

ANNUAL REPORT

2018 - 2019





Board of Directors

Mr. Deepak Seth	-	Chairman
Mr. Pulkit Seth	-	Vice- Chairman & Managing Director
Mrs. Shifalli 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

Chief Financial Officer

Mr. Raghav Garg

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 30th Annual General Meeting of the Members of Pearl Global Industries Limited will be held on Tuesday, September 24, 2019 at 10:30 A.M. at Sri Sathya Sai International Centre, Pragati Vihar (Near Pragati Vihar Hostel), Lodhi Road, New Delhi-110 003, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2019 including the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended March 31, 2019.
3. To appoint a Director in place of Mr. Deepak Seth (DIN 00003021), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Pulkit Seth (DIN 00003044), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

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 29th Annual General Meeting of the Company held on September 24, 2018 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 for revision in the monthly remuneration of Mr. Vinod Vaish, Whole-time Director of the Company with effect from April 01, 2018, as follows:

Particulars	(Amount in Rs.)
Basic Pay	68,890/-
House Rent Allowance	34,440/-
Special Allowance	33,668/-
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 MR. PULKIT SETH (DIN: 00003044) AS MANAGING 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, the approval of the members of the Company be and is hereby accorded for re-appointment and payment of remuneration to Mr. Pulkit Seth as Managing Director of the Company for a period of Three years with effect from 1st June, 2019, with liberty to the Board of Directors to alter and vary the terms and conditions and / or remuneration.”

RESOLVED FURTHER THAT Mr. Pulkit Seth will be entitled for the following remuneration as Managing Director of the Company:

Salary	: Rs. 15.00 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.

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RESOLVED FURTHER THAT Mr. Pulkit Seth, Managing Director shall not only manage the day-to-day affairs of the Company but shall also carry out all duties and functions subject to the supervision, control and directions of the Board of Directors of the Company and shall 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 be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

7. TO RE-APPOINT MR. ANIL NAYAR (DIN: 01390190) AS AN INDEPENDENT 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 Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Anil Nayar (DIN 01390190), who was appointed as an Independent Director for a period of five years with effect from April 01, 2014, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5(five) consecutive years with effect from April, 01, 2019, on the Board of the Company.

RESOLVED FURTHER THAT the Board or any Committee thereof, be and is hereby authorized to do all such things, deeds, matters and acts, as may be required to give effect to this resolution and to do all things incidental and ancillary thereto.”

8. TO RE-APPOINT MR. CHITTRANJAN DUA (DIN: 00036080) AS AN INDEPENDENT DIRECTOR

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 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Chittranjan Dua (DIN 00036080), who was appointed as an Independent Director for a period of five years with effect from April 01, 2014, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5(five) consecutive years with effect from April, 01, 2019, on the Board of the Company.

RESOLVED FURTHER THAT the Board or any Committee thereof, be and is hereby authorized to do all such things, deeds, matters and acts, as may be required to give effect to this resolution and to do all things incidental and ancillary thereto.”

9. TO RE-APPOINT MR. RAJENDRA KUMAR ANEJA (DIN: 00731956) AS AN INDEPENDENT DIRECTOR

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 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Rajendra Kumar Aneja (DIN 00731956), who was appointed as an Independent Director for a period of five years with effect from April 01, 2014, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5(five) consecutive years with effect from April, 01, 2019, on the Board of the Company.

RESOLVED FURTHER THAT the Board or any Committee thereof, be and is hereby authorized to do all such things, deeds, matters and acts, as may be required to give effect to this resolution and to do all things incidental and ancillary thereto.”

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10. TO APPROVE RELATED PARTY TRANSACTIONS FOR THE FINANCIAL YEAR 2020-2021

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 Companies Act, 2013 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, PDS Multinational Fashions Limited, Norwest Industries Limited, Pearl Grass Creations Limited, Pearl Apparel Fashions 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, and Pearl Global Vietnam Co. Limited, for the financial year 2020-21, 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 13, 2019

(**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 Wednesday, September 18, 2019 to Tuesday, September 24, 2019 (both days inclusive).

The dividend of Rs.3/- 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 Wednesday, October 23, 2019 to those members:

- whose names appear as Beneficial Owners as at the end of business hours on Tuesday, September 17, 2019 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 at the end of business hours on Tuesday, September 17, 2019.

3. The statement pursuant to Section 102 of the Companies Act, 2013 (the Act) is annexed hereunder and forms part of the Notice. As required under Secretarial Standard-2 and regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the relevant information of Directors is enclosed as Annexure-1.

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

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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
31.03.2018	20.00% (Final)	24.09.2018	23.10.2025	22.11.2025

Members who have not en-cashed their 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, Noble Heights, 1st Floor, Plot NH-2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi-110058.

8. Members holding shares in dematerialised mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, e-mail address, change in name etc. to their depository participant. These changes will be automatically reflected in the Company's records which will help the Company to provide efficient and better services to the Members.
9. Members holding shares in physical form are requested to intimate changes with respect to their bank account (viz. name and address of the branch of the bank, MICR code of branch, type of account and account number), mandate, nomination, power of attorney, change of address, e-mail address, change in name etc. immediately to the Company.
10. Soft copy of the Annual Report for the financial year 2018-19 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 2018-19 are being sent in the permitted mode.

11. NO GIFT(S) SHALL BE DISTRIBUTED AT THE ENSUING 30TH ANNUAL GENERAL MEETING OF YOUR COMPANY.

12. 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 30th Annual General Meeting (AGM) by electronic means and the business contained herein may be transacted through e-voting Services provided by Central Depository Services Limited (CDSL):

The instructions for e-voting are as under:-

- (i) The voting period begins on Friday, September 20, 2019 at 09:00 A.M. and ends on Monday, September 23, 2019 at 05:00 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 September 17, 2019 (record date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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- (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) <ul style="list-style-type: none"> • 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. <ul style="list-style-type: none"> • 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

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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 Corporate.
- 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 September 17, 2019 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

As required by Section 102 of the Companies Act, 2013 the following Explanatory Statement sets out the material facts relating to the businesses under Item Nos. 5 to 10 of the accompanying Notice.

Item No. 5:

Mr. Vinod Vaish, aged about 61 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.

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 November 13, 2018, considered it just, fair and reasonable to revise remuneration of Mr. Vinod Vaish with effect from April 01, 2018.

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

Directorship:

Mr. Vinod Vaish holds Directorship in Pearl Apparel Fashions Limited.

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Committee Membership:

He is Chairman of the Corporate Social Responsibility Committee and member of Audit Committee, Stakeholders Relationship Committee and Finance Committee of your Company.

Shareholders' approval is sought for variation in terms of remuneration of Mr. Vinod Vaish. The proposed remuneration 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.

The statement pursuant to Section II of Part II of Schedule V of the Companies Act, 2013, is provided below Item no. 6 alongwith details of Managing Director.

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

Item No. 6:

Mr. Pulkit Seth was re-appointed as Managing Director of the Company for a period of three years with effect from 1st June, 2016 to 31st May, 2019.

The Board of Directors in its meeting held on 28th May, 2019, had re-appointed Mr. Pulkit Seth as Managing Director for a further period of Three years commencing from 1st June, 2019, pursuant to the recommendation of Nomination and Remuneration Committee with following remuneration. The 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.

Salary	: Rs. 15.00 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.

Mr. Pulkit Seth, aged about 39 years, has a Bachelor of Business Management degree from Leonard N. Stern School of Business, University of New York, USA. He has over fifteen years of experience in the Apparel Industry. He has

been overseeing the domestic & overseas operations of the Group and has played an important role in streamlining business processes and enhancing our relationship with leading retailers in the U.S.

Details of other Directorship (except Foreign Companies / Bodies Corporate)/Committee Membership held by him in other Companies are as follows:

S.No.	Name of the Company	Designation
1.	Pearl Global Kaushal Vikas Limited	Director
2.	PS Arts Private Limited	Director

He is the Member of Stakeholders Relationship Committee, Corporate Social Responsibility Committee, and Chairman of Finance Committee of the Company.

He does not hold any committee membership in other Companies.

Shareholders' approval is sought for re-appointment of Mr. Pulkit Seth as Managing Director of the Company. The re-appointment and Remuneration payable to Mr. Pulkit 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.

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

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Pulkit Seth, himself and Mr. Deepak Seth, Mrs. Shifalli Seth, and Mrs. Payel Seth, being relatives, are concerned or interested, financially or otherwise, in the resolution set out at the Item No. 6 of the Notice.

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

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, Sunday and holidays.

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THE STATEMENT PURSUANT TO SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013

I. GENERAL INFORMATION:

1.	Nature of industry	<p>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.</p> <p>The Company has large installed capacity for apparel manufacturing with <i>state-of-the-art</i> 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.</p>
2.	Date or expected date of commencement of commercial production	The date of commencement of commercial production (in erstwhile Pearl Global Limited, since merged with the Company) was 7 th December, 1988.
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4.	Financial performance based on given indicators	The gross income of the Company stood at Rs.866.56 Crore. The Profit before Tax for the year is Rs.31.85 Crore as against Rs.6.77 Crore last year. The Company managed to have PAT of Rs.21.50 Crore.
5.	Foreign investments or collaborators, if any	<p>The Company has no foreign collaboration.</p> <p>Apart from holding 33,14,537 equity shares of Rs.10/- each of your Company by 148 NRI/FPI/ Members/Folios representing 15.30% of the total paid up Capital of the Company as on 31st March, 2019, there is no other foreign investment in the Company.</p>

II. INFORMATION ABOUT THE APPOINTEE:

	Information	Mr. Pulkit Seth	Mr. Vinod Vaish
1.	Background Details	Mr. Pulkit Seth, aged about 39 years, has a Bachelor of Business Management degree from Leonard N. Stern School of Business, University of New York, USA. He has over fifteen years of experience in the Apparel Industry. He has been overseeing the domestic & overseas operations of the Group and has played an important role in streamlining business processes and enhancing our relationship with leading retailers in the U.S.	Mr. Vinod Vaish, aged about 61 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.
2.	Past Remuneration	Rs. 10.00 Lakh Per Month	Rs. 1,24,072/- Per Month

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3.	Recognition or Awards	NIL	President Gold Medal for overall outstanding best officer in Naval Academy.
4.	Job Profile and their Suitability	Mr. Pulkit Seth, Managing Director shall manage the day-to-day affairs of the Company and shall also carry out all duties and functions subject to the supervision, control and directions of the Board of Directors of the Company and shall perform such other duties and services as shall from time to time be entrusted to him by the Board of Directors of the Company.”	Mr. Vinod Vaish is heading Administration and HR functions of the Company and shall perform such other duties and services as shall from time to time be entrusted to him by the Board of Directors of the Company.
5.	Remuneration Proposed	Salary: Rs. 15.00 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.	Basic Pay: Rs.68,890/- Per Month House Rent Allowance: Rs. 34,440/- Per Month Special Allowance: Rs.33,668/- Per Month Provident Fund and Gratuity: As per Company's rules A Company maintained Car with Driver for official purpose, Mobile Phone and also entitled for reimbursement of actual expenses for business of the Company.
6.	Comparative Remuneration profile with respect to industry, size of the company profile of position and person	Arvind Limited Period: 2018-19 Turnover: Rs.6,539.81 Crore Managerial Personnel: Chairman and Managing Director: Annual Managerial Remuneration:Rs.7.22 Crore	Kitex Garments Ltd Period:- 2018-19 Turnover: Rs.629.26 Crore Managerial Personnel: Chairman & Managing Director Annual Managerial Remuneration: Rs.6.85 Crore
7.	Pecuniary relationship directly or indirectly with the company or with the managerial personnel, if any	Relating to Pecuniary Relationship, information provided under Past and proposed Remuneration hereinabove. Mr. Pulkit Seth is related to Mr. Deepak Seth, and Mrs. Shifalli Seth, Directors of the Company. He holds 6947621 Equity Shares (32.07%) of the Company.	Pecuniary Relationship other than Remuneration proposed above, is NIL. No relationship with Managerial Personnel. He does not hold any Share in the Company.

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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 2018-19 was Rs.866.56 Crore. The Company's PAT stood at Rs.21.50 Crore during 2018-19. 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 2019-20 should increase by 20% and productivity by 15% to 20%.

IV. DISCLOSURES:

Disclosures in the Board of Directors' report under the heading 'Corporate Governance' included in Annual Report 2018-19: The requisite details of remuneration etc. of Directors are included in the Corporate Governance Report, forming part of the Annual Report of FY 2018-19 of the Company. The Company has no policy for stock option, pension, and performance linked incentives.

Item No. 7:

Mr. Anil Nayar was appointed as an Independent Director of the Company in the first term of 5 (five) consecutive years, with effect from 1st April, 2014. The Board on the basis of performance evaluation and as per the recommendation of the Nomination and Remuneration Committee at their meetings held on 12th February, 2019, after considering his background, experience and contributions made by him during his tenure, and to continue avail his services as an Independent Director, re-appointed Mr. Nayar, as an Independent Director in the second term of five consecutive years with effect from 1st April, 2019, subject to approval of members in the forthcoming Annual General Meeting. Your Directors considers that the continued association of Mr. Nayar would be beneficial to the Company.

Accordingly, it is proposed to re-appoint Mr. Anil Nayar as an Independent Director of the Company, not liable to retire by rotation, for a second term of the 5(five) consecutive years with effect from 1st April, 2019, on the Board of the Company. The Company has also received a notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing his candidature for appointment as Director of the Company.

Mr. Anil Nayar is not disqualified from being appointed as a Director in terms of Section 164 of the Act, and has given his consent to act as Independent Director.

The Company has also received declaration from Mr. Anil Nayar that he meets the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013 and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, in the opinion of the Board, Mr. Nayar fulfils the conditions specified in the Companies Act, 2013, the Rules thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 for reappointment as an Independent Director and that he is independent of the management of the Company.

Details of Mr. Nayar, are provided in "Annexure-1 to the Notice". He shall be paid remuneration by way of fee for attending meetings of the Board or for any other purpose whatsoever as may be decided by the Board and reimbursement of expenses for participation in the Board.

Copy of the draft letter for appointment of Mr. Nayar as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

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None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Anil Nayar is concerned or interested, financially or otherwise, in the resolution set out at the Item No. 7 of the Notice.

This disclosure may be regarded as an appropriate disclosure under the Act and Listing Regulations.

The Board recommends the Special Resolution set out at Item no. 7 of the Notice for the approval of the Members.

Item No. 8:

Mr. Chittranjan Dua was appointed as an Independent Director of the Company in the first term of 5 (five) consecutive years, with effect from 1st April, 2014. The Board on the basis of performance evaluation and as per the recommendation of the Nomination and Remuneration Committee at their meetings held on 12th February, 2019, after considering his background, experience and contributions made by him during his tenure, and to continue avail his services as an Independent Director, re-appointed Mr. Dua, as an Independent Director in the second term of five consecutive years with effect from 1st April, 2019, subject to approval of members in the forthcoming Annual General Meeting. Your Directors considers that the continued association of Mr. Dua would be beneficial to the Company. Accordingly, it is proposed to re-appoint Mr. Chittranjan Dua as an Independent Director of the Company, not liable to retire by rotation, for a second term of the 5(five) consecutive years with effect from 1st April, 2019, on the Board of the Company. The Company has also received a notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing his candidature for appointment as Director of the Company.

Mr. Chittranjan Dua is not disqualified from being appointed as a Director in terms of Section 164 of the Act, and has given his consent to act as Independent Director.

The Company has also received declaration from Mr. Chittranjan Dua that he meets the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013 (“Act”) and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). Further, in the opinion of the Board, Mr. Dua fulfils the conditions specified in the Act, the Rules thereunder and the Listing Regulations for reappointment as an Independent Director.

Details of Mr. Dua, are provided in “Annexure-1 to the Notice”. He shall be paid remuneration by way of fee for attending meetings of the Board or for any other

purpose whatsoever as may be decided by the Board and reimbursement of expenses for participation in the Board.

Copy of the draft letter for appointment of Mr. Dua as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Chittranjan Dua is concerned or interested, financially or otherwise, in the resolution set out at the Item No. 8 of the Notice.

This disclosure may be regarded as an appropriate disclosure under the Act and Listing Regulations.

The Board recommends the Special Resolution set out at Item no. 8 of the Notice for the approval of the Members.

Item No. 9:

Mr. Rajendra Kumar Aneja was appointed as an Independent Director of the Company in the first term of 5 (five) consecutive years, with effect from 1st April, 2014. The Board on the basis of performance evaluation and as per the recommendation of the Nomination and Remuneration Committee at their meetings held on 12th February, 2019, after considering his background, experience and contributions made by him during his tenure, and to continue avail his services as an Independent Director, re-appointed Mr. Aneja, as an Independent Director in the second term of five consecutive years with effect from 1st April, 2019, subject to approval of members in the forthcoming Annual General Meeting. Your Directors considers that the continued association of Mr. Aneja would be beneficial to the Company. Accordingly, it is proposed to re-appoint Mr. Rajendra Kumar Aneja as an Independent Director of the Company, not liable to retire by rotation, for a second term of the 5(five) consecutive years with effect from 1st April, 2019, on the Board of the Company. The Company has also received a notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing his candidature for appointment as Director of the Company.

Mr. Rajendra Kumar Aneja is not disqualified from being appointed as a Director in terms of Section 164 of the Act, and has given his consent to act as Independent Director.

The Company has also received declaration from Mr. Rajendra Kumar Aneja that he meets the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013 (“Act”) and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). Further, in the opinion of

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the Board, Mr. Aneja fulfils the conditions specified in the Act, the Rules thereunder and the Listing Regulations for reappointment as an Independent Director.

Details of Mr. Aneja, are provided in “Annexure-1 to the Notice”. He shall be paid remuneration by way of fee for attending meetings of the Board or for any other purpose whatsoever as may be decided by the Board and reimbursement of expenses for participation in the Board.

Copy of the draft letter for appointment of Mr. Aneja as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Item No. 10: Related Party transactions:

The Audit Committee and Board of Directors of the Company have, in their meetings held on August 13, 2019, approved a proposal for entering into the following related party transactions for the financial year 2020-21:

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	300.00
				Sale of Goods	25.00
				SAP Facilities Charges	0.25
				Expenses incurred by them on our behalf	12.00
				Expenses paid by us on their behalf	1.00
2.	PT Pinnacle Apparels	Step down subsidiary	Mr. Deepak Seth Mr. Pulkit Seth	Purchase of Goods	15.00
				Sale of Goods	1.00
				SAP Facilities Charges	0.10
				Expenses incurred by them on our behalf	2.00
				Expenses paid by us on their behalf	2.00
3.	Pear Global (HK) Limited	Wholly owned subsidiary	Mr. Deepak Seth Mr. Pulkit Seth Mr. Abhishek Goyal	Purchase of Goods	10.00
				Sale of Goods	250.00
				SAP Facilities Charges	1.50
				Expenses incurred by them on our behalf	7.50
				Expenses paid by us on their behalf	30.00

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Rajendra Kumar Aneja is concerned or interested, financially or otherwise, in the resolution set out at the Item No. 9 of the Notice.

This disclosure may be regarded as an appropriate disclosure under the Act and Listing Regulations.

The Board recommends the Special Resolution set out at Item no. 9 of the Notice for the approval of the Members.

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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)
4.	Pearl Global Fareast Limited	Wholly owned subsidiary	Mr. Deepak Seth Mr. Pulkit Seth	Purchase of Goods	10.00
				Sale of Goods	60.00
				SAP Facilities Charges	0.25
				Expenses incurred by them on our behalf	2.50
				Expenses paid by us on their behalf	1.00
5.	DSSP Global Limited	Step down subsidiary	Mr. Deepak Seth Mr. Pulkit Seth	Purchase of Goods	10.00
				Sale of Goods	25.00
				SAP Facilities Charges	0.10
				Expenses incurred by them on our behalf	1.00
				Expenses paid by us on their behalf	1.00
6.	PDS Multinational Fashions Limited	Enterprise over KMP has significant influence	Mr. Deepak Seth	Expenses incurred by them on our behalf	1.00
				Expenses paid by us on their behalf	1.00
7.	Norwest Industries Limited	Enterprise over KMP has significant influence	Mr. Deepak Seth	Sale of Goods	1.00
				Sale of Samples	1.00
				Expenses incurred by them on our behalf	1.00
				Expenses paid by us on their behalf	1.00
8.	Pearl Grass Creations Limited	Step down subsidiary	Mr. Deepak Seth Mr. Pulkit Seth Mrs. Shifalli Seth	Purchase of Goods	6.00
				Sale of Goods	6.00
				Expenses incurred by them on our behalf	1.00
				Expenses paid by us on their behalf	1.00
				SAP Facilities Charges	0.25
9.	Pearl Apparel Fashions Limited	Wholly owned subsidiary	Mr. Vinod Vaish	Purchase of Goods	5.00
				Sale of Goods	5.00
				Expenses incurred by them on our behalf	0.25
				Expenses paid by us on their behalf	0.25

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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)
10.	Prudent Fashions 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
11.	Vin Pearl Global Vietnam Limited	Step down subsidiary	Mr. Deepak Seth Mr. Pulkit Seth	Sale of Goods	5.00
				Sale of Samples	1.00
				SAP Facilities Charges	0.25
				Expenses incurred by them on our behalf	1.00
				Expenses paid by us on their behalf	1.00
12.	Pearl Global F.Z.E	Step down subsidiary	Mr. Deepak 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
13.	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
14.	Pearl Global (Chang Zhou) Textile Technology Co. Ltd.	Step down subsidiary	-	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

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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)
15.	Pearl Global Vietnam Co. Limited	Step down subsidiary	Mr. Pulkit Seth	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. Shifalli 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.10 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 13, 2019

(**Sandeep Sabharwal**)
Company Secretary

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Annexure-1 to the Notice:

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

[Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2]

Item no. 3: Mr. Deepak Seth (DIN: 00003021)		
Age	: 68 years	
Qualifications	: B.A (Economics) and Master of Business Administration (MBA)	
Experience (including expertise in specific functional area) / Brief resume	: He is founder of Pearl Group and has over four decades of experience in garment industry. He is an active member of the Apparel Export Promotion Council of India ("AEPIC") and held the post of "Vice Chairman" of the Eastern Region of AEPIC for 2 years. He is also an executive member of the Apparel Exporters & Manufacturers Association (AEMA) and was awarded the "Udyog Ratna" Award by the Haryana Govt. in 2006 for his entrepreneurial skills. His knowledge of the business environment and vast experience in general management has been an asset to the Company.	
Date of first appointment on the Board	: 22 nd March, 1994	
Shareholding in the Company as on 31 st March, 2019	: 28,62,145 Equity Shares	
Directorships and Committee memberships held in other companies as on 31 st March, 2019	Directorship (excluding Foreign Companies/Bodies Corporate)	Membership in committees
	Pearl Global Industries Limited	Member of Nomination and Remuneration Committee
	PDS Multinational Fashions Limited	Member of Audit Committee and Stakeholders Relationship Committee
	Pearl Global Kaushal Vikas Limited	-
	PS Arts Private Limited	-
	Digital Ecom Techno Private Limited	-
	Technocian Fashions Pvt. Ltd.	-
Inter-se relationships between Directors, Manager and other Key Managerial Personnel	: Father of Mr. Pulkit Seth, Managing Director and Father in-Law of Mrs. Shifalli Seth, Whole-Time Director	
No. of Board Meetings attended during the Financial year 2018-19	: 1 of 4	
Terms and conditions of re-appointment	: Mr. Deepak Seth has been appointed as Non-Executive Director, liable to retire by rotation.	
Details of last drawn remuneration and proposed remuneration	: No remuneration being paid or proposed to be paid except sitting fee of Rs.10,000/- for attending per Board Meeting.	

Mr. Deepak Seth, the retiring Director, being eligible, offers himself for re-appointment. The Board of Directors of your Company propose to appoint Mr. Deepak Seth as a Director, liable to retire by rotation and therefore this Resolution is recommended for approval of the Shareholders of the Company.

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

Item no.4&6: Mr. Pulkit Seth (DIN: 00003044)		
Age	: 39 years	
Qualifications	: Bachelor degree in Business Management from Leonard N. Stern School of Business, University of New York, USA.	
Experience (including expertise in specific functional area) / Brief resume	: He has over fifteen years of experience in the Apparel Industry. He has been overseeing the domestic & overseas operations of the Group and has played an important role in streamlining business processes and enhancing our relationship with leading retailers in the U.S.	
Date of first appointment on the Board	: 1 st November, 2004	
Shareholding in the Company as on 31 st March, 2019	: 6947621 Equity Shares	
Directorships and Committee memberships held in other companies as on 31 st March, 2019	Directorship (excluding Foreign Companies/Bodies Corporate)	Membership in committees
	Pearl Global Industries Limited	Member of Stakeholders Relationship Committee; CSR Committee and Chairman of Finance Committee
	PS Arts Private Limited	-
	Pearl Global Kaushal Vikas Limited	-
Inter-se relationships between Directors, Manager and other Key Managerial Personnel	: Son of Mr. Deepak Seth; and Husband of Mrs. Shifalli Seth, Whole-Time Director	
No. of Board Meetings attended during the Financial year 2018-19	: 2 of 4	
Terms and conditions of re-appointment	: As per the resolution at Item No.4 of the Notice convening this meeting read with explanatory statement thereto, Mr. Pulkit Seth is proposed to be re-appointed as a Director, liable to retire by rotation. Further, as per the resolution at Item No. 6 of the Notice convening this meeting read with explanatory statement thereto, Mr. Pulkit Seth is proposed to be re-appointed as Managing Director for a period of (3) Three years w.e.f. 1 st June, 2019.	
Details of last drawn remuneration and proposed remuneration	: Please refer explanatory statement of this Notice for details of remuneration of Mr. Pulkit Seth.	

Mr. Pulkit Seth, the retiring Director, being eligible, offers himself for re-appointment. The Board of Directors of your Company propose to appoint Mr. Pulkit Seth as a Director, liable to retire by rotation and therefore this Resolution is recommended for approval of the Shareholders of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Pulkit Seth, himself and Mr. Deepak Seth, Mrs. Shifalli Seth, and Mrs. Payel Seth, being relatives, are concerned or interested, financially or otherwise, in the resolution set out at the Item No. 4&6 of the Notice.

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Item no.7: Mr. Anil Nayar (DIN: 01390190)		
Age	:	68 years
Qualifications	:	B. Tech in Mechanical Engineering from IIT, Kanpur and MBA from IIM, Ahmadabad.
Experience (including expertise in specific functional area) / Brief resume	:	He has over 36 years of experience in the area of Corporate Strategy, Corporate Restructurings, Structured Finance and HR Initiatives.
Date of first appointment on the Board	:	19 th January, 2012
Shareholding in the Company as on 31 st March, 2019	:	NIL
Directorships and Committee memberships held in other companies as on 31 st March, 2019	:	Directorship (excluding Bodies Corporate)
		Pearl Global Industries Limited
		Membership in committees
		Chairman of Audit Committee; Member of Nomination and Remuneration Committee; Stakeholders Relationship Committee; and CSR Committee.
Inter-se relationships between Directors, Manager and other Key Managerial Personnel	:	Not related to any Director/ Key Managerial Personnel.
No. of Board Meetings attended during the Financial year 2018-19	:	3 of 4
Terms and conditions of re-appointment	:	As per the resolution at Item No. 7 of the Notice convening this meeting read with explanatory statement thereto, Mr. Anil Nayar is proposed to be re-appointed as an Independent Director.
Details of last drawn remuneration and proposed remuneration	:	Last Drawn Remuneration: Sitting Fees of Rs.10,000/- per meeting of the Board. Proposed Remuneration: Sitting Fees of Rs. 10,000/- per meeting of the Board.
Item no.8: Mr. Chittranjan Dua (DIN: 00036080)		
Age	:	67 years
Qualifications	:	Master's Degree in Economics from Delhi School of Economics and LLB.
Experience (including expertise in specific functional area) / Brief resume	:	He has been a practicing advocate and has vast experience in Corporate Laws, Merger & Amalgamation, Public Issues, Corporate Structuring, Infrastructure Projects, and International Trade & Taxation.
Date of first appointment on the Board	:	12 th September, 2006
Shareholding in the Company as on 31 st March, 2019	:	NIL

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Directorships and Committee memberships held in other companies as on 31 st March, 2019	:	Directorship (excluding Bodies Corporate)	Membership in committees
		Cabot India Limited	-
		Gillette India Limited	Chairman of Audit Committee; Member of Nomination and Remuneration Committee; Cash and Investment Committee and Risk Management Committee.
		Wimco Limited	-
		TVS Motor Company Limited	Chairman of Stakeholders Relationship Committee and Member of Audit Committee; Risk Management Committee; and Nomination and Remuneration Committee.
		Tractors and Farm Equipment Limited	Member of Audit Committee.
		Amit Investment Private Limited	-
		Associated Corporate Consultants India Private Limited	-
		Inapex Private Limited	-
		Linde Engineering India Private Limited	Member of CSR Committee
		McCann Erickson (India) Private Limited	-
		PBE India Private Limited	-
		Result Services Private Limited	-
	Sella Synergy India Private Limited	-	
Inter-se relationships between Directors, Manager and other Key Managerial Personnel	:	Not related to any Director/ Key Managerial Personnel.	
No. of Board Meetings attended during the Financial year 2018-19	:	3 of 4	
Terms and conditions of re-appointment	:	As per the resolution at Item No. 8 of the Notice convening this meeting read with explanatory statement thereto, Mr. Chitranjan Dua is proposed to be re-appointed as an Independent Director.	
Details of last drawn remuneration and proposed remuneration	:	Last Drawn Remuneration: Sitting Fees of Rs.10,000/- per meeting of the Board. Proposed Remuneration: Sitting Fees of Rs. 10,000/- per meeting of the Board.	

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Item no.9: Mr. Rajendra Kumar Aneja (DIN: 00731956)		
Age	: 69 years	
Qualifications	: Master's degree in Management Studies with an Advanced Management Programme at Harvard Business School.	
Experience (including expertise in specific functional area) / Brief resume	: He has more than 35 years of robust business management experience in multinational and family businesses in Asia, Latin America and the Middle East. He has also been the CEO of a large retail business in the Middle East, handling about 75 large retail outlets in fashion, cosmetics and electronics goods in the Middle East, Far East countries.	
Date of first appointment on the Board	: 12 th September, 2006	
Shareholding in the Company as on 31 st March, 2019	: NIL	
Directorships and Committee memberships held in other companies as on 31 st March, 2019	: Directorship (excluding Bodies Corporate)	Membership in committees
	Pearl Global Industries Limited	Member of Audit Committee; Nomination and Remuneration Committee; and Stakeholders Relationship Committee
	Aneja Management Consultants Private Limited	-
	Aneja Assurance Private Limited	-
	Aneja Advisory Private Limited	-
Inter-se relationships between Directors, Manager and other Key Managerial Personnel	: Not related to any Director/ Key Managerial Personnel.	
No. of Board Meetings attended during the Financial year 2018-19	: 1 of 4	
Terms and conditions of re-appointment	: As per the resolution at Item No. 9 of the Notice convening this meeting read with explanatory statement thereto, Mr. Rajendra Kumar Aneja is proposed to be re-appointed as an Independent Director.	
Details of last drawn remuneration and proposed remuneration	: Last Drawn Remuneration: Sitting Fees of Rs.10,000/- per meeting of the Board. Proposed Remuneration: Sitting Fees of Rs. 10,000/- per meeting of the Board.	

Directors' Report

To the Members,

Your Directors are pleased to present the 30th Annual Report and Audited Financial Statements for the financial year ended 31st March 2019, together with the Auditors' Report thereon.

WORKING RESULTS OF THE COMPANY (STANDALONE)

	(Rs. in Crore)	
Particulars	2018-19	2017-18
Income from operations	840.26	710.77
Other Income	26.30	48.02
Profit before Tax	31.85	6.77
Provision for Tax	10.35	4.11
Profit After Tax	21.50	2.66
Other comprehensive income	1.32	(0.42)
Total comprehensive income	22.82	2.24
Transfer to General Reserves	----	----

WORKING RESULTS OF THE COMPANY (CONSOLIDATED)

	(Rs. in Crore)	
Particulars	2018-19	2017-18
Income from operations	1,757.50	1,496.04
Other Income	33.93	47.56
Profit before Tax	82.94	32.40
Provision for Tax	15.83	9.31
Profit After Tax	67.11	23.09
Other comprehensive income	14.73	(1.70)
Total comprehensive income	81.84	21.39

STATE OF THE AFFAIRS OF THE COMPANY

During the year, your Company's consolidated income from operations was Rs.1,757.50 as against Rs.1,496.04 Crore in the previous year and Net Profit Rs.67.11 Crore as against Net Profit Rs. 23.09 Crore in the previous year.

The income from operations for the year under review for the Company on Standalone basis was Rs.840.26 Crore as compared to Rs.710.77 Crore in the previous year and Net Profit Rs.21.50 Crore as compared to Net Profit Rs.2.66 Crore 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 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. 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.

Directors' Report

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.3/- per equity share of Rs.10/- each for the year 2018-19 amounting to Rs.6,49,91,811/- (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, Mr. Deepak Seth and Mr. Pulkit Seth, 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 29, 2018, August 09, 2018, November 13, 2018, and February 12, 2019 during the financial year 2018-19.

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.Shifalli Seth	-	01388430	Mr. Rajendra Kumar Aneja	-	00731956
Mr. Anil Nayar	-	01390190	Mr. Vinod Vaish	-	01945795

The Board of Directors have in its meeting held on February 12, 2019, re-appointed Mr. Chittranjan Dua, Mr. Anil Nayar and Mr. Rajendra Kumar Aneja as Independent Directors in the second term of five years with effect from April 01, 2019, after evaluation of their performance and considering the recommendation of Nomination and Remuneration Committee. Re-appointment of above Directors are subject to approval of shareholders in the ensuing Annual General Meeting. Necessary Resolutions for their re-appointment as Independent Director are proposed in the Notice calling 30th Annual General Meeting for approval of the Shareholders.

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

The Nomination and Remuneration Committee and the Board of Directors in their meetings held on February 12, 2019, have appointed Mr. Raghav Garg as Chief Financial Officer of the Company in place of Mr. Raj Kumar Chawla, who was resigned from the office of CFO of the Company with effect from January 25, 2019.

Mr. Raghav Garg, aged about 36 years, is a qualified Chartered Accountant and having more than 12 years experience in the field of finance functions including maintenance & finalization of accounts, financial planning, budgeting, resource mobilization, working capital management, project monitoring, building internal financial controls, etc. Prior to joining your Company he had been working as Vice-President- Finance & Accounts with Trident Limited.

The Nomination and Remuneration Committee and the Board of Directors in their meetings held on 28th May, 2019, have approved re-appointment Mr. Pulkit Seth as Managing Director of the Company for a further period of Three years with effect from 1st June, 2019. Necessary Resolution for re-appointment of Mr. Pulkit Seth as Managing Director is proposed in the Notice calling 30th 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.

Directors' Report

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.

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, promoting health care and promoting arts and culture. The prescribed CSR amount for the financial year 2018-19 was Rs.16.39 Lakh. However, the Company had earmarked Rs.22.76 Lakh for spending under CSR activities for the financial year 2018-19, which has been fully utilised.

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

SUBSIDIARY COMPANIES

During the year under review, no Company has become or ceased subsidiary, Joint Venture or Associate of the Company.

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, 2019 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.

Directors' Report

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 2018-19. The Secretarial Audit Report for the financial year 2018-19 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 2018-19.

EXTRACTS OF ANNUAL RETURN

Pursuant to the provision of Section 92(3) of the Companies Act, 2013, and rules made thereunder, as amended, an Extract of Annual Return of the Company is annexed herewith as *Annexure-IV* to this Report and also available on the Company's website at <http://www.pearlglobal.com/investors/annual-return>

RELATED PARTY TRANSACTIONS

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

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-VI*.

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-VII*.

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 2019, 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, 2019 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 2018-19 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

Directors' Report

(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-VIII* to this report.

Particulars of employees as required under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, is annexed as *Annexure- IX* 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-X* 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 2018-19.

SECRETARIAL STANDARDS

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

ACKNOWLEDGEMENT

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

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

(VINOD VAISH)
Whole-Time Director
DIN 01945795

(PULKIT SETH)
Managing Director
DIN 00003044

Place: Gurugram
Date: May 28, 2019

Annexure-I to the Directors' Report

NOMINATION AND REMUNERATION POLICY

1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Key Objectives of the Committee would be:

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

2. DEFINITIONS

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

2.4.4. Company Secretary; and

2.4.5. such other officer as may be prescribed.

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

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

3.1. Appointment criteria and qualifications:

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

3.2. Term / Tenure

- a) Managing Director/Whole-time Director:

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

- b) Independent Director:

- An Independent Director shall hold

Annexure-I to the Directors' Report

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.

Annexure-I to the Directors' Report

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

a) Fixed pay:

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

Annexure-I to the Directors' Report

9. SECRETARY

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

10. VOTING

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

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

11. NOMINATION DUTIES

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

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

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

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

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

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

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

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

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

12. REMUNERATION DUTIES

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

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

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

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

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

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

Annexure-II-Annual Report on CSR activities

- 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.
- The CSR Committee comprises Mr. Vinod Vaish, Chairman, Mr. Pulkit Seth, and Mr. Anil Nayar as Members.
- Average net profit of the Company for last three financial years: **Rs. 819.44 Lakh**
- Prescribed CSR expenditure (two percent of the amount mentioned in item 3 above): **Rs. 16.39 Lakh**
The Company has earmarked Rs.22.76 Lakh for CSR expenditure for the financial year 2018-19.
- Details of CSR spent during the financial year:
 - Total amount to be spent for the financial year: Rs. 22.76 Lakh
 - Amount unspent, if any: NIL
 - Manner in which the amount spent during the financial year is detailed below:

(Rs. in Lakh)

Sr. No.	CSR Project or activity identified	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	Chennai	2.00	2.00	2.00	Through Help the Blind Foundation
2.	Education and other initiatives	Promoting Education	New Delhi & Mumbai	2.50	2.50	2.50	Through Adhyayan Quality Education Foundation
3.	Education and other initiatives	Promoting Education	New Delhi	1.76	1.76	1.76	Through Arpan Educational Society for underprivileged children
4.	Education and other initiatives	Promoting Education	Secunderabad	1.00	1.00	1.00	Through Udbhav School
5.	Promoting health care including preventive health care	Promoting preventive health care	New Delhi	5.00	5.00	5.00	Through Cancer Awareness, Prevention and Early Detection Trust
6.	Promoting health care including preventive health care	Promoting health care	Sirsa, Kaithal, Bhivani, Hissar and Faridabad Districts in the State of Haryana	8.00	8.00	8.00	Through Vyakti Vikas Kendra
7.	Promotion and development of traditional art and handicraft	Promotion and development of traditional art	New Delhi	2.50	2.50	2.50	Through Natya Vriksha
Total				22.76	22.76	22.76	

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

Place: Gurugram
Date: May 28, 2019

(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, 2019

[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 compliances** 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, 2019 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, 2019, 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:

Annexure-III to the Directors' Report

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

Mr. Pulkit Seth	- Chairman
Mrs. Shifalli Seth	- Member Director
Mr. Vinod Vaish	- Member Director

6. 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 2019 the company has **19255886** shares in NSDL A/c, **2264676** shares in CDSL A/c and balance of **143375** 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 Noble Heights, 1st Floor, NH 2 C-1 LSC, Near Shavitri Market, Janakpuri, New Delhi – 110 058**, and approved by the Stakeholders Relationship Committee. Share transfer process also reviewed by the Board.

- Investor's Grievance Report during the Financial year:

No. of Grievances Received	- 2
No. of Grievances Attended	- 2
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 2018-19 Audit Committee met on 29/05/2018, 08/08/2018, 13/11/2018 and 12/02/2019 The Company has also maintained the proper record of the minutes of the meetings.

Stakeholders Relationship Committee: During the Financial Year 2018-19 the committee met on 10/05/2018, 25/07/2018, 17/09/2018, 16/10/2018, 10/11/2018, 03/12/2018, 06/03/2019, 13/03/2019 and 30/03/2019. The Company has also maintained the proper record of the minutes of the meetings.

Nomination and Remuneration Committee meeting:

The Committee met on 09/08/2018, 13/11/2018 and 05/02/2019 during the Financial Year 2018-19.

Annexure-III to the Directors' Report

CSR Committee:

The Committee met on 29/05/2018 during the Financial Year 2018-19.

Finance Committee:

The Committee met on 10/01/2019, 24/01/2019, 12/02/2019 and 05/03/2019 during the Financial Year 2018-19.

Independent Directors' meeting:

During the Financial Year 2018-19 the Independent Directors met on 19/03/2019.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors during the period under review.

Composition of the Board:

Mr. Deepak Seth	- Chairman
Mr. Pulkit Seth	- Vice-Chairman & Managing Director
Mrs. Shifalli Seth	- Whole-Time Director
Mr. Vinod Vaish	- Whole-Time Director
Mr. Abhishek Goyal	- Non-executive Independent Director
Mr. Chittranjan Dua	- Non-executive Independent Director
Mr. Rajendra K. Aneja	- Non-executive Independent Director
Mr. Anil Nayar	- 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 29/05/2018, 09/08/2018, 13/11/2018 and 12/02/2019. 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 2018-19 the Company has called 29th Annual General Meeting for the Financial Year 2017-18 on 24th September 2018 at Air Force Auditorium, Subroto

Park, New Delhi-110010. The Company has kept the date of book Closure on 18th September 2018 to 24th September 2018 (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 2018 is paid in prescribed time.

The Board of Directors have declared final dividend Rs. 2/- per Equity Share of Rs. 10/- each for the financial year 2017-18.

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)

Annexure-III to the Directors' Report

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.
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.

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**
- ◆ **Freedom of Association and Collective Bargaining**
- ◆ **Grievance Handling Policy**
- ◆ **Environment Policy**
- ◆ **Health and safety Policy**
- ◆ **Quality Policy**
- ◆ **Policy on Fire**
- ◆ **Overtime Policy**
- ◆ **Security 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**

Annexure-III to the Directors' Report

Electricity Authority (Measures relating to safety and 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 occurrence 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 2017-18 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, 2019

Annexure -IV to the Directors' Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

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	5/7/1989
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, Noble Heights, 1st Floor, NH 2 C-1 Block LSC, Near Shavitri Market, Janakpuri, New Delhi – 110 058 Tel: 011-41410592

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 Garments	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	Pearl Global Kaushal Vikas Limited (Formerly 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%

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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	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	509,431	66	509,497	2.35%	505,532	66	505,598	2.33%	-0.77%
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) Alternate Investment Funds	-	-	-	0.00%	52,627	-	52,627	0.24%	0.00%
g) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) FIIs	1,301,678	-	1,301,678	6.01%	1,301,678	-	1,301,678	6.01%	0.00%
i) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
j) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):-	1,811,109	66	1,811,175	8.36%	1,859,837	66	1,859,903	8.59%	2.69%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	561,721	863	562,584	2.60%	528,842	863	529,705	2.45%	-5.84%
ii) Overseas	325,606	-	325,606	1.50%	-	-	-	0.00%	-100.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1,996,444	127,193	2,123,637	9.80%	1,614,746	120,234	1,734,980	8.01%	-18.30%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1,737,991.00	-	1,737,991	8.02%	2,276,887.00	-	2,276,887	10.51%	31.01%
c) NBFCs Registered with RBI	-	-	-	0.00%	100	-	100	0.00%	0.00%
c) Others (specify)									
Non Resident Indians (Non Repat)	29,248	-	29,248	0.14%	49,165	-	49,165	0.23%	68.10%
Non Resident Indians (Repat)	165,230	22,545	187,775	0.87%	195,207	22,212	217,419	1.00%	15.79%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	46,588	-	46,588	0.22%	58,324	-	58,324	0.27%	25.19%
Trusts	260	-	260	0.00%	260	-	260	0.00%	0.00%
Hindu Undivided Family	414,164	-	414,164	1.91%	512,285	-	512,285	2.36%	23.69%
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(2):-	5,277,252	150,601	5,427,853	25.05%	5,235,816	143,309	5,379,125	24.83%	-0.90%
Total Public (B)	7,088,361	150,667	7,239,028	33.42%	7,095,653	143,375	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)	21,513,270	150,667	21,663,937	100.00%	21,520,562	143,375	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 shareholding 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)	2,862,145	13.21%	NIL	2,862,145	13.21%	NIL	0.00%
4	Mrs. Shifalli Seth	201,478	0.93%	NIL	201,478	0.93%	NIL	0.00%
5	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	No Change	No Change	No Change
	At the end of the year	14,424,909	66.58%	14,424,909	66.58%

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(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	Sanjiv Dhiresbhai Shah						
	At the beginning of the year	01.04.2018	-	832,449	3.84%	832,449	3.84%
	Changes during the year	11.05.2018	Transfer	99,277		931,726	4.30%
		18.05.2018	Transfer	136,729		1,068,455	4.93%
		25.05.2018	Transfer	87,266		1,155,721	5.33%
		01.06.2018	Transfer	5,517		1,161,238	5.36%
		15.06.2018	Transfer	7,552		1,168,790	5.40%
		22.06.2018	Transfer	12,013		1,180,803	5.45%
		30.06.2018	Transfer	11,819		1,192,622	5.51%
		06.07.2018	Transfer	3,387		1,196,009	5.52%
		13.07.2018	Transfer	875		1,196,884	5.52%
		20.07.2018	Transfer	4,418		1,201,302	5.55%
		27.07.2018	Transfer	500		1,201,802	5.55%
		03.08.2018	Transfer	7,137		1,208,939	5.58%
		10.08.2018	Transfer	4,869		1,213,808	5.60%
		14.09.2018	Transfer	983		1,214,791	5.61%
		21.09.2018	Transfer	7,290		1,222,081	5.64%
		29.09.2018	Transfer	4,084		1,226,165	5.66%
		05.10.2018	Transfer	21,410		1,247,575	5.76%
		12.10.2018	Transfer	21,201		1,268,776	5.86%
		19.10.2018	Transfer	17,567		1,286,343	5.94%
		26.10.2018	Transfer	3,000		1,289,343	5.95%
		02.11.2018	Transfer	4,000		1,293,343	5.97%
		09.11.2018	Transfer	940		1,294,283	5.97%
		16.11.2018	Transfer	2,000		1,296,283	5.98%
		30.11.2018	Transfer	1		1,296,284	5.98%
		07.12.2018	Transfer	9,259		1,305,543	6.03%
		21.12.2018	Transfer	9,721		1,315,264	6.07%
		22.02.2019	Transfer	966		1,316,230	6.08%
		01.03.2019	Transfer	3,739		1,319,969	6.09%
		08.03.2019	Transfer	57,289		1,377,258	6.36%
		15.03.2019	Transfer	27,814		1,405,072	6.49%
		22.03.2019	Transfer	33,099		1,438,171	6.64%
		29.03.2019	Transfer	11,149		1,449,320	6.69%
	At the end of the year	31.03.2019				1,449,320	6.69%
2	Premier Investment Fund Limited						
	At the beginning of the year	01.04.2018	-	1,051,231	4.85%	1,051,231	4.85%
	Changes during the year	-	-	-	0.00%	-	0.00%
	At the end of the year	31.03.2019	-			1,051,231	4.85%
3	General Insurance Corporation of India						
	At the beginning of the year	01.04.2018	-	256,666	1.18%	256,666	1.18%
	Changes during the year	-	-	-	0.00%	-	0.00%
	At the end of the year	31.03.2019	-			256,666	1.18%

Annexure -IV to the Directors' Report

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
4	LTS Investment Fund Limited						
	At the beginning of the year	01.04.2018	-	250,447	1.16%	250,447	1.16%
	Changes during the year	-	-	-	0.00%	-	0.00%
	At the end of the year	31.03.2019	-			250,447	1.16%
5	Life Insurance Corporation of India						
	At the beginning of the year	01.04.2018	-	227,292	1.05%	227,292	1.05%
	Changes during the year	-	-	-	-	-	-
	At the end of the year	31.03.2019	-			227,292	1.05%
6	Shah Sanjivbhai Dhiresbhai						
	At the beginning of the year	01.04.2018	-	90,983	0.42%	90,983	0.42%
	Changes during the year	06.04.2018	Transfer	8,755		99,738	0.46%
		13.04.2018	Transfer	5,195		104,933	0.48%
		20.04.2018	Transfer	2,025		106,958	0.49%
		11.05.2018	Transfer	5,000		111,958	0.52%
		02.11.2018	Transfer	20,308		132,266	0.61%
		16.11.2018	Transfer	1,500		133,766	0.62%
		30.11.2018	Transfer	610		134,376	0.62%
		07.12.2018	Transfer	702		135,078	0.62%
		14.12.2018	Transfer	245		135,323	0.62%
		18.01.2019	Transfer	22,693		158,016	0.73%
		25.01.2019	Transfer	22,429		180,445	0.83%
		01.02.2019	Transfer	16,304		196,749	0.91%
		08.02.2019	Transfer	919		197,668	0.91%
	15.02.2019	Transfer	2,313		199,981	0.92%	
	At the end of the year	31.03.2019			199,981	0.92%	
7	Virat Services LLP						
	At the beginning of the year	01.04.2018	-	-	0.00%	-	0.00%
	Changes during the year	31.08.2018	Transfer	115,468		115,468	0.53%
		07.09.2018	Transfer	2		115,470	0.53%
		14.09.2018	Transfer	60,000		175,470	0.81%
	At the end of the year	31.03.2019			175,470	0.81%	
8	Shah Krinaben Sanjivbhai						
	At the beginning of the year	01.04.2018	-	88,342	0.41%	88,342	0.41%
	Changes during the year	04.05.2018	Transfer	16,741		105,083	0.49%
		11.05.2018	Transfer	7,956		113,039	0.52%
		11.01.2019	Transfer	2,350		115,389	0.53%
	At the end of the year	31.03.2019			115,389	0.53%	
9	Nirmal Hiroo Bharwani						
	At the beginning of the year	01.04.2018	-	90,000	0.42%	90,000	0.42%
	Changes during the year	25.01.2019	Transfer	20,000		110,000	0.51%
	At the end of the year	31.03.2019			110,000	0.51%	
10	Rajasthan Global Securities Private Limited						
	At the beginning of the year	01.04.2018	-	332,222	1.53%	332,222	1.53%
	Changes during the year	10.08.2018	Transfer	-73,096		259,126	1.20%

Annexure -IV to the Directors' Report

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
		17.08.2019	Transfer	7,437		266,563	1.23%
		24.08.2018	Transfer	-88,067		178,496	0.82%
		31.08.2018	Transfer	-14,211		164,285	0.76%
		07.09.2018	Transfer	5,886		170,171	0.79%
		14.09.2018	Transfer	6,633		176,804	0.82%
		29.09.2018	Transfer	-44,637		132,167	0.61%
		02.11.2018	Transfer	4,808		136,975	0.63%
		25.01.2019	Transfer	-14,918		122,057	0.56%
		15.03.2019	Transfer	-1,000		121,057	0.56%
		22.03.2019	Transfer	-16,049		105,008	0.48%
		29.03.2019	Transfer	-5,000		100,008	0.46%
	At the end of the year	31.03.2019				100,008	0.46%
11	Dheeraj Kumar Lohia						
	At the beginning of the year	01.04.2018	-	98,771	0.46%	98,771	0.46%
	Changes during the year	25.05.2018	Transfer	-9,559		89,212	0.41%
		27.07.2018	Transfer	-5,470		83,742	0.39%
		10.08.2018	Transfer	-5,000		78,742	0.36%
		17.08.2018	Transfer	-10,126		68,616	0.32%
		24.08.2018	Transfer	-6,500		62,116	0.29%
		07.09.2018	Transfer	-1,385		60,731	0.28%
		14.09.2018	Transfer	-1,500		59,231	0.27%
		21.09.2018	Transfer	-2,000		57,231	0.26%
		29.09.2018	Transfer	-532		56,699	0.26%
		05.10.2018	Transfer	-2,000		54,699	0.25%
		19.10.2018	Transfer	-3,659		51,040	0.24%
		26.10.2018	Transfer	-660		50,380	0.23%
		09.11.2018	Transfer	-3,000		47,380	0.22%
		18.01.2019	Transfer	-7,093		40,287	0.19%
		25.01.2019	Transfer	-7,379		32,908	0.15%
		01.02.2019	Transfer	-3,458		29,450	0.14%
		08.03.2019	Transfer	-2,500		26,950	0.12%
		29.03.2019	Transfer	-3,000		23,950	0.11%
	At the end of the year	31.03.2019				23,950	0.11%
12	Lesing Mauritius Limited						
	At the beginning of the year	01.04.2018	-	325,606	1.50%	325,606	1.50%
	Changes during the year	11.05.2018	Transfer	-190,000		135,606	0.63%
		18.05.2018	Transfer	-72,700		62,906	0.29%
		25.05.2018	Transfer	-62,906		-	0.00%
	At the end of the year	31.03.2019				-	0.00%
13	Mayur Mukundbhai Desai						
	At the beginning of the year	01.04.2018	-	103,160	0.48%	103,160	0.48%
	Changes during the year	02.11.2018	Transfer	-103,160		-	0.00%
	At the end of the year	31.03.2019				-	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	01.04.2018	-	2,862,145	13.21%	2,862,145	13.21%
	Changes during the year			No Change			
	At the end of the year	31.03.2019				2,862,145	13.21%
2	Mr. Pulkit Seth, Managing Director						
	At the beginning of the year	01.04.2018		6,947,621	32.07%	6,947,621	32.07%
	Changes during the year			No Change			
	At the end of the year	31.03.2019				6,947,621	32.07%
3	Mrs. Shifalli Seth, Whole-Time Director						
	At the beginning of the year	01.04.2018		201,478	0.93%	201,478	0.93%
	Changes during the year			No Change			
	At the end of the year	31.03.2019				201,478	0.93%
4	Mr. Vinod Vaish, Whole-Time Director						
	At the beginning of the year	01.04.2018		-	0.00%	-	0.00%
	Changes during the year			No Change			
	At the end of the year	31.03.2019		-	0.00%	-	0.00%
5	Mr. Chittranjan Dua, Non-Executive Independent Director						
	At the beginning of the year	01.04.2018		-	0.00%	-	0.00%
	Changes during the year			No Change			
	At the end of the year	31.03.2019		-	0.00%	-	0.00%
6	Mr. Anil Nayar, Non-Executive Independent Director						
	At the beginning of the year	01.04.2018		-	0.00%	-	0.00%
	Changes during the year			No Change			
	At the end of the year	31.03.2019		-	0.00%	-	0.00%
7	Mr. Rajendra Kumar Aneja, Non-Executive Independent Director						
	At the beginning of the year	01.04.2018		-	0.00%	-	0.00%
	Changes during the year			No Change			
	At the end of the year	31.03.2019		-	0.00%	-	0.00%
8	Mr. Abhishek Goyal, Non-Executive Independent Director						
	At the beginning of the year	01.04.2018		-	0.00%	-	0.00%
	Changes during the year			No Change			
	At the end of the year	31.03.2019		-	0.00%	-	0.00%
9	Mr. Raghav Garg, Chief Financial Officer						
	At the beginning of the year	01.04.2018		-	0.00%	-	0.00%
	Changes during the year			No Change			
	At the end of the year	31.03.2019		-	0.00%	-	0.00%
10	Mr. Sandeep Sabharwal, Company Secretary						
	At the beginning of the year	01.04.2018		-	0.00%	-	0.00%
	Changes during the year			No Change			
	At the end of the year	31.03.2019		-	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.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,311,525,772		-	2,311,525,772
ii) Interest due but not paid	-		-	-
iii) Interest accrued but not due	3,573,148		-	3,573,148
Total (i+ii+iii)	2,315,098,920		-	2,315,098,920
Change in Indebtedness during the financial year				
* Addition	(10,332,700,684)		-	(10,332,700,684)
* Reduction	10,618,767,169		-	10,618,767,169
Net Change	286,066,485		-	286,066,485
Indebtedness at the end of the financial year				
i) Principal Amount	2,025,459,287		-	2,025,459,287
ii) Interest due but not paid	-		-	-
iii) Interest accrued but not due	2,467,226		-	2,467,226
Total (i+ii+iii)	2,027,926,513		-	2,027,926,513

(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.
		Mr. Pulkit Seth	Mrs. Shifalli Seth	Mr. Vinod Vaish	
	Name	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	12,000,000	7,500,000	1,651,476	21,151,476
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	28,800	28,800	58,310	115,910
	(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 (Provident Fund)	21,600	21,600	21,600	64,800
	Total (A)	12,050,400	7,550,400	1,731,386	21,332,186
	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.)
		Mr. Chittranjan Dua	Mr. Anil Nayar	Mr. Rajendra Kumar Aneja	Mr. Abhishek Goyal	
1	Independent Directors					
	Fee for attending Board/ Committee meetings	30,000	30,000	10,000	40,000	110,000
	Commission	-	-	-	-	-
	Others, please specify (for attending Independent Directors Meeting)	10,000	10,000	-	10,000	30,000
	Total (1)	40,000	40,000	10,000	50,000	140,000
2	Other Non-Executive Directors	Mr. Deepak Seth				-
	Fee for attending Board/ Committee meetings	10,000	-	-	-	10,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	10,000	-	-	-	10,000
	Total (B)=(1+2)	50,000	40,000	10,000	50,000	150,000
	Total Managerial Remuneration					21,482,186
	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.
		Mr. Raj Kumar Chawla	Mr. Raghav Garg	Mr. Sandeep Sabharwal	
	Name	CFO (upto 25.01.2019)*	CFO (from 12.02.2019)	Company Secretary	
	Designation				
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,024,885	692,256	1,761,024	7,478,165
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	385,251	-	32,359	417,610
	(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	5,410,136	692,256	1,793,383	7,895,775

*Mr. Rajkumar Chawla, resigned from office of CFO w.e.f. 25.01.2019

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

Place: Gurugram
Date: May 28, 2019

(VINOD VAISH)
Whole-Time Director
DIN 01945795

(PULKIT SETH)
Managing Director
DIN 00003044

Annexure -V to the Directors' Report

Form No. AOC-2

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

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

Sl. No.	Name of the related party	Nature of the relationship	Nature of Contracts/ arrangement/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Value (₹ in Lakh)	Date of approval of the Board, if any	Amount paid as advances, if any
1	Norp Knit Industries Limited	Subsidiary	Purchase of goods	01.04.2018 to 31.03.2019	-	14,023.75	26.05.2017	NIL
			Sale of goods			202.16		NIL
			Expenses incurred by them on our behalf			820.44		NIL
			Expenses paid by us on their behalf			27.35		NIL

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

Place: Gurugram
Date: May 28, 2019

(VINOD VAISH)
Whole-Time Director
DIN 01945795

(PULKIT SETH)
Managing Director
DIN 00003044

Annexure -VI to the Directors' Report

Related Party disclosure under regulation 34 of listing regulations

Loan / Advances

(₹ in Lakh)

Name of Party	Status	Balance as on 31.03.2019	Maximum during the year
PDS Multinational Fashions Limited	Associates	300.00	300.00
Pearl Global Fareast Limited	Subsidiary	456.52	456.52

Investments (Equity Shares)

Name of Party	Status	Balance as on 31.03.2019	Maximum during the year
Pearl Global Fareast Limited	Subsidiary	2,797.29	2,797.29
Norp Knit Industries Ltd	Subsidiary	2,419.51	2,419.51
Pearl Apparel Fashions Limited	Subsidiary	1,648.35	1,648.35
Pearl Apparel Fashions Limited (Preference Shares)	Subsidiary	300.00	300.00
Pearl Global (HK) Limited	Subsidiary	6,173.19	6,173.19
Pearl Global Kaushal Vikas Limited (Formerly Pixel Industries Ltd.)	Subsidiary	5.00	5.00

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

Place: Gurugram
Date: May 28, 2019

(VINOD VAISH)
Whole-Time Director
DIN 01945795

(PULKIT SETH)
Managing Director
DIN 00003044

Annexure-VII 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]

(₹ in Lakh)

Sl. No.	Name of the Company	Loans	Guarantees	Investments
1	Pearl Global (HK) Limited	-	7,800.04	6,173.19
2	PDS Multinational Fashions Limited	300.00	-	5.00
3	Pearl Global Fareast Limited	456.52	-	2,797.29
4	Norp Knit Industries Limited	-	7,389.08	2,419.51
5	Pearl Apparel Fashions Limited	-	-	1,648.35
6	Pearl Apparel Fashions Limited (Preference Shares)	-	-	300.00
7	Pearl Global Kaushal Vikas Limited (Formerly Pixel Industries Limited)	-	-	5.00

Note:

- Investment are in equity shares, unless otherwise mentioned
- 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

Place: Gurugram
Date: May 28, 2019

(VINOD VAISH)
Whole-Time Director
DIN 01945795

(PULKIT SETH)
Managing Director
DIN 00003044

Annexure-VIII 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) 40.73x Mrs. Shifalli Seth (WTD) 25.45x Mr. Vinod Vaish (WTD) 9.33x
II	The percentage increase in remuneration of each Director, CFO, CS in the financial year	Mr. Pulkit Seth (VC&MD) Nil Mrs. Shifalli (WTD) Nil Mr. Vinod Vaish (WTD) 10% Chief Financial Officer Nil Company Secretary 4%
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 7%.
IV	The number of permanent employees on the rolls of the Company	There were approx 6200 permanent employees as on 31 st March, 2019
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 7%. Average percentile increase in the salary of Managerial personnel in the last financial year was 7%.
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 28, 2019

Annexure-IX 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. Amit Mohan	Group CFO	B.Com (Hons), CA, CPA, ISA	53	30	2/11/2015	6,354,915	CFO, Vishvaraj Infrastructure, Nagpur	NIL	No
2	Mr. Raj Kumar Chawla	Chief Financial Officer (till 25.01.2019)	B.Com, CA	44	22	15/2/2012	5,410,136	GM-F&A, Shyam Telecom, Ltd,	NIL	No
3	Mr. Manish Sareen	Senior Vice President (Marketing & Operations)	MBA	48	25	1/11/2017	4,038,172	Founder & CEO-J&M Fashions	NIL	No
4	Mr. Pankaj Bhasin	CEO-Sampling & Merchandising	B.Com and Apparel Production Management	46	24	15/7/1995	3,979,405	NIL	NIL	No
5	Mr. Sundeep Chatrath	COO-Knits Division (India)	B.A.	52	31	1/6/2017	3,901,495	Head-Merchandising, Gupta Exim, Faridabad	NIL	No
6	Mr. Anand Bhatia	Vice-President (Production)	B.Sc., MBA	50	27	9/8/2011	3,696,454	Factory Manager, Texport Fashion Ltd	NIL	No
7	Mr. Sumit Kumar	Executive Assistant-Chairman	B.E. (M.E.), PGDMA, CFA-II	37	12	8/2/2017	3,529,012	AGM, Punj Lloyd	NIL	No
8	Mr. Ashutosh Sharma	Assistant Vice President (Human Resource)	P.G.	40	18	15/3/2018	2,780,732	Head & GM-Paras Group (Real Estate & Education Business)	NIL	No
9	Mr. Ashish Kumar Garg	Vice-President (Sampling & Merchandising)	B.Sc., PG-GMT	41	20	30/1/2010	2,417,741	Sr. Business Manager, Shahi Export	NIL	No
10	Mr. Sachin Gupta	Vice-President (SBUYS)	B. E. (IE) from IIT Roorkee	46	24	8/2/2011	2,133,507	Busana Apparel Group, Indonesia	NIL	No

Note: Nature of employment is non contractual

Annexure-IX 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	39	15	1/11/2004	12,050,400	NIL	32.07	Yes
2	Mrs. Shifalli Seth	Whole-Time Director	Bachelor degree in Business Administration	38	14	1/5/2005	7,550,400	Pearl Global Ltd.	0.93	Yes
3	Mr. Vinod Vaish	Whole-Time Director	B.Sc.	61	29	8/6/2009	1,731,386	Director, Uttranchal Biodiesel Ltd	NIL	No

Note: Nature of employment is contractual

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 28, 2019

Annexure X to the Directors' 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-X 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	(₹ in Lakh)	
	2018-19	2017-18
a) Capital	NIL	NIL
b) Recurring	576.31	596.89
Total	576.31	596.89

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings		(₹ in Lakh)
Particulars	2018-19	2017-18
Export of Goods - FOB basis	77,985.01	64,361.23
Interest Income	29.68	25.52
IT/SAP Income	81.68	78.77
Total	78,096.37	64,465.52

Foreign Exchange Outgo		(₹ in Lakh)
Particulars	2018-19	2017-18
Imports	2,889.52	695.11
Foreign Travelling	69.47	86.37
EDI Expenses	37.09	37.10
Others	85.18	47.91
Total	3,081.26	866.49

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 28, 2019

Statement containing salient features of the financial statement of subsidiary companies

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

(₹ in Lakh)

Sl. No.	Name of Subsidiary	Date of Acquisition	Reporting Period	Re-reporting Currency	Ex-change 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 share-holding	Other comprehensive (Expenses) Income	Total Comprehensive income for the Year
1	Pearl Apparel Fashions Limited	30.03.2007	31-Mar-19	INR	N.A.	2763.91	-2736.27	328.30	300.66	0.00	104.99	-183.10	126.24	-309.34	-	100	-	(309.34)
2	Pearl Global Kaushal Vikas Limited (Formerly Pixel Industries Limited)	18.06.2014	31-Mar-19	INR	N.A.	5.00	-3.68	2.16	0.84	0.00	0.00	-0.68	0.00	-0.68	-	100	-	(0.68)
3	Norp Knit Industries Limited	22.03.2006	31-Mar-19	USD	69.17	3331.65	8495.24	30089.88	18262.98	321.02	58675.75	2277.20	300.90	1976.29	-	99.99	-	1,976.29
4	Pearl Global Fareast Limited	16.03.2009	31-Mar-19	USD	69.17	2998.58	3096.67	10887.42	4792.17	0.00	19940.23	948.43	0.00	948.43	-	100	-	948.43
5	Peal Global (HK) Limited	22.12.2009	31-Mar-19	USD	69.17	6266.92	2350.42	37100.59	27217.19	11887.76	81909.90	530.55	121.62	408.93	-	100	(26.40)	382.53
6	PGIC Investment Limited	16.08.2016	31-Mar-19	USD	69.17	0.00	-40.60	4120.76	4161.36	0.00	0.28	-38.08	0.00	-38.08	-	100	-	(38.08)
7	Pearl Grass Creations Limited	11.07.2016	31-Mar-19	USD	69.17	276.69	-1214.22	1001.02	1938.55	0.00	3919.50	-609.81	0.00	-609.81	-	80	-	(609.81)
8	Vin Pearl Global Vietnam Limited	11.07.2016	31-Mar-19	USD	69.17	8.30	-1388.20	4507.22	5887.12	1317.46	189.91	-948.72	0.00	-948.72	-	100	(0.17)	(948.89)
9	Pearl Global Vietnam Co. Limited	01.05.2017	31-Mar-19	VND	0.00	621.14	-1796.38	3176.12	4351.37	0.00	8616.74	-802.63	0.00	-802.63	-	100	-	(802.63)
10	Prudent Fashions Limited	02.03.2017	31-Mar-19	BDT	0.82	6.52	-33.08	647.71	674.26	0.00	0.00	-27.12	0.00	-27.12	-	100	-	(27.12)
11	Pearl Global (Changzhou) Textile Technology Co., LTD	14.11.2016	31-Mar-19	RMB Yuan	10.33	81.68	-76.16	5.54	0.02	0.00	0.00	-58.70	0.00	-58.70	-	100	-	(58.70)
12	DSSP Global Limited	08.11.2012	31-Mar-19	USD	69.17	1041.11	2700.41	12121.63	6925.86	726.28	24666.66	561.41	121.62	439.79	-	100	3.20	442.99
13	PT Pinnacle Apparels	30.03.2006	31-Mar-19	USD	69.17	1040.31	3792.19	9178.94	4346.43	0.00	15369.27	471.98	123.40	348.58	-	69.91	3.20	351.78

Note:

In addition to above the Company has invested in 3000000 Preference Shares of ₹ 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

(Raghav Garg)
Chief Financial Officer

(Sandeep Sabharwal)
Company Secretary

Place: Gurugram
Date: May 28, 2019

Corporate Governance

1. COMPANY'S PHILOSOPHY

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency and fairness in all its transactions in widest sense and meet its stakeholders aspirations. Good governance practices stem from the culture and mindset of the organization and at Pearl Global Industries Limited, we are committed to meet the aspirations of all our stakeholders.

The demand of corporate governance require professional to raise their competency and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics.

At Pearl Global Industries Limited, it is our belief that as we move closure towards our aspirations of becoming a global corporation, our corporate governance standards must be globally benchmarked. This gives us the confidence of having put in the right building blocks for future growth and ensuring that we achieve our ambitions in prudent and sustainable manner.

Over the years governance processes and systems have been strengthened at Pearl Global Industries Limited.

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 2019, 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 31.03.2019 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	--	2	Yes
3	Mrs. Shifalli Seth	Promoter, Executive	1	--	--	3	No
4	Mr. Vinod Vaish	Executive	1	3	1	4	No
5	Mr. Chittranjan Dua	Independent Non-executive	5	4	1	3	Yes
6	Mr. Rajendra K. Aneja	Independent Non-executive	-	3	--	1	No
7	Mr. Anil Nayar	Independent Non-executive	-	4	2	3	Yes
8	Mr. Abhishek Goyal	Independent Non-executive	2	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.*

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

Name of Director	DIN	Name of listed entities in which the concerned Director is a Director	Category of Directorship
Mr. Deepak Seth	00003021	PDS Multinational Fashions Limited	Promoter, Non-Executive Director
Mr. Pulkit Seth	00003044	NIL	NIL
Mrs. Shifalli Seth	01388430	NIL	NIL
Mr. Vinod Vaish	01945795	NIL	NIL
Mr. Chittranjan Dua	00036080	TVS Motor Company Limited	Independent Non-Executive Director
		Gillete India Limited	Independent Non-Executive Director
Mr. Rajendra Kumar Aneja	00731956	NIL	NIL
Mr. Anil Nayar	01390190	NIL	NIL
Mr. Abhishek Goyal	01928855	NIL	NIL

Mr. Deepak Seth, Chairman, Mr. Pulkit Seth, Vice Chairman & Managing Director and Mrs. Shifalli Seth, Whole-Time Director are relatives. Mrs. Shifalli 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 2018-19, four (4) Board Meetings were held on 29th May 2018, 9th August 2018, 13th November 2018 and 12th February, 2019.

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. Shifalli 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>

Skills/Expertise/Competence of the Board of Directors

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

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

Skill area	Description	Number of Directors having particular skills
Product design, Manufacturing, Sales and Marketing	<ul style="list-style-type: none"> Experience in design and manufacturing of products and developing strategies to increase sales and market share. 	3
Finance	<ul style="list-style-type: none"> Qualification and experience in accounting and finance and ability to understand key financial statements, strategic financial planning and budgets. 	6
Global Business	<ul style="list-style-type: none"> Experience in driving business in markets around the world. Understanding of diverse business environments, economic conditions, cultures and regulatory frameworks. 	3

Skill area	Description	Number of Directors having particular skills
Leadership and Strategic Planning	<ul style="list-style-type: none"> Ability to understand organization, processes, strategic planning and risk management. Experience in developing talent, succession planning and driving change and long term growth. 	4
Technology and Innovation	<ul style="list-style-type: none"> Knowledge of technological trends in apparel industry. 	3
Legal and Governance	<ul style="list-style-type: none"> Ability to protect shareholders' interest and observe appropriate governance practices. Monitor risk and compliance management system including legal framework. 	4
Human Resource and Administration	<ul style="list-style-type: none"> Ability to understand Labour Laws and other related applicable Laws including administration functions of the Company. 	4

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

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

Information supplied to the Board

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

- Annual Operating plans and budgets, Capital budgets, updates;
- Quarterly results for the company and its operating divisions or business segments;
- 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, 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 29th May 2018, 8th August 2018, 13th November 2018 and 12th February 2019 during the financial year 2018-19. The maximum gap between any two meetings was less than one hundred twenty days.

During the year 2018-19, 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	4
Mr. Abhishek Goyal -- Member Director	4
Mr. Rajendra K 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.

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. Shifalli Seth	Mr. Vinod Vaish
Designation	Chairman	Managing Director	Director	Director	Director	Director	Whole Time Director	Whole Time Director
Pension	--	--	--	--	--	--	--	--
Provident Fund	--	21,600	--	--	--	--	21,600	21,600
Perquisites	--	28,800	--	--	--	--	28,800	58,310
Break up of fixed components and Performance linked incentives with performance criteria	--	--	--	--	--	--	--	--
Performance Incentive	--	--	--	--	--	--	--	--
Service Contract	--	3 years	--	--	--	--	3 years	Upto October 2020
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	40,000	10,000	50,000	--	--
Total	10,000	1,20,50,400	40,000	40,000	10,000	50,000	75,50,400	17,31,386

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, 2019,

The Stakeholder Relationship Committee comprises of:

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

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

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

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

The meetings of the Stakeholder Relationship Committee were held on 10th May, 2018, 25th July, 2018, 17th September, 2018, 16th October, 2018, 10th November, 2018, 3rd December, 2018, 6th March, 2019, 13th March, 2019, and 30th March, 2019 during the financial year 2018-19.

Status of Shareholders Complaints during the year 2018-19

Complaints at the beginning of the year.	Complaints received during the year.	Complaints settled during the year.	Complaints pending at the ending of the year
Nil	2	2	Nil

7. CORPORATE SOCIAL REPOSIBILITY COMMITTEE

As on 31st March, 2019,

The Corporate Social Responsibility Committee comprises of:

Mr. Vinod Vaish - Chairman

Mr. Pulkit Seth - Member

Mr. Anil Nayar - Member

The Chairman of the Committee is Executive Director.

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

One meeting held on 29th May, 2018, during the financial year 2018-19.

8. FINANCE COMMITTEE

The finance committee constituted by the Board of Directors on 13th November, 2018.

As on 31st March, 2019,

The Finance Committee comprises of:

Mr. Pulkit Seth - Chairman

Mrs. Shifalli Seth - Member

Mr. Vinod Vaish - Member

The Chairman of the Committee is Executive Director.

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

The meetings of Finance Committee were held on 10th January, 2019, 24th January, 2019, 12th February, 2019 and 5th March, 2019, during the financial year 2018-19.

9. GENERAL BODY MEETINGS

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

Year	AGM	Location	Date	Time
2015-16	27 th	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	28 th	Sri Sathya Sai International Centre, Pragati Vihar (Near Pragati Vihar Hostel) Lodhi Road, New Delhi-110 003	28.09.2017	03.30 P.M.
2017-18	29 th	Air Force Auditorium, Near R&R Hospital Subroto Park, New Delhi-110 010	24.09.2018	10.30 A.M.

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

Sl. No.	Particulars of Special Resolution	Date	Financial Year
1	Re-appointment of Mrs. Shifalli Seth as Whole-Time Director of the Company.	24 th September, 2018	2017-18
	To approve remuneration of Mr. Pulkit Seth as Managing Director of the Company.	24 th September, 2018	2017-18
	To Increase the Investment Limit by Non Resident Indian (NRI) or Overseas Citizen of Indian (OCI) in the Company.	24 th September, 2018	2017-18
	Alteration of Memorandum of Association of the Company for commencement of New Business.	24 th September, 2018	2017-18
2	NIL	28 th September, 2017	2016-17
3	Re-appointment of Mr. Pulkit Seth as Managing Director of the Company.	27 th September, 2016	2015-16
	Revision in remuneration of Mr. Vinod Vaish as Whole-Time Director of the Company.	27 th September, 2016	2015-16
	Re-appointment of Mr. Vinod Vaish as Whole-Time Director of the Company.	27 th September, 2016	2015-16

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

10. MEANS OF COMMUNICATION

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

11. GENERAL SHAREHOLDER INFORMATION**(i) Annual General Meeting**

30th Annual General Meeting is scheduled as under:-

Day	Date	Time	Venue
Tuesday	24 th September, 2019	10.30 A.M.	Sri Sathya Sai International Centre Pragati Vihar (Near Pragati Vihar Hostel) Lodhi Road, New Delhi-110 003

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

Financial Calendar, 2019-20 (Tentative)

- First Quarter Results : Second week of August, 2019
 Second Quarter & Half Yearly Results : Second week of November, 2019
 Third Quarter Results : Second week of February, 2020
 Fourth Quarter & Annual Results : Last week of May, 2020

(iii) Dividend payment date

The dividend will be paid within 30 days from the date of Annual General Meeting, subject to declaration by the Shareholders.

(iv) Date of Book Closure : 18th September, 2019 to 24th September, 2019
(both days inclusive)

(v) 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 1 ST FLOOR, NEW TRADING RING ROTUNDA BUILDING, P. J. TOWERS DALAL STREET, FORT, MUMBAI - 400 001 Mumbai	532808
NATIONAL STOCK EXCHANGE OF INDIA LTD. “EXCHANGE PLAZA”, PLOT NO. C- 1, G- BLOCK, BANDRA - KURLA COMPLEX, BANDRA (E), MUMBAI - 400 051	PGIL

The Annual Listing Fee for the financial year 2018-2019 has been paid to the Stock Exchanges within stipulated time.

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

(vi) Market Price Data: High, Low during each month in financial year 2018-19:

MONTH(S)	BOMBAY STOCK EXCHANGE Company Code: 532808		NATIONAL STOCK EXCHANGE Company Code: PGIL	
	HIGH	LOW	HIGH	LOW
April 2018	135.35	105.05	135.50	101.60
May 2018	128.45	106.10	128.55	109.00
June 2018	133.90	110.00	134.00	110.00
July 2018	143.25	119.00	139.20	118.45
August 2018	167.00	131.00	170.00	131.00
September 2018	166.95	139.00	169.85	137.50
October 2018	154.00	117.00	153.00	119.00
November 2018	163.00	127.20	146.90	130.05
December 2018	148.90	131.70	150.00	131.00
January 2019	158.00	128.05	157.45	131.25
February 2019	145.00	128.25	147.70	130.10
March 2019	192.95	134.00	192.90	133.00

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

MONTH(S) (As on end of last trading day of the month)	SHARE PRICES COMPARISON			
	BSE		NSE	
	PGIL	BSE (Sensex)	PGIL	NSE (Nifty)
April 2018	123.50	35160.36	125.35	10739.35
May 2018	122.35	35322.38	122.60	10736.15
June 2018	124.00	35423.48	123.30	10714.30
July 2018	135.00	37606.58	134.90	11356.50
August 2018	164.95	38645.07	165.90	11680.50
September 2018	145.60	36227.14	143.75	10930.45
October 2018	131.50	34442.05	132.40	10386.60
November 2018	145.20	36194.30	144.65	10876.75
December 2018	139.85	36068.33	136.15	10862.55
January 2019	141.80	36256.69	133.70	10830.95
February 2019	136.45	35867.44	134.10	10792.50
March 2019	179.10	38672.91	178.70	11623.90

(viii) Registrar and Share Transfer Agent

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

(ix) 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.

(x) Distribution Schedule**(a) Distribution of Equity Shareholding of the Company as on 31st March 2019**

Number of Equity Shares * held	Shareholders		Equity shares held	
	Numbers	% to total	Numbers	% to total
1 - 500	17048	96.62	1173972	5.42
501 - 1000	268	1.52	201954	0.93
1001 - 2000	124	0.70	183536	0.85
2001 - 3000	54	0.31	134774	0.62
3001 - 4000	25	0.14	87712	0.41
4001 - 5000	21	0.12	101434	0.47
5001 - 10000	36	0.20	275802	1.27
10001 and above	68	0.39	19504753	90.03
Total	17644	100.00	21663937	100.00

(b) Categories of Shareholders as on 31st March 2019

	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	6.01
Financial Institutions/Banks	6	0.04	505598	2.33
NRI's / Foreign Companies	213	1.25	266584	1.23
Bodies Corporate	129	0.76	529705	2.45
Clearing Members	49	0.29	58324	0.27
Individual	15953	93.86	4011867	18.52
Hindu Undivided Family	637	3.75	512285	2.36
Trusts	2	0.01	260	0.00
NBFCs registered with RBI	1	0.00	100	0.00
Alternate Investment Funds	3	0.01	52627	0.24
TOTAL (B)	16995	99.98	7239028	33.42
TOTAL { (A) + (B) } = (C)	17000	100.00	21663937	100.00

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

(xi) 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 2019, 21520562 equity shares of the Company forming 99.33% of the Share Capital of the Company stand dematerialized.

(xii) 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.

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

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

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

(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-122016
- iv) 16-17, Udyog Vihar, Phase VI, Khandsa, Gurgaon - 122 004 (Haryana)
- v) 751, Pace City II, Sector 37, Khandsa, Gurgaon - 122 004 (Haryana)
- vi) Plot at Khasra No 15//19 & 22, Village Begumpur Khatola, Gurugram, Haryana – 122001

- vii) NH-8, Narsinghpur Village, District, Gurgaon (Haryana)
- viii) No.64,Janakiraman Nagar,Puthagaram,Cuddapa Road,Kilattur,Chennai-600009
- ix) NH-45 Chettipunniam Village near Chengalpattu,Kanchipuram District, Chennai-603204
- x) 2/31/,Thirukahukundram Road, Melavalam Village, Madhuranthagam, Taluk, Kancheepuram District-603303
- xi) Plot No. 19A, NTTF Road, Peenya Industrial Area, Bengaluru-560058
- xii) Norp Knit Industries Ltd, North Khaikur, P.O. National University, Gazipur-1704 Bangladesh.
- xiii) Norp Knit Industries Ltd- 93, Islampur, Kodda, Nandun, Gazipur-1700, Bangladesh
- xiv) Prudent Fashions Ltd. Kaichabari Road, Bypail, Ashulia, Savar, 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
Gurugram - 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

(xvi) Credit Ratings

The Company has obtained credit ratings from ICRA Limited. Credit ratings of the Company as at the end of the financial year 2018-19 are given below:

Rating Agency	Credit Rating
ICRA Limited	Long term rating : [ICRA] BBB (Stable) Short term rating : [ICRA] A3+

12. 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>
- h) During the financial year 2018-19, the Company has not raised funds through preferential allotment or qualified institutional placement.
- i) A Certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board/ Ministry of Corporate Affairs or any such statutory authority is annexed with this report.
- j) The Board had accepted all recommendations of Committees of the Board which is mandatorily required, in the financial year 2018-19.
- k) The details of total fees for all services paid by the Company and its subsidiaries, on consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which statutory auditors is a part, are as follows:

(Rs. in Lakh)

Particulars	For the financial year ended March 31, 2019	For the financial year ended March 31, 2018
Audit Fee	12.62	12.73
Other Services	6.05	6.11
Reimbursement of Expenses	2.65	0.30
Total	21.32	19.14

- l) There were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, during the financial year 2018-19.
- 13.** The Company has fully complied with all the requirements of the Corporate Governance including the applicable requirements specified in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (20) of Regulation 46. There has been no instance of non-compliance of any requirement of the Corporate Governance Report.

14. Non-Mandatory Requirements as specified in Part E of Schedule II of the SEBI Listing Regulations

Discretionary requirements are as follows:-

A. The Board

Maintenance of Non-Executive Chairman's Office

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

B. Shareholders Rights

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

C. Modified opinion(s) in audit report – there is no modified opinion(s) 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 2019.

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 2018-19, 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 is one of the largest exporter of textiles and apparels with a massive raw material and manufacturing base. The industry is a significant contributor to the economy, both in terms of its domestic share and exports. It contributes about seven percent to industry output, two percent to the GDP and 15 percent to the country's total exports earnings. The sector is one of the largest sources of job creation in the country, employing about 45 Mn people directly.

The Indian textile and apparel market was worth \$ 90 bn in 2017. The market is further projected to reach \$ 198bn by 2023, at a CAGR of around 14 percent during 2018-2023. India is the largest textile exporter in the world. India's share in global trade of textiles and apparels is approximately 6 percent. Today the textile and apparel market has become a vital contributor to the Indian Economy. The apparel export has seen a positive trend from November 2018 onwards. Between April-December 2018, Ready-made garments (RMG) exports from India stood at \$ 11,350.44 mn. Total textile and apparel exports from India increased by seven percent to Rs.1600.10 bn. In April to November 2018 compared to exports of Rs.1492.54 bn. in the corresponding period of last fiscal. The total exports of textiles and apparels are expected to touch \$ 82bn by 2021 with CAGR of 12.06 percent.

India is one of the fastest growing economies in the world and is the 6th largest economy that is expected to be among the top five global economies by FY 2020. Currently, India ranks 6th in the world in terms of nominal GDP and is the third largest economy in the world in PPP terms. India's GDP is expected to reach US\$3.5 trillion by FY2021, it is also expected that this growth trajectory of Indian economy will enable India to be among the top three global economies by FY2050. Not to deny that sustained high-real GDP growth of over 6% since FY1991 has led to a fundamental transformation of the Indian economy.

COMPANY OVERVIEW

Pearl Global Industries Ltd is a multinational apparel manufacturing conglomerate, with integrated value chain around Design & Development, Global manufacturing, marketing & distribution and sourcing & supply chain for the world Apparel & Fashion Industry. Pearl Global Industries is operating 19 state of the Art Manufacturing Plants out of India (Gurgaon, Chennai, Bengaluru), Vietnam, Indonesia and Bangladesh.

Pearl Global Industries Ltd is a dynamic enterprise, pursues

the opportunities in markets globally and brings technology & quality to clients, while reiterating its belief of delivering the best, in customer services and manufacturing. Our 26000+ strong diversified, skilled, multicultural workforce has the experience of working in different geographies, with diverse product styles/categories, as our core differentiator.

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 69 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.

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.

1. Our manufacturing facilities

Country	Name	Factories
India	Pearl Global	11
Bangladesh	Norp knit	2
Indonesia	PT Pinnacle	3
Vietnam	Pearl Global Vietnam	1
Total		17

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.

Management Discussion and Analysis

b) Design Cell

Our Company has a dedicated in house design team of 75+ designers in Hong kong, India, Bangladesh, Indonesia, Vietnam, USA, UK and Spain. 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 Hong Kong, 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.

c) Strong Compliance across all Factories:

Compliances in all our facilities are directly linked to the corporate office, which drives all strategy of social compliance, new initiatives and sustainability directly from the top. The corporate compliance acts as a communication hub and control tower for all our customers, providing them with a single point of contact. Strong compliances are established and maintained in all our facilities in line with international standards and several channels are available in each facility to address any concerns.

We drive our social responsibility initiatives with a focus on environmental sustainability, gender equality, health and capacity building, in line with our Chairman's vision of a better world and the United Nation's Sustainable Development Goals.

3. E-Commerce Channels

We have already ventured into e-retail through our online website www.sbuys.in. Our vision behind this is to provide international trend to online shoppers. In addition to our own retail platform, we have established tie-ups with leading online marketplaces.

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 (19-29 yrs). Beyond Clouds is our another flagship brand which brings in interesting fashion wear for pre-teen girls (8-14yrs).

www.sbuys.in has successfully completed four years and is showing exponential growth every year. The brand is managed by a team of experience and dedicated professionals.

We are confident of capitalizing the growth prospect. We expect that this channel to evolve gradually and become more significant in the coming years. Since our margin contribution through this channel is higher than B2B, our top line growth in our B2C business has positive impact on our bottom line.

COMPANY PERFORMANCE AND MANAGEMENT OUTLOOK

The company has achieved a gross income of Rs. 866.56 Crore compared to Rs. 758.79 Crore in last financial year and Net Profit Rs. 21.50 Crore as compared to Net Profit Rs. 2.66 Crore in the previous year on the standalone basis and consolidated income of Rs. 1,791.42 crore compared to Rs. 1,543.60 in the last financial year and net profit Rs. 67.10 crore as compared to net profit Rs. 23.08 crore in the previous 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

To promote exports of readymade garments and made-ups, government of India increase Merchandise Export from India Scheme (MEIS) rates from 4 to 6 percent under Mid-Term review of Foreign Policy 2015-20. The government is also making investments under the scheme for Integrated Textiles Parks and the Technology Up-gradation Fund Scheme for training workforce and to encourage private investment in the Indian textile and apparel industry.

The Government has been implementing various policy initiatives and programs for development of textiles and handicrafts particularly for technology, infrastructure creation, skill development including:

Management Discussion and Analysis

- Amended Technology Up-gradation Fund Scheme(ATUFS)
- Scheme for integrated Textile Parks
- SAMARTH-Scheme for capacity building in textile sector
- Silk Samagra-integrated silk development scheme
- North Eastern Region Textile Promotion Scheme (NERTPS)
- National Handicraft Development Program (NHDP)
- Comprehensive Handicrafts Cluster Development Scheme (CHCDS)

The Government approved scheme on rebate of state and central embedded taxes (RoSCTL). RoSCTL came into effect from 7th March,2019. It is applicable for both apparel and made-ups. Apparels products currently get RoSCTL of 1.5% to 1.7%. Embedded taxes are total upto 5%.

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.

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:

- Accurate recording of transactions with internal checks and prompt reporting through SAP
- Adhere to applicable Accounting standards and policies.
- Review of capital investments and long term business plans.
- Periodic review meetings to manage effectively implementation of system.

Management Discussion and Analysis

- v) Compliance with applicable statutes, policies, listing requirements and operating guidelines
- vi) Effective use of resources and safeguarding of assets.
- 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

The Pearl Global Industries Limited, forward-thinking and employee centric human resource department is devoted to providing effective policies, procedures, people-friendly guidelines and support governance with the organization. Our HR philosophy revolves around right people for the right job, maintaining a safe, hygienic, and sustainable work environment across geographies, capability building at all level with program such as iLEAD [Leadership Development Program], SEED [Operational Development Program], innovate with technology with our Human Resource Management System, Pay for Performance [Achieve: Pearl's Performance Management System]. There by building a PearlONE culture, with employee engagement being centric of all our HR initiatives. Presently Company employs 6200 work force.

DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE) IN KEY FINANCIAL RATIOS

Details of changes in Key Financial ratios are given below:

S. No.	Particulars	FY 2018-19	FY 2017-18	% Change	Reason for change in Ratio
1	Debtors Turnover (Days)	48.37	44.93	7.66%	Increased debtors due to change in customer mix
2	Inventory Turnover (Days)	118.25	125.62	-5.86%	Better control of inventory
3	Interest Coverage Ratio	3.25	2.01	61.38%	Higher margins and increased turnover
4	Current Ratio	1.15	1.13	1.97%	Higher margins and reduced utilisation of Working capital limits
5	Debt Equity Ratio	0.13	0.16	-20.36%	repayment of debts and no new loans
6	Operating Profit Margin	14.45%	9.20%	57.05%	Higher margins and turnover
7	Net Profit Margin	2.48%	0.35%	606.80%	Higher margins and turnover
8	Return on networkth	6.80%	0.89%	662.27%	Better profitability

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**

1. We, B.R. Gupta & Co., Chartered Accountants, the Statutory Auditors of **PEARL GLOBAL INDUSTRIES LIMITED** ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

MANAGEMENT'S RESPONSIBILITY

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

AUDITORS' RESPONSIBILITY

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audit s and Reviews of Historical

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the Listing Regulations during the year ended 31 March 2019.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For B.R. Gupta & Co.

Chartered Accountants,

Firm's Registration Number 008352N

(Deepak Agarwal)

Partner

(FCA-073696)

UDIN: 19073696AAAAAC5178

Place: New Delhi

Date: 28.05.2019

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, 2019.

For Pearl Global Industries Limited

Pulkit Seth

Managing Director

DIN 00003044

Place: Gurugram

Date: May 28, 2019

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

We, Pulkit Seth, Managing Director and Raghav Garg, 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, 2019 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

(Raghav Garg)
Chief Financial Officer

Place: Gurugram

Date: May 28, 2019

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant register, records, forms, returns and disclosures received from the Directors of **Pearl Global Industries Limited**, having CIN L74899DL1989PLC036849 and having registered office at A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi-110028, (hereinafter referred to as “the Company”), produced before us by the Company for the purpose of the issuing this Certificate, in accordance with the Regulation 34(3) read with Schedule V Para-C clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and respective Directors, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	DIN	Name of Director	Date of appointment in Company (DD-MM-YYYY)
1	00003021	Mr. Deepak Seth	22/03/1994
2	00003044	Mr. Pulkit Seth	01/11/2004
3	01388430	Mrs. Shifalli Seth	19/01/2012
4	01945795	Mr. Vinod Vaish	19/01/2012
5	00036080	Mr. Chittranjan Dua	12/09/2006
6	01390190	Mr. Anil Nayar	19/01/2012
7	00731956	Mr. Rajendra Kumar Aneja	12/09/2006
8	01928855	Mr. Abhishek Goyal	26/05/2017

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

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

(CS Deepak Somaiya)
Proprietor

FCS-5845
COP-5772

Date: May 21, 2019
Place: New Delhi

Independent Auditors' Report

To the Members of PEARL GLOBAL INDUSTRIES LIMITED

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of **Pearl Global Industries Limited** (“the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as ‘the Group’), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and other information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the “Act”) in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated Profit (consolidated financial performance including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to Other Matters paragraph below is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

S. No.	Key Audit Matters	How our audit addressed the key audit matter
1.	<p>Defined Benefit Plan Liabilities</p> <p>Refer Note 39 to the accompanying standalone financial statements as at March 31, 2019,</p> <p>As at March 31, 2019, the Group has defined benefit plan liabilities. The valuation of liability for such defined benefit plan requires significant judgement and expertise primarily in respect of key assumptions used like economic assumptions, demographic assumptions, employee attrition rate, discount rate, inflation etc. This area was significant to our audit because:</p>	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> - Obtained an external actuary’s report used in the valuation of defined benefit plan liabilities and reviewed the methodologies adopted by the actuary in forming the valuation. - Evaluated the key financial assumptions used for the valuation of scheme liabilities including the discount and inflation rate and also verified that whether the same are consistent with industry practice.

Independent Auditors' Report

To the Members of PEARL GLOBAL INDUSTRIES LIMITED

Report on the Audit of the Consolidated Financial Statements

<ul style="list-style-type: none"> - the complexities involved in the valuation; - defined benefit obligation is highly sensitive to changes in aforesaid assumptions and a change in a number of these key assumptions can have a material impact on the calculation of the liability; and - the parameter most subject to change is the discount rate. 	<ul style="list-style-type: none"> - Compared the assumptions in respect of increase in salary to historic salary increase, change in employee bases eligible for valuation, considered the appropriateness of the mortality assumptions. <p>The assumptions used were found within the benchmarks and were considered appropriate. We have read the disclosures in the financial statements in respect of defined benefit schemes and based on our verification, found the same consistent with relevant accounting standard.</p>
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INFORMATION OTHER THAN CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORTS THEREON

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon. The information included in the annual report is expected to be made available to us after the date of the auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

RESPONSIBILITY OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India including the Ind AS specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Company included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing their financial reporting process of the Group.

Independent Auditors' Report

To the Members of PEARL GLOBAL INDUSTRIES LIMITED

Report on the Audit of the Consolidated Financial Statements

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are independent auditors to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Independent Auditors' Report

To the Members of PEARL GLOBAL INDUSTRIES LIMITED

Report on the Audit of the Consolidated Financial Statements

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

We did not audit the financial statements / financial information of four subsidiaries whose financial statements / financial information reflects total assets (before eliminating inter – company balances ₹ 17,565.31 lakh) of ₹ 72,918.63 lakh as at March 31, 2019 and total revenue (before eliminating inter- company transactions ₹ 67,645.86 lakh) of ₹ 164,742.28 lakh and net cash inflows amounting to ₹ 19.62 lakh for the year ended March 31, 2019, as considered in the consolidated financial statements. These financial statements and other information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Further, of these subsidiaries, three subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's Management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's Management. Our opinion, in so far as it relates to the financial information of such subsidiaries located outside India, is based on the reports of other auditors and the conversion adjustments prepared by the Management of the Holding Company and audited by us.

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 and the reports of other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
 - a) We / the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

Independent Auditors' Report

To the Members of PEARL GLOBAL INDUSTRIES LIMITED

Report on the Audit of the Consolidated Financial Statements

- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of the subsidiaries companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to these consolidated financial statements of the Holding Company and its subsidiaries companies incorporated in India, 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, as amended in our opinion and to the best of our information and according to the explanations given to us and based on the report of other auditors on separate financial statements of the subsidiaries, as noted in the 'other matters' paragraph:
 - i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group - Refer Note No. 46 to the consolidated financial statements.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India.
2. With respect to the matter to be included in the Auditors' report under Section 197(16):

In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2019 has been paid /provided by the holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V of the Act.

For B.R. Gupta & Co.

Chartered Accountants,

Firm's Registration Number 008352N

(Deepak Agarwal)

Partner

Membership Number 073696

Place of Signature: Gurugram

Date: May 28, 2019

Independent Auditors' Report

To the Members of PEARL GLOBAL INDUSTRIES LIMITED

Report on the Audit of 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, 2019, we have audited the internal financial controls with reference to financial statements of **Pearl Global Industries Limited** ("the Holding Company") and its Subsidiaries which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these consolidated financial statements included obtaining an understanding of internal financial controls with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained 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 internal financial controls system with reference to these consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

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

Independent Auditors' Report

To the Members of PEARL GLOBAL INDUSTRIES LIMITED Report on the Audit of 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 with reference to financial statements

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company and its subsidiaries companies which are incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to these consolidated financial statements and such internal financial controls with reference to these consolidated financial statements were operating effectively as at March 31, 2019, based on the internal control criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls in so far as it relates to one subsidiary companies, which is incorporated in India and where such reporting under section 143(3) of the Companies Act, 2013 is applicable, is based on the corresponding report of auditor of such subsidiary incorporated in India. Our opinion is not modified in respect of the above matters

For B.R. Gupta & Co.

Chartered Accountants,

Firm's Registration Number 008352N

(Deepak Agarwal)

Partner

Membership Number 073696

Place of Signature: Gurugram

Date: May 28, 2019

Consolidated Balance Sheet

as at March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	Note No.	As At March 31, 2019	As At March 31, 2018
I. Assets			
1. Non-current assets			
(a) Property, plant and equipment	4	24,355.89	17,901.94
(b) Capital work in progress	5	778.62	840.42
(c) Investment properties	6	7,429.89	7,514.36
(d) Goodwill	7	1,897.56	1,817.74
(e) Other Intangible assets	8	114.94	134.83
(f) Financial assets			
(i) Investment	9	3,276.16	3,109.77
(ii) Loans	10	2,293.60	2,104.03
(iii) Other financial assets	11	1,402.45	2,186.95
(g) Deferred tax assets (net)	12	-	315.64
(h) Non current tax assets (net)	13	452.22	206.07
(i) Other non current assets	14	1,354.45	2,585.78
Total Non-current assets		43,355.78	38,717.53
2. Current assets			
(a) Inventories	15	23,632.17	21,003.91
(b) Financial assets			
(i) Investments	9	-	632.62
(ii) Trade receivables	16	22,177.86	14,196.59
(iii) Cash and cash equivalents	17	9,434.12	9,225.83
(iv) Bank balances other than cash and cash equivalents	18	1,707.71	441.67
(v) Loans	10	1,664.72	334.99
(vi) Other financial assets	11	1,687.43	2,040.29
(c) Other current assets	14	6,389.55	7,073.27
Total current assets		66,693.56	54,949.17
Total Assets		110,049.34	93,666.70
II. Equity and Liabilities			
1. Equity			
(a) Equity share capital	19	2,166.39	2,166.39
(b) Other equity	20	44,820.35	37,346.98
Equity attributable to equity shareholders		46,986.74	39,513.37
Non - controlling interest		1,153.26	965.10
Total Equity		48,140.00	40,478.47
2. Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	8,106.76	4,898.92
(ii) Other financial liabilities	22	222.00	158.54
(b) Provisions	23	2,112.60	1,879.75
(c) Deferred tax liabilities	12	236.46	-
(d) Other non current liabilities	24	3,309.63	3,617.84
Total non-current liabilities		13,987.45	10,555.05
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	23,486.07	21,354.43
(ii) Trade payables	25		
Total outstanding due of micro enterprises and small enterprises		63.70	98.88
Total outstanding due of creditors other than micro enterprises and small enterprises		18,042.77	10,826.42
(iii) Other financial liabilities	22	5,156.89	8,019.16
(b) Other current liabilities	24	866.66	618.58
(c) Provisions	23	81.67	61.09
(d) Current tax liabilities (net)	26	224.13	1,654.62
Total Current liabilities		47,921.89	42,633.18
Total Equity and Liabilities		110,049.34	93,666.70
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

Place of Signature : Gurugram

Dated: May 28, 2019

Pulkit Seth

Managing Director

DIN 00003044

Raghav Garg

Chief Financial Officer

Deepak Seth

Chairman

DIN 00003021

Sandeep Sabharwal

Company Secretary

M. No. ACS - 8370

Consolidated Statement of Profit & Loss

for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I Revenue from operations	27	175,749.78	149,604.01
II Other income	28	3,392.82	4,756.44
III Total income (I+II)		179,142.60	154,360.45
IV Expenses			
(a) Cost of materials consumed	29	76,107.80	67,575.26
(b) Excise duty		-	1.58
(c) Purchases of stock-in-trade	30	12,954.77	15,834.67
(d) Changes in inventories of finished goods, work in progress and stock in trade	31	(1,841.00)	(860.49)
(e) Employee benefits expense	32	36,000.15	23,725.32
(f) Finance costs	33	2,871.95	2,553.28
(g) Depreciation and amortization expense	34	2,589.48	2,263.67
(h) Other expenses	35	43,887.64	40,851.11
Total expenses		172,570.79	151,944.40
V Profit/ (loss) before exceptional items and tax (III-IV)		6,571.81	2,416.05
VI Exceptional Items	36	(1,722.12)	(824.39)
VII Profit/ (loss) before tax (V-VI)		8,293.93	3,240.44
VIII Tax expense:	13		
(a) Current tax		1,278.10	706.90
(b) MAT credit entitlement		(103.08)	(198.46)
(c) Deferred tax		214.98	257.53
(d) Adjustment of tax relating to earlier periods		193.01	165.55
Total tax expense		1,583.01	931.51
IX Profit/(loss) for the year (VII-VIII)		6,710.92	2,308.93
X Other comprehensive income	37		
(A) (i) Items that will not be reclassified subsequently to profit or loss		222.67	(268.88)
(ii) Income tax on items that will not be reclassified subsequently to profit or loss		(71.93)	30.99
(B) (i) Items that will be reclassified subsequently to profit or loss		1,322.21	67.77
(ii) Income tax on items that will be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the year, net of tax		1,472.95	(170.13)
Total comprehensive income for the year, net of tax		8,183.87	2,138.80
Profit Attributable to:			
Equity shareholders		6,728.02	2,408.11
Non-controlling interests		(17.10)	(99.18)
Other comprehensive income attributable to:			
Equity shareholders		1,372.01	(161.06)
Non-controlling interests		100.94	(9.06)
XI Total comprehensive income attributable to:			
Equity shareholders		8,100.03	2,247.04
Non-controlling interests		83.84	(108.24)
XII Earnings per share: (Face value ₹ 10 per share)	38		
1) Basic (amount in ₹)		31.06	11.12
2) Diluted (amount in ₹)		31.06	11.12

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 28, 2019

Raghav Garg
Chief Financial Officer

Sandeep Sabharwal
Company Secretary
M. No. ACS - 8370

Consolidated Statement of Changes in Equity

for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

A. Equity Share Capital	
As at April 01, 2017	2,166.39
Changes during the year	-
As at March 31, 2018	2,166.39
Changes during the year	-
As at March 31, 2019	2,166.39

B. Other Equity	Reserve & Surplus				Items of Other of Comprehensive Income			Total Other Equity	Non-controlling interest	Total Equity
	General Reserve	Security Premium	Capital Redemption Reserve	Amalgamation Reserve	Retained Earnings	Change in investment through other comprehensive income	Currency Translation Reserve			
Balance as at April 01, 2017	4,204.36	17,103.90	95.00	625.95	13,118.68	-	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	-	-	-	-	(174.44)	(54.38)	67.77	(161.05)	(9.06)	(170.12)
Total Comprehensive Income for the year					2,233.67	(54.38)	67.77	2,247.06	(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	14,570.12	(54.38)	802.04	37,346.98	965.10	38,312.08
Capital injection by a non-controlling interest Transfer from NCI to retained earning					(104.32)			(104.32)	104.32	-
Profit / (loss) for the year					6,728.02			6,728.02	(17.10)	6,710.92
Other Comprehensive Income					149.76	(12.67)	1,234.93	1,372.01	100.94	1,472.95
Total Comprehensive Income for the year					6,773.45	(12.67)	1,234.93	7,995.71	188.16	8,183.87
Dividend					(433.28)			(433.28)		(433.28)
Dividend Distribution Tax					(89.06)			(89.06)		(89.06)
Balance as at March 31, 2019	4,204.36	17,103.90	95.00	625.95	20,821.23	(67.05)	2,036.96	44,820.36	1,153.26	45,973.61

Summary of Significant Accounting Policies

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

Deepak Agarwal

Partner

Membership Number 073696

Place of Signature : Gurugram

Dated: May 28, 2019

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

Pulkit Seth

Managing Director

DIN 00003044

Raghav Garg

Chief Financial Officer

Deepak Seth

Chairman

DIN 00003021

Sandeep Sabharwal

Company Secretary

M. No. ACS - 8370

Consolidated Cash Flow Statement

for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flows from operating activities		
Profit before tax	8,293.93	3,240.44
Adjustments for:		
Depreciation and amortization	2,589.48	2,263.67
Interest expenses and other borrowing cost	2,845.56	2,536.12
Unwinding of discount on security deposit	26.39	10.67
Sundry balances written back	(55.17)	(30.80)
Grant amortised during the year	(1.00)	(1.00)
Government grant received	-	(16.10)
Loss allowance no longer required written back	(37.87)	(25.58)
Amortisation of deferred rental income	(31.67)	(8.42)
Unwinding of discount on security deposits	(39.87)	(36.47)
Profit on sale of current investment - mutual fund	(218.20)	(277.21)
Rental income	(814.53)	(732.70)
Interest income	(907.06)	(248.72)
Lease Rent Received	-	-
Fair value loss (gain) on financial assets measured at fair value through profit and loss	133.64	(58.48)
Amortisation of deferred asset - security deposit paid	42.22	36.99
Fair value loss (gain) on financial assets measured at fair value through OCI	(12.67)	(54.38)
Re-measurement gains/ (losses) on defined benefit plans	222.67	(214.49)
Foreign exchange translation reserve	1,160.80	67.77
Loss / (Profit) on mark to market forward contracts	(247.24)	904.72
Loss Allowance for doubtful debts	391.92	23.45
Bad debts written off	103.78	117.06
Operating profit before working capital changes	13,445.11	7,496.52
Movement in working capital:		
(Increase)/decrease in trade receivables	(8,439.11)	1,630.19
(Increase)/decrease in other non-current financial assets	876.74	915.68
(Increase)/decrease in other current financial assets	(384.94)	564.57
(Increase)/decrease in other non-current assets	1,210.31	7.75
(Increase)/decrease in other current assets	683.72	(971.41)
(Increase)/decrease in Inventories	(2,628.26)	554.26
Increase/(decrease) in Trade Payables	7,236.34	(804.05)
Increase/(decrease) in other non-current financial liabilities	37.07	(64.37)
Increase/(decrease) in other current financial liabilities	(49.27)	(4,602.47)
Increase/(decrease) in non-current provisions	232.85	411.79
Increase/(decrease) in current provisions	20.58	21.18
Increase/(decrease) in other non-current liabilities	(275.54)	92.71
Increase/(decrease) in other current liabilities	103.46	(557.25)
Cash generated from operations	12,069.06	4,695.10
Tax paid on dividend	89.06	132.31
Direct tax paid (Net of refunds)	2,779.47	389.97
Cash flow before exceptional items	9,200.52	4,172.83
Exceptional items:		
(Profit)/Loss on sale of fixed assets	(1,722.12)	(824.39)
Net cash inflow from/(used in) operating activities	(A) 7,478.40	3,348.43

Consolidated Cash Flow Statement

for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,930.08)	(3,482.95)
Proceeds from sale of property, plant and equipment	1,916.16	1,344.98
(Increase)/decrease in Capital work in progress	61.80	758.03
Purchase of investment properties	(1.29)	(67.13)
Proceeds from sale of investment properties	-	300.00
Purchase of Intangible assets	(27.65)	(17.33)
Purchase of goodwill	(79.82)	(1,257.06)
(Increase)/decrease in capital advances	(21.20)	118.50
Increase/(decrease) in capital creditor	800.73	(227.56)
(Increase)/decrease in non-current Investments	(166.39)	(3,023.58)
(Increase)/decrease in current Investments	717.18	956.15
(Increase)/decrease in non-current Loans	(189.57)	(2,085.71)
(Increase)/decrease in current Loans	(1,329.73)	33.44
(Increase)/decrease in bank deposit	(346.99)	(175.36)
Interest received	923.00	245.51
Rent received	814.53	732.70
Net cash from/ (used in) investing activities	(B) (5,859.32)	(5,847.37)
Cash flows from financing activities		
Increase/ (decrease) in long term borrowings	(381.97)	5,280.79
Increase/ (decrease) in long term borrowings - Non Cash Ind AS impact	(17.49)	(24.53)
Government grant received	144.61	16.10
Increase/ (decrease) in short term borrowings	2,131.64	988.38
Increase/ (decrease) in unpaid dividend account		
Dividend paid	(430.97)	(640.66)
Interest paid	(2,856.62)	(2,536.12)
Net cash inflow from/(used in) financing activities	(C) (1,410.79)	3,083.96
Net increase (decrease) in Cash and Cash Equivalents (A+B+C)	208.29	585.03
Opening balance of cash and cash equivalents	9,225.83	8,640.80
Total Cash and cash equivalent (Note no. 17)	9,434.11	9,225.83
Components of cash and cash equivalents		
Cash on hand	4,171.44	1,894.06
With banks - on current account	4,313.15	860.15
- on Deposits with banks	949.52	6,471.62
Total Cash and Cash equivalent (Note No. 17)	9,434.12	9,225.83

Note : The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

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

Deepak Agarwal

Partner

Membership Number 073696

Place of Signature : Gurugram

Dated: May 28, 2019

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

Pulkit Seth

Managing Director

DIN 00003044

Raghav Garg

Chief Financial Officer

Deepak Seth

Chairman

DIN 00003021

Sandeep Sabharwal

Company Secretary

M. No. ACS - 8370

Notes

to the Consolidated Financial Statements for the year ended March 31, 2019

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 BSE Limited and National Stock Exchange of India Limited in India.

The Consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 28, 2019.

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	Proportion (%) of equity interest		
			As At March 31, 2019	As At March 31, 2018	As At April 01, 2017
Subsidiaries					
Pearl Apparel Fashions Limited	India	Trading of garments	100.00	100.00	100.00
Pearl Global Kausal Vikas Limited (Formally known as Pixel Industries Ltd)	India	Skill development	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 Financial Statements are prepared on an accrual basis under historical cost Convention except for certain financial instruments which are measured at fair value. These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013, as applicable.

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

Basis of Preparation and presentation:

- i) These financial statements are prepared under the historical cost convention unless otherwise indicated.

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 lakh 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, 2019.
- iii) The accounting policies adopted for preparation of consolidated financial statements are consistent with those of previous year.

Going Concern

The Board of Directors have considered the financial position of the Group at March 31, 2019 and the projected cash flows and financial performance of the Group for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The Board of Directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company’s operations.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2019

Basis of Consolidation:-

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

- i) The consolidation 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, 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 existence. The profit and other comprehensive income attributable to Non-controlling interests of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively
- iv) The Consolidated Financial Statements are presented, to the extent possible, in the same format as adopted by the 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

a) Ind AS 116 Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standards set out the principles for the recognition, measurement, presentation and

Notes

to the Consolidated Financial Statements for the year ended March 31, 2019

disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying assets of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Certain practical expedients are available under both the methods. The Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to the retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted.

The company is evaluating the requirements of the amendment and its effect on the financial statements.

b) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition:

- i) Full retrospective approach – Under this approach,

Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and

- ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The company is evaluating the requirements of the amendment and its effect on the financial statements.

c) Ind AS 12 – Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

d) Amendment to Ind AS 19 – plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The company is evaluating the requirements of the amendment and its effect on the financial statements.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2019

Application of New Accounting Pronouncements

The following Ind As pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules 2018, were applied by the Company during the year:

Ind As 115, Revenue from Contracts with Customers with effect from April 1, 2018

Appendix B to Ind AS 21, Foreign Currency Transactions and advance consideration with effect from April 1, 2018.

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 Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group 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 transfer the control 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, both the legal form and substance of the agreement between the Company and its customers are reviewed to determine each party's respective role in the transaction.

Interest income

Interest income is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or shorter period, where appropriate, to the gross carrying amount of the financial asset. 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.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2019

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:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- 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:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- 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.

Regulatory Assets:

Depreciation on Property, plant and equipment in respect of electricity business of the Company covered under Part B of Schedule II of the Companies Act, 2013, has been provided on the straight line method at the rates using the methodology as notified by the respective regulators.

Non Regulatory Assets:

Depreciation is recognised so as to write off the cost of

Notes

to the Consolidated Financial Statements for the year ended March 31, 2019

assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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 aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in 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 1 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.

The Group, based on technical assessment made by management, depreciates the building over estimated useful life of 60 years. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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 1 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

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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 Indian Rupees (₹), 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.

h) Revenue Recognition

The Group derives revenues primarily from sale of manufactured goods and traded goods

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers' The effect on adoption of Ind-AS 115 was insignificant.

Revenue from contract with customer

Revenue from contract with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding the amount collected on behalf of third parties (for example, taxes and duties collected on behalf of government) and net of returns & discounts. The company has concluded that it is acting as principal in its revenue arrangements.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of products, the Company considers the effect of variable consideration, the existence of significant financing component, non-cash consideration, and consideration payable to the customer (if any).

Following are the specific revenue recognition criteria:

(i) Sale of products

Revenue from sale of products is recognised at the point in time when control of product is transferred to the customer. In case of Export sale it is on the basis of date of airway bill/bill of lading

(ii) Job work income

Revenue from job work on the product is

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

(iii) Export incentives

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

(iv) Other income

- (a) Sale of software/ SAP income is recognized at the delivery of complete module & patches (through reimbursement from group companies).
- (b) Rental Income is recognized on accrual basis as per the terms of agreement.
- (c) In respect of interest income, revenue is recognised on the time proportion basis, taking into account the amount outstanding and the rate of interest applicable.
- (d) Dividend Income is recognized when the right to receive is established.

Variable Consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Significant Financing Component

Generally, the Group does not receive short term or long term advances from its customers except in certain scenarios. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of promised good or service to the customer and when the customer pays for good or service will be one year or less. The company does not expect to have any contracts where the period between the transfer of promised goods and services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Cost to obtain a contract

The Company does not capitalise costs to obtain a contract because majorly the contracts have terms that do not extend beyond one year. The Company does not have a significant amount of capitalized costs related to fulfilment.

i) Inventories

- i) Inventories of finished goods manufactured by the company are valued style-wise and at lower of cost and estimated net 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.

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- iii) Inventories of raw material, work in progress, accessories & consumables are valued at cost (weighted average method) or at estimated net 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.

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

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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 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.

I) Provisions

General

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

When the 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

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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)

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 Group financial liabilities include borrowings, trade and other payables, security deposits received etc.

Subsequent measurement

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

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

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

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

n) Impairment of financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis.

The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

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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:

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 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.

Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in the year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the

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extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

In accordance with Ind AS 12 Company is grouping MAT credit entitlement with Deferred Tax Assets / Liability (Net).

r) Cash and cash equivalents

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

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.

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 costs

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 Group will comply with all attached conditions.

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

v) Contingent liabilities and contingent assets

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

w) Research & development costs

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

x) Exceptional items

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

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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 Fixtures	Vehicles	Total
Gross carrying amount								
(At Deemed cost)								
As at April 01, 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 translation 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
Add: Additions made during the year	41.43	2,764.85	1,647.76	252.20	3,796.54	206.92	220.38	8,930.08
Less: Disposals/adjustments during the year	76.47	-	-	-	155.76	4.33	26.80	263.36
Reclassification to other assets	-	-	-	(95.04)	95.04	-	-	-
Add: Exchange realignment	-	(0.98)	-	(18.13)	(28.78)	-	(1.94)	(49.83)
Add: Currency translation reserve	-	(65.99)	32.84	(1.41)	316.74	18.04	17.52	317.74
As at March 31, 2019	1,612.30	2,792.33	6,703.23	607.46	16,927.15	1,250.46	1,338.54	31,231.47
Accumulated depreciation								
As at April 01, 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 translation 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
Add: Depreciation charge for the year	-	19.66	217.62	135.71	1,739.10	152.94	191.15	2,456.18
Less: Disposals/adjustments during the year	-	-	-	-	50.03	1.74	17.56	69.33
Reclassification to other assets	-	-	-	(19.87)	19.87	-	-	-
Add: Exchange realignment	-	(0.49)	-	(8.20)	(17.63)	-	(0.42)	(26.74)
Add: Currency translation reserve	-	0.66	23.54	0.62	89.67	4.81	1.27	120.57
As at March 31, 2019	-	38.04	890.19	189.20	4,890.07	437.21	430.88	6,875.58
Net Carrying Amount								
As at March 31, 2019	1,612.30	2,754.28	5,813.04	418.26	12,037.08	813.26	907.66	24,355.89
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

Notes

to the Consolidated Financial Statements for the year ended March 31, 2019

- a) The above assets includes Gross block of land of ₹ 83.08 lakh (March 31, 2018: ₹ 159.54 lakh) situated at Narshingpur, Tehsil District Gurgaon(Haryana). Out of this Gross block of land of ₹ 47.03 lakh (March 31, 2018: ₹ 47.52 lakh) 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 2018-19 due to pending receipt of license from the concerned authority.
- b) For Information on Property, plant and equipment pledged as security by the company refer Note No-21
- c) In case of Pearl Global (HK) Limited, as at May 01, 2017, property plant and equipment of net carrying amount of ₹ 499.24 lakh were acquired by acquisition of a subsidiary.
- d) The above property, plant and equipment includes assets given on lease given in the below table:

(Amount in ₹ 'Lakhs' unless otherwise stated)

	Plant and Equipment	Furniture and Fixtures	Total
As at March 31, 2019			
Gross carrying amount	27.77	21.22	48.99
Accumulated depreciation	13.59	9.16	22.76
Net carrying amount	14.17	12.06	26.23
As at March 31, 2018			
Gross carrying amount	27.77	21.22	48.99
Accumulated depreciation	10.59	6.11	16.70
Net carrying amount	17.18	15.11	32.29

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 5 : CAPITAL WORK IN PROGRESS	As At March 31, 2019	As At March 31, 2018
Capital work in progress	778.62	840.42
	<u>778.62</u>	<u>840.42</u>

- a) Breakup of capital work in progress is as follows:

	As At March 31, 2019	As At March 31, 2018
Building	632.56	544.77
Plant and machinery	38.38	294.51
Furniture and Fittings	46.59	-
Lease Hold Improvement	54.98	-
Other expenses	6.11	1.15
	<u>778.62</u>	<u>840.42</u>

Notes

to the Consolidated Financial Statements for the year ended March 31, 2019

(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, 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
Add: Additions made during the year	1.29	-	-	1.29
Less: Disposals/adjustments during the year	-	-	-	-
As at March 31, 2019	3,086.79	10.36	4,580.71	7,677.86
Accumulated depreciation				
As at April 01, 2017	-	5.55	76.46	82.01
Add: Depreciation 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	-	-	162.22	162.22
Add: Depreciation charge for the year	-	-	85.76	85.76
Less: Disposals/adjustments during the year	-	-	-	-
As at March 31, 2019	-	-	247.97	247.97
Net carrying amount				
As at March 31, 2019	3,086.79	10.36	4,332.74	7,429.89
As at March 31, 2018	3,085.50	10.36	4,418.49	7,514.36

(Amount in ₹ 'Lakhs' unless otherwise stated)

	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Amounts recognized in statement of profit and loss for investment properties		
Rental Income	814.53	732.70
Direct operating expenses of property that generated rental income	53.62	25.52
Direct operating expenses of property that did not generated rental income	77.46	68.30
Income arising from Investment properties before charging depreciation	683.45	638.89
Depreciation	85.76	85.76
Income from Investment properties (net)	597.69	553.14
(b) Fair value of investment properties	11,378.15	11,548.24
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 in village panchpakhadi area.

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) 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, 2019.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 7 : GOODWILL	As At March 31, 2019	As At March 31, 2018
Goodwill on acquisition of subsidiaries	1,897.56	1,817.74
	<u>1,897.56</u>	<u>1,817.74</u>

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 8 : OTHER INTANGIBLE ASSETS	Computer Software	Total
Gross carrying amount		
(At Deemed cost)		
As at April 01, 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	<u>219.88</u>	<u>219.88</u>
Add: Additions during the year	27.65	27.65
Less: Disposals / adjustments during the year	-	-
As at March 31, 2019	<u>247.53</u>	<u>247.53</u>
Amortisation and impairment		
As at April 01, 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	<u>85.06</u>	<u>85.06</u>
Add: Amortisation charge for the year	47.54	47.54
Less: On disposals / adjustments during the year	-	-
As at March 31, 2019	<u>132.60</u>	<u>132.60</u>
Net Carrying Amount		
As at March 31, 2019	114.94	114.94
As at March 31, 2018	134.83	134.83

Notes

to the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 9 : INVESTMENT	As At March 31, 2019	As At March 31, 2018
Non- current		
A. Equity Instruments		
Fair value through profit and loss (Quoted)		
PDS Multinational Fashions Limited, India 50,000 (March 31, 2018: 50,000) Equity Shares of ₹ 10/- each fully paid up	133.50	143.00
	133.50	143.00
B. Investments in structured product - (Unquoted) Fair value through other comprehensive income (Unquoted)		
Investment in structured product	1,312.68	1,245.92
	1,312.68	1,245.92
C. Investments in Government securities - (Unquoted) At amortised cost		
Investments in key man insurance policy (Refer 'b' below)	1,828.35	1,719.19
Investments in Government securities		
- National Saving Certificate (NSC) (Refer 'c' below)	-	0.04
- Gold Sovereign Bond- 37 units of 2 gram each issued by Reserve Bank of India	1.63	1.63
	1,829.98	1,720.86
Total (A + B + C)	3,276.16	3,109.77
Current		
A. Investments in mutual funds - (Quoted) Investments carried at Fair value through profit and loss		
Franklin India corporate bond	-	132.33
Nil Units of Face Value of ₹ 10 per unit (March 31, 2018 : 702,286.65 units)		
ICICI PRU Equity arbitrage fund regular	-	115.97
Nil units of Face Value of ₹ 10 per unit (March 31, 2018: 504,149.36 units)		
UTI short term income fund	-	195.36
Nil units of Face Value of ₹ 10 per unit (March 31, 2018 : 924,908.95 units)		
ICICI PRU Corporate bond	-	125.20
Nil units of Face Value of ₹ 10 per unit (March 31, 2018: 462,943.67 units)		
Principal balances Fund - Regular Plan Growth		63.76
Nil units of of Face Value of ₹ 10 per unit (March 31 , 2018 : 82,349.77 units)		
	-	632.62
a) Aggregate book value of quoted investments	133.50	775.62
Aggregate market value of quoted investments	133.50	775.62
Aggregate value of unquoted investments	3,142.66	2,966.77
Aggregate amount of impairment in value of unquoted investments	-	-
Aggregate value of unquoted investments (net of impairment)	3,142.66	2,966.77
b) The Investments in key man insurance policy has been pledged to bank to secure for banking facilities granted to subsidiary- Pearl Global (HK) Limited (Refer note 21).		
c) The National Saving Certificate(s) were pledged with Sales Tax Authorities in India.		

Notes

to the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE10 : LOANS	Non - current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
(Unsecured, considered good unless otherwise stated)				
Loans to employees	18.10	12.09	49.63	34.99
Loans to related parties (Refer note 47)	-	-	300.00	300.00
Loans to others	2,275.50	2,091.94	1,315.09	-
	2,293.60	2,104.03	1,664.72	334.99
Break-up :				
Loans considered good - Secured	-	-	-	-
Loans considered good - Unsecured	2,293.60	2,104.03	1,664.72	334.99
Loans which have significant increase in credit risk	-	-	-	-
Loans - credit impaired	-	-	-	-
Total	2,293.60	2,104.03	1,664.72	334.99
Less: Loss allowance	-	-	-	-
Total Loans	2,293.60	2,104.03	1,664.72	334.99

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

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 11 : OTHER FINANCIAL ASSETS	Non - current		Current Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
(Unsecured, considered good unless otherwise stated)				
Security deposits (Refer 'a' below)	948.10	572.57	176.71	26.11
Interest accrued but not due on				
- Term deposits and others	0.80	0.64	45.64	54.94
- Loan to related parties (Refer note 47)	-	-	6.66	13.46
Deposits with original maturity of more than 12 months (Refer note 18)	452.48	400.27	761.27	1,730.21
Mark to market forward contracts	-	-	462.80	215.57
Other receivable	1.07	1,213.47	234.35	-
Total (A)	1,402.45	2,186.95	1,687.43	2,040.29

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, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 12 : INCOME TAX

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

Statement of profit and loss:

Profit or loss section

Tax Expense:

	As At March 31, 2019	As At March 31, 2018
a) Current tax	1,175.02	508.43
b) Adjustments in respect of current income tax of previous year	193.01	165.55
c) Deferred tax	214.98	257.53
Income tax expense reported in the statement of profit or loss	<u>1,583.01</u>	<u>931.51</u>

OCI section

Deferred tax related to items recognised in OCI during the year:

	As At March 31, 2019	As At March 31, 2018
Net loss/(gain) on remeasurements of defined benefit plans	(71.93)	30.99
Income tax charged to OCI	<u>(71.93)</u>	<u>30.99</u>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018.

	As At March 31, 2019	As At March 31, 2018
Accounting profit before tax from continuing operations	<u>6,710.92</u>	<u>2,308.93</u>
Accounting profit before income tax		
At India's statutory income tax rate of 34.944% (March 31, 2018: 33.063%)	2,345.06	763.40
Adjustments in respect of current income tax of previous years	193.01	165.55
Tax effect of the amounts which are Non-deductible/(taxable) for tax purposes:		
Expenses not deducted for tax purposes	591.58	53.55
Income exempted from income tax	(684.86)	(213.39)
Impact of tax at different tax rate and Others	<u>(861.78)</u>	<u>162.40</u>
At the income tax rate of 34.944% (March 31, 2018: 34.063%)	1,583.01	931.51
Income tax expense reported in the statement of profit and loss	<u>1,583.01</u>	<u>931.51</u>
Variance	-	-

Notes

to the Consolidated Financial Statements for the year ended March 31, 2019

DEFERRED TAX:	Balance sheet	
	As At March 31, 2019	As At March 31, 2018
Deferred tax assets relates to the following:		
Provision for employee benefits	489.60	475.15
Expenses allowed in the year of payment	134.25	14.91
Unabsorbed Losses	543.17	742.57
Others	79.02	68.89
MAT Credit	266.07	531.26
	1,512.11	1,832.78
Deferred tax liability relates to the following:		
Property, plant and equipment	1,424.05	1,359.96
Fair valuation of mutual fund	-	33.84
Borrowing (EIR)	9.23	11.80
Others	315.29	111.55
	1,748.57	1,517.15
Total deferred tax assets/(liabilities) (Net)	(236.46)	315.64
	Statement of profit and loss	
Deferred tax expense/income:	As At March 31, 2019	As At March 31, 2018
Deferred tax assets relates to the following :		
Provision for employee benefits	14.44	100.18
Expenses allowed in the year of payment	119.34	3.14
Unabsorbed losses	(199.40)	43.15
Others	10.13	4.55
	(55.49)	151.02
Deferred tax liability relates to the following :		
Property, plant and equipment	64.09	408.89
Fair valuation of mutual fund	(33.84)	(40.66)
Borrowing (EIR)	(2.57)	0.83
Others	203.74	8.50
	231.42	377.56
Net deferred tax charge	286.91	226.54
Recognised in statement of profit and loss	214.98	257.53
Recognised in other comprehensive income	71.93	(30.99)

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 Consolidated Financial Statements for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 13 : NON CURRENT TAX ASSET	As At March 31, 2019	As At March 31, 2018
Advance income tax	452.22	206.07
(Net of provision of ₹ 1,032.42 lakhs (March 31, 2018 : ₹ 1,639.78))		
	<u>452.22</u>	<u>206.07</u>

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 14 : OTHER ASSETS	Non - current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
(Unsecured, considered good, unless otherwise stated)				
Capital advances (Refer note no. 46(b) for capital commitments)	204.44	183.24	-	-
Balance with government authorities	128.86	153.62	1,593.89	1,569.04
Balance with government authorities - considered doubtful	22.74	-	-	-
Less: Loss allowance (Refer 'a' below)	(22.74)	-	-	-
Prepaid expenses	985.26	610.90	767.10	440.87
Export incentive receivable	-	-	1,817.61	2,233.42
Advances to related parties (Refer note no. 47)	-	-	4.29	-
Advances to suppliers	-	-	1,109.86	1,154.76
Other receivables	35.89	1,638.02	1,096.80	1,675.18
Total (A)	<u>1,354.45</u>	<u>2,585.78</u>	<u>6,389.55</u>	<u>7,073.27</u>

a) The movement in loss allowance is as follows:

Balance as at beginning of the year	-	-
Allowance for doubtful balance during the year	22.74	-
Amount written off / written back during the year	-	-
Balance as at the end of the year	<u>22.74</u>	<u>-</u>

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 15 : INVENTORIES	As At March 31, 2019	As At March 31, 2018
Raw materials	10,518.28	10,585.74
Good in transit- raw material	39.91	89.39
Work in progress	8,368.47	6,299.74
Finished goods	4,669.49	4,002.41
Stores spares & others	36.01	26.63
	<u>23,632.17</u>	<u>21,003.91</u>

(a) For information on inventories pledged as security by the group (refer note 21).

Notes

to the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 16 : TRADE RECEIVABLES	As At	As At
	March 31, 2019	March 31, 2018
Considered good - secured	-	-
Considered good - unsecured	22,177.86	14,196.59
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	374.33	34.42
Less: Loss allowance	(374.33)	(34.42)
Total (A+B)	22,177.86	14,196.59
a) The movement in loss allowance is as follows:		
Balance as at beginning of the year	5.15	21.92
Loss allowance during the year	369.18	0.20
Trade receivables written off / written back during the year	-	(16.97)
Balance as at the end of the year	374.33	5.15

b) Trade receivables are non-interest bearing and are generally on terms of 45 - 65 days.

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

d) For information on trade receivables pledged as security by the Group companies refer Note 21

e) Due from related parties is ₹ 4.29 lakh (March 31, 2018: ₹ 11.06 lakh) (Refer note no. 47).

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 17 : CASH AND CASH EQUIVALENTS	As At	As At
	March 31, 2019	March 31, 2018
Balances with banks:		
- Current account	4,313.15	6,471.62
- Deposits with original maturity of less than 3 months (Refer note 18(a))	949.52	860.15
Cash on hand	2,929.17	45.80
Cheque/drafts on hand	1,242.27	1,848.26
	9,434.12	9,225.83

a) For the purpose of the statement of cash flow, the cash and cash equivalent are same given above.

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 18 : OTHER BANK BALANCE	Non - current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Earmarked balances with banks				
Unpaid dividend account	-	-	26.83	24.53
Deposits with original maturity of more than 3 months but less than 12 months (Refer 'a' below)	-	-	1,680.88	417.15
Deposits with original maturity of more than 12 months (Refer 'a' below)	452.48	400.27	761.27	1,730.21
Balance with bank (Considered doubtful)	-	-	0.03	0.03
Less: Loss allowance	-	-	(0.03)	(0.03)
	452.48	400.27	2,468.98	2,171.88
Less: Amount disclosed under " Other financial assets" (Refer note 11)	452.48	400.27	761.27	1,730.21
	-	-	1,707.71	441.67

a) Out of the total Fixed Deposits, the fixed deposit with carrying value of ₹ 2,994.13 lakh (March 31, 2018 ₹ 1,922.63 lakh) are pledged as security with various banks.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 19 : SHARE CAPITAL

As At
March 31, 2019 **As At**
March 31, 2018

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

Authorised Share Capital

5,14,40,000* (March 31, 2018: 5,14,40,000) equity shares of ₹ 10 each	5,144.00	5,144.00
10,000* (March 31, 2018: 10,000) 4% Non Cumulative Redeemable Preference Shares of ₹ 10 each	1.00	1.00
3,256,000* (March 31, 2018: 3,256,000) 10.5% Non Cumulative Redeemable Preference Shares of ₹ 100 each	3,256.00	3,256.00
	<u>8,401.00</u>	<u>8,401.00</u>

Issued, subscribed and paid up

21,663,937* (March 31, 2018: 21,663,937) Equity Shares of ₹ 10 each fully paid up	2,166.39	2,166.39
	<u>2,166.39</u>	<u>2,166.39</u>

* Number of Shares are given in absolute numbers.

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

Equity Share of ₹ 10 each

	No. of shares (in 'Lakhs')	Amount (₹ in Lakhs)
Balance as at April 1, 2017	216.64	2,166.39
Changes during the year	-	-
Balance as at March 31, 2018	<u>216.64</u>	<u>2,166.39</u>
Changes during the year	-	-
Balance as at March 31, 2019	<u>216.64</u>	<u>2,166.39</u>

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. During the year ended March 31, 2019, the amount of per share dividend proposed as distributions to equity shareholders was ₹ 3.00 per share (March 31, 2018: ₹ 2.00 per share). 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.

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

Name of Party	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Holding %	No. of shares	Holding %
Mrs. Payel Seth	4,413,635	20.37	4,413,635	20.37
Mr. Deepak Seth	2,862,145	13.21	2,862,145	13.21
Mr. Pulkit Seth	6,947,621	32.07	6,947,621	32.07
Total	<u>14,223,401</u>	<u>65.65</u>	<u>14,223,401</u>	<u>65.65</u>

Notes

to the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 20 : OTHER EQUITY	As At March 31, 2019	As At March 31, 2018
General Reserve	4,204.36	4,204.36
Securities Premium	17,103.90	17,103.90
Capital Redemption Reserve	95.00	95.00
Amalgamation Reserve	625.95	625.95
Foreign Currency Translation Reserve	2,036.96	802.04
Change in investment through other comprehensive income	(67.05)	(54.38)
Retained Earnings	20,821.23	14,570.12
	<u>44,820.35</u>	<u>37,346.98</u>

I. For Movement during the period in Other Equity, refer "Statement of Changes in Equity".

II. 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.

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) Foreign currency translation reserve

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

f) Retained Earnings

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

Notes

to the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 21 : BORROWINGS	Non current		Current	
	As At	As At	As At	As At
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
From banks (secured)				
- Corporate Loan (Refer a(i), a(ii),a(iii),a(iv) & a(v) below)	7,819.91	4,740.86	1,560.70	5,156.81
- Vehicle Loans (Refer a(vi) below)	48.93	107.05	81.29	70.10
From financials institutional (secured)				
- Vehicle loans (Refer 'a(iv)' below)	106.50	51.01	38.91	61.27
From others - unsecured	131.42	-	-	-
Working capital loan from banks(secured)				
- Rupee loan (Refer 'd' below)	-	-	23,486.07	21,354.43
	8,106.76	4,898.92	25,166.96	26,642.61
Less: Amount disclosed under other financial liabilities as 'Current maturities of long-term borrowings' (Refer note 22)	-	-	1,680.89	5,288.18
	8,106.76	4,898.92	23,486.07	21,354.43

a) The nature of security for secured loans are :

- Corporate Term Loan (Kotak Bank) is secured by charge over fixed assets and plant and machinery and 100% FDR of ₹ 760.00 lakh under lien. The loan is also secured by personal guarantee of the Promoter Director.
- Corporate Term Loan (Andhra Bank) is secured by first and exclusive charge on the entire fixed assets including machineries 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.
- Corporate Term Loan (HDFC Bank) is secured by exclusive charge over movable fixed assets of the Company, both present and future. The loan is also secured by personal guarantee of one of the Promoter Director of the Holding Company and exclusive charge by way of equitable mortgage on industrial plot no.446, Udyog Vihar, Phase- V, Gurugram, Haryana.
- BDT Term Loan 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 & stand by letter of credit from Holding Company.
- The loan facilities (in case Pearl Global (HK) Limited) are secured by the Group's machineries and equipment, inventories, trade receivables together with director's personal guarantee.
- 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 :	2019-20	2020-21	2021-22	Beyond 2022-23
Term loan from banks are repayable in monthly/quarterly/yearly instalments	1,560.70	1,978.49	1,969.11	3,872.31
Vehicle loans from banks and financial institutions are repayable in monthly instalments	120.19	105.37	40.68	9.38
Maturity profile of unsecured term loans is as set out below :				
Loan from others	-	131.42	-	-

Notes

to the Consolidated Financial Statements for the year ended March 31, 2019

- 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.
 - Equitable mortgage of the leasehold property situated at Plot No. H -597-603, RICCO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan and property situated at Plot No 16 - 17, Phase VI, Udyog Vihar, Gurgaon (Haryana).
 - Fixed Deposit of ₹ 58.00 lakh (March 31, 2018: ₹ 79.47 lakh).
 - Personal Guarantee by the promoter director of the respective companies.

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 22 : OTHER FINANCIAL LIABILITIES	Non - current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Security deposit	222.00	158.54	-	19.24
Book overdraft	-	-	150.48	-
Current maturities of long-term borrowings (Refer note 21)	-	-	1,680.89	5,288.18
Interest accrued but not due on borrowings	-	-	24.67	35.73
Unpaid dividends (Refer 'a' below)	-	-	26.83	24.53
Creditors for capital goods	-	-	849.25	48.52
Others			2,424.77	2,602.96
	<u>222.00</u>	<u>158.54</u>	<u>5,156.89</u>	<u>8,019.16</u>

(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 market and liquidity risk related to other financial liabilities is disclosed in note 44.

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 23 : PROVISIONS	Non - current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Provision for employee benefits				
Provision for compensated absences (Refer note 39)	717.05	436.88	23.02	11.39
Provision for gratuity (Refer note 39)	1,345.93	1,395.02	58.65	49.70
Other employee benefits	49.62	47.85	-	-
	<u>2,112.60</u>	<u>1,879.75</u>	<u>81.67</u>	<u>61.09</u>

Notes

to the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 24 : OTHER LIABILITIES	Non - current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Advance received against sale of land	3,010.49	3,400.00	-	-
Deferred government grant	9.58	10.58	145.61	1.00
Deferred rental income	56.88	50.92	32.56	25.43
Statutory dues	-	-	678.55	541.08
Advance from customers	-	-	-	38.88
Others	232.67	156.33	9.93	12.19
	<u>3,309.63</u>	<u>3,617.84</u>	<u>866.66</u>	<u>618.58</u>

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 25 : TRADE PAYABLE	As At	As At
	March 31, 2019	March 31, 2018
Total outstanding dues of Micro and Small enterprises	63.70	98.88
Total outstanding due of creditors other than micro enterprises and small enterprises	18,042.77	10,826.42
	<u>18,106.47</u>	<u>10,925.30</u>

a) Trade payable are generally on a credit of not more than 90 days.

b) This amount includes amount due to related parties is ₹ 16.85 lakh (March 31, 2018: ₹ 20.45 lakh) (refer note 47)

c) The Group's exposure to market and liquidity risk related to trade payables is disclosed in note 44.

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 26 : LIABILITIES FOR CURRENT TAX (NET)	As At	As At
	March 31, 2019	March 31, 2018
Provision for income tax (net of advance tax Rs. 1,053.97 lakh (March 31, 2018 Nil))	224.13	1,654.62
	<u>224.13</u>	<u>1,654.62</u>

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 27 : REVENUE FROM OPERATIONS	For the year ended	For the year ended
	March 31, 2019	March 31, 2018
Sale of product	170,770.02	143,586.32
Job receipts	66.57	149.18
Other operating revenues	4,913.19	5,868.51
Revenue from operations	<u>175,749.78</u>	<u>149,604.01</u>

Notes

to the Consolidated Financial Statements for the year ended March 31, 2019

a) 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 separate 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, 2019 are not comparable with year ended March 31, 2018 presented in the financial results which are reported inclusive of Excise Duty. The following additional information is being provided to facilitate such understanding:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations (gross of excise duty)	175,749.78	149,605.59
Excise duty	-	1.58
Revenue from operations (exclusive of excise duty)	175,749.78	149,604.01

b) Performance obligation

Revenue is recognised upon transfer of control of products and customers.

During the year, The Company has not entered into long term contracts with Customers and accordingly disclosure of unsatisfied or remaining performance obligation (which is affected by several factors like changes in scope of Contracts, periodic revalidations, adjustment for revenue that has not been materialized, tax laws etc.) is not applicable to the Company. This is in line with practical expedient applied as per Para 121 of Ind AS 115.

c) Disaggregation of revenue

Revenue based on Geography

	For the year ended March 31, 2019	For the year ended March 31, 2018
India	6,019.11	6,766.91
Outside India	169,730.67	142,837.10
Revenue from operations	175,749.78	149,604.01

d) Reconciliation of revenue from operations with contracted price

	For the year ended March 31, 2019	For the year ended March 31, 2018
Contracted Price	175,759.55	149,606.92
Less:		
Rebates and discounts	0.10	2.75
Sales return	9.67	0.16
	175,749.78	149,604.01

e) Revenue of ₹ 38.88 lakhs recognised for the year ended March 31, 2019 that was included in the contract liability balance (advance from customers) at the beginning of the year.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 28 : OTHER INCOME	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Income		
- On fixed deposits	750.51	125.39
- On loans and advances	156.55	123.33
- On income tax refund	-	88.42
Other non-operating income:		
Rental income	814.53	732.70
Foreign exchange fluctuation	715.64	2,977.02
Sundry balances written back	55.17	30.80
Grant amortised during the year	1.00	1.00
Government grant received	-	16.10
Loss allowance no longer required written back	37.87	25.58
Amortisation of deferred rental income	31.67	8.42
Unwinding of discount on security deposits	39.87	36.47
Profit on sale of current investment - mutual fund	218.20	277.21
Profit on mark to market forward contracts	247.24	-
Fair value gain on investments measured at fair value through profit and loss (net)	-	58.48
Miscellaneous income	324.58	255.51
	<u>3,392.82</u>	<u>4,756.44</u>

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 29 : COST OF MATERIAL CONSUMED	For the year ended March 31, 2019	For the year ended March 31, 2018
Raw Material		
Balance at the beginning of the Year	10,585.74	11,928.62
Add:- Purchases during the year	<u>76,040.34</u>	<u>66,232.38</u>
	86,626.08	78,161.00
Less:- Balance at the end of the Year	10,518.28	10,585.26
Total raw material consumption	<u>76,107.80</u>	<u>67,575.26</u>

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 30 : PURCHASE OF STOCK IN TRADE	For the year ended March 31, 2019	For the year ended March 31, 2018
Purchases during the year	12,954.77	15,834.67
	<u>12,954.77</u>	<u>15,834.67</u>

Notes

to the Consolidated Financial Statements for the year ended March 31, 2019

(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, 2019	For the year ended March 31, 2018
Change in Inventories of finished goods		
Opening stock	4,002.41	4,075.07
Add: Impact of exchange fluctuation & reinstatement (net)	385.75	34.76
Less: Closing stock	4,669.49	4,002.41
(A)	(281.34)	107.43
Change in Inventories of work-in-progress		
Opening stock	6,299.74	5,285.95
Add: Impact of exchange fluctuation & reinstatement (net)	509.06	45.87
Less: Closing stock	8,368.47	6,299.74
(B)	(1,559.67)	(967.92)
(Increase) / decrease in inventory (A + B)	(1,841.00)	(860.49)

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 32 : EMPLOYEE BENEFITS EXPENSE	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, Wages & Bonus	33,619.69	21,906.52
Contribution to Provident and Other fund	810.19	860.35
Gratuity expense (Refer note no. 39)	552.14	417.39
Compensated absences (Refer note no. 39)	661.36	261.79
Staff Training & Welfare Expenses	356.78	279.27
	36,000.15	23,725.32

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 33 : FINANCE COST	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Expense		
- On Term loans, Cash Credit & Working Capital Facilities	2,279.95	2,224.71
- Delayed Payment of Taxes	15.09	2.41
- Others	118.79	4.09
Unwinding of discount on security deposit	26.39	10.67
Other borrowing cost	431.73	311.40
	2,871.95	2,553.28

Notes

to the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 34 : DEPRECIATION AND AMORTISATION EXPENSE	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation & amortisation- property, plant and equipment (refer note no. 4)	2,456.18	2,128.16
Depreciation & amortisation of investment properties (refer note no. 6)	85.76	88.77
Amortisation of intangible assets (refer note no. 8)	47.54	46.74
	2,589.48	2,263.67

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 35 : OTHER EXPENSES	For the year ended March 31, 2019	For the year ended March 31, 2018
Manufacturing expense	18,571.61	16,641.57
Consumption of stores & spare parts	1,126.02	1,608.57
Power & fuel	2,375.82	2,124.85
Rent (Refer 'd' below)	2,383.03	1,950.04
Rates & taxes	193.18	114.47
Travelling & conveyance	1,462.23	1,334.08
Freight & clearing charges	4,715.33	4,097.55
Claim to buyers	1,428.01	1,017.28
Repair & maintenance		
Plant & machinery	100.14	113.85
Buildings	14.77	11.03
Other	959.66	727.21
Commission	596.22	776.11
Legal & professional expenses	5,048.38	4,392.39
Security charges	428.24	431.50
Bank charges	1,382.04	1,236.52
Insurance expenses	290.26	337.41
Payment to the auditors (Refer 'a' below)	58.22	64.06
Bad debts and doubtful advances written off	103.78	117.06
Loss Allowance for doubtful debts	391.92	23.45
Corporate social responsibility (Refer 'b' below)	22.76	27.00
Loss on mark to market forward contracts	-	904.72
Fair value loss on financial assets measured at fair value through profit and loss	133.64	101.36
Amortisation of deferred asset - security deposit paid	42.22	36.99
Miscellaneous Expenses	2,060.16	2,662.04
Total	43,887.64	40,851.11

Notes

to the Consolidated Financial Statements for the year ended March 31, 2019

a) Details of payment made to auditors is as follows:

Payment to auditors

As auditor:

	For the year ended March 31, 2019	For the year ended March 31, 2018
- Statutory audit fee	43.66	36.41
- Other Services	7.44	22.37
- Reimbursement of expenses	7.12	5.28
	58.21	64.06

b) 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 ₹ 814.53 lakh (March 31, 2018 ₹ 732.70 lakh) has been credited in the Statement of Profit & Loss. The future minimum lease payments Receivable and detail of assets as at March 31, 2019 are as under :

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	As At March 31, 2019	As At March 31, 2018
Not later than 1 year	923.92	164.25
Later than 1 year but not later than 5 years	1,951.26	598.53
Later than 5 years	523.71	-
Total	3,398.89	762.78

(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 ₹ 2,383.03 lakh (March 2018 ₹ 1,950.04 lakh). The details of future minimum lease payments is as under :

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	As At March 31, 2019	As At March 31, 2018
Not later than 1 year	1,861.50	1,495.17
Later than 1 year but not later than 5 years	6,424.74	4,983.94
Later than 5 years	6,077.00	3,376.16
Total	14,363.24	9,855.27

c) Finance lease

The carrying amount of the obligation under finance lease at the end of reporting period is analysed as follows:

Particulars	As At March 31, 2019	As At March 31, 2018
Not later than 1 year	15.91	15.66
Later than 1 year but not later than 5 years	2.65	27.13
Later than 5 years		
Total	18.57	42.79

Notes

to the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 36 : EXCEPTIONAL ITEMS	For the year ended March 31, 2019	For the year ended March 31, 2018
(Profit)/loss on sale of fixed assets (Refer 'a' below)	(1,722.12)	(824.39)
	<u>(1,722.12)</u>	<u>(824.39)</u>

a) Profit on sale of fixed assets includes profit on account of compulsory acquisition of land by the Central Government under National Highway Act, 1956 of ₹ 1,756.25 lakh and loss of sale of tangible assets of ₹ 34.13 lakh.

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 37 : COMPONENTS OF OTHER COMPREHENSIVE INCOME	For the year ended March 31, 2019	For the year ended March 31, 2018
A (i) Items that will not be reclassified subsequently to profit or loss		
Re-measurement gains/ (losses) on defined benefit plans	222.67	(214.49)
Fair valuation of investment in structured product	-	(54.38)
Income tax expense	(71.93)	30.99
B (i) Items that will be reclassified subsequently to profit or loss		
Foreign exchange translation reserve	1,334.88	67.77
Fair valuation of investment in structured product	(12.67)	-
Income tax expense	-	-
	<u>1,472.95</u>	<u>(170.13)</u>

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 38 : EARNINGS PER SHARE (EPS)	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit attributable to the equity shareholders (A)	6,728.02	2,408.11
Number/Weighted average number of equity shares outstanding at the end of the year (B)	21,663,937	21,663,937
Nominal value of equity shares	₹ 10	₹ 10
Basic/Diluted earning per share (A/B) (in ₹)	31.06	11.12

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' unless otherwise stated)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Employer's Contribution to Provident Fund/ Pension Fund	492.36	575.25
Employer's Contribution to Employee State Insurance	268.79	241.12
Employer's Contribution to Welfare Fund	49.04	43.98
Total	<u>810.19</u>	<u>860.35</u>

The contribution payable to these schemes by the Group are at the rates specified in the rules of the schemes.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2019

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 Group provides for gratuity for employees in India as per 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 & Bangalore Division (Unfunded)

ii) Other long term employee benefits

As per the Group policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during the service, on early retirement, on withdrawal of scheme, at resignation by employee and upon death of employee. The scale of benefits is determined based on the seniority and the respective employee’s salary. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

Re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest and if applicable), is reflected immediately in Other Comprehensive Income in the statement of profit and loss. All other expenses related to defined benefit plans are recognised in statement of profit and loss as employee benefit expenses. Re-measurements recognised in Other Comprehensive Income will not be reclassified to statement of profit and loss hence it is treated as part of retained earnings in the statement of changes in equity. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Curtailment gains and losses are accounted for as past service costs.

- 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, 2019			As at March 31, 2018		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Opening defined benefit obligation	672.77	877.11	448.27	519.18	975.91	548.34
Adjustment in opening obligation	-	-	-	-	(391.02)	-
Interest cost	51.87	77.36	13.92	39.15	149.63	11.79
Service cost	125.98	305.04	180.16	99.28	116.64	157.96
Past Service cost	-	-	-	23.60	-	-
Benefits paid	(90.48)	(50.69)	(377.73)	(71.28)	(119.33)	(346.67)
Foreign currency translation reserve	-	33.09	8.17	-	(5.98)	(15.20)
Actuarial (gain) / loss on obligations	(142.59)	(66.48)	467.28	62.84	151.27	92.04
Present value of obligation as at the end of the year	617.55	1,175.43	740.07	672.77	877.11	448.27

Notes

to the Consolidated Financial Statements for the year ended March 31, 2019

- 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	As at March 31, 2019			As at March 31, 2018		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Current service cost	125.98	305.04	180.16	99.28	116.64	157.96
Past service cost	-	-	-	23.60	-	-
Interest cost	51.87	77.36	13.92	39.15	149.63	11.79
Expected return on plan assets	(8.11)	-	-	(10.90)	-	-
Actuarial (gain) / loss	-	-	467.28	-	-	92.04
Net cost	169.74	382.40	661.36	151.13	266.26	261.79

- e. Changes in the fair value of the plan assets are as follows:

Particulars	As at March 31, 2019			As at March 31, 2018		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Fair value of plan assets at the beginning	105.16	-	-	144.55	-	-
Difference amount in opening fund	-	-	-	-	-	-
Expected return on plan assets	8.11	-	-	10.90	-	-
Contributions	352.00	-	-	5.87	-	-
Employee's Contribution	-	-	-	-	-	-
Benefits paid	(90.48)	-	-	(55.77)	-	-
Actuarial gains / (losses) on the plan assets	13.60	-	-	(0.39)	-	-
Fair value of plan assets at the end	388.39	-	-	105.16	-	-

- f. Detail of actuarial gain/loss recognised in OCI is as follows:

Particulars	As at March 31, 2019			As at March 31, 2018		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Actuarial gain / (loss) for the year – obligation	142.59	66.48	-	(62.84)	(151.27)	-
Actuarial gain / (loss) for the year - plan assets	13.60	-	-	(0.39)	-	-
Total gain / (loss) for the year	-	-	-	-	-	-
Actuarial gain / (loss) recognised in the year	-	-	-	-	-	-
Unrecognised actuarial gains / (losses) at the end of year	156.19	66.48	-	(63.23)	(151.27)	-

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g. Principal actuarial assumptions at the balance sheet date are as follows:

Particulars	As at March 31, 2019			As at March 31, 2018		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Economic assumptions						
1. Discount rate	8.00%	7.60% to 8.70%	7.60% to 8.00%	8.00%	7.11% to 8.00%	7.11% to 8.00%
2. Rate of increase in compensation levels	6.00%	3.00% to 6.00%	6.00%	6.00%	3.00% to 6.00%	6.00%
Demographic assumptions						
1. Expected average remaining working lives of employees	20.19	26.02	24.29	20.43	26.70	24.61
2. Retirement Age (years)	58	55 - 60	58 - 60	58	55 - 60	58 - 60
3. Mortality Rate	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	0.04	0.04	0.03	0.03	0.03
2. Ages from 30-44	0.02	0.04	0.03	0.02	0.02	0.02
3. Above 44 years	0.01	0.03	0.03	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.

Particulars	As at March 31, 2019			As at March 31, 2018		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Present value of obligation	617.55	1,175.43	740.07	672.77	877.11	448.27
Less: Fair value of plan assets	388.39	-	-	105.16	-	-
Net assets /(liability)	(229.15)	(1,175.43)	(740.07)	(567.60)	(877.11)	(448.27)

i. Expected contribution for the next year is ₹ 1,066.26 Lakh (March 31, 2018: ₹ 870.14 Lakh) in respect of gratuity

j. A quantitative sensitivity analysis for significant assumptions is as shown below:

(Amount in ₹ 'Lakhs' unless otherwise stated)

A. Discount rate	As at March 31, 2019			As at March 31, 2018		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Effect on DBO due to 0.5% increase in Discount Rate	(59.83)	(510.28)	(425.20)	(34.22)	(380.11)	(264.17)
Effect on DBO due to 0.5% decrease in Discount Rate	70.24	490.18	431.66	37.11	465.05	310.97

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(Amount in ₹ 'Lakhs' unless otherwise stated)

	As at March 31, 2019			As at March 31, 2018		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)
B. Salary escalation rate						
Effect on DBO due to 0.5% increase in Salary Escalation Rate	70.80	619.47	523.59	37.55	465.36	311.15
Effect on DBO due to 0.5% decrease in Salary Escalation Rate	(61.30)	(510.52)	(425.58)	(34.90)	(380.02)	(251.41)
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 & withdrawals are not material & hence impact of change due to these not calculated.

k. Risk

Discount Rate	Reduction in discount rate in subsequent valuations can increase the liability.
Salary Increases	Actual salary increases will increase the defined benefit liability. Increase in salary increase rate assumption in future valuations which in turn also increase the liability.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawals rates at subsequent valuations can impact defined benefit liability.
Mortality and disability	Actual details and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

l. Maturity profile of defined benefit obligation is as follows:

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
0 to 1 years	50.2	9.6	44.77	5.04
1 to 2 years	29.8	12.0	11.62	4.67
2 to 3 years	52.7	18.3	11.61	5.76
3 to 4 years	58.9	30.0	19.39	6.64
4 to 5 years	52.4	52.8	15.97	10.28
from 5 years onwards	822.3	3,534.9	569.41	2,298.31

NOTE 40 : CAPITAL MANAGEMENT

For the purpose of 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 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.

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(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	As At	As At
	March 31, 2019	March 31, 2018
Borrowings (Refer note no. 21)	31,592.83	26,253.35
Current maturity of long term loans (Refer note no. 22)	1,680.89	5,288.18
Trade payables (Refer to note no. 25)	18,106.47	10,925.30
Other payables (Refer note no. 22 and 24)	7,874.29	7,125.94
Less: cash and cash equivalents (Refer note no. 17)	(9,434.12)	(9,225.83)
Net debt	49,820.36	40,366.94
Equity share capital (Refer note no. 19)	2,166.39	2,166.39
Other equity (Refer note no. 20)	44,820.35	37,346.98
Total Capital	46,986.74	39,513.37
Capital and net debt	96,807.10	79,880.31
Gearing ratio	51.46%	50.53%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

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.

NOTE 41 : DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

Forward currency contracts

- a) For the year ended March 31, 2019, the Group has outstanding mark to market forward contracts amount to ₹ 462.80 lakh (March 31, 2018: ₹ 215.57 lakh) relating to derivative financial instruments. These commitments with respect to foreign currency 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 derivative contracts outstanding:

Particulars	As At March 31, 2019	As At March 31, 2018
Forward foreign exchange contract	USD 267.37 lakhs	USD 295.50 lakhs
	(Equivalent to ₹ 19,229.16 lakhs)	(Equivalent to ₹ 20,687.90 lakhs)

- c) Particulars of Unhedged foreign currency exposures:

Particulars	As At March 31, 2019		As At March 31, 2018	
	Foreign Currency in lakh	₹ in lakh	Foreign Currency in lakh	₹ in lakh
Foreign currency receivable	HKD 25.37	223.51	HKD 14.83	122.86
	IDR 36,333.72	176.79	IDR 110,234.82	504.34
	EUR 4.25	330.46	EUR 7.56	556.32
	GBP 0.00	0.10	GBP 0.01	1.06
	VND 25,430.25	75.83	VND -	-
	CNY 0.54	5.52	CNY -	-
Foreign currency payable	HKD 181.63	1,600.42	HKD 1.88	15.57
	IDR -	-	IDR 5,835.49	26.70
	VND 122,327.45	364.74	VND 79,591.62	223.15
	USD 6,875,405	4,755.72	USD 11,246,484	7,315.17

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

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(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 financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying values		Fair values	
	As At March 31, 2019	As At March 31, 2018	As At March 31, 2019	As At March 31, 2018
a) Fair value of financial assets:				
Financial assets measured at fair value through profit or loss				
Investment in equity instruments	133.50	143.00	133.50	143.00
Investment in mutual fund	-	632.62	-	632.62
	133.50	775.62	133.50	775.62
Financial assets measured at fair value through other comprehensive income				
Investment in mutual fund	1,312.68	1,245.92	1,312.68	1,245.92
	1,312.68	1,245.92	1,312.68	1,245.92
Financial assets measured at amortised cost				
Investment in government securities	1,829.98	1,720.86	1,829.98	1,720.86
Security deposits	1,124.81	598.68	1,124.81	598.68
Interest accrued on fixed deposits	46.45	55.58	46.45	55.58
Mark to market forward contracts	462.80	215.57	462.80	215.57
Deposits with original maturity of more than 12 months	1,213.74	2,130.47	1,213.74	2,130.47
Loans to related parties	300.00	300.00	300.00	300.00
Loans to others parties	3,658.32	2,139.02	3,658.32	2,139.02
Interest accrued on loan to related parties	6.66	13.46	6.66	13.46
Others	235.42	1,213.47	235.42	1,213.47
Trade receivable	22,177.86	14,196.59	22,177.86	14,196.59
Cash and cash equivalents	9,434.12	9,225.83	9,434.12	9,225.83
Other bank balances	1,707.71	441.67	1,707.71	441.67
	42,197.88	32,251.21	42,197.88	32,251.21
Total (A+B)	43,644.06	34,272.75	43,644.06	34,272.75

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b) Fair value of financial liabilities:	Carrying values		Fair values	
	As At March 31, 2019	As At March 31, 2018	As At March 31, 2019	As At March 31, 2018
Financial liabilities measured at amortised cost				
Borrowings	31,592.83	26,253.35	31,592.83	26,253.35
Security Deposit	222.00	177.78	222.00	177.78
Book Overdraft	150.48	-	150.48	-
Unpaid Dividend	26.83	24.53	26.83	24.53
Current maturity of long term loans	1,680.89	5,288.18	1,680.89	5,288.18
Trade payables	18,106.47	10,925.30	18,106.47	10,925.30
Interest accrued but not due on borrowings	24.67	35.73	24.67	35.73
Creditors for capital expenditure	849.25	48.52	849.25	48.52
Others	2,424.77	2,602.96	2,424.77	2,602.96
	55,078.18	45,356.35	55,078.18	45,356.35

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 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.

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to the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

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 assets and liabilities

a) Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:

	As At March 31, 2019	Amortised Cost	Fair Value			Total
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets measured at fair value through profit or loss						
Investment in equity instruments	133.50	-	133.50	-	-	133.50
Investment in mutual fund	-	-	-	-	-	-
Total A	133.50		133.50	-	-	133.50
Financial assets measured at fair value through other comprehensive income						
Investment in mutual fund	1,312.68	-	-	1,312.68	-	1,312.68
Total B	1,312.68	-	-	1,312.68	-	1,312.68
Financial assets measured at amortised cost						
Investment in government securities	1,829.98	1,829.98	-	-	-	1,829.98
Security deposits	1,124.81	1,124.81	-	-	-	1,124.81
Interest accrued on fixed deposits	46.45	46.45	-	-	-	46.45
Mark to market forward contracts	462.80	-	-	462.80	-	462.80
Deposits with original maturity of more than 12 months	1,213.74	1,213.74	-	-	-	1,213.74
Loans from related parties	300.00	300.00	-	-	-	300.00
Loans from others parties	3,658.32	3,658.32	-	-	-	3,658.32
Interest accrued on loan to related parties	6.66	6.66	-	-	-	6.66
Other	235.42	235.42	-	-	-	235.42
Trade receivable*	22,177.86	22,177.86	-	-	-	22,177.86
Cash and cash equivalents*	9,434.12	9,434.12	-	-	-	9,434.12
Other bank balances*	1,707.71	1,707.71	-	-	-	1,707.71
Total C	42,197.88	41,735.08	-	462.80	-	42,197.88
Total (A+B+C)	43,644.06	41,735.08	133.50	1,775.48	-	43,644.06

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b) Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2019:

	As At March 31, 2019	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	33,273.72	33,273.72	-	-	-	33,273.72
Security deposit	222.00	222.00	-	-	-	222.00
Book overdraft	150.48	150.48	-	-	-	150.48
Unpaid dividend	26.83	26.83	-	-	-	26.83
Trade payables*	18,106.47	18,106.47	-	-	-	18,106.47
Interest accrued but not due on borrowings*	24.67	24.67	-	-	-	24.67
Creditors for capital expenditure*	849.25	849.25	-	-	-	849.25
Others	2,424.77	2,424.77	-	-	-	2,424.77
	55,078.18	55,078.18	-	-	-	55,078.18

c) Quantitative disclosures fair value measurement hierarchy for assets 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)	
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 fair value through other comprehensive income						
Investment in mutual fund	1,245.92	-	-	1,245.92	-	1,245.92
Total B	1,245.92	-	-	1,245.92	-	1,245.92
Financial assets measured at amortised cost						
Investment in government securities	1,720.86	1,720.86	-	-	-	1,720.86
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	32,251.21	32,035.64	-	215.57	-	32,251.21
Total (A+B+C)	34,272.75	32,035.64	775.62	1,461.49	-	34,272.75

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d) 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	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

* 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))

(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, 2019 and March 31, 2018.

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.

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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:

	Increase or decrease in basis points	Decrease / (increase) in profit
March 31, 2019	+50	16.20
	-50	(16.20)
March 31, 2018	+50	14.21
	-50	(14.21)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. Foreign currency risk sensitivity is the impact on the profit before tax is due to changes in the fair value of monetary assets and liabilities on unhedged exposures. The following tables demonstrate the sensitivity to a reasonably possible change in USD, EURO and GBP exchange rates, with all other variables held constant.

	Changes in Exchange rate	Decrease / (increase) in profit before tax
March 31, 2019	+5%	295.43
	-5%	(295.43)
March 31, 2018	+5%	319.79
	-5%	(319.79)

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' unless otherwise stated)

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 March 31, 2019	6,865.15	7,576.27	7,571.51	13.97	150.96	22,177.86
Trade receivables as of March 31, 2018	6,177.48	5,353.12	2,037.90	129.00	499.09	14,196.59

Notes

to the Consolidated Financial Statements for the year ended March 31, 2019

ii) Financial instruments and cash deposits

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.

The table below summarises the maturity profile of the financial liabilities based on contractual undiscounted payments.

(Amount in ₹ 'Lakhs' unless otherwise stated)

As at March 31, 2019	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	23,486.07	-	8,106.76	-	31,592.83
Current maturities of long-term borrowings	420.22	1,260.67	-	-	1,680.89
Trade payables	18,106.47	-	-	-	18,106.47
Other financial liabilities	3,543.07	-	154.93	67.07	3,698.00
Total	45,555.83	1,260.67	8,261.69	67.07	55,078.18
As at March 31, 2018	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	21,354.43	-	4,441.78	457.14	26,253.35
Current maturities of long-term borrowings	1,322.04	3,966.14	-	-	5,288.18
Trade payables	10,925.30	-	-	-	10,925.30
Other financial liabilities	2,730.98	-	158.54	-	2,889.52
Total	36,332.75	3,966.14	4,600.32	457.14	45,356.35

Notes

to the Consolidated Financial Statements for the year ended March 31, 2019

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.

Summary of segment Information as at and for the year ended March 31, 2019 and March 31, 2018 is as follows:

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	Bangladesh	Hong Kong	India	Others	Total	Elimination	Total
Segment Sales	9,853.87	70,457.39	79,676.26	15,762.27	175,749.78	-	175,749.78
	(7,092.47)	(72,863.43)	(69,341.68)	(306.44)	(149,604.01)	-	(149,604.01)
Inter Segment Sales	49,897.16	17,748.70	4,401.20	-	72,047.07	72,047.07	-
	(42,780.52)	(1,374.00)	(1,802.55)	(13,866.88)	(59,823.95)	(59,823.95)	-
Total Segment Sales	59,751.02	88,206.10	84,077.46	15,762.27	247,796.84	72,047.07	175,749.78
	(49,872.99)	(74,237.43)	(71,144.22)	(14,173.32)	(209,427.95)	(59,823.95)	(149,604.01)
Other Income	560.74	462.16	2,683.87	-	3,706.77	313.95	3,392.82
	(10.34)	(356.61)	(4,801.73)	-	(5,168.68)	(412.24)	(4,756.44)
Total Segment Revenue	60,311.77	88,668.25	86,761.33	15,762.27	251,503.61	72,361.01	179,142.60
	(49,883.33)	(74,594.03)	(75,945.95)	(14,173.32)	(214,596.63)	(60,236.18)	(154,360.45)
Total Revenue of each segment as a percentage of total revenue of all segment	23.98	35.26	34.50	6.27	100.00		
	(23.25)	(34.76)	(35.39)	(6.60)	(100.00)		
Total Segment Operative Profit	3,524.76	1,286.82	7,905.74	1,038.03	13,755.36	-	13,755.36
	(3,000.76)	(633.25)	(3,662.12)	(761.27)	(8,057.39)	-	(8,057.39)
Depreciation	896.66	114.56	1,290.15	288.12	2,589.48	-	2,589.48
	(752.10)	(51.30)	(1,274.79)	(185.47)	(2,263.67)	-	(2,263.67)
Unallocated Expenses	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total Segment Result before Interest & Taxes	2,628.10	1,172.27	6,615.59	749.91	11,165.87	-	11,165.87
	(2,248.66)	(581.94)	(2,387.32)	(575.80)	(5,793.72)	-	(5,793.72)
Total EBIT of each segment as a percentage of total EBIT of all segment	23.54	10.50	59.25	6.72	100.00		
	(38.81)	(10.04)	(41.21)	(9.94)	(100.00)		
Net Financing Cost							2,871.95
							(2,553.28)
Income Tax Expenses							1,583.01
							(931.51)
Profit for the Year							6,710.91
							(2,308.93)

Notes

to the Consolidated Financial Statements for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	Bangladesh	Hong Kong	India	Others	Un-allocable	Total	Elimination	Total
Segment Assets	17,903.18	23,791.26	54,032.10	8,933.31	5,389.48	110,049.34	-	110,049.34
	(28,143.22)	(27,363.30)	(51,617.89)	(5,624.56)	-	(112,748.97)	-	(112,748.97)
Segment Assets as a percentage of Total assets of all segments	16.27	21.62	49.10	8.12	4.90	100.00		
	(24.96)	(24.27)	(45.78)	(4.99)	-	(100.00)		
Segment Liabilities	11,120.43	1,707.93	13,762.46	1,584.21	33,734.31	61,909.33	-	61,909.33
	(13,676.92)	(16,775.02)	(12,340.37)	(1,069.97)	-	(43,862.28)	-	(43,862.28)
Segment Liabilities as a percentage of Total Liabilities of all segments	17.96	2.76	22.23	2.56	54.49	100.00		
	(31.18)	(38.24)	(28.13)	(2.44)	-	(100.00)		
Segment Capital Employed	6,782.75	22,083.33	40,269.65	7,349.11	(28,344.84)	48,140.00	-	48,140.00
	(14,466.30)	(10,588.28)	(39,277.52)	(4,554.59)	-	(68,886.69)	-	(68,886.69)
Segment Capital Employed as a percentage of Total capital employed of all segments	14.09	45.87	83.65	15.27	(58.88)	100.00		
	(21.00)	(15.37)	(57.02)	(6.61)	-	(100.00)		
Capital Expenditure	1,244.68	4,694.66	2,042.59	915.28		8,897.21	-	8,897.21
	(484.68)	(3,196.30)	(1,093.81)	(146.46)		(4,921.26)	-	(4,921.26)
Segment Capital Expenditure as a percentage of Total capital expenditure of all segments	13.99	52.77	22.96	10.29		100.00		
	(9.85)	(64.95)	(22.23)	(2.98)		(100.00)		
Depreciation	896.66	114.56	1,290.15	288.12		2,589.48	-	2,589.48
	(752.10)	(51.30)	(1,274.79)	(185.47)		(2,263.67)	-	(2,263.67)

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, 2019	As At March 31, 2018
India	6,019.11	6,766.91
Outside India	164,750.91	136,819.41

c) Non-current assets are located within India and outside India:

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	As At March 31, 2019	As At March 31, 2018
Non Current Assets		
- within India	22,380.64	21,696.21
- outside India	20,522.93	16,499.61

d) Revenue from major customer: During the year the Company generates 90% of its external revenues from twenty one (23) customers.

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to the Consolidated Financial Statements for the year ended March 31, 2019

NOTE 46 : CONTINGENT LIABILITIES AND COMMITMENTS

(Amount in ₹ 'Lakhs' unless otherwise stated)

a) Contingent liabilities (to the extent not provided for)

	As At	As At
	March 31, 2019	March 31, 2018
I The Company has reviewed all its pending claims, litigations and other proceedings and has adequately provided for wherever required. However, wherever it is difficult for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities, the Company has disclosed the same as Contingent Liabilities (pending resolution of the respective proceedings). The Company does not expect the outcome of these proceedings to have a material or adverse effect on financial position of the Company. Also, the Company does not expect any reimbursements in respect of the above contingent liabilities.		
i) Claims against the Company not acknowledged as debts corresponding to :		
-Tax Demand as per Sec 143(1) of Income Tax act , 1961 (with respect to Assessment Year 2014-15)	1.25	1.25
-Tax Demand as per Sec 143(1) of Income Tax act , 1961 (with respect to Assessment Year 2015-16)	98.01	396.77
-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	38.83	258.55
-TDS demand as per TRACES	18.43	14.79
ii) Several Legal Cases of labour pending at labour Court, Civil Court and High Court.		
iii) 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 lakh, ₹ 8.06 lakh and ₹ 69.25 lakh respectively has not been recorded in books of account. Further, Company has also not accounted for the PF contribution of ₹ 65.33 lakh and ESI contribution of ₹ 12.88 lakh due on the wage arrears paid to the present employees during the year ended March 31, 2017		
II Irrevocable letter of credit (net of margin) outstanding with banks	11,569.88	11,818.06
III Bank guarantee given	147.06	74.71
IV Counter guarantees given by the Company to the Sales Tax Department over which Key Managerial Personnel have Significant influence		
- For enterprise	1.00	1.00
- For others	0.50	0.50
V The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir and Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952.		

(Amount in ₹ 'Lakhs' unless otherwise stated)

b) Commitments

	As At	As At
	March 31, 2019	March 31, 2018
i) Capital Commitment: Estimated amount of contracts remaining to be executed on the capital account (net of capital advances)	99.44	164.80

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to the Consolidated Financial Statements for the year ended March 31, 2019

NOTE 47 : RELATED PARTY TRANSACTIONS

a) List of related parties

Nature of Relationship	Name of the Related Party
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	

Notes

to the Consolidated Financial Statements for the year ended March 31, 2019

	<p>PG Home Group Limited</p> <p>PG Shanghai Mfg Company Limited</p> <p>Sourcing Solutions Limited</p> <p>Razamtazz Limited</p> <p>Krayon Sourcing Limited (Formerly Sourcing Solutions HK Limited)</p> <p>Design Arc Asia Limited [(Formerly Design Arc. Limited) (Design Arc. Limited Formerly Nor France Manufacturing Company Ltd)]</p> <p>Nor Lanka Manufacturing Limited</p> <p>Design Arc Europe Limited (Formerly Nor Europe Manufacturing Limited</p> <p>Kleider Sourcing Hongkong Limited</p> <p>Rising Asia Star Hongkong Limited (Formerly Techno Manufacturing Limited)</p> <p>Nor India Manufacturing Company Limited</p> <p>Spring Near East Manufacturing Company Limited</p> <p>DS Manufacturing Limited (Formerly Designed and Sourced Limited)</p> <p>FX Import Hongkong Limited</p> <p>Poetic Knitwear Limited</p> <p>Pacific Logistics Limited</p> <p>PG Home Group SPA (Formerly Pearl GES Home Group SPA)</p> <p>Nor Lanka Manufacturing Colombo Limited</p> <p>Nor Europe SPA</p> <p>FX Import Company Limited</p> <p>MultiTech Venture Ltd(Mauritius)</p> <p>Redwood Internet Ventures Limited</p> <p>Digital Internet Technologies Limited</p> <p>Progress Manufacturing Group Ltd</p> <p>Progress Apparels(Bangladesh) Ltd</p> <p>Norlanka Progress Pvt.Ltd</p> <p>Green Apparel Industries Ltd</p> <p>JJ Star Industrial Limited</p> <p>Twin Asia Limited</p> <p>Grupo Sourcing Limited (Hongkong)</p> <p>Blueprint Design Limited</p> <p>Design Arc UK Limited</p> <p>Grupo Sourcing Limited</p> <p>Fareast Vogue Limited</p> <p>PDS Far-east Limited</p> <p>Kindred Brands Ltd (Formerly NW Far-east Limited)</p> <p>Styleberry Limited</p> <p>PDS Global Investments Limited</p>
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to the Consolidated Financial Statements for the year ended March 31, 2019

	<p>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 360 Notch Ltd (Formerly known as Poeticgem Australia Ltd) Smart Notch Limited (w.e.f. 20.04.2018) Jcraft Array Limited (w.e.f. 12.04.2018) Kindred Fashion Limited (w.e.f. 23.10.2018) Recovered Clothing Limited (w.e.f. 24.07.2018) PDS Ventures Limited (w.e.f. 03.07.2018) Design Arc FZCO (W.e.f. 17.01.2019) Spring Near East FZCO (w.e.f. 17.01.2019) Kleider Sourcing FZCO (w.e.f. 17.01.2019) Twin Asia FZCO (w.e.f. 17.01.2019) Technocian Fashion Private Limited (w.e.f. 20.03.2019)</p>	
Key Management Personnel (KMP)	<p>Mr. Deepak Seth Mr. Pulkit Seth Mrs. Shifalli Seth Mr. Vinod Vaish Mr. Raj Kumar Chawla upto 25.01.2019 Mr. Raghav Garg (from 12.02.2019) Mr. Sandeep Sabharwal Mr. Chittranjan Dua Mr. Rajendra Kumar Aneja Mr. Anil Nayar Mr. Abhishek Goyal</p>	<p>Chairman Vice Chairman & Managing Director Whole-Time Director Whole-Time Director Chief Financial Officer Chief Financial Officer Company Secretary Independent Director Independent Director Independent Director Independent Director</p>

Notes

to the Consolidated Financial Statements for the year ended March 31, 2019

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, 2019	For the year ended March 31, 2018
Expenses paid by the Company on their behalf	0.61	3.88
Reimbursement of expenses	4.37	20.90
Interest income	30.00	30.00
Closing Balance	As At March 31, 2019	As At March 31, 2018
Trade receivable	4.29	11.06
Loan receivable (including interest)	306.66	313.46

(ii) Key Management Personnel (Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Remuneration paid	277.89	217.43
EPF paid	1.11	1.08
Expenses paid by the Company on their behalf	-	5.08
Expenses incurred by them on behalf of the Company	42.31	24.60
Directors sitting fees	1.50	1.43
Closing Balance	As At March 31, 2019	As At March 31, 2018
Trade payable	16.85	20.45

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, 2019	For the year ended March 31, 2018
Expenses paid by the Company on their behalf		
Norwest Industries Limited	0.61	3.88
Reimbursement of expenses		
Poeticgem	-	17.90
PDS Multinational Fashion Limited	4.37	3.00
Interest income		
PDS Multinational Fashion Limited	30.00	30.00
Closing Balance		
Norwest Industries Limited	-	6.51
Multinational Textiles Group Limited	4.29	4.55
PDS Multinational Fashion Limited	306.66	313.46

Notes

to the Consolidated Financial Statements for the year ended March 31, 2019

(ii) Key Management Personnel

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Remuneration paid		
Mr.Pulkit Seth	120.00	106.70
Mrs. Shifalli Seth	75.00	66.25
Mr. Rajkumar Chawla	44.88	18.35
Mr. Vinod Vaish	16.44	12.36
Mr. Sandeep Sabharwal	15.63	13.77
Mr. Raghav Garg	5.94	-
EPF paid		
Mr.Pulkit Seth	0.22	0.22
Mrs. Shifalli Seth	0.22	0.22
Mr. Rajkumar Chawla	0.18	0.22
Mr. Vinod Vaish	0.22	0.22
Mr. Sandeep Sabharwal	0.22	0.22
Mr. Raghav Garg	0.05	-
Expenses paid by the Company on their behalf		
Mr. Deepak Seth	-	5.00
Expenses incurred by them on behalf of the Company		
Mr. Raj Kumar Chawla	22.60	11.92
Mr. Vinod Vaish	12.34	7.94
Mr. Sandeep Sabharwal	6.35	4.74
Mr. Raghav Garg	1.02	-
Directors sitting Fees:		
Mr. Deepak Seth	0.10	0.10
Mr. Anil Nayar	0.40	0.62
Mr. CR Dua	0.40	0.32
Mr. Abhishek Goyal	0.50	0.40
Mr. Rajendra Aneja	0.10	-

(iii) Terms and conditions of transactions with related parties

All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except the interest bearing loan and settlement occurs in cash.

(iv) The remuneration of Key Managerial Personnel does not include amount in respect of gratuity and leave encashment payable as the same are not determinable as individual basis for the KMP. The liabilities of gratuity and leave encashment are provided for company as whole.

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to the Consolidated Financial Statements for the year ended March 31, 2019

NOTE 48 :

(a) For Disclosures mandated by Schedule III of Companies Act 2013, by way of additional information, refer below:

(Amount in ₹ 'Lakhs' unless otherwise stated)

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	29,858.77	11.54	266.38	24.93	(42.41)	10.47	223.97
Subsidiary:								
- Indian								
Pearl Global Kausal Vikas 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	8,956.79	62.41	1,440.91	43.80	(74.52)	63.89	1,366.39
Pearl Global Far East Limited	12.52	4,947.66	21.22	489.97	(10.49)	17.84	23.74	507.81
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)	(11,906.20)	(0.10)	(2.33)	-	-	(0.11)	(2.33)
Total		39,513.36		2,308.93		(170.13)		2,138.80
Non Controlling Interest in subsidiaries		965.10		99.18		9.06		108.24
Grand Total		40,478.46		2,408.11		(161.07)		2,247.04

(b) For Disclosures mandated by Schedule III of Companies Act 2013, by way of additional information, refer below:

(Amount in ₹ 'Lakhs' unless otherwise stated)

Name of the Entities	2018-19							
	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	80.02	31,618.47	93.12	2,150.19	(77.51)	131.87	106.70	2,282.06
Subsidiary:								
- Indian								
Pearl Global Kausal Vikas Limited	0.00	1.32	(0.03)	(0.68)	-	-	(0.03)	(0.68)
Pearl Apparel Fashions Limited	0.07	27.64	(13.40)	(309.34)	-	-	(14.46)	(309.34)
- Foreign	-	-	-	-	-	-	-	-
Norp Knit Industries Limited	29.33	11,587.79	80.93	1,868.69	(320.01)	544.43	112.83	2,413.12
Pearl Global Far East Limited	15.43	6,095.14	42.13	972.68	(166.36)	283.03	58.71	1,255.71
Pearl Global (HK) Limited	21.58	8,528.04	16.94	391.03	(301.90)	513.62	42.30	904.65
Subtotal		57,858.40		5,072.57		1,472.95		6,545.52
Intercompany Elimination & Consolidation Adjustments	(27.51)	(10,871.66)	70.96	1,638.35	-	-	76.60	1,638.35
Total		46,986.74		6,710.92		1,472.95		8,183.87
Non Controlling Interest in subsidiaries		1,153.26		17.10		(100.94)		(83.84)
Grand Total		48,140.00		6,728.02		1,372.01		8,100.03

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to the Consolidated Financial Statements for the year ended March 31, 2019

NOTE 49 : EVENT OCCURRING AFTER BALANCE SHEET DATE

a) Dividend paid and proposed:

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	Year ended	Year ended
	March 31, 2019	March 31, 2018
i. Declared and paid during the year:		
Final dividend for the financial year 2017-18: ₹ 2.00 per share (2016-17: ₹ 3.00 per share) Including dividend distribution tax of ₹ 89.06 lakh for the financial year 2017-18 (₹ 132.31 lakh for the financial year 2016-17)	522.34	782.23
ii. Proposed for approval at the Annual General Meeting (not recognised as a liability)		
Final Dividend for financial year 2018-19: ₹ 3.00 per share (2017-18: ₹ 2.00 per share)	649.92	433.28
Dividend distribution tax	132.31	89.06
b) 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 50 :

The balances of trade receivables, trade payables, financials assets and other assets given are subject to reconciliation and confirmation as on March 31, 2019 and have realisation in ordinary course of business atleast equal to amount at which they are stated in the financial statements.

NOTE 51 :

Figures have been rounded off to the nearest Lakh 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 28, 2019

Raghav Garg
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 Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Pearl Global Industries Limited** (“the Company”), which comprise the balance sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as “the standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the **Profit** and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No.	Key Audit Matters	How our audit addressed the key audit matter
1.	<p>Defined Benefit Plan Liabilities</p> <p>Refer Note 39 to the accompanying standalone financial statements as at March 31, 2019, As at March 31, 2019, the Company has defined benefit plan liabilities. The valuation of liability for such defined benefit plan requires significant judgement and expertise primarily in respect of key assumptions used like economic assumptions, demographic assumptions, employee attrition rate, discount rate, inflation etc. This area was significant to our audit because:</p> <ul style="list-style-type: none"> - the complexities involved in the valuation; - defined benefit obligation is highly sensitive to changes in aforesaid assumptions and a change in a number of these key assumptions can have a material impact on the calculation of the liability; and - the parameter most subject to change is the discount rate. 	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> - Obtained an external actuary's report used in the valuation of defined benefit plan liabilities and reviewed the methodologies adopted by the actuary in forming the valuation. - Evaluated the key financial assumptions used for the valuation of scheme liabilities including the discount and inflation rate and also verified that whether the same are consistent with industry practice and SOP of the Company. - Compared the assumptions in respect of increase in salary to historic salary increase, change in employee bases eligible for valuation, considered the appropriateness of the mortality assumptions. <p>The assumptions used were found within the benchmarks and were considered appropriate. We have read the disclosures in the financial statements in respect of defined benefit schemes and based on our verification, found the same consistent with relevant accounting standard.</p>

Independent Auditors' Report

To the Members of Pearl Global Industries Limited

S.No.	Key Audit Matters	How our audit addressed the key audit matter
2.	<p>Adequacy and completeness of disclosures of Related Party Transactions</p> <p>Refer Note 47 to the accompanying standalone financial statements as at March 31, 2019, the disclosure of related parties and transactions with them.</p> <p>The Company has related party transactions which include among others, sale/purchase of goods to its subsidiaries and other related parties.</p> <p>This area was significant to our audit due to the following reasons</p> <ul style="list-style-type: none"> - the significance of transactions with related parties during the year ended March 31, 2019; and - Related party transactions are subject to compliance requirement under the Companies Act, 2013 and SEBI (listing and Obligation Disclosure Requirement) 2015. 	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the Company's policies and procedures in respect of identification of related parties and transactions with them. We also traced the related parties from declaration given by directors, wherever applicable. • Read the minutes of the meetings of Board of Directors and Audit Committee. • Obtaining an understanding of Company's policies and procedure in respect of evaluation of arm-length pricing. • Verified relevant agreements on sample basis and approval process by audit committee and board of directors. • Tested material trade payables, trade receivables, loans outstanding to evaluate existence of any related party relationship. • Assessment of Management evaluation of compliance with Companies Act, 2013 and SEBI (LODR), 2015. • Ensure the adequacy of the disclosures in the standalone Ind AS financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the annual report, but does not include the standalone financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Responsibility of Management and Those Charge with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free

Independent Auditors' Report

To the Members of Pearl Global Industries Limited

from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the board of directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless board of director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Independent Auditors' Report

To the Members of Pearl Global Industries Limited

Report on Other Legal and Regulatory Requirements

1. 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 "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit 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), Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
 - 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 disclosed the impact of pending litigations on its financial position in its standalone financial statements- **Refer Note No. 46** to the standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. With respect to the matter to be included in the Auditors' report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

For B.R. Gupta & Co.

Chartered Accountants,

Firm's Registration Number 008352N

(Deepak Agarwal)

Partner

Membership Number 073696

Place of Signature: Gurugram

Date: May 28, 2019

Annexure 'A' To the Independent Auditors' Report

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

The Annexure referred to in independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended March 31, 2019; we report that:

- i) In respect of fixed assets (including property, plant and equipment):
 - 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. In case of immovable properties that have taken on lease and disclosed as property, plant and equipment in the financial statements, we report that the lease agreement are in name of 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, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
- 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, Goods and Service Tax, Cess and any other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Cess and any other material statutory dues in arrears as at March 31, 2019 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 Service tax or Goods and Services tax or duty of Customs or duty of

Annexure ‘A’ To the Independent Auditors’ Report

Excise or Value added tax which have not been deposited by the Company on account of disputes, except for the following:

S. No.	Name of the Statute	Nature of Dues	Amount in ₹ lakh	Period to which amount relates	Forum where dispute is pending
1.	Income Tax Act, 1961	Income Tax Demand	1.25	A.Y 2014-15	Rectification U/s 154 -Assessing Officer
2.	Income Tax Act, 1961	Income Tax Demand	98.01	A.Y 2015-16	Commissioner of Income Tax (Appeals)
3.	Income Tax Act, 1961	Income Tax Demand	38.83	A.Y 2016-17	Commissioner of Income Tax (Appeals)
4.	Income Tax Act, 1961	Tax Deductible At Source	18.43	Prior to A.Y2015-16	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. The term loan taken during the year were applied for the purpose for which the same has been taken.
- 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, wherever 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 28, 2019

Annexure 'B' To the Independent Auditors' Report

Annexure 'B' to the Independent Auditors' Report of even date on the standalone 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 with reference to financial statements of **Pearl Global Industries Limited** ("**the Company**") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Annexure 'B' To the Independent Auditors' Report

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2019, based on "the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B.R. Gupta & Co.

Chartered Accountants,

Firm's Registration Number 008352N

(Deepak Agarwal)

Partner

Membership Number 073696

Place of Signature: Gurugram

Date: May 28, 2019

Balance Sheet

as at March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	Note No.	As At	As At
		March 31, 2019	March 31, 2018
Assets			
I. Non-current assets			
(a) Property, plant and equipment	4	13,146.90	12,559.92
(b) Capital work in progress	5	159.72	54.17
(c) Investment properties	6	7,429.89	7,514.36
(d) Other Intangible assets	7	114.94	134.83
(e) Financial assets			
(i) Investment in subsidiaries	8	11,726.14	12,990.20
(ii) Investment - others	9	135.13	144.67
(iii) Loans	10	474.62	451.69
(iv) Other financial assets	11	844.06	435.90
(f) Deferred tax assets (net)	12	-	114.53
(g) Non current tax assets (net)	13	303.15	128.67
(h) Other non current assets	14	385.80	324.53
Total Non-current assets		34,720.35	34,853.47
Current assets			
(a) Inventories	15	13,513.04	11,998.86
(b) Financial assets			
(i) Investments	9	-	632.62
(ii) Trade receivables	16	11,134.77	8,748.39
(iii) Cash and cash equivalents	17	2,234.64	2,058.74
(iv) Bank balances other than cash and cash equivalents	18	1,454.01	428.08
(v) Loans	10	349.63	334.99
(vi) Other financial assets	11	1,566.59	2,040.29
(c) Other current assets	14	3,912.78	4,217.07
Total current assets		34,165.46	30,459.04
Total assets		68,885.81	65,312.51
II. Equity and liabilities			
Equity			
(a) Equity share capital	19	2,166.39	2,166.39
(b) Other equity	20	29,452.08	27,692.36
Total equity		31,618.47	29,858.75
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	3,185.15	3,945.54
(ii) Others financial liabilities	22	222.00	158.54
(b) Provisions	23	710.08	859.15
(c) Deferred tax liabilities	12	340.46	-
(d) Other non current liabilities	24	3,076.96	3,461.50
Total non-current liabilities		7,534.65	8,424.73
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	16,182.41	18,286.55
(ii) Trade payables	25		
Total outstanding due of micro enterprises and small enterprises		63.70	98.88
Total outstanding due of creditors other than micro enterprises and small enterprises		10,450.22	6,997.27
(iii) Other financial liabilities	22	1,938.27	1,011.19
(b) Other current liabilities	24	837.89	580.25
(c) Provisions	23	70.04	54.89
(d) Current tax liabilities (net)	26	190.16	-
Total current liabilities		29,732.69	27,029.03
Total equity and liabilities		68,885.81	65,312.51
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 28, 2019

Raghav Garg
Chief Financial Officer

Sandeep Sabharwal
Company Secretary
M. No. ACS - 8370

Statement of Profit & Loss

for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I Revenue from operations	27	84,025.72	71,077.23
II Other income	28	2,630.62	4,801.99
III Total income (I+II)		86,656.34	75,879.22
IV Expenses			
(a) Cost of materials consumed	29	26,069.98	21,613.04
(b) Excise duty		-	1.58
(c) Purchases of stock-in-trade	30	16,506.39	13,423.36
(d) Changes in inventories of finished goods, work in progress and stock in trade	31	(867.40)	(173.04)
(e) Employee benefits expense	32	13,190.64	11,960.21
(f) Finance costs	33	1,987.45	1,922.93
(g) Depreciation and amortisation expense	34	1,289.07	1,273.72
(h) Other expenses	35	25,575.48	25,991.99
Total expenses		83,751.61	76,013.78
V Profit/ (loss) before exceptional items and tax (III-IV)		2,904.73	(134.56)
VI Exceptional Items	36	(280.92)	(812.13)
VII Profit/ (loss) before tax (V-VI)		3,185.65	677.57
VIII Tax expense:	12		
(a) Current tax		825.78	192.53
(b) MAT credit entitlement		(103.08)	(192.53)
(c) Deferred tax		119.75	245.64
(d) Adjustment of tax relating to earlier periods		193.01	165.55
Total tax expense		1,035.46	411.19
IX Profit/(loss) for the year (VII-VIII)		2,150.19	266.38
X Other comprehensive income	37		
(A) (i) Items that will not be reclassified subsequently to profit or loss			
(a) Re-measurement gains/ (losses) on defined benefit plans		202.70	(63.36)
(ii) Income tax on items that will not be reclassified subsequently to profit or loss		(70.83)	20.95
(B) (i) Items that will be reclassified subsequently to profit or loss		-	-
(ii) Income tax on items that will be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the year, net of tax		131.87	(42.41)
XI Total comprehensive income for the year, net of tax (IX + X)		2,282.06	223.97
XII Earnings per share: (face value ₹ 10 per share)	38		
1) Basic (amount in ₹)		9.93	1.23
2) Diluted (amount in ₹)		9.93	1.23
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

Place of Signature : Gurugram

Dated: May 28, 2019

Pulkit Seth

Managing Director

DIN 00003044

Raghav Garg

Chief Financial Officer

Deepak Seth

Chairman

DIN 00003021

Sandeep Sabharwal

Company Secretary

M. No. ACS - 8370

Statement of Changes in Equity

for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

A. Equity Share Capital

As at April 01, 2017	2,166.39
Changes during the year	-
As at March 31, 2018	2,166.39
Changes during the year	-
As at March 31, 2019	2,166.39

B. Other Equity

	Reserve & Surplus					Total Other Equity
	General Reserve	Security Premium	Capital Redemption Reserve	Amalgamation Reserve	Retained Earnings	
Balance as at April 01, 2017	4,204.36	17,103.90	95.00	625.95	6,221.42	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	-	-	-	-	223.97	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	5,663.16	27,692.36
Profit / (loss) for the year	-	-	-	-	2,150.19	2,150.19
Other Comprehensive Income	-	-	-	-	131.87	131.87
Total Comprehensive Income for the year	-	-	-	-	2,282.06	2,282.06
Dividend	-	-	-	-	(433.28)	(433.28)
Dividend Distribution Tax	-	-	-	-	(89.06)	(89.06)
Balance as at March 31, 2019	4,204.36	17,103.90	95.00	625.95	7,422.88	29,452.08

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 28, 2019

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

Pulkit Seth
Managing Director
DIN 00003044

Raghav Garg
Chief Financial Officer

Deepak Seth
Chairman
DIN 00003021

Sandeep Sabharwal
Company Secretary
M. No. ACS - 8370

Cash Flow Statement

for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flows from operating activities		
Profit before and tax	3,185.65	677.57
Adjustments for:		
Depreciation and amortization	1,289.07	1,273.72
Interest paid and other borrowing cost	1,961.06	1,907.29
Unwinding of discount on security deposit	26.39	10.67
Sundry balances written back	(55.16)	(30.80)
Grant amortised during the year	(1.00)	(1.00)
Government grant received	-	(16.10)
Loss allowance no longer required written back	-	(22.31)
Amortisation of deferred rental income	(31.67)	(8.42)
Unwinding of discount on security deposits	(39.87)	(36.47)
Profit on sale of current investment - mutual Fund	(218.20)	(277.21)
Rental income	(814.53)	(732.70)
Interest income	(211.93)	(161.00)
On amortisation of investment in preference shares	(12.98)	(11.59)
Fair value loss (gain) on financial assets measured at fair value through profit and loss	133.64	42.89
Mark to market (gain) / loss on forward contract	(247.24)	904.72
Amortisation of deferred asset - security deposit paid	42.22	36.99
Income on corporate guarantee	(161.31)	(148.64)
Loss Allowance for doubtful debts	391.92	0.20
Bad debts written off	1.41	5.55
Operating profit before working capital changes	5,237.47	3,413.33
Movement in working capital:		
(Increase)/decrease in trade receivables	(2,779.71)	148.08
(Increase)/decrease in other non-current financial assets	(325.54)	188.97
(Increase)/decrease in other current financial assets	(266.42)	(35.39)
(Increase)/decrease in other non-current assets	(88.95)	47.44
(Increase)/decrease in other current assets	304.29	(981.32)
(Increase)/decrease in inventories	(1,514.18)	2,512.09
Increase/(decrease) in trade payables	3,472.93	(6,373.57)
Increase/(decrease) in other non-current financial liabilities	68.74	(64.36)
Increase/(decrease) in other current financial liabilities	131.24	(1,199.57)
Increase/(decrease) in non-current provisions	53.63	164.44
Increase/(decrease) in current provisions	15.15	14.98
Increase/(decrease) in other non-current liabilities	(529.15)	50.90
Increase/(decrease) in other current liabilities	258.64	(145.83)
Cash generated from operations	4,038.15	(2,259.81)
Tax paid on dividend	89.06	132.31
Direct tax paid (net of refunds)	650.10	103.77
Cash flow before exceptional items	3,298.99	(2,495.89)
Exceptional items:		
(Profit)/loss on sale of fixed assets	(1,719.28)	(812.13)
Impairment of investment in subsidiaries	1,438.36	-
Net cash inflow from/(used in) operating activities	(A) 3,018.07	(3,308.02)

Cash Flow Statement

for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,908.09)	(1,296.54)
Proceeds from sale of property, plant and equipment	1,884.63	1,330.59
(Increase)/decrease in capital work in progress	(105.55)	237.39
Purchase of investment properties	(1.29)	(67.13)
Proceeds from sale of investment properties	-	300.00
Purchase of Intangible assets	(27.65)	(17.33)
(Increase)/decrease in capital advances	(14.54)	113.18
Increase/(decrease) in capital creditor	800.73	(227.56)
(Increase)/decrease in Investment in subsidiaries	-	(1,290.55)
(Increase)/decrease in non-current investment - Others	9.54	(58.48)
(Increase)/decrease in current investment - Others	717.18	854.78
(Increase)/decrease in non-current Loans	(22.93)	(12.13)
(Increase)/decrease in current Loans	(14.64)	33.44
(Increase)/decrease in bank deposit	(53.43)	(57.44)
Interest received	184.03	144.24
Rent received	814.53	732.70
Net Cash From/ (Used In) Investing Activities	(B)	
	<u>2,262.51</u>	<u>719.16</u>
Cash flows from financing activities		
Increase/ (decrease) in non current borrowings	(730.10)	1,750.28
Increase/ (decrease) in non current borrowings - Non Cash Ind AS impact	(17.49)	(24.53)
Government grant received	144.61	16.10
Increase/ (decrease) in current borrowings	(2,104.14)	3,142.13
Dividend paid	(430.98)	(640.66)
Interest paid	(1,966.57)	(1,891.60)
Net cash inflow from/(used in) financing activities	(C)	
	<u>(5,104.68)</u>	<u>2,351.72</u>
Net Increase (decrease) In cash and cash equivalents	(A+B+C)	
	<u>175.90</u>	<u>(237.14)</u>
Opening balance of cash and cash equivalents	2,058.74	2,295.88
Total cash and cash equivalent (Note no. 17)	<u>2,234.64</u>	<u>2,058.74</u>
Components of cash and cash equivalents		
Cash, Cheque/drafts on hand	247.51	78.62
With banks - Current account	1,987.13	1,980.12
Total cash and cash equivalent (Note no. 17)	<u>2,234.64</u>	<u>2,058.74</u>

Note : The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

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

Deepak Agarwal
Partner
Membership Number 073696

Place of Signature : Gurugram
Dated: May 28, 2019

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

Pulkit Seth
Managing Director
DIN 00003044

Raghav Garg
Chief Financial Officer

Deepak Seth
Chairman
DIN 00003021

Sandeep Sabharwal
Company Secretary
M. No. ACS - 8370

Notes

to the Financial Statements for the year ended March 31, 2019

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 BSE Limited and National Stock Exchange of India Limited in India.

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 28, 2019.

NOTE 2: BASIS OF PREPARATION AND MEASUREMENT

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

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

Basis of Preparation and presentation: These financial statements are prepared under the historical cost convention unless otherwise indicated.

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.

Going Concern

The Board of Directors have considered the financial position of the Company at 31st March 2019 and the projected cash flows and financial performance of the Company for at least

twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The Board of Directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

Recent accounting pronouncements

a) Ind AS 116 Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standards set out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying assets of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhance disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:
 - Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
 - An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Notes

to the Financial Statements for the year ended March 31, 2019

Certain practical expedients are available under both the methods. The Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to the retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted.

The company is evaluating the requirements of the amendment and its effect on the financial statements.

b) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition:

- i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The company is evaluating the requirements of the amendment and its effect on the financial statements.

c) Ind AS 12 – Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

d) Amendment to Ind AS 19 – plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The company is evaluating the requirements of the amendment and its effect on the financial statements.

Application of New Accounting Pronouncements

The following Ind As pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules 2018, were applied by the Company during the year:

Ind As 115, Revenue from Contracts with Customers with effect from April 1, 2018

Appendix B to Ind AS 21, Foreign Currency Transactions and advance consideration with effect from April 1, 2018.

Notes

to the Financial Statements for the year ended March 31, 2019

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 transfer the control 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, both the legal form and substance of the agreement between the Company and its customers are reviewed to determine each party's respective role in the transaction.

Interest income

Interest income is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or shorter period, where appropriate, to the gross carrying amount of the financial asset. 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 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.

Notes

to the Financial Statements for the year ended March 31, 2019

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.

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.

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

Notes

to the Financial Statements for the year ended March 31, 2019

- 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 1 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.

Transition to Ind AS: On transition to Ind AS, the Company has elected to continue with the carrying value of all its investment properties as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such investment properties.

e) 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 April 01, 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

Notes

to the Financial Statements for the year ended March 31, 2019

use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs consists of interest and 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.

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

Exchange differences on monetary items are recognised in statement of profit and 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

The Company derives revenue primarily from export of manufactured and traded goods.

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers' The effect on adoption of Ind-AS 115 was insignificant.

Revenue from contract with customer

Revenue from contract with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding the amount collected on behalf of third parties (for example, taxes and duties collected on behalf of government) and net of returns & discounts. The company has concluded that it is acting as principal in its revenue arrangements.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of products, the Company considers the effect of variable consideration, the existence of significant financing component, non-cash consideration, and consideration payable to the customer (if any).

Following are the specific revenue recognition criteria:

(i) Sale of products

Revenue from sale of products is recognised at the point in time when control of product is transferred to the customer. In case of Export sale it is on the basis of date of airway bill/bill of lading.

(ii) Job work income

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

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(iii) Export Incentives

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

(iv) Other Incomes

- a) Sale of software/ SAP income is recognized at the delivery of complete module & patches (through reimbursement from group companies).
- b) Rental Income is recognized on accrual basis as per the terms of agreement.
- c) In respect of interest income, revenue is recognised on the time proportion basis, taking into account the amount outstanding and the rate of interest applicable.
- d) Dividend Income is recognized when the right to receive is established.

Variable Consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Significant Financing Component

Generally, the Company does not receive short term or long term advances from its customers except in certain scenarios. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of promised good or service to the customer and when the customer pays for good or service will be one year or less. The company does not expect to have any contracts where the period between the transfer of promised goods and services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Cost to obtain a contract

The Company does not capitalise costs to obtain a contract because majorly the contracts have terms that do not extend beyond one year. The Company does not have a significant amount of capitalized costs related to fulfilment.

i) Inventories

- i) Inventories of finished goods manufactured by the company are valued style-wise and at lower of cost and estimated net 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.

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- iii) Inventories of raw material, work in progress, accessories & consumables are valued at cost (weighted average method) or at estimated net 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 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

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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 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.

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to the Financial Statements for the year ended March 31, 2019

l) Provisions

General

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

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

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

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

m) Financial instruments

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

(i) Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

- Financial Asset carried at amortised cost

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

Financial asset carried at amortised cost

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

Financial asset at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset at fair value through profit and loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

- (i) The contractual rights to receive cash flows from the asset has expired, or
- (ii) The Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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to the Financial Statements for the year ended March 31, 2019

(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

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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').

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to the Financial Statements for the year ended March 31, 2019

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 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 realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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to the Financial Statements for the year ended March 31, 2019

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.

Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in the year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate

Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

In accordance with Ind AS 12 Company is grouping MAT credit entitlement with Deferred Tax Assets / Liability (Net).

r) Investment in subsidiaries

Investment in subsidiaries

There is an option to measure investments in subsidiaries at cost in accordance with Ind AS 27 at either:

- (a) Fair value on date of transition; or
- (b) Previous GAAP carrying values

The Company 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.

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.

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to the Financial Statements for the year ended March 31, 2019

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.

x) Exceptional items

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

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to the Financial Statements for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT	Land-freehold	Land-leasehold	Buildings	Leasehold improvements	Plant and Equipment	Furniture and Fixtures	Vehicles	Total
Gross carrying amount								
(At Deemed cost)								
As at April 01, 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
Add: Additions made during the year	41.43	-	37.62	7.99	1,550.57	101.96	168.52	1,908.09
Less: Disposals/adjustments during the year	76.47	-	-	-	108.56	2.95	20.04	208.01
As at March 31, 2019	1,612.30	47.74	3,910.43	448.57	8,457.29	802.13	985.06	16,263.54
Accumulated depreciation/amortization								
As at April 01, 2017	-	0.34	131.92	6.07	609.96	107.61	115.17	971.07
Add: Depreciation/amortization 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
Add: Depreciation charge for the year	-	0.34	151.64	62.02	731.46	89.58	120.73	1,155.77
Less: Disposals/adjustments during the year	-	-	-	-	31.00	0.77	10.90	42.66
As at March 31, 2019	-	1.03	403.87	115.28	2,006.20	268.85	321.41	3,116.64
Net carrying amount								
As at March 31, 2019	1,612.30	46.71	3,506.56	333.29	6,451.09	533.28	663.65	13,146.90
As at March 31, 2018	1,647.34	47.06	3,620.57	387.33	5,709.54	523.08	624.99	12,559.92

- a) The above assets includes Gross block of land of ₹ 83.08 lakhs (March 31, 2018: ₹ 159.54 lakhs) situated at Narshingpur, Tehsil District Gurgaon(Haryana). Out of this Gross block of land of ₹ 47.03 lakhs (March 31, 2018: ₹ 47.52 lakhs) 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 2018-19 due to pending receipt of license from the concerned authority.
- b) For Information on Property, plant and equipment pledged as security by the company refer Note 21
- c) The above property, plant and equipment includes assets given on lease given in the below table:

	Land-freehold	Land-leasehold	Buildings	Leasehold improvements	Plant and Equipment	Furniture and Fixtures	Vehicles	Total
As at March 31, 2019								
Gross carrying amount	-	-	-	-	27.77	21.22	-	48.99
Accumulated depreciation	-	-	-	-	13.59	9.16	-	22.76
Net carrying amount	-	-	-	-	14.17	12.06	-	26.23
As at March 31, 2018								
Gross carrying amount	-	-	-	-	27.77	21.22	-	48.99
Accumulated depreciation	-	-	-	-	10.59	6.11	-	16.70
Net carrying amount	-	-	-	-	17.18	15.11	-	32.29

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to the Financial Statements for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 5 : CAPITAL WORK IN PROGRESS	As At March 31, 2019	As At March 31, 2018
Capital work in progress	159.72	54.17
	<u>159.72</u>	<u>54.17</u>
a) Breakup of capital work in progress is as follows:		
	As At March 31, 2019	As At March 31, 2018
Building	74.75	48.62
Plant and machinery	38.38	4.40
Furniture and fixtures	46.59	-
Other expenses	-	1.15
	<u>159.72</u>	<u>54.17</u>

(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, 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	<u>3,085.50</u>	<u>10.36</u>	<u>4,580.71</u>	<u>7,676.57</u>
Add: Additions made during the year	1.29	-	-	1.29
Less: Disposals/adjustments during the year	-	-	-	-
As at March 31, 2019	<u>3,086.79</u>	<u>10.36</u>	<u>4,580.71</u>	<u>7,677.86</u>
Accumulated depreciation and amortisation				
As at April 01, 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	<u>-</u>	<u>-</u>	<u>162.22</u>	<u>162.22</u>
Add: Depreciation & amortisation charge for the year	-	-	85.76	85.76
Less: Disposals/adjustments during the year	-	-	-	-
As at March 31, 2019	<u>-</u>	<u>-</u>	<u>247.97</u>	<u>247.97</u>
Net carrying amount				
As at March 31, 2019	3,086.79	10.36	4,332.74	7,429.89
As at March 31, 2018	3,085.50	10.36	4,418.49	7,514.36

Notes

to the Financial Statements for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Amounts recognized in statement of profit and loss for investment properties		
Rental Income	814.53	732.70
Direct operating expenses of property that generated rental income	53.62	25.52
Direct operating expenses of property that did not generated rental income	77.46	68.30
Income arising from Investment properties before charging depreciation	683.45	638.89
Depreciation & amortisation	85.76	88.77
Income from Investment properties (net)	597.69	550.12
(b) Fair value of investment properties	11,378.15	11,548.24

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) 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, 2019.

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 7 : OTHER INTANGIBLE ASSETS

	Computer Software	Total
At Deemed cost		
Gross carrying amount		
As at April 01, 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
Add: Additions during the year	27.65	27.65
Less: Disposals / adjustments during the year	-	-
As at March 31, 2019	247.53	247.53
Accumulated amortisation		
As at April 01, 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
Add: Amortisation charge for the year	47.54	47.54
Less: On disposals / adjustments during the year	-	-
As at March 31, 2019	132.60	132.60
Net carrying amount		
As at March 31, 2019	114.94	114.94
As at March 31, 2018	134.83	134.83

Notes

to the Financial Statements for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 8 : INVESTMENT IN SUBSIDIARIES

As At
March 31, 2019 **As At**
March 31, 2018

Non- Current

Investments in equity shares of Subsidiaries - (unquoted)

(At Cost)

Pearl Global Far East Limited, Hong Kong

5,35,000 (March 31, 2018: 5,35,000) Equity Shares of USD
1 each fully paid up 2,797.29 2,797.29

Pearl Global (HK) Limited, Hong Kong

16,10,000 (March 31, 2018: 16,10,000) Equity Shares of USD
1 each fully paid up 6,173.19 6,088.06

Norp Knit Industries Limited, Bangladesh

3,381,211 (March 31, 2018: 3,381,211) Equity Shares of Taka
100 Each fully paid up 2,419.51 2,343.32

Pearl Apparel Fashions Limited, India

27,639,145 (March 31, 2018: 27,639,145) Equity Shares of
₹ 10 each fully paid up 1,648.35

Less: Diminution in value of investments (Refer note no. 36(b)
& note 'c' below) 1,617.20 31.15 1,648.35

Pearl Global Kausal Vikas Limited

50,000 (March 31, 2018: 50,000) Equity Shares of ₹ 10/- each fully paid up 5.00 5.00

Investment in Preference Share of Subsidiary - (Unquoted)

(At Amortised Cost)

Pearl Apparel Fashions Limited, India

3,000,000 (March 31, 2018: 3,000,000) Preference Shares of ₹ 10 each
fully paid up 121.16

Add: Adjustment in value of investment (Refer note no. 36(b)) 178.84 300.00 108.18

11,726.14 **12,990.20**

a) AGGREGATE VALUE OF UNQUOTED INVESTMENTS

Aggregate amount of impairment in value of unquoted investments 13,164.50 12,990.20

Aggregate value of unquoted investments (net of impairment) 1,438.36 -

Aggregate value of unquoted investments (net of impairment) 11,726.14 12,990.20

Notes

to the Financial Statements for the year ended March 31, 2019

b) INFORMATION ABOUT SUBSIDIARIES

Name of Company	Country of incorporation	Principal activities	Porportion (%) of equity interest	
			As At March 31, 2019	As At March 31, 2018
Subsidiaries				
Pearl Apparel Fashions Limited	India	Trading of garments	100.00	100.00
Pearl Global Kausal Vikas Limited (Formally known as Pixel Industries Limited)	India	Skill development	100.00	100.00
Pearl Global Far East Limited	Hong Kong	Trading of garments	100.00	100.00
Pearl Global (HK) Limited	Hong Kong	Manufacturing and trading of garments	100.00	100.00
Norp Knit Industries Limited	Bangladesh	Manufacturing and trading of garments	99.99	99.99

c) As at March 31, 2019, the net worth of the Pearl Apparel Fashions Limited, a subsidiary company is substantially eroded. Management decision to cease its existing business operations and erosion of its net worth indicates a possible impairment in the carrying value of investment. Accordingly, the management with the help of a valuation specialist, has carried out an impairment assessment and has estimated a provision of ₹ 1,617.20 lakhs as a diminution in the carrying value of its investment.

Significant Estimates : The carrying value of exposure in Pearl Apparel Fashions Limited is determined by an Independent valuer. The management has estimated the recoverable amount of its investment in the subsidiary by adjusted net asset method using the pre-tax discount rate, which is complex and involves the use of significant management estimates and assumptions that are dependent on expected future market and economic conditions.

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 9 : INVESTMENT - OTHERS

	As At March 31, 2019	As At March 31, 2018
NON- CURRENT		
A. Equity Instruments		
Fair value through profit and loss		
(Quoted)		
PDS Multinational Fashions Limited, India 50,000 (March 31, 2018: 50,000) Equity Shares of ₹ 10 each fully paid up	133.50	143.00
	133.50	143.00
B. Investments in Government securities - (Unquoted)		
(At Amortised cost)		
Investments in Government securities		
- National Saving Certificate (NSC) (Refer 'b' below)	-	0.04
- Gold Sovereign Bond- 37 units of 2 gram each issued by Reserve Bank of India	1.63	1.63
	1.63	1.67
Total (A + B)	135.13	144.67

Notes

to the Financial Statements for the year ended March 31, 2019

CURRENT	As At March 31, 2019	As At March 31, 2018
C. Investments in mutual funds - (Quoted)		
Investments carried at fair value through profit and loss		
Franklin India corporate bond	-	132.33
Nil Units of Face Value of ₹ 10 per unit (March 31, 2018 : 702,286.65 units)		
ICICI PRU Equity arbitrage fund regular	-	115.97
Nil units of Face Value of ₹ 10 per unit (March 31, 2018: 504,149.36 units)		
UTI short term income fund	-	195.36
Nil units of Face Value of ₹ 10 per unit (March 31, 2018 : 924,908.95 units)		
ICICI PRU Corporate bond	-	125.20
Nil units of Face Value of ₹ 10 per unit (March 31, 2018: 462,943.67 units)		
Principal balances Fund - Regular Plan Growth	-	63.76
Nil units of of Face Value of ₹ 10 per unit (March 31 , 2018 : 82,349.77 units)		
	<u>-</u>	<u>632.62</u>
a) Aggregate book value of quoted investments	133.50	775.62
Aggregate market value of quoted investments	133.50	775.62
Aggregate value of unquoted investments	1.63	1.67
Aggregate amount of impairment in value of unquoted investments	-	-
Aggregate value of unquoted investments (net of impairment)	1.63	1.67
b) The National Saving Certificate(s) were pledged with Sales Tax Authorities		

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE10 : LOANS	Non - current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
(Unsecured, considered good unless otherwise stated)				
Loans to employees	18.10	12.09	49.63	34.99
Loans to related parties (Refer note 47)	456.52	439.61	300.00	300.00
	<u>474.62</u>	<u>451.69</u>	<u>349.63</u>	<u>334.99</u>
Break-up :				
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Loans considered good - Secured	-	-	-	-
Loans considered good - Unsecured	474.62	451.69	349.63	334.99
Loans which have significant increase in credit risk	-	-	-	-
Loans - credit impaired	-	-	-	-
Total	<u>474.62</u>	<u>451.69</u>	<u>349.63</u>	<u>334.99</u>
Less: Allowance for doubtful loans	-	-	-	-
Total Loans	<u>474.62</u>	<u>451.69</u>	<u>349.63</u>	<u>334.99</u>

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

Notes

to the Financial Statements for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 11 : OTHER FINANCIAL ASSETS	Non - current		Current Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
(Unsecured, considered good unless otherwise stated)				
Security deposits (Refer 'a' below)	744.64	379.23	55.88	26.11
Interest accrued but not due on				
- Term deposits	-	0.13	45.64	54.94
and others				
- Loan to related parties (Refer note 47)	99.42	55.28	6.66	13.46
Deposits with original maturity of more than 12 months (Refer note 18)	-	1.26	761.27	1,730.21
Mark to market forward contracts	-	-	462.80	215.57
Other receivable	-	-	234.35	-
	844.06	435.90	1,566.59	2,040.29

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

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 12 : INCOME TAX	As At March 31, 2019	As At March 31, 2018
The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:		
Statement of profit and loss:		
Profit or loss section		
Tax Expense:		
a) Current tax	722.70	-
b) Adjustments in respect of current income tax of previous year	193.01	165.55
c) Deferred tax	119.75	245.64
Income tax expense reported in the statement of profit or loss	1,035.46	411.19
OCI section		
Deferred tax related to items recognised in OCI during the year:		
	As At March 31, 2019	As At March 31, 2018
Net loss/(gain) on remeasurements of defined benefit plans	(70.83)	20.95
Income tax charged to OCI	(70.83)	20.95

Notes

to the Financial Statements for the year ended March 31, 2019

a) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018.

	As At March 31, 2019	As At March 31, 2018
Accounting profit before tax from continuing operations	<u>3,185.65</u>	<u>677.57</u>
Accounting profit before income tax		
At India's statutory income tax rate of 34.944% (March 31, 2018: 33.063%)	1,113.19	224.02
Adjustments in respect of current income tax of previous years	193.01	165.55
Tax effect of the amounts which are Non-deductible/(taxable) for tax purposes:		
Expenses not deducted for tax purposes	576.44	36.99
Income exempted from income tax	(676.97)	(209.22)
Impact of tax at different tax rate and Others	<u>(170.21)</u>	<u>193.85</u>
At the income tax rate of 34.944% (March 31, 2018: 34.063%)	1,035.46	411.20
Income tax expense reported in the statement of profit and loss	<u>1,035.46</u>	<u>411.19</u>

	Balance sheet	
b) Deferred tax:	As At March 31, 2019	As At March 31, 2018
Deferred tax assets relates to the following:		
Provision for employee benefits	386.77	399.10
Expenses allowed in the year of payment	134.25	5.07
Unabsorbed Losses	543.17	599.46
Others	100.50	131.34
MAT Credit	244.59	509.00
	<u>1,409.28</u>	<u>1,643.97</u>
Deferred tax liability relates to the following:		
Property, plant and equipment	1,425.22	1,372.26
Fair valuation of mutual fund	-	33.84
Borrowing (EIR)	9.23	11.80
Others	315.29	111.55
	<u>1,749.74</u>	<u>1,529.45</u>
Total deferred tax assets/(liabilities) (Net)	<u>(340.46)</u>	<u>114.53</u>

Notes

to the Financial Statements for the year ended March 31, 2019

Deferred tax expense/income:	Statement of profit and loss	
	As At March 31, 2019	As At March 31, 2018
Deferred tax assets relates to the following :		
Provision for employee benefits	(12.33)	73.20
Expenses allowed in the year of payment	129.18	(6.71)
Unabsorbed losses	(56.29)	62.34
Others	(30.84)	1.63
	29.72	130.46
Deferred tax liability relates to the following :		
Property, plant and equipment	52.96	386.48
Fair valuation of mutual fund	(33.84)	(40.66)
Borrowing (EIR)	(2.57)	0.83
Others	203.75	8.50
	220.30	355.15
Net deferred tax charge	190.58	224.69
Recognised in statement of profit and loss	119.75	245.64
Recognised in other comprehensive income	70.83	(20.95)

c) 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.

d) MAT paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities. MAT is recognised as a deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 13 : NON CURRENT TAX ASSET	As At March 31, 2019	As At March 31, 2018
Advance income tax	303.15	128.67
(Net of provision of ₹ 1,032.42 lakhs (March 31, 2018 : ₹ 1,639.78))		
	303.15	128.67

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 14 : OTHER ASSETS	Non - current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
(Unsecured, considered good, unless otherwise stated)				
Capital advances (Refer note no. 46(b) for capital commitments)	56.66	42.12	-	-
Balance with government authorities	128.86	153.61	1,593.71	1,568.87
Balance with government authorities - considered doubtful	22.74	-	-	-
Less: Loss allowance (Refer 'a' below)	(22.74)	-	-	-

Notes

to the Financial Statements for the year ended March 31, 2019

Prepaid expenses	200.28	128.80	158.37	94.89
Export incentive receivable	-	-	1,817.61	2,080.91
Advances to related parties (Refer note no. 47)	-	-	95.64	135.06
Advances to suppliers	-	-	180.52	221.05
Other receivables	-	-	66.93	116.29
	-	-	-	-
	385.80	324.53	3,912.78	4,217.07

a) The movement in loss allowance is as follows:

Balance as at beginning of the year	-	-
Loss allowance during the year	22.74	-
Amount written off / written back during the year	-	-
Balance as at the end of the year	22.74	-

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 15 : INVENTORIES

	As At March 31, 2019	As At March 31, 2018
Raw materials	5,831.14	5,193.32
Good in transit- raw material	16.81	17.23
Work in progress	6,234.86	3,178.48
Finished goods	1,394.21	3,583.19
Stores spares & others	36.02	26.64
	13,513.04	11,998.86

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 16 : TRADE RECEIVABLES

	As At March 31, 2019	As At March 31, 2018
Considered good - secured	-	-
Considered good - unsecured	11,134.77	8,748.39
Trade receivables which have significant increase in credit risk	-	-
Credit impaired	374.33	5.15
Less: Loss allowance	(374.33)	(5.15)
	11,134.77	8,748.39

a) The movement in loss allowance is as follows:

Balance as at beginning of the year	5.15	21.92
Loss allowance during the year	369.18	0.20
Trade receivables written off / written back during the year	-	(16.97)
Balance as at the end of the year	374.33	5.15

b) Trade receivables 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.

d) Due from related parties is ₹ 2673.53 lakhs (March 31, 2018: ₹ 2,129.69 lakhs) (Refer note no. 47).

Notes

to the Financial Statements for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 17 : CASH AND CASH EQUIVALENTS	As At March 31, 2019	As At March 31, 2018
Balances with banks:		
- Current account	1,937.13	1,980.12
- Deposits with original maturity of less than 3 months (Refer note 18(a))	50.00	-
Cash on hand	7.96	7.34
Cheque/drafts on hand	239.55	71.28
	<u>2,234.64</u>	<u>2,058.74</u>

a) For the purpose of the statement of cash flow, the cash and cash equivalent are same given above.

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 18 : OTHER BANK BALANCE	Non - current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Earmarked balances with banks				
Unpaid dividend account	-	-	26.83	24.53
Deposits with original maturity of more than 3 months but less than 12 months (Refer 'a' below)	-	-	1,427.18	403.55
Deposits with original maturity of more than 12 months (Refer 'a' below)	-	1.26	761.27	1,730.21
Balance with bank (Considered doubtful)	-	-	0.03	0.03
Less: Loss allowance	-	-	(0.03)	(0.03)
	<u>-</u>	<u>1.26</u>	<u>2,215.28</u>	<u>2,158.29</u>
Less: Amount disclosed under "Other financial assets" (Refer note 11)	-	1.26	761.27	1,730.21
	<u>-</u>	<u>-</u>	<u>1,454.01</u>	<u>428.08</u>

a) Out of the total Fixed Deposits held in the name of the Company the fixed deposit with carrying value of ₹ 1,853.28 Lakh (March 31, 2018 ₹ 876.56 Lakh) are pledged as security with various banks.

Notes

to the Financial Statements for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 19 : SHARE CAPITAL

	As At March 31, 2019	As At March 31, 2018
Authorised Share Capital		
5,14,40,000* (March 31, 2018: 5,14,40,000) equity shares of ₹ 10 each	5,144.00	5,144.00
10,000* (March 31, 2018: 10,000) 4% Non Cumulative Redeemable Preference Shares of ₹ 10 each	1.00	1.00
3,256,000* (March 31, 2018: 3,256,000) 10.5% Non Cumulative Redeemable Preference Shares of ₹ 100 each	3,256.00	3,256.00
	<u>8,401.00</u>	<u>8,401.00</u>
Issued, subscribed and paid up		
21,663,937* (March 31, 2018: 21,663,937) Equity Shares of ₹ 10 each fully paid up	2,166.39	2,166.39
	<u>2,166.39</u>	<u>2,166.39</u>

* Number of Shares are given in absolute numbers.

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

Equity Share of ₹ 10 each

Balance as at April 1, 2017

Changes during the year

Balance as at March 31, 2018

Changes during the year

Balance as at March 31, 2019

	No. of shares (in Lakh)	Amount (₹ in Lakhs)
Balance as at April 1, 2017	216.64	2,166.39
Changes during the year	-	-
Balance as at March 31, 2018	<u>216.64</u>	<u>2,166.39</u>
Changes during the year	-	-
Balance as at March 31, 2019	<u>216.64</u>	<u>2,166.39</u>

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. During the year ended March 31, 2019, the amount of per share dividend proposed as distributions to equity shareholders was ₹ 3.00 per share (March 31, 2018: ₹ 2.00 per share). 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.

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

Name of Party	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Holding %	No. of shares	Holding %
Mrs. Payel Seth	4,413,635	20.37	4,413,635	20.37
Mr. Deepak Seth	2,862,145	13.21	2,862,145	13.21
Mr. Pulkit Seth	6,947,621	32.07	6,947,621	32.07
Total	<u>14,223,401</u>	<u>65.65</u>	<u>14,223,401</u>	<u>65.65</u>

Notes

to the Financial Statements for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 20 : OTHER EQUITY	As At March 31, 2019	As At March 31, 2018
General reserve	4,204.36	4,204.36
Securities premium	17,103.90	17,103.90
Capital redemption reserve	95.00	95.00
Amalgamation reserve	625.95	625.95
Retained earnings	7,422.88	5,663.16
	<u>29,452.08</u>	<u>27,692.36</u>

I. For Movement during the period in Other Equity, refer "Statement of Changes in Equity".

II. 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. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

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 amalgamation of other companies in earlier years in accordance with the provisions of the Companies Act, 2013.

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. Out of the above, reserve on account of revaluation of assets of ₹ 396.76 lakhs (March 31, 2018 395.30 lakhs) is not available for distribution.

Notes

to the Financial Statements for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 21 : BORROWINGS	Non current		Current	
	As At	As At	As At	As At
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
From banks (secured)				
- Corporate loan (Refer 'a(i)', 'a(ii)' & 'a(iii)' below)	3,029.72	3,787.48	766.84	751.81
- Vehicle loans (Refer 'a(iv)' below)	48.93	107.05	81.29	70.10
From financials institutional (secured)				
- Vehicle loans (Refer 'a(iv)' below)	106.50	51.01	38.91	61.27
Working capital loan from banks(secured)				
- Rupee loan (Refer 'd' below)	-	-	16,182.41	18,286.55
	3,185.15	3,945.54	17,069.45	19,169.72
Less: Amount disclosed under other financial liabilities as 'Current maturities of long-term borrowings' (Refer note 22)	-	-	887.04	883.17
	3,185.15	3,945.54	16,182.41	18,286.55

a) The nature of security for secured loans are :

- Corporate Term Loan (Kotak Bank) is secured by charge over fixed assets and plant and machinery and 100% FDR of ₹ 760.00 lakh under lien. The loan is also secured by personal guarantee of the Promoter Director.
- Corporate Term Loan (Andhra Bank) is secured by first and exclusive charge on the entire fixed assets including machineries 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.
- Corporate Term Loan (HDFC Bank) is secured by exclusive charge over movable fixed assets 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 mortgage on industrial plot no.446, Udyog Vihar, Phase- V, Gurugram, Haryana.
- 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 :	2019-20	2020-21	2021-22	Beyond 2022-23
Term loan from banks are repayable in monthly/quarterly/yearly installments	766.84	776.96	787.74	1,465.02
Vehicle loans from banks and financial institutions are repayable in monthly installments	120.20	105.37	40.68	9.38

- 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.
- Equitable mortgage of the leasehold property situated at Plot No. H -597-603, RICCO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan and property situated at Plot No 16-17, Phase VI, Udyog Vihar, Gurgaon (Haryana).
- Fixed Deposit of ₹ 58.00 lakhs (March 31, 2018: ₹ 79.47 lakhs)
- Personal Guarantee by the promoter director of the Company

Notes

to the Financial Statements for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 22 : OTHER FINANCIAL LIABILITIES	Non - current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Security deposit	222.00	158.54	-	19.24
Book overdraft	-	-	150.48	-
Current maturities of long-term borrowings (Refer note 21)	-	-	887.04	883.17
Interest accrued but not due on borrowings	-	-	24.67	35.73
Unpaid dividends (Refer 'a' below)	-	-	26.83	24.53
Creditors for capital goods	-	-	849.25	48.52
	<u>222.00</u>	<u>158.54</u>	<u>1,938.27</u>	<u>1,011.19</u>

(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 market and liquidity risk related to other financial liabilities is disclosed in note 44.

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 23 : PROVISIONS	Non - current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Provision for employee benefits				
Provision for compensated absences (Refer note 39)	292.34	172.04	17.59	8.44
Provision for gratuity (Refer note 39)	417.74	687.11	52.45	46.45
	<u>710.08</u>	<u>859.15</u>	<u>70.04</u>	<u>54.89</u>

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 24 : OTHER LIABILITIES	Non - current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Advance received against sale of land	3,010.49	3,400.00	-	-
Deferred government grant	9.58	10.58	145.61	1.00
Deferred rental income	56.89	50.92	32.56	25.43
Statutory dues	-	-	659.72	514.94
Advance from customers	-	-	-	38.88
	<u>3,076.96</u>	<u>3,461.50</u>	<u>837.89</u>	<u>580.25</u>

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 25 : TRADE PAYABLE	As At	As At
	March 31, 2019	March 31, 2018
Total outstanding dues of Micro and Small enterprises	63.70	98.88
Total outstanding due of creditors other than micro enterprises and small enterprises	10,450.22	6,997.27
	<u>10,513.92</u>	<u>7,096.15</u>

Notes

to the Financial Statements for the year ended March 31, 2019

- a) Trade payables are non-interest bearing and are normally settled within 90-day terms except for SME's (if any) which are settled within 45 days.
- b) This amount includes amount due to related parties is ₹ 2,736.01 Lakh (March 31, 2018: ₹ 395.82 Lakh) (refer note 47)
- c) The company's exposure to market and liquidity risk related to trade payables is disclosed in note 44.
- d) As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007 & as certified by the Management, the amount due to Micro, & small enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under:

	As At March 31, 2019	As At March 31, 2018
(i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	63.70	98.88
(ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act and as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date except disclosed above.

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 26 : CURRENT TAX LIABILITIES (NET)	As At March 31, 2019	As At March 31, 2018
Provision for income tax (net of advance tax ₹ 649.73 lakhs (March 31, 2018 Nil))	190.16	-
	190.16	-

Notes

to the Financial Statements for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 27 : REVENUE FROM OPERATIONS	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of product	79,045.97	65,059.54
Job receipts	66.57	149.18
Other operating revenues	4,913.18	5,868.51
Revenue from operations	84,025.72	71,077.23

a) 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 separate 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, 2019 are not comparable with year ended March 31, 2018 presented in the financial results which are reported inclusive of Excise Duty. The following additional information is being provided to facilitate such understanding:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations (gross of excise duty)	84,025.72	71,078.81
Excise duty	-	1.58
Revenue from operations (exclusive of excise duty)	84,025.72	71,077.23

b) Performance obligation

Revenue is recognised upon transfer of control of products.

During the year, The Company has not entered into long term contracts with its customers and accordingly disclosure of unsatisfied or remaining performance obligation (which is affected by several factors like changes in scope of contracts, periodic revalidations, adjustment for revenue that has not been materialized, tax laws etc.) is not applicable to the Company.

c) **Disaggregation of revenue:** The table below presents disaggregated revenues from contracts with customers on the basis of geographical spread of the operations of the Company. The Company believes that this disaggregation best depicts how the nature, amount of revenues and cash flows are affected by market and other economic factors:

Revenue based on Geography	For the year ended March 31, 2019	For the year ended March 31, 2018
India	6,019.11	6,766.91
Outside India	78,006.61	64,310.32
Revenue from operations	84,025.72	71,077.23

d) Reconciliation of revenue from operations with contracted price	For the year ended March 31, 2019	For the year ended March 31, 2018
Contracted Price	84,035.49	71,080.14
Less:		
Rebates and discounts	0.10	2.75
Sales return	9.67	0.16
	84,025.72	71,077.23

e) Revenue of ₹ 38.88 lakhs recognised for the year ended March 31, 2019 that was included in the contract liability balance (advance from customers) at the beginning of the year.

Notes

to the Financial Statements for the year ended March 31, 2019

	(Amount in ₹ 'Lakhs' unless otherwise stated)	
NOTE 28 : OTHER INCOME	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Income		
- On fixed deposits	149.14	102.14
- On loans and advances	62.79	58.86
- On income tax refund	-	88.42
- On amortisation of investment in preference shares	12.98	11.59
Other non-operating income:		
IT/ SAP income	92.02	81.49
Rental income	814.53	732.70
Foreign exchange fluctuation	742.27	3,114.38
Sundry balances written back	55.16	30.80
Grant amortised during the year	1.00	1.00
Government grant received	-	16.10
Loss allowance no longer required written back	-	22.31
Amortisation of deferred rental income	31.67	8.42
Unwinding of discount on security deposits	39.87	36.47
Profit on sale of current investment - mutual fund	218.20	277.21
Profit on mark to market forward contracts	247.24	-
Fair value gain on investments measured at fair value through profit and loss (net)	-	58.48
Income on corporate guarantee	161.31	148.64
Miscellaneous income	2.44	12.98
	<u>2,630.62</u>	<u>4,801.99</u>

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 29 : COST OF RAW MATERIAL CONSUMED	For the year ended March 31, 2019	For the year ended March 31, 2018
Raw Material		
Balance at the beginning of the Year	5,193.32	7,709.94
Add:- Purchases during the year	<u>26,707.80</u>	<u>19,096.42</u>
	31,901.12	26,806.36
Less:- Balance at the end of the Year	5,831.14	5,193.32
Total raw material consumption	<u>26,069.98</u>	<u>21,613.04</u>

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 30 : PURCHASE OF STOCK IN TRADE	For the year ended March 31, 2019	For the year ended March 31, 2018
Purchases during the year	16,506.39	13,423.36
	<u>16,506.39</u>	<u>13,423.36</u>

Notes

to the Financial Statements for the year ended March 31, 2019

	(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, 2019	For the year ended March 31, 2018
Inventories at the beginning of the year		
Work-in-progress	3,178.48	3,192.08
Finished goods	3,583.19	3,396.55
(A)	<u>6,761.67</u>	<u>6,588.63</u>
Inventories at the end of the year		
Work-in-progress	6,234.86	3,178.48
Finished goods	1,394.21	3,583.19
(B)	<u>7,629.07</u>	<u>6,761.67</u>
(Increase) / decrease in inventory (A-B)	<u>(867.40)</u>	<u>(173.04)</u>
	(Amount in ₹ 'Lakhs' unless otherwise stated)	
NOTE 32 : EMPLOYEE BENEFITS EXPENSE	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages & bonus	11,605.86	10,515.63
Contribution to provident and other fund (Refer note 39a)	789.32	839.80
Gratuity expense (Refer note 39d)	307.19	238.29
Compensated absences (Refer note 39d)	279.91	189.16
Staff training & welfare expenses	208.36	177.33
	<u>13,190.64</u>	<u>11,960.21</u>
	(Amount in ₹ 'Lakhs' unless otherwise stated)	
NOTE 33 : FINANCE COST	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense		
- on term loans, cash credit & working capital facilities	1,762.85	1,793.91
- delayed payment of taxes	14.48	0.92
- others	-	4.05
Unwinding of discount on security deposit	26.39	10.67
Other borrowing cost	183.73	113.38
	<u>1,987.45</u>	<u>1,922.93</u>
	(Amount in ₹ 'Lakhs' unless otherwise stated)	
NOTE 34 : DEPRECIATION AND AMORTISATION EXPENSE	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation & amortization - property, plant and equipment (Refer note no. 4)	1,155.77	1,138.21
Depreciation & amortisation of investment properties (Refer note no. 6)	85.76	88.77
Amortisation of intangible assets (Refer note no. 7)	47.54	46.74
	<u>1,289.07</u>	<u>1,273.72</u>

Notes

to the Financial Statements for the year ended March 31, 2019

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 35 : OTHER EXPENSES	For the year ended March 31, 2019	For the year ended March 31, 2018
Other manufacturing expense	14,673.60	14,642.62
Consumption of stores & spare parts	305.36	333.09
Power & fuel	1,272.60	1,187.03
Rent (Refer 'c' below)	922.24	1,087.12
Rates & taxes	189.92	110.74
Travelling & conveyance	1,270.82	1,041.26
Freight & clearing charges	2,244.25	2,460.21
Claim to buyers	1,428.01	1,017.28
Repair & maintenance		
Plant & machinery	100.14	113.85
Buildings	14.77	11.03
Other	298.94	257.30
Commission	28.56	122.29
Legal & professional expenses	458.88	530.03
Security charges	283.72	322.47
Bank charges	583.67	662.38
Insurance expenses	85.18	93.58
Payment to the auditors (Refer 'a' below)	21.05	18.80
Bad debts and doubtful advances written off	1.41	5.55
Loss Allowance for doubtful debts	391.92	0.20
Corporate social responsibility (Refer 'b' below)	22.76	27.00
Loss on mark to market forward contracts	-	904.72
Fair value loss on financial assets measured at fair value through profit and loss	133.64	101.36
Amortisation of deferred asset - security deposit paid	42.22	36.99
Miscellaneous expenses	801.82	905.09
Total	<u>25,575.48</u>	<u>25,991.99</u>

a) Details of payment made to auditors is as follows:

	For the year ended March 31, 2019	For the year ended March 31, 2018
- Statutory audit fee	12.40	12.40
- Other Services	6.00	6.10
- Reimbursement of Expenses	2.65	0.30
	21.05	18.80

Notes

to the Financial Statements for the year ended March 31, 2019

b) Details of Corporate Social Responsibility (CSR) expenditure is as follows:	For the year ended March 31, 2019	For the year ended March 31, 2018
i) Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits of last three years)	16.39	26.75
ii) Amount spent during the year		
- Construction/acquisitions of any asset	-	-
- For purpose other than above	22.76	27.00

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 ₹ 814.53 lakhs (March 31, 2018 ₹ 732.70 lakhs) has been credited in the Statement of Profit & Loss. The future minimum lease payments Receivable and detail of assets as at March 31, 2019 are as under :

Particulars	As At March 31, 2019	As At March 31, 2018
Not later than 1 year	923.92	164.25
Later than 1 year but not later than 5 years	1,951.26	598.53
Later than 5 years	523.71	-
Total	3,398.89	762.78

(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 ₹ 922.24 (March 31, 2018 ₹ 1,087.12 lakhs). The details of future minimum lease payments is as under :

Particulars	As At March 31, 2019	As At March 31, 2018
Not later than 1 year	994.27	594.7
Later than 1 year but not later than 5 years	3,813.11	2,478.3
Later than 5 years	2,065.08	526.3
Total	6,872.46	3,599.2

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 36 : EXCEPTIONAL ITEMS

	For the year ended March 31, 2019	For the year ended March 31, 2018
(Profit)/loss on sale of fixed assets (Refer 'a' below)	(1,719.28)	(812.13)
Impairment of investment in subsidiaries (Refer 'b' below)	1,438.36	-
	<u>(280.92)</u>	<u>(812.13)</u>

a) Profit on sale of fixed assets includes profit on account of compulsory acquisition of land by the Central Government under National Highway Act, 1956 of ₹ 1,756.25 lakhs and loss of sale of tangible assets of ₹ 36.97 lakhs.

b) On the reporting date (i.e. March 31, 2019), the management of a domestic subsidiary company Pearl Apparel Fashion Limited has decided to cease its existing business operations. Thus the Company has impaired its investments in such subsidiary and recognised the same at its recoverable amount as at March 31, 2019 resulting in a net loss of ₹ 1,438.36 Lakhs. (Diminution in value of equity shares: ₹ 1,617.20 lakhs and esclation in value of investment in preference shares: ₹ 178.84 lakhs)

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to the Financial Statements for the year ended March 31, 2019

	(Amount in ₹ 'Lakhs' unless otherwise stated)	
NOTE 37 : COMPONENTS OF OTHER COMPREHENSIVE INCOME	For the year ended March 31, 2019	For the year ended March 31, 2018
A (i) Items that will not be reclassified subsequently to profit or loss		
Re-measurement gains/ (losses) on defined benefit plans	202.70	(63.36)
Income tax expense	(70.83)	20.95
B (i) Items that will be reclassified subsequently to profit or loss	-	-
	131.87	(42.41)

	(Amount in ₹ 'Lakhs' unless otherwise stated)	
NOTE 38 : EARNINGS PER SHARE (EPS)	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit attributable to the equity shareholders (A)	2,150.19	266.38
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 ₹)	9.93	1.23

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 and other welfare 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.

	(Amount in ₹ 'Lakhs' unless otherwise stated)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Employer's Contribution to Provident Fund/ Pension Fund	492.36	575.25
Employer's Contribution to Employee State Insurance	268.79	241.12
Employer's Contribution to Welfare Fund	28.18	23.43
Total	789.33	839.80

The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes.

b) Defined benefit plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Company is able to determine the present value of obligations. "Projected Unit Credit Method" 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 & Bangalore Division (Unfunded)

Notes

to the Financial Statements for the year ended March 31, 2019

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.

(Amount in ₹ 'Lakhs' unless otherwise stated)

Change in benefit obligation	As at March 31, 2019			As at March 31, 2018		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Opening defined benefit obligation	672.77	165.96	180.48	519.18	139.30	157.33
Adjustment in opening obligation	-	-	-	-	-	-
Interest cost	51.87	12.80	13.92	39.15	10.24	11.79
Service cost	125.98	124.65	72.86	99.28	76.92	82.14
Past Service cost	-	-	-	23.60	-	-
Benefits paid	(90.48)	(15.86)	(150.46)	(71.28)	(60.64)	(166.01)
Actuarial (gain) / loss on obligations	(142.59)	(46.51)	193.13	62.84	0.14	95.23
Present value of obligation as at the end of the year	617.55	241.04	309.93	672.77	165.96	180.48

- 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	As at March 31, 2019			As at March 31, 2018		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Current service cost	125.98	124.65	72.86	99.28	76.92	82.14
Past service cost	-	-	-	23.60	-	-
Interest cost	51.87	12.80	13.92	39.15	10.24	11.79
Expected return on plan assets	(8.11)	-	-	(10.90)	-	-
Actuarial (gain) / loss	-	-	193.13	-	-	95.23
Net cost	169.74	137.45	279.91	151.13	87.16	189.16

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to the Financial Statements for the year ended March 31, 2019

e. Changes in the fair value of the plan assets are as follows:

	As at March 31, 2019			As at March 31, 2018		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Fair value of plan assets at the beginning	105.16	-	-	144.55	-	-
Difference amount in opening fund	-			-	-	-
Expected return on plan assets	8.11			10.90	-	-
Contributions	352.00			5.87	-	-
Benefits paid	(90.48)			(55.77)	-	-
Actuarial gains / (losses) on the plan assets	13.60			(0.39)	-	-
Fair value of plan assets at the end	388.39	-	-	105.16	-	-

f. Detail of actuarial gain/loss recognised in OCI is as follows:

	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Actuarial gain / (loss) for the year – obligation	142.59	46.51	(62.84)	(0.14)
Actuarial gain / (loss) for the year - plan assets	13.60	-	(0.39)	-
Recognised actuarial gains / (losses) at the end of year	156.19	46.51	(63.23)	(0.14)

g. Principal actuarial assumptions at the balance sheet date are as follows:

	As at March 31, 2019			As at March 31, 2018		
	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	0.08	0.08
2. Rate of increase in compensation levels	0.06	0.06	0.06	0.06	0.06	0.06
Demographic assumptions						
1. Expected average remaining working lives of employees (years)	20.19	26.02	24.29	20.43	26.70	24.61
2. Retirement Age (years)	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		
Withdrawal Rate						
1. Ages up to 30 Years	0.03	0.04	0.04	0.03	0.03	0.03
2. Ages from 30-44	0.02	0.04	0.03	0.02	0.02	0.02
3. Above 44 years	0.01	0.03	0.03	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.

Notes

to the Financial Statements for the year ended March 31, 2019

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' unless otherwise stated)

Particulars	As at March 31, 2019			As at March 31, 2018		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Present value of obligation	617.55	241.04	309.93	672.77	165.96	180.48
Less: Fair value of plan assets	388.39	-	-	105.16	-	-
Net assets /(liability)	(229.16)	(241.04)	(309.93)	(567.60)	(165.96)	(180.48)

i. Expected contribution for the next year is ₹ 352.13 Lakh (March 31, 2018: ₹ 307.19 Lakh) in respect of Gratuity

j. A quantitative sensitivity analysis for significant assumptions is as shown below:

A. Discount rate	As at March 31, 2019			As at March 31, 2018		
	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Effect on DBO due to 0.5% increase in Discount Rate	(59.83)	(31.94)	(35.10)	(34.22)	(12.36)	(24.46)
Effect on DBO due to 0.5% decrease in Discount Rate	70.24	38.86	42.08	37.11	13.74	12.87
B. Salary escalation rate						
Effect on DBO due to 0.5% increase in Salary Escalation Rate	70.80	39.38	42.50	37.55	13.97	13.04
Effect on DBO due to 0.5% decrease in Salary Escalation Rate	(61.30)	(32.80)	36.00	(34.90)	(12.66)	(11.92)
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 & withdrawals are not material & hence impact of change due to these not calculated.

k. Risk

Discount Rate	Reduction in discount rate in subsequent valuations can increase the liability.
Salary Increases	Actual salary increases will increase the defined benefit liability. Increase in salary increase rate assumption in future valuations which in turn also increase the liability.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawals rates at subsequent valuations can impact defined benefit liability.
Mortality and disability	Actual details and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

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I. Maturity profile of defined benefit obligation is as follows:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
0 to 1 years	50.15	3.06	44.77	1.68
1 to 2 years	29.75	5.18	11.62	1.25
2 to 3 years	52.65	11.52	11.61	1.96
3 to 4 years	58.90	22.56	19.39	2.69
4 to 5 years	52.38	43.20	15.97	5.97
from 5 years onwards	822.27	518.11	569.41	152.41

(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.

Particulars	As At March 31, 2019	As At March 31, 2018
Borrowings (Refer note no. 21)	19,367.56	22,232.09
Current maturity of long term loans (Refer note no. 22)	887.04	883.17
Trade payables (Refer to note no. 25)	10,513.92	7,096.15
Other payables (Refer note no. 22 and 24)	5,188.08	4,328.31
Less: cash and cash equivalents (Refer note no. 17)	(2,234.64)	(2,058.74)
Net debt	33,721.96	32,480.98
Equity share capital (Refer note no. 19)	2,166.39	2,166.39
Other equity (Refer note no. 20)	29,452.08	27,692.36
Total Capital	31,618.47	29,858.75
Capital and net debt	65,340.43	62,339.73
Gearing ratio	51.61%	52.10%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

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.

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(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 41 : DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

Forward currency contracts

- a) For the year ended March 31, 2019, the Company has outstanding mark to market forward contracts amount to ₹ 462.80 lakhs (March 31, 2018: ₹ 215.57 lakhs) relating to derivative financial instruments. These commitments with respect to foreign currency 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, 2019	As At March 31, 2018
Forward foreign exchange contract	USD 267.37 lakhs	USD 295.50 lakhs
	(Equivalent to ₹ 19,229.16 lakhs)	(Equivalent to ₹ 20,687.90 lakhs)

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

- c) Particulars of Unhedged foreign currency exposures:

Particulars	As At March 31, 2019		As At March 31, 2018	
	Foreign Currency	Document Currency (Amount ₹ in lakhs)	Foreign Currency	Document Currency (Amount ₹ in lakhs)
Foreign currency receivable	-	-	EUR 48,514.05	39.11
	-	-	GBP 1,000	0.92
Foreign currency payable	\$6,875,405	4,755.72	\$11,246,484	7,315.17
Foreign currency loan receivable	\$803,799	555.99	\$760,899	494.92

(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, 2019	As At March 31, 2018	As At March 31, 2019	As At March 31, 2018
Financial assets measured at fair value through profit or loss				
Investment in equity instruments	133.50	143.00	133.50	143.00
Investment in mutual fund	-	632.62	-	632.62
Total - A	133.50	775.62	133.50	775.62
Financial assets measured at amortised cost				
Investment in equity & preference instruments	11,726.14	12,990.20	11,726.14	12,990.20

Notes

to the Financial Statements for the year ended March 31, 2019

Investment in Government Securities	1.63	1.67	1.63	1.67
Security deposits	800.52	405.35	800.52	405.35
Interest accrued on fixed deposits	45.64	55.06	45.64	55.06
Mark to Market Forward Contracts	462.80	215.57	462.80	215.57
Deposits with original maturity of more than 12 months	761.27	1,731.47	761.27	1,731.47
Loans to related parties	756.52	739.61	756.52	739.61
Loans to others parties	67.73	47.08	67.73	47.08
Interest accrued on loan to related parties	106.07	68.74	106.07	68.74
Other receivables	234.35	-	234.35	-
Trade receivable	11,134.77	8,748.39	11,134.77	8,748.39
Cash and cash equivalents	2,234.64	2,058.74	2,234.64	2,058.74
Other bank balances	1,454.01	428.08	1,454.01	428.08
Total - B	29,786.09	27,489.96	29,786.09	27,489.96
Total (A+B)	29,919.59	28,265.58	29,919.59	28,265.58

b) Fair value of financial liabilities:	Carrying values		Fair values	
	As At March 31, 2019	As At March 31, 2018	As At March 31, 2019	As At March 31, 2018
Financial liabilities measured at amortised cost				
Borrowings	20,254.60	23,115.26	20,254.60	23,115.26
Security Deposit	222.00	177.78	222.00	177.78
Book Overdraft	150.48	-	150.48	-
Unpaid Dividend	26.83	24.53	26.83	24.53
Trade payables		7,096.15	10,513.92	7,096.15
Interest accrued but not due on borrowings	24.67	35.73	24.67	35.73
Creditors for capital expenditure	849.25	48.52	849.25	48.52
	21,527.83	30,497.97	32,041.75	30,497.97

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.

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to the Financial Statements for the year ended March 31, 2019

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:
 - 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.

(Amount in ₹ 'Lakhs' unless otherwise stated)

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, 2019:

	As At March 31, 2019	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	133.50	-	133.50	-	-	133.50
Investment in mutual fund	-	-	-	-	-	-
Total A	133.50	-	133.50	-	-	133.50

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to the Financial Statements for the year ended March 31, 2019

Financial assets measured at amortised cost

Investment in equity & preference instruments	11,726.14	11,726.14	-	-	-	11,726.14
Investment in Government Securities	1.63	1.63	-	-	-	1.63
Security deposits	800.52	800.52	-	-	-	800.52
Interest accrued on fixed deposits	45.64	45.64	-	-	-	45.64
Mark to Market Forward Contracts	462.80	-	-	462.80	-	462.80
Deposits with original maturity of more than 12 months	761.27	761.27	-	-	-	761.27
Loans to related parties	756.52	756.52	-	-	-	756.52
Loans to others parties	67.73	67.73	-	-	-	67.73
Interest accrued on loan to related parties	106.07	106.07	-	-	-	106.07
Other receivables	234.35	234.35	-	-	-	234.35
Trade receivable*	11,134.77	11,134.77	-	-	-	11,134.77
Cash and cash equivalents*	2,234.64	2,234.64	-	-	-	2,234.64
Other bank balances*	1,454.01	1,454.01	-	-	-	1,454.01
Total A	29,786.09	29,323.29	-	462.80	-	29,786.09
Total (A+B)	29,919.59	29,323.29	133.50	462.80	-	29,919.59

b) Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2019:

	As At March 31, 2019	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	20,254.60	20,254.60	-	-	-	20,254.60
Security Deposit	222.00	222.00	-	-	-	222.00
Book Overdraft	150.48	150.48	-	-	-	150.48
Unpaid Dividend	26.83	26.83	-	-	-	26.83
Trade payables*	10,513.92	10,513.92	-	-	-	10,513.92
Interest accrued but not due on borrowings*	24.67	24.67	-	-	-	24.67
Creditors for capital expenditure*	849.25	849.25	-	-	-	849.25
	32,041.75	32,041.75	-	-	-	32,041.75

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c) Quantitative disclosures fair value measurement hierarchy for assets 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)	
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 to related parties	739.61	739.61	-	-	-	739.61
Loans to others parties	47.08	47.08	-	-	-	47.08
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	27,489.96	27,274.39	-	215.57	-	27,489.96
Total (A+B)	28,265.58	27,274.39	775.62	215.57	-	28,265.58

d) 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	-	-	-	-	-	-

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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
	30,497.97	30,497.97	-	-	-	30,497.97

* 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))

(Amount in ₹ 'Lakhs' unless otherwise stated)

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 finance 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, 2019 and March 31, 2018.

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:

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	Increase or decrease in basis points	Decrease / (increase) in profit before tax
March 31, 2019	+50	10.84
	-50	(10.84)
March 31, 2018		
	+50	10.34
	-50	(10.34)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. Foreign currency risk sensitivity is the impact on the 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.

Particulars	Changes in exchange rate	Decrease / (increase) in profit before tax
March 31, 2019	+5%	209.99
	-5%	(209.99)
March 31, 2018	+5%	339.01
	-5%	(339.01)

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.

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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 March 31, 2019	3,712.62	3,250.65	2,324.81	423.30	1,423.39	11,134.77
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.

The table below summarises the maturity profile of the Company's financial liabilities:

As at March 31, 2019	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	16,182.41	-	3,185.15	-	19,367.56
Current maturities of long-term borrowings	230.90	656.14	-	-	887.04
Trade payables	10,513.92	-	-	-	10,513.92
Other financial liabilities	1,051.23	-	154.93	67.07	1,273.23
Total	27,978.46	656.14	3,340.08	67.07	32,041.75

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	128.02	-	158.54	-	286.56
Total	25,731.51	662.38	3,646.94	457.14	30,497.97

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(Amount in ₹ 'Lakhs' unless otherwise stated)

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 operations to external customers are as follows:

Particulars	As At March 31, 2019	As At March 31, 2018
India	6,019.11	6,766.91
Outside India	78,006.61	64,310.32

c) All non-current assets are located within India:

Particulars	As At March 31, 2019	As At March 31, 2018
Non Current Assets	34,417.20	34,610.27

d) Revenue from major customer: During the year the Company generates 90% of its external revenues from eleven (11) customers.

(Amount in ₹ 'Lakhs' unless otherwise stated)

NOTE 46 : CONTINGENT LIABILITIES AND COMMITMENTS

a) **Contingent liabilities (to the extent not provided for)**

	As At March 31, 2019	As At March 31, 2018
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I. The Company has reviewed all its pending claims, litigations and other proceedings and has adequately provided for wherever required. However, wherever it is difficult for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities, the Company has disclosed the same as Contingent Liabilities (pending resolution of the respective proceedings). The Company does not expect the outcome of these proceedings to have a material or adverse effect on financial position of the Company. Also, the Company does not expect any reimbursements in respect of the above contingent liabilities.

i) Claims against the Company not acknowledged as debts corresponding to :

- Tax Demand as per Sec 143(1) of Income Tax Act , 1961 (with respect to Assessment Year 2014-15)	1.25	1.25
- Tax Demand as per Sec 143(1) of Income Tax Act , 1961 (with respect to Assessment Year 2015-16)	98.01	396.77
- Tax Demand as per Sec 143(3) of Income Tax Act , 1961 (with respect to Assessment Year 2016-17) - Rectification application has been filled with A.O	38.83	258.55
- Demand as per TDS (TRACES) portal - CPC	18.43	14.79

ii) Several Legal Cases of labour pending at labour Court, Civil Court and High Court.

iii) 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

Notes

to the Financial Statements for the year ended March 31, 2019

II	Irrevocable letter of credit (net of margin) outstanding with banks	5,701.06	3,767.03
III	Bank Guarantee given to government authorities (net of margin)	34.20	-
IV	Counter Guarantees given by the Company to the Sales Tax Department over which Key Managerial Personnel have Significant influence		
	- For enterprise	1.00	1.00
	- For others	0.50	0.50
V	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 120.00 lakhs equivalent to ₹ 7,800.04 Lakh (March 31, 2018 USD 120.00 lakhs equivalent to ₹ 7,804.80 Lakh)		
	• To Standard Chartered Bank, Bangladesh Branch for securing credit facilities to its subsidiary Norp Knit Industries Limited, Bangladesh for BDT 9,000.00 Lakh equivalent to ₹ 7,389.08 Lakh (March 31, 2018 : BDT 9,000.00 Lakh equivalent to ₹ 6,930.00 Lakh).		

Above Corporate Guarantees have been given for business purpose.

VI The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of “Vivekananda Vidyamandir and Others Vs The Regional Provident Fund Commissioner (II) West Bengal” and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees’ Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of “basic wages” of the relevant employees for the purposes of determining contribution to provident fund under the Employees’ Provident Funds & Miscellaneous Provisions Act, 1952.

b) Commitments

i) Capital Commitment: Estimated amount of contracts remaining to be executed on the capital account (net of capital advances)

	As At March 31, 2019	As At March 31, 2018
	99.44	164.80

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)
	Pearl Global Kaushal Vikas Limited (Formerly known as 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 Limited

Notes

to the Financial Statements for the year ended March 31, 2019

Enterprise over which Key Managerial Personnel exercise Significant influence	Domestic
	<p>Pearl Wears</p> <p>Creative Arts Education Society</p> <p>PS Arts Private Limited</p> <p>PDS Multinational Fashions Limited</p> <p>Little People Education Society</p> <p>Vau Apparels LLP</p> <p>Nim International Commerce LLP</p> <p>PSS Estates LLP</p> <p>Overseas</p> <p>Grupo Extremo SUR S.A</p> <p>SACB Holdings Limited</p> <p>JSM Trading (FZE.)</p> <p>Transnational Textile Group Limited</p> <p>Superb Mind Holdings Limited</p> <p>Global Textiles Group Limited</p> <p>Multinational Textile Group Limited</p> <p>Casa Forma Limited</p> <p>PDS Asia Star Corporation Limited</p> <p>Simple Approach Limited</p> <p>Zamira Fashion Limited</p> <p>PG Group Limited</p> <p>Techno Design HK Limited (Formerly DPOD Manufacturing Limited)</p> <p>Norwest Industries Limited</p> <p>Poeticgem International Limited</p> <p>Multinational OSG Services Bangladesh Limited</p> <p>Nor Delhi Manufacturing Limited</p> <p>Techno Design Gmbh</p> <p>Poetic Brands Limited</p> <p>Poeticgem Limited</p> <p>PDS Trading (Shanghai) Company Limited</p> <p>Simple Approach (Canada) Limited</p> <p>Zamira Denim Lab Limited</p> <p>PG Home Group Limited</p> <p>PG Shanghai Mfg Company Limited</p> <p>Sourcing Solutions Limited</p> <p>Razamtazz Limited</p> <p>Krayon Sourcing Limited (Formerly Souring Solutions HK Limited)</p> <p>Design Arc Asia Limited [(Formerly Design Arc. Limited) (Design Arc. Limited Formerly Nor France Manufacturing Company Ltd)]</p> <p>Nor Lanka Manufacturing Limited</p> <p>Design Arc Europe Limited (Formerly Nor Europe Manufacturing Limited)</p> <p>Kleider Sourcing Hongkong Limited</p> <p>Rising Asia Star Hongkong Limited (Formerly Techno Manufacturing Limited)</p> <p>Nor India Manufacturing Company Limited</p> <p>Spring Near East Manufacturing Company Limited</p>

Notes

to the Financial Statements for the year ended March 31, 2019

	<p>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 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) 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 360 Notch Ltd (Formerly known as Poeticgem Australia Ltd) Smart Notch Limited (w.e.f. 20.04.2018) Jcraft Array Limited (w.e.f. 12.04.2018) Kindred Fashion Limited (w.e.f. 23.10.2018) Recovered Clothing Limited (w.e.f 24.07.2018) PDS Ventures Limited (w.e.f. 03.07.2018) Design Arc FZCO (W.e.f 17.01.2019) Spring Near East FZCO (w.e.f. 17.01.2019) Kleider Sourcing FZCO (w.e.f 17.01.2019) Twin Asia FZCO (w.e.f. 17.01.2019) Technocian Fashion Private Limited (w.e.f. 20.03.2019)</p>
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Notes

to the Financial Statements for the year ended March 31, 2019

Key Management Personnel (KMP) & their relative	Mr. Deepak Seth	Chariman
	Mr. Pulkit Seth	Vice Chairman & Managing Director
	Mrs. Shifalli Seth	Whole-Time Director
	Mr. Vinod Vaish	Whole-Time Director
	Mr. Raj Kumar Chawla (till 25.01.2019)	Chief Financial Officer
	Mr. Raghav Garg (from 12.02.2019)	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) Subsidiary Companies

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Purchase of goods	14,606.50	11,185.41
Sale of goods - raw material	249.19	131.30
Sale of goods – readymade garments	4,199.04	1,469.07
Source support income	-	292.72
Income on corporate guarantee	161.31	148.64
Expenses paid by them on behalf of the Company	1,273.99	529.71
Expenses paid by the Company on their behalf	1,298.37	1,710.21
SAP income	92.02	81.49
Investment in equity shares	-	1,290.55
Interest income	29.68	27.20
Impairment of investment in subsidiaries	1,438.36	-

The company has given the corporate guarantees to banks on behalf of its foreign subsidiaries. (Refer note no 46 a(viii))

Closing Balance

Particulars	As At March 31, 2019	As At March 31, 2018
Loan given to subsidiary (inclusive of interest)	555.93	494.89
Trade receivable	2,669.24	2,118.63
Trade payable	2,719.16	375.37

(ii) Enterprise over which KMP has Significant Influence

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Expenses paid by the company on their behalf	0.61	3.88
Expenses paid by them on behalf of the Company	4.37	20.90
Interest income	30.00	30.00

Closing Balance

Particulars	As At March 31, 2019	As At March 31, 2018
Trade receivable	4.29	11.06
Loan receivable (including interest)	306.66	313.46

Notes

to the Financial Statements for the year ended March 31, 2019

(iii) Key Management Personnel

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Remuneration paid	277.89	217.43
EPF paid	1.11	1.08
Expenses paid by the Company on their behalf	-	5.08
Expenses incurred by him on behalf of the Company	42.31	24.60
Directors sitting fees	1.50	1.43
Closing Balance	As At March 31, 2019	As At March 31, 2018
Trade payable	16.85	20.45

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' unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Purchase of goods		
Norp Knit Industries Limited	14,023.75	10,032.24
Sale of goods - raw material		
Norp Knit Industries Limited	202.16	70.40
Pearl Apparel Fashions Limited	47.03	60.90
Sale of goods - readymate garments		
Pearl Global Far East Limited	608.67	855.40
Pearl Global (HK) Limited	2,328.32	584.03
DSSP Global Limited	1,262.05	
Source support income		
Norp Knit Industries Limited	-	292.72
Income on corporate guarantee		
Norp Knit Industries Limited	76.18	70.59
Pearl Global (HK) Limited	85.13	78.05
Expenses paid by them on behalf of the Company		
Norp Knit Industries Limited	820.44	22.19
Pearl Global (HK) Limited	453.55	489.46
Expenses paid by the Company on their behalf		
Pearl Global (HK) Limited	1,184.86	1,626.18
Investment in equity shares		
Pearl Global (HK) Limited	-	1,290.55
SAP income		
Pearl Global Far East Limited	33.10	26.17
Pearl Global (HK) Limited	48.58	52.60
Interest income		
Pearl Global Far East Limited	29.68	25.52
Impairment of investment in subsidiaries		
Pearl Apparel Fashions Limited	1,438.36	-

Notes

to the Financial Statements for the year ended March 31, 2019

(ii) Enterprise over which KMP has significant influence (Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Expenses paid by the company on their behalf		
Norwest Industries Limited	0.61	3.88
Expenses paid by them on behalf of the Company		
Poetic gem	-	17.90
PDS Multinational Fashion Limited	4.37	3.00
Interest income		
PDS Multinational Fashion Limited	30.00	30.00

(iii) Key Management Personnel (Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Remuneration paid		
Mr. Pulkit Seth	120.00	106.70
Mrs. Shifalli Seth	75.00	66.25
Mr. Rajkumar Chawla	44.88	18.35
Mr. Vinod Vaish	16.44	12.36
Mr. Sandeep Sabharwal	15.63	13.77
Mr. Raghav Garg	5.94	-
EPF paid		
Mr. Pulkit Seth	0.22	0.22
Mrs. Shifalli Seth	0.22	0.22
Mr. Rajkumar Chawla	0.18	0.22
Mr. Vinod Vaish	0.22	0.22
Mr. Sandeep Sabharwal	0.22	0.22
Mr. Raghav Garg	0.05	-
Expenses paid by the Company on their behalf		
Mr. Deepak Seth	-	5.00
Expenses incurred by him on behalf of the Company		
Mr. Raj Kumar Chawla	22.60	11.92
Mr. Vinod Vaish	12.34	7.94
Mr. Sandeep Sabharwal	6.35	4.74
Mr. Raghav Garg	1.02	-
Directors sitting Fees:		
Mr. Deepak Seth	0.10	0.10
Mr. Anil Nayar	0.40	0.62
Mr. Chittranjan Dua	0.40	0.32
Mr. Abhishek Goyal	0.50	0.40
Mr. Rajendra Aneja	0.10	-

iv) **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.

- v) The remuneration of Key Managerial Personnel does not include amount in respect of gratuity and leave encashment payable as the same are not determinable as individual basis for the KMP. The liabilities of gratuity and leave encashment are provided for company as whole on the basis of actuarial valuation.

NOTE 48: DISCLOSURES PURSUANT TO SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECTION 186 OF THE COMPANIES ACT, 2013.

(Amount in ₹ 'Lakhs' unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
(a) Loans to subsidiaries		
Loan to wholly owned subsidiary: Pearl Global Fareast Limited		
Balance as at the year end	456.52	439.61
Maximum amount outstanding at any time during the year	456.52	439.61
(Pearl Global Fareast Limited has utilised the loan for meeting working capital requirements. It is repayable after March 31, 2020 and carries an average rate of interest at 6.5% (2017-18: 6%))		
(b) Investments made are given under the respective heads (Refer note no. 8)	11,726.14	12,990.20
(c) Corporate guarantees given are disclosed in note 46 a(viii).	15,189.12	14,734.80

NOTE 49 : EVENT OCCURRING AFTER BALANCE SHEET DATE

a) Dividend paid and proposed:

(Amount in ₹ 'Lakhs' unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
i. Declared and paid during the year:		
Final dividend for the financial year 2017-18: ₹ 2.00 per share (2016-17: ₹ 3.00 per share) Including dividend distribution tax of ₹ 89.06 Lakh for the financial year 2017-18 (₹ 132.31 Lakh for the financial year 2016-17)	522.34	782.23
ii. Proposed for approval at the Annual General Meeting (not recognised as a liability)		
Final Dividend for financial year 2018-19: ₹ 3.00 per share (2017-18: ₹ 2.00 per share)	649.92	433.28
Dividend distribution tax	132.31	89.06
b) 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 50 :

Pursuant to transfer pricing legislations under the Income-tax Act, 1961, the Company is required to use specified methods for computing arm's length price in relation to specified international transactions with its associated enterprises. Further, the Company is required to maintain prescribed information and documents in relation to such transactions. The appropriate method to be adopted will depend on the nature of transactions/ class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Company is in the process of updating its transfer pricing documentation for the current financial year. Based on the preliminary assessment, the management is of the view that the update would not have a material impact on the tax expense recorded in these financial statements. Accordingly, these financial statements do not include any adjustments for the transfer pricing implications, if any.

NOTE 51 :

The balances of trade receivables, trade payables, financial assets and other assets given are subject to reconciliation and confirmation as on March 31, 2019 and have realisation in ordinary course of business atleast equal to amount at which they are stated in the financial statements.

NOTE 52 :

Figures have been rounded off to the nearest Lakh 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 28, 2019

Raghav Garg
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

**FORM NO. MGT-11
 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 30th Annual General Meeting of the Company, to be held on 24th September, 2019 at 10:30 A.M. at Sri Sathya Sai International Centre, Pragati Vihar (Near Pragati Vihar Hostel), Lodhi Road, New Delhi-110003 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 March 31, 2019 including the Reports of the Board of Directors and Auditors thereon.			
2	To declare dividend on Equity Shares for the financial year ended March 31, 2019.			
3	To appoint a Director in place of Mr. Deepak Seth (DIN 00003021), who retires by rotation and being eligible, offers himself for re-appointment.			
4	To appoint a Director in place of Mr. Pulkit Seth (DIN 00003044), who retires by rotation and being eligible, offers himself for re-appointment.			
Special Business				
5	To approve revision in remuneration of Mr. Vinod Vaish (DIN: 01945795), Whole-Time Director.			
6	To re-appoint Mr. Pulkit Seth (DIN: 00003044) as Managing Director.			
7	To re-appoint Mr. Anil Nayar (DIN: 01390190) as an Independent Director.			
8	To re-appoint Mr. Chittranjan Dua (DIN: 00036080) as an Independent Director.			
9	To re-appoint Mr. Rajendra Kumar Aneja (DIN: 00731956) as an Independent Director.			
10	To approve related party transactions for the financial year 2020-2021.			

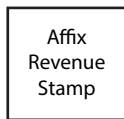
Signed this.....day of.....2019

Signature of the Shareholder(s).....

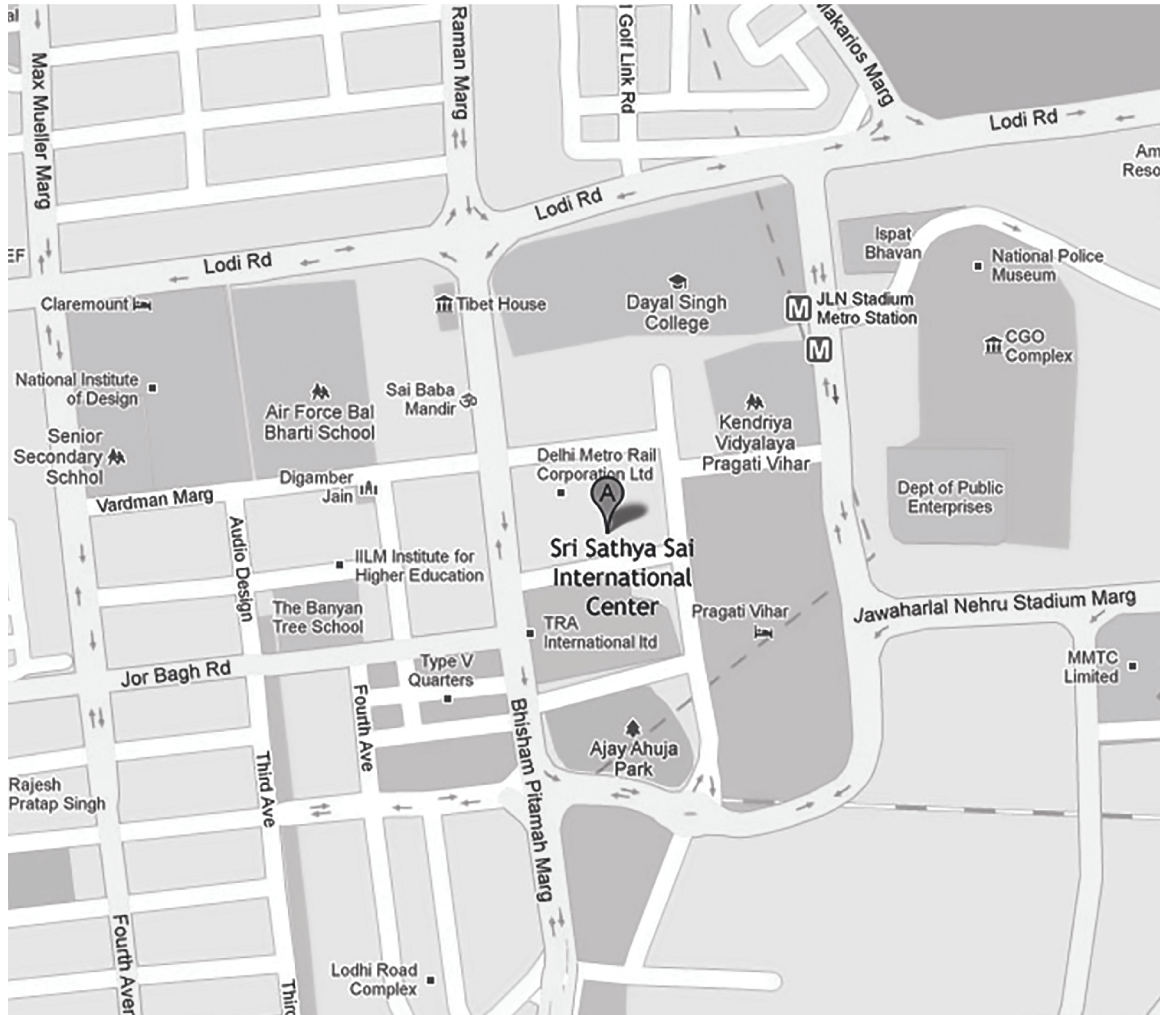
Signature of the Proxy holder(s).....

Note:

- 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.
- *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.
- 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 30th Annual General Meeting of Pearl Global Industries Limited



Sri Sathya Sai International Centre,
Pragati Vihar, Lodhi Road, New Delhi - 110003



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)