	31,145.80	132.45	9621.25
June 2017	165.85	30,921.61	165.30	9520.90
July 2017	162.35	32,514.94	163.10	10077.10
August 2017	142.00	31,730.49	140.30	9917.90
September 2017	147.50	31,283.72	145.65	9788.60
October 2017	140.75	33,213.13	138.45	10335.30
November 2017	156.00	33,149.35	155.90	10226.55
December 2017	138.25	34,056.83	137.80	10530.70
January 2018	126.90	35,965.02	125.50	11027.70
February 2018	112.90	34,184.04	112.60	10492.85
March 2018	106.00	32,968.68	106.20	10113.70

(ix) Registrar and Share Transfer Agent

Link Intime India Pvt. Limited
44, Community Centre, 2nd Floor,
Naraina Industrial Area,
Phase – I, Near PVR Naraina
New Delhi - 110 028.
Tel. No. : 011 - 41410592 - 94
Fax No. : 011 - 41410591
E-mail : delhi@linkintime.co.in

(x) 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.

(xi) Distribution Schedule

(a) **Distribution of Equity Shareholding of the Company as on 31st March 2018**

Number of Equity Shares * held	Shareholders		Equity shares held	
	Numbers	% to total	Numbers	% to total
1 - 500	19604	96.40	1436545	6.63
501 - 1000	383	1.88	291983	1.35
1001 - 2000	157	0.77	236581	1.09
2001 - 3000	53	0.26	134618	0.62
3001 - 4000	24	0.12	84555	0.39
4001 - 5000	19	0.09	88633	0.41
5001 - 10000	36	0.18	283920	1.31
10001 and above	61	0.30	19107102	88.20
Total	**20337**	**100.00**	**21663937**	**100.00**

(b) **Categories of Shareholders as on 31st March 2018**

	No. of Folio's	% to total Folios	No. of Shares Held*	% to total Shares
PROMOTERS				
Indian	4	0.02	11562764	53.37
NRI	1	0.00	2862145	13.21
TOTAL (A)	**5**	**0.02**	**14424909**	**66.58**
Mutual Funds / Foreign Portfolio Investors	2	0.01	1301678	6.00
Financial Institutions/Banks	8	0.04	509497	2.35
NRI's / Foreign Companies	240	1.18	542629	2.50
Bodies Corporate	148	0.73	562584	2.60
Clearing Members	63	0.31	46588	0.22
Individual	18481	90.87	3861208	17.82
Hindu Undivided Family	697	3.43	414164	1.91
Trusts	2	0.00	260	0.00
TOTAL (B)	**19642**	**96.58**	**7239028**	**33.42**
TOTAL { (A) + (B) } = (C)	**19647**	**100.00**	**21663937**	**100.00**

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

(xii) Dematerialisation of Shares and liquidity

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both NSDL and CDSL. As on 31st March 2018, 21513270 equity shares of the Company forming 99.30% of the Share Capital of the Company stand dematerialized.

(xiii) 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.

(xiv) 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-10016

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) Plot No. 10A, Sector-5, Phase-II, IMT Bawal (Haryana)

ix) No.64,Janakiraman Nagar,Puthagaram,Cuddapa Road,Kilattur,Chennai-600009

x) NH-45 Chettipunniam Village near Chengalpattu,Kanchipuram District, Chennai-603204

xi) 2/31/,Thirukahukundram Road, Melavalam Village, Madhuranthagam, Taluk, Kancheepuram District-603303

xii) Plot No. 19A, NTTF Road, Peenya Industrial Area, Bengaluru-560058

xiii) Norp Knit Industries Ltd, North Khailkur, P.O. National University, Gazipur-1704 Bangladesh.

xiv) Norp Knit Industries Ltd- 93, Islampur, Kodda, Nandun, Gazipur-1700, Bangladesh

xv) PT Pinnacle Apparels, JL Coaster No. 8, Blok A-15-15, a TEPZ, Kawasan Berikat Lamicitra Tanjung Emas Export Processing Zone,Semarang-50174, Indonesia

xvi) PT Pinnacle Apparels, JL Coaster No. 8, Blok B-15, Kawasan Berikat Lamicitra Tanjung Emas Export Processing Zone,Semarang-50174, Indonesia

xvii) 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

xviii) Pearl Global Vietnam Company Limited, Dinh Tri Commune, Bae Giang City, Bae Giang Province, Vietnam

(xv) Registered Office of the Company:

A-3, Community Centre, Naraina Industrial Area,
Phase-II, New Delhi - 110 028

Corporate Office & Address for Correspondence:

Pearl Tower, Plot No.51, Sector-32
Gurgaon - 122 001, Haryana (India)

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

Mr. Sandeep Sabharwal
Company Secretary
Pearl Global Industries Limited
Pearl Tower, Plot No.51, Sector-32
Gurugram - 122 001, Haryana (India)
Tel. No. : 91 - 124 - 4651714
Fax No. : 91 - 124 - 4651173

10. OTHER DISCLOSURES

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

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

c) The Company has a Whistle Blower Policy and Vigil Mechanism. No personnel of the Company have been denied access to the Audit Committee.

d) The Company has complied with all the mandatory requirements including Regulations 17 to 27 and 46 (2) (b) to (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

e) As regard the non-mandatory requirements, the extent of compliance has been stated in this report against each of them.

f) Policy for determining 'material' subsidiaries is disclosed at Company's website at *http://www.pearlglobal.com/investors/policy*

g) Policy on dealing with related party transactions is disclosed at Company's website at *http://www.pearlglobal.com/investors/policy*

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 not maintaining office of the Non-Executive Chairman.

B. Shareholders Rights

Half-yearly financial performance and summary of significant events to be sent to each household of shareholders.

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

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

D. Separate Posts of chairperson and chief executive officer

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

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

Compliance with the Code of Conduct

The Company has adopted a "Code of Conduct for the Directors and Senior Management". The Code is available on the official website of the Company www.pearlglobal.com.

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 Auditors of the Company 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 2018.

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

In regards, shares remains unclaimed and lying in the IPO escrow A/c of the company for the financial year 2017-18, information is as follows:

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

Electronic Clearing Service (ECS)

SEBI had vide its Circular No. DCC/FITTCIR-3/2001 dated October 15, 2001 advised that all companies should mandatorily use ECS facility wherever available. In the absence of ECS facility, companies may use warrants for distributing the dividends and vide its Circular No. D&CC/FITTCIR-04/2001 dated November 13, 2001 had advised companies to mandatorily print the Bank Account details furnished by the Depositories, on the dividend warrants. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors. However, members who wish to receive dividend in an account other than the one specified while opening the Depository account, may notify their DPs about any change in the Bank Account details.

Depository Services

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

National Securities Depository Ltd.

Trade World, 4th Floor, Kamala Mills Compound

Senapati Bapat Marg, Lower Parel, Mumbai-400013

Telephone : 022-24994200

Facsimile : 022-24972993

E-Mail : info@nsdl.co.in

Website : www.nsdl.co.in

Central Depository Services (India) Ltd.

Phiroze Jeejeebhoy Towers

28th Floor, Dalal Street, Mumbai-400023

Telephone : 022-22723333/3224

Facsimile : 022-22723199

E-Mail : investors@cdslindia.com

Website : www.cdslindia.com

Management Discussion and Analysis

INDUSTRY OVERVIEW

India's textiles and Garment sector is one of the oldest industries in Indian economy dating back several centuries. India is currently the world's second largest textile and apparel producer behind China. The whole textile and apparel industry represents over 4% of India's total GDP, 10% of manufacturing production, more than 14% of Industrial Production and more than 14% of Country's export earnings every year, making it the largest manufacturing sector in India. Today, India's textile and apparel industry is worth about 120 billion, with an employment total 105 million people directly and indirectly. India's textile and apparel industry directly employs over 45 million people, which makes it one of the largest source of employment generation in the country. The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand.

Indian khadi products sales increased by 33 per cent year-on-year to Rs 2,005 crore (US$ 311.31 million) in 2016-17 and is expected to exceed Rs 5,000 crore (US$ 776.33 million) sales target for 2018-19, as per the Khadi and Village Industries Commission (KVIC).

The fundamental strength of the industry in India is its strong production base of wide range of fibre/yarns from natural fibres like cotton, jute, silk & wool to synthetic/man-made fibres like polyester, viscose, nylon & acrylic. India is the largest producer of cotton. Cotton yarn, one of the largest segments in india's fibre market, representing over half of share in India's total fabric production. Readymade Garment sector is the largest contributor to India's total textile and apparel exports, representing around 41% of country's textile and apparel exports. The textile Ministry of India earmarked Rs.690 crore (USD) 106.58 million) for setting up 21 readymade garment manufacturing units in seven states for development and modernization of Indian Textile Sector.

However, presently, the Industry is facing problems of reduced drawback (from 7.5% to 2.5%) and ROSL (from 3.5% to 1.7%), partly countered by higher Merchandise Exports from India Scheme (MEIS) from 2% to 4%.The industry has sought higher allocation from the government to meet the requirements of duty drawback and refund of state levies (ROSL) under the new GST regime. The fund allocation in Union Budget 2018-19 increased 14.7 per cent to ₹7,148 crore over the previous year.

The Apparel Export Promotion Council recommends the government to expedite the process of India-EUFTA finalization, as this will help exporters to have better market access that is already enjoyed by India's competitors like, Bangladesh, Vietnam and Cambodia. As per a study conducted by AEPC, if the Indo-EUFTA is signed it will increase Apparel Exports by around USD 2 billion per year. However, EU will also enjoy duty free export facility to India, which needs to be addressed.

COMPANY OVERVIEW

Our product range includes knits, woven and bottoms (basic and complex designs) across men, women and kids wear segments. We have a well diversified and de-risked manufacturing base across India, Indonesia and Bangladesh. We have a total capacity to manufacture around 62 million garments per annum (including own and outsourced facilities).Our revenue structure is primarily export based, with a major contribution coming from exports to the United States. We provide total supply chain solutions to customers-value retailers and high end fashion brand, retails in the United States and Europe. Our business model enables us to offer superior quality products across various countries, catering to all kinds of consumers. Our esteemed global clientele includes premium retailers in USA and Europe, including GAP, Banana Republic, Kohl's, Macy, Ralph, Lauren, Tom Tailor and next among others.

Pearl Global Industries Limited (PGIL) is one of India's largest listed garment exporters, manufacturing from multiple sourcing regions within India and countries within South Asia. A preferred long-term vendor to most leading global brands, we are amongst the leading player in our Industry. Our mainstay business is to create value from competitively manufacturing and exporting fashion garments to leading global brands. We have now also ventured into e–retail through established digital channels and our own e-com portal SbuyS.in, giving consumers access to global fashion at attractive values.

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.

Management Discussion and Analysis

1. Our manufacturing facilities

Country	Name	Factories	Capacity (In Million per annum)
India	Pearl Global	8	16.6
Bangladesh	Norp knit	3	21.6
Indonesia	PT Pinnacle	2	3.6
Vietnam	Pearl Global Vietnam	1	2.4
Total		**14**	**44.2**

2. Our Pillars of Strengths

a) A Multi Location Manufacturing capability

Global apparels sourcing market is witnessing a shift from China to other low-cost Asian countries, primarily Bangladesh, India and Indonesia. Our Company already has a strong manufacturing presence in leading sourcing nations such as India, Bangladesh,Indonesia and Vietnam. Each of these countries exhibits certain core advantages.

b) Design Cell

Our Company has a dedicated in house design team of 75+ designers in Hong kong, India and Indonesia. The design teams continuously observe the trend in all markets across the world and visit almost all the globally renowned fashion and textile fairs to refresh their inspiration for new design ideas. As a result they are well equipped to serve the global brands from concept boards to ready new samples. New design ideas also emerge from our various marketing teams, who are close to and in continuous conversations with buyers located in Hongkong, London, USA and Germany. There is an increased focus being placed on creating brand-specific product designs to generate and accelerate business opportunities for global brands and retailers.

3. E-Commerce Channels

We have already ventured into e retail through our own retail platform www.SbuyS.com. Our vision behind this is to provide internationally trending and fashionable garments to the Indian consumer at an attractive value. In addition to our own retail platform, we have established tie-ups with leading online retail platforms such as Flipkart, Snapdeal, Jabong, myntra fashion, You, and Amazon. We are confident of capitalizing on this growing opportunity. We expect tie channel to evolve gradually and become more significant in the coming years. Since our margin contribution through this channel is substantially more than our B2B business, our topline growth in our B2C business will have a positive effect on our bottom lines.

SBUYS is a popular brand among online shoppers for western women wear and kids wear. It brings in the latest international fashion in Women wear (21-29 yrs) Young Girls wear (15-20 yrs) and kid's wear (4-10 yrs) SBUYS has completed three years and is showing exponential growth YoY. The brand is managed by a team of experience and dedicated professionals. Its business is driven by its own e-com portal WWW.SBUYS.IN and other leading online e-tailers. It is all set to tap the huge potential of women wear and kids wear market thru online retailers and strategic brand tie ups.

COMPANY PERFORMANCE AND MANAGEMENT OUTLOOK

The company has achieved a gross income of Rs.758.79 Crore compared to Rs.903.48 Crore in last financial year.

Going forward, as the expanded capacity in Vietnam become fully operational, the share of overseas manufacturing will increase leading to improvement in overall margins.

In the last year as the expanded capacities in Bangalore and Chennai fully operational, the share of in house manufacturing already increased leading to improvement in overall margins.

Forward integration into online fashion apparel retailing in the brand "SBUYS". Online retailing is a high-growth space and offers strong potential to build a business model with healthy margin profile.

GOVERNMENT INITIATIVE

The Indian government has come up with a number of export promotion policies for textile sector. It has also allowed 100 percent FDI in the Indian Textile sector under automatic route.

The Directorate General of Foreign Trade (DGFT) has revised rates for incentives under Merchandise Exports from India Scheme (MEIS for two sub sectors of textile industry-Readymade garments and made ups from 2% to 4%.

The Ministry of Textiles is encouraging investments though increasing focus on schemes such as Technology up-gradation Fund Scheme (TUFS) under Union Budget 2018-

Management Discussion and Analysis

19 Rs.2300 (USD355.27 million) Crore have been allocated for TUFS and Rs.30 Crore (USD 4.63 million) for the scheme for Integrated Textile parks, under which there are 47 ongoing projects. The cabinet committee on Economic Affairs (CCEA),Government of India has approved a new skill development scheme named 'Scheme for capacity Building in Textile Sector (SCBTS)

The Textile Ministry will organize 'Hastkala Sahyog Shivirs' in 421 handloom-handicrafts clusters across the country which will benefit over 1.2 lakh weavers and articians. The textile Ministry of India earmarked Rs.690 crore (USD106.58 million) for setting up 21 readymade garments manufacturing units in seven states for development and modernization of Indian textile sector.

The Union Ministry of Textile, along with Energy Efficiency Services Ltd (EESL) has launched a technology upgradation scheme called SAATHI (Sustainable and Accelerated Adoption of Efficient Textile Technologies to help small industries) for reviving the power loom sector in India.

OPPORTUNITIES & THREAT

Rising cost of labour in china and marginal price difference in fabrics prices in India and china are helping India. Since costs are rising in china, the media to long term business will move to other countries which can better or match china' cost and delivery capabilities. Since buyers are looking at alternate markets for sourcing, India has greater chance, being economically and socially stable country. Besides, large garment industry in India is getting more organized for higher demands.

However, the inflationary situation in India demands for rise in wages for workers also. Cotton prices are also rising in India, which require authorities intervention like ban on cotton exports. Due to rising cost, India faces competition from low cost countries like Bangladesh and Indonesia.

In today's market scenario, where most of the top retailers of the world are consolidating their vendor bases, stand alone vendors are going out of business and there share is being taken over by companies like PGIL. Vendors that are able to offer value addition in terms of design input, provide different sourcing options and have the operational and financial resources to meet retailers increasing requirements are being categorized as their "Preferred Vendors". This gives the vendor an edge over the competition. Due to all its investments over the last couple of years, your company through its subsidiaries has already been categorized as Preferred Vendor by various big Retailers in US and Europe.

RISKS MANAGEMENT & CONCERNS

The overseas buyers are reducing not only their orders but also their prices due to serious liquidity problems being faced by them.

Garment manufacturing is totally a labour intensive and even after greater automation it will remain so. The obsolete and antiquated labour legislation has hindered the growth of the extremely labour intensive garment manufacturing. The restrictive industrial and labour laws restrain management's capability to respond professionally, effectively and speedily to the fast changing dynamic international textile scenario and request for labour reforms with flexible labour laws to increase productivity.

There is an urgent need for flexible labour norms specific to garment manufacturers and exporters to enable them to meet the increasing international competition especially with regard to employment of casual labour and overtime hours of work during high season which are necessitated by the requirement of meeting tight delivery schedules required for export.

The Company has established factories and operating in the region for long time continuous efforts for betterment of labour has been conducted to improve the condition both at work and home for labour company till now haven't faced any labour issues in terms of strike etc.

The Company is undertaking various measures like lean manufacturing at ground level to increase the productivity and further reduce rejection to improve margin.

INTERNAL CONTROL SYSTEM

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

i) Accurate recording of transactions with internal checks and prompt reporting through SAP

ii) Adhere to applicable Accounting standards and policies.

iii) Review of capital investments and long term business plans.

iv) Periodic review meetings to manage effectively implementation of system.

v) Compliance with applicable statutes, policies, listing requirements and operating guidelines

vi) Effective use of resources and safeguarding of assets.

Management Discussion and Analysis

vii) IT systems with in built controls to facilitate all of the above.

The Company has adequate systems of internal controls to ensure that transactions are properly recorded, authorized and reported apart from safeguarding its assets. Your company has successfully implemented SAP for its manufacturing units and will continue upgrading the same.

The Company has its own Corporate Internal Audit set up which carries out periodic audits at all locations and all functions and brings out deviations to internal control procedures. The observations arising out of audit are periodically reviewed and compliance ensured. It has successfully implemented SAP for its manufacturing units and will continue upgrading the same.

HUMAN RESOURCE MANAGEMENT

Our success depends on our ability to recruit, train and retain quality personnel. Accordingly special emphasis is placed on human resources function in our Company.

The Company adopts a "People first" approach to leverage the potential of employees. Systems and methods to improve employee productivity continuing skill up-gradation and training and by emphasizing the importance of quality products and customer satisfaction.

CAUTION STATEMENT

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

Auditors' Certificate Regarding Compliance of Conditions of Corporate Governance

To
The Members of **Pearl Global Industries Limited**

We have examined the compliance of conditions of Corporate Governance by Pearl Global Industries Limited for the year ended on 31st March, 2018 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the Listing agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and best to of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the Listing Agreement of the said Company with stock exchanges.

We further 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 B.R. Gupta & Co.
Chartered Accountants,
Firm's Registration Number 008352N

(Deepak Agarwal)
Partner
(FCA-073696)

Place of Signature: New Delhi
Date: May 29, 2018

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

This is to certify that as per the provisions of Regulation 26 and Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2018.

For Pearl Global Industries Limited

Pulkit Seth
Managing Director
DIN 00003044

Place: Gurugram
Date: May 29, 2018

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

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

A. We have reviewed the financial statements and the Cash Flow Statement for the year ended 31st March, 2018 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 statements; and

3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

(Pulkit Seth)
Managing Director

(Raj Kumar Chawla)
Chief Financial Officer

Place: Gurugram
Date: May 29, 2018

Independent Auditors' Report

To the Members of PEARL GLOBAL INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of **Pearl Global Industries Limited ("the Holding Company")** and its Subsidiaries (collectively referred to as "the Group") which comprises the Consolidated Balance Sheet as at **March 31, 2018,** and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred as 'the consolidated Ind AS financial statements').

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for preparation of these Consolidated Ind AS financial statements in terms of the requirements of the Companies Act 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and Statement of changes in Equity of the Group including its Subsidiaries in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act read with the companies (Indian accounting Standards) Rule 2015 as amended.

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 Consolidated Ind AS 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these Consolidated Ind AS financial statements based on our audit.

While conducting audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of Consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's directors, as well as evaluating the overall presentation of the Consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other Auditor in terms of their reports referred to in para of the "Other Matters" below, is sufficient and appropriate to provide a basis for our audit opinion on Consolidated Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us,read with paras contained in Other Matters paragraphs below and based on consideration of the reports of other auditors of Subsidiaries on separate financial statements and independent expert on converted financial statements, the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity

Independent Auditors' Report

To the Members of PEARL GLOBAL INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

with the accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Holding Company and its Subsidiaries as at March 31, 2018 and their consolidated **Profit** (including other comprehensive income), its Consolidated cash flows and the changes in the equity for the year ended on that date.

OTHER MATTERS

(a) The Comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening Balance sheet as at April 1, 2016 included in these consolidated Ind AS financial results are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by predecessor auditor whose report for the year ended March 31, 2017 & March 31, 2016 dated May 26, 2017 and May 25, 2016 respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which in case of foreign subsidiaries have been prepared by the Company's management with the assistance of independent experts and relied upon by us based on the compilation report of independent experts and in case of domestic subsidiaries prepared by the Company's Management and have been audited by us.

Our opinion is not modified in respect of above matter.

(b) We did not audit the financial statements of three foreign subsidiaries included in the consolidated financial results, whose consolidated financial results reflect total assets of ` 642,58.91 Lakhs as at March 31, 2018 and total revenue of ` 806,29.28 Lakhs for the year then ended. The financial statements of these three foreign subsidiaries have been audited by other auditors, whose reports have been furnished to us. Further, the Company's Management with the assistance of an independent expert has converted the audited financial statements of these foreign subsidiaries which were prepared based on the accounting principles generally accepted of their respective countries to accounting principles generally accepted in Ind AS specified under Section 133 of the 'Act'(the converted financial statements). We have relied on the audited and the converted financial statements. Our opinion, in so far as it relates to the affairs of such subsidiaries is based solely on the reports of other auditors and independent expert.

Our opinion on the consolidated financial results is not modified in respect of this matter with respect to our reliance on the work done by other auditors and independent expert

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by section 143(3) of the Act, we report that:

(a) *Except for the matters described in the Other Matters paragraphs above*, 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 of the aforesaid consolidated financial statements.

(b) *Except for the matters described in the Other Matters paragraphs above*, in our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statement have been kept so far as it appears from our examination of those books and report of other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statement.

(d) *Except for the possible effects of the matters as described in the Other Matters paragraphs above*, in our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Companies (Indian Accounting Standards) specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of statutory auditors of its Subsidiary Companies, which are the companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

Independent Auditors' Report

To the Members of PEARL GLOBAL INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, after considering the opinion of auditors of two Subsidiaries companies, which are the companies incorporated in India, is given in our separate Report in 'Annexure-A'.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. On the basis of written representations received from the management of the Company, the Company has no pending litigations which could impact its consolidated financial position in its financial statements *except for the cases which are disclosed under Note No. 46 "Contingent Liabilities & Commitments" in the consolidated financial statements.*

ii. According to the information provided and explanation provided to us, the Company has made long-term contracts including derivative contracts for which there were any material foreseeable losses *Refer Note No. 34 to the consolidated financial statements.*

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and two Subsidiaries companies, which are the companies incorporated in India.

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

(Deepak Agarwal)
Partner
Membership Number 073696

Place of Signature: Gurugram
Date: May 29, 2018

Independent Auditors' Report

To the Members of PEARL GLOBAL INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

Annexure 'A' to the Independent Auditors' Report of even date on the consolidated financial statement of Pearl Global Industries Limited

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of **Pearl Global Industries Limited** (hereinafter referred to as "the Holding Company") and its Subsidiaries which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company its subsidiaries, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

Independent Auditors' Report

To the Members of PEARL GLOBAL INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company;

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its Subsidiary Companies which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control over financial reporting insofar as it relates to two Subsidiaries, which are the companies incorporated in India, is based on the corresponding reports of auditors of such companies incorporated in India. Our opinion is not qualified in respect of these matter.

For B.R. Gupta & Co.
Chartered Accountants,
Firm Registration Number 008352N

(Deepak Agarwal)
Partner
Membership Number 073696

Place of Signature: Gurugram
Date: May 29, 2018

Consolidated Balance Sheet
as at March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	Note No.	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
I. Assets				
1. Non-current assets				
(a) Property, plant and equipment	4	17,901.94	17,274.07	13,261.41
(b) Capital work in progress	5	840.42	1,598.46	1,107.72
(c) Investment properties	6	7,514.36	7,629.67	7,087.09
(d) Goodwill	7	1,817.74	560.68	560.68
(e) Other intangible assets	8	134.83	164.24	80.15
(f) Financial assets				
(i) Investments	9	3,109.77	86.19	91.20
(ii) Loans	10	2,104.03	18.32	15.73
(iii) Other financial assets	11	2,186.95	3,049.01	839.69
(g) Deffered tax assets (net)	12	315.64	203.36	242.87
(h) Non current tax assets (net)	13	206.07	593.10	865.66
(i) Other non current assets	14	2,585.78	2,749.02	2,447.25
Total Non-current assets		**38,717.53**	**33,926.12**	**26,599.45**
2. Current assets				
(a) Inventories	15	21,003.91	21,558.17	17,498.16
(b) Financial assets				
(i) Investments	9	632.62	1,253.08	1,922.33
(ii) Trade receivables	16	14,196.59	15,941.70	19,043.76
(iii) Cash and cash equivalents	17	9,225.83	8,640.80	10,891.34
(iv) Bank balances other than cash and cash equivalents	18	441.67	2,004.71	233.35
(v) Loans	10	334.99	368.43	344.77
(vi) Other financial assets	11	2,040.29	1,775.86	3,407.02
(c) Other current assets	14	7,073.27	6,101.86	4,362.94
Total current assets		**54,949.17**	**57,644.61**	**57,703.67**
Total Assets		**93,666.70**	**91,570.73**	**84,303.12**
II. Equity And Liabilities				
1. Equity				
(a) Equity share capital	19	2,166.39	2,166.39	2,166.39
(b) Other equity	20	37,346.98	35,882.15	32,363.58
Equity attributable to equity shareholders		**39,513.37**	**38,048.54**	**34,529.97**
Non - controlling interest		965.10	1,073.34	935.07
Total equity		**40,478.47**	**39,121.88**	**35,465.04**
2. Liabilities				
Non- current liabilities				
(a) Financial liabilities				
(i) Borrowings	21	4,898.92	3,686.69	1,899.76
(ii) Others financial liabilities	22	158.54	220.67	359.72
(b) Provisions	23	1,879.75	1,467.95	1,203.51
(c) Other non current liabilities	24	3,617.84	3,526.13	3,479.63
Total non- current liabilities		**10,555.05**	**8,901.44**	**6,942.62**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	21	21,354.43	20,366.05	18,931.50
(ii) Trade payables	25	10,925.30	11,760.15	17,630.84
(iii) Other financial liabilities	22	8,019.16	8,786.65	3,109.14
(b) Other current liabilities	24	618.58	1,175.83	642.49
(c) Provisions	23	61.09	39.91	27.21
(d) Current tax liabilities (net)	26	1,654.62	1,418.81	1,554.28
Total current liabilities		**42,633.18**	**43,547.41**	**41,895.46**
Total equity and liabilities		**93,666.70**	**91,570.73**	**84,303.12**
Summary of Significant Accounting Policies	3			
The accompanying notes form an integral part of these consolidated financial statements		-	-	-

As per our Report of even date attached

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

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

(Deepak Agarwal)
Partner
Membership Number 073696

Pulkit Seth
Managing Director
DIN 00003044

Deepak Seth
Chairman
DIN 00003021

Place of Signature : Gurugram
Dated: May 29, 2018

Raj Kumar Chawla
Chief Financial Officer

Sandeep Sabharwal
Company Secretary
M. No. ACS - 8370

Consolidated Statement of Profit & Loss
for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

	Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I	Revenue from operations	27	149,604.01	153,805.51
II	Other income	28	4,756.44	3,009.42
III	**Total income (I+II)**		**154,360.45**	**156,814.94**
IV	**Expenses**			
	(a) Cost of materials consumed	29	67,575.26	67,936.69
	(b) Purchases of stock-in-trade	30	15,834.67	17,406.59
	(c) Changes in inventories of finished goods, work in progress and stock in trade	31	(860.49)	(683.08)
	(d) Excise duty		1.58	28.87
	(e) Employee benefits expense	32	23,725.32	22,139.76
	(f) Finance costs	33	2,553.28	2,423.95
	(g) Depreciation and amortization expense	34	2,263.67	1,924.44
	(h) Other expenses	35	40,851.11	40,722.09
	Total expenses		**151,944.40**	**151,899.32**
V	**Profit/ (loss) before exceptional items and tax (III-IV)**		**2,416.05**	**4,915.61**
VI	**Exceptional items**	36	(824.39)	(4.96)
VII	**Profit/ (loss) before tax (V-VI)**		**3,240.44**	**4,920.57**
VIII	**Tax expense:**	12		
	(a) Current tax		706.90	703.62
	(b) MAT credit entitlement		(198.46)	(194.32)
	(c) Deferred tax		257.53	231.54
	(d) Adjustment of tax relating to earlier periods		165.55	(19.14)
	Total tax expense		**931.51**	**721.70**
IX	**Profit/(loss) for the year (VII-VIII)**		**2,308.93**	**4,198.87**
X	**Other comprehensive income**	37		
(A)	(i) Items that will not be reclassified subsequently to statement of profit and loss			
	(a) Re-measurement gains/ (losses) on defined benefit plans		(268.88)	2.32
	(ii) Income tax on items that will not be reclassified subsequently to statement of profit and loss		30.99	(0.41)
(B)	(i) Items that will be reclassified subsequently to statement of profit and loss		67.77	(413.57)
	(ii) Income tax on items that will be reclassified subsequently to statement of profit and loss		-	-
	Other comprehensive income for the year, net of tax		**(170.13)**	**(411.66)**
XI	**Total comprehensive income for the year, net of tax**		**2,138.80**	**3,787.21**
	Profit Attribituable to:			
	Equity shareholders		2,408.11	4,061.76
	Non-controlling interests		(99.18)	137.11
	Other comprehensive income attributable to:			
	Equity shareholders		(161.06)	(412.83)
	Non-controlling interests		(9.06)	1.16
	Total comprehensive income attributable to:			
	Equity shareholders		**2,247.04**	**3,648.94**
	Non-controlling interests		**(108.24)**	**138.28**
XII	**Earnings per share: (Face value ₹ 10 per share)**	38		
	1) Basic (amount in ₹)		11.12	18.75
	2) Diluted (amount in ₹)		11.12	18.75
	Summary of Significant Accounting Policies	3		

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

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

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

(Deepak Agarwal)
Partner
Membership Number 073696

Pulkit Seth
Managing Director
DIN 00003044

Deepak Seth
Chairman
DIN 00003021

Place of Signature : Gurugram
Dated: May 29, 2018

Raj Kumar Chawla
Chief Financial Officer

Sandeep Sabharwal
Company Secretary
M. No. ACS - 8370

Consolidated Cash Flow Statement

for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
Cash Flows From Operating Activities			
Profit before tax		**3,240.44**	**4,920.57**
Adjustments for:			
Depreciation and amortization		2,263.67	1,924.44
Interest paid and other borrowing cost		2,536.12	2,373.54
Excess provision for wealth tax written back		-	(3.00)
Sundry balances written back		(30.80)	(8.10)
Grant amortised during the year		(1.00)	(2.42)
Government grant received		(16.10)	-
Provision for doubtful debt written back		(25.58)	(29.69)
Amortisation of deferred rental income		(8.42)	(35.75)
Unwinding of discount on security deposits		(36.47)	(29.90)
Profit on sale of current investment - mutual fund		(277.21)	(177.75)
Rental income		(732.70)	(1,038.51)
Interest income		(248.72)	(214.44)
Fair value loss (gain) on financial assets measured at fair value through profit and loss		(58.48)	(18.98)
Fair value loss (gain) on financial assets measured at fair value through OCI		(54.38)	-
Re-measurement gains/ (losses) on defined benefit plans		(214.49)	2.32
Foreign exchange translation reserve		67.77	(413.57)
Mark to market (gain) / loss on forward contract		904.72	(905.21)
Allowance for bad and doubtful debts		23.45	4.32
Bad debts written off		117.06	-
Operating Profit Before Working Capital Changes		**7,448.86**	**6,347.88**
Movement In Working Capital:			
(Increase)/decrease in trade receivables		1,630.19	3,127.43
(Increase)/decrease in other non-current financial assets		915.68	(2,054.12)
(Increase)/decrease in other current financial assets		564.57	501.02
(Increase)/decrease in other non-current assets		44.74	(292.80)
(Increase)/decrease in other current assets		(971.41)	(1,738.92)
(Increase)/decrease in inventories		554.26	(4,060.01)
Increase/(decrease) in trade payables		(804.05)	(5,862.59)
Increase/(decrease) in other non-current financial liabilities		(53.70)	(103.30)
Increase/(decrease) in other current financial liabilities		(4,583.95)	5,365.71
Increase/(decrease) in non-current provisions		411.79	264.44
Increase/(decrease) in current provisions		21.18	12.71
Increase/(decrease) in other non-current liabilities		92.71	34.91
Increase/(decrease) in other current liabilities		(557.25)	535.34
Cash Generated From Operations		**4,713.61**	**2,077.70**
Tax paid on dividend		132.31	22.05
Direct Tax paid (Net of Refunds)		389.97	545.51
Cash flow before exceptional items		**4,191.34**	**1,510.14**
Exceptional items:			
(Profit)/Loss on Sale of Fixed Assets		(824.39)	(4.96)
Net Cash Inflow From/(Used In) Operating Activities	**(A)**	**3,366.94**	**1,505.18**

Consolidated Statement of Profit & Loss
for the year ended March 31, 2018

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
Cash Flows From Investing Activities			
Purchase of property, plant and equipment		(3,482.95)	(5,895.66)
Sale proceeds of property, plant and equipment		1,344.98	83.84
(Increase)/Decrease in Capital work in progress		758.03	(490.73)
Purchase of Investment Properties		(67.13)	(624.60)
Sale proceeds of investment properties		300.00	-
Purchase of Intangible assets		(17.33)	(122.40)
Purchase of goodwill		(1,257.06)	-
(Increase)/decrease in capital advances		118.50	(8.97)
Increase/(decrease) in capital creditor		(227.56)	(61.24)
(Increase)/Decrease in non-current Investments		(3,023.58)	5.01
(Increase)/Decrease in current Investments		956.15	865.99
(Increase)/Decrease in non-current Loans		(2,085.71)	(2.60)
(Increase)/Decrease in current Loans		33.44	(23.67)
(Increase)/Decrease in bank deposit		(175.36)	92.31
Interest Received		245.51	256.57
Rent Received		732.70	1,038.51
Net Cash From/ (Used In) Investing Activities	**(B)**	**(5,847.35)**	**(4,887.64)**
Cash Flows From Financing Activities			
Proceeds from issue of share capital & Premium		-	-
Increase/ (Decrease) in Long Term Borrowings		5,256.26	2,159.97
Government grant received		16.10	15.00
Increase/ (Decrease) in Short Term Borrowings		988.38	1,434.55
Increase/ (Decrease) in unpaid dividend account		(9.26)	4.25
Dividend Paid		(649.92)	(108.32)
Interest paid (net)		(2,536.12)	(2,373.54)
Net cash inflow from/(used in) Financing Activities	**(C)**	**3,065.44**	**1,131.92**
Net Increase (Decrease) In Cash And Cash Equivalents	**(A+B+C)**	**585.03**	**(2,250.54)**
Opening Balance of Cash and Cash Equivalents		8,640.80	10,891.34
Total Cash And Cash Equivalent (Note No. 17)		**9,225.83**	**8,640.80**
Components Of Cash And Cash Equivalents			
Cash on hand		1,894.06	816.55
With banks - on current account and deposits with banks		860.15	516.29
- on unpaid dividend account		6,471.62	7,307.96
Total Cash and Cash equivalent (Note No. 17)		**9,225.83**	**8,640.80**
Summary of Significant Accounting Policies	3		
The accompanying notes form an integral part of these financial statements		-	-

As per our Report of even date attached
For **B.R. Gupta & Co.**
Chartered Accountants
Firm's Registration Number 008352N

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

(Deepak Agarwal)
Partner
Membership Number 073696

Pulkit Seth
Managing Director
DIN 00003044

Deepak Seth
Chairman
DIN 00003021

Place of Signature : Gurugram
Dated: May 29, 2018

Raj Kumar Chawla
Chief Financial Officer

Sandeep Sabharwal
Company Secretary
M. No. ACS - 8370

Consolidated Statement of Changes in Equity
for the year ended March 31, 2018

A. Equity Share Capital

(Amount in ₹ 'Lakhs' unless otherwise stated)

As at April 01, 2016	2,166.39
Changes during the year	-
As at March 31, 2017	**2,166.39**
Changes during the year	-
As at March 31, 2018	**2,166.39**

B. Other Equity

	Reserve & Surplus					Items of other of comprehensive income					
	General Reserve	Security Premium	Capital Redemption Reserve	Amalgamation Reserve	Retained Earnings	Change in investment through other comprehensive income	Re-measurement net defined benefit plans	Currency Translation Reserve	Total Other Equity	Non-controlling interest	Total Equity
Balance as at April 01, 2016	**4,204.36**	**17,103.90**	**95.00**	**625.95**	**9,262.21**	**-**	**(75.67)**	**1,147.84**	**32,363.58**	**935.07**	**33,298.65**
Profit / (loss) for the year	-	-	-	-	4,061.76	-		-	4,061.76	137.11	4,198.87
Other Comprehensive Income	-	-	-	-	-	-	0.75	(413.57)	(412.83)	1.16	(411.66)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**4,061.76**	**-**	**0.75**	**(413.57)**	**3,648.93**	**138.28**	**3,787.21**
Dividend	-	-	-	-	(108.32)	-	-	-	(108.32)	-	(108.32)
Dividend Distribution Tax	-	-	-	-	(22.05)	-	-	-	(22.05)	-	(22.05)
Balance as at March 31, 2017	**4,204.36**	**17,103.90**	**95.00**	**625.95**	**13,193.60**	**-**	**(74.92)**	**734.27**	**35,882.15**	**1,073.34**	**36,955.49**
Profit / (loss) for the year	-	-	-	-	2,408.11	-	-	-	2,408.11	(99.18)	2,308.93
Other Comprehensive Income	-	-	-	-	-	(54.38)	(174.44)	67.77	(161.05)	(9.06)	(170.12)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**2,408.11**	**(54.38)**	**(174.44)**	**67.77**	**2,247.05**	**(108.24)**	**2,138.81**
Dividend	-	-	-	-	(649.92)	-	-	-	(649.92)	-	(649.92)
Dividend Distribution Tax	-	-	-	-	(132.31)	-	-	-	(132.31)	-	(132.31)
Balance as at March 31, 2018	**4,204.36**	**17,103.90**	**95.00**	**625.95**	**14,819.48**	**(54.38)**	**(249.36)**	**802.04**	**37,346.98**	**965.10**	**38,312.08**

Summary of Significant Accounting Policies

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

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

(Deepak Agarwal)
Partner
Membership Number 073696

Place of Signature : Gurugram
Dated: May 29, 2018

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

Pulkit Seth
Managing Director
DIN 00003044

Deepak Seth
Chairman
DIN 00003021

Raj Kumar Chawla
Chief Financial Officer

Sandeep Sabharwal
Company Secretary
M. No. ACS - 8370

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

NOTE 1 : GROUP INFORMATION

Pearl Global Industries Limited is a public limited company domiciled in India and incorporated under the provisions of the Companies Act,1956. The Company along with its subsidiaries (collectively referred to as "the Group"), is primarily engaged in manufacturing, sourcing, distribution and export of ready to wear apparels through its domestic and global facilities and operations. The shares of the Company are listed on Bombay Stock Exchange and National Stock Exchange in India.The Consolidated financial statements were authorised for issue in accordance with a resolution of the board of directors on May 29, 2018.

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

Name of Company	Country of incorporation	Principal activities	Porportion (%) of equity interest		
			As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Subsidiaries					
Pearl Apparel Fashions Limited	India	Trading of garments	100.00	100.00	100.00
Pixel Industries Limited	India	Trading of garments	100.00	100.00	100.00
Pearl Global Far East Limited	Hong Kong	Trading of garments	100.00	100.00	100.00
Pearl Global (HK) Limited	Hong Kong	Manufacturing and trading of garments	100.00	100.00	100.00
Norp Knit Industries Limited	Bangladesh	Manufacturing and trading of garments	99.99	99.99	99.99

NOTE 2: BASIS OF PREPARATION AND MEASUREMENT

Statement of Compliance: The consolidated financial statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

Upto the year ended March 31, 2017, the Group prepared the financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006 and other relevant provisions of the Act. These are the Group first Ind AS financial statements. The date of transition to the Ind AS is April 01, 2016. Refer to note 49 for the details of first-time adoption exemptions availed by the Company.

Basis of Preparation and presentation:

i) The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

   The principal accounting policies are set out below.

   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 Group has ascertained its operating cycle as twelve months for the purpose of current non-current classification of assets and liabilities.

   The financial statements are presented in ₹ and all values are rounded to the nearest lakhs upto two decimal places except otherwise stated.

ii) The financial statements of all reporting entities under consolidation are drawn up to the financial year ended March 31, 2018.

iii) The accounting policies adopted for preparation of consolidated financial statements are consistent with those of previous year.

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

i) The consolidated financial statements of the company 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,

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

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 to the company of its investment in subsidiaries over its share in the equity of the investee company as at the date of acquisition of stake is recognized in financial statements as Goodwill or Capital Reserve, as the case may be.

iii) Non-controlling interests in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity of the Company's shareholders.

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 exitence. 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 parent company for its individual financial statements.

The effect of Changes in Foreign Exchange Rates

i) Translation of Financial Statements of Foreign Operations

- In view of Ind As-“21” ‘The effects of Changes in Foreign Exchange Rates’, the operations of all the foreign subsidiaries are identified as non integral operations of the company in the current year and translated into Indian Rupee.
- The Assets and Liabilities of Foreign operations, including Goodwill/Capital Reserve arising on consolidation, are translated in Indian Rupee (INR) at foreign exchange rate at closing rate ruling as at the balance sheet date and the revenue and expenses of foreign operations are translated in Indian Rupee (INR) at yearly average currency exchange rate, of the respective years.
- Foreign exchange differences arising on translation of "Non-integral Foreign Operations" are recognized as, ‘foreign exchange translation reserve’ in balance sheet under the head items of other comprehensive income as items that will be reclassified subsequently to statement of profit and loss.

ii) Foreign Currency Transactions

- Except in case of the parent company, the Sales made in foreign currencies are translated on exchange rate prevailing on the date of transaction. In case of the parent company, the sales made in foreign currency are translated at an average monthly exchange rate which approximates the transaction date rate.
- Gain/Loss arising out of fluctuation in the exchange rate on settlement of the transaction is recognized in the Statement of Profit and Loss.
- Other transactions in foreign currency are recognized on initial recognition at the exchange rate prevailing at the time of transaction.
- Foreign Currency monetary items are reported using the closing rate as on balance sheet date. The resultant exchange gain/loss is dealt with in the Statement of Profit & Loss.

Recent accounting pronouncements

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 12 'Income Taxes', Ind AS 21, 'The effects of changes in foreign exchange rates and also introduced new revenue recognition standard Ind AS 115 'Revenue from contracts with customers'. These amendments rules are applicable to the Group from April 1, 2018.

Ind AS 115 'Revenue from Contracts with Customers' (Ind AS 115)

Ministry of Corporate Affairs ('MCA') has notified new standard for revenue recognition which overhauls the existing revenue recognition standards including Ind AS 18 - Revenue. The new standard provides a control-

Notes

to the Consolidated Financial Statements for the year ended March 31, 2018

based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

(i) Identification of the contracts with the customer

(ii) Identification of the performance obligations in the contract

(iii) Determination of the transaction price

(iv) Allocation of transaction price to the performance obligations in the contract (as identified in step ii)

(v) Recognition of revenue when performance obligation is satisfied.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The management is yet to assess the impact of this new standard on the Group financial statements.

Amendment to Ind AS 12

The amendment to Ind AS 12 requires the entities to consider restriction in tax laws in sources of taxable profit against which entity may make deductions on reversal of deductible temporary difference (may or may not have arisen from same source) and also consider probable future taxable profit. The Group is evaluating the requirements of the amendment and its impact on the financial statements.

Amendment to Ind AS 21

The amendment to Ind AS 21 requires the entities to consider exchange rate on the date of initial recognition of advance consideration (asset/liability) for recognising related expense/income on the settlement of said asset/ liability. The Group is evaluating the requirements of the amendment and its impact on the financial statements.

NOTE 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.

Judgements:

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/ materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Revenue recognition and presentation

The Group assesses its revenue arrangements against specific criteria, i.e. whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent. The Company has concluded that they operating on a principal to principal basis in all its revenue arrangements.

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 business partners are reviewed to determine each party’s respective role in the transaction.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

Interest income

For all debt instruments measured either at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

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.

Estimates and Assumptions:

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 Group. Such changes are reflected in the assumptions when they occur.

Income taxes

The Group is subject to income tax laws as applicable tax rate. 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.

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.

Defined benefit plans

The present value of the gratuity is 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 management 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.

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.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

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

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.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 within other income.

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

- Fixed asset costing upto ₹ 5000 has been fully depreciated during the financial year
- Leasehold land has been amortised over the lease term.
- Freehold Land is not depreciated.

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.

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.

Elimination: Property, plant and equipments are eliminated from financial statements, either on disposal or when retired from active use. Losses/gains arising in case retirement/disposals of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

Goodwill: Goodwill is initially measured at cost, being the excess of the agrregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in the profit or loss as a gain on bargain purchase.

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

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.

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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.

e) Intangible assets

Recognition and measurement

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

Transition to Ind AS

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

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. Amortisation is calculated over the cost of the asset, or other amount substituted for cost.

f) Borrowing costs

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

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

g) Foreign currencies

Functional and presentational currency

The Consolidated Financial statements are presented in ₹, the functional currency of the group. 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’).

Transactions and balances

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss. Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

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.

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h) Revenue Recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Compay and the revenue can be reliably measured. Following are the specific revenue recognition criteria:

i) Export sale is recognized on transfer of risks and rewards to the customer and on the basis of date of Airway Bill/ Bill of lading.

ii) Sales are shown as net of trade discount and include Freight & Insurance recovered from buyers as per the terms of sale.

iii) Interest income is recognized on time proportion basis.

iv) Dividend income is recognized when the right to receive is established.

v) In case of High Sea Sales revenues are recognized on transfer of title of goods to the customer.

vi) Sale of software/ SAP income is recognized at the delivery of complete module & patches.

vii) Income from job work is recognized on the basis of proportionate completion method. However, where job work income is subject to minimum assured profit, it is recognised based on that specific contract.

viii) Commission income is recognized when the services are rendered.

ix) Purchase are recognized upon receipt of such goods by the company.Purchases of imported goods are recognized after completion of custom clearance formalities and upon receipt of such goods by the company.

i) Inventories

i) Inventories of finished goods manufactured by the company are valued style-wise and at lower of cost and estimated net realizable value. Cost includes material cost on weighted average basis and appropriate share of overheads incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

ii) Inventories of finished goods (traded) are valued at lower of procurement cost (FIFO method) or estimated net realizable value.

iii) Inventories of raw material, work in progress, accessories & consumables are valued at cost (weighted average method) or at estimated net realizable value whichever is lower. WIP cost includes appropriate portion of allocable overheads. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

iv) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

j) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. All the lease other than Finance lease are classified as operating lease.

For arrangements entered into prior to the Ind AS transition date i.e. April 01, 2016, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessor

Finance lease: Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Operating lease: Rental income from operating leases is recognised on a straightline basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the period in which such benefits accrue.

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to the Consolidated Financial Statements for the year ended March 31, 2018

Company as a lessee

Finance lease

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease

A lease where risks and rewards incidental to ownership of an asset substantially vest with the lessor is classified as operating lease. Lease payments under operating leases are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

The Group has ascertained that the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases and therefore are not straight-lined. Hence, the lease payments are recognised on an accrual basis as per terms of the lease agreement.

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 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 is a defined contribution scheme and contributions paid/ payable towards Provident Fund are recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service. There are no other obligations other than the contribution payable to the respective trusts.

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

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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 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. 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.

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 Group becomes a party to the contractual provisions of the instruments.

(a) 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)

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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 Group 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.

(b) 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)

Financial liabilities at amortized cost

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

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.

(c) Offsetting of financial instruments

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

(d) Derivative financial instruments

The Group 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, interest rate 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

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changes in the fair value of derivatives are taken directly to statement of profit and loss.

n) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:Financial assets that are debt instruments, and are initially measured at fair value with subsequent measurement at amortised cost e.g., trade and other receivables, security deposits, loan to employees, etc.The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss.

o) Impairment of non-financial assets

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

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

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

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

p) Fair value measurement

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

(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

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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:

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

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

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

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

q) Taxes

Current income tax

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

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

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

Deferred tax

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

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

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

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

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). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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.

r) Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash balance on hand, cash balance at banks and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group cash management.

s) Earnings per share (EPS)

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.

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to the Consolidated Financial Statements for the year ended March 31, 2018

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.

t) Operating segments:

The managing committee is considered to be the 'Chief Operating Decision Maker' (CODM) as defined in IND AS 108. The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by geographic segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

- **Allocation of common cost**s

  Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

- **Inter Segment transfers**

  Inter Segment revenue has been accounted for based on the transaction price agreed to between segments which is based on current market prices.

- **Unallocated items**

  Revenue,expenses,assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

u) Government grants

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

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

v) Contingent liabilities and contingent assets

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

w) Research & development costs

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

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(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT	Land-freehold	Land-leasehold	Buildings	Leasehold improvements	Plant and equipment	Furniture and fixures	Vehicles	Total
Gross carrying amount (At Deemed cost)								
As at April 01, 2016	1,647.34	58.56	3,379.51	26.68	6,628.27	628.03	893.01	13,261.41
Add: Additions made during the year	-	-	1,362.59	65.91	4,178.83	299.23	91.03	5,997.59
Less: Disposals/adjustments during the year	-	-	-	-	236.05	-	16.93	252.98
Add: Currency transalation reserve	-	(0.24)	(10.71)	(1.01)	(99.30)	(8.29)	(4.44)	(124.00)
As at March 31, 2017	**1,647.34**	**58.32**	**4,731.39**	**91.58**	**10,471.76**	**918.96**	**962.66**	**18,882.02**
Add: Acquisition of subsidiary	-	35.74	687.01	-	688.84	-	33.99	1,445.57
Add: Additions made during the year	-	-	137.80	378.18	2,009.15	136.85	297.35	2,959.32
Less: Disposals/adjustments during the year	-	-	542.28	-	298.64	27.17	165.10	1,033.18
Reclassification to other assets	-	-	-	-	1.59	-	(1.59)	-
Add: Exchange realignment	-	0.03	0.61	-	0.60	-	0.53	1.76
Add: Currency transalation reserve	-	0.36	8.09	0.09	30.08	1.20	1.53	41.35
As at March 31, 2018	**1,647.34**	**94.45**	**5,022.63**	**469.84**	**12,903.37**	**1,029.83**	**1,129.38**	**22,296.84**
Accumulated Depreciation and impairment								
As at April 01, 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
Add: Depreciation charge for the year	-	0.34	178.68	24.56	1,270.32	158.86	171.35	1,804.11
Less: Disposals/adjustments during the year	-	-	-	-	159.18	-	14.92	174.10
Add: Currency transalation reserve	-	-	(1.57)	(0.62)	(16.78)	(1.71)	(1.38)	(22.06)
As at March 31, 2017	**-**	**0.34**	**177.11**	**23.94**	**1,094.35**	**157.15**	**155.05**	**1,607.95**
Add: Acquisition of subsidiary	-	16.33	257.93	-	645.70	-	26.37	946.33
Add: Depreciation charge for the year	-	1.37	239.14	56.85	1,522.39	130.99	177.42	2,128.16
Less: Disposals/adjustments during the year	-	-	28.72	-	167.45	7.57	102.53	306.27
Reclassification to other assets	-	-	-	-	0.07	-	(0.07)	-
Add: Exchange realignment	-	0.01	0.25	-	0.60	-	0.02	0.88
Add: Currency transalation reserve	-	0.16	3.33	0.14	13.44	0.62	0.17	17.85
As at March 31, 2018	**-**	**18.21**	**649.03**	**80.94**	**3,109.09**	**281.19**	**256.44**	**4,394.90**
Net Carrying Amount								
As at April 01, 2016	1,647.34	58.56	3,379.51	26.68	6,628.27	628.03	893.01	**13,261.41**
As at March 31, 2017	1,647.34	57.98	4,554.28	67.64	9,377.41	761.81	807.62	**17,274.07**
As at March 31, 2018	1,647.34	76.23	4,373.60	388.90	9,794.28	748.64	872.94	**17,901.94**

a) The Group has availed the exemption available under Ind AS 101, whereas the carrying value of property, plant and equipment has been carried forwarded at the amount as determined under the previous GAAP as its deemed cost. The Group has disclosed the cost as at April 01, 2016 net of accumulated depreciation. However, information regarding gross carrying amount of assets, accumulated depreciation has been disclosed by the Group separately as follows :

Particulars	Land-freehold	Land-leasehold	Buildings	Leasehold improvements	Plant and equipment	Furniture and fixures	Vehicles	Total
Gross carrying amount as at April 1, 2016	1,647.34	86.30	5,192.85	30.53	15,272.17	1,693.87	1,309.26	**25,232.31**
Accumulated depreciation as at April 1, 2016	-	27.74	1,813.34	3.85	8,643.90	1,065.84	416.24	**11,970.91**
Net carrying amount as at April 1, 2016	**1,647.34**	**58.56**	**3,379.51**	**26.68**	**6,628.27**	**628.03**	**893.01**	**13,261.40**

b) The above assets includes Gross Block of Land of ₹ 159.54 lakhs (March 31, 2017: ₹ 159.54 lakhs, April 01, 2016: ₹ 159.54 lakhs) & Gross Block of Building of ₹ 234.35 (March 31, 2017: ₹ 234.35 lakhs, April 01, 2016: ₹ 234.35 lakhs) situated at Narshingpur, Tehsil District Gurgaon(Haryana) 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 2017-18 due to pending receipt of license from the concerned authority.

c) In the earlier years, the Company had initiated the process of converting its leasehold land (situated at Plot A-3, Naraina, New Delhi) into freehold land. However, the deed is yet to be transferred in the name of the Company as at March 31, 2018.

d) Borrowing cost of ₹ Nil (March 31, 2017 : ₹ 67.68 lakhs; April 01, 2016 : ₹ Nil) has been capitalised during the year.

e) In case of Pearl Global (HK) Limited, as at May 01, 2017, property plant and equipment of net carrying amount of ₹ 499.24 lakhs were acquired by acquisition of a subsidiary.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 5 : CAPITAL WORK IN PROGRESS	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Capital work in progress	840.42	1,598.46	1,107.72
	840.42	**1,598.46**	**1,107.72**

a) Breakup of Capital Work in Progress is as follows:	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Building*	544.77	515.51	853.25
Plant and machinery	294.51	861.07	214.25
Furniture and fittings	-	-	1.44
Lease hold improvement	-	216.20	-
SAP	-	-	34.01
Other expenses	1.15	5.68	4.77
	840.42	**1,598.46**	**1,107.72**

* Capital work in progress includes ₹ Nil (March 31, 2017: ₹ Nil; April 01, 2016: ₹ 9.93) lakhs of brrowing cost as per Ind AS -23 " Borrowing Cost".

b) The Group has elected Ind AS 101 exemption and continue with the carrying value for capital work in progress as its deemed cost as at the date of transition.

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 6 : INVESTMENT PROPERTIES	Land freehold	Land leasehold	Building	Total
Gross carrying amount				
(At Deemed Cost)				
As at April 01, 2016	3,007.71	112.60	3,966.78	**7,087.09**
Add: Additions made during the year	10.67	-	613.93	**624.60**
Less: Disposals/adjustments during the year	-	-	-	-
As at March 31, 2017	**3,018.37**	**112.60**	**4,580.71**	**7,711.68**
Add: Additions made during the year	67.13	-	-	**67.13**
Less: Disposals/adjustments during the year	-	102.24	-	**102.24**
As at March 31, 2018	**3,085.50**	**10.36**	**4,580.71**	**7,676.57**
Accumulated depreciation				
As at April 01, 2016	-	-	-	-
Add: Depreciation & amortisation charge for the year	-	5.55	76.46	82.01
Less: Disposals/adjustments during the year	-	-	-	-
As at March 31, 2017	-	5.55	76.46	**82.01**
Add: Depreciation & amortisation charge for the year	-	3.01	85.76	**88.77**
Less: Disposals/adjustments during the year	-	8.56	-	**8.56**
As at March 31, 2018	**-**	**-**	**162.21**	**162.21**
Net Carrying Amount				
As at April 01, 2016	3,007.71	112.60	3,966.78	**7,087.09**
As at March 31, 2017	3,018.37	107.05	4,504.25	**7,629.67**
As at March 31, 2018	3,085.50	10.36	4,418.50	**7,514.36**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a)	**Amounts recognized in statement of profit and loss for investment properties**		
	Rental Income	732.70	1,038.51
	Direct operating expenses of property that generated rental income	25.52	6.97
	Direct operating expenses of property that did not generated rental income	68.30	55.67
	Income arising from Investment properties before charging depreciation	**638.89**	**975.88**
	Depreciation & amortisation	88.77	82.01
	Income from Investment properties (net)	**550.13**	**893.87**
(b)	**Fair value of investment properties**		
	Estimation of fair value	**11,548.24**	**10,876.85**

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

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

(c) The Group has availed the exemption available under Ind AS 101, whereas the carrying value of property, plant and equipment has been carried forwarded at the amount as determined under the previous GAAP as its deemed cost. The Group has disclosed the cost as at April 01, 2016 net of accumulated depreciation. However, information regarding gross carrying amount of assets, accumulated depreciation has been disclosed by the Company separately as follows :

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	Land freehold	Land leasehold	Building	Total
Gross carrying amount as at April 1, 2016	3,007.71	159.51	4,338.60	**7,505.82**
Accumulated depreciation and amortisation as at April 1, 2016	-	46.91	371.82	**418.73**
Net carrying amount as at April 1, 2016	**3,007.71**	**112.60**	**3,966.78**	**7,087.09**

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 7 : GOODWILL	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Goodwill / (Capital reserve) outstanding on acquisition of subsidiaries			
Norp Knit Industries Limited	335.56	335.56	335.56
Pearl Apparel Fashions Limited (Formerly known as Lerros Fashions India Limited	225.12	225.12	225.12
Pearl Global (HK) Limited	1,257.06	-	-
	1,817.74	**560.68**	**560.68**

Notes

to the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 8 : OTHER INTANGIBLE ASSETS	Computer Software	Total
At Deemed Cost		
Gross Carrying Amount		
As at April 01, 2016	80.15	80.15
Add: Additions during the year	122.40	122.40
Less: Disposals / adjustments during the year	-	-
As at March 31, 2017	**202.55**	**202.55**
Add: Additions during the year	17.33	17.33
Less: Disposals / adjustments during the year	-	-
As at March 31, 2018	**219.88**	**219.88**
Amortisation and impairment		
As at April 01, 2016	-	-
Add: Amortisation charge for the year	38.32	38.32
Less: On disposals/adjustments during the year	-	-
As at March 31, 2017	**38.32**	**38.32**
Add: Amortisation charge for the year	46.74	46.74
Less: On disposals / adjustments during the year	-	-
As at March 31, 2018	**85.06**	**85.06**
Net Carrying Amount		
As at April 01, 2016	**80.15**	**80.15**
As at March 31, 2017	**164.24**	**164.24**
As at March 31, 2018	**134.83**	**134.83**

a) The Group has availed the exemption available under Ind AS 101, whereas the carrying value of property, plant and equipment has been carried forwarded at the amount as determined under the previous GAAP as its deemed cost. The Group has disclosed the cost as at April 01, 2016 net of accumulated depreciation. However, information regarding gross carrying amount of assets, accumulated depreciation has been disclosed by the Group separately as follows:

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	Computer Software	Total
Gross carrying amount as at April 1, 2016	1,071.67	1,071.67
Accumulated depreciation as at April 1, 2016	991.52	991.52
Net carrying amount as at April 1, 2016	**80.15**	**80.15**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 9 : INVESTMENTS	**As At March 31, 2018**	**As At March 31, 2017**	**As At April 01, 2016**
Non- Current			
A. Equity Instruments			
Fair value through profit and loss			
(Quoted)			
PDS Multinational fashions Limited, India 50,000 (March 31, 2017: 50,000 ; April 01, 2016: 50,000) Equity Shares of ₹ 10/- each fully paid up	143.00	84.53	90.00
	143.00	**84.53**	**90.00**
B. Investments in mutual funds - (Unquoted)			
Fair value through other comprehensive income			
(Unquoted)			
Investments in mutual funds **(refer note (c) below)**	2,965.10	-	-
	2,965.10	**-**	**-**
C. Investments in Government securities - (Unquoted)			
At Amortised cost			
Investments in Government securities			
- National Saving Certificate (NSC) **(refer note 'b' below)**	0.04	0.04	0.04
- Gold Sovereign Bond- 37 units of 2 gram each issued by Reserve Bank of India	1.63	1.63	1.16
	1.67	**1.67**	**1.20**
Total (A + B + C)	**3,109.77**	**86.19**	**91.20**

(Amount in ₹ 'Lakhs' unless otherwise stated)

Current	**As At March 31, 2018**	**As At March 31, 2017**	**As At April 01, 2016**
A. Investments in mutual funds - (Quoted)			
Investments carried at Fair value through profit and loss			
HDFC FMP Regular growth	-	-	101.73
Nil Units Face Value of ₹ 10 per unit (March 31, 2017 :Nil, April 01, 2016: 800,000 units)			
BSL FTP Corporate Bonds 1170 DAYS	-	134.94	124.66
Nil Units Face Value of ₹ 10 per unit (March 31, 2017 :1,000,000 units, April 01, 2016: 1,000,000 units)			
HSBC Fixed term series 109 growth	-	191.51	176.30
Nil Units Face Value of ₹ 10 per unit (March 31, 2017 :1,500,000 units, April 01, 2016: 1,500,000 units)			
HDFC Cash Management	-	15.10	56.20
Nil Units of Face Value of ₹ 10 per unit (March 31, 2017 : 8,337,966 units April 01, 2016: 215,802.941 units)			

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

	Birla sunlife interval income	-	54.26	50.39
	Nil Units of Face Value of ₹ 10 per unit (March 31, 2017: 400,000 units; April 01, 2016: 400,000 units)			
	Birla sunlife fixed term plan	-	254.79	236.25
	Nil Units of Face Value of ₹ 10 per unit (March 31, 2017: 2,000,000 units ; April 01, 2016: 2,000,000 units)			
	Franklin India corporate bond	132.33	121.59	105.74
	702,286.65 Units of Face Value of ₹ 10 per unit (March 31, 2017 : 702,286.65 units, April 01, 2016: 702,286.65 units)			
	Edelweiss arbitrage fund growth	-	16.00	315.51
	Nil units of Face Value of ₹ 10 per unit (March31, 2017: 13114.54 units; April 01, 2016: 2,753,303.97 units)			
	Reliance -dual advantage fixed tenure fund V plan C	-	-	344.97
	Nil (March 31, 2017 : Nil ; April 01, 2016 : 3,000,000 units of Face Value of ₹ 10 per unit)			
	ICICI PRU Equity arbitrage fund regular	115.97	109.66	135.90
	504,149.36 units of Face Value of ₹ 10 per unit (March 31, 2017: 504,149.36 units; April 01, 2016: 665,509.70 units)			
	UTI short term income fund	195.36	184.41	168.03
	924,908.95 units of Face Value of ₹ 10 per unit (March 31, 2017 : 924,908.95 units; April 01, 2016: 924,908.95 units)			
	ICICI PRU Corporate bond	125.20	117.44	106.65
	462,943.67 units of Face Value of ₹ 10 per unit (March 31, 2017: 462,943.67 units ; April 01, 2016: 462,943.67 units)			
	Principal balances Fund - Regular Plan Growth	63.76	53.38	-
	82,349.7690 units of of Face Value of ₹ 10 per unit (March 31, 2017 : 82,349.7690 units; April 01, 2016 : Nil)			
		632.62	**1,253.08**	**1,922.33**
a)	Aggregate book value of quoted investments	775.62	1,337.60	2,012.33
	Aggregate market value of quoted investments	775.62	1,337.60	2,012.33
	Aggregate value of unquoted investments	2,966.77	1.67	1.20
	Aggregate amount of impairment in value of unquoted investments	-	-	-
	Aggregate value of unquoted investments (net of impairment)	2,966.77	1.67	1.20

b) The National Saving Certificate(s) are pledged with Sales Tax Authorities

In case of Pearl Global HK:

c) The investment in mutual fund was pledged to bank to secure for banking facilities granted to the Company.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE10 : LOANS	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
(Unsecured, considered good unless otherwise stated)			
Non - current			
Loans to employees	12.09	18.32	15.73
Loans to others	2,091.94	-	-
	2,104.03	**18.32**	**15.73**
Current			
Loans to employees	34.99	54.97	44.77
Loans to related parties	300.00	313.46	300.00
	334.99	**368.43**	**344.77**

(Refer note no. 44 For information about credit and market risk for loans)

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 11 : OTHER FINANCIAL ASSETS	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
(Unsecured, considered good unless otherwise stated)			
Non- current			
Security deposits (Refer 'a' below)	572.57	728.21	580.11
Interest accrued but not due on			
- Term deposits	0.64	0.94	35.97
Deposits with original maturity of more than 12 months (Refer note 18)	400.27	382.82	222.50
Others	1,213.47	1,937.03	1.10
Total (A)	**2,186.95**	**3,049.01**	**839.69**
Current			
Security deposits (Refer 'a' below)	26.11	590.69	1,091.71
Interest accrued but not due on			
- Term deposits	54.94	58.09	58.46
- Loan to related parties	13.46	6.81	13.54
Mark to market forward contracts	215.57	1,120.27	215.06
Deposits with original maturity of more than 12 months (Refer note 18)	1,730.21	-	2,028.24
Total (B)	**2,040.29**	**1,775.86**	**3,407.02**
Total (A+B)	**4,227.24**	**4,824.86**	**4,246.70**

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

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 12 : INCOME TAX	As At March 31, 2018	As At March 31, 2017
The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:		
Statement of profit and loss:		
Profit or loss section		
Tax Expense:		
a) Current tax	508.43	509.30
b) Adjustments in respect of current income tax of previous year	165.55	(19.14)
c) Deferred tax	257.53	231.54
Income tax expense reported in the statement of profit or loss	**931.51**	**721.70**
OCI section		
Deferred tax related to items recognised in OCI during the year:		

	As At March 31, 2018	As At March 31, 2017
Net loss/(gain) on remeasurements of defined benefit plans	**30.99**	**(0.41)**
Income tax charged to OCI	**30.99**	**(0.41)**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2017.	As At March 31, 2018	As At March 31, 2017
Accounting profit before tax from continuing operations	2,308.93	4,198.87
Accounting profit before income tax		
At India's statutory income tax rate of 34.608% (March 31, 2017: 34.608%)	763.40	1,388.27
Adjustments in respect of current income tax of previous years	165.55	(19.14)
Tax effect of the amounts which are Non-deductible/(taxable) for tax purposes:		
Expenses not allowable for tax purposes	53.55	175.95
Income exempted from Income taxes	(213.39)	(308.58)
Impact of tax at different tax rate and Others	162.40	(514.80)
At the income tax rate of 34.608% (March 31, 2017: 34.608 %)	**931.51**	**721.70**
Income tax expense reported in the statement of profit and loss	**931.51**	**721.70**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs')

DEFERRED TAX:	Balance sheet		
	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Deferred tax assets relates to the following:			
Provision for employee benefits	475.15	374.97	284.20
Expenses allowed in the year of payment	14.91	11.77	26.39
Unaborsbed Losses	742.57	699.42	791.61
Others	68.89	64.33	119.39
MAT Credit	531.26	192.44	-
	1,832.78	**1,342.94**	**1,221.59**
Deferred tax liability relates to the following:			
Property, plant and equipment	1,359.96	951.07	765.79
Fair valuation of mutual fund	33.84	74.49	71.41
Borrowing (EIR)	11.80	10.97	11.80
Others	111.55	103.05	129.71
	1,517.15	**1,139.58**	**978.72**
Total deferred tax assets/(liabiities) (Net)	**315.64**	**203.36**	**242.87**

(Amount in ₹ 'Lakhs')

Deferred tax expense/income:	Statement of Profit and Loss	
	As At March 31, 2018	As At March 31, 2017
Deferred tax assets relates to the following :		
Provision for employee benefits	100.18	90.77
Expenses allowed in the year of payment	3.14	(14.62)
Unaborsbed Losses	43.15	(92.19)
Others	4.56	(55.06)
	151.03	**(71.09)**
Deferred tax liability relates to the following :		
Property, plant and equipment	408.89	185.28
Fair valuation of mutual fund	(40.66)	3.09
Fair valuation of investment in ES	0.83	(0.84)
Borrowing (EIR)	8.50	(26.66)
	377.56	**160.86**
Net deferred tax charge	**226.54**	**231.95**
Recognised in statement of profit and loss	257.53	231.54
Recognised in other comprehensive income	(30.99)	0.41

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.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 13 : NON CURRENT TAX ASSET	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Advance Income Tax	206.07	593.10	865.66
(Net of provision of ₹ 1642.28 Lakhs (March 31, 2017 : ₹ 1,237.87 Lakhs, April 01, 2016: ₹ 821.25 Lakhs)			
	206.07	**593.10**	**865.66**

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 14 : OTHER ASSETS	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
(Unsecured, considered good, unless otherwise stated)			
Non- current			
Capital advances	183.24	301.74	292.77
Balance with government authorities	153.62	265.98	335.69
Prepaid expenses	610.90	683.94	744.12
Other Advances	1,638.02	1,497.36	1,074.67
Total (A)	**2,585.78**	**2,749.02**	**2,447.25**
Current			
Export incentive receivable	2,233.42	2,489.10	2,037.05
Balance with government authorities	1,569.04	-	-
Advances to suppliers	1,154.76	1,183.80	699.86
Advances to suppliers - considered doubtful	-	5.55	5.55
Less: Allowance for bad and doubtful debts	-	(5.55)	(5.55)
Prepaid expenses	440.87	382.88	356.11
Other receivables	1,675.18	2,046.08	1,269.93
Total (B)	**7,073.27**	**6,101.86**	**4,362.94**
Total (A+B)	**9,659.04**	**8,850.88**	**6,810.19**

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 15 : INVENTORIES	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Raw materials	10,585.74	11,928.62	8,280.57
Good in transit- raw material	89.39	91.89	156.95
Work in progress	6,299.74	5,285.95	5,519.73
Finished goods	4,002.41	4,075.07	3,278.19
Stores spares & others	26.63	176.63	262.72
	21,003.91	**21,558.17**	**17,498.16**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 16 : TRADE RECEIVABLES	**As At March 31, 2018**	**As At March 31, 2017**	**As At April 01, 2016**
(Unsecured unless otherwise stated)			
Considered good	14,196.59	15,941.70	19,043.76
Considered doubtful	34.42	36.55	61.92
Less: Allowance for bad and doubtful debts	(34.42)	(36.55)	(61.92)
	14,196.59	**15,941.70**	**19,043.76**
The movement in allowance for bad and doubtful debts is as follows:			
Balance as at beginning of the year	36.55	61.92	56.98
Allowance for bad and doubtful debts during the year	23.45	4.32	18.01
Trade receivables written off / written back during the year	(25.58)	(29.69)	(13.07)
Balance as at the end of the year	**34.42**	**36.55**	**61.92**

a) Trade receivables are non-interest bearing and are generally on terms of 45 - 60 days.

b) The Group exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 44.

c) Due from related parties (Refer note no. 47).

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 17 : CASH AND CASH EQUIVALENTS	**As At March 31, 2018**	**As At March 31, 2017**	**As At April 01, 2016**
Balances with banks:			
- Current account	6,471.62	7,307.96	8,306.34
- Deposits with original maturity of less than 3 months	860.15	516.29	1,501.85
Cash on hand	45.80	65.45	617.34
Cheque/drafts on hand	1,848.26	751.10	465.80
	9,225.83	**8,640.80**	**10,891.34**

a) Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

b) For the purpose of the statement of cash flow, cash and cash equivalents comprise of the following:

	As At March 31, 2018	**As At March 31, 2017**	**As At April 01, 2016**
Balances with banks:			
- Current account	6,471.62	7,307.96	8,306.34
- Deposits with original maturity of less than 3 months	860.15	516.29	1,501.85
Cash on hand	45.80	65.45	617.34
Cheque/drafts on hand	1,848.26	751.10	465.80
	9,225.83	**8,640.80**	**10,891.34**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 18 : OTHER BANK BALANCE	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Earmarked balances with banks			
Unpaid Dividend Account	24.53	15.27	19.52
Deposits with original maturity of more than 3 months but less than 12 months (Refer note below)	417.15	1,989.44	213.83
Balance with bank (Considered doubtful)	0.03	0.03	0.03
Less: Provision for Doubtful Deposit	(0.03)	(0.03)	(0.03)
	441.67	**2,004.71**	**233.35**

a) Deposis of ₹ 1,922.63 lakhs (March 31, 2017 ₹ 1,687.43 lakhs; April 1, 2016: ₹ 4,486.71 lakhs) are pledged as security with various banks.

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 19 : SHARE CAPITAL	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Authorised Share Capital			
5,14,40,000* (March 31, 2017: 5,14,40,000, April 01, 2016 : 5,14,40,000) equity shares of ₹ 10 each	5,144.00	5,144.00	5,144.00
10,000* (March 31, 2017: 10,000, April 01,2016 : 10,000) 4% Non Cumulative Redeemable Preference Shares of ₹ 10/- each	1.00	1.00	1.00
3,256,000* (March 31, 2017: 3,256,000, April 01, 2016: 3,256,000) 10.5% Non Cumulative Redeemable Preference Shares of ₹ 100/- each	3,256.00	3,256.00	3,256.00
Issued, subscribed and paid up	**8,401.00**	**8,401.00**	**8,401.00**
21,663,937* (March 31, 2017: 21,663,937, April 01, 2016: 21,663,937) Equity Shares of ₹ 10/- each fully paid up	2,166.39	2,166.39	2,166.39
	2,166.39	**2,166.39**	**2,166.39**

* Number of Shares are given in absolute numbers.

a) Reconciliation of authorised, issued and subscribed share capital:

i. Reconciliation of authorised share capital as at year end :	No. of shares (in 'Lakhs')	Amount
Balance as at April 1, 2016	514.40	5,144.00
Increase/(decrease) during the year	-	-
Balance as at March 31, 2017	**514.40**	**5,144.00**
Increase/(decrease) during the year	-	-
Balance as at March 31, 2018	**514.40**	**5,144.00**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

ii. Reconciliation of issued and subscribed share capital as at year end :

Equity Share of ₹ 10 each issued, Subscribed and fully paid	No. of shares (in 'Lakhs')	Amount (₹ 'Lakhs')
Balance as at April 1, 2016	216.64	2,166.39
Changes during the year	-	-
Balance as at March 31, 2017	**216.64**	**2,166.39**
Changes during the year	-	-
Balance as at March 31, 2018	**216.64**	**2,166.39**

b) Terms/ rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. During the year ended March 31, 2018, the amount of per share dividend recognised for the financial year 2016-17 as distributions to equity shareholders was ₹ 3 per share (during the year ended March 31, 2017 amount recognised for financial year 2015-16: ₹ 0.5 per share). Final dividend of ₹ 2 per share for financial year 2017-18 has been proposed and is not recognised as liability in the financial statements for the year ended March 31, 2018.

c) For a period of 5 years immediately preceeding the date of balance sheet, aggregate number and class of shares allotted as fully paid pursuant to Scheme of Amalgamation without payment being recovered in cash

	March 31, 2018	March 31, 2017	April 01, 2016
	(No. of Shares)	(No. of Shares)	(No. of Shares)
Equity Share Capital (being shares issued to shareholders of Pearl Global Limited; subsidiary merged with the Company as per Scheme of Amalgamation during financial year 2011-12)	2,163,594	2,163,594	2,163,594

d) Details of shareholders holding more than 5% shares in the company

Name of Party	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of shares	Holding %	No. of shares	Holding %	No. of shares	Holding %
Mrs. Payel Seth	4,413,635	20.37	4,413,635	20.37	4,413,635	20.37
Mr. Deepak Seth	2,862,145	13.21	1,544,499	7.13	1,544,499	7.13
Mr. Pulkit Seth	6,947,621	32.07	6,947,621	32.07	6,947,621	32.07
Mr. Pallak Seth	-	-	1,317,646	6.08	1,317,646	6.08
Total	**14,223,401**	**65.65**	**14,223,401**	**65.65**	**14,223,401**	**65.65**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 20 : OTHER EQUITY

a) General reserve	
Balance as at April 1, 2016	4,204.36
Add: Addition during the year	-
less: Utilized during the year	-
less: Transferred	-
Balance as at March 31, 2017	**4,204.36**
Add: Addition during the year	-
less: Utilized during the year	-
less: Transferred	-
Balance as at March 31, 2018	**4,204.36**
b) Securities premium	
Balance as at April 1, 2016	**17,103.90**
Add: Addition during the year	-
less: Utilized during the year	-
less: Transferred	-
Balance as at March 31, 2017	**17,103.90**
Add: Addition during the year	-
less: Utilized during the year	-
less: Transferred	-
Balance as at March 31, 2018	**17,103.90**
c) Capital redemption reserve	
Balance as at April 1, 2016	95.00
Add: Addition during the year	-
Less: Utilized during the year	-
Less: Transferred	-
Balance as at March 31, 2017	95.00
Add: Addition during the year	-
Less: Utilized during the year	-
Less: Transferred	-
Balance as at March 31, 2018	**95.00**
d) Amalgamation reserve	
Balance as at April 1, 2016	625.95
Add: Addition during the year	-
Less: Utilized during the year	-
Less: Transferred	-
Balance as at March 31, 2017	**625.95**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 20 : OTHER EQUITY

Add: Addition during the year	-
Less: Utilized during the year	-
Less: Transferred	-
Balance as at March 31, 2018	**625.95**
e) Foreign Currency Translation Reserve	
Balance as at April 1, 2016	1,147.84
Add: Addition during the year	-
less: Utilized during the year	413.57
Balance as at March 31, 2017	**734.27**
Add: Addition during the year	67.77
less: Utilized during the year	-
Balance as at March 31, 2018	**802.04**
f) Change in investment through other comprehensive income	
Balance as at April 1, 2016	-
Add: Addition during the year	-
less: decrease during the year	-
Balance as at March 31, 2017	**-**
Add: Addition during the year	-
less: decrease during the year	54.38
Balance as at March 31, 2018	**(54.38)**
g) Re-measurement net defined benefit plans	
Balance as at April 1, 2016	(75.67)
Add: Addition during the year	1.91
less: Utilized during the year	
Less: Share of Non-controlling interest	1.16
Balance as at March 31, 2017	**(74.92)**
Add: Addition during the year	(183.50)
less: Utilized during the year	
Less: Share of Non-controlling interest	(9.06)
Balance as at March 31, 2018	**(249.36)**
h) Retained Earnings	
Balance as at April 1, 2016	9,262.21
Add: Profit/Loss for the year	4,198.87
Less: Dividend Paid	108.32
Less: Dividend Distribution Tax Paid	22.05
Less: Share of Non-controlling interest	137.11
Less: Transfer to General Reserve	-
Balance as at March 31, 2017	**13,193.60**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 20 : OTHER EQUITY

Add: Profit/Loss for the year	2,308.93
Less: Dividend Paid	649.92
Less: Dividend Distribution Tax Paid	132.31
Less: Share of Non-controlling interest	(99.18)
Less: Transfer to General Reserve	-
Balance as at March 31, 2018	**14,819.48**
Total Other Equity	
Balance as at March 31, 2018	**37,346.98**
As at March 31, 2017	**35,882.15**
As at April 1, 2016	**32,363.58**

Nature and purpose of reserves

a) General reserve

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

The amount received in excess of face value of the equity shares is recognised in securities premium. Reserve.

c) Capital Redemption Reserve

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

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.

e) Re-measurement net defined benefit plans

Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss

f) Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

g) Foreign currency translation reserve

Foreign currency translation reserve is created on translation of financial statements of non integral foreign operation at the reporting date.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 21 : BORROWINGS	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Non current			
From banks (secured)			
- Corporate loan [refer note a(i) & a(iii)]	4,740.86	3,481.84	1,632.32
- Vehicle loans [refer note a(iii)]	107.05	133.07	267.43
From financials institutional (secured)			
- Vehicle loans [refer note a(iii)]	51.01	71.79	-
Total (A)	**4,898.92**	**3,686.69**	**1,899.76**
Current			
Working capital loan from banks(secured)			
- Rupee loan [refer note (d) below]	21,354.43	20,366.05	18,923.35
- Foreign currency loan [refer note (d) below]	-	-	8.15
Total (B)	**21,354.43**	**20,366.05**	**18,931.50**
Total (A+B)	**26,253.35**	**24,052.75**	**20,831.26**

a) The nature of Security for Secured Loans are :

(i) Corporate Term Loan (Kotak Bank) is secured by charge on immovable property situated at Plot No. 446, Phase-V, Udyog Vihar Industrial Estate, Haryana along with present and future structures including all present and future development rights. The loan is also secured by personal guarantee of the Promoter Director.

(ii) Corporate Term Loan (Andhra Bank) is secured by first and exclusive charge on the entire fixed assets including machineries,land and building at Chennai and Bangalore Plant of the Company. In addition, Equitable Mortgage of Land & Building located at Survey No- 262A in Aryapakkam Village at Kancheepuram measuring 4.8053 acre in Company's name.

(iii) Corporate Term Loan (HDFC Bank) is secured by exclusive charge over movable fixed aseets of the Company, both present and future. The loan is also secured by personal guarantee of one of the Promoter Director of the Company and exclusive charge by way of equitable mortagage on industrial plot no.446, Udyog Vihar, Phase- V, Gurugram, Haryana.

(iv) BDT Term Loans from HSBC (in case of Norp Knit Industries Limited) are secured by first charge over Company's Plant & Machinery, Stocks of Raw Material, WIP, Finished Goods, book debts & receivables, charge over deposits & Standby Letter of Credit from Holding Company.

(v) The bank loan facilities (in case of Pearl Global (HK) Limited) are secured by the Group's machineries and equipment, inventories, trade receivables together with director's personal guarantee.

(vi) Vehicle loans are secured against hypothecation of respective vehicles.

b) Maturity Profile- Secured Loans

Maturity profile of Secured Term Loans is as set out below :	2018-19	2019-20	2020-21	Beyond 2021-22
Term loan from Banks and Financial Institution are repayable in monthly/quarterly/yearly installments	5,156.82	1,143.31	1,087.93	2,509.62
Vehicle loans from banks are repayable in monthly installments	131.37	97.33	32.26	28.48

c) The term loan(s) carries rate of interest ranging between 9.75% to 12.0% per annum.

d) The nature of Security for short term borrowings are as under:

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

- 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.
- Mortgage of the properties situated at Plot No. H -597-603, RICCO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan and Plot No 16-17, Phase VI, Udyog Vihar,Gurgoan (Haryana).
- Fixed Deposit of ₹ 79.47 lakhs (March 31, 2017: ₹ 101.77 lakhs ; April 01 2016: ₹ 79.47)
- Personal Guarantee by the promoter director of the Company

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 22 : OTHER FINANCIAL LIABILITIES	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Non- current			
Security deposit	158.54	220.67	359.72
Total (A)	**158.54**	**220.67**	**359.72**
Current			
Security deposit	19.24	185.08	-
Book overdraft	-	1,033.72	-
Current maturities of long-term borrowings	5,288.18	1,244.16	871.12
Interest accrued but not due on borrowings	35.73	9.22	13.35
Unpaid dividends (Refer Note a)	24.53	15.27	19.52
Creditors for capital goods	48.52	276.08	337.32
Others	2,602.96	6,023.11	1,867.83
Total (B)	**8,019.16**	**8,786.65**	**3,109.14**
Total (A+B)	**8,177.70**	**9,007.31**	**3,468.86**

Note:

(a) 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.

(b) The Group exposure to currency and liquidity risk related to trade payables is disclosed in note 44.

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 23 : PROVISIONS	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Non- current			
Provision for employee benefits			
Provision for compensated absenses (Refer to note 39)	436.88	144.85	154.14
Provision for gratuity (Refer to note 39)	1,395.02	1,323.11	909.76
Other employee benefits	47.85	-	139.60
Total (A)	**1,879.75**	**1,467.95**	**1,203.51**
Current			
Provision for employee benefits			
Provision for compensated absenses (Refer to note 39)	11.39	12.48	10.07
Provision for gratuity (Refer to note 39)	49.70	27.43	17.13
Total (B)	**61.09**	**39.91**	**27.21**
Total (A+B)	**1,940.84**	**1,507.86**	**1,230.71**

Notes

to the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 24 : OTHER LIABILITIES	**As At March 31, 2018**	**As At March 31, 2017**	**As At April 01, 2016**
Non Current			
Advance received against sale of land	3,400.00	3,400.00	3,400.00
Deferred Government Grant	10.58	11.58	-
Deferred rental income	50.92	-	8.42
Others	156.33	114.55	71.21
	3,617.84	**3,526.13**	**3,479.63**
Current			
Statutory dues	541.08	720.17	604.78
Advance from Customers	38.88	21.39	1.96
Deferred Government Grant	1.00	1.00	-
Deferred rental income	25.43	8.42	35.75
Others	12.19	424.86	-
	618.58	**1,175.83**	**642.49**
	4,236.42	**4,701.96**	**4,122.12**

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 25 : TRADE PAYABLE	**As At March 31, 2018**	**As At March 31, 2017**	**As At April 01, 2016**
Outstanding dues of Micro and Small enterprises			-
- Principal Amount	98.89	236.40	101.94
Outstanding dues of Creditors other than Micro and Small enterprises			
Others	10,826.41	11,523.75	17,528.90
	10,925.30	**11,760.15**	**17,630.84**

a) Trade payable are generally on a credit of not more than 90 days.

b) This amount includes amount due to related parties (refer note 47)

c) As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007, 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

	As At March 31, 2018	**As At March 31, 2017**	**As At April 01, 2016**
(i) Principal amount due to micro and small enterprises	98.89	236.40	101.94
Interest due on above & the unpaid interest paid (Refer note 'd' below)			
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the payments 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 have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

(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	-	-	-

This information has been compiled to the extent such parties have been identified on the basis of information available with the Group as at March 31, 2018.

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 26 : LIABILITIES FOR CURRENT TAX (NET)	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Provision for Income Tax [Net of Advance Tax: Nil (March 31, 2017 ₹ 127.41 lakhs ; April 01, 2016 ₹ 380.25 lakhs)]	1,654.62	1,418.81	1,554.28
	1,654.62	**1,418.81**	**1,554.28**

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 27 : REVENUE FROM OPERATIONS	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of Product	143,586.32	146,610.24
Job Receipts	149.18	77.49
Other Operating Revenues	5,868.51	7,117.78
	149,604.01	**153,805.51**

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 28 : OTHER INCOME	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income		
- On Fixed deposits	125.39	158.51
- On Loans and Advances	123.33	55.93
- On Income Tax Refund	88.42	23.09
Other Non-operating income:		
IT/ SAP Income	81.49	79.96
Rental Income	732.70	1,038.51
Foreign Exchange Fluctuation	2,977.02	276.19
Excess provision for Wealth Tax Written back	-	3.00
Sundry balances Written back	30.80	8.10
Grant Amortised during the year	1.00	2.42
Government grant received	16.10	-
Provision for Doubtful Debt & Advances Written Back	25.58	29.69
Amortisation of deferred Rental Income	8.42	35.75
Unwinding of discount on security deposits	36.47	29.90
Profit on sale of current investment - Mutual Fund	277.21	177.75
Profit on mark to market forward contracts	-	905.21
Fair value gain on investments measured at fair value through profit and loss (net)	58.48	18.98
Miscellaneous Income	174.02	166.44
	4,756.44	**3,009.42**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 29 : COST OF RAW MATERIAL CONSUMED	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw Material		
Balance at the beginning of the Year	11,928.62	8,280.57
Add:- Purchases during the year	66,232.38	71,584.74
	78,160.99	**79,865.31**
Less:- Balance at the end of the Year	10,585.74	11,928.62
Total Raw Material Consumption	**67,575.26**	**67,936.69**

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 30 : PURCHASE OF STOCK IN TRADE	For the year ended March 31, 2018	For the year ended March 31, 2017
Purchases during the year	15,834.67	17,406.59
	15,834.67	**17,406.59**

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 31 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE		For the year ended March 31, 2018	For the year ended March 31, 2017
Changes in inventories of finished goods			
Opening stock		4,075.07	3,278.19
Add:- Impact of exchange fluctuation & reinstatement (net)		34.76	(48.45)
Less: Closing stock		4,002.41	4,075.07
	(A)	**107.43**	**(845.33)**
Change in Inventories of Work-in-progress			
Opening stock		5,285.95	5,519.73
Add:- Impact of exchange fluctuation & reinstatement (net)		45.87	(71.52)
Less: Closing stock		6,299.74	5,285.95
	(B)	**(967.92)**	**162.26**
(Increase) / Decrease in Inventory	**(A + B)**	**(860.49)**	**(683.08)**

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 32 : EMPLOYEE BENEFITS EXPENSE	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, Wages & Bonus	21,906.51	20,616.91
Contribution to Provident and Other fund	860.35	802.98
Gratuity Expense (Refer Note 39)	417.39	319.58
Compensated Absences (Refer Note 39)	261.79	118.16
Staff Training & Welfare Expenses	279.27	282.14
	23,725.32	**22,139.76**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 33 : FINANCE COST	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Expense		
- On Term loans,Cash Credit & Working Capital Facilities	2,224.71	1,807.08
- Delayed Payment of Taxes	2.41	6.28
- Others	4.09	(0.00)
Unwinding of discount on security deposit	10.67	44.13
Other borrowing cost	311.40	566.46
	2,553.28	**2,423.95**

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 34 : DEPRECIATION AND AMORTIZATION EXPENSE	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of - Property, plant and equipment (Refer note no. 4)	2,128.16	1,804.11
Amortization of intangible assets (Refer note no. 8)	46.74	38.32
Depreciation of Investment Properties (Refer note no. 6)	88.77	82.01
	2,263.67	**1,924.44**

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 35 : OTHER EXPENSES	For the year ended March 31, 2018	For the year ended March 31, 2017
Manufacturing Expense	16,641.57	18,866.59
Consumption of Stores & Spare Parts	1,608.57	1,312.69
Power & fuel	2,124.85	1,896.08
Rent (Refer Note 'c' below)	1,950.04	1,953.28
Rates & Taxes	114.47	187.76
Travelling & Conveyance	1,334.08	1,349.74
Freight & clearing Charges	4,097.55	3,793.49
Claim to Buyers	1,017.28	1,116.77
Repair & Maintenance		
Plant & Machinery	113.85	275.08
Buildings	11.03	2.26
Other	727.21	670.92
Commission	776.11	938.11
Legal & Professional Expenses	4,392.39	1,792.99
Security Charges	431.50	443.64
Bank charges	1,236.52	1,030.76
Payment to the Auditors (Refer note 'a' below)	64.06	58.30
Bad Debts	117.06	-
Allowance for bad and doubtful debts	23.45	4.32
Corporate Social Responsibility (Refer note 'b' below)	27.00	56.18
Loss on mark to market forward contracts	904.72	-
Fair value loss on financial assets measured at fair value through profit and loss	101.36	5.48
Amortisation of deferred asset - security deposit paid	36.99	29.72
Miscellaneous Expenses	2,999.45	4,937.95
Total	**40,851.11**	**40,722.09**

Notes

to the Consolidated Financial Statements for the year ended March 31, 2018

a) Details of payment made to auditors is as follows:

Payment to auditors	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
As auditor:		
- Statutory audit fee	36.41	43.54
- Tax audit fee	-	3.10
- Other Services	22.37	3.00
- Reimbursement of Expenses	5.28	5.52
- Service Tax	-	3.14
	64.06	**58.30**

b) Details of Corporate Social Responsibility (CSR) expenditure is as follows:	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
i) **Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits of last three years)**	26.75	31.43
ii) **Amount spent during the year**		
- Construction/acquisitions of any asset	-	-
- For purpose other than above	27.00	31.43
iii) Amount spent during the year with respect to F.Y. 2015-16	-	24.75

The Company does not carry any provisions for Corporate social responsibility expenses for current year and previous year.

c) Operating Lease

(i) Asset Given on Lease

- Minimum Lease Payments Receivables

The Group has given certain assets on operating lease and lease rent (income) amounting to ₹ 732.70 lakhs (March 2017 ₹ 1,038.51 lakhs) has been credited in the Statement of Profit & Loss. The future minimum lease payments Receivable and detail of assets as at March 31, 2018 are as under :

Particulars	**As At March 31, 2018**	**As At March 31, 2017**
Not later than 1 year	164.25	455.62
Later than 1 year but not later than 5 years	598.53	1,650.65
Later than 5 years	-	522.72
Total	**762.78**	**2,628.98**

(ii) Asset taken on Lease

The Group has taken certain assets on non cancellable operating lease and lease rent charged to Statement of Profit & Loss amounts to ₹ 1,950.04 (March 2017 ₹ 1,953.28 lakhs). The details of future minimum lease payments is as under :

Particulars	**As At March 31, 2018**	**As At March 31, 2017**
Not later than 1 year	1,495.17	2,071.93
Later than 1 year but not later than 5 years	4,983.94	6,800.79
Later than 5 years	3,376.16	4,626.53
Total	**9,855.27**	**3,685.33**

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d) Finance Lease

The carrying amount of the obligation under finance lease at the end of reporting period is analysed as follows:

(Amount in ₹ Lakhs)

Particulars	As At March 31, 2018	As At March 31, 2017
Not later than 1 year	15.66	-
Later than 1 year but not later than 5 years	27.13	-
Later than 5 years	-	
Total	**42.79**	-

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 36 : EXCEPTIONAL ITEMS	For the year ended March 31, 2018	For the year ended March 31, 2017
(Profit)/Loss on Sale of Fixed Assets	(824.39)	(4.96)
	(824.39)	**(4.96)**

(Amount in ₹ Lakhs)

NOTE 37 : COMPONENTS OF OTHER COMPREHENSIVE INCOME	For the year ended March 31, 2018	For the year ended March 31, 2017
A (i) Items that will not be reclassified subsequently to statement of profit and loss		
Re-measurement gains/ (losses) on defined benefit plans	(214.49)	2.32
Fair valuation of investment in mutual fund	(54.38)	-
Income tax expense	30.99	(0.41)
B (i) Items that will be reclassified subsequently to statement of profit and loss		
Foreign exchange translation reserve	67.77	(413.57)
Income tax expense	-	-
	(170.13)	**(411.66)**

(Amount in ₹ Lakhs)

NOTE 38 : EARNINGS PER SHARE (EPS)	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit attributable to the equity shareholders **(A)**	2,408.11	4,061.76
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 ₹)**	11.12	18.75

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NOTE 39 : GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

a) Defined contribution plans

The Group makes contribution towards Employees Provident Fund and Employee's State Insurance scheme. Under the rules of these schemes, the Group is required to contribute a specified percentage of payroll costs. The Group during the year recognised the following amount in the Statement of profit and loss account under company's contribution to defined contribution plan.

(Amount in ₹ 'Lakhs')

	For the year ended March 31, 2018	For the year ended March 31, 2017
Employer's Contribution to Provident Fund/ Pension Fund	575.25	583.51
Employer's Contribution to Employee State Insurance	241.12	203.23
Employer's Contribution to Other Welfare Fund	43.98	16.23
Total	**860.35**	**802.98**

The contribution payable to these schemes by the Group 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 Group is able to determine the present value of obligations. "Projected Unit Credit Method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

i) Gratuity scheme

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

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.

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 (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.

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Change in benefit obligation (Amount in ₹ 'Lakhs')

Particulars	As at March 31, 2018			As at March 31, 2017			As at April 1, 2016		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Opening defined benefit obligation	519.18	975.91	548.34	422.35	808.86	164.22	299.22	634.02	185.65
Adjustment in opening obligation	-	(391.02)	-	-	-	-	-	-	(4.05)
Interest cost	39.15	149.63	11.79	33.79	122.06	13.14	23.94	5.10	14.53
Service cost	99.28	116.64	157.96	86.10	90.81	75.02	58.87	46.14	55.59
Past Service cost	23.60	-	-	-	-	-	-	-	-
Benefits paid	(71.28)	(119.33)	(346.67)	(31.83)	(28.01)	(125.05)	(70.77)	(13.12)	(87.16)
Foreign currency translation reserve	-	(5.98)	(15.20)	-	(5.20)	-	-	-	-
Actuarial (gain) / loss on obligations	62.84	151.27	92.04	8.78	(12.62)	30.00	111.09	(2.88)	(0.33)
Present value of obligation as at the end of the year	**672.77**	**877.11**	**448.27**	**519.18**	**975.91**	**157.33**	**422.35**	**669.27**	**164.22**

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 (Amount in ₹ 'Lakhs')

Particulars	As at March 31, 2018			As at March 31, 2017		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Current service cost	99.28	116.64	157.96	86.10	90.81	75.02
Past service cost	23.60	-	-	-	-	-
Interest cost	39.15	149.63	11.79	33.79	122.06	13.14
Expected return on plan assets	(10.90)	-	-	(13.18)	-	-
Actuarial (gain) / loss	-	-	92.04	-	-	30.00
Net cost	**151.13**	**266.26**	**261.79**	**106.71**	**212.87**	**118.16**

e. Changes in the fair value of the plan assets are as follows: (Amount in ₹ 'Lakhs')

Particulars	As at March 31, 2018			As at March 31, 2017			As at April 1, 2016		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Fair value of plan assets at the beginning	144.55	-	-	164.72	-	-	100.45	-	-
Difference amount in opening fund	-	-	-	-	-	-	25.50	-	-
Expected return on plan assets	10.90	-	-	14.00	-	-	10.71	-	-
Contributions	5.87	-	-	-	-	-	100.76	-	-
Benefits paid	(55.77)	-	-	(31.83)	-	-	(70.77)	-	-
Actuarial gains / (losses) on the plan assets	(0.39)	-	-	(2.34)	-	-	(1.92)	-	-
Fair value of plan assets at the end	**105.16**	**-**	**-**	**144.55**	**-**	**-**	**164.72**	**-**	**-**

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f. Detail of actuarial gain/loss recognised in OCI is as follows:
(Amount in ₹ 'Lakhs')

Particulars	As at March 31, 2018			As at March 31, 2017		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Actuarial gain / (loss) for the year – obligation	(62.84)	(151.27)	-	(8.78)	12.62	-
Actuarial gain / (loss) for the year - plan assets	(0.39)	-	-	(1.51)	-	-
Unrecognised actuarial gains / (losses) at the end of year	**(63.23)**	**(151.27)**	**-**	**(10.30)**	**12.62**	**-**

g. Principal actuarial assumptions at the balance sheet date are as follows:
(Amount in ₹ 'Lakhs')

Particulars	As at March 31, 2018			As at March 31, 2017			As at April 1, 2016		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Economic assumptions									
1. Discount rate	0.08	0.08	0.08	0.08	0.07	0.07	0.08	0.08	0.08
2. Rate of increase in compensation levels	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Demographic assumptions									
1. Expected average remaining working lives of employees (years)	20.43	26.70	24.61	21.59	26.79	25.06	-	-	-
2. Retirement Age (years)	58	58	58	58	58	58	58	58	58
3. Mortality Rate	Indian Assured Lives Mortality (2006-08) (modified) ultimate			Indian Assured Lives Mortality (2006-08) (modified) ultimate			Indian Assured Lives Mortality (2006-08) (modified) ultimate		
Withdrawal Rate									
1. Ages up to 30 Years	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
2. Ages from 30-44	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
3. Above 44 years	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

h. Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.
(Amount in ₹ 'Lakhs')

Particulars	As at March 31, 2018			As at March 31, 2017			As at April 1, 2016		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Present value of obligation	672.77	877.11	448.27	519.18	975.91	157.33	422.35	669.27	164.22
Less: Fair value of plan assets	105.16	-	-	144.55	-	-	164.72	-	-
Net assets /(liability)	**(567.60)**	**(877.11)**	**(448.27)**	**(374.63)**	**(975.91)**	**(157.33)**	**(257.63)**	**(669.27)**	**(164.22)**

i. A quantitative sensitivity analysis for significant assumptions is as shown below:
(Amount in ₹ 'Lakhs')

Particulars	As at March 31, 2018			As at March 31, 2017		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)
A. Discount rate						
Effect on DBO due to 0.5% increase in Discount Rate	(34.22)	(380.11)	(264.17)	(27.44)	(10.42)	(10.49)
Effect on DBO due to 0.5% decrease in Discount Rate	37.11	465.05	310.97	29.82	11.59	11.59
B. Salary escalation rate						
Effect on DBO due to 0.5% increase in Salary Escalation Rate	37.55	465.36	311.15	30.12	42.73	11.72
Effect on DBO due to 0.5% decrease in Salary Escalation Rate	(34.90)	(380.02)	(251.41)	(27.95)	(10.64)	(10.69)

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C. Withdrawal Rate						
Effect on DBO due to 5% increase in Withdrawal Rate	-	-	-	-	-	-
Effect on DBO due to 5% decrease in Withdrawal Rate	-	-	-	-	-	-
D. Mortality rate						
Effect on DBO due to 10% increase in mortality rate	-	-	-	-	-	-
Effect on DBO due to 10% decrease in mortality rate	-	-	-	-	-	-

Sensitivities due to mortality are not material and hence impact of change due to this are not calculated.

j. Maturity profile of defined benefit obligation is as follows:

Particulars	As at March 31, 2018			As at March 31, 2017		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)
0 to 1 years	44.77	5.04	11.49	36.25	1.28	7.63
1 to 2 years	11.62	4.67	8.66	27.16	2.21	3.44
2 to 3 years	11.61	5.76	8.92	15.63	2.37	4.59
3 to 4 years	19.39	6.64	9.07	27.57	3.66	4.42
4 to 5 years	15.97	10.28	8.72	18.45	3.43	4.66
5 to 6 years	19.97	7.96	10.84	17.64	3.39	4.26
from 6 years onwards	549.44	2,290.35	1,742.46	353.67	122.98	128.32

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 40 : CAPITAL MANAGEMENT

For the purpose of Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing borrowings, trade and other payables, less cash and cash equivalents.

(Amount in ₹ 'Lakhs')

	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Borrowings (Refer to note 21)	26,253.35	24,052.75	20,831.26
Current maturity of long term loans (Refer to note 22)	5,288.18	1,244.16	871.12
Trade payables (Refer to note 25)	10,925.30	11,760.15	17,630.84
Other payables (Refer to note 24)	4,236.42	4,701.96	4,122.12
Less: cash and cash equivalents (Refer to note 17)	(9,225.83)	(8,640.80)	(10,891.34)
Net debt	**37,477.41**	**33,118.22**	**32,564.00**
Equity share capital (Refer to note 19)	2,166.39	2,166.39	2,166.39
Other equity (Refer to note 20)	37,346.98	35,882.15	32,363.58
Total Capital	**39,513.37**	**38,048.54**	**34,529.98**
Capital and net debt	**76,990.79**	**71,166.77**	**67,093.98**
Gearing ratio	**48.68%**	**46.54%**	**48.53%**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

In order to achieve this overall objective, the 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.

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NOTE 41 : DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

Forward Currency Contracts

a) For the year ended March 31, 2018, the Group has outstanding mark to market forward contracts amount to ₹ 215.55 lakhs (March 31, 2017: ₹ 1,120.27 lakhs ; April 1, 2016 : ₹ 215.06 lakhs) relating to derivative financial instruments. These commitments with respect to foreign currrency forward contracts have been entered into by the Company to hedge against future receipts from customers in the ordinary course of business. These arrangements are designed to address significant exchange exposures and are reviewed/ renewed by the Management on a revolving basis as required.

b) The following table represents the aggregate contracted principal amount of Company's Derivative contracts outstanding:

Particulars	**As At March 31, 2018**	**As At March 31, 2017**	**As At April 1, 2016**
	USD	**USD**	**USD**
Forward foreign exchange contract	USD 3,87,76,052 (Equivalent to ₹ 25,921.43 lakhs)	USD 2,95,50,000 (Equivalent to ₹ 2,068,790,470)	USD 1,34,00,000 (Equivalent to ₹ 928,234,560)

c) Particulars of Unhedged foreign currency exposures as at March 31, 2018:

Particulars	**Foreign Currency**	**Document Currency (Amount ₹ in lakhs)**
Foreign Currency receivable	EUR 48,514.05	3,672.59
	GBP 1,000	0.92
Foreign Currency payable	$11,246,484	7,315.17
Foreign Currency loan receivable	$760,899	494.92

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

NOTE 42 : FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(Amount in ₹ 'Lakhs')

a) Fair value of financial assets:	**Carrying values**			**Fair values**		
	As At March 31, 2018	**As At March 31, 2017**	**As At April 01, 2016**	**As At March 31, 2018**	**As At March 31, 2017**	**As At April 01, 2016**
Financial assets measured at fair value through profit or loss						
Investment in equity instruments	143.00	84.53	90.00	143.00	84.53	90.00
Investment in mutual fund	632.62	1,253.08	1,922.33	632.62	1,253.08	1,922.33
Total A	**775.62**	**1,337.60**	**2,012.33**	**775.62**	**1,337.60**	**2,012.33**
Financial assets measured at fair value through other comprehensive income						
Investment in mutual fund	2,965.10	-	-	2,965.10	-	-
Total B	**2,965.10**	**-**	**-**	**2,965.10**	**-**	**-**
Financial assets measured at amortised cost						

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Investment in Government Securities	1.67	1.67	1.20	1.67	1.67	1.20
Security deposits	598.68	1,318.91	1,671.82	598.68	1,318.91	1,671.82
Interest accrued on fixed deposits	55.58	59.03	94.43	55.58	59.03	94.43
Mark to Market Forward Contracts	215.57	1,120.27	215.06	215.57	1,120.27	215.06
Deposits with original maturity of more than 12 months	2,130.47	382.82	2,250.74	2,130.47	382.82	2,250.74
Loans from related parties	300.00	313.46	300.00	300.00	313.46	300.00
Loans from others parties	2,139.02	73.30	60.49	2,139.02	73.30	60.49
Interest accrued on loan to related parties	13.46	6.81	13.54	13.46	6.81	13.54
Others	1,213.47	1,937.03	1.10	1,213.47	1,937.03	1.10
Trade receivable	14,196.59	15,941.70	19,043.76	14,196.59	15,941.70	19,043.76
Cash and cash equivalents	9,225.83	8,640.80	10,891.34	9,225.83	8,640.80	10,891.34
Other bank balances	441.67	2,004.71	233.35	441.67	2,004.71	233.35
	30,532.02	**31,800.51**	**34,776.85**	**30,532.02**	**31,800.51**	**34,776.85**
Total (A+B)	**34,272.75**	**33,138.11**	**36,789.18**	**34,272.75**	**33,138.11**	**36,789.18**

b) Fair value of financial liabilities:	**Carrying values**			**Fair values**		
	As At March 31, 2018	**As At March 31, 2017**	**As At April 01, 2016**	**As At March 31, 2018**	**As At March 31, 2017**	**As At April 01, 2016**
Financial liabilities measured at amortised cost						
Borrowings	26,253.35	24,052.75	20,831.26	26,253.35	24,052.75	20,831.26
Security Deposit	177.78	405.75	359.72	177.78	405.75	359.72
Book Overdraft	-	1,033.72	-	-	1,033.72	-
Unpaid Dividend	24.53	15.27	19.52	24.53	15.27	19.52
Current maturity of long term loans	5,288.18	1,244.16	871.12	5,288.18	1,244.16	871.12
Trade payables	10,925.30	11,760.15	17,630.84	10,925.30	11,760.15	17,630.84
Interest accrued but not due on borrowings	35.73	9.22	13.35	35.73	9.22	13.35
Creditors for capital expenditure	48.52	276.08	337.32	48.52	276.08	337.32
Others	2,602.96	6,023.11	1,867.83	2,602.96	6,023.11	1,867.83
	45,356.35	**44,820.22**	**41,930.96**	**45,356.35**	**44,820.22**	**41,930.96**

Management has assessed that trade receivables, cash and cash equivalents, other bank balances, trade payables, Interest accrued on borrowings and current maturities of long term borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments.

Long-term borrowing includes vehicle loan and corporate loans obtained from banks and Financial institutions . Management determines vehicle loan and corporate loan to be at the market rate of interest as at the reporting date, accordingly, the carrying value of such long-term borrowing approximates fair value.

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c) 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 Group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

i) Fair values of the interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the rate as at the end of the reporting period.

ii) Fair value for security deposits paid & received (other than perpetual security deposits) has been presented based on the discounting factor as at the reporting date.

iii) Fair value for all other non-current assets and liabilities is equivalent to the amortised cost, interest rate on them is equivalent to the market rate of interest.

iv) For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

v) Specific valuation techniques used to value financial instruments include:

- The fair values of investments In mutual fund units is based on The net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which The issuer will issue further units of mutual fund and The price at which issuers will redeem such units from the investors.
- Investment in quoted equity instruments of entities other than subsidiaries has been determined on the basis of quoted rates available from securities markets in India.
- The fair value of derivative financial instruments (forward exchange contract) has been determined on the basis of mark to market valuation.

NOTE 43 : FAIR HIERARCHY

All financial instruments for which fair value is recognised or disclosed 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) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

a) Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018:

(Amount in ₹ 'Lakhs' unless otherwise stated)

			Fair Value			
	As At March 31, 2018	Amortised Cost	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets measured at fair value through profit or loss						
Investment in equity instruments	143.00	-	143.00	-	-	143.00
Investment in mutual fund	632.62	-	- 632.62	-	-	632.62
Total A	**775.62**		**775.62**	**-**	**-**	**775.62**

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Financial assets measured at fair value through other comprehensive income						
Investment in mutual fund	2,965.10	-	-	2,965.10	-	2,965.10
Total B	**2,965.10**	**-**	**-**	**2,965.10**	**-**	**2,965.10**
Financial assets measured at amortised cost						
Investment in gorvernment securities	1.67	1.67	-	-	-	1.67
Security deposits	598.68	598.68	-	-	-	598.68
Interest accrued on fixed deposits	55.58	55.58	-	-	-	55.58
Mark to Market Forward Contracts	215.57	-	-	215.57	-	215.57
Deposits with original maturity of more than 12 months	2,130.47	2,130.47	-	-	-	2,130.47
Loans from related parties	300.00	300.00	-	-	-	300.00
Loans from others parties	2,139.02	2,139.02	-	-	-	2,139.02
Interest accrued on loan to related parties	13.46	13.46	-	-	-	13.46
Others	1,213.47	1,213.47				1,213.47
Trade receivable*	14,196.59	14,196.59	-	-	-	14,196.59
Cash and cash equivalents*	9,225.83	9,225.83	-	-	-	9,225.83
Other bank balances*	441.67	441.67	-	-	-	441.67
Total C	**30,532.02**	**30,316.45**	**-**	**215.57**	**-**	**30,532.02**
Total (A+B+C)	**34,272.75**	**30,316.45**	**775.62**	**3,180.67**	**-**	**34,272.75**

b) Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2018:

			Fair Value			
	As At March 31, 2018	**Amortised Cost**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Financial liabilities measured at amortised cost						
Borrowings	31,541.53	31,541.53	-	-	-	31,541.53
Security Deposit	177.78	177.78	-	-	-	177.78
Book Overdraft	-	-	-	-	-	-
Unpaid Dividend	24.53	24.53	-	-	-	24.53
Trade payables*	10,925.30	10,925.30	-	-	-	10,925.30
Interest accrued but not due on borrowings*	35.73	35.73	-	-	-	35.73
Creditors for capital expenditure*	48.52	48.52	-	-	-	48.52
Others	2,602.96	2,602.96	-	-	-	2,602.96
	45,356.35	**45,356.35**	**-**	**-**	**-**	**45,356.35**

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to the Consolidated Financial Statements for the year ended March 31, 2018

c) Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:

(Amount in ₹ Lakh)

	As At March 31, 2017	Amortised Cost	Fair Value			Total
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at fair value through profit or loss						
Investment in equity instruments	84.53	-	84.53	-	-	84.53
Investment in mutual fund	1,253.08	-	1,253.08	-	-	1,253.08
Total A	**1,337.60**		**1,337.60**	**-**	**-**	**1,337.60**
Financial assets measured at fair value through other comprehensive income						
Investment in Government Securities	-	-	-	-	-	-
Total B	-	-	-	-	-	-
Financial assets measured at amortised cost	-	-	-	-	-	-
Investment in Government Securities	1.67	1.67	-			1.67
Security deposits	1,318.91	1,318.91	-	-	-	1,318.91
Interest accrued on fixed deposits	59.03	59.03	-	-	-	59.03
Mark to Market Forward Contracts	1,120.27	-	-	1,120.27	-	1,120.27
Deposits with original maturity of more than 12 months	382.82	382.82	-	-	-	382.82
Loans from related parties	313.46	313.46	-	-	-	313.46
Loans from others parties	73.30	73.30	-	-	-	73.30
Interest accrued on loan to related parties	6.81	6.81	-	-	-	6.81
Others	1,937.03	1,937.03				1,937.03
Trade receivable*	15,941.70	15,941.70	-	-	-	15,941.70
Cash and cash equivalents*	8,640.80	8,640.80	-	-	-	8,640.80
Other bank balances*	2,004.71	2,004.71	-	-	-	2,004.71
Total C	**31,800.51**	**30,680.24**	**-**	**1,120.27**	**-**	**31,800.51**
Total (A+B+C)	**33,138.11**	**30,680.24**	**1,337.60**	**2,373.35**	**-**	**33,138.11**

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to the Consolidated Financial Statements for the year ended March 31, 2018

d) Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2017:

	As At March 31, 2017	Amortised Cost	Fair Value			Total
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial liabilities measured at amortised cost						
Borrowings	25,296.91	25,296.91	-	-	-	25,296.91
Security Deposit	405.75	405.75	-	-	-	405.75
Book Overdraft	1,033.72	1,033.72	-	-	-	1,033.72
Unpaid Dividend	15.27	15.27	-	-	-	15.27
Trade payables*	11,760.15	11,760.15	-	-	-	11,760.15
Interest accrued but not due on borrowings*	9.22	9.22	-	-	-	9.22
Creditors for capital expenditure*	276.08	276.08	-	-	-	276.08
Others	6,023.11	6,023.11	-	-	-	6,023.11
	44,820.22	**44,820.22**	**-**	**-**	**-**	**44,820.22**

e) Quantitative disclosures fair value measurement hierarchy for assets as at April 01, 2016:

	As At April 01, 2016	Amortised Cost	Fair Value			Total
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at fair value through profit or loss						
Investment in equity instruments	90.00	-	90.00	-	-	90.00
Investment in mutual fund	1,922.33	-	1,922.33	-	-	1,922.33
Total A	**2,012.33**	**-**	**2,012.33**	**-**	**-**	**2,012.33**
Financial assets measured at fair value through other comprehensive income						
Investment in mutual fund	-	-	-	-	-	-
Total B	**-**	**-**	**-**	**-**	**-**	**-**
Financial assets measured at amortised cost						
Investment in Government Securities	1.20	1.20	-	-	-	1.20
Security deposits	1,671.82	1,671.82	-	-	-	1,671.82
Interest accrued on fixed deposits	94.43	94.43	-	-	-	94.43
Mark to Market Forward Contracts	215.06	-	-	215.06	-	215.06
Deposits with original maturity of more than 12 months	2,250.74	2,250.74	-	-	-	2,250.74

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Loans from related parties	300.00	300.00	-	-	-	300.00
Loans from others parties	60.49	60.49	-	-	-	60.49
Interest accrued on loan to related parties	13.54	13.54	-	-	-	13.54
Others	1.10	1.10				1.10
Trade receivable*	19,043.76	19,043.76	-	-	-	19,043.76
Cash and cash equivalents*	10,891.34	10,891.34	-	-	-	10,891.34
Other bank balances*	233.35	233.35	-	-	-	233.35
Total C	**34,776.85**	**34,561.79**	**-**	**215.06**	**-**	**34,776.85**
Total (A+B+C)	**36,789.18**	**34,561.79**	**2,012.33**	**215.06**	**-**	**36,789.18**

f) Quantitative disclosures fair value measurement hierarchy for liabilities as at April 01, 2016:

	As At April 01, 2016	Amortised Cost	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial liabilities measured at amortised cost						
Borrowings	21,702.38	21,702.38	-	-	-	21,702.38
Security Deposit	359.72	359.72	-	-	-	359.72
Unpaid Dividend	19.52	19.52	-	-	-	19.52
Trade payables*	17,630.84	17,630.84	-	-	-	17,630.84
Interest accrued but not due on borrowings*	13.35	13.35	-	-	-	13.35
Creditors for capital expenditure*	337.32	337.32	-	-	-	337.32
Others	1,867.83	1,867.83	-	-	-	1,867.83
	41,930.96	**41,930.96**	**-**	**-**	**-**	**41,930.96**

* Management has assessed that trade receivables, cash and cash equivalents, other bank balances, trade payables, Interest accrued on borrowings and current maturities of long term borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments.

There have been no transfers between Level 1 and Level 2 during the period.

Specific valuation techniques used to value financial instruments. (refer note 42 c(v))

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 44 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group principal financial liabilities comprises of trade and other payables, borrowings, current maturity of borrowings, interest accrued and capital creditors. The main purpose of these financial liabilities is to finance the operations and to provide guarantees to support its operations.

The Group principal financial assets includes Investment in mutual funds, loans to related parties, security deposits, trade receivables, cash and cash equivalents, deposits with bank, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

The Group is exposed to credit risk, liquidity risk and market risk. The senior level management oversees the management of these risks and is supported by Treasury department that advises on the appropriate financial risk governance framework.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk borrowings, short term deposits and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2018 and March 31, 2017.

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. To manage this portfolio mix, the Group may enter into currency rate swap arrangements and/ or interest rate swap arrangements, which allows the Group to exchange periodic payments based on a notional amount and agreed upon fixed and floating interest rates.

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
31-Mar-18		
	+50	14.21
	-50	(14.21)
31-Mar-17		
	+50	11.75
	-50	(11.75)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. Foreign currency risk senstivity is the impact on the profit before tax is due to changes in the fair value of monetary assets and liabilities on unhedged exposures. The following tables demonstrate the sensitivity to a reasonably possible change in USD, EURO and GBP exchange rates, with all other variables held constant.

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to the Consolidated Financial Statements for the year ended March 31, 2018

Particulars	Changes in Exchange rate	Decrease / (increase) in profit before tax
31-Mar-18	+5%	26.75
	-5%	(26.75)
31-Mar-17	+5%	(9.31)
	-5%	9.31

B. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

i) Trade receivables

Customer credit risk is managed by each business unit subject to the Group established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored.

The ageing analysis of trade receivables as of the reporting date is as follows:

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 42. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

(Amount in ₹ 'Lakhs'

Particulars	Neither past due nor impaired	Less than 30 days	30 to 90 days	90 to 180 days	More than 180 days	Total
Trade receivables as of April 01, 2016	6,177.48	5,353.12	2,037.90	129.00	499.09	14,196.59
Trade receivables as of March 31, 2017	11,734.96	2,884.07	674.92	221.94	425.83	15,941.70
Trade receivables as of March 31, 2018	11,663.81	3,604.42	2,716.52	352.96	706.05	19,043.76

ii) Financial instruments

Credit risk from balances with banks and financial institutions is managed by the treasury department in accordance with the 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 Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the finance committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

C. Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The objective is to, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

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The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(Amount in ₹ 'Lakhs')

As at March 31, 2018	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	22,676.47	3,966.13	4,441.78	457.14	31,541.53
Trade payables	10,925.30	-	-	-	10,925.30
Other financial liabilities	2,730.98	-	158.54	-	2,889.52
Total	**36,332.76**	**3,966.13**	**4,600.32**	**457.14**	**45,356.35**
As at March 31, 2017	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**> 5 years**	**Total**
Borrowings	20,677.09	933.13	3,686.69	-	25,296.91
Trade payables	11,760.15	-	-	-	11,760.15
Other financial liabilities	7,542.49	-	220.67	-	7,763.16
Total	**39,979.73**	**933.13**	**3,907.36**	**-**	**44,820.22**
As at April 01, 2016	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**> 5 years**	**Total**
Borrowings	19,149.28	653.34	1,899.76	-	21,702.38
Trade payables	17,630.84	-	-	-	17,630.84
Other financial liabilities	2,238.01	-	359.72	-	2,597.73
Total	**39,018.14**	**653.34**	**2,259.48**	**-**	**41,930.96**

NOTE 45 : SEGMENT INFORMATION

For the year ended March 31, 2018, the company has identified geographical segments as its primary segment and business segment as its secondary segment, as under:

a) The Company's 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 Company 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, 2018 and March 31, 2017 is as follows:

Geographical Segment (Amount in ₹ 'Lakhs')

Particulars	Bangladesh	Hong Kong	India	Others	Total	Elimination	Total
Segment Sales	7,092.47	72,863.43	69,341.68	306.44	149,604.01	-	149,604.01
	(17,133.32)	(51,561.37)	(84,834.46)	(276.36)	(153,805.51)	-	(153,805.51)
Inter Segment Sales	42,780.52	1,374.00	1,802.55	13,866.88	59,823.95	59,823.95	-
	(32,602.43)	(779.56)	(2,203.25)	(15,477.40)	(51,062.64)	(51,062.64)	-
Total Segment Sales	49,872.99	74,237.43	71,144.22	14,173.32	209,427.95	59,823.95	149,604.01
	(49,735.75)	(52,340.93)	(87,037.71)	(15,753.76)	(204,868.15)	(51,062.64)	(153,805.51)
Other Income	10.34	356.61	4,801.73	-	5,168.68	412.24	4,756.44
	(3.47)	(217.59)	(4,509.08)	(33.94)	(4,764.07)	(1,754.65)	(3,009.42)
Total Segment Revenue	49,883.33	74,594.03	75,945.95	14,173.32	214,596.63	60,236.18	154,360.45
	(49,739.22)	(52,558.52)	(91,546.79)	(15,787.70)	(209,632.23)	(52,817.29)	(156,814.94)
Total Revenue of each segment as a percentage of total revenue of all segment	23.25	34.76	35.39	6.60	100.00		
	(23.73)	(25.07)	(43.67)	(7.53)	(100.00)		
Total Segment Operative Profit	3,000.76	633.25	3,662.12	761.27	8,057.39	-	8,057.39
	(2,889.35)	(880.83)	(4,690.42)	(808.36)	(9,268.97)	-	(9,268.97)
Depreciation	752.10	51.30	1,274.79	185.47	2,263.67	-	2,263.67
	(671.56)	20.31	(1,093.11)	(180.07)	(1,924.44)	-	(1,924.44)

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Unallocated Expenses	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total Segment Result before Interest & Taxes	2,248.66	581.94	2,387.32	575.80	5,793.72	-	5,793.72
	(2,217.79)	(901.14)	(3,597.31)	(628.29)	(7,344.53)	-	(7,344.53)
Total EBIT of each segment as a percentage of total EBIT of all segment	38.81	10.04	41.21	9.94	100.00		
	(30.20)	(12.27)	(48.98)	(8.55)	(100.00)		
Net Financing Cost							2,553.28
							(2,423.95)
Income Tax Expenses							931.51
							(721.70)
Profit for the Year							**2,308.93**
							(4,198.87)

Segment Assets	28,143.22	27,363.30	51,617.89	5,624.56	112,748.97	-	112,748.97
	(22,412.32)	(16,899.46)	(55,681.69)	(5,131.22)	(100,124.70)	-	(100,124.70)
Segment Assets as a percentage of Total assets of all segments	24.96	24.27	45.78	4.99	100.00		
	(22.38)	(16.88)	(55.61)	(5.12)	(100.00)		
Segment Liabilities	13,676.92	16,775.02	12,340.37	1,069.97	43,862.27	-	43,862.27
	(9,188.86)	(6,356.79)	(20,050.76)	(1,413.85)	(37,010.26)	-	(37,010.26)
Segment Liabilities as a percentage of Total Liabilities of all segments	31.18	38.24	28.13	2.44	100.00		
	(24.83)	(17.18)	(54.18)	(3.82)	(100.00)		
Segment Capital Employed	14,466.30	10,588.28	39,277.52	4,554.60	68,886.70	-	68,886.70
	(13,223.46)	(10,542.68)	(35,630.93)	(3,717.38)	(63,114.44)	-	(63,114.44)
Segment Capital Employed as a percentage of Total capital employed of all segments	21.00	15.37	57.02	6.61	100.00		
	(20.95)	(16.70)	(56.45)	(5.89)	(100.00)		
Capital Expenditure	484.68	3,196.30	1,093.81	146.46	4,921.26	-	4,921.26
	(1,952.36)	(34.09)	(4,518.81)	(105.47)	(6,610.73)	-	(6,610.73)
Segment Capital Expenditure as a percentage of Total capital expenditure of all segments	9.85	64.95	22.23	2.98	100.00		
	(29.53)	(0.52)	(68.36)	(1.60)	(100.00)		
Depreciation	752.10	51.30	1,274.79	185.47	2,263.67	-	2,263.67
	(671.56)	20.31	(1,093.11)	(180.07)	(1,924.44)	-	(1,924.44)

b) The Company revenue from sale of garments to external customer are as follows:

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	**As At March 31, 2018**	**As At March 31, 2017**
Local Customers	749.22	2,031.61
Foreign Customers	142,837.10	144,578.63

c) Non- current assets are located within India and outside India: (Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	**As At March 31, 2018**	**As At March 31, 2017**	**As At April 01, 2016**
Non Current Assets			
- within India	22,055.19	23,787.50	20,101.86
- outside India	16,662.34	10,138.61	6,497.59

d) Revenue from major customer: During the year the Company generates 90% of its external revenues from twenty one (21) customers.

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(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 46 : CONTINGENT LIABILITIES AND COMMITMENTS

a) Contingent liabilities

	i. Details of contingent liabilities are as follows:-	**As At March 31, 2018**	**As At March 31, 2017**	**As At April 01, 2016**
i)	Export Bills Discounted with banks	1,306.46	2,842.34	4,520.59
ii)	Irrevocable letter of credit (net of margin) outstanding with banks	11,818.06	13,051.40	13,559.00
iii)	Bank Guarantee given	74.71	255.84	457.42
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	1.00
	- For others	0.50	0.50	0.50
v)	Claims against the Company not acknowleged as debts corresponding to :			
	- Case pending before ITAT (with respect to tax demand for A.Y. 2009-10) for which the Company has filed appeal	-	73.48	73.48
	- Tax Demand as per Sec 143(1) of Income Tax act , 1961 (with respect to Assessment Year 2011-12)	-	197.45	197.45
	-Tax Demand as per Sec 143(1) of Income Tax act , 1961 (with respect to Assessment Year 2014-15)	1.25	10.42	27.86
	-Tax Demand as per Sec 143(1) of Income Tax act , 1961 (with respect to Assessment Year 2015-16)	396.77	277.37	-
	-Tax Demand as per Sec 143(1) of Income Tax act , 1961 (with respect to Assessment Year 2016-17) - Rectification application has been filled with A.O	258.55	-	-
	-TDS demand as per TRACES	14.79	-	-

vi) As per the order dated July 13, 2016 issued by Hon'ble Madras High Court, minimum wages shall be paid to the employees retrospectively from December 2014 to June 2016. However, the management is of the view that the wages have to be paid only to the employees working presently in the company and also no PF & ESI is required to be deducted . Accordingly, the minimum wages, ESI and PF of past employees of ₹ 288.51 lakhs, ₹ 8.06 lakhs and ₹ 69.25 lakhs respectively has not been recorded in books of account. Further, Company has also not accounted for the PF contribution of ₹ 65.33 lakhs and ESI contribution of ₹ 12.88 lakhs due on the wage arrears paid to the present employees during the year ended March 31, 2017

vii) Several Legal Cases of labour pending at labour Court, Civil Court and High Court.

Notes

a-i) Pending resolution of the respective proceedings, it is difficult for the company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities.

a- ii) The company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The company does not expect any reimbursements in respect of the above contingent liabilities.

(Amount in ₹ 'Lakhs' unless otherwise stated)

	b) Commitments	**As At March 31, 2018**	**As At March 31, 2017**	**As At April 01, 2016**
i)	Capital Commitment: Estimated amount of contracts remaining to be executed on the capital account (net of capital advances)	164.80	93.04	884.35

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

NOTE 47 : RELATED PARTY TRANSACTIONS

a) List of related parties

Nature of Relationship	Name of the Related Party
	Domestic
Enterprise over which Key Managerial Personnel exercise Significant influence	Pearl Wears
	Creative Arts Education Society
	PS Arts Private Limited
	PDS Multinational Fashions Limited
	Little People Education Society
	Vau Apparels LLP
	Nim International Commerce LLP
	PSS Estates LLP
	Overseas
	Grupo Extremo SUR S.A
	SACB Holdings Limited
	JSM Trading (FZE.)
	Transnational Textile Group Limited
	Superb Mind Holdings Limited
	Global Textiles Group Limited
	Multinational Textile Group Limited
	Casa Forma Limited
	PDS Asia Star Corporation Limited
	Simple Approach Limited
	Zamira Fashion Limited
	PG Group Limited
	Techno Design HK Limited (Formerly DPOD Manufacturing Limited
	Norwest Industries Limited
	Poeticgem International Limited
	Multinational OSG Services Bangladesh Limited
	Nor Delhi Manufacturing Limited
	Techno Design Gmbh
	Poetic Brands Limited
	Poeticgem Limited
	PDS Trading (Shanghai) Company Limited
	Simple Approach (Canada) Limited
	Zamira Denim Lab Limited
	PG Home Group Limited
	PG Shanghai Mfg Company Limited
	Poeticgem Limited
	Norwest Inc.
	Sourcing Solutions Limited
	Grand Pearl Trading Company Limited

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	Razamtazz Limited Krayon Sourcing Limited (Formerly Souring Solutions HK Limited) Design Arc Asia Limited [(Formerly Design Arc. Limited) (Design Arc. Limited Formerly Nor France Manufacturing Company Ltd)] Nor Lanka Manufacturing Limited Design Arc Europe Limited (Formerly Nor Europe Manufacturing Limited) Kleider Sourcing Hongkong Limited Rising Asia Star Hongkong Limited (Formerly Techno Manufacturing Limited) Nor India Manufacturing Company Limited Spring Near East Manufacturing Company Limited DS Manufacturing Limited (Formerly Designed and Sourced Limited) FX Import Hongkong Limited Poetic Knitwear Limited Pacific Logistics Limited PG Home Group SPA (Formerly Pearl GES Home Group SPA) Nor France SAS Nor Lanka Manufacturing Colombo Limited Nor Europe SPA FX Import Company Limited MultiTech Venture Ltd(Mauritius) Redwood Internet Ventures Limited Digital Internet Technologies Limited Progress Manufacturing Group Ltd Progress Apparels(Bangladesh) Ltd Norlanka Progress Pvt.Ltd Green Apparel Industries Ltd JJ Star Industrial Limited Twin Asia Limited Grupo Sourcing Limited (Hongkong) Sure Investments Limited Casa Forma London Limited Blueprint Design Limited Design Arc UK Limited Grupo Sourcing Limited Fareast Vogue Limited PDS Far-east Limited Kindred Brands Ltd (Formerly NW Far-east Limited) Styleberry Limited PDS Global Investments Limited Green Smart Shirts Limited Kleider Sourcing Limited Sourcing Solutions Limited PDS Far East USA Inc.

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to the Consolidated Financial Statements for the year ended March 31, 2018

	Smart Notch Industrial Limited Fabric & Trims Limited Parc Designs Pvt. Limited Digital Ecom Techno Private Limited Sourcing East West Limited

Key Management Personnel (KMP)	Mr. Deepak Seth	Chairman
	Mr. Pulkit Seth	Vice-Chairman & Managing Director
	Mrs. Shefali Seth	Whole-Time Director
	Mr. Vinod Vaish	Whole-Time Director
	Mr. Raj Kumar Chawla	Chief Financial Officer
	Mr. Sandeep Sabharwal	Company Secretary
	Mr. Chittranjan Dua	Independent Director
	Mr. Rajendra Kumar Aneja	Independent Director
	Mr. Anil Nayar	Independent Director
	Mr. Abhishek Goyal	Independent Director

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, 2018	For the year ended March 31, 2017
Expenses paid by the Company on their behalf	3.88	0.67
Reimbursement of expenses	20.90	3.00
Interest income	30.00	30.00
Sampling Income	-	30.19
SAP income	-	28.84

Closing Balance

Particulars	As At March 31, 2018	As At March 31, 2017
Amount receivable	11.06	0.67
Loan & advances receivable (inc. interest)	313.46	320.27

(ii) Key Management Personnel

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Remuneration paid	217.52	203.46
EPF paid	1.08	1.08
Compensated absenses	19.51	19.58
Gratuity	50.67	28.53
Expenses paid by the Company on their behalf	5.08	9.59
Advance against expenses	-	11.52
Expenses incurred by them on behalf of the Company	24.60	29.06
Advance received back	-	4.35
Directors sitting fees	1.43	1.15

Closing Balance	As At March 31, 2018	As At March 31, 2017
Remuneration & other payable	20.45	10.81

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to the Consolidated Financial Statements for the year ended March 31, 2018

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, 2018	For the year ended March 31, 2017
Expenses paid by the Company on their behalf		
Norwest Industries Limited	3.88	0.67
Reimbursement of expenses	-	-
Poetic gem	17.90	-
PDS Multinational Fashion Limited	3.00	3.00
Interest income		
PDS Multinational Fashion Limited	30.00	30.00
Sampling Income		
Multinational Textiles Group Limited		30.19
SAP income		
Multinational Textiles Group Limited	-	28.84
Closing Balance		
Norwest Industries Limited	-	0.67
Multinational Textiles Group Limited	11.06	-
PDS Multinational Fashion Limited	313.46	320.27

(ii) Key Management Personnel (Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars :	For the year ended March 31, 2018	For the year ended March 31, 2017
Remuneration paid		
Mr.Pulkit Seth	106.72	96.22
Ms. Shefali Seth	66.27	60.22
Mr. Rajkumar Chawla	18.35	19.50
Mr. Vinod Vaish	12.36	12.91
Mr. Sandeep Sabharwal	13.77	14.62
EPF paid		
Mr.Pulkit Seth	0.22	0.22
Ms. Shefali Seth	0.22	0.22
Mr. Rajkumar Chawla	0.22	0.22
Mr. Vinod Vaish	0.22	0.22
Mr. Sandeep Sabharwal	0.22	0.22
Compensated absenses		
Mr.Pulkit Seth	9.62	9.63
Ms. Shefali Seth	6.01	5.77
Mr. Rajkumar Chawla	1.71	1.73
Mr. Vinod Vaish	1.19	1.02
Mr. Sandeep Sabharwal	0.98	1.43

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to the Consolidated Financial Statements for the year ended March 31, 2018

Gratuity		
Mr.Pulkit Seth	20.00	10.00
Ms. Shefali Seth	20.00	10.00
Mr. Rajkumar Chawla	2.66	1.90
Mr. Vinod Vaish	3.58	2.76
Mr. Sandeep Sabharwal	4.43	3.88
Expenses paid by the Company on their behalf		
Mr. Deepak Seth	5.00	9.52
Mr. Vinod Vaish	-	0.08
Advance against expenses		
Mr. Raj Kumar Chawla	-	4.57
Mr. Vinod Vaish	-	6.95
Expenses incurred by them on behalf of the Company		
Mr. Raj Kumar Chawla	11.92	16.26
Mr. Vinod Vaish	7.94	8.17
Mr. Sandeep Sabharwal	4.74	4.63
Directors sitting Fees:		
Mr. Deepak Seth	0.10	0.20
Mr. Anil Nayar	0.62	0.35
Mr. CR Dua	0.32	0.35
Mr. Abhishek Goyal	0.40	0.15
Mr. Rajendra Aneja	-	0.10
Advance received back		
Mr. Raj Kumar Chawla	-	1.49
Mr. Vinod Vaish	-	2.86
Closing balance (receivable/(payable)):		
Mr. Vinod Vaish	1.23	0.75
Mr. Raj Kumar Chawla	1.77	0.90
Mr. Sandeep Sabharwal	1.22	1.15
Mr. Pulkit Seth	9.99	5.03
Ms. Shefali Seth	6.24	2.98

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 andsettlement occurs in cash.

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to the Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 48 :

(a) For Disclosures mandated by Schedule III of Companies Act 2013, by way of additional information, refer below:

(Amount in ₹ 'Lakhs')

Name of the Entities	As at April 01, 2016	
	Net Assets i.e. total assets minus total liabilities	
	As a % of consolidated net assets	Amount
Parent:		
Pearl Global Industries Limited	83.55	28,848.42
Subsidiary:		
- Indian		
Pixel Industries Limited	0.01	2.65
Pearl Apparel Fashions Limited	0.38	130.63
- Foreign		
Norp Knit Industries Limited	19.27	6,654.74
Pearl Global Far East Limited	6.86	2,367.62
Pearl Global (HK) Limited	13.04	4,502.06
Subtotal		**42,506.12**
Intercompany Elimination & Consolidation Adjustments	(23.10)	(7,976.15)
Total		**34,529.97**
Non Controlling Interest in subsidiaries		935.07
Grand Total		**35,465.04**

(b) For Disclosures mandated by Schedule III of Companies Act 2013, by way of additional information, refer below:

(Amount in ₹ 'Lakhs')

Name of the Entities	2016-17							
	Net Assets i.e. total assets minus total liabilities		Share in profit /(loss)		Share in other Comprehensive Income		Share in total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated Profit	Amount	As a % of consolidated Profit	Amount	As a % of consolidated Profit	Amount
Parent:								
Pearl Global Industries Limited	79.94	30,417.02	40.51	1,700.93	0.48	(1.96)	44.86	1,698.97
Subsidiary:								
- Indian								
Pixel Industries Limited	0.01	2.26	(0.01)	(0.39)	-	-	(0.01)	(0.39)
Pearl Apparel Fashions Limited	0.61	232.93	2.44	102.30	-	-	2.70	102.30
- Foreign								
Norp Knit Industries Limited	19.95	7,590.39	26.80	1,125.26	46.06	(189.61)	24.71	935.65

Notes

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Pearl Global Far East Limited	11.38	4,331.61	17.75	745.38	29.13	(119.92)	16.52	625.46
Pearl Global (HK) Limited	16.00	6,087.63	8.60	361.28	24.33	(100.17)	6.89	261.11
Subtotal		**48,661.85**		**4,034.76**		**(411.66)**		**3,623.10**
Intercompany Elimination & Consolidation Adjustments	(27.89)	(10,613.32)	3.91	164.11	-	-	4.33	164.11
Total		**38,048.54**		**4,198.87**		**(411.66)**		**3,787.21**
Non Controlling Interest in subsidiaries		1,073.34		(137.11)		(1.16)		(138.28)
Grand Total		**39,121.88**		**4,061.76**		**(412.82)**		**3,648.94**

(c) For Disclosures mandated by Schedule III of Companies Act 2013, by way of additional information, refer below:

(Amount in ₹ 'Lakhs')

Name of the Entities	2017-18							
	Net Assets i.e. total assets minus total liabilities		Share in profit /(loss)		Share in other Comprehensive Income		Share in total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated Profit	Amount	As a % of consolidated Profit	Amount	As a % of consolidated Profit	Amount
Parent:								
Pearl Global Industries Limited	75.57	29,858.75	11.54	266.38	24.94	(42.43)	10.47	223.95
Subsidiary:								
- Indian								
Pixel Industries Limited	0.01	2.00	(0.01)	(0.26)	-	-	(0.01)	(0.26)
Pearl Apparel Fashions Limited	0.49	192.03	(1.77)	(40.90)	-	-	(1.91)	(40.90)
- Foreign	-							
Norp Knit Industries Limited	22.67	8,956.80	62.41	1,440.91	43.80	(74.51)	63.89	1,366.40
Pearl Global Far East Limited	12.52	4,947.67	21.22	489.97	(10.49)	17.85	23.74	507.82
Pearl Global (HK) Limited	18.89	7,462.30	6.72	155.16	41.76	(71.04)	3.93	84.12
Subtotal		**51,419.55**		**2,311.26**		**(170.13)**		**2,141.13**
Intercompany Elimination & Consolidation Adjustments	(30.13)	(11,906.19)	(0.10)	(2.33)	-	-	(0.11)	(2.33)
Total		**39,513.37**		**2,308.93**		**(170.13)**		**2,138.80**
Non Controlling Interest in subsidiaries		965.10		99.18		9.06		108.24
Grand Total		**40,478.47**		**2,408.11**		**(161.07)**		**2,247.04**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

NOTE 49 : FIRST TIME ADOPTION OF IND AS

As stated in note 2 (a), the financial statements for the year ended 31 March 2018 would be the first annual financial statements prepared in accordance with Ind AS. For year up to and including the year ended March 31, 2017, the Group has prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013 and other relevant provisions of the Act ('previous GAAP').

Accordingly, the Group has prepared consoildated financial statements which comply with Ind AS applicable for year ended March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Group opening balance sheet was prepared as at April 01, 2016, the date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2016 and the financial statements as at and for the year ended March 31, 2017.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

a) Mandatory exceptions

i) Estimates

The estimates at April 01, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies, if any).

ii) De-recognition of financial assets:

The Group has applied the de-recognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

iii) Classification and measurement of financial assets:

i. Financial Instruments:

Financial assets like security deposits received and security deposits paid, has been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Since, it is impracticable for the Group to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind AS by applying amortised cost method, has been considered as the new gross carrying amount of that financial asset or the financial liability at the date of transition to Ind AS.

iv) Impairment of financial assets: (Trade receivables and other financial assets)

At the date of transition to Ind AS, the Group has determined that there significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, the Group has recognised a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised (unless that financial instrument is low credit risk at a reporting date).

b) Optional exemptions

i. Deemed cost-Previous GAAP carrying amount: (PPE, Intangible and Investment properties) :

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP (Indian GAAP) and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities, if any. This exemption can also be used for Intangible Assets covered by Ind AS 38. Accordingly, the Group has elected to measure all of its property, plant and equipment, capital work in progress and intangible assets at their previous GAAP carrying value.

ii. Leases :

Appendix C to Ind AS 17 requires the first-time adopter to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Group has used Ind AS 101 exemption and assessed all arrangements for embedded leases based on conditions in place as at the date of transition.

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to the Consolidated Financial Statements for the year ended March 31, 2018

iii. Investment in subsidiaries :

Ind AS 101 provide an option to measure investments in subsidiaries at cost in accordance with Ind AS 27 at either fair value on date of transition or Previous GAAP carrying values. The Group has elected to use the carrying amount as its deemed cost on the date of transition to Ind AS.

iv. Foreign currency translation

Under Indian GAAP, the Group recognised translation differences on foreign operations in a separate component of equity. Under Ind AS, Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1 April 2016. The resulting adjustment was recognised against retained earnings as at transition date and subsequently recognised through other comprehensive income.

v. Business combination

Ind AS 101 allows a first-time adopter not to apply Ind AS 21 Effects of changes in Foreign Exchange Rates retrospectively for business combinations that occurred before the date of transition to Ind AS. In such cases, where the entity does not apply Ind AS 21 retrospectively to fair value adjustments and goodwill, the entity treats them as assets and liabilities of the acquirer entity and not as the acquiree.

c) Reconciliation of total equity as at March 31, 2017 and April 01, 2016 : (Amount in ₹ 'Lakhs')

Particulars	Footnotes	As At March 31, 2017	As At April 01, 2016
Total Equity (Shareholder's Fund) as per Previous GAAP		38,695.47	35,402.03
Fair value changes of quoted and unquoted investments	g(i)	79.53	85.00
Amortisation of security deposit and loan	g(iii), g(iv), g(v)	37.43	47.83
Adjustments on account of revaluation reserve including depreciation	g(ii)	113.46	(31.01)
Proposed dividend	g(vi)	-	130.37
Prior period expenses	g(x)	-	(92.07)
Other Ind AS adjustments	g(viii), g(ix), g(xi) & g(xiii)	363.11	67.86
Deferred tax impact on above adjustments	g(xiv)	(167.11)	(144.96)
Total Adjustments		**426.42**	**63.02**
Total equity (Shareholder's fund) as per Ind AS		**39,121.89**	**35,465.05**

d) Reconciliation of total comprehensive income for the year ended March 31, 2017 : (Amount in ₹ 'Lakhs')

Particulars	Footnotes	As At March 31, 2017
Net Profit as per Previous GAAP		**3,489.06**
Fair valuation of financial instruments	g(i) & g(xi)	576.19
Impact of lease equalisation receivable	g(viii) & g(ix)	109.48
Other Ind AS Adjustments	g(ii), g(iii), g(iv), g(v), g(vii), g(x) & g(xii)	(65.64)
Deffered tax impact on above adjustments	g(xiv)	89.78
Total Adjustments		**709.81**
Net Profit as per Ind AS		**4,198.87**
Other Comprehensive Income (Net of Tax)	g(xii), g(xiii) & g(xv)	**(411.66)**
Total Comprehensive Income for the Year under Ind AS		**3,787.21**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

e) Reconciliation of Statement of Cash Flow for the year ended March 31, 2017 (Amount in ₹ 'Lakhs')

Particulars	Previous GAAP	Effect of Transition to Ind AS	Ind AS
Net Cash flow from/(used in) operating activities	1,147.16	358.02	1,505.18
Net Cash flow from/(used in) investing activities	(2,283.51)	(2,604.12)	(4,887.64)
Net Cash flow from/(used in) financing activities	1,522.43	(390.51)	1,131.92
Net Increase/(Decrease) in cash and cash equivalents	386.08	(2,636.61)	(2,250.54)
Cash and Cash equivalents at the beginning of the period	5,719.15	5,172.19	10,891.34
Cash and Cash equivalents at the end of the period	**6,105.22**	**2,535.58**	**8,640.80**

f) Footnotes to the reconciliation of equity as at April 01, 2016 and March 31, 2017 and profit or loss for the year ended March 31, 2018:

i. Fair value of investment in equity shares of entity other than subsidiary

Under previous GAAP, investment in redeemable preference shares were non current investments, hence were carried at cost, whereas under Ind AS, such investments has been classified and measured as fair value through profit and loss at each reporting date:

(Amount in ₹ 'Lakhs')

Category		Carrying value under Indian GAAP	Fair Value adjustment	Carrying value under Ind AS (as deemed cost)
Investment in Equity Shares	As at April 01, 2016	5.00	85.00	**90.00**
	As at March 31, 2017	5.00	79.53	**84.53**

ii. Property, plant and equipment

On the date of transition, Opening balance of Land includes ₹ 452.29 lakhs on account of revaluation done on 31.03.2002 and the opening balance of Building includes ₹ 59.32 lakhs on account of reduction in revaluation done on 31.03.2002. However during the financial year ended March 31,2017, in compliance with para 32 of revised Accounting Standard(Previous GAAP)-10 "Property, Plant & Equipment" the Company adopted the option of cost model for recognition of fixed assets for entire class of property, plant and equipment and accordingly as per para 91 of the revised Accounting standard, the Company adjusted the existing revaluation reserve of ₹ 392.97 lakhs against the carrying amount of relevant items of property, plant and equipment. However with the applicability of Ind As, Company has elected Ind AS 101 exemption and continue with the carrying value for all of its property, plant and equipment as its deemed cost as at the date of transition i.e. April 1, 2016.

iii. Security deposit paid

Under Previous GAAP, the security deposits paid for lease rent are shown at the transaction value whereas under Ind AS, the same are initially discounted and subsequently recorded at amortized cost at the end of every financial reporting period. Accordingly, the difference between the transaction and discounted value of the security deposits paid is recognized as deferred asset and is amortized over the period of the lease term (along with current and non-current classification). Further, interest is accreted on the present value of the security deposits paid for lease rent (along with current and non- current classification).

iv. Security deposit received

Under Previous GAAP, the security deposits received for lease rent are shown at the transaction value whereas under Ind AS, the same are initially discounted and subsequently recorded at amortized cost at the end of every financial reporting period. Accordingly, the difference between the transaction and discounted value of the security deposits received is recognized as deferred liability and is amortized over the period of the lease term (along with current and non- current classification). Further, interest is accreted on the present value of the security deposits received for lease rent (along with current and non- current classification).

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v. Borrowings

As required under Ind AS 109 transactions cost incurred towards origination of borrowings have been deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit and loss over the tenure of the borrowing as interest expenses, computed using the effective interest rate method corresponding effect being in Long term borrowings and to the extent attributable to current maturity of long term debts.

Under the previous GAAP, these transaction costs were charged to statement of profit and loss as and when incurred. Consequently, borrowings as at transition date have been reduced with a corresponding adjustment to retained earnings.

vi. Proposed Dividend

Under Previous GAAP, proposed dividends and related dividend distribution tax was recognised as a provision in the year to which they relate, irrespective of when they are declared. Under Ind AS, dividends and related dividend distribution tax are recognised as a liability in the year in which it is approved by the shareholders in the Annual General Meeting of the Company.

(Amount in ₹ 'Lakhs')

	Debit/(Credit) Balance Sheet		Debit/(Credit) Statement of profit and loss
	As At April 01, 2016	As At March 31, 2017	Year ended 31st March, 2017
Equity:			
- Other equity (Retained earnings)	(130.37)	-	-
Liability:			
- Provisions (Current)	130.37	-	-

vii. Excise Duty

Under Previous GAAP, excise duty was netted off against sale of goods. However, under Ind AS, excise duty is included in sale of goods and is separately presented as expense on the face of Statement of Profit and Loss. Thus, sale of goods under Ind AS has increased with a corresponding increase in expenses.

(Amount in ₹ 'Lakhs')

	Debit/(Credit) Balance Sheet		Debit/(Credit) Statement of profit and loss
	As At April 01, 2016	As At March 31, 2017	Year ended 31st March, 2017
Profit/(Loss):			
Revenue from operations	-	-	(28.87)
Excise duty	-	-	28.87

viii. Lease equalisation payable

Under Previous GAAP, operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term. Whereas under Ind AS, lease equalisation reserve is derecognised as operating lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost.

ix. Lease Equalisation Receivable

Under Previous GAAP, operating lease payments are recognized as an income in the statement of profit and loss on a straight-line basis over the lease term. Whereas under Ind AS, lease equalisation reserve is derecognised

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as operating lease payments from the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost.

x. Prior period expenses

Under previous GAAP, Group has recognised expenses pertaining to period prior to transition date in the financial year 2016-17. This has been shown as a prior period expenses. However, Ind AS requires the Company to correct the prior period errors retrospectively by restating the comparative amounts for the prior period presented in the which the error occurred. Further, where the amount of prior period pertains to the period before the earliest prior period presented, opening balances of the earliest period presented are to be restated.

xi. Fair valuation of mutual fund

Under previous GAAP, investment made in mutual funds shown as current investments are valued at fair value and corresponding Investment Revaluation Reserve was created, whereas under Ind AS, such investments has been classified and measured as fair value through profit and loss at each reporting date.

xii. Employee benefits

Both under Previous GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, are charged to statement of Profit and Loss. Under Ind AS, re-measurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the books with a corresponding debit or credit to retained earnings through OCI.

xiii. Foreign exchange translation reserve

Under Indian GAAP, the Group recognised translation differences on foreign operations in a separate component of equity. Under Ind AS, Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1 April 2016. The resulting adjustment was recognised against retained earnings as at transition date and subsequently recognised through other comprehensive income.

xiv. Deferred tax

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences relating to various transition adjustments which are recognised in correlation to the underlying transaction either in retained earnings as a separate component in equity.

xv. Other comprehensive income

Items of income and expense that are not recognised in profit and loss but are shown in 'other comprehensive income' includes re-measurements gain/(loss) of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP. As a consequence, re-measurement gain/(loss) of defined benefit plans has been regrouped from employee benefit expense to other comprehensive income.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2018

NOTE 50 : IMPACT OF IMPLEMENTATION OF GOODS AND SERVICES TAX (GST) ON THE FINANCIAL STATEMENTS

Consequent to the introduction of goods and services Tax (GST) with effect from 1 July 2017, VAT/Sales Tax, Excise Duty etc. have been subsumed into GST and accordingly the GST is not recognised as part of revenue from operations and excise duty as a seperate expense line item as per the requirements of Ind AS. This has resulted in lower reported revenue from operations in the current year in comparison to the revenue from operations reported under the pre-GST structure of indirect taxes. Accordingly, the Revenue from operations for the year ended March 31, 2018 are not comparable with year ended March 31, 2017 presented in the financial results which are reported inclusive of Excise Duty. The following additional information is being provided to facilitate such understanding:

(Amount in ₹ 'Lakhs')

	Year ended 31st March, 2018	Year ended 31st March, 2017
Revenue from operations (gross of excise duty)	149,605.59	153,834.38
Excise duty	1.58	28.87
Revenue from operations (exclusive of excise duty)	**149,604.01**	**153,805.51**

NOTE 51 :

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company regularly updates the documentation for the International transactions entered into with the associated enterprises during the period as required under law. The Management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation for the year ended March 31, 2018.

NOTE 52 :

No material events have occurred between the balance sheet date to the date of issue of these financial statements that could affect the values stated in the financial statements.

NOTE 53 :

The Group has reclassified previous year figures to conform to Ind AS Classification.

NOTE 54 :

The balances of trade receivables, trade payables, financials assets and other assets given are subject to reconciliation and confirmation as on March 31, 2018 and have realisation in ordinary course of business atleast equal to amount at which they are stated in the financial statements.

NOTE 55 :

Figures have been rounded off to the nearest lakhs upto two decimal places except otherwise stated.

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

Pulkit Seth
Managing Director
DIN 00003044

Deepak Seth
Chairman
DIN 00003021

Place of Signature : Gurugram
Dated: May 29, 2018

Raj Kumar Chawla
Chief Financial Officer

Sandeep Sabharwal
Company Secretary
M. No. ACS - 8370

Independent Auditors' Report
To the Members of Pearl Global Industries Limited

REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

We have audited the accompanying Standalone Ind AS financial statements of **Pearl Global Industries Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit & loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act read with the companies (Indian accounting Standards) Rules, 2015 as amended.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018 and its **Profit** (including other comprehensive income), its cash flows and the changes in the equity for the year ended on that date.

OTHER MATTERS

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by predecessor auditor whose report for the year ended March 31, 2017 & March 31, 2016 dated May 26, 2017 and May 25, 2016

Independent Auditors' Report
To the Members of Pearl Global Industries Limited

respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion is not modified in respect of above matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Companies (Indian Accounting Standards) Rules, 2015 specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure-A'.
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. On the basis of written representations received from the management of the Company, the Company has no pending litigations which could impact its financial position in its financial statements- refer note number 46 to the financial statements
      ii According to the information provide and explanation provided to us, the company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses- refer note number 41 to the financial statements.
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-Section (11) of section 143 of the Act, we give in the Annexure- 'B', a statement on the matters specified in the paragraph 3 and 4 of the order.

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

(Deepak Agarwal)
Partner
Membership Number 073696

Place of Signature: Gurugram
Date: May 29, 2018

Independent Auditors' Report

To the Members of Pearl Global Industries Limited

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

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

We have audited the internal financial controls over financial reporting of **Pearl Global Industries Limited ("the Company")** as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and

Annexure to Auditors' Report

directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(Deepak Agarwal)
Partner
Membership Number 073696

Place of Signature: Gurugram
Date: May 29, 2018

Annexure 'B' To the Independent Auditors' Report

The Annexure referred to in independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended March 31, 2018; we report that:

i) In respect of fixed assets:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified at periodic intervals. In accordance with this programme for the year, no material discrepancies were noticed on such verification. In our opinion, such periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

c) On the basis of written representation received from the Management of the Company, the title deeds of immovable properties held in the name of the Company are mortgaged with the banks for securing the long term and short term borrowings raised by the Company.

ii) In respect of its inventory:

a) On the basis of information and explanation provided by the Management, inventories have been physically verified by the Management during the year. In our opinion, the frequency of physical verification followed by the Management is reasonable.

b) No material discrepancies were noticed on verification between the physical stocks and the book records.

iii) a) According to the information and explanation given to us, the Company has not granted any unsecured loan to any company covered under register maintained under section 189 of the Companies Act, 2013 during the year.

b) & c) In respect of loans granted in earlier financial years, the schedule of repayment of principal and interest is stipulated and there is no overdue amount as at year end.The terms and conditions of grant of such loans are not prejudicial to the interest of the Company

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of the loans, investments, guarantees, and security provided by it.

v) In our opinion and according to the information and explanation given to us, since the Company has not accepted any deposits therefore the question of the compliance of any directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under does not arise.

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 Companies (Auditor's Report) Order, 2016 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, Sales Tax, Service Tax, Goods and Service Tax, duty of Customs, duty of Excise, Value Added 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, Sales Tax, Goods and Service Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and any other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

b) According to the records of the Company examined by us and the information and explanations given to us, there were no dues of Income Tax or Sales Tax or Goods and Service Tax or Service Tax or duty of Customs or duty of Excise or Value Added Tax which have not been deposited on account of any dispute except for the following:

Annexure ‘B’ To the Independent Auditors’ Report

S. No.	Name of the Statute	Nature of Dues	Amount ₹ in lakhs	Period to which amount relates	Forum where dispute is pending
1.	Income Tax Act, 1961	Income Tax Demand	1.25	A.Y 2014-15	Demand Received as per Sec 143 (1) of the Income Tax Act, 1961
2.	Income Tax Act, 1961	Income Tax Demand	396.77	A.Y 2015-16	Demand Received as per Sec 143 (1) of the Income Tax Act, 1961
3.	Income Tax Act, 1961	Income Tax Demand	258.55	A.Y 2016-17	Demand Received as per Sec 143 (1) of the Income Tax Act, 1961
4.	Income Tax Act, 1961	Tax Deductible At Source	5.57	Prior to A.Y2015-16	Demand as per TDS (Traces) portal – CPC
5.	Income Tax Act, 1961	Tax Deductible At Source	9.22	A.Y 2015-16 to A.Y 2018-19	Demand as per TDS (Traces) portal - CPC

viii) On the basis of information and explanation provided to us, the Company has not defaulted in repayment of loans and borrowings to financial institution and bank. The Company has not taken any loan from Government or has not issued any debentures.

ix) The Company did not raise any money by the way of initial public or further public offer (including debt instruments) during the year. However, the term loans taken during the year were applied for the purpose for which the same has been raised.

x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi) The Company has paid/provided managerial remuneration in accordance with provisions of Section 197 read with Schedule V to the Companies Act, 2013 as applicable to the Company.

xii) The Company is not a Nidhi Company and hence, the provisions of paragraph 3(xii) of the Order are not applicable to the Company.

xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc.as required by the applicable accounting standards.

xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of paragraph 3(xiv) of the Companies (Auditor’s Report) Order, 2016 are not applicable to the Company.

xv) The Company has not entered into any non-cash transactions with directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of paragraph 3(xvi) of the Order are not applicable to the Company.

FOR B.R. GUPTA & CO.
Chartered Accountants,
Firm’s Registration Number 008352N

(Deepak Agarwal)
Partner
Membership Number 073696

Place of Signature: Gurugram
Date: May 29, 2018

Balance Sheet
as at March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	Note No.	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Assets				
I. Non-current assets				
(a) Property, plant and equipment	4	12,559.92	13,126.36	9,610.64
(b) Capital work in progress	5	54.17	291.56	385.09
(c) Investment properties	6	7,514.36	7,629.67	7,087.09
(d) Other Intangible assets	7	134.83	164.24	80.15
(e) Financial assets				
(i) Investment in subsidiaries	8	12,990.20	11,539.43	8,760.51
(ii) Investment - others	9	144.67	86.19	91.20
(iii) Loans	10	451.69	439.57	1,708.46
(iv) Other financial assets	11	435.90	681.26	805.50
(f) Deffered tax assets (net)	12	114.53	24.53	-
(g) Non current tax assets (net)	13	128.67	587.09	695.91
(h) Other non current assets	14	324.53	522.14	736.98
Total Non-current assets		**34,853.47**	**35,092.04**	**29,961.53**
Current assets				
(a) Inventories	15	11,998.86	14,510.95	10,780.07
(b) Financial assets				
(i) Investments	9	632.62	1,253.08	1,922.33
(ii) Trade receivables	16	8,748.39	8,879.91	6,454.39
(iii) Cash and cash equivalents	17	2,058.74	2,295.88	3,395.85
(iv) Bank balances other than cash and cash equivalents	18	428.08	1,990.07	218.68
(v) Loans	10	334.99	368.43	344.76
(vi) Other financial assets	11	2,040.29	1,180.57	2,314.68
(c) Other current assets	14	4,217.07	3,235.75	2,757.36
Total current assets		**30,459.04**	**33,714.64**	**28,188.12**
Total assets		**65,312.51**	**68,806.68**	**58,149.65**
II. Equity and liabilities				
Equity				
(a) Equity share capital	19	2,166.39	2,166.39	2,166.39
(b) Other equity	20	27,692.36	28,250.63	26,682.03
Total equity		**29,858.75**	**30,417.02**	**28,848.42**
Liabilities				
Non- current liabilities				
(a) Financial liabilities				
(i) Borrowings	21	3,945.54	2,309.07	1,421.49
(ii) Others financial liabilities	22	158.54	220.68	359.72
(b) Provisions	23	859.15	631.35	493.67
(c) Deferred tax liabilities	12	-	-	46.41
(d) Other non current liabilities	24	3,461.50	3,411.58	3,408.42
Total non- current liabilities		**8,424.73**	**6,572.68**	**5,729.71**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	21	18,286.55	15,144.42	12,262.39
(ii) Trade payables	25	7,096.15	13,500.52	9,338.22
(iii) Other financial liabilities	22	1,011.19	2,324.09	1,033.00
(b) Other current liabilities	24	580.25	726.08	591.71
(c) Provisions	23	54.89	39.91	27.21
(d) Current tax liabilities (net)	26	-	81.96	318.99
Total current liabilities		**27,029.03**	**31,816.98**	**23,571.52**
Total equity and liabilities		**65,312.51**	**68,806.68**	**58,149.65**
Summary of Significant Accounting Policies	3			
The accompanying notes form an integral part of these financial statements		-	-	-

As per our Report of even date attached

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

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

(Deepak Agarwal)
Partner
Membership Number 073696

Pulkit Seth
Managing Director
DIN 00003044

Deepak Seth
Chairman
DIN 00003021

Place of Signature : Gurugram
Dated: May 29, 2018

Raj Kumar Chawla
Chief Financial Officer

Sandeep Sabharwal
Company Secretary
M. No. ACS - 8370

Statement of Profit & Loss
for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

	Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I	Revenue from operations	27	71,077.23	85,813.94
II	Other income	28	4,801.99	4,534.79
III	**Total income (I+II)**		**75,879.22**	**90,348.73**
IV	**Expenses**			
	(a) Cost of materials consumed	29	21,613.04	23,987.87
	(b) Purchases of stock-in-trade	30	13,423.36	22,709.66
	(c) Changes in inventories of finished goods, work in progress and stock in trade	31	(173.04)	(779.99)
	(d) Excise duty		1.58	28.87
	(e) Employee benefits expense	32	11,960.21	11,268.60
	(f) Finance costs	33	1,922.93	1,599.50
	(g) Depreciation and amortization expense	34	1,273.71	1,092.03
	(h) Other expenses	35	25,991.99	28,627.12
	Total expenses		**76,013.78**	**88,533.66**
V	**Profit/ (loss) before exceptional items and tax (III-IV)**		**(134.56)**	**1,815.07**
VI	**Exceptional Items**	36	(812.13)	(0.63)
VII	**Profit/ (loss) before tax (V-VI)**		**677.57**	**1,815.70**
VIII	**Tax expense:**	12		
	(a) Current tax		192.53	203.98
	(b) MAT credit entitlement		(192.53)	(194.32)
	(c) Deferred tax		245.64	124.25
	(d) Adjustment of tax relating to earlier periods		165.55	(19.14)
	Total tax expense		**411.19**	**114.77**
IX	**Profit/(loss) for the year (VII-VIII)**		**266.38**	**1,700.93**
X	**Other comprehensive income**	37		
(A)	(i) Items that will not be reclassified subsequently to statement of profit and loss			
	(a) Re-measurement gains/ (losses) on defined benefit plans		(63.36)	(2.83)
	(ii) Income tax on items that will not be reclassified subsequently to statement of profit and loss		20.95	0.88
(B)	(i) Items that will be reclassified subsequently to statement of profit and loss		-	-
	(ii) Income tax on items that will be reclassified subsequently to statement of profit and loss		-	-
	Other comprehensive income for the year, net of tax		**(42.41)**	**(1.95)**
XI	**Total comprehensive income for the year, net of tax**		**223.97**	**1,698.98**
XII	**Earnings per share: (face value ₹ 10 per share)**	38		
	1) Basic (amount in ₹)		1.23	7.85
	2) Diluted (amount in ₹)		1.23	7.85
	Summary of Significant Accounting Policies	3		

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached
For **B.R. Gupta & Co.**
Chartered Accountants
Firm's Registration Number 008352N

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

(Deepak Agarwal)
Partner
Membership Number 073696

Pulkit Seth
Managing Director
DIN 00003044

Deepak Seth
Chairman
DIN 00003021

Place of Signature : Gurugram
Dated: May 29, 2018

Raj Kumar Chawla
Chief Financial Officer

Sandeep Sabharwal
Company Secretary
M. No. ACS - 8370

Cash Flow Statement
for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flows from operating activities			
Profit before and tax		677.57	1,815.70
Adjustments for:			
Depreciation and amortization		1,273.71	1,092.03
Interest paid and other borrowing cost		1,907.29	1,549.09
Excess provision for wealth tax written back		-	(3.00)
Sundry balances written back		(30.80)	(8.10)
Realised forex gain on receipt of loan		-	(335.78)
Grant amortised during the year		(1.00)	(2.42)
Goverment grant received		(16.10)	-
Provision for doubtful debt written back		(22.31)	(29.69)
Amortisation of deferred rental income		(8.42)	(35.75)
Unwinding of discount on security deposits		(36.47)	(29.90)
Profit on sale of current investment - mutual Fund		(277.21)	(177.75)
Rental income		(732.70)	(1,038.51)
Interest income		(161.00)	(239.10)
Fair value loss (gain) on financial assets measured at fair value through profit and loss		42.89	189.90
Re-measurement gains/ (losses) on defined benefit plans		(63.36)	(2.83)
Mark to market (gain) / loss on forward contract		904.72	(905.21)
Amortisation of deferred asset - security deposit paid		36.99	29.72
Allowance for bad and doubtful debts		0.20	4.32
Bad debts written off		5.55	-
Operating profit before working capital changes		**3,499.53**	**1,872.71**
Movement in working capital:			
(Increase)/decrease in trade receivables		148.08	(2,400.16)
(Increase)/decrease in other non-current financial assets		188.97	(92.20)
(Increase)/decrease in other current financial assets		(26.13)	-
(Increase)/decrease in other non-current assets		47.44	47.66
(Increase)/decrease in other current assets		(981.32)	(478.40)
(Increase)/decrease in inventories		2,512.09	(3,730.88)
Increase/(decrease) in trade payables		(6,373.57)	4,170.40
Increase/(decrease) in other non-current financial liabilities		(53.71)	(103.29)
Increase/(decrease) in other current financial liabilities		(1,190.31)	1,214.55
Increase/(decrease) in non-current provisions		227.80	137.68
Increase/(decrease) in current provisions		14.98	12.70
Increase/(decrease) in other non-current liabilities		50.90	(8.44)
Increase/(decrease) in other current liabilities		(145.83)	136.37
Cash generated from operations		**(2,081.07)**	**778.71**
Tax paid on dividend		132.31	22.05
Direct tax paid (net of refunds)		103.77	313.03
Cash flow before exceptional items		**(2,317.15)**	**443.62**
Exceptional items:			
(Profit)/loss on sale of fixed assets		(812.13)	(0.63)
Net cash inflow from/(used in) operating activities	**(A)**	**(3,129.28)**	**444.26**

Cash Flow Statement
for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,296.54)	(4,489.94)
Sale proceeds of property, plant and equipment		1,330.59	1.89
(Increase)/decrease in capital work in progress		237.39	93.54
Purchase of investment properties		(67.13)	(624.60)
Sale proceeds of investment properties		300.00	-
Purchase of Intangible assets		(17.33)	(122.40)
(Increase)/decrease in capital advances		113.18	137.47
Increase/(decrease) in capital creditor		(227.56)	(61.24)
(Increase)/decrease in Investment in subsidiaries		(1,450.78)	(2,778.92)
(Increase)/decrease in non-current investment - Others		(58.48)	5.00
(Increase)/decrease in current investment - Others		854.78	657.10
(Increase)/decrease in non-current Loans		(12.13)	1,604.68
(Increase)/decrease in current Loans		33.44	(23.67)
(Increase)/decrease in bank deposit		(57.44)	337.21
Interest received		144.24	411.92
Rent received		732.70	1,038.51
Net Cash From/ (Used In) Investing Activities	**(B)**	**558.95**	**(3,813.46)**
Cash flows from financing activities			
Increase/ (decrease) in long term borrowings		1,714.93	1,029.48
Government grant received		16.10	15.00
Increase/ (decrease) in short term borrowings		3,142.13	2,882.03
Increase/ (decrease) in unpaid dividend account		(9.26)	4.25
Dividend paid		(649.92)	(108.32)
Interest paid		(1,880.78)	(1,553.22)
Net cash inflow from/(used in) financing activities	**(C)**	**2,333.20**	**2,269.22**
Net Increase (decrease) In cash and cash equivalents	**(A+B+C)**	**(237.13)**	**(1,099.98)**
Opening balance of cash and cash equivalents		2,295.88	3,395.85
Total cash and cash equivalent (Note no. 17)		**2,058.74**	**2,295.88**
Components Of Cash And Cash Equivalents			
Cash, Cheque/drafts on hand		78.62	41.38
With banks - Current account		1,980.12	2,254.50
Total cash and cash equivalent (Note no. 17)		**2,058.74**	**2,295.88**
Summary of Significant Accounting Policies	3		

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

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

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

(Deepak Agarwal)
Partner
Membership Number 073696

Pulkit Seth
Managing Director
DIN 00003044

Deepak Seth
Chairman
DIN 00003021

Place of Signature : Gurugram
Dated: May 29, 2018

Raj Kumar Chawla
Chief Financial Officer

Sandeep Sabharwal
Company Secretary
M. No. ACS - 8370

Statement of Changes in Equity
for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

A. Equity Share Capital

As at April 01, 2016	2,166.39
Changes during the year	-
As at March 31, 2017	**2,166.39**
Changes during the year	-
As at March 31, 2018	**2,166.39**

B. Other Equity

	Reserve & Surplus						Items of Other Comprehensive Income	
	General Reserve	Security Premium	Capital Redemption Reserve	Amalgamation Reserve	Revaluation reserve	Retained Earnings	Re-measureme-net defined benefit plans	Total Other Equity
Balance as at April 01, 2016	4,204.36	17,103.90	95.00	625.95	-	4,728.49	(75.67)	**26,682.03**
Profit / (loss) for the year	-	-	-	-	-	1,700.93	-	**1,700.93**
Other Comprehensive Income	-	-	-	-	-	-	(1.96)	**(1.96)**
Total Comprehensive Income for the year	-	-	-	-	-	**1,700.93**	**(1.96)**	**1,698.98**
Dividend	-	-	-	-	-	(108.32)	-	**(108.32)**
Dividend Distribution Tax	-	-	-	-	-	(22.05)	-	**(22.05)**
Balance as at March 31, 2017	**4,204.36**	**17,103.90**	**95.00**	**625.95**	**-**	**6,299.05**	**(77.63)**	**28,250.63**
Profit / (loss) for the year	-	-	-	-	-	266.38	-	**266.38**
Other Comprehensive Income	-	-	-	-	-	-	(42.41)	**(42.41)**
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**266.38**	**(42.41)**	**223.97**
Dividend	-	-	-	-	-	(649.92)	-	**(649.92)**
Dividend Distribution Tax	-	-	-	-	-	(132.31)	-	**(132.31)**
Balance as at March 31, 2018	**4,204.36**	**17,103.90**	**95.00**	**625.95**	**-**	**5,783.20**	**(120.04)**	**27,692.36**

Summary of Significant Accounting Policies

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

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

(Deepak Agarwal)
Partner
Membership Number 073696

Place of Signature : Gurugram
Dated: May 29, 2018

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

Pulkit Seth
Managing Director
DIN 00003044

Deepak Seth
Chairman
DIN 00003021

Raj Kumar Chawla
Chief Financial Officer

Sandeep Sabharwal
Company Secretary
M. No. ACS - 8370

Notes

to the Financial Statements for the year ended March 31, 2018

NOTE 1: CORPORATE INFORMATION

Pearl Global Industries Limited is a public limited Company domiciled in India and has its registered office at A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi-110028. 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 29, 2018.

NOTE 2: BASIS OF PREPARATION AND MEASUREMENT

Statement of Compliance: The financial statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

Upto the year ended 31st March, 2017, the Company prepared the financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006 and other relevant provisions of the Act. These are the Company's first Ind AS financial statements. The date of transition to the Ind AS is 1st April, 2016. Refer to note 48 for the details of first-time adoption exemptions availed by the Company.

Basis of Preparation and presentation: The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

The principal accounting policies are set out below.

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.

The financial statements are presented in ₹ and all values are rounded to the nearest lakhs upto two decimal places except otherwise stated.

Recent accounting pronouncements

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 12 'Income Taxes', Ind AS 21, 'The effects of changes in foreign exchange rates and also introduced new revenue recognition standard Ind AS 115 'Revenue from contracts with customers'. These amendments rules are applicable to the Company from April 1, 2018.

Ind AS 115 'Revenue from Contracts with Customers' (Ind AS 115)

Ministry of Corporate Affairs ('MCA') has notified new standard for revenue recognition which overhauls the existing revenue recognition standards including Ind AS 18 - Revenue. The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

(i) Identification of the contracts with the customer

(ii) Identification of the performance obligations in the contract

(iii) Determination of the transaction price

(iv) Allocation of transaction price to the performance obligations in the contract (as identified in step ii)

(v) Recognition of revenue when performance obligation is satisfied.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The management is yet to assess the impact of this new standard on the Company's financial statements.

Amendment to Ind AS 12

Notes
to the Financial Statements for the year ended March 31, 2018

The amendment to Ind AS 12 requires the entities to consider restriction in tax laws in sources of taxable profit against which entity may make deductions on reversal of deductible temporary difference (may or may not have arisen from the same source) and also consider probable future taxable profit. The Company is evaluating the requirements of the amendment and its impact on the financial statements.

Amendment to Ind AS 21

The amendment to Ind AS 21 requires the entities to consider exchange rate on the date of initial recognition of advance consideration (asset/liability) for recognising related expense/income on the settlement of said asset/liability. The Company is evaluating the requirements of the amendment and its impact on the financial statements.

NOTE 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.

Judgements:

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Revenue recognition and presentation

The Company assesses its revenue arrangements against specific criteria, i.e. whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent. The Company has concluded that they operating on a principal to principal basis in all its revenue arrangements.

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 business partners are reviewed to determine each party's respective role in the transaction.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Interest income

For all debt instruments measured either at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

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.

Estimates and Assumptions:

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

Notes

to the Financial Statements for the year ended March 31, 2018

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.

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.

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.

Defined benefit plans

The present value of the gratuity is 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 management 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.

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.

Notes

to the Financial Statements for the year ended March 31, 2018

c) Property, Plant and Equipment

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.

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 within other income.

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

- Fixed asset costing upto ₹ 5000 has been fully depreciated during the financial year
- Leasehold land has been amortised over the lease term.
- Freehold Land is not depreciated.

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.

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.

Elimination: Property, plant and equipments are eliminated from financial statements, either on disposal or when retired from active use. Losses/gains arising in case retirement/disposals of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

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

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.

e) Intangible assets

Recognition and measurement

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognized as at 1st April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Amortisation and useful lives: Intangible assets with finite lives are amortised over the useful life and assessed

Notes
to the Financial Statements for the year ended March 31, 2018

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. Amortisation is calculated over the cost of the asset, or other amount substituted for cost.

f) Borrowing costs

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

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

g) Foreign currencies

Functional and presentational currency

The Company's financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash. All the financial information presented in ₹ except where otherwise stated.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

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.

h) Revenue Recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Compay and the revenue can be reliably measured. Following are the specific revenue recognition criteria:

i) Export sale is recognized on transfer of risks and rewards to the customer and on the basis of date of Airway Bill/ Bill of lading.

ii) Sales are shown as net of trade discount and include Freight & Insurance recovered from buyers as per the terms of sale.

iii) Interest income is recognized on time proportion basis.

iv) Dividend income is recognized when the right to receive is established.

v) In case of High Sea Sales revenues are recognized on transfer of title of goods to the customer.

vi) Sale of software/ SAP income is recognized at the delivery of complete module & patches (through reimbursement from group companies).

vii) Income from job work is recognized on the basis of proportionate completion method. However, where job work income is subject to minimum assured profit, it is recognised based on that specific contract.

Notes

to the Financial Statements for the year ended March 31, 2018

viii) Commission income is recognized when the services are rendered.

ix) Purchase are recognized upon receipt of such goods by the company.Purchases of imported goods are recognized after completion of custom clearance formalities and upon receipt of such goods by the company.

i) Inventories

i) Inventories of finished goods manufactured by the company are valued style-wise and at lower of cost and estimated net realizable value. Cost includes material cost on weighted average basis and appropriate share of overheads incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

ii) Inventories of finished goods (traded) are valued at lower of procurement cost (FIFO method) or estimated net realizable value.

iii) Inventories of raw material, work in progress, accessories & consumables are valued at cost (weighted average method) or at estimated net realizable value whichever is lower. WIP cost includes appropriate portion of allocable overheads. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

iv) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

j) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All the lease other than Finance lease are classified as operating lease.

For arrangements entered into prior to the Ind AS transition date i.e. April 01, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessor

Finance lease: Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Operating lease: Rental income from operating leases is recognised on a straightline basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the period in which such benefits accrue.

Company as a lessee

Finance lease

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease

A lease where risks and rewards incidental to ownership of an asset substantially vest with the lessor is classified as operating lease. Lease payments under operating

Notes
to the Financial Statements for the year ended March 31, 2018

leases are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

The Company has ascertained that the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases and therefore are not straight-lined. Hence, the lease payments are recognised on an accrual basis as per terms of the lease agreement.

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 is a defined contribution scheme and contributions paid/ payable towards Provident Fund are recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service. There are no other obligations other than the contribution payable to the respective trusts.

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

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to the Financial Statements for the year ended March 31, 2018

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.

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.

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to the Financial Statements for the year ended March 31, 2018

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

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

De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

(i) The contractual rights to receive cash flows from the asset has expired, or

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

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include borrowings, trade and other payables, security deposits received etc.

Subsequent measurement

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

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

Financial liabilities at amortized cost

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

De-recognition

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

(iii) Offsetting of financial instruments

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

(iv) Derivative financial instruments

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, interest rate 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.

n) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement

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to the Financial Statements for the year ended March 31, 2018

and recognition of impairment loss on the following financial assets and credit risk exposure:

Financial assets that are debt instruments, and are initially measured at fair value with subsequent measurement at amortised cost e.g., trade and other receivables, security deposits, loan to employees, etc.

The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss.

o) Impairment of non-financial assets

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

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

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

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

p) Fair value measurement

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

(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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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to the Financial Statements for the year ended March 31, 2018

within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

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

q) Taxes

Current income tax

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

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

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

Deferred tax

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized 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 recognized directly in the equity/other comprehensive income is recognized in respective head and not in the statements 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). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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.

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

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to the Financial Statements for the year ended March 31, 2018

s) Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash balance on hand, cash balance at banks and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

t) Earnings per share (EPS)

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.

u) Government grants

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

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

v) Contingent liabilities and contingent assets

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

w) Research & development costs

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

Notes

to the Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT	Land-freehold	Land-leasehold	Buildings	Leasehold improvements	Plant and equipment	Furniture and fixures	Vehicles	Total
Gross Carrying Amount								
(At Deemed Cost)								
As at April 01, 2016	1,647.34	47.74	3,137.38	26.68	3,571.52	466.68	713.30	9,610.64
Add: Additions made during the year	-	-	1,205.47	35.73	3,025.00	159.09	64.65	4,489.94
Less: Disposals/adjustments during the year	-	-	-	-	0.51	-	2.65	3.15
As at March 31, 2017	**1,647.34**	**47.74**	**4,342.85**	**62.41**	**6,596.01**	**625.78**	**775.30**	**14,097.43**
Add: Additions made during the year	-	-	72.18	378.18	599.50	104.52	142.17	1,296.54
Less: Disposals/adjustments during the year	-	-	542.22	-	180.23	27.17	80.90	830.52
As at March 31, 2018	**1,647.34**	**47.74**	**3,872.81**	**440.58**	**7,015.28**	**703.12**	**836.57**	**14,563.46**
Accumulated depreciation								
As at April 01, 2016	-	-	-	-	-	-	-	-
Add: Depreciation charge for the year	-	0.34	131.92	6.07	609.96	107.61	115.80	971.70
Less: Disposals/adjustments during the year	-	-	-	-	0.00	-	0.63	0.63
As at March 31, 2017	**-**	**0.34**	**131.92**	**6.07**	**609.96**	**107.61**	**115.17**	**971.07**
Add: Depreciation charge for the year	-	0.34	149.04	47.19	745.32	80.00	116.32	1,138.21
Less: Disposals/adjustments during the year	-	-	28.72	-	49.54	7.57	19.92	105.75
As at March 31, 2018	**-**	**0.68**	**252.24**	**53.26**	**1,305.73**	**180.04**	**211.58**	**2,003.53**
Net Carrying Amount								
As at April 01, 2016	1,647.34	47.74	3,137.38	26.68	3,571.52	466.68	713.30	**9,610.64**
As at March 31, 2017	1,647.34	47.40	4,210.92	56.34	5,986.05	518.17	660.13	**13,126.36**
As at April 01, 2018	1,647.34	47.06	3,620.57	387.33	5,709.54	523.08	624.99	**12,559.92**

a) The Company has availed the exemption available under Ind AS 101, whereas the carrying value of property, plant and equipment has been carried forwarded at the amount as determined under the previous GAAP as its deemed cost. The Company has disclosed the cost as at April 01, 2016 net of accumulated depreciation. However, information regarding gross carrying amount of assets, accumulated depreciation has been disclosed by the Company separately as follows :

Particulars	Land-freehold	Land-leasehold	Buildings	Leasehold improvements	Plant and equipment	Furniture and fixures	Vehicles	Total
Gross carrying amount as at April 1, 2016	1,647.34	50.83	4,437.61	30.53	7,793.93	1,157.54	974.10	**16,091.89**
Accumulated depreciation as at April 1, 2016	-	3.09	1,300.23	3.85	4,222.41	690.86	260.80	**6,481.25**
Net carrying amount as at April 1, 2016	**1,647.34**	**47.74**	**3,137.38**	**26.68**	**3,571.52**	**466.68**	**713.30**	**9,610.64**

b) The above assets includes Gross block of land of ₹ 159.54 lakhs (March 31, 2017: ₹ 159.54 lakhs, April 01, 2016: ₹ 159.54 lakhs) & Gross block of building of ₹ 234.35 (March 31, 2017: ₹ 234.35, April 01, 2016: ₹ 234.35) situated at Narshingpur, Tehsil District Gurgaon(Haryana) 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 2017-18 due to pending receipt of license from the concerned authority.

c) In the earlier years, the Company had initiated the process of converting its leasehold land (situated at Plot A-3, Naraina, New Delhi) into freehold land. However, the deed is yet to be transferred in the name of the Company as at March 31, 2018.

d) Borrowing cost of ₹ Nil (March 31, 2017 : ₹ 67.68 Lakhs; April 01, 2016 : Nil) has been capitalised during the year.

Notes
to the Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 5 : CAPITAL WORK IN PROGRESS	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Capital work in progress	54.17	291.56	385.09
	54.17	**291.56**	**385.09**

a) Breakup of Capital Work in Progress is as follows:	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Building*	48.62	20.88	344.87
Plant and machinery	4.40	48.80	-
Furniture and fittings	-	-	1.44
Lease hold improvement	-	216.20	-
SAP	-	-	34.01
Other expenses	1.15	5.68	4.77
	54.17	**291.56**	**385.09**

* Capital work in progress includes ₹ Nil (March 31, 2017: ₹ Nil; April 01, 2016; ₹ 9.93 Lakhs of borrowing cost as per Ind AS-23 "Borrowing Cost".

b) The Company has elected Ind AS 101 exemption and continue with the carrying value for capital work in progress as its deemed cost as at the date of transition.

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 6 : INVESTMENT PROPERTIES	Land freehold	Land leasehold	Building	Total
Gross carrying amount				
At Deemed Cost				
As at April 01, 2016	3,007.71	112.60	3,966.78	**7,087.09**
Add: Additions made during the year	10.67	-	613.93	**624.60**
Less: Disposals/adjustments during the year	-	-	-	-
As at March 31, 2017	**3,018.37**	**112.60**	**4,580.71**	**7,711.68**
Add: Additions made during the year	67.13	-	-	**67.13**
Less: Disposals/adjustments during the year	-	102.24		**102.24**
As at March 31, 2018	**3,085.50**	**10.36**	**4,580.71**	**7,676.57**
Accumulated depreciation & amortisation				
As at April 01, 2016	-	-	-	-
Add: Depreciation & amortisation charge for the year	-	5.55	76.46	**82.01**
Less: Disposals/adjustments during the year	-	-	-	-
As at March 31, 2017	-	5.55	76.46	**82.01**
Add: Depreciation & amortisation charge for the year	-	3.01	85.76	**88.77**
Less: Disposals/adjustments during the year	-	8.56	-	**8.56**
As at March 31, 2018	**-**	**-**	**162.21**	**162.21**
Net Carrying Amount				
As at April 01, 2016	3,007.71	112.60	3,966.78	**7,087.09**
As at March 31, 2017	3,018.37	107.05	4,504.25	**7,629.67**
As at March 31, 2018	3,085.50	10.36	4,418.50	**7,514.36**

Notes
to the Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

		For the year ended March 31, 2018	For the year ended March 31, 2017
(a)	**Amounts recognized in statement of profit and loss for investment properties**		
	Rental Income	732.70	1,038.51
	Direct operating expenses of property that generated rental income	25.52	6.97
	Direct operating expenses of property that did not generate rental income	68.30	55.67
	Income arising from Investment properties before charging depreciation	**638.89**	**975.88**
	Depreciation & amortisation	88.77	82.01
	Income from Investment properties (net)	**550.13**	**893.87**
(b)	**Fair value of investment properties**	**11,548.24**	**10,876.85**

Estimation of fair value

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

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

(c) The Company has availed the exemption available under Ind AS 101, whereas the carrying value of property, plant and equipment has been carried forwarded at the amount as determined under the previous GAAP as its deemed cost. The Company has disclosed the cost as at April 01, 2016 net of accumulated depreciation. However, information regarding gross carrying amount of assets, accumulated depreciation has been disclosed by the Company separately as follows :

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	Land freehold	Land leasehold	Building	Total
Gross carrying amount as at April 1, 2016	3,007.71	159.51	4,338.60	**7,505.82**
Accumulated depreciation and amortisation as at April 1, 2016	-	46.91	371.82	**418.73**
Net carrying amount as at April 1, 2016	**3,007.71**	**112.60**	**3,966.78**	**7,087.09**

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to the Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 7 : OTHER INTANGIBLE ASSETS	Computer Software	Total
At Deemed Cost		
Gross Carrying Amount		
As at April 01, 2016	80.15	80.15
Add: Additions during the year	122.40	122.40
Less: Disposals / adjustments during the year	-	-
As at March 31, 2017	**202.55**	**202.55**
Add: Additions during the year	17.33	17.33
Less: Disposals / adjustments during the year	-	-
As at March 31, 2018	**219.88**	**219.88**
Accumulated amortisation		
As at April 01, 2016	-	-
Add: Amortisation charge for the year	38.32	38.32
Less: On disposals/adjustments during the year	-	-
As at March 31, 2017	**38.32**	**38.32**
Add: Amortisation charge for the year	46.74	46.74
Less: On disposals / adjustments during the year	-	-
As at March 31, 2018	**85.06**	**85.06**
Net Carrying Amount		
As at April 01, 2016	**80.15**	**80.15**
As at March 31, 2017	**164.24**	**164.24**
As at March 31, 2018	**134.83**	**134.83**

a) The Company has availed the exemption available under Ind AS 101, whereas the carrying value of property, plant and equipment has been carried forwarded at the amount as determined under the previous GAAP as its deemed cost. The Company has disclosed the cost as at April 01, 2016 net of accumulated depreciation. However, information regarding gross carrying amount of assets, accumulated depreciation has been disclosed by the Company separately as follows :

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	Computer Software	Total
Gross carrying amount as at April 1, 2016	1,071.67	1,071.67
Accumulated depreciation as at April 1, 2016	991.52	991.52
Net carrying amount as at April 1, 2016	**80.15**	**80.15**

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to the Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 8 : INVESTMENT IN SUBSIDIARIES	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Investments in equity shares of Subsidiaries- (Unqouted)			
(At Cost)			
Pearl Global Far East Limited, Hong Kong			
5,35,000 (March 31, 2017: 5,35,000 ; April 01, 2016: 5,35,000) Equity Shares of USD 1/- Each fully paid up	2,797.29	2,797.29	1,458.75
Pearl Apparel Fashions Limited, India			
27,639,145 (March 31, 2017: 27,639,145 ; April 01, 2016: 27,639,145) Equity Shares of ₹ 10 each fully paid up	1,648.35	1,648.35	1,648.35
Pearl Global (HK) Limited, Hong Kong			
16,10,000 (March 31, 2017: 16,10,000 ; April 01, 2016: 16,10,000) Equity Shares of USD 1 each fully paid up	6,088.06	4,719.46	3,178.91
Pixel Industries Limited			
50,000 (March 31, 2017: 50,000 ; April 01, 2016: 50,000) Equity Shares of ₹ 10/- each fully paid up	5.00	5.00	5.00
Norp Knit Industries Limited, Bangladesh			
3,381,211 (March 31, 2017: 3,381,211 ; April 01, 2016: 3,381,211) Equity Shares of Taka 100 Each fully paid up	2,343.32	2,272.74	2,201.64
Investment in Preference Share of Subsidiary- (Unquoted)			
(At Amortised Cost)			
Pearl Apparel Fashions Limited, India			
3,000,000 (March 31, 2017: 3,000,000 ; April 01, 2016: 3,000,000) Preference Shares of ₹ 10 each fully paid up	108.18	96.59	267.86
	12,990.20	**11,539.43**	**8,760.51**

INFORMATION ABOUT SUBSIDIARIES

Name of Company	Country of incorporation	Principal activities	Porportion (%) of equity interest		
			As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Subsidiaries					
Pearl Apparel Fashions Limited	India	Trading of garments	100.00	100.00	100.00
Pixel Industries Limited	India	Trading of garments	100.00	100.00	100.00
Pearl Global Far East Limited	Hong Kong	Trading of garments	100.00	100.00	100.00
Pearl Global (HK) Limited	Hong Kong	Manufacturing and trading of garments	100.00	100.00	100.00
Norp Knit Industries Limited	Bangladesh	Manufacturing and trading of garments	99.99	99.99	99.99

Notes
to the Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 9 : INVESTMENTS IN OTHERS	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
NON- CURRENT			
A. Equity Instruments			
Fair value through profit and loss			
(Quoted)			
PDS Multinational fashions Limited, India 50,000 (March 31, 2017: 50,000 ; April 01, 2016: 50,000) Equity Shares of ₹ 10/- each fully paid up	143.00	84.53	90.00
	143.00	**84.53**	**90.00**
B. Investments in Government securities - (Unquoted)			
(At Amortised cost)			
Investments in Government securities			
- National Saving Certificate (NSC) (refer 'b' below)	0.04	0.04	0.04
- Gold Sovereign Bond- 37 units of 2 gram each issued by Reserve Bank of India	1.63	1.63	1.16
	1.67	**1.67**	**1.20**
Total (A + B)	**144.67**	**86.19**	**91.20**

CURRENT	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
C. Investments in mutual funds - (Quoted)			
Investments carried at fair value through profit and loss			
HDFC FMP Regular growth	-	-	101.73
Nil Units Face Value of ₹ 10 per unit (March 31, 2017: Nil, April 01, 2016: 800,000 units)			
BSL FTP Corporate Bonds 1170 DAYS	-	134.94	124.66
Nil Units Face Value of ₹ 10 per unit (March 31, 2017 :1,000,000 units, April 01, 2016: 1,000,000 units)	-		
HSBC Fixed term series 109 growth	-	191.51	176.30
Nil Units Face Value of ₹ 10 per unit (March 31, 2017 :1,500,000 units, April 01, 2016: 1,500,000 units)			
HDFC Cash Management	-	15.10	56.20
Nil Units of Face Value of ₹ 10 per unit (March 31, 2017 : 8,337,966 units, April 01, 2016: 215,802.941 units)			
Birla sunlife interval income	-	54.26	50.39
Nil Units of Face Value of ₹ 10 per unit (March 31, 2017 : 400,000, April 01, 2016: 400,000 units)			

Notes
to the Financial Statements for the year ended March 31, 2018

	Birla sunlife fixed term plan	-	254.79	236.25
	Nil Units of Face Value of ₹ 10 per unit (March 31, 2017 : 200,000 units, April 01, 2016: 200,000 units)			
	Franklin India corporate bond	132.33	121.59	105.74
	702,286.65 Units of Face Value of ₹ 10 per unit (March 31, 2017 : 702,286.65 units, April 01, 2016: 702,286.65 units,)			
	Edelweiss arbitrage fund growth	-	16.00	315.51
	Nil units of Face Value of ₹ 10 per unit (March 31, 2017: 13,114.54 units, April 01, 2016: 2,753,303.97 units,)			
	Reliance -dual advantage fixed tenure fund V plan C	-	-	344.97
	Nil (March 31, 2017: Nil, April 01, 2016 : 3,000,000 units of Face Value of ₹ 10 per unit)			
	ICICI PRU Equity arbitrage fund regular	115.97	109.66	135.90
	504,149.36 units of Face Value of ₹ 10 per unit (March 31, 2017: 504,149.36 units, April 01, 2016: 665,509.70 units,)			
	UTI short term income fund	195.36	184.41	168.03
	924,908.95 units of Face Value of ₹ 10 per unit (March 31, 2017 : 924,908.95 units, April 01, 2016: 924,908.95 units,)			
	ICICI PRU Corporate bond	125.20	117.44	106.65
	462,943.67 units of Face Value of ₹ 10 per unit (March 31, 2017: 462,943.67 units, April 01, 2016: 462,943.67 units,)			
	Principal balances Fund - Regular Plan Growth	63.76	53.38	-
	82,349.7690 units of of Face Value of ₹ 10 per unit (March 31, 2017 : 82,349.7690 units, April 01, 2016 : Nil)			
		632.62	**1,253.08**	**1,922.33**
a)	Aggregate book value of quoted investments	775.62	1,337.60	2012.33
	Aggregate market value of quoted investments	775.62	1,337.60	2012.33
	Aggregate value of unquoted investments	1.67	1.67	1.20
	Aggregate amount of impairment in value of unquoted investments	-	-	-
	Aggregate value of unquoted investments (net of impairment)	1.67	1.67	1.20
b)	The National Saving Certificate(s) are pledged with Sales Tax Authorities			

c) The Company has elected Ind AS 101 exemption and adopted the carrying value of of its investment in equity of its subsidiaries as its deemed cost as at the date of transition.

Notes
to the Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE10 : LOANS	**As At March 31, 2018**	**As At March 31, 2017**	**As At April 01, 2016**
(Unsecured, considered good unless otherwise stated)			
Non - current			
Loans to employees	12.09	18.32	15.73
Loans to related parties (Refer note no. 47)	439.61	421.24	1,692.73
	451.69	**439.57**	**1,708.46**
Current			
Loans to employees	34.99	54.97	44.76
Loans to related parties (Refer note no. 47)	300.00	313.46	300.00
	334.99	**368.43**	**344.76**

(Refer note no. 44 For information about credit and market risk for loans)

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 11 : OTHER FINANCIAL ASSETS	**As At March 31, 2018**	**As At March 31, 2017**	**As At April 01, 2016**
(Unsecured, considered good unless otherwise stated)			
Non- current			
Security deposits (Refer 'a' below)	379.23	531.73	409.63
Interest accrued but not due on			
- Term deposits	0.13	0.29	35.60
- Loan to related parties	55.28	46.45	172.88
Deposits with original maturity of more than 12 months (Refer note 18)	1.27	102.78	187.39
Total (A)	**435.90**	**681.26**	**805.50**
Current			
Security deposits (Refer 'a' below)	26.11	-	-
Interest accrued but not due on			
- Term deposits	54.94	53.49	57.84
- Loan to related parties	13.46	6.81	13.54
Mark to market forward contracts	215.57	1,120.27	215.06
Deposits with original maturity of more than 12 months (Refer note 18)	1,730.21	-	2,028.24
Total (B)	**2,040.29**	**1,180.57**	**2,314.68**
Total (A+B)	**2,476.19**	**1,861.83**	**3,120.18**

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

Notes
to the Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 12 : INCOME TAX	As At March 31, 2018	As At March 31, 2017
The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:		
Statement of profit and loss:		
Profit or loss section		
Tax Expense:		
a) Current tax	-	9.66
b) Adjustments in respect of current income tax of previous year	165.55	(19.14)
c) Deferred tax	245.64	124.25
Income tax expense reported in the statement of profit or loss	**411.19**	**114.77**
OCI section		

Deferred tax related to items recognised in OCI during the year:

(Amount in ₹ 'Lakhs')

	As At March 31, 2018	As At March 31, 2017
Net loss/(gain) on remeasurements of defined benefit plans	20.95	0.88
Income tax charged to OCI	**20.95**	**0.88**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2017.

(Amount in ₹ 'Lakhs')

	As At March 31, 2018	As At March 31, 2017
Accounting profit before tax from continuing operations	677.57	1,815.70
Accounting profit before income tax		
At India's statutory income tax rate of 34.608% (March 31, 2017: 34.608%)	224.02	600.32
Adjustments in respect of current income tax of previous years	165.55	(19.14)
Tax effect of the amounts which are Non-deductible/(taxable) for tax purposes:		
Expenses not deducted for tax purposes	36.99	161.30
Income exempted from income tax	(209.22)	(306.67)
Impact of tax at different tax rate and Others	193.84	(321.04)
At the income tax rate of 34.608% (March 31, 2017: 34.608 %)	411.19	114.77
Income tax expense reported in the statement of profit and loss	**411.19**	**114.77**

Notes
to the Financial Statements for the year ended March 31, 2018

DEFERRED TAX:	Balance sheet		
	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Deferred tax assets relates to the following:			
Provision for employee benefits	399.10	325.90	249.30
Expenses allowed in the year of payment	5.07	11.77	26.39
Unaborsbed Losses	599.46	537.12	575.75
Others	131.33	129.70	130.51
MAT Credit	509.00	194.32	-
	1,643.97	**1,198.82**	**981.95**
Deferred tax liability relates to the following:			
Property, plant and equipment	1,372.26	985.78	815.44
Fair valuation of mutual fund	33.84	74.49	71.41
Borrowing (EIR)	11.80	10.97	11.80
Others	111.55	103.05	129.71
	1,529.45	**1,174.29**	**1,028.36**
Total deferred tax assets/(liabiities) (Net)	**114.53**	**24.53**	**(46.41)**

Deferred tax expense/income:	Statement of Profit and Loss	
	As At March 31, 2018	As At March 31, 2017
Deferred tax assets relates to the following :		
Provision for employee benefits	73.20	76.60
Expenses allowed in the year of payment	(6.71)	(14.62)
Unaborsbed losses	62.34	(38.63)
Others	1.63	(0.81)
	130.46	**22.55**
Deferred tax liability relates to the following :		
Property, plant and equipment	386.48	170.34
Fair valuation of mutual fund	(40.66)	3.09
Borrowing (EIR)	0.83	(0.84)
Others	8.50	(26.66)
	355.16	**145.93**
Net deferred tax charge	**224.69**	**123.37**
Recognised in statement of profit and loss	245.64	124.25
Recognised in other comprehensive income	(20.95)	(0.88)

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Notes
to the Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 13 : NON-CURRENT TAX ASSET	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Advance income tax	128.67	587.09	695.91
(Net of provision of ₹ 1,639.78 lakhs (March 31, 2017 : ₹ 1,237.87 lakhs April 01, 2016: ₹ 821.25 lakhs)			
	128.67	**587.09**	**695.91**

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 14 : OTHER ASSETS	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
(Unsecured, considered good, unless otherwise stated)			
Non- current			
Capital advances	42.12	155.30	292.77
Balance with government authorities	153.62	265.98	335.69
Prepaid expenses	128.80	100.86	108.52
Total (A)	**324.53**	**522.14**	**736.98**
Current			
Export incentive receivable	2,080.91	2,254.64	1,777.72
Balance with goverment authorities	1,568.86	-	-
Advances to related parties (Refer note no. 47)	135.06	343.13	444.65
Advances to suppliers	221.05	232.41	308.20
Advances to suppliers - considered doubtful	-	5.55	5.55
Less: Allowance for bad and doubtful debts	-	(5.55)	(5.55)
Prepaid expenses	94.89	176.30	154.19
Other receivables	116.29	229.28	72.60
Total (B)	**4,217.07**	**3,235.75**	**2,757.36**
Total (A+B)	**4,541.60**	**3,757.89**	**3,494.34**

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 15 : INVENTORIES	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Raw materials	5,193.32	7,709.94	4,559.20
Good in transit- raw material	17.23	35.74	149.51
Work in progress	3,178.48	3,192.08	3,196.54
Finished goods	3,583.19	3,396.55	2,612.11
Stores spares & others	26.63	176.63	262.72
	11,998.86	**14,510.95**	**10,780.07**

Notes
to the Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 16 : TRADE RECEIVABLES	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
(Unsecured unless otherwise stated)			
Considered good	8,748.39	8,879.91	6,454.39
Considered doubtful	5.15	21.92	47.28
Less: Allowance for bad and doubtful debts	(5.15)	(21.92)	(47.28)
	8,748.39	**8,879.91**	**6,454.39**
a) The movement in allowance for bad and doubtful debts is as follows:			
Balance as at beginning of the year	21.92	47.28	93.70
Allowance for bad and doubtful debts during the year	0.20	4.32	18.01
Trade receivables written off / written back during the year	(16.97)	(29.69)	(64.42)
Balance as at the end of the year	**5.15**	**21.92**	**47.28**

b) Trade receivables are non-interest bearing and are generally on terms of 45 - 60 days.

c) The company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 44.

c) Due from related parties (Refer note no. 47).

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 17 : CASH AND CASH EQUIVALENTS	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Balances with banks:			
- Current account	1,980.12	2,254.50	3,318.67
Cash on hand	7.34	25.07	37.00
Cheque/drafts on hand	71.28	16.31	40.18
	2,058.74	**2,295.88**	**3,395.85**

a) For the purpose of the statement of cash flow, cash and cash equivalents comprise of the following:

	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Balances with banks:			
- Current account	1,980.12	2,254.50	3,318.67
Cash on hand	7.34	25.07	37.00
Cheque/drafts on hand	71.28	16.31	40.18
	2,058.74	**2,295.88**	**3,395.85**

Notes

to the Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 18 : OTHER BANK BALANCE	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Earmarked balances with banks			
Unpaid Dividend Account	24.53	15.27	19.52
Deposits with original maturity of more than 3 months but less than 12 months (Refer note below)	403.55	1,974.80	199.16
Balance with bank (Considered doubtful)	0.03	0.03	0.03
Less: Provision for Doubtful Deposit	(0.03)	(0.03)	(0.03)
	428.08	**1,990.07**	**218.68**

a) Out of the total Fixed Deposits held in the name of the Company the fixed deposit with carrying value of ₹ 876.56 lakhs (March 31, 2017 ₹1,440.52 lakhs; April 1, 2016: ₹ 985.04 lakhs) are pledged as security with various banks.

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 19 : SHARE CAPITAL	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Authorised Share Capital			
5,14,40,000* (March 31, 2017: 5,14,40,000, April 01, 2016 : 5,14,40,000) equity shares of ₹ 10 each	5,144.00	5,144.00	5,144.00
10,000* (March 31, 2017: 10,000, April 01,2016 : 10,000) 4% Non Cumulative Redeemable Preference Shares of ₹ 10/- each	1.00	1.00	1.00
3,256,000* (March 31, 2017: 3,256,000, April 01, 2016: 3,256,000) 10.5% Non Cumulative Redeemable Preference Shares of ₹ 100/- each	3,256.00	3,256.00	3,256.00
	8,401.00	**8,401.00**	**8,401.00**
Issued, subscribed and paid up			
21,663,937* (March 31, 2017: 21,663,937, April 01, 2016: 21,663,937) Equity Shares of ₹ 10/- each fully paid up	2,166.39	2,166.39	2,166.39
	2,166.39	**2,166.39**	**2,166.39**

* Number of Shares are given in absolute numbers.

a) Reconciliation of authorised, issued and subscribed share capital:

i. Reconciliation of authorised share capital as at year end :	No. of shares (in 'Lakhs')	Amount
Balance as at April 1, 2016	514.40	5,144.00
Increase/(decrease) during the year	-	-
Balance as at March 31, 2017	**514.40**	**5,144.00**
Increase/(decrease) during the year	-	-
Balance as at March 31, 2018	**514.40**	**5,144.00**

Notes
to the Financial Statements for the year ended March 31, 2018

ii. Reconciliation of issued and subscribed share capital as at year end :

Equity Share of ₹ 10 each issued, Subscribed and fully paid	No. of shares (in 'Lakhs')	Amount
Balance as at April 1, 2016	216.64	2,166.39
Changes during the year	-	-
Balance as at March 31, 2017	**216.64**	**2,166.39**
Changes during the year	-	-
Balance as at March 31, 2018	**216.64**	**2,166.39**

B) TERMS/ RIGHTS ATTACHED TO EQUITY SHARES:

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. During the year ended March 31, 2018, the amount of per share dividend recognised for the financial year 2016-17 as distributions to equity shareholders was ₹ 3 per share (during the year ended March 31, 2017 amount recognised for financial year 2015-16: ₹ 0.5 per share). Final dividend of ₹ 2 per share for financial year 2017-18 has been proposed and is not recognised as liability in the financial statements for the year ended March 31, 2018.

c) For a period of 5 years immediately preceeding the date of balance sheet, aggregate number and class of shares allotted as fully paid pursuant to Scheme of Amalgamation without payment being recovered in cash

	March 31, 2018 (No. of Shares)	March 31, 2017 (No. of Shares)	April 01, 2016 (No. of Shares)
Equity Share Capital (being shares issued to shareholders of Pearl Global Limited; subsidiary merged with the Company as per Scheme of Amalgamation during financial year 2011-12)	2,163,594	2,163,594	2,163,594

d) Details of shareholders holding more than 5% shares in the company

Name of Party	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of shares	Holding %	No. of shares	Holding %	No. of shares	Holding %
Mrs. Payel Seth	4,413,635	20.37	4,413,635	20.37	4,413,635	20.37
Mr. Deepak Seth	2,862,145	13.21	1,544,499	7.13	1,544,499	7.13
Mr. Pulkit Seth	6,947,621	32.07	6,947,621	32.07	6,947,621	32.07
Mr. Pallak Seth	-	-	1,317,646	6.08	1,317,646	6.08
Total	**14,223,401**	**65.65**	**14,223,401**	**65.65**	**14,223,401**	**65.65**

Notes

to the Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 20 : OTHER EQUITY

a) General reserve	
Balance as at April 1, 2016	4,204.36
Add: Addition during the year	-
less: Utilized during the year	-
less: Transferred	-
Balance as at March 31, 2017	**4,204.36**
Add: Addition during the year	-
less: Utilized during the year	-
less: Transferred	-
Balance as at March 31, 2018	**4,204.36**
b) Securities premium	
Balance as at April 1, 2016	**17,103.90**
Add: Addition during the year	-
less: Utilized during the year	-
less: Transferred	-
Balance as at March 31, 2017	**17,103.90**
Add: Addition during the year	-
less: Utilized during the year	-
less: Transferred	-
Balance as at March 31, 2018	**17,103.90**
c) Capital redemption reserve	
Balance as at April 1, 2016	95.00
Add: Addition during the year	-
Less: Utilized during the year	-
Less: Transferred	-
Balance as at March 31, 2017	**95.00**
Add: Addition during the year	-
Less: Utilized during the year	-
Less: Transferred	-
Balance as at March 31, 2018	**95.00**
d) Amalgamation reserve	
Balance as at April 1, 2016	625.95
Add: Addition during the year	-
Less: Utilized during the year	-
Less: Transferred	-
Balance as at March 31, 2017	**625.95**
Add: Addition during the year	-

Notes
to the Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 20 : OTHER EQUITY	
Less: Utilized during the year	-
Less: Transferred	-
Balance as at March 31, 2018	**625.95**
e) Re-measurement net defined benefit plans	
Balance as at April 1, 2016	(75.67)
Add: Addition during the year	(1.96)
less: Utilized during the year	-
less: Transferred	-
Balance as at March 31, 2017	**(77.63)**
Add: Addition during the year	(42.41)
less: Utilized during the year	-
less: Transferred	-
Balance as at March 31, 2018	**(120.04)**
f) Retained earnings	
Balance as at April 1, 2016	**4,728.49**
Add: Profit/Loss for the year	1,700.93
Less: Dividend paid	108.32
Less: Dividend distribution tax paid	22.05
Less: Transfer to general reserve	-
Balance as at March 31, 2017	**6,299.05**
Add: Profit/Loss for the year	266.38
Less: Dividend paid	649.92
Less: Dividend distribution tax paid	132.31
Less: Transfer to general reserve	-
Balance as at March 31, 2018	**5,783.20**
Total Other equity	
Balance:	
As at March 31, 2018	**27,692.36**
As at March 31, 2017	**28,250.63**
As at April 1, 2016	**26,682.03**

Nature and purpose of reserves

a) General reserve

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

The amount received in excess of face value of the equity shares is recognised in securities premium.

Notes

to the Financial Statements for the year ended March 31, 2018

c) Capital Redemption Reserve

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

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.

e) Re-measurement net defined benefit plans

Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss

f) Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

g) Out of the above, reserve on account of revaluation of assets of ₹ 395.30 lakhs (March 31, 2017 ₹393.84 lakhs ; April 01, 2016 ₹ 388.48 lakhs) is not avaliable for distribution.

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 21 : BORROWINGS	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Non current			
From banks (secured)			
- Corporate loan [refer note a(i) & a(iii)]	3,787.48	2,104.21	1,154.06
- Vehicle loans [refer note a(iii)]	107.05	133.07	267.43
From financials institutional (secured)			
- Vehicle loans [refer note a(iii)]	51.01	71.79	-
Total (A)	**3,945.54**	**2,309.07**	**1,421.49**
Current			
Working capital loan from banks(secured)			
- Rupee loan [refer note (d) below]	18,286.55	15,144.42	12,254.25
- Foreign currency loan [refer note (d) below]	-	-	8.15
Total (B)	**18,286.55**	**15,144.42**	**12,262.39**
Total (A+B)	**22,232.09**	**17,453.49**	**13,683.89**

a) The nature of security for secured loans are :

(i) Corporate Term Loan (Kotak Bank) is secured by charge on immovable property situated at Plot No. 446, Phase-V, Udyog Vihar Industrial Estate, Haryana along with present and future structures including all present and future development rights. The loan is also secured by personal guarantee of the Promoter Director.

(ii) Corporate Term Loan (Andhra Bank) is secured by first and exclusive charge on the entire fixed assets including machineries,land and building at Chennai and Bangalore Plant of the Company. In addition, Equitable Mortgage of Land & Building located at Survey No- 262A in Aryapakkam Village at Kancheepuram measuring 4.8053 acre in Company's name.

Notes
to the Financial Statements for the year ended March 31, 2018

(iii) Corporate Term Loan (HDFC Bank) is secured by exclusive charge over movable fixed aseets of the Company, both present and future. The loan is also secured by personal guarantee of one of the Promoter Director of the Company and exclusive charge by way of equitable mortagage on industrial plot no.446, Udyog Vihar, Phase- V, Gurugram, Haryana.

(iv) Vehicle loans are secured against hypothecation of respective vehicles.

b) Maturity profile- secured loans

Maturity profile of secured term loans is as set out below :	**2018-19**	**2019-20**	**2020-21**	**Beyond 2021-22**
Term loan from Banks and Financial Institution are repayable in monthly/quarterly/yearly installments	751.81	762.09	772.78	2,252.62
Vehicle loans from banks are repayable in monthly installments	131.36	97.33	32.26	28.48

c) The term loan(s) carries rate of interest ranging between 9.75% to 12.00% per annum.

d) The nature of Security for short term borrowings are as under:

- 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.
- Mortgage of the properties situated at Plot No. H -597-603, RICCO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan and Plot No 16-17, Phase VI, Udyog Vihar,Gurgoan (Haryana).
- Fixed Deposit of ₹ 79.47 lakhs (March 31, 2017: ₹ 101.77 lakhs ; April 01 2016: ₹ 79.47)
- Personal Guarantee by the promoter director of the Company

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 22 : OTHER FINANCIAL LIABILITIES	**As At March 31, 2018**	**As At March 31, 2017**	**As At April 01, 2016**
Non- current			
Security deposit	158.54	220.68	359.72
Total (A)	**158.54**	**220.68**	**359.72**
Current			
Security deposit	19.24	185.08	-
Book overdraft	-	1,033.72	-
Current maturities of long-term borrowings	883.17	804.72	662.81
Interest accrued but not due on borrowings	35.73	9.22	13.35
Unpaid dividends (Refer Note a)	24.53	15.27	19.52
Creditors for capital goods	48.52	276.08	337.32
Total (B)	**1,011.19**	**2,324.09**	**1,033.00**
Total (A+B)	**1,169.73**	**2,544.77**	**1,392.72**

Note:

(a) 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.

(b) The company's exposure to currency and liquidity risk related to trade payables is disclosed in note 44.

Notes
to the Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 23 : PROVISIONS	**As At March 31, 2018**	**As At March 31, 2017**	**As At April 01, 2016**
Non- current			
Provision for employee benefits			
Provision for compensated absenses (Refer note 39)	172.04	144.85	154.14
Provision for gratuity (Refer note 39)	687.11	486.50	339.53
Total (A)	**859.15**	**631.35**	**493.67**
Current			
Provision for employee benefits			
Provision for compensated absenses (Refer note 39)	8.44	12.48	10.07
Provision for gratuity (Refer note 39)	46.45	27.43	17.13
Total (B)	**54.89**	**39.91**	**27.21**
Total (A+B)	**914.04**	**671.26**	**520.88**

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 24 : OTHER LIABILITIES	**As At March 31, 2018**	**As At March 31, 2017**	**As At April 01, 2016**
Non Current			
Advance received against sale of land	3,400.00	3,400.00	3,400.00
Deferred government grant	10.58	11.58	-
Deferred rental income	50.92	-	8.42
	3,461.50	**3,411.58**	**3,408.42**
Current			
Statutory dues	514.95	695.28	554.00
Advance from customers	38.88	21.39	1.96
Deferred government grant	1.00	1.00	-
Deferred rental income	25.43	8.42	35.75
	580.25	**726.08**	**591.71**
	4,041.76	**4,137.67**	**4,000.13**

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 25 : TRADE PAYABLE	**As At March 31, 2018**	**As At March 31, 2017**	**As At April 01, 2016**
Outstanding dues of Micro and Small enterprises			
- Principal Amount	98.88	236.39	101.93
Outstanding dues of Creditors other than Micro and Small enterprises			
Others	6,997.26	13,264.12	9,236.28
	7,096.15	**13,500.52**	**9,338.22**

Notes

to the Financial Statements for the year ended March 31, 2018

a) Trade payable are generally on a credit of not more than 90 days.

b) This amount includes amount due to related parties (refer note 47)

c) It does not include any amount due to transferred to Investor Education and Protection Fund.

d) As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007, 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

	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
(i) Principal amount due to micro and small enterprises	98.88	236.39	101.93
Interest due on above & the unpaid interest paid (Refer note 'd' below)			
(ii) 'The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the payments 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 have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED 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	-	-	-

(This information has been compiled to the extent such parties have been identified on the basis of information available with the Company as at reporting date).

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 26 : LIABILITIES FOR CURRENT TAX (NET)	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Provision for income tax (net of advance tax Nil (March 31, 2017 ₹ 127.40 lakhs ; April 01, 2016 ₹ 380.25 lakhs))	-	81.96	318.99
	-	**81.96**	**318.99**

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 27 : REVENUE FROM OPERATIONS	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of Product	65,059.54	78,147.15
Job Receipts	149.18	77.49
Other Operating Revenues	5,868.51	7,589.29
Revenue from operations	**71,077.23**	**85,813.94**

Notes
to the Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 28 : OTHER INCOME	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income		
- On fixed deposits	102.14	144.42
- On loans and advances	58.86	94.68
- On income tax refund	88.42	23.09
- On amortisation of investment in preference shares	11.59	32.14
Other non-operating income:		
IT/ SAP income	81.49	79.96
Rental income	732.70	1,038.51
Foreign exchange fluctuation	3,114.38	1,746.38
Excess provision for wealth tax written back	-	3.00
Sundry balances written back	30.80	8.10
Grant amortised during the year	1.00	2.42
Government grant received	16.10	-
Provision for doubtful debt & advances written back	22.31	29.69
Amortisation of deferred rental income	8.42	35.75
Unwinding of discount on security deposits	36.47	29.90
Profit on sale of current investment - mutual fund	277.21	177.75
Profit on mark to market forward contracts	-	905.21
Fair value gain on investments measured at fair value through profit and loss (net)	58.48	18.98
Income on corporate guarantee	148.64	148.91
Miscellaneous income	12.97	15.90
	4,801.99	**4,534.79**

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 29 : COST OF RAW MATERIAL CONSUMED	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw Material		
Balance at the beginning of the Year	7,709.94	4,559.20
Add:- Purchases during the year	19,096.42	27,138.61
	26,806.36	31,697.81
Less:- Balance at the end of the Year	5,193.32	7,709.94
Total raw material consumption	**21,613.04**	**23,987.87**

Notes
to the Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 30 : PURCHASE OF STOCK IN TRADE	For the year ended March 31, 2018	For the year ended March 31, 2017
Purchases during the year	13,423.36	22,709.66
	13,423.36	**22,709.66**

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 31 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE		For the year ended March 31, 2018	For the year ended March 31, 2017
Inventories at the beginning of the year			
Work-in-progress		3,192.08	3,196.54
Finished goods		3,396.55	2,612.11
	(A)	**6,588.64**	**5,808.65**
Inventories at the end of the year			
Work-in-progress		3,178.48	3,192.08
Finished goods		3,583.19	3,396.55
	(B)	**6,761.68**	**6,588.64**
(Increase) / decrease in inventory (B-A)		**(173.04)**	**(779.99)**

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 32 : EMPLOYEE BENEFITS EXPENSE	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages & bonus	10,515.63	10,007.38
Contribution to provident and other fund	839.80	786.74
Gratuity expense (refer note 39)	238.29	182.13
Compensated absences (refer note 39)	189.16	118.16
Staff training & welfare expenses	177.33	174.18
	11,960.21	**11,268.60**

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 33 : FINANCE COST	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expense		
- on term loans,cash credit & working capital facilities	1,793.91	1,410.64
- delayed payment of taxes	0.92	6.28
- others	4.06	-
Unwinding of discount on security deposit	10.67	44.13
Other borrowing cost	113.38	138.45
	1,922.93	**1,599.50**

Notes
to the Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 34 : DEPRECIATION AND AMORTIZATION EXPENSE	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of - property, plant and equipment (refer note no. 4)	1,138.21	971.70
Amortisation of intangible assets (refer note no. 7)	46.74	38.32
Depreciation & Amortisation of Investment Properties (refer note no. 6)	88.77	82.01
	1,273.71	**1,092.03**

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 35 : OTHER EXPENSES	For the year ended March 31, 2018	For the year ended March 31, 2017
Manufacturing expense	14,642.62	17,609.46
Consumption of stores & spare parts	333.09	450.88
Power & fuel	1,187.03	1,290.52
Rent (refer note 'c' below)	1,087.12	1,142.85
Rates & taxes	110.74	152.00
Travelling & conveyance	1,041.26	1,031.05
Freight & clearing charges	2,460.21	2,318.70
Claim to buyers	1,017.28	1,116.77
Repair & maintenance		
- Plant & machinery	113.85	275.08
- Buildings	11.03	2.26
- Other	257.30	249.92
Commission	122.29	129.75
Legal & professional expenses	530.03	454.11
Security charges	322.47	338.75
Bank charges	662.38	652.34
Payment to the auditors (refer note 'a' below)	18.80	24.20
Bad debts and doubtful advances written off	5.55	-
Allowance for bad and doubtful debts	0.20	4.32
Corporate social responsibility (refer note 'b' below)	27.00	56.18
Loss on mark to market forward contracts	904.72	-
Fair value loss on financial assets measured at fair value through profit and loss	101.36	208.88
Amortisation of deferred asset - security deposit paid	36.99	29.72
Miscellaneous expenses	998.67	1,089.38
Total	**25,991.99**	**28,627.12**

Notes

to the Financial Statements for the year ended March 31, 2018

a) Details of payment made to auditors is as follows:

	For the year ended March 31, 2018	For the year ended March 31, 2017
- Statutory audit fee	12.40	12.00
- Tax audit fee	-	3.00
- Other Services	6.10	3.43
- Reimbursement of Expenses	0.30	3.00
- Service Tax	-	2.77
	18.80	**24.20**

b) Details of Corporate Social Responsibility (CSR) expenditure is as follows:	For the year ended March 31, 2018	For the year ended March 31, 2017
i) **Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits of last three years)**	26.75	31.43
ii) **Amount spent during the year**		
- Construction/acquisitions of any asset	-	-
- For purpose other than above	27.00	31.43
- Amount spent during the year with respect to F.Y. 2015-16	-	24.75

The Company does not carry any provisions for Corporate social responsibility expenses for current year and previous year.

c) Operating lease

(i) Asset given on lease

- Minimum Lease Payments Receivables

The company has given certain assets on operating lease and lease rent (income) amounting to ₹ 732.70 lakhs (March 2017 ₹ 1,038.51 lakhs) has been credited in the Statement of Profit & Loss. The future minimum lease payments Receivable and detail of assets as at March 31, 2018 are as under :

Particulars	**As At March 31, 2018**	**As At March 31, 2017**
Not later than 1 year	164.3	455.6
Later than 1 year but not later than 5 years	598.5	1,650.6
Later than 5 years	-	522.7
Total	**762.8**	**2,629.0**

(ii) Asset taken on lease

The Company has taken certain assets on non cancellable operating lease and lease rent charged to Statement of Profit & Loss amounts to ₹ 1,087.12 (March 2017 ₹ 1142.85 lakhs). The details of future minimum lease payments is as under :

Particulars	**As At March 31, 2018**	**As At March 31, 2017**
Not later than 1 year	594.7	1,024.9
Later than 1 year but not later than 5 years	2,478.3	3,866.3
Later than 5 years	526.3	1,246.3
Total	**3,599.2**	**6,137.6**

Notes
to the Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 36 : EXCEPTIONAL ITEMS	For the year ended March 31, 2018	For the year ended March 31, 2017
(Profit)/loss on sale of fixed assets	(812.13)	(0.63)
	(812.13)	**(0.63)**

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 37 : COMPONENTS OF OTHER COMPREHENSIVE INCOME	For the year ended March 31, 2018	For the year ended March 31, 2017
A (i) Items that will not be reclassified subsequently to statement of profit and loss		
Re-measurement gains/ (losses) on defined benefit plans	(63.36)	(2.83)
Income tax expense	20.95	0.88
B (i) Items that will be reclassified subsequently to statement of profit and loss	-	-
	(42.41)	**(1.96)**

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 38 : EARNINGS PER SHARE (EPS)	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit attributable to the equity shareholders **(A)**	266.38	1,700.93
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 ₹)**	1.23	7.85

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 39 : GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

a) Defined contribution plans

The Company makes contribution towards Employees Provident Fund and Employee's State Insurance scheme. 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 account under company's contribution to defined contribution plan.

	For the year ended March 31, 2018	For the year ended March 31, 2017
Employer's Contribution to Provident Fund/ Pension Fund	575.25	583.51
Employer's Contribution to Employee State Insurance	241.12	203.23
Employer's Contribution to Welfare Fund	23.43	-
Total	**839.80**	**786.74**

The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes.

Notes
to the Financial Statements for the year ended March 31, 2018

b) Defined benefit plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Company is able to determine the present value of obligations. "Projected Unit Credit Method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

i) Gratuity scheme

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

a) Gratuity in case of Gurgaon Division (Funded & maintained by Life Insurance Corporation of India)

b) Gratuity in case of Chennai & Banglore Division (Unfunded)

ii) Other long term employee benefits

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during the service, on early retirement, on withdrawal of scheme, at resignation by employee and upon death of employee. The scale of benefits is determined based on the seniority and the respective employee's salary. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

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.

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 (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.

Change in benefit obligation

Particulars	As at March 31, 2018			As at March 31, 2017			As at April 1, 2016		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Opening defined benefit obligation	519.18	139.30	157.33	422.35	99.03	164.22	299.22	63.79	185.65
Adjustment in opening obligation	-	-	-	-	-	-	-	-	(4.05)
Interest cost	39.15	10.24	11.79	33.79	7.92	13.14	23.94	5.10	14.53
Service cost	99.28	76.92	82.14	86.10	67.51	75.02	58.87	46.14	55.59
Past Service cost	23.60	-	-						
Benefits paid	(71.28)	(60.65)	(166.01)	(31.83)	(27.70)	(125.05)	(70.77)	(13.12)	(87.16)
Actuarial (gain) / loss on obligations	62.84	0.14	95.23	8.78	(7.46)	30.00	111.09	(2.88)	(0.33)
Present value of obligation as at the end of the year	**672.77**	**165.96**	**180.48**	**519.18**	**139.30**	**157.33**	**422.35**	**99.03**	**164.21**

Notes

to the Financial Statements for the year ended March 31, 2018

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 (Amount in ₹ 'Lakhs')

Particulars	As at March 31, 2018			As at March 31, 2017		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Current service cost	99.28	76.92	82.14	86.10	67.51	75.02
Past service cost	23.60	-	-	-	-	-
Interest cost	39.15	10.24	11.79	33.79	7.92	13.14
Expected return on plan assets	(10.90)	-	-	(13.18)	-	-
Actuarial (gain) / loss	-	-	95.23	-	-	30.00
Net cost	**151.13**	**87.16**	**189.16**	**106.71**	**75.43**	**118.16**

e. Changes in the fair value of the plan assets are as follows: (Amount in ₹ 'Lakhs')

Particulars	As at March 31, 2018			As at March 31, 2017			As at April 1, 2016		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Fair value of plan assets at the beginning	144.55	-	-	164.72	-	-	100.45	-	-
Difference amount in opening fund	-	-	-	-	-	-	25.50	-	-
Expected return on plan assets	10.90	-	-	14.00	-	-	10.71	-	-
Contributions	5.87	-	-	-	-	-	100.76	-	-
Benefits paid	(55.77)	-	-	(31.83)	-	-	(70.77)	-	-
Actuarial gains / (losses) on the plan assets	(0.39)	-	-	(2.34)	-	-	(1.92)	-	-
Fair value of plan assets at the end	**105.16**	**-**	**-**	**144.55**	**-**	**-**	**164.72**	**-**	**-**

f. Detail of actuarial gain/loss recognised in OCI is as follows: (Amount in ₹ 'Lakhs')

Particulars	As at March 31, 2018			As at March 31, 2017		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Actuarial gain / (loss) for the year – obligation	(62.84)	(0.14)	-	(8.78)	7.46	-
Actuarial gain / (loss) for the year - plan assets	(0.39)	-	-	(1.51)	-	-
Unrecognised actuarial gains / (losses) at the end of year	(63.23)	(0.14)	-	(10.30)	7.46	-

g. Principal actuarial assumptions at the balance sheet date are as follows: (Amount in ₹ 'Lakhs')

Particulars	As at March 31, 2018			As at March 31, 2017			As at April 1, 2016		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Economic assumptions									
1. Discount rate	0.08	0.08	0.08	0.08	0.07	0.07	0.08	0.08	0.08
2. Rate of increase in compensation levels	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Demographic assumptions									
1. Expected average remaining working lives of employees (years)	20.43	26.70	24.61	21.59	26.79	25.06	-	-	-

Notes

to the Financial Statements for the year ended March 31, 2018

2. Retirement Age (years)	58	58	58	58	58	58	58	58	58
3. Mortality Rate	Indian Assured Lives Mortality (2006-08) (modified) ultimate			Indian Assured Lives Mortality (2006-08) (modified) ultimate			Indian Assured Lives Mortality (2006-08) (modified) ultimate		
Withdrawal Rate									
1. Ages up to 30 Years	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
2. Ages from 30-44	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
3. Above 44 years	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

h. Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.

(Amount in ₹ 'Lakhs')

Particulars	As at March 31, 2018			As at March 31, 2017			As at April 1, 2016		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Present value of obligation	672.77	165.96	180.48	519.18	139.30	157.33	422.35	99.03	164.21
Less: Fair value of plan assets	105.16	-	-	144.55	-	-	164.72	-	-
Net assets /(liability)	**(567.60)**	**(165.96)**	**(180.48)**	**(374.63)**	**(139.30)**	**(157.33)**	**(257.63)**	**(99.03)**	**(164.21)**

i. A quantitative sensitivity analysis for significant assumptions is as shown below:

(Amount in ₹ 'Lakhs')

Particulars	As at March 31, 2018			As at March 31, 2017		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)
A. Discount rate						
Effect on DBO due to 0.5% increase in Discount Rate	(34.22)	(12.36)	(24.46)	(27.44)	(10.42)	(10.49)
Effect on DBO due to 0.5% decrease in Discount Rate	37.11	13.74	12.87	29.82	11.59	11.59
B. Salary escalation rate						
Effect on DBO due to 0.5% increase in Salary Escalation Rate	37.55	13.97	13.04	30.12	42.73	11.72
Effect on DBO due to 0.5% decrease in Salary Escalation Rate	(34.90)	(12.66)	(11.92)	(27.95)	(10.64)	(10.69)
C. Withdrawal Rate						
Effect on DBO due to 5% increase in Withdrawal Rate	-	-	-	-	-	-
Effect on DBO due to 5% decrease in Withdrawal Rate	-	-	-	-	-	-
D. Mortality rate						
Effect on DBO due to 10% increase in mortality rate	-	-	-	-	-	-
Effect on DBO due to 10% decrease in mortality rate	-	-	-	-	-	-

Sensitivities due to mortality are not material and hence impact of change due to this are not calculated.

j. Maturity profile of defined benefit obligation is as follows:

Particulars	As at March 31, 2018			As at March 31, 2017		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)
0 to 1 years	44.77	1.68	8.44	36.25	1.28	7.63
1 to 2 years	11.62	1.25	5.55	27.16	2.21	3.44
2 to 3 years	11.61	1.96	5.56	15.63	2.37	4.59
3 to 4 years	19.39	2.69	5.52	27.57	3.66	4.42
4 to 5 years	15.97	5.97	4.87	18.45	3.43	4.66
5 to 6 years	19.97	3.31	6.66	17.64	3.39	4.26
from 6 years onwards	549.44	149.10	143.88	353.67	122.98	128.32

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(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 40 : CAPITAL MANAGEMENT

For the purpose of Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing borrowings, trade and other payables, less cash and cash equivalents.

	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Borrowings (Refer to note 21)	22,232.09	17,453.49	13,683.89
Current maturity of long term loans (Refer to note 22)	883.17	804.72	662.81
Trade payables (Refer to note 25)	7,096.15	13,500.52	9,338.22
Other payables (Refer to note 24)	4,041.76	4,137.67	4,000.13
Less: cash and cash equivalents (Refer to note 17)	(2,058.74)	(2,295.88)	(3,395.85)
Net debt	**32,194.42**	**33,600.51**	**24,289.19**
Equity share capital (Refer to note 19)	2,166.39	2,166.39	2,166.39
Other equity (Refer to note 20)	27,692.36	28,250.63	26,682.03
Total Capital	**29,858.75**	**30,417.02**	**28,848.43**
Capital and net debt	**62,053.18**	**64,017.53**	**53,137.62**
Gearing ratio	**51.88%**	**52.49%**	**45.71%**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

In order to achieve this 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.

NOTE 41 : DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

Forward currency contracts

a) For the year ended March 31, 2018, the Company has outstanding mark to market forward contracts amount to ₹ 215.55 lakhs (March 31, 2017: ₹ 1,120.27 lakhs ; April 1, 2016 : ₹ 215.06 lakhs) relating to derivative financial instruments. These commitments with respect to foreign currrency forward contracts have been entered into by the Company to hedge against future receipts from customers in the ordinary course of business. These arrangements are designed to address significant exchange exposures and are reviewed/ renewed by the Management on a revolving basis as required.

b) The following table represents the aggregate contracted principal amount of Company's Derivative contracts outstanding:

Particulars	**As At March 31, 2018**	**As At March 31, 2017**	**As At April 1, 2016**
	USD	**USD**	**USD**
Forward foreign exchange contract	USD 3,87,76,052 (Equivalent to ₹ 25,921.43 lakhs)	USD 2,95,50,000 (Equivalent to ₹ 20,687.90 lakhs)	USD 1,34,00,000 (Equivalent to ₹ 9,282.35 lakhs)

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c) Particulars of Unhedged foreign currency exposures as at March 31, 2018:

Particulars	Foreign Currency	Document Currency (Amount ₹ in lakhs)
Foreign currency receivable	EUR 48,514.05	3,672.59
	GBP 1,000	0.92
Foreign currency payable	$11,246,484	7,315.17
Foreign currency loan receivable	$760,899	494.92

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 42 : FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

a) Fair value of financial assets:	Carrying values			Fair values		
	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Financial assets measured at fair value through profit or loss						
Investment in equity instruments	143.00	84.53	90.00	143.00	84.53	90.00
Investment in mutual fund	632.62	1,253.08	1,922.33	632.62	1,253.08	1,922.33
	775.62	**1,337.60**	**2,012.33**	**775.62**	**1,337.60**	**2,012.33**
Financial assets measured at amortised cost						
Investment in equity & preference instruments	12,990.20	11,539.43	8,760.51	12,990.20	11,539.43	8,760.51
Investment in Government Securities	1.67	1.67	1.20	1.67	1.67	1.20
Security deposits	405.35	531.73	409.63	405.35	531.73	409.63
Interest accrued on fixed deposits	55.06	53.79	93.44	55.06	53.79	93.44
Mark to Market Forward Contracts	215.57	1,120.27	215.06	215.57	1,120.27	215.06
Deposits with original maturity of more than 12 months	1,731.47	102.78	2,215.63	1,731.47	102.78	2,215.63
Loans to related parties	739.61	734.70	1,992.73	739.61	734.70	1,992.73
Loans to others parties	47.08	73.30	60.49	47.08	73.30	60.49
Interest accrued on loan to related parties	68.74	53.25	186.42	68.74	53.25	186.42

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Trade receivable	8,748.39	8,879.91	6,454.39	8,748.39	8,879.91	6,454.39
Cash and cash equivalents	2,058.74	2,295.88	3,395.85	2,058.74	2,295.88	3,395.85
Other bank balances	428.08	1,990.07	218.68	428.08	1,990.07	218.68
	27,489.95	**27,376.78**	**24,004.03**	**27,489.95**	**27,376.78**	**24,004.03**
Total (A+B)	**28,265.58**	**28,714.38**	**26,016.36**	**28,265.58**	**28,714.38**	**26,016.36**

b) Fair value of financial liabilities:	Carrying values			Fair values		
	As At March 31, 2018	**As At March 31, 2017**	**As At April 01, 2016**	**As At March 31, 2018**	**As At March 31, 2017**	**As At April 01, 2016**
Financial liabilities measured at amortised cost						
Borrowings	23,115.26	18,258.20	14,346.70	23,115.26	18,258.20	14,346.70
Security Deposit	177.78	405.76	359.72	177.78	405.76	359.72
Book Overdraft	-	1,033.72	-	-	1,033.72	-
Unpaid Dividend	24.53	15.27	19.52	24.53	15.27	19.52
Trade payables	7,096.15	13,500.52	9,338.22	7,096.15	13,500.52	9,338.22
Interest accrued but not due on borrowings	35.73	9.22	13.35	35.73	9.22	13.35
Creditors for capital expenditure	48.52	276.08	337.32	48.52	276.08	337.32
	30,497.96	**33,498.78**	**24,414.82**	**30,497.96**	**33,498.78**	**24,414.82**

Management has assessed that trade receivables, cash and cash equivalents, other bank balances, trade payables, Interest accrued on borrowings and current maturities of long term borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments.

Long-term borrowing includes vehicle loan and corporate loans obtained from banks and Financial institutions. Management determines vehicle loan and corporate loan to be at the market rate of interest as at the reporting date, accordingly, the carrying value of such long-term borrowing approximates fair value.

c) 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.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

i) Fair values of the Company's interest-bearing borrowings, loans and investment in preference shares in subsidiary are determined by using DCF method using discount rate that reflects the rate as at the end of the reporting period.

ii) Fair value for security deposits paid & received (other than perpetual security deposits) has been presented based on the discounting factor as at the reporting date.

iii) Fair value for all other non-current assets and liabilities is equivalent to the amortised cost, interest rate on them is equivalent to the market rate of interest.

iv) For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

v) Specific valuation techniques used to value financial instruments include:

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- The fair values of investments In mutual fund units is based on The net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which The issuer will issue further units of mutual fund and The price at which issuers will redeem such units from the investors.
- Investment in quoted equity instruments of entities other than subsidiaries has been determined on the basis of quoted rates available from securities markets in India.
- The fair value of derivative financial instruments (forward exchange contract) has been determined on the basis of mark to market valuation.

NOTE 43 : FAIR HIERARCHY

All financial instruments for which fair value is recognised or disclosed 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) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

a) Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018:

(Amount in ₹ 'Lakhs')

			Fair Value			
	As At March 31, 2018	Amortised Cost	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets measured at fair value through profit or loss						
Investment in equity instruments	143.00	-	143.00	-	-	143.00
Investment in mutual fund	632.62	-	632.62	-	-	632.62
Total A	**775.62**	**-**	**775.62**	**-**	**-**	**775.62**
Financial assets measured at amortised cost						
Investment in equity & preference instruments	12,990.20	12,990.20	-	-	-	12,990.20
Investment in Government Securities	1.67	1.67	-	-	-	1.67
Security deposits	405.35	405.35	-	-	-	405.35
Interest accrued on fixed deposits	55.06	55.06	-	-	-	55.06
Mark to Market Forward Contracts	215.57	-	-	215.57	-	215.57
Deposits with original maturity of more than 12 months	1,731.47	1,731.47	-	-	-	1,731.47
Loans from related parties	739.61	739.61	-	-	-	739.61
Loans from others parties	47.08	47.08	-	-	-	47.08

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Interest accrued on loan to related parties	68.74	68.74	-	-	-	68.74
Trade receivable*	8,748.39	8,748.39	-	-	-	8,748.39
Cash and cash equivalents*	2,058.74	2,058.74	-	-	-	2,058.74
Other bank balances*	428.08	428.08	-	-	-	428.08
Total A	**27,489.95**	**27,274.38**	**-**	**215.57**	**-**	**27,489.95**
Total (A+B)	**28,265.58**	**27,274.38**	**775.62**	**215.57**	**-**	**28,265.58**

b) Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2018:

	As At March 31, 2018	Amortised Cost	Fair Value			Total
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial liabilities measured at amortised cost						
Borrowings	23,115.26	23,115.26	-	-	-	23,115.26
Security Deposit	177.78	177.78	-	-	-	177.78
Book Overdraft	-	-	-	-	-	-
Unpaid Dividend	24.53	24.53	-	-	-	24.53
Trade payables*	7,096.15	7,096.15	-	-	-	7,096.15
Interest accrued but not due on borrowings*	35.73	35.73	-	-	-	35.73
Creditors for capital expenditure*	48.52	48.52	-	-	-	48.52
	30,497.96	**30,497.96**	**-**	**-**	**-**	**30,497.96**

c) Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:

(Amount in ₹ 'Lakhs')

	As At March 31, 2017	Amortised Cost	Fair Value			Total
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at fair value through profit or loss						
Investment in equity instruments	84.53	-	84.53	-	-	84.53
Investment in mutual fund	1,253.08	-	1,253.08	-	-	1,253.08
Total A	**1,337.60**	**-**	**1,337.60**	**-**	**-**	**1,337.60**
Financial assets measured at amortised cost						
Investment in equity & preference instruments	11,539.43	11,539.43	-			11,539.43
Investment in Government Securities	1.67	1.67	-			1.67
Security deposits	531.73	531.73	-	-	-	531.73

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Interest accrued on fixed deposits	53.79	53.79	-	-	-	53.79
Mark to Market Forward Contracts	1,120.27	-	-	1,120.27	-	1,120.27
Deposits with original maturity of more than 12 months	102.78	102.78	-	-	-	102.78
Loans from related parties	734.70	734.70	-	-	-	734.70
Loans from others parties	73.30	73.30	-	-	-	73.30
Interest accrued on loan to related parties	53.25	53.25	-	-	-	53.25
Trade receivable*	8,879.91	8,879.91	-	-	-	8,879.91
Cash and cash equivalents*	2,295.88	2,295.88	-	-	-	2,295.88
Other bank balances*	1,990.07	1,990.07	-	-	-	1,990.07
Total B	**27,376.78**	**26,256.51**	**-**	**1,120.27**	**-**	**27,376.78**
Total (A+B)	**28,714.38**	**26,256.51**	**1,337.60**	**1,120.27**	**-**	**28,714.38**

d) Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2017:

			Fair Value			
	As At March 31, 2017	**Amortised Cost**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Financial liabilities measured at amortised cost						
Borrowings	18,258.20	18,258.20	-	-	-	18,258.20
Security Deposit	405.76	405.76	-	-	-	405.76
Book Overdraft	1,033.72	1,033.72	-	-	-	1,033.72
Unpaid Dividend	15.27	15.27	-	-	-	15.27
Trade payables*	13,500.52	13,500.52	-	-	-	13,500.52
Interest accrued but not due on borrowings*	9.22	9.22	-	-	-	9.22
Creditors for capital expenditure*	276.08	276.08	-	-	-	276.08
	33,498.78	**33,498.78**	**-**	**-**	**-**	**33,498.78**

e) Quantitative disclosures fair value measurement hierarchy for assets as at April 01, 2016:

			Fair Value			
	As At April 01, 2016	**Amortised Cost**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Assets measured at fair value through profit or loss						
Investment in equity instruments	90.00	-	90.00	-	-	90.00
Investment in mutual fund	1,922.33	-	1,922.33	-	-	1,922.33
Total A	**2,012.33**	**-**	**2,012.33**	**-**	**-**	**2,012.33**
Financial assets measured at amortised cost						

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Investment in equity & preference instruments	8,760.51	8,760.51	-	-	-	8,760.51
Investment in Government Securities	1.20	1.20	-	-	-	1.20
Security deposits	409.63	409.63	-	-	-	409.63
Interest accrued on fixed deposits	93.44	93.44	-	-	-	93.44
Mark to Market Forward Contracts	215.06	-	-	215.06	-	215.06
Deposits with original maturity of more than 12 months	2,215.63	2,215.63	-	-	-	2,215.63
Loans from related parties	1,992.73	1,992.73	-	-	-	1,992.73
Loans from others parties	60.49	60.49	-	-	-	60.49
Interest accrued on loan to related parties	186.42	186.42	-	-	-	186.42
Trade receivable*	6,454.39	6,454.39	-	-	-	6,454.39
Cash and cash equivalents*	3,395.85	3,395.85	-	-	-	3,395.85
Other bank balances*	218.68	218.68	-	-	-	218.68
Total B	**24,004.03**	**23,788.97**	**-**	**215.06**	**-**	**24,004.03**
Total (A+B)	**26,016.36**	**23,788.97**	**2,012.33**	**215.06**	**-**	**26,016.36**

f) Quantitative disclosures fair value measurement hierarchy for liabilities as at April 01, 2016:

	As At April 01, 2016	Amortised Cost	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial liabilities measured at amortised cost						
Borrowings	14,346.70	14,346.70	-	-	-	14,346.70
Security Deposit	359.72	359.72	-	-	-	359.72
Book Overdraft	-	-	-	-	-	-
Unpaid Dividend	19.52	19.52	-	-	-	19.52
Trade payables*	9,338.22	9,338.22	-	-	-	9,338.22
Interest accrued but not due on borrowings*	13.35	13.35	-	-	-	13.35
Creditors for capital expenditure*	337.32	337.32	-	-	-	337.32
	24,414.82	**24,414.82**	**-**	**-**	**-**	**24,414.82**

* Management has assessed that trade receivables, cash and cash equivalents, other bank balances, trade payables, Interest accrued on borrowings and current maturities of long term borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments.

There have been no transfers between Level 1 and Level 2 during the period.

Specific valuation techniques used to value financial instruments. (refer note 42 c(iv))

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NOTE 44 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprises of trade and other payables, borrowings, current maturity of borrowings, interest accrued and capital creditors. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations.

The Company's principal financial assets includes Investment in mutual funds, loans to related parties, security deposits, trade receivables, cash and cash equivalents, deposits with bank, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior level management oversees the management of these risks and is supported by Treasury department that advises on the appropriate financial risk governance framework.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk borrowings, short term deposits and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2018 and March 31, 2017.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to interest rate risk. The Company manages its net exposure to interest rate risk related to borrowings, by balancing a proportion of fixed rate and floating rate borrowing in its total borrowing portfolio. To manage this portfolio mix, the Company may enter into currency rate swap arrangements and/ or interest rate swap arrangements, which allows the company to exchange periodic payments based on a notional amount and agreed upon fixed and floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase or decrease in basis points	Decrease/ (increase) in profit before tax
31-Mar-18	+50	10.34
	-50	(10.34)
31-Mar-17	+50	8.15
	-50	(8.15)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. Foreign currency risk senstivity is the impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities on unhedged exposures. The following tables demonstrate the sensitivity to a reasonably possible change in USD, EURO and GBP exchange rates, with all other variables held constant.

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Particulars	Changes in Exchange rate	Decrease/ (increase) in profit before tax
31-Mar-18	+5%	26.75
	-5%	(26.75)
31-Mar-17	+5%	(9.31)
	-5%	9.31

B. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored.

The ageing analysis of trade receivables as of the reporting date is as follows:

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 42. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

Particulars	Neither past due nor impaired	Less than 30 days	30 to 90 days	90 to 180 days	More than 180 days	Total
Trade Receivables as of April 01, 2016	1,657.24	2,208.25	2,037.83	129.00	422.07	6,454.39
Trade Receivables as of March 31, 2017	5,860.26	1,773.99	674.92	221.94	348.81	8,879.91
Trade Receivables as of March 31, 2018	1,854.30	3,195.16	2,701.23	352.96	644.74	8,748.39

ii) Financial instruments and cash deposits

Credit risk from balances with banks, investment in mutual funds and loan to related parties is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's finance committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

C. 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.

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The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(Amount in ₹ 'Lakhs' unless otherwise stated)

As at March 31, 2018	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	18,286.55	-	3,488.40	457.14	22,232.09
Current maturities of long-term borrowings	220.79	662.38	-	-	883.17
Trade payables	7,096.15	-	-	-	7,096.15
Other financial liabilities	128.01	-	158.54	-	286.56
Total	**25,731.50**	**662.38**	**3,646.94**	**457.14**	**30,497.96**
As at March 31, 2017	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**> 5 years**	**Total**
Borrowings	15,144.42	-	2,309.07	-	17,453.49
Current maturities of long-term borrowings	201.18	603.54	-	-	804.72
Trade payables	13,500.52	-	-	-	13,500.52
Other financial liabilities	1,519.38	-	220.68	-	1,740.06
Total	**30,365.49**	**603.54**	**2,529.75**	**-**	**33,498.78**
As at April 01, 2016	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**> 5 years**	**Total**
Borrowings	12,262.39	-	1,421.49	-	13,683.89
Current maturities of long-term borrowings	165.70	497.11	-	-	662.81
Trade payables	9,338.22	-	-	-	9,338.22
Other financial liabilities	370.19	-	359.72	-	729.91
Total	**22,136.50**	**497.11**	**1,781.21**	**-**	**24,414.82**

NOTE 45 : SEGMENT INFORMATION

a) The company's 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 Company has presented segment information on geographical basis in the consolidated financial statements.

b) The Company revenue from sale of garments to external customer are as follows:

Particulars	As At March 31, 2018	As At March 31, 2017
Local Customers	749.22	2,031.61
Foreign Customers	64,310.32	76,115.54

c) All non- current assets are located within India:

	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Non Current Assets	34,853.47	35,092.04	29,961.52

d) Revenue from major customer: During the year the Company generates 90% of its external revenues from eleven (11) customers.

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to the Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 46 : CONTINGENT LIABILITIES AND COMMITMENTS

a) Contingent liabilities

		As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
i.	**Details of contingent liabilities are as follows:-**			
i)	Export Bills Discounted with banks	1,306.46	2,842.34	4,520.59
ii)	Irrevocable letter of credit (net of margin) outstanding with banks	3,767.03	7,318.15	6,204.16
iii)	Bank Guarantee given to government authorities	-	227.25	427.38
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	1.00
	- For others	0.50	0.50	0.50
v)	Claims against the Company not acknowleged as debts corresponding to :			
	- Case pending before ITAT (with respect to tax demand for A.Y. 2009-10) for which the Company has filed appeal	-	73.48	73.48
	- Tax Demand as per Sec 143(1) of Income Tax act, 1961 (with respect to Assessment Year 2011-12)	-	197.45	197.45
	-Tax Demand as per Sec 143(1) of Income Tax act, 1961 (with respect to Assessment Year 2014-15)	1.25	10.42	27.86
	-Tax Demand as per Sec 143(1) of Income Tax act, 1961 (with respect to Assessment Year 2015-16)	396.77	277.37	-
	-Tax Demand as per Sec 143(1) of Income Tax act, 1961 (with respect to Assessment Year 2016-17) - Rectification application has been filled with A.O	258.55	-	-
	-Demand as per TDS (TRACES) portal-CPC	14.79	-	-

vi) As per the order dated July 13, 2016 issued by Hon'ble Madras High Court, minimum wages shall be paid to the employees retrospectively from December 2014 to June 2016. However, the management is of the view that the wages have to be paid only to the employees working presently in the company and also no PF & ESI is required to be deducted . Accordingly, the minimum wages, ESI and PF of past employees of ₹ 288.51 lakhs, ₹ 8.06 lakhs and ₹ 69.25 lakhs respectively has not been recorded in books of account. Further, Company has also not accounted for the PF contribution of ₹ 65.33 lakhs and ESI contribution of ₹ 12.88 lakhs due on the wage arrears paid to the present employees during the year ended March 31, 2017

vii) Several Legal Cases of labour pending at labour Court, Civil Court and High Court.

viii) 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 12,000,000 equivalent to ₹ 7804.80 lakhs (March 31, 2017 USD 12000000 equivalent to ₹ 7,780.80 lakhs ; April 01, 2016 USD 12,000,000 equivalent to ₹ 7,959.60 lakhs)
- To Standard Chartered Bank, Bangladesh Branch for securing credit facilities to its subsidiary Norp Knit Industries Limited, Bangladesh for BDT 900,000,000 equivalent to INR 6,930.00 lakhs (March 31, 2017 : BDT 900,000,000 equivalent to ₹ 71,100.00 lakhs April 01 ,2016: BDT 775,000,000 equivalent to ₹ 6,432.50 lakhs)

Above Corporate Guarantees have been given for businesses purpose.

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a-i) Pending resolution of the respective proceedings, it is difficult for the company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities.

a- ii) The company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The company does not expect any reimbursements in respect of the above contingent liabilities.

	b) Commitments	**As At March 31, 2018**	**As At March 31, 2017**	**As At April 01, 2016**
i)	Capital Commitment: Estimated amount of contracts remaining to be executed on the capital account (net of capital advances)	164.80	93.04	884.35

NOTE 47 : RELATED PARTY TRANSACTIONS

(a) List of related parties

Nature of Relationship	Name of the Related Party
Subsidiary (Direct / Indirect)	**Domestic**
	Pearl Apparel Fashions Limited (Formerly known as Lerros Fashions India Limited)
	Pixel Industries Limited
	Overseas
	Norp Knit Industries Limited
	Pearl Global Fareast Limited
	Pearl Global (HK) Limited
	DSSP Global Limited
	PT Pinnacle Apparels (Formerly known as PT Norwest Industry)
	Prudent Fashions Limited
	A & B Investment Limited
	Vin Pearl Global Vietnam Limited
	Pearl Global F.Z.E.
	PGIC Investment Limited
	Pearl Grass Creations Limited (Formerly known as Pearl Tiger HK Limited)
	Pearl Global Vietnam Company Limited
	Pearl Global(Chang Zhou) Textile Technology Company Limted

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to the Financial Statements for the year ended March 31, 2018

Enterprise over which Key Managerial Personnel exercise Significant influence	**Domestic** Pearl Wears Creative Arts Education Society PS Arts Private Limited PDS Multinational Fashions Limited Little People Education Society Vau Apparels LLP Nim International Commerce LLP PSS Estates LLP **Overseas** Grupo Extremo SUR S.A SACB Holdings Limited JSM Trading (FZE.) Transnational Textile Group Limited Superb Mind Holdings Limited Global Textiles Group Limited Multinational Textile Group Limited Casa Forma Limited PDS Asia Star Corporation Limited Simple Approach Limited Zamira Fashion Limited PG Group Limited Techno Design HK Limited (Formerly DPOD Manufacturing Limited) Norwest Industries Limited Poeticgem International Limited Multinational OSG Services Bangladesh Limited Nor Delhi Manufacturing Limited Techno Design Gmbh Poetic Brands Limited Poeticgem Limited PDS Trading (Shanghai) Company Limited Simple Approach (Canada) Limited Zamira Denim Lab Limited PG Home Group Limited PG Shanghai Mfg Company Limited Poeticgem Limited Norwest Inc. Sourcing Solutions Limited Grand Pearl Trading Company Limited Razamtazz Limited Krayon Sourcing Limited (Formerly Souring Solutions HK Limited) Design Arc Asia Limited [(Formerly Design Arc. Limited) (Design Arc. Limited Formerly Nor France Manufacturing Company Ltd)] Nor Lanka Manufacturing Limited Design Arc Europe Limited (Formerly Nor Europe Manufacturing Limited Kleider Sourcing Hongkong Limited Rising Asia Star Hongkong Limited (Formerly Techno Manufacturing Limited) Nor India Manufacturing Company Limited Spring Near East Manufacturing Company Limited

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	DS Manufacturing Limited (Formerly Designed and Sourced Limited) FX Import Hongkong Limited Poetic Knitwear Limited Pacific Logistics Limited PG Home Group SPA (Formerly Pearl GES Home Group SPA) Nor France SAS Nor Lanka Manufacturing Colombo Limited Nor Europe SPA FX Import Company Limited MultiTech Venture Ltd(Mauritius) Redwood Internet Ventures Limited Digital Internet Technologies Limited Progress Manufacturing Group Ltd Progress Apparels(Bangladesh) Ltd Norlanka Progress Pvt.Ltd Green Apparel Industries Ltd JJ Star Industrial Limited Twin Asia Limited Grupo Sourcing Limited (Hongkong) Sure Investments Limited Casa Forma London Limited Blueprint Design Limited Design Arc UK Limited Grupo Sourcing Limited Fareast Vogue Limited PDS Far-east Limited Kindred Brands Ltd (Formerly NW Far-east Limited) Styleberry Limited PDS Global Investments Limited Green Smart Shirts Limited Kleider Sourcing Limited Sourcing Solutions Limited PDS Far East USA Inc. Smart Notch Industrial Limited Fabric & Trims Limited Parc Designs Pvt. Limited Digital Ecom Techno Private Limited Sourcing East West Limited

Key Management Personnel (KMP)	Mr. Deepak Seth Mr. Pulkit Seth Mrs. Shefali Seth Mr. Vinod Vaish Mr. Raj Kumar Chawla Mr. Sandeep Sabharwal Mr. Chittranjan Dua Mr. Rajendra Kumar Aneja Mr. Anil Nayar Mr. Abhishek Goyal	Chairman Vice-Chairman & Managing Director Whole-Time Director Whole-Time Director Chief Financial Officer Company Secretary Independent Director Independent Director Independent Director Independent Director

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to the Financial Statements for the year ended March 31, 2018

B. Disclosure of Related Parties Transactions:

(i) Subsidiary Companies

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Purchase of goods	11,185.41	18,489.19
Goods in transit	-	35.74
Sale of goods - raw material	70.40	633.58
Sale of goods – readymade garments	1,469.07	2,041.18
Source support income	292.72	-
Income on corporate guarantee	148.64	148.91
Claim from buyers	-	471.51
Loan received back	-	1,453.80
Expenses paid by the Company on their behalf	1,710.21	822.99
Expenses paid by them on behalf of the Company	529.71	244.34
SAP income	81.49	51.12
Investment in equity shares	1,290.55	2,801.28
Interest income	27.20	58.91

The Compnay has given the Corporate Guarantees to banks on behalf of its foreign subsidiaries. (Refer note no. 46a (viii)

Closing Balance

Particulars	As At March 31, 2018	As At March 31, 2017
Loan given to subsidiary (inclusive of interest)	494.89	734.70
Advance to subsidiaries/ others	-	343.13
Amount receivable/(payable)	1,766.21	302.35
Others (payable)/receivable	-	(3,947.83)

(ii) Enterprise over which KMP has Significant Influence

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Expenses paid by the Company on their behalf	5.11	0.67
Reimbursement of expenses	20.90	3.00
Interest income	30.00	30.00
SAP income	-	28.84
Closing Balance	**As At March 31, 2018**	**As At March 31, 2017**
Amount receivable	11.06	0.67
Loan & advances receivable (inc. interest)	313.46	320.27

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to the Financial Statements for the year ended March 31, 2018

(iii) Key Management Personnel

Particulars	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
Remuneration paid	217.43	203.46
EPF paid	1.08	1.08
Compensated absenses	19.51	19.58
Gratuity	50.67	28.53
Expenses paid by the Company on their behalf	5.08	9.59
Advance against expenses	-	11.52
Expenses incurred by them on behalf of the Company	24.60	29.06
Advance received back	-	4.35
Directors sitting fees	1.43	1.15
Closing Balance	**As At March 31, 2018**	**As At March 31, 2017**
Remuneration & other payable	20.45	10.81

C. Disclosure of Material Transactions: Related Parties having more than 10% interest in each transaction in the ordinary course of business

(i) Subsidiary Companies (Amount in ₹ 'Lakhs')

Particulars	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
Purchase of goods		
Norp Knit Industries Limited	10,032.24	12,095.27
PT Pinnacle Apparels	-	6,115.39
Sale of goods - raw material		
Norp Knit Industries Limited	70.40	632.79
PT Pinnacle Apparels	-	0.79
Sale of goods - readymate garments		
Pearl Global Far East Limited	855.40	1,024.26
Pearl Global (HK) Limited	584.03	1,016.93
Source support income		
Norp Knit Industries Limited	292.72	-
Income on corporate guarantee		
Norp Knit Industries Limited	70.59	71.10
Pearl Global (HK) Limited	78.05	77.81
Loan received back		
Pearl Global (HK) Limited	-	1,453.80
Reimbursement of expenses		
Norp Knit Industries Limited	22.19	39.65
Pearl Global (HK) Limited	489.46	136.45
PT Pinnacle Apparels	-	66.53
Expenses paid by the Company on their behalf		
PT Pinnacle Apparels	-	66.99
Pearl Global (HK) Limited	1,626.18	735.50
Investment in equity shares		
Pearl Global (HK) Limited	1,290.55	1,462.74
Pearl Global Far East Limited	-	1,338.54

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to the Financial Statements for the year ended March 31, 2018

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
SAP income		
Pearl Global Far East Limited	26.17	7.56
Pearl Global (HK) Limited	52.60	43.56
Interest income		
Pearl Global Far East Limited	25.52	26.54
Pearl Global (HK) Limited	-	32.37
Claim from buyers		
Norp Knit Industries	-	471.51
Closing Balance		
Loan given to subsidiary (inclusive of interest)		
Pearl Global Far East Limited	494.89	467.69
Advance to subsidiaries/ others		
Mutlinational Textile Group Limited	-	6.51
Pearl Global Far East Limited	-	20.15
Pearl Global(HK) Ltd.	-	315.80
Amount receivable/(payable)		
DSSP	(126.40)	(42.96)
Norp Knit Industries Ltd	(248.97)	-
Pearl Global Far East Limited	258.29	345.31
PT. Pinnacle Apparels	0.97	-
Pearl Global(HK) Ltd.	1,822.94	-
Pearl Grass Creations Ltd	32.96	-
Vin Pearl Global Vietnam Limited	3.47	-
Others (payable)/receivable		
PT Norwest	-	(1,260.13)
Norp Knit Industries Ltd	-	(2,687.70)

(ii) Enterprise over which KMP has significant influence

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Expenses paid by the Company on their behalf		
Norwest Industries Limited	3.88	0.67
Reimbursement of expenses		
Poeticgem Limited	17.90	-
PDS Multinational Fashion Limited	3.00	3.00
Interest income		
PDS Multinational Fashion Limited	30.00	30.00
SAP income		
Multinational Textiles Group Limited	-	28.84
Closing Balance		
Multinational Textiles Group Limited	6.51	-
Norwest Industries Limited	4.55	0.67
PDS Multinational Fashion Limited	313.46	320.27

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to the Financial Statements for the year ended March 31, 2018

(iii) Key Management Personnel

Particulars :	For the year ended March 31, 2018	For the year ended March 31, 2017
Remuneration paid		
Mr. Pulkit Seth	106.70	96.22
Ms. Shefali Seth	66.25	60.22
Mr. Rajkumar Chawla	18.35	19.50
Mr. Vinod Vaish	12.36	12.91
Mr. Sandeep Sabharwal	13.77	14.62
EPF paid		
Mr. Pulkit Seth	0.22	0.22
Ms. Shefali Seth	0.22	0.22
Mr. Rajkumar Chawla	0.22	0.22
Mr. Vinod Vaish	0.22	0.22
Mr. Sandeep Sabharwal	0.22	0.22
Compensated absenses		
Mr. Pulkit Seth	9.62	9.63
Ms. Shefali Seth	6.01	5.77
Mr. Rajkumar Chawla	1.71	1.73
Mr. Vinod Vaish	1.19	1.02
Mr. Sandeep Sabharwal	0.98	1.43
Gratuity		
Mr. Pulkit Seth	20.00	10.00
Ms. Shefali Seth	20.00	10.00
Mr. Rajkumar Chawla	2.66	1.90
Mr. Vinod Vaish	3.58	2.76
Mr. Sandeep Sabharwal	4.43	3.88
Expenses paid by the Company on their behalf		
Mr. Deepak Seth	5.00	9.51
Mr. Vinod Vaish	-	0.08
Advance against expenses		
Mr. Raj Kumar Chawla	-	4.57
Mr. Vinod Vaish	-	6.95
Expenses incurred by them on behalf of the Company		
Mr. Raj Kumar Chawla	11.92	16.26
Mr. Vinod Vaish	7.94	8.17
Mr. Sandeep Sabharwal	4.74	4.63
Directors sitting Fees:		
Mr. Deepak Seth	0.10	0.20
Mr. Anil Nayar	0.62	0.35
Mr. Chittranjan Dua	0.32	0.35
Mr. Abhishek Goyal	0.40	0.15
Rajendra Aneja	-	0.10
Advance received back		
Mr. Raj Kumar Chawla	-	1.49
Mr. Vinod Vaish	-	2.86
Closing balance (receivable/(payable)):		
Mr. Vinod Vaish	1.23	0.75
Mr. Raj Kumar Chawla	1.77	0.90
Mr. Sandeep Sabharwal	1.22	1.15
Mr. Pulkit Seth	9.99	5.03
Ms. Shefali Seth	6.24	2.98

VI) 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.

NOTE 48 : FIRST TIME ADOPTION OF IND AS

As stated in note 2 (a), the financial statements for the year ended 31 March 2018 would be the first annual financial statements prepared in accordance with Ind AS. For year up to and including the year ended March 31, 2017, the Company has prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013 and other relevant provisions of the Act ('previous GAAP').

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ended 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

a) Mandatory exceptions

i) Estimates

The estimates at April 01, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies, if any).

ii) De-recognition of financial assets:

The company has applied the de-recognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

iii) Classification and measurement of financial assets:

i. Financial Instruments:

Financial assets like security deposits received and security deposits paid, has been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Since, it is impracticable for the Company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind AS by applying amortised cost method, has been considered as the new gross carrying amount of that financial asset or the financial liability at the date of transition to Ind AS.

iv) Impairment of financial assets: (Trade receivables and other financial assets)

At the date of transition to Ind AS, the Company has determined that there significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, the Company has recognised a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised (unless that financial instrument is low credit risk at a reporting date).

b) Optional exemptions

i. Deemed cost-Previous GAAP carrying amount: (PPE and Intangible) :

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP (Indian GAAP) and use that as its deemed cost as at the date of transition after making necessary

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to the Financial Statements for the year ended March 31, 2018

adjustments for de-commissioning liabilities, if any. This exemption can also be used for Intangible Assets covered by Ind AS 38. Accordingly, the company has elected to measure all of its property, plant and equipment, capital work in progress and intangible assets at their previous GAAP carrying value.

ii. **Leases :**

Appendix C to Ind AS 17 requires the first-time adopter to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements for embedded leases based on conditions in place as at the date of transition.

iii. **Investment in subsidiaries :**

Ind AS 101 provide an option to measure investments in subsidiaries at cost in accordance with Ind AS 27 at either fair value on date of transition or Previous GAAP carrying values. The Company has elected to use the carrying amount as its deemed cost on the date of transition to Ind AS.

iv. **Foreign currency translation**

Under Indian GAAP, the Group recognised translation differences on foreign operations in a separate component of equity. Under Ind AS, Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1st April 2016. The resulting adjustment was recognised against retained earnings as at transition date.

v. **Business combination**

Ind AS 101 allows a first-time adopter not to apply Ind AS 21 Effects of changes in Foreign Exchange Rates retrospectively for business combinations that occurred before the date of transition to Ind AS. In such cases, where the entity does not apply Ind AS 21 retrospectively to fair value adjustments and goodwill, the entity treats them as assets and liabilities of the acquirer entity and not as the acquiree.

c) **Reconciliation of total equity as at March 31, 2017 and April 01, 2016 :**

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	Footnotes	As At March 31, 2017	As At April 01, 2016
Total Equity (Shareholder's Fund) as per Previous GAAP		**29,914.24**	**28,848.32**
Fair value changes of quoted and unquoted investments	g(ii), g(iii)	(123.88)	52.86
Amortisation of security deposit and loan	g(v), g(vi), g(vii)	31.34	40.47
Adjustments on account of revaluation reserve including depreciation	g(iv)	421.83	-
Income on corporate guarantee	g(xv)	148.91	-
Proposed dividend including tax	g(viii)	-	130.37
Prior period expenses	g(xii)	-	(92.07)
Other Ind AS adjustments	g(iii), g(x), g(xi) & g(xiii)	129.11	10.06
Deferred tax impact on above adjustments	g(xvi)	(104.54)	(141.59)
Total Adjustments		**502.78**	**0.09**
Total equity (Shareholder's fund) as per Ind AS		**30,417.02**	**28,848.42**

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to the Financial Statements for the year ended March 31, 2018

d) Reconciliation of total comprehensive income for the year ended March 31, 2017 :

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	Footnotes	As At March 31, 2017
Net Profit as per Previous GAAP		**873.46**
Fair valuation of Financial Instruments	g(ii), g(iii) & g(xiii)	747.45
Impact of Lease Equalisation Receivable	g(x) & g(xi)	109.48
Other Ind AS Adjustments	g(iv), g(v), g(vi), g(vii), g(ix), g(xii) & g(xiv)	(65.64)
Deffered tax impact on above adjustments	g(xvi)	36.18
Total Adjustments		**827.47**
Net Profit as per Ind AS		1,700.93
Other Comprehensive Income (Net of Tax)	g(xiv) & g(xvii)	(1.95)
Total Comprehensive Income for the Year under Ind AS		**1,698.98**

e) Reconciliation of Statement of Cash Flow for the year ended March 31, 2017

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	Previous GAAP	Effect of Transition to Ind AS	Ind AS
Net Cash flow from/(used in) operating activities	773.10	(328.84)	444.26
Net Cash flow from/(used in) investing activities	(3,981.00)	167.54	(3,813.46)
Net Cash flow from/(used in) financing activities	2,107.93	161.29	2,269.22
Net Increase/(Decrease) in cash and cash equivalents	(1,099.97)	0.01	(1,099.98)
Cash and Cash equivalents at the beginning of the period	3,395.85	-	3,395.85
Cash and Cash equivalents at the end of the period	**2,295.88**	**-**	**2,295.88**

f) Footnotes to the reconciliation of equity as at April 01, 2016 and March 31, 2017 and profit or loss for the year ended March 31, 2018:

i. Carrying value of investment in subsidiaries in equity shares

Under previous GAAP, investment in subsidiaries were non current investments, hence were carried at cost. Whereas under Ind AS, Company has elected the option of carrying value of Investment in subsidiaries on the date of transition to Ind AS and using the carrying value as its deemed cost.

(Amount in ₹ 'Lakhs' unless otherwise stated)

Category	Carrying value under Indian GAAP	Fair Value adjustment	Carrying value under Ind AS (as deemed cost)
Investment in subsidiaries	8,492.65	-	8,492.65
	8,492.65	**-**	**8,492.65**

ii. Fair value of investment in preference shares of subsidiary

Under previous GAAP, investment in redeemable preference shares were non current investments, hence were carried at cost, whereas under Ind AS, the same are initially discounted and subsequently recorded at amortized cost at the end of every financial reporting period. Detail of investment in preference shares are given as here under:

Notes
to the Financial Statements for the year ended March 31, 2018

(Amount in ₹ 'Lakhs' unless otherwise stated)

Category		Carrying value under Indian GAAP	Fair Value adjustment	Carrying value under Ind AS (as deemed cost)
Investment in subsidiary	As at April 01, 2016	300.00	(32.14)	**267.86**
	As at March 31, 2017	300.00	(203.41)	**96.59**

iii. Fair value of investment in equity shares of entity other than subsidiary

Under previous GAAP, investment in equity shares were non current investments, hence were carried at cost, whereas under Ind AS, such investments has been classified and measured as fair value through profit and loss at each reporting date:

(Amount in ₹ 'Lakhs' unless otherwise stated)

Category		Carrying value under Indian GAAP	Fair Value adjustment	Carrying value under Ind AS (as deemed cost)
Investment in Equity Shares	As at April 01, 2016	5.00	85.00	**90.00**
	As at March 31, 2017	5.00	79.53	**84.53**

iv. Property, plant and equipment

On the date of transition, Opening balance of Land includes ₹ 452.29 lakhs on account of revaluation done on 31.03.2002 and the opening balance of Building includes ₹ 59.32 lakhs on account of reduction in revaluation done on 31.03.2002. However during the financial year ended March 31,2017, in compliance with para 32 of revised Accounting Standard(Previous GAAP)-10 "Property, Plant & Equipment" the Company adopted the option of cost model for recognition of fixed assets for entire class of property, plant and equipment and accordingly as per para 91 of the revised Accounting standard, the Company adjusted the existing revaluation reserve of ₹ 392.97 lakhs against the carrying amount of relevant items of property, plant and equipment. However with the applicability of Ind AS, Company has elected Ind AS 101 exemption and continue with the carrying value for all of its property, plant and equipment as its deemed cost as at the date of transition i.e. April 1, 2016.

v. Security deposit paid

Under Previous GAAP, the security deposits paid for lease rent are shown at the transaction value whereas under Ind AS, the same are initially discounted and subsequently recorded at amortized cost at the end of every financial reporting period. Accordingly, the difference between the transaction and discounted value of the security deposits paid is recognized as deferred asset and is amortized over the period of the lease term (along with current and non-current classification). Further, interest is accreted on the present value of the security deposits paid for lease rent (along with current and non- current classification).

vi. Security deposit received

Under Previous GAAP, the security deposits received for lease rent are shown at the transaction value whereas under Ind AS, the same are initially discounted and subsequently recorded at amortized cost at the end of every financial reporting period. Accordingly, the difference between the transaction and discounted value of the security deposits received is recognized as deferred liability and is amortized over the period of the lease term (along with current and non- current classification). Further, interest is accreted on the present value of the security deposits received for lease rent (along with current and non- current classification).

vii. Borrowings

As required under Ind AS 109 transactions cost incurred towards origination of borrowings have been deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit and loss over the tenure of the borrowing as interest expenses, computed using the effective interest rate method corresponding effect being in Long term borrowings and to the extent attributable to current maturity of long term debts.

Notes
to the Financial Statements for the year ended March 31, 2018

Under the previous GAAP, these transaction costs were charged to statement of profit and loss as and when incurred. Consequently, borrowings as at transition date have been reduced with a corresponding adjustment to retained earnings.

viii. Proposed Dividend

Under Previous GAAP, proposed dividends and related dividend distribution tax was recognised as a provision in the year to which they relate, irrespective of when they are declared. Under Ind AS, dividends and related dividend distribution tax are recognised as a liability in the year in which it is approved by the shareholders in the Annual General Meeting of the Company.

(Amount in ₹ 'Lakhs' unless otherwise stated)

	Debit/(Credit) Balance Sheet		Debit/(Credit) Statement of profit and loss
	As At April 01, 2016	As At March 31, 2017	Year ended March 31, 2017
Equity:			
- Other equity (Retained earnings)	(130.37)	-	-
Liability:			
- Provisions (Current)	130.37	-	-

ix. Excise Duty

Under Previous GAAP, excise duty was netted off against sale of goods. However, under Ind AS, excise duty is included in sale of goods and is separately presented as expense on the face of Statement of Profit and Loss. Thus, sale of goods under Ind AS has increased with a corresponding increase in expenses.

(Amount in ₹ 'Lakhs' unless otherwise stated)

	Debit/(Credit) Balance Sheet		Debit/(Credit) Statement of profit and loss
	As At April 01, 2016	As At March 31, 2017	Year ended 31st March, 2017
Profit/(Loss):			
Revenue from operations	-	-	(28.87)
Excise duty	-	-	28.87

x. Lease equalisation payable

Under Previous GAAP, operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term. Whereas under Ind AS, lease equalisation reserve is derecognised as operating lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost.

xi. Lease Equalisation Receivable

Under Previous GAAP, operating lease payments are recognized as an income in the statement of profit and loss on a straight-line basis over the lease term. Whereas under Ind AS, lease equalisation reserve is derecognised as operating lease payments from the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost.

Notes
to the Financial Statements for the year ended March 31, 2018

xii. Prior period expenses

Under previous GAAP, Company has recognised expenses pertaining to period prior to transition date in the financial year 2016-17. This has been shown as a prior period expenses. However, Ind AS requires the Company to correct the prior period errors retrospectively by restating the comparative amounts for the prior period presented in the which the error occurred. Further, where the amount of prior period pertains to the period before the earliest prior period presented, opening balances of the earliest period presented are to be restated.

xiii. Fair valuation of mutual fund

Under previous GAAP, investment made in mutual funds shown as current investments are valued at fair value and corresponding Investment Revaluation Reserve was created, whereas under Ind AS, such investments has been classified and measured as fair value through profit and loss at each reporting date.

xiv. Employee benefits

Both under Previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, are charged to statement of Profit and Loss. Under Ind AS, re-measurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the books with a corresponding debit or credit to retained earnings through OCI.

xv. Income on corporate guarantee

Under previous GAAP, income on corporate guarantee was not recoginised in the statement of Profit and Loss whereas under Ind AS income on corporate guarantee measured at fair value issued to subsidiaries has been recoginised in the statement of Profit and Loss.

xvi. Deferred tax

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences relating to various transition adjustments which are recognised in correlation to the underlying transaction either in retained earnings as a separate component in equity.

xvii. Other comprehensive income

Items of income and expense that are not recognised in profit and loss but are shown in 'other comprehensive income' includes re-measurements gain/(loss) of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP. As a consequence, re-measurement gain/(loss) of defined benefit plans has been regrouped from employee benefit expense to other comprehensive income.

NOTE 49 : DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED U/S 186 (4) OF THE COMPANIES ACT, 2013

(Amount in ₹ 'Lakhs' unless otherwise stated)

		Year ended 31st March, 2018	Year ended 31st March, 2017
(a)	**Loans to subsidiaries**		
	Loan to subsidiary: Pearl Global Fareast Limited		
	Balance as at the year end	439.61	421.24
	Maximum amount outstading at any time during the year	439.61	421.24
	(Pearl Global Fareast Limited has utilised the loan for meeting working capital requirements. It is repayable after March 31, 2019 and carries an average rate of interest at 6% (2016-17: 6%)		
(b)	Investments made are given under the respective heads. (refer note no. 8)		
(c)	Corporate guarantees given are disclosed in note 46 a(viii).		

Notes
to the Financial Statements for the year ended March 31, 2018

NOTE 50 : IMPACT OF IMPLEMENTATION OF GOODS AND SERVICES TAX (GST) ON THE FINANCIAL STATEMENTS

Consequent to the introduction of goods and services Tax (GST) with effect from 1 July 2017, VAT/Sales Tax, Excise Duty etc. have been subsumed into GST and accordingly the GST is not recognised as part of revenue from operations and excise duty as a seperate expense line item as per the requirements of Ind AS. This has resulted in lower reported revenue from operations in the current year in comparison to the revenue from operations reported under the pre-GST structure of indirect taxes. Accordingly, the Revenue from operations for the year ended March 31, 2018 are not comparable with year ended March 31, 2017 presented in the financial results which are reported inclusive of Excise Duty. The following additional information is being provided to facilitate such understanding:

(Amount in ₹ 'Lakhs' unless otherwise stated)

	Year ended 31st March, 2018	Year ended 31st March, 2017
Revenue from operations (gross of excise duty)	71,078.81	85,842.81
Excise duty	1.58	28.87
Revenue from operations (exclusive of excise duty)	**71,077.23**	**85,813.94**

NOTE 51 :

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company regularly updates the documentation for the International transactions entered into with the associated enterprises during the period as required under law. The Management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation for the year ended March 31, 2018.

NOTE 52 :

No material events have occurred between the balance sheet date to the date of issue of these financial statements that could affect the values stated in the financial statements.

NOTE 53 :

The company has reclassified previous year figures to conform to Ind AS Classification.

NOTE 54 :

The balances of trade receivables, trade payables, financial assets and other assets given are subject to reconciliation and confirmation as on March 31, 2018 and have realisation in ordinary course of business atleast equal to amount at which they are stated in the financial statements.

NOTE 55 :

Figures have been rounded off to the nearest lakhs upto two decimal places except otherwise stated.

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

Pulkit Seth
Managing Director
DIN 00003044

Deepak Seth
Chairman
DIN 00003021

Place of Signature : Gurugram
Dated: May 29, 2018

Raj Kumar Chawla
Chief Financial Officer

Sandeep Sabharwal
Company Secretary
M. No. ACS - 8370

PEARL GLOBAL INDUSTRIES LIMITED
Registered Office: A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi-110028
Corp. Office: Pearl Tower, Plot No. 51, Sector-32, Gurugram-122001 (Haryana)
Tel: 0124-4651000, Fax: 0124-4651010, Website: **www.pearlglobal.com**; e-mail: investor.pgil@pearlglobal.com
CIN: L74899DL1989PLC036849

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L74899DL1989PLC036849
Name of the Company : PEARL GLOBAL INDUSTRIES LIMITED
Registered Office : A-3, COMMUNITY CENTRE, NARAINA INDUSTRIAL AREA PHASE-II, NEW DELHI-110028

Name of the Member(s) : ....

Registered Address : ....

E-mail ID : ....

Folio No./Client ID: ....

DP ID: ....

I/We, being the member(s) of……..…equity shares of Rs.10/each of PEARL GLOBAL INDUSTRIES LIMITED, hereby appoint

(i) Name.. Address..

....

E-Mail .... Signature ....or failing him/her

(ii) Name.. Address..

....

E-Mail .... Signature ....or failing him/her

(iii) Name.. Address..

....

E-Mail .... Signature ....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company, to be held on 24th September, 2018 at 10:30 A.M. at Air Force Auditorium, Near R&R Hospital, Subroto Park, New Delhi-110010 and at any adjournment thereof in respect of such resolutions as indicated below:

Resolution Number	Description	Optional*		
		No of Shares held by me	I assent to the resolution (For)	I dissent from the resolution (Against)
Ordinary Business				
1	To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended 31st March, 2018 including the Reports of the Board of Directors and Auditors thereon.			
2	To declare dividend on Equity Shares for the financial year ended 31st March, 2018.			
3	To appoint a Director in place of Mrs. Shefali Seth (DIN 01388430), who retires by rotation and being eligible, offers herself for re-appointment.			
4	To appoint a Director in place of Mr. Vinod Vaish (DIN 01945795), who retires by rotation and being eligible, offers himself for re-appointment.			
Special Business				
5	To approve revision in remuneration of Mr. Vinod Vaish (DIN: 01945795) Whole-Time Director.			
6	To re-appoint Mrs. Shefali Seth (DIN: 01388430) as Whole-Time Director.			
7	To re-appoint Mr. Vinod Vaish (DIN: 01945795) as Whole-Time Director			
8	To approve remuneration of Mr. Pulkit Seth (DIN 00003044) Managing Director of the Company.			
9	To increase the investment limit by the Non-Resident Indian (NRI) or Overseas Citizen of Indian (OCI) in the Company.			
10	Alteration of Memorandum of Association of the Company for commencement of new business.			
11	To approve related party transactions for the financial year 2019-2020.			

Signed this……………day of……………………2018

Signature of the Shareholder(s)………………………

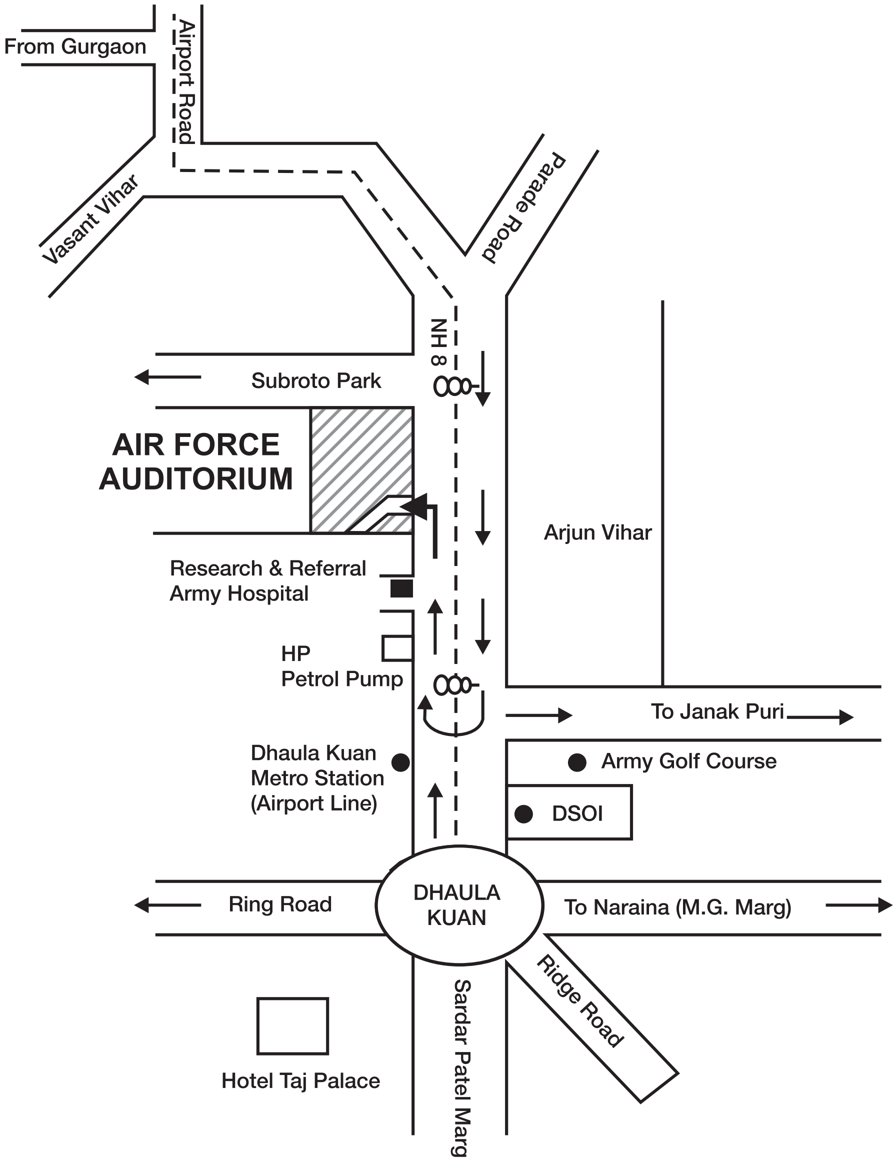
Signature of the Proxy holder(s)………………………

Affix Revenue Stamp

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the company, not less than 48 hours before the Commencement of the meeting.
2. *It is optional to put '√' in the appropriate column blank against any or all resolutions indicated in the Box. If you leave the 'For' or 'Against' any or all resolution, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
3. In case of Joint holders, the signature of any one holder will be sufficient, but names of all the shareholders should be stated.

Route map to the venue of the 29th Annual General Meeting of Pearl Global Industries Limited



Pearl Global Industries Limited

Registered Office
"Pearl House"
A-3, Community Centre
Naraina Industrial Area, Phase-II
New Delhi-110028
CIN : L74899DL1989PLC036849

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