The information in this Preliminary Placement Document is not complete and may be changed. The Issue is meant only for Eligible QIBs under Chapter VI of the SEBI ICDR Regulations, on private placement basis and is not an offer to public or to any other categories of investors to purchase the Equity Shares. This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. This Preliminary Placement Document is being issued for the sole purpose of information or discussion relating to the Equity Shares that may be Allotted pursuant to the Placement Document

PEARL GLOBAL
Exceeding Expectations...Always

PEARL GLOBAL INDUSTRIES LIMITED

Our Company was incorporated as '*Mina Estates Private Limited*' under the provision of Companies Act, 1956, pursuant to the certificate of incorporation dated July 5, 1989, issued by Registrar of Companies, Delhi and Haryana, located at New Delhi (the "**RoC**"). Subsequently, the name of our Company was changed to '*House of Pearl Fashions Private Limited*' pursuant to a special resolution of the shareholders of the Company at an extraordinary general meeting held on May 9, 2006 and a fresh certificate of incorporation consequent upon the change of name was granted on June 19, 2006, by the RoC. Our Company became a public limited company pursuant to a special resolution passed by the shareholders of our Company at an extraordinary general meeting held on June 28, 2006. Pursuant to this special resolution, the name of our Company was changed to '*House of Pearl Fashions Limited*' and a fresh certificate of incorporation was issued by the RoC consequent upon change of name on conversion to public limited company on July 31, 2006. Subsequently, the name of our Company was changed to its present name '*Pearl Global Industries Limited*' pursuant to a special resolution of the shareholders of the Company through Postal Ballot on March 10, 2012 and a fresh certificate of incorporation consequent upon the change of name was granted on March 20, 2012, by the RoC. For further details see "*General Information*" on page 287.

Registered Office: C17/1 Paschimi Marg, Vasant Vihar, South West Delhi, New Delhi – 110 057, India; **Telephone**: + 91 11 46012471
Corporate Office: Pearl Tower, Plot No. 51, Sector 32, Gurugram, Haryana – 122 001, India; **Telephone**: + 91 124 4651000
Contact Person: Shilpa Budhia, Company Secretary and Compliance Officer; **Telephone**: + (91) 124 4651000; **E-mail**: company.secretary@pearlglobal.com;
Website: www.pearlglobal.com;
Corporate Identity Number: L74899DL1989PLC036849

Our Company is issuing up to [●] Equity Shares of face value ₹5 each ("**Equity Shares**") at a price of ₹[●] per Equity Share (the "**Issue Price**"), including a premium of ₹[●] per Equity Share, aggregating up to ₹[●] lakhs (the "**Issue**"). For further details, see "*Summary of the Issue*" on 30.

THIS ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS"), SECTION 42 OF THE COMPANIES ACT, 2013, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED ("THE PAS RULES") AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED ("THE COMPANIES ACT")

The Equity Shares of the Company are listed on National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**", and together with **NSE**, the "**Stock Exchanges**". The closing price of the outstanding Equity Shares on BSE and NSE as on July 12, 2024, was ₹ 735.25 and ₹ 733.05 per Equity Share, respectively. In-principle approvals under Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**"), for listing of the Equity Shares to be issued pursuant to the Issue have been received by our Company from each of BSE and NSE on July 15, 2024. Our Company shall make applications to the Stock Exchanges for obtaining the final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or of the Equity Shares.

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBs (AS DEFINED HEREINAFTER) IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER AND CHAPTER VI OF THE SEBI ICDR REGULATIONS. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR. THE ISSUE DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OR CATEGORY OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBs. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENT OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN VIOLATION OF THE COMPANIES ACT, SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION "*RISK FACTORS*" ON PAGE 43, BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES TO BE ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT. PROSPECTIVE INVESTORS OF THE EQUITY SHARES OFFERED SHOULD CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PRELIMINARY PLACEMENT DOCUMENT AND/OR THE PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR AND/OR LEGAL ADVISOR.

A copy of this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 *(as defined hereafter)* has been delivered to the Stock Exchanges and a copy of the Placement Document (which shall also include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges in due course. Our Company shall also make the requisite filings with the RoC, within the stipulated period as prescribed under the Companies Act and the PAS Rules. This Preliminary Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs *(as defined hereinafter)*. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of Equity Shares to be issued pursuant to the Issue shall only be made pursuant to this Preliminary Placement Document and the Placement Document and the Confirmation of Allocation Note *(each as defined hereinafter)*. For further details, see "*Issue Procedure*" on 233. The distribution of this Preliminary Placement Document or the disclosure of its contents without our Company's prior consent, to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in, and in compliance with, Regulation S ("**Regulation S**") under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales are made. See "*Selling Restrictions*" on page 250 for information about eligible offerees for the Issue and "*Transfer Restrictions*" on page 258 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

The information on the websites of our Company or our Subsidiaries (as defined hereinafter), as applicable or any website directly or indirectly linked to such websites or the website of the Book Running Lead Manager or its affiliates does not constitute nor should form part of this Preliminary Placement Document and Bidders should not rely on such information contained in, or available through, any such websites for investment in this Issue.

THIS PRELIMINARY PLACEMENT DOCUMENT IS DATED JULY 15, 2024

BOOK RUNNING LEAD MANAGER
Emkay Your success is our success
Emkay Global Financial Services Limited

CONTENTS

NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all the information contained in this Preliminary Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to our Company, our Subsidiaries and the Equity Shares, which is material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to our Company, our Subsidiaries and the Equity Shares are, in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to our Company, our Subsidiaries and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to our Company and our Subsidiaries. There are no other facts in relation to our Company, our Subsidiaries and the Equity Shares to be issued pursuant to the Issue, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements.

Unless otherwise stated, all information in this Preliminary Placement Document is provided as of the date of this Preliminary Placement Document and neither our Company, our Subsidiaries nor the Book Running Lead Manager have any obligation to update such information to a later date.

The information contained in this Preliminary Placement Document has been provided by our Company and from other sources identified herein. Emkay Global Financial Services Limited (the "**Book Running Lead Manager**") has made reasonable enquiries but have not separately verified all of the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the Book Running Lead Manager nor any of its shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Manager and/or any of its shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information (financial, legal or otherwise) supplied in connection with our Company, our Subsidiaries and the Equity Shares or its distribution. Each person receiving this Preliminary Placement Document acknowledges that such person has not relied either on the Book Running Lead Manager or on any of its shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company, our Subsidiaries and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

This Preliminary Placement Document is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider subscribing for the particular securities described herein. Distribution of this Preliminary Placement Document to any person other than the Eligible QIBs specified by the Book Running Lead Manager or its representatives, and those persons, if any, retained to advise such investor with respect thereto, is unauthorised, and any disclosure of its contents, without prior written consent of our Company, is prohibited. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any offering material in connection with the Equity Shares.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company or by or on behalf of the Book Running Lead Manager. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares to be issued pursuant to this Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including the United States Securities and Exchange Commission, any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.

The distribution of this Preliminary Placement Document and the issue of Equity Shares and the offering of the Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. In particular, except for India, no action has been taken by our Company and the Book Running Lead Manager that would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any jurisdiction, where action for that purpose is required.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States, unless so registered, and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in, and in compliance with, Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For the selling restrictions in certain other jurisdictions, see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 250 and 258, respectively for information about selling restrictions and transfer restrictions that apply to the Equity Shares sold in the Issue.

The information contained in this Preliminary Placement Document have been provided by our Company and from other sources identified herein. The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible IBs whose names are recorded by our Company prior to the invitation to subscribe to the Issue in consultation with the Book Running Lead Manager or its representatives, and those retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and not further distribute or make any copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The distribution of this Preliminary Placement Document and the issue of the Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been or will be taken by our Company and the Book Running Lead Manager that would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

In making an investment decision, the prospective investors must rely on their own examination of our Company, our Subsidiaries, the Equity Shares and the terms of the Issue, including the merits and risks involved. Prospective investors should not construe the contents of this Preliminary Placement Document as legal, business, tax, accounting, or investment advice and should consult their own counsels and advisors as to business, investment, legal, tax, accounting and related matters concerning the Issue. In addition, our Company and the Book Running Lead Manager are not making any representation to any investor, purchaser, offeree or subscriber of the Equity Shares in relation to this Issue regarding the legality of an investment in the Equity Shares by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations. The prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorised financial advisor and/or legal advisor.

Our Company does not undertake to update the Placement Document to reflect subsequent events after the date of the Placement Document and thus it should not be relied upon with respect to such subsequent events without first confirming the accuracy or completeness with the Company. Neither the delivery of this Preliminary Placement Document nor any issue of Equity Shares made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company since the date hereof.

Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under applicable law, including Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act read with Rule 14 of the PAS Rules, and other applicable provisions of the Companies Act and rules made thereunder, and that it is not prohibited by SEBI or any other regulatory, statutory or judicial authority in India or any other jurisdiction from buying, selling or dealing in securities including the Equity Shares or otherwise accessing the capital markets in India. Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

Our Company and the Book Running Lead Manager are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations and the QIB shall be solely responsible for compliance with the provisions of the SEBI Takeover Regulations, SEBI Insider Trading Regulations and other applicable laws, rules, regulations, guidelines and circulars.

This Preliminary Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such document. The information on our Company's website, *viz.*, www.pearlglobal.com, any website directly or indirectly linked to the website of our Company or to the website of the Book Running Lead Manager or any of their respective affiliates or agents, does not constitute nor form part of this Preliminary Placement Document. Prospective investors should not rely on such information contained in, or available through, any such websites.

Our Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and, without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe to or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information relating to investors in certain other jurisdictions, see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 250 and 258, respectively. Any information about our Company available on any website of the Stock Exchanges, our Company or the Book Running Lead Manager, other than this Preliminary Placement Document, shall not constitute a part of this Preliminary Placement Document and no investment decision should be made on the basis of such information.

REPRESENTATIONS BY INVESTORS

All references herein to "you" or "your" in this section are to the Bidders, prospective Investors in this Issue. By Bidding for and/or subscribing to any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged, and agreed to contents set forth in the sections "*Notice to Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 2, 250 and 258, respectively, and have represented, warranted and acknowledged to and agreed to our Company and the Book Running Lead Manager, as follows:

- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company and our Subsidiaries which is not set forth in this Preliminary Placement Document;

- You are a "qualified institutional buyer" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, and all requirements under other applicable laws in this relation; and (ii) comply with the SEBI ICDR Regulations, the Companies Act and all other applicable laws, including any reporting obligations, making necessary filings, if any, in connection with the Issue or otherwise accessing capital markets;

- You are eligible to invest in India under applicable law, including the FEMA Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI, RBI or any other regulatory authority, statutory authority or otherwise, from buying, selling, or dealing in securities or otherwise accessing capital markets in India;

- If you are not a resident of India, but are an Eligible QIB, (i) you are a foreign portfolio investor, and you confirm that you are an Eligible FPI (and are not an individual, corporate body or a family office), as defined in this Preliminary Placement Document and have a valid and existing registration with SEBI under the applicable laws in India, or (ii) a multilateral or bilateral development financial institution and can participate in the Issue only under Schedule II of FEMA Rules and you are eligible to invest in India under applicable law, including FEMA Rules, and any other notifications, circulars or clarifications issued thereunder. You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws. You are eligible to invest in India under applicable law, including the SEBI FPI Regulations, FEMA Rules, and any notifications, circulars or clarifications issued thereunder and have not been prohibited by SEBI or any other regulatory authority, from buying, selling or dealing in securities or otherwise accessing the capital markets. You confirm that you are not an FVCI. You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws;

- You are aware that in terms of the SEBI FPI Regulation and FEMA Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50.00% or common control) shall be below 10.00% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Further , the aggregate limit of all FPIs investments, is up to 100%,.and the total holdings of all FPIs put together shall not exceed the sectoral cap applicable to the sector in which our Company operates. In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that (i) the individual investment of the FPI in our Company does not exceed 10.00% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI together with its investor group increases to 10.00% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. Since FVCIs are not permitted to participate in the Issue, you confirm that you are not an FVCI;

- You will provide the information as required under the provisions of the Companies Act, the PAS Rules, the applicable provisions of the SEBI ICDR Regulations and any other applicable rules for record keeping by our Company, including your name, nationality, complete address, phone number, e-mail address, permanent account number (if applicable) and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue and the list of Eligible QIBs including the aforementioned details shall be filed with the RoC and SEBI, as may be required under the Companies Act and other applicable laws;

- If you are Allotted Equity Shares, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges and in accordance with any other resale restrictions applicable to you. For more information, please see the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions*" on page 250 and 258, respectively;

- You are aware that this Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC under the Companies Act, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. This Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4) has not been reviewed or affirmed by the RBI, SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs. The Placement Document shall be filed with the Stock Exchanges for record purposes only and be displayed on the websites of our Company and the Stock Exchanges;

- You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each of which case, investment can only be through the Government approval route), and that your investment is in accordance with consolidated FDI Policy and press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and Rule 6 of the FEMA Rules;

- This Preliminary Placement Document has been filed, and the Placement Document will be filed, with the Stock Exchanges for record purposes only and this Preliminary Placement Document and the Placement Document will be displayed on the websites of our Company and the Stock Exchanges;

- You are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations, as may be required and complied and shall comply with all necessary formalities, to enable you to participate in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;

- You are aware that, our Company, the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are not making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the Book Running Lead Manager. The Book Running Lead Manager or any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates do not have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the "**Company Presentations**") with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Book Running Lead Manager may not have knowledge of all the statements that our Company or its agents may have made at such Company Presentations and is therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the Book Running Lead Manager have advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that you have not been provided any material or price sensitive information relating to our Company and the Issue that was not publicly available;

- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made on the basis of any information relating to our Company and our Subsidiaries, which is not set forth in this Preliminary Placement Document;

- You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act;

- You understand that the Equity Shares issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid and will rank pari passu in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared or to be declared;

- All statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding our Company, Subsidiaries, our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Company's business), are forward-looking statements. You are aware that, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our Company and Subsidiaries present and future business strategies and environment in which Company and Subsidiaries will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Preliminary Placement Document. Neither our Company nor the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates assume any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

- You are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public or any other category of investors other than Eligible QIBs, and the Allotment of such Equity Shares shall be at the discretion of our Company, in consultation with the Book Running Lead Manager;

- You are aware that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document, as applicable. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Manager;

- You are aware that if you are Allotted more than 5.00% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures;

- You have made, or have been deemed to have made, as applicable, the representations, warranties, acknowledgments and undertakings as set out in *"Selling Restrictions"* and *"Transfer Restrictions"* on pages 250 and 258, respectively;

- You have been provided a serially numbered copy of this Preliminary Placement Document and have read it in its entirety, including in particular, "*Risk Factors*" on page 43;

- In making your investment decision, you have (i) relied on your own examination of our Company, our Subsidiaries, the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of our Company, our Subsidiaries and the Equity Shares and the terms of the Issue based on information as is publicly available on and in reliance of the information contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsels and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws (including tax laws), (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company, our Subsidiaries and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;

- Neither our Company, the Book Running Lead Manager nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Book Running Lead Manager or any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in relation to the Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against, our Company, the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any managed accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of your investment in the Equity Shares, (ii) will not look to our Company and/or the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares; and (vi) are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute. You are aware that investment in Equity Shares involves a high degree of risk and that the Equity Shares are, therefore a speculative investment;

- If you are acquiring the Equity Shares to be issued pursuant to the Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and hereby make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to “you” to include such accounts;

- You are not a ‘promoter’ (as defined under section 2(69) of the Companies Act and regulation 2(oo) of the SEBI ICDR Regulations) of our Company and are not a person related to our Promoters, either directly or indirectly and your Bid does not directly or indirectly represent our ‘Promoters’, or member of ‘Promoter Group’ (as defined under the SEBI ICDR Regulations) of our Company or persons or entities related thereto;

- You have no rights under a shareholders’ agreement or voting agreement entered into with our Promoters or members of the Promoter Group or persons related to the Promoters, no veto rights or right to appoint any nominee director on our Board, other than the rights acquired, if any, in the capacity of a lender not holding any Equity Shares (a QIB who does not hold any Equity Shares and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to our Promoters);

- You agree in terms of Section 42 (7) of the Companies Act and Rule 14 of the PAS Rules, that our Company shall file the list of Eligible QIBs (to whom this Preliminary Placement Document will be circulated) along with other particulars including your name, complete address, phone number, e-mail address, permanent account number and bank account details, including such other details as may be prescribed or otherwise required even after the closure of the Issue with the RoC and SEBI within 30 days of circulation of this Preliminary Placement Document and other necessary filings with the RoC as may be required under the Companies Act;

- You will have no right to withdraw your Application Form or revise your Bid downwards after the Bid / Issue Closing Date (as defined hereinafter);

- You are eligible to Bid for and hold the Equity Shares so Allotted, together with any Equity Shares held by you prior to the Issue. Further, you confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

- The Bid made by you would not result in triggering a tender offer under the SEBI Takeover Regulations (as defined hereinafter) and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;

- The aggregate number of Equity Shares Allotted to you under the Issue, together with other Allottees that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50.00% of the Issue Size. For the purposes of this representation:

  (a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15.00% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and

  (b) 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

- You shall not undertake any trade in the Equity Shares credited to your beneficiary account with the Depository Participant until such time that the final listing and trading approvals for such Equity Shares to be issued pursuant to this Issue are issued by the Stock Exchanges;

- You are aware that in relation to the Issue (i) application for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares to be issued pursuant to the Issue and for trading on the Stock Exchanges, were made and an in-principle approval has been received by our Company from each of the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final listing and trading approvals for listing of the Equity Shares to be issued pursuant to this Issue will be obtained in time or at all. Neither our Company nor the Book Running Lead Manager nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising from such delay or non receipt;

- You are aware and understand that the Book Running Lead Manager has entered into a Placement Agreement with our Company whereby the Book Running Lead Manager has, subject to the satisfaction of certain conditions set out therein, undertaken to use its reasonable efforts to procure subscription for the Equity Shares on the terms and conditions set forth therein;

- You understand that the contents of this Preliminary Placement Document are exclusively the responsibility of our Company, and that neither the Book Running Lead Manager nor any person acting on its behalf or any of the counsels or advisors to the Issue has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting a participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Book Running Lead Manager or our Company or any other person, and the Book Running Lead Manager or our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, the Book Running Lead Manager and its affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

- You understand that the Book Running Lead Manager or any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including the non-performance by our Company or any of its obligations or any breach of any representations or warranties by our Company, whether to you or otherwise;

- You are able to purchase the Equity Shares in accordance with the restrictions described in "*Selling Restrictions*" on page 250 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Selling Restrictions*" beginning on page 250;

- You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "*Transfer Restrictions*" on page 258 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Transfer Restrictions*" beginning on page 258;

- You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and unless so registered, may not be offered, sold or delivered within the United States, except in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. For more information, see "*Transfer Restriction*" and "*Selling Restrictions*" on pages 258 and 250;

- You are outside the United States, and you are purchasing the Equity Shares in an "offshore transaction" as defined in, and in compliance with, Regulation S and are not our Company's or the Book Running Lead Managers' affiliate or a person acting on behalf of such an affiliate in compliance with laws of all jurisdictions applicable to you;

- You are not acquiring or subscribing for the Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act;

- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the court(s) in Mumbai, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document and the Placement Document;

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;

- You agree to indemnify and hold our Company, the Book Running Lead Manager and their respective directors, officers, employees, affiliates, associates, controlling persons and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

- You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;

- You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each which case, investment can only be through the Government approval route), and that your investment is in accordance with consolidated FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and Rule 6 of the FEMA Rules.

- You acknowledge that this Preliminary Placement Document does not, and the Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

- You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the Book Running Lead Manager;

- You represent that you are not an affiliate of our Company or the Book Running Lead Manager or a person acting on behalf of such affiliate. However, affiliates of the Book Running Lead Manager, which are Eligible FPIs, may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue Offshore Derivative Instruments in respect thereof. For further details, please see "*Offshore Derivative Instruments*" on page 12;

- Our Company, the Book Running Lead Manager and their respective affiliates, directors, counsels, officers, employees, shareholders, representatives, agents, controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, and are irrevocable. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the Book Running Lead Manager; and

- You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 ("**SEBI FPI Regulations**"), an Eligible FPI including the affiliates of the Book Running Lead Manager, which is registered as a category I FPIs may issue, subscribe to or otherwise deal in offshore derivate instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as "**P-Notes**"), and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such P-Notes provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned category I FPIs may receive compensation from the purchasers of such instruments. An FPI will collect the regulatory fee of USD 1,000 or any other amount, as may be specified by SEBI from time to time, from every subscriber of offshore derivative instrument issued by it and deposit the same with SEBI by way of electronic transfer in the designated bank account of SEBI. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to payment of applicable regulatory fee and in compliance with such other conditions as may be specified from the SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been and are not being offered or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including without limitation any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control,) is not permitted to be 10% or above of our post Issue Equity Share capital on a fully diluted basis ("**Investment Restrictions**"). The SEBI has, *vide* a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the Investment Restrictions shall also apply to subscribers of offshore derivative instruments and two or more subscribers of offshore derivative instruments having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the offshore derivative instruments. Further, in the event a prospective investor has investments as an FPI and as a subscriber of offshore derivative instruments, these Investment Restrictions shall apply on the aggregate of the FPI and offshore derivative instruments investments held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, read with Consolidated FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy and FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

Affiliates of the Book Running Lead Manager which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the Book Running Lead Manager do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Book Running Lead Manager and does not constitute any obligations of or claims on the Book Running Lead Manager.

Bidders interested in purchasing any P-Notes have the responsibility to obtain adequate disclosure as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-

Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Bidders are urged to consult with their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of this Preliminary Placement Document has been submitted to each of the Stock Exchanges.

The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of any of the contents of this Preliminary Placement Document;

2. warrant that the Equity Shares to be issued pursuant to this Issue will be listed or will continue to be listed on the Stock Exchanges; or

3. take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company;

and it should not for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares of our Company may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'your', 'bidder(s)', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investor(s)', 'prospective investor(s)' and 'potential investor(s)' are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to the Issue, and references to 'our Company', 'Company', 'the Company' and the 'Issuer', are to Pearl Global Industries Limited on a standalone basis and references to 'we', 'us' or 'the Group' are to Pearl Global Industries Limited together with its Subsidiaries on a consolidated basis, unless the context otherwise indicates or implies or unless otherwise specified.

Currency and units of presentation

In this Preliminary Placement Document all references to '₹' 'INR', 'Rs.', 'Indian Rupees' or 'Rupees' are to the legal currency of Republic of India, references to 'US$', 'USD', '$' or 'U.S. dollars' are to the United States Dollar, the official currency of the United States of America, references to 'HKD' are to the legal currency of Hong Kong, references to 'IDR' are to the legal currency of Indonesia, references to 'BDT' are to the legal currency of Bangladesh, references to 'GBP' are to the legal currency of United Kingdom, references to 'VND' are to the legal currency of Vietnam, references to 'CNY' are to the legal currency of China, references to 'EUR' or "€", are to the legal currency of European Union.

All references herein to "India" are to the Republic of India and its territories and possessions and all references herein to the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Unless stated otherwise, all references to page numbers in this Preliminary Placement Document are to the page numbers of this Preliminary Placement Document.

All the numbers in this Preliminary Placement Document have been presented in lakhs, unless stated otherwise. The amounts derived from financial statements included herein are presented in ₹ lakhs.

Financial data and other information

Our Company publishes its financial statements in Indian Rupees in lakhs. The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to a particular 'financial year', "Fiscal" or "Fiscal Year" or "FY", are to the twelve-month period ended on March 31 of that year and references to a particular 'year' are to the calendar year ending on December 31 of that year.

As required under applicable regulations, and for the convenience of prospective investors, we have included the following in this Preliminary Placement Document

1. audited consolidated financial statements of our Company and its Subsidiaries as at and for the financial year ended March 31, 2022 prepared in accordance with Indian Accounting Standards ("**Ind AS**") notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended (the "**Ind AS Rules**") and Section 133 of the Companies Act, 2013 read with the presentation requirements of Division II of Schedule III to the Companies Act, 2013 and which comprises the consolidated balance sheet as at March 31, 2022, and the consolidated statement of profit and loss, including other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, along with notes to the consolidated financial statements, a summary of significant accounting policies and other explanatory information (the "**Fiscal 2022 Audited Consolidated Financial Statements**");

2. audited consolidated financial statements of our Company and its Subsidiaries as at and for the financial year ended March 31, 2023 prepared in accordance with Ind AS notified under the Ind AS Rules and Section 133 of the Companies Act, 2013 read with the presentation requirements of Division II of Schedule III to the Companies Act, 2013 and which comprises the consolidated balance sheet as at March 31, 2023, and the

consolidated statement of profit and loss, including other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, along with notes to the consolidated financial statements, a summary of significant accounting policies and other explanatory information (the "**Fiscal 2023 Audited Consolidated Financial Statements**"); and

3. audited consolidated financial statements of our Company and its Subsidiaries as at and for the financial year ended March 31, 2024 prepared in accordance with Ind AS notified under the Ind AS Rules and Section 133 of the Companies Act, 2013 read with the presentation requirements of Division II of Schedule III to the Companies Act, 2013 and which comprises the consolidated balance sheet as at March 31, 2024, and the consolidated statement of profit and loss, including other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, along with notes to the consolidated financial statements, a summary of significant accounting policies and other explanatory information (the "**Fiscal 2024 Audited Consolidated Financial Statements**", and collectively, together with the Fiscal 2023 Audited Consolidated Financial Statements and the Fiscal 2022 Audited Consolidated Financial Statements, the "**Audited Consolidated Financial Statements**");

Unless otherwise stated or unless the context requires otherwise, the financial information contained in this Preliminary Placement Document as at and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 is derived from the Audited Consolidated Financial Statements.

Our Company prepares its annual financial statements in accordance with Ind AS, Companies Act, 2013 and other applicable statutory and/or regulatory requirements. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including IFRS and US GAAP and the reconciliation of the financial information to other accounting principles has not been provided. No attempt has been made to explain those differences or quantify their impact on the financial data included in this Preliminary Placement Document and investors should consult their own advisors regarding such differences and their impact on our Company's financial data. The degree to which the financial information included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited. Also see, "*Risk Factors – This Preliminary Placement Document includes certain non-GAAP financial measures and certain other selected statistical information related to our operations and financial performance. These non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the broking industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other broking companies.*" on page 62.

Figures in this Preliminary Placement Document, except for the information in the section "*Industry Overview*" have been presented in lakhs or in whole numbers where the numbers have been too small to present in lakhs unless stated otherwise. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources or presented in figures other than ₹ lakhs. Our Audited Consolidated Financial Statements, are prepared in lakhs and have been presented in this Preliminary Placement Document in lakhs for presentation purposes. In this Preliminary Placement Document, references to "lakh" represents "1,00,000" and to "crore" represents "1,00,00,000". Certain figures contained in this Preliminary Placement Document, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Unless otherwise specified, all financial numbers in parenthesis represent negative figures. Unless otherwise stated or unless the context requires otherwise, the financial information contained in this Preliminary Placement Document is derived from the Audited Consolidated Financial Statements, as applicable. For details, please see the section titled "*Financial Statements*" and "*Management Discussion and Analysis of Financial Condition and Results of Operations*" on page 289 and 96, respectively.

Non-GAAP Measures

We have included certain non-GAAP measures and certain other statistical information such as Gross Margin, EBIT, EBITDA, EBITDA Margin, Net Profit Ratio, ROE, ROCE, Net Debt Equity Ratio, Interest Coverage Ratio, Current Ratio etc. (together, "**Non-GAAP Measures**" and each, a "**Non-GAAP Measure**") are presented in this Preliminary Placement Document are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. We compute and disclose such Non-GAAP Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of the refractory businesses, many of which provide such Non-GAAP Measures and other statistical and operational information when reporting their financial results. However, note that these Non-GAAP Measures and other statistical information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to measures and statistical information of similar nomenclature that may be computed and presented by other companies. These Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP.

In addition, these non -GAAP measures are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. The presentation of these Non-GAAP Measures is not intended to be considered in isolation or as a substitute for the financial statements included in this Preliminary Placement Document. Bidders should read this information in conjunction with the financial statements included in "*Financial Statements*" on pages 289, respectively.

INDUSTRY AND MARKET DATA

Information regarding market size, market share, market position, growth rates and other industry data pertaining to our business contained in this Preliminary Placement Document consists of estimates based on data reports compiled by governmental bodies, professional organisations, industry publications and analysts and on data from other external sources, and on our knowledge of markets in which we compete. The accuracy and completeness of the industry sources and publications referred to by us, and the underlying assumptions on which such sources and publications are based, are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. The statistical information included in this Preliminary Placement Document relating to the various sectors in which we operate has been reproduced from various trade, industry and regulatory / government publications and websites, more particularly described in "*Industry Overview*" on page 133.

Unless stated otherwise, statistical information, industry and market data used throughout this Preliminary Placement Document has been obtained from the report titled "Apparel Industry Report" dated July, 2024 (she "**ICRA Report**"), which is a report commissioned and paid for by our Company and prepared by ICRA Analytics Limited pursuant to an engagement letter dated April 23, 2024, in connection with the Issue.

The ICRA Report is subject to the following disclaimer:

"*This report and the analysis herein are strictly for the use and benefit of Pearl Global Industries Limited and shall not be relied upon by any other person. This report and the analysis herein are based on data and information collected by ICRA Analytics Limited from sources believed to be reliable and authentic. While all reasonable care has been taken by ICRA Analytics to ensure that the information and analysis contained herein is not untrue or misleading, neither ICRA Analytics nor its Directors shall be responsible for any losses, direct, indirect, incidental or consequential that any user of this report may incur by acting on the basis of this report or its contents. ICRA Analytics makes no representations or warranties in relation to the accuracy or completeness of the information contained in the report. ICRA Analytics' analysis in this report is based on information that is currently available and may be liable to change. This report and the analysis herein should not be construed to be a credit rating assigned by ICRA Limited for any securities of any entity. Other than as expressly stated in this report, we express no opinion on any other issue. Our analysis/advice/recommendations should not be construed as legal advice on any issue.*"

This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors –Industry information included in this Preliminary Placement Document has been derived from an industry report prepared by ICRA Analytics Limited exclusively commissioned and paid for by us for such purpose*." on page 60. Further, references to product categories and segments in the Industry Overview on page 133 are in accordance with the presentation, analysis and categorisation in the ICRA Report and not based on the criteria set out in Ind AS 108, Operating Segments.

Further, the calculation of certain statistical and/or financial information / ratios specified in the sections titled "*Business*", "*Risk Factors*", "*Management's Discussions and Analysis of Results of Operations and Financial Condition*" and otherwise in this Preliminary Placement Document may vary from the manner such information is calculated under and for purposes of, and as specified in, the ICRA Report. Data from these sources may also not be comparable. The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Accordingly, investment decisions should not be based solely on such information.

Our Company takes responsibility for accurately reproducing such information but accepts no further responsibility in respect of such information and data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analysis and estimates, so our Company has relied on internally developed estimates. Similarly, while our Company believes its internal estimates to be reasonable, such estimates have not been verified by an independent source and neither our Company nor the Book Running Lead Manager can assure potential investors as to their accuracy.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute ‘forward-looking statements’. Investors can generally identify forward-looking statements by terminology such as ‘aim’, ‘anticipate’, ‘believe’, ‘continue’, ‘can’, ‘could’, ‘estimate’, ‘expect’, ‘intend’, ‘may’, ‘objective’, ‘plan’, ‘potential’, ‘project'’, ‘pursue’, ‘shall’, ‘should’, ‘will’, ‘would’, ‘will likely result’, ‘is likely’, ‘are likely’, ‘believe’, ‘expect’, ‘expected to’, ‘will continue’, ‘will achieve’, or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

The forward-looking statements appear in a number of places throughout this Preliminary Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Preliminary Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements and any other projections include statements as to our business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document that are not historical facts. These forward-looking statements contained in this Preliminary Placement Document (whether made by us or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. As a result, actual future gains or losses could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Certain important factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others include:

- Our entire revenue is derived from export of manufactured and traded goods. Any adverse condition in international markets may affect our business.
- We do not have long-term agreements or sale contracts with our customers. In the absence of long-term sale contract, there is no guarantee of continued business from the customers each year.
- Our failure to comply with quality standards may impact our reputation, business, results of operations and financial condition.
- We may face product liability claims and legal proceedings if the quality of our products does not meet our customers’ expectations.
- With changing fast fashions and consumer preferences, if we are unable to respond to such changing trends that may adversely affect our continued business.
- We derive our significant revenue from limited customers. The loss of any significant customer may impact our financials and business operations.
- Our Company, its subsidiaries, promoters and directors are involved in certain legal and regulatory proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, financial condition, cash flows and results of operations.
- All our revenues are derived from export of our products to foreign countries. Any change in general economic conditions in the countries to which we are exporting our finished goods may impact our business.
- We derive our revenue in foreign currency and are exposed to the risks associated with fluctuations in foreign exchange rates.
- We do enter into any long term agreement with our partners in respect of our manufacturing facilities situated in Vietnam and Indonesia.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the sections “*Risk Factors*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, “*Industry Overview*” and “*Our Business*” on pages 43, 96, 133 and 193, respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of our Company and management, as well as the assumptions made by, and information currently available to, our Company and management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct.

Given these uncertainties, the prospective investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and neither we nor the Book Running Lead Manager nor any of their affiliates undertake any obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward-looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our underlying assumptions prove to be incorrect, our actual results of operations, cash flows or financial condition of our Company and our Subsidiaries could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent oral or written forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public company with limited liability incorporated under the laws of India. Certain of our Directors, Key Managerial Personnel and Senior Management are residents of India and the assets of our Company and of such persons are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to affect service of process upon our Company or such persons in India, or to enforce against them judgments of courts outside India. India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A, respectively, of the Civil Procedure Code, 1908, as amended ("**Civil Procedure Code**"). Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except:

(a) where the judgment has not been pronounced by a court of competent jurisdiction;

(b) where the judgment has not been given on the merits of the case;

(c) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;

(d) where the proceedings in which the judgment was obtained were opposed to natural justice;

(e) where the judgment has been obtained by fraud; and

(f) where the judgment sustains a claim founded on a breach of any law, then in force in India.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the foreign judgment had been rendered by a competent court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards. The execution of a foreign decree under Section 44A of the Civil Procedure Code is also subject to the exception under Section 13 of the Civil Procedure Code as mentioned above.

Each of the United Kingdom, United Arab Emirates, Singapore and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian laws. Further, any judgment or award denominated in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to the execution of such foreign judgement, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable and additionally and any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws. Our Company and the Book Running Lead Manager cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATES INFORMATION

Fluctuations in the exchange rate between Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

In the event that the exchange rate is not available on a particular date due to a public holiday, exchange rates of the previous Working Day have been considered. The exchange rates are rounded off to two decimal places. The reference rates are rounded off to two decimal place. The following table sets forth, for the periods indicated, information with respect to the exchange rates between Rupee and other foreign currencies.

USD

	Exchange rate (₹ per US$)			
	Period end (^)	**Average (1)**	**High (2)**	**Low (3)**
Fiscal Year:				
2024	83.37	82.79	83.40	81.65
2023	82.21	80.39	83.20	75.39
2022	75.81	74.51	76.92	72.48
Month Ended:				
June 30, 2024	83.45	83.47	83.59	83.07
May 31, 2024	83.30	83.39	83.52	83.08
April 30, 2024	83.52	83.41	83.52	83.23
March 31, 2024	83.37	83.00	83.37	82.68
February 29, 2024	82.92	82.96	83.09	82.84
January 31, 2024	83.08	83.12	83.33	82.85

Source: www.fbil.org.in

(^) The price for the period end refers to the price as on the last trading day of the respective fiscal year or quarterly or monthly periods.

(1) Average of the official rate for each working Day of the relevant period.

(2) Maximum of the official rate for each working Day of the relevant period.

(3) Minimum of the official rate for each working Day of the relevant period.

Note:

● *In the event that the reference rate is not available on a particular date due to a public holiday, exchange rates of the previous Working Day have been considered. The reference rates are rounded off to two decimal places.*

DEFINITIONS AND ABBREVIATIONS

Our Company has prepared this Preliminary Placement Document using certain definitions and abbreviations which you should consider while reading the information contained herein. The following list of certain capitalized terms used in this Preliminary Placement Document is intended for the convenience of the reader / prospective investor only and is not exhaustive.

The terms defined in this section shall have the meaning set out herein, unless specified otherwise in the context thereof, and references to any statute or regulations or policies shall include amendments rules, guidelines, circulars, clarifications, and notifications issued thereto, from time to time.

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the sections "*Industry Overview*", "*Taxation*", "*Legal Proceedings*" and "*Financial Statements*" on pages 133, 268, 281 and 289, respectively, shall have the meaning given to such terms in such sections.

GENERAL TERMS

Term	Description
"Issuer" or "our Company" or "the Company" or "Pearl Global"	Pearl Global Industries Limited, a company incorporated under the Companies Act, 1956 and having its registered office at C17/1 Paschimi Marg, Vasant Vihar, South West Delhi, New Delhi – 110 057, India
"we", "Group", "our Group", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company together with its Subsidiaries

COMPANY RELATED TERMS

Term	Description
Articles or Articles of Association or AoA	Articles of Association of our Company, as amended from time to time
Audit Committee	The audit committee of our Board of Directors, as described in section titled "*Board of Directors and Senior Management*" on page 214
Audited Consolidated Financial Statements	The audited consolidated financial statements of our Company and its Subsidiaries as at and for each of the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 prepared in accordance with Ind AS notified under the Ind AS Rules and Section 133 of the Companies Act, 2013 read with the presentation requirements of Division II of Schedule III to the Companies Act, 2013 and which comprises the consolidated balance sheet as at March 31, 2024, March 31, 2023 and March 31, 2022, and the consolidated statement of profit and loss, including other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, along with notes to the consolidated financial statements, a summary of significant accounting policies and other explanatory information
Board of Directors or Board or our Board	The board of directors of our Company or any duly constituted committee thereof, as the context may require
Chairman or Chairperson	The chairman of our Board being Deepak Kumar Seth
Chief Financial Officer	The chief financial officer of our Company being Narendra Kumar Somani
Company Secretary and Compliance Officer	The Company secretary and compliance officer of our Company being Shilpa Budhia
Corporate Office	The corporate office of our Company located at Pearl Tower, Plot No. 51, Sector 32, Gurugram, Haryana – 122 001, India
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board, as described in section titled "*Board of Directors and Senior Management*" on page 214
Director(s)	The director(s) on the Board of our Company

Term	Description
Equity Share(s)	The equity shares of our Company, having face value of ₹5 each
Executive Director(s)	The executive directors of our Company, as described in section titled "*Board of Directors and Senior Management*" on page 214
Financial Statements / Information	Audited Consolidated Financial Statements
Group Chief Financial Officer	The group chief financial officer of our Company being Sanjay Gandhi
Independent Director(s)	The independent director(s) of our Company, as described in section titled "*Board of Directors and Senior Management*" on page 214
Key Managerial Personnel or KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as further described in section titled "*Board of Directors and Senior Management*" on page 214
Managing Director	The Managing Director of our Company being Pallab Banerjee
Materiality Threshold	Materiality threshold adopted by our Company in relation to the disclosure of outstanding civil proceedings including arbitration proceedings and tax proceedings, involving our Company, its Subsidiaries, its Promoters and its Directors where the amount involved is equal to or exceeds ₹ 654.00 lakhs (being 5% of the average absolute value of profit or loss after tax from total operations, as per our Audited Consolidated Financial Statements for the last three years)
Memorandum or Memorandum of Association or MoA	The memorandum of association of our Company, as amended from time to time
Nomination and Remuneration Committee	The nomination and remuneration committee of our Company, as described in section titled "*Board of Directors and Senior Management*" on page 214
Non-Executive Independent Directors	Non-Executive Independent Directors of our Company, as described in section titled "*Board of Directors and Senior Management*" on page 214
Non-Executive Non-Independent Director	Non-Executive Non-Independent Director of our Company, as described in section titled "*Board of Directors and Senior Management*" on page 214
Promoters	Promoters of our Company as per the definition provided in Regulation 2(1)(oo) of the SEBI ICDR Regulations and as reported to the Stock Exchanges, being Deepak Kumar Seth, Pulkit Seth and Payel Seth
Promoter Group	Promoter group of our Company as per the definition provided in Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered Office	The registered office of our Company located at C17/1 Paschimi Marg, Vasant Vihar, South West Delhi, New Delhi – 110 057, India
Registrar of Company or RoC	The Registrar of Companies, Delhi and Haryana, located at New Delhi
Senior Management	The senior management of our Company as identified named under the section titled "*Board of Directors and Senior Management*" on page 214
Shareholder(s)	The holder(s) of the Equity Shares of our Company, unless otherwise specified in the context thereof
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Company, as described in section titled "*Board of Directors and Senior Management*" on page 214
Statutory Auditors	Current statutory auditors of our Company, S.R. Dinodia & Co. LLP, Chartered Accountants
Subsidiary(ies)	The direct subsidiaries of our Company, namely: **Domestic** 1. Pearl Global Kaushal Vikas Limited; 2. SBUYS E-Commerce Limited; and 3. Sead Apparels Private Limited. **A. Foreign** 1. Norp Knit Industries Limited; 2. Pearl Global Fareast Limited; 3. Pearl Global (HK) Limited;

Term	Description
	4. Pearl Global USA Inc.; and 5. Pearl GT Holdco Limited. The following are the foreign step-down subsidiaries of our Company: 1. DSSP Global Limited; 2. PT Pinnacle Apparels; 3. Pearl Grass Creations Limited; 4. Prudent Fashions Limited; 5. Vin Pearl Global Vietnam Limited 6. PGIC Investment Limited; 7. Pearl Global Vietnam Company Limited; 8. A&B Investment Limited; 9. Alpha Clothing Limited; 10. Pearl Unlimited Inc.; 11. Pearl Global Industries FZCO; 12. Trinity Clothing Limited; 13. Corporacion de Products Y Servicios Asociados, Sociedad Anónima; and 14. Shortex Sociedad Anónima.
ICRA Report	Report titled "Apparel Industry Report" dated July, 2024 issued by ICRA Analytics Limited

ISSUE RELATED TERMS

Term	Description
Allocated or Allocation	The allocation of Equity Shares by our Company, in consultation with the Book Running Lead Manager, following the determination of the Issue Price to Eligible QIBs on the basis of the Application Forms submitted by them, in consultation with the Book Running Lead Manager and in compliance with Chapter VI of the SEBI ICDR Regulations.
Allot or Allotment or Allotted	The issue and allotment of Equity Shares pursuant to this Issue.
Allottees	Bidders who are Allotted Equity Shares of our Company pursuant to this Issue.
Application Form	The form (including any revisions thereof) pursuant to which a Bidder indicates its interest to subscribe for the Equity Shares of our Company pursuant to the Issue.
Bid(s)	An indication of interest by an Eligible QIB, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for Equity Shares to be issued pursuant to this Issue. The term "Bidding" shall be construed accordingly.
Bidder(s)	Any prospective investor, being an Eligible QIB who makes a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form.
Bid Amount	The amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by Eligible QIBs and payable by the Eligible QIBs in the Issue on submission of the Application Form.
Bid/ Issue Closing Date	The date after which our Company (or Book Running Lead Manager on behalf of our Company) shall cease acceptance of Application Forms and the Bid Amount, being [●], 2024.
Bid/ Issue Opening Date	The date on which our Company (or the Book Running Lead Manager on behalf of our Company) shall commence acceptance of the Application Forms and the Bid Amount, being July 15, 2024
Bid/ Issue Period	Period between the Bid/ Issue Opening Date and Bid/ Issue Closing Date, inclusive of both days during which Eligible QIBs can submit their Bids along with the Bid Amount.
CAN or Confirmation of Allocation Note	Note or advice or intimation to Bidders confirming the Allocation of Equity Shares to such Eligible QIBs after determination of the Issue Price.
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e. on or about [●], 2024.
Designated Date	The date of credit of Equity Shares to the Allottees' demat accounts pursuant to the Issue, as applicable to the relevant Allottees.

Term	Description
Eligible FPI(s)	Foreign portfolio investor, as defined under the SEBI FPI Regulations (other than individuals, corporate bodies and family offices), and including persons who have been registered under the SEBI FPI Regulations, that are eligible to participate in this Issue.
Eligible QIB(s)	A qualified institutional buyer, as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations which is not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, or (b) restricted from participating in the Issue under the applicable laws.
Escrow Account	Special non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, opened with the Escrow Agent, subject to the terms of the Escrow Agreement, into which the Bid Amount shall be deposited by Eligible QIBs and from which refunds, if any, shall be remitted to unsuccessful bidder, as set out in the Application Form.
Escrow Agent	HDFC Bank Limited
Escrow Agreement	The escrow agreement dated July 15, 2024 entered into amongst our Company, the Escrow Agent and the Book Running Lead Manager for collection of the Bid Amounts and remitting refunds, if any, of the amounts collected, to the Bidders in relation to the Issue.
Floor Price	The floor price of ₹ 748.68 per Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of shareholders of our Company accorded by way of a special resolution passed through postal ballot on December 19, 2023 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Fraudulent Borrower	An entity or person categorised as a fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018, as amended.
Issue	The offer, issue and Allotment of [●] Equity Shares to Eligible QIBs pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act and the rules made thereunder.
Issue Price	₹[●] per Equity Share
Issue Size	The issue of up to [●] Equity Shares aggregating up to ₹[●] lakhs.
Book Running Lead Manager or LM	Emkay Global Financial Services Limited
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended.
Monitoring Agency	ICRA Limited
Monitoring Agency Agreement	The agreement dated July 15, 2024 entered into by and amongst our Company and the Monitoring Agency in relation to the responsibilities and obligations of the Monitoring Agency for monitoring the utilisation of the proceeds of the Issue, after deducting fees, commissions and expenses of the Issue.
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue.
Placement Agreement	The placement agreement dated July 15, 2024 entered into by and amongst our Company and the Book Running Lead Manager.
Placement Document	The placement document to be issued by our Company in accordance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act and the rules made thereunder.
Preliminary Placement Document	This preliminary placement document along with the Application Form dated July 15, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act and the rules made thereunder.
QIBs or Qualified Institutional Buyers	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
QIP	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, read with the applicable rules of the PAS

Term	Description
	Rules.
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Bid Amount submitted by such Bidder pursuant to the Issue.
Relevant Date	July 15, 2024, which is the date of the meeting wherein the Board of Directors, or a duly authorised committee, decides to open the Issue.
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Bid Amount along with the Application Form and who are Allocated Equity Shares pursuant to the Issue.
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulation.
Working Day	Any day other than the second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India or a trading holiday of the Stock Exchanges, as applicable.

TECHNICAL AND INDUSTRY RELATED TERMS

Terms	Description
ATUFS	Amended Technology Upgradation Fund Scheme
AEPC	Apparel Export Promotion Council
CAGR	Compound Annual Growth Rate
CY	Callender Year
EU	European Union
FTAs	Free Trade Agreement
FTP	Foreign Trade Policy
GDP	Gross Domestic Product
GVA	Gross Value Added
GNI	Gross national income
IMF	International Monetary Fund
LDC	Least Developed Countries
MITRA	Mega Integrated Textile Region and Apparel Park Scheme
NNI	Net National Income
PLI	Production Linked Incentive Scheme
RMG	Readymade Garments
SITP	Scheme for Integrated Textiles Park
US	United States of America
WTO	World Trade Organization

CONVENTIONAL AND GENERAL TERMS/ ABBREVIATIONS

Term	Description
AGM	Annual General Meeting
AIFs	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
AS	Accounting Standards
AY or Assessment year”	The assessment year is the year that comes after the FY. This is the time in which the income earned during FY is assessed and taxed.
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category I FPI	FPIs who are registered with SEBI as “Category I foreign portfolio investors” under the SEBI FPI Regulations.
Category II FPI	FPIs who are registered with SEBI as “Category II foreign portfolio investors” under the SEBI FPI Regulations.
CDSL	Central Depository Services (India) Limited

Term	Description
CIN	Corporate Identity Number
Civil Procedure Code	Code of Civil Procedure, 1908.
Companies Act, 1956	The Companies Act, 1956 and the rules made thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections).
Companies Act or Companies Act, 2013	The Companies Act, 2013, read with the rules, regulations, clarifications and modifications thereunder.
Competition Act	Competition Act, 2002
Consolidated FDI Policy	The consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time.
CSR	Corporate Social Responsibility
CY	Calendar Year, i.e. year ending on December 31 of the relevant year.
DDT	Dividend Distribution Tax
Depositories Act	Depositories Act, 1996.
Depository or Depositories	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018.
DP/Depository Participant	Depository participant as defined under the Depositories Act.
DIN	Director Identification Number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), GoI.
EBIDTA	EBITDA is Non-GAAP measure which represents earnings before interest, taxes, depreciation and amortization expenses.
EGM	Extraordinary General Meeting
EPS	Earnings Per Share, calculated as profit after tax for a Fiscal, divided by the weighted average outstanding number of Equity Shares during that Fiscal.
FBIL	Financial Benchmarks India Private Limited
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999
FEMA Non-Debt Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
Finance Act	Finance Act, 2023.
Finance Cost	Finance Cost charged to the statement of profit and loss.
Fiscal Year or Financial Year or FY or Fiscal	Period of 12 months ended March 31 of that particular year, unless otherwise stated.
Form PAS-4	Form PAS-4 prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014.
FPIs	A foreign portfolio investor who has been registered under Chapter II of the SEBI FPI Regulations and shall be deemed to be an intermediary in terms of the provisions of the Securities and Exchange Board of India Act, 1992.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
FVCI	Foreign venture capital investors as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 and registered with SEBI.
GDP	Gross Domestic Product
GoI or Government	Government of India
GST	Goods and Service Tax
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
IT Act	Income Tax Act, 1961
Ind AS	Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended
Indian GAAP	Generally Accepted Accounting Principles in India, being, accounting principles

Term	Description
	generally accepted in India including the accounting standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
INR or ₹ or Rs. or Indian Rupees	Indian Rupee, the official legal currency of the Republic of India
IT	Information Technology
MCA	Ministry of Corporate Affairs, GoI
MoU	Memorandum of understanding
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NAV	Net Asset Value
NCLT	National Company Law Tribunal
NEAT	National Exchange for Automated Trading
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes a Non-resident Indian
NRI	Non-resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAN	Permanent Account Number
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014
PAT	Profit after tax
PBT	Profit before tax
P-Notes	Offshore derivative instruments, by whatever name called, which are issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India or unlisted debt securities or securitized debt instruments, as its underlying
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
SCR (SECC) Rules	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2018
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
U.S. Securities Act	The U.S. Securities Act of 1933, as amended
STT	Securities Transaction Tax
U.S. or United States or USA or US	United States of America, its territories and possessions, any State of the United States, and the District of Columbia
U.S. GAAP	Generally accepted accounting principles followed in the U.S.
US$ or U.S. dollars or USD	U.S. dollars, the lawful currency of the United States
WOS	Wholly Owned Subsidiary

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including sections entitled "*Risk Factors*", "*Use of Proceeds*", "*Placement and Lock-Up*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages, 43, 80, 248, 233 and 264.

Issuer	Pearl Global Industries Limited
Face Value	₹5 per Equity Share
Issue Price	₹[●] per Equity Share (including a premium of ₹[●] per Equity Share)
Floor Price	₹ 748.68 per Equity Share, calculated on the basis of Regulation 176 of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. However, our Company may offer a discount of not more than 5% of the Floor Price in accordance with the approval of the Shareholders of our Company accorded by way of a special resolution passed through postal ballot on December 19, 2023 and in terms of Regulation 176(1) of SEBI ICDR Regulations.
Issue Size	Issue of up to [●] Equity Shares at a price of ₹[●] per Equity Share including a premium of ₹[●] per Equity Share, aggregating up to ₹[●] lakhs. A minimum of 10% of the Issue Size i.e., up to [●] Equity Shares, shall be available for Allocation to Mutual Funds only, and the balance [●] Equity Shares shall be available for Allocation to all Eligible QIBs, including Mutual Funds In case of under-subscription or no subscription in the portion available for Allocation to Mutual Funds, such portion or part thereof may be Allotted to other Eligible QIBs.
Date of Board Resolution authorising the Issue	November 8, 2023
Date of shareholders' resolution authorising the Issue	December 19, 2023
Eligible Investors	Eligible QIBs to whom this Preliminary Placement Document and the Application Form are delivered and who are eligible to bid and participate in the Issue. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered shall be determined by the Book Running Lead Manager in consultation with our Company, at its discretion. For further details, see "*Issue Procedure – Eligible QIBs*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 233, 250 and 258, respectively.
Dividend	See "*Description of the Equity Shares*" and "*Dividend*" on page 264 and 95, respectively.
Taxation	See "*Taxation*" which describes the statement of possible tax benefits available to our Company, its Shareholders and material subsidiaries under the applicable laws in India, on page 268.
Equity Shares issued and outstanding immediately prior to the Issue	4,35,97,224 fully paid-up Equity Shares
Equity Shares issued and outstanding immediately after the Issue	[●] Equity Shares
Issue Procedure	This Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act and Chapter VI of the SEBI ICDR Regulations. For further details, see the section entitled "*Issue Procedure*" on page 233.
Lock-up	For details in relation to lock-up, see "*Placement and Lock-up*" on page 248.
Listing and trading	Our Company has obtained in-principle approvals dated July 15, 2024 from the Stock Exchanges in terms of Regulation 28(1)(a) of the SEBI Listing

	Regulations, for listing of the Equity Shares to be issued pursuant to the Issue. Our Company will make applications to each of the Stock Exchanges for the final listing and trading approvals for the Equity Shares, after the Allotment and credit of Equity Shares to the beneficiary account with the Depository Participants.
Proposed Allottees	See "*Proposed Allottees in the Issue*" on page 501 form names of the proposed Allottees and the percentage of post-Issue capital that may be held by them in our Company.
Transferability restrictions	The Equity Shares being Allotted pursuant to this Issue shall not be sold for a period for one year from the date of Allotment, except on the floor of the Stock Exchanges. Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. For details in relation to other transfer restrictions, see "*Transfer Restrictions*" on page 258.
Risk factors	For details, see "*Risk Factors*" on page 43 for a discussion of risk you should consider before participating in the Issue.
Use of proceeds	The gross proceeds from the Issue are ₹[●] lakhs. The Net Proceeds from the Issue, after deducting fees, commissions and estimated expenses of the Issue, are expected to be approximately ₹[●] lakhs. For details, see "*Use of Proceeds*" on page 80 for additional information regarding the use of net proceeds from the Issue.
Closing Date	The Allotment of Equity Shares is expected to be made on or about [●], 2024
Ranking	The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* with the existing Equity Shares of our Company, including rights in respect of dividends. The Shareholders of our Company (who hold Equity Shares as on the record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Bid/ Issue Closing Date, in compliance with the Companies Act, SEBI Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act. Please see sections "*Dividends*" and "*Description of the Equity Shares*" on pages 95 and 264, respectively.
Security codes for the Equity Shares	ISIN: INE940H01022 BSE Code: 532808 NSE Symbol: PGIL

SUMMARY OF THE BUSINESS

OVERVIEW

We are a prominent global apparel manufacturer and exporter company incorporated in 1989 under the vision of Deepak Kumar Seth *(Source: ICRA Report)*. We are primarily engaged in designing, manufacturing, sourcing, distribution and export of ready to wear apparel for men, women and kids through its domestic and global manufacturing facilities and supply chains. We have a diversified manufacturing base in India and across 4 countries outside India, where apart from our own manufacturing facilities, we also partner with other manufacturers for production of our goods. Our multi-stream business model enables us to offer multi-country and multi-product in knits and woven clothing categories across men's, women's, children's wear segments to our global customers. As per ICRA Report, we provide end-to-end supply chain solutions to the fashion industry on a global scale, from design and development, global manufacturing, marketing, and distribution till supply. With presence in ten countries and a network of 75 designers working on a variety of product offerings across the globe, we deliver quality products, timely through systematic processes *(Source: ICRA Report)*.

Over the years, we have steadily developed a base of international customers, including with reputed established brands with global operations. We have forged partnerships with several retail format stores, including Kohl's, Macy's, Inditex, and PVH, among others *(Source: ICRA Report)*. Additionally, the Company has formed collaborations with retail format stores including Bershka, GAP, and Old Navy. *(Source: ICRA Report)*. In the knits category, we have customers including Mango, American Eagle, Tommy Hilfiger. In the woven category it serves Kohl's, TJ Maxx, and Nordstrom *(Source: ICRA Report)*. We supply denim to Target, Walmart, ASDA George, and Bershka, sleepwear and lounge to Macy's, Kohl's, and Walmart, activewear and athleisure to Ideology and Nordstrom, and kids wear to JCPenny, Next, Mango, and ASDA George *(Source: ICRA Report)*.

We began operations with one manufacturing facility at Gurugram, Haryana in India. Over the years, we have expanded our manufacturing operations in India and overseas and design centers in India, Indonesia, Bangladesh, Vietnam, USA (New York), Spain, Hong Kong and United Kingdom. We believe that our integrated global business model positions us to take advantage of synergies in product design, development, manufacturing, distribution and sourcing of our ready-to-wear apparel products. We seek to leverage the competitive advantages of each location to optimize value for our customers, while maximizing our gross margins. We also seek to cater to our customers' needs of competitive pricing, quality, on-time delivery and compliance with global labour practices. The apparel industry plays a pivotal role, particularly in developing economies, in revenue generation and employment creation *(Source: ICRA Report)*. Developing economies with abundant labour are expected to benefit from the industry's growth prospects *(Source: ICRA Report)*. The industry is experiencing severe changes owing to global sourcing and fierce price competition *(Source: ICRA Report)*. Manufacturers face pricing pressures and risk of consolidation from fashion brands *(Source: ICRA Report)*.

The global textile market is currently worth USD 1.7 trillion, which is equivalent to 2% of the global GDP. The US, the EU, and China are the three biggest apparel marketplaces in the world with a combined share of about 54%. Developing economies such as China and India will be the key forces behind the global apparel market's expansion. India's textile and apparel industry has a long-enriched history of centuries. Exports came in at USD 37 billion in FY 2022-2023, making it one of the largest exporting countries. During 2021-22, USA was the top export destination for textile and apparel industry, accounting for 27% share of overall exports which has grown from 24% share witnessed in 2019-20 *(Source: ICRA Report)*. For further details, see section titled "*Industry Overview*" on page 133.

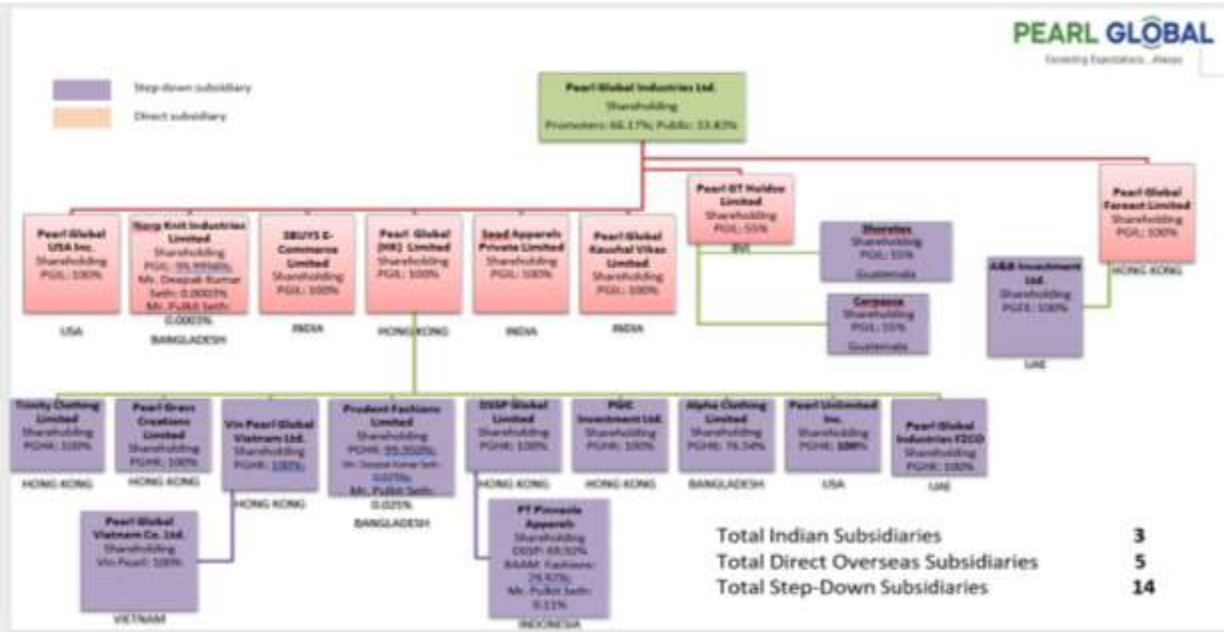
We currently operate 15 in-house manufacturing facilities and 9 partnership manufacturing facilities, of which (i) 7 in-house manufacturing facilities are located in India, (ii) 4 in-house manufacturing facilities and 5 partnership manufacturing facilities in Bangladesh, (iii) 1 in-house manufacturing facility and 4 partnership manufacturing facilities in Vietnam; (iv) 2 in-house manufacturing facilities in Indonesia; and 1 in-house manufacturing facilities in Guatemala, which enable us to leverage each location's relative advantage in a particular product category. We manufacture a broad range of products comprising of knits and woven clothing categories across men's, women's, children's wear segments options to our global customers. As of March 31, 2024, our manufacturing facilities have an aggregate installed capacity of (i) 24.50 million pieces in our manufacturing facilities located in India; (ii) 45.00 million pieces in our manufacturing facilities located in Bangladesh; (iii) 6.50 million pieces in our manufacturing facilities located in Vietnam; (iv) 4.00 million pieces in our manufacturing facilities located in Indonesia; and (v) 2.00 million pieces in our manufacturing facilities located in Guatemala (*As certified by Prateek Virmani, Chartered Engineer vide its certificate dated July 15, 2024)*. For further details see, "-*Manufacturing Facilities*" on page 204 under this section.

Designing is an integral part of our business process. Our ability to keep abreast of the dynamic fashion trends enables us to showcase our capabilities and understanding our buyers' requirements. Being an export oriented apparel manufacturer, tracking the changing fashion trends across different geographies for various end customers is critical for our success. To fulfil and meet both local and global fashion trends, we have a design team which emphasizes on a comprehensive market intelligence analysis conducted by our talented design personnel. We have integrated technology like 3D CAD rendering for which we use softwares namely 3D optitex, CLO, and Browzwear with raw talent and insights to create final product. For further details see, "*-Information Technology*" on page 208 under this section A design team, therefore allows the business to achieve success by delivering a worthy performance and acquiring more customer for a broadened industry presence.

Our Company is led by Deepak Kumar Seth, our Promoter and Non-Executive Non Independent Director, Chairman, Pulkit Seth, our Promoter and Non-Executive Non-Independent Director, Pallab Banerjee, our Managing Director, Shailesh Kumar, our Whole-time Director and Deepak Kumar, our Whole-time Director, each of them having decades of experience in the apparel industry. Deepak Kumar Seth who is our Promoter and Chairman and Non-Executive Director, was awarded with The Degree Doctor of Philosophy (Honoris Causa) by University of Petroleum and Energy Studies and honoured as the "Icon of the Indian Apparel Industry" during Fiscal 2024. Additionally, Pulkit Seth, our Promoter and Non-Executive Non-Independent Director, was awarded as Most Influential Young Leaders 2020-2021 and Influential Leader of India 2023 by Marksmen Network. Our leadership team also consists of experienced professionals from various backgrounds and their capabilities are crucial for us in understanding and anticipating market trends, managing business operations and growth, leveraging customer relationships and responding to changes in customer preferences. Our management team is backed by a core technical team that has vast experience in manufacturing. As of June 30, 2024, we had approximately 24,409 full-time employees at our Company. We also hire contract labour for our facilities, from time to time and as of June 30, 2024, we have engaged approximately 2,397 contract labourers. For further details, see section title "*Board of Directors and Senior Management Personnel*" on page 214.

Group Structure

The following chart shows our corporate structure and shareholding as on the date of this Preliminary Placement Document:



Our Key Financial and Operational Performance Indicators

Set forth are the key financial and operational performance indicators for the period/ years indicated:

(₹ in lakhs, except as otherwise stated)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from operations	3,43,615.11	3,15,840.92	2,71,352.90

Particulars	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**
Total income	3,46,851.98	3,18,121.91	2,74,698.84
EBITDA	30,720.22	26,899.46	14,729.93
EBITDA margin (%)	8.94	8.52	5.43
Profit for the period/ year	16,912.36	15,299.22	7,010.88
Net profit ratio (%)	4.92	4.84	2.58
Return on equity (%)	21.68%	22.54%	12.25%
Debt equity ratio	0.72	0.75	1.05
Interest coverage ratio	3.31	3.70	2.84
Current ratio	1.45	1.42	1.37

Notes*:*

1) Revenue from operation means revenue from sales, service and other operating revenues.

(2) EBITDA is calculated as Profit before tax + Depreciation + Finance Costs-Other Income.

(3) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.

(4) PAT Margin is calculated as Profit After Tax for the period/year divided by revenue from operations.

(5) Net Profit Ratio is calculated as profit for the period/ year divided by revenue from operations.

(6) Return on Equity is calculated as Profit for the period / year divided by Average Total Equity (Average of total equity at the beginning of the period/ year and total equity at the end of the period/ year).

(7) Debt to equity ratio is calculated as Total Debt divided by Total Equity where Total Debt is non-current borrowings plus current borrowings plus non current lease liabilities and current lease liabilities.

(8) Interest coverage ratio is calculated as Earnings before interest and tax (EBIT) divided by finance costs.

(9) Current ratio is calculated by total current assets divided by total current liabilities

SELECTED FINANCIAL INFORMATION

The following tables set out selected financial information extracted from our Audited Consolidated Financial Statements. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*", on pages 96 and 289, respectively.

Consolidated Balance Sheet data as on March 31, 2024, March 31, 2023 and March 31, 2022

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
I. Assets			
Non-Current Assets			
(a) Property Plant and Equipment	36,918.69	28,822.60	25,815.42
(b) Capital work in progress	3,487.90	3,312.61	1521.50
(c) Right of use assets	16,173.35	13,393.26	11,168.15
(d) Investment properties	5,643.04	5,736.05	5,904.48
(e) Goodwill	2,189.20	1,924.67	1800.78
(f) Other Intangible assets	232.20	156.19	72.06
(g) Financial Assets			
(i) Investments	2,996.65	5415.10	4985.82
(ii) Loans	8.85	27.16	125.01
(iii) Other Financial Assets	1,415.14	809.25	1096.34
(h) Non-current assets (Net)	553.10	2048.00	601.00
(i) Deferred tax assets (Net)	253.52	138.49	89.81
(j) Other Non-current assets (Net)	780.68	163.61	210.77
Total non-current assets	**70,652.33**	**61,946.99**	**53,391.14**
Current Assets			
(a) Inventories	50,273.12	51,329.69	53,958.18
(b) Financial Assets			
(i) Investments	-	562.16	532.26
(ii) Trade receivables	26,535.45	20,936.17	36,662.31
(iii) Cash and cash equivalents	32,795.29	25,614.50	11,685.07
(iv) Bank balances other than cash and cash	3,854.99	3,832.23	3,292.39
(v) Loans	2,264.32	2,538.00	3,459.46
(vi) Other financial assets	1,056.06	815.43	590.85
(c) Other current assets	11,114.71	10,489.02	14,490.19
Total Current Assets	**1,27,893.95**	**1,16,117.20**	**1,24,670.71**
Total Assets	**1,98,546.28**	**1,78,064.19**	**1,78,061.85**
II. Equity and Liabilities			
Equity			
(a) Equity Share Capital	2,179.18	2,166.39	2,166.39
(b) Other Equity	78,023.55	70,080.17	57,727.53
Equity attributable to equity shareholders	80,202.73	72,246.56	59,893.92
Non-Controlling Interest	1,543.17	2,030.67	1,593.33
Total Equity	**81,745.90**	**74,277.23**	**61,487.25**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	10,420.10	8,930.19	12,382.81
(ia) Lease Liabilities	12,666.79	9,682.32	7,161.40
(ii) Other financial liabilities	1,774.69	446.62	240.92
(b) Provisions	3,505.79	2886.64	2427.56
(c) Deferred Tax Liabilities (net)	48.51	60.02	256.64
(d) Other non-current liabilities	73.73	96.53	3006.07
Total non-current liabilities	**28,489.61**	**22,102.32**	**25,475.40**
Current Liabilities			

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(a) Financial Liabilities			
(i) Borrowings	34,094.82	35,908.24	44,031.37
(ia) Lease Liabilities	1,656.85	1251.13	883.75
(ii) Trade Payables			
- Total Outstanding due of micro enterprises and small enterprises	1,141.66	744.87	663.99
- Total outstanding due of creditors other than micro and small	47,503.01	38,423.82	43,204.80
(iii) Other financial liabilities	628.35	1,395.08	904.09
(b) Other Current Liabilities	1,912.92	1,937.03	948.52
(c) Provisions	663.77	140.97	244.81
(d) Current tax liabilities (Net)	709.39	1,883.50	217.87
Total Current Liabilities	**88,310.77**	**81,684.64**	**91,099.20**
Total Equity and Liabilities	**1,98,546.28**	**1,78,064.19**	**1,78,061.85**

Consolidated Profit and Loss Account data for the years ended as on March 31, 2024, March 31, 2023 and March 31, 2022

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
I. Income			
Revenue from operations	3,43,615.11	3,15,840.92	2,71,352.90
Other income	3,236.87	2,280.99	3,345.94
Total Income	**3,46,851.98**	**3,18,121.91**	**2,74,698.84**
II. Expenses			
(a) Cost of materials consumed	1,54,692.59	1,49,241.21	1,16,530.95
(b) Purchases of stock in trade	16,384.97	18,901.73	40,790.23
(c) Changes in inventories of finished goods, stock in trade and work-in progress	(1,288.70)	(5,192.84)	(6,258.87)
(d) Employee benefits expense	67,036.33	56,146.52	45,862.10
(e) Finance costs	8,331.33	6,517.89	4,660.37
(f) Depreciation and amortization expense	6,419.79	5,077.64	4,833.68
(g) Other expenses	76,009.56	71,190.80	60,370.37
Total expenses	**3,27,585.87**	**3,01,882.95**	**2,66,788.84**
III. Profit/ (loss) before exceptional items and tax (I-II)	**19,266.11**	**16,238.96**	**7,910.00**
IV. Exceptional items	60.14	(1345.96)	(671.82)
V. Profit/(loss) before tax (III-IV)	**19,205.97**	**17,584.92**	**8581.82**
VI. Tax expense:			
(a) Current tax	2,553.62	2,407.75	1,074.08
(b) Deferred tax	(217.53)	(127.29)	496.86
(b) Adjustment of tax relating to earlier periods	(42.48)	5.24	-
VII. Profit/(loss) for the year (V-VI)	**16,912.36**	**15,299.22**	**7,010.88**
VIII. Other comprehensive income			
A. (i) Items that will not be reclassified to profit or loss			
(a) Re-measurement gains/ (losses) on defined benefit plans	5.31	(56.05)	(100.97)
(b) Gain on Bargain Purchase	67.76	506.98	-
(c) Changes in fair value of financial assets designated at fair value	(185.85)	(193.77)	-
(ii) Income tax on items that will not be reclassified to profit and loss	(26.87)	(0.53)	(20.48)
B. (i) Items that will be reclassified to profit and			
(a) Foreign exchange translation reserve	(556.25)	(1,050.98)	1,242.11
(b) Fair valuation of investment in mutual fund	-	-	(28.98)
(c) Net movement in effective portion of cash flow hedge reserve	184.28	(595.46)	419.03
(d) Changes in fair value of financial assets designated at fair	70.38	(64.01)	-
(ii) Income tax on items that will be reclassified to profit and loss	(46.38)	149.87	(105.46)
Other comprehensive income for the year, net of tax	**(487.62)**	**(1,303.95)**	**1405.26**
IX. Total comprehensive income for the year,	**16,424.74**	**13,995.27**	**8,416.14**
Profit attributable to:			
Equity Shareholders	17,483.38	14,925.44	6,814.64
Non-controlling interest	(571.02)	373.78	196.24
Other comprehensive income attributable to:			
Equity Shareholders	(565.93)	(1,284.13)	1,357.87
Non-controlling interest	78.31	(19.82)	47.39

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Total comprehensive income attributable to:			
Equity Shareholders	16,917.45	13,641.31	8,172.51
Non-controlling interest	(492.71)	353.96	243.63
X. Equity per share (*Face value ₹ 5 per share)*			
1. Basic (amount in ₹)	40.26	34.45	31.46
2. Diluted (amount in ₹)	40.05	34.40	31.46

Consolidated Cash Flow Statement data for the years ended March 31, 2024, March 31, 2023 and March 31, 2022

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Cash flow from operating activities			
Profit before tax	19,205.97	17,584.93	8,581.82
Adjustments to reconcile profit before tax to net cash flows:			
Profit on sale of current investment - Mutual Fund	(379.50)	(97.05)	(16.34)
Rental Income	(723.63)	(751.10)	(742.30)
Interest Income	(739.95)	(436.38)	(310.44)
Interest Paid and other borrowing cost	8,319.50	6,499.74	3,484.17
Depreciation and amortisation	6,419.79	5,077.63	4,833.68
Unwinding of discount on security deposit - Expense	11.83	18.15	14.08
Sundry balances written back	(104.39)	(91.51)	(297.41)
Provision written back	-	(98.50)	(204.11)
Loss/ (Gain) on lease modification	-	86.09	(50.38)
Allowance for bad and doubtful debts and	219.37	151.07	469.98
Bad debts written off	319.78	227.11	2.93
Grant Amortised during the year	(1.00)	(1.00)	(1.00)
Amortisation of deferred Rental Income	(14.89)	(19.36)	(16.44)
Unwinding of discount on security deposits -	(33.35)	(32.81)	(26.72)
Interest on Advance Paid	-	(827.00)	-
Provision for amount receivable (net of expected credit loss)	-	(2,122.92)	-
Dividend Income	(8.14)	36.54	-
Fair value loss /(gain) on financial assets measured at fair value through profit and loss	-	13.19	(209.27)
Amortisation of deferred asset - security deposit	-	-	3.13
Fair value loss /(gain) on financial assets measured at fair value	-	-	28.98
Stock compensation expenses	860.85	270.51	-
Foreign exchange translation	(556.25)	(1,118.55)	662.27
Operating Profit Before Working Capital	**32,795.99**	**24,368.79**	**16,206.64**
Changes In Operating Assets And Liabilities:			
(Increase)/Decrease in other non-current financial assets	(591.00)	306.44	144.29
(Increase)/Decrease in other non-current assets	(478.29)	(16.99)	(18.41)
(Increase)/Decrease in Inventories	1,056.57	2,628.49	(26,081.21)
(Increase)/Decrease in Trade Receivables	(6,105.08)	15,630.35	(12,670.09)
(Increase)/Decrease in other current financial	(109.09)	(237.78)	(475.39)
(Increase)/Decrease in other current assets	(625.69)	3,485.55	(4,912.39)
(Increase)/Decrease in other non-current financial liabilities	1,328.07	205.69	120.08
(Increase)/Decrease in non-current provisions	597.59	402.50	117.44

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(Increase)/Decrease in other non-current liabilities	(21.81)	(2,908.54)	(6.28)
(Increase)/Decrease in Trade Payables	9,580.37	(4,608.60)	19,489.37
(Increase)/Decrease in other current financial liabilities	(678.52)	(5.98)	22.02
Increase/(Decrease) in current provisions	522.80	(103.84)	112.14
Increase/(Decrease) in other current liabilities	(24.11)	988.51	242.04
Cash Generated From Operations	**37,247.80**	**40,134.59**	**(7,709.76)**
Direct Tax paid (Net of Refunds)	(2,099.36)	(2,312.36)	(768.27)
Cash flow before exceptional items	**35,148.44**	**37,822.23**	**(8,478.03)**
Exceptional items	60.14	(1,345.96)	(671.82)
Net Cash Inflow From/(Used In) Operating Activities	**35,208.58**	**36,476.27**	**(9,149.85)**
Cash Flows From Investing Activities			
Purchase of property, plant and equipment (including ROU, net of Lease Liabilities	(12,376.16)	(6,777.07)	(8,320.85)
Sale proceeds of property, plant and equipment	656.67	4,748.91	168.59
(Increase)/Decrease in Capital work in progress	(175.29)	(1,791.11)	3,179.96
Purchase of Investment properties	(45.76)	-	-
Sale proceeds of Investment Properties	-	168.44	714.60
Purchase of Intangible assets	(375.38)	(254.63)	(48.51)
(Increase)/decrease in capital advances	(138.78)	121.66	14.12
Increase/(decrease) in capital creditor	31.32	31.37	(110.84)
(Increase)/Decrease in non-current Investments	2,302.98	(735.93)	315.05
(Increase)/Decrease in current Investments	941.66	67.15	(119.75)
Capital reserve on acquisition of Subsidiary	67.76	-	-
Acquisition of Subsidiary	167.45	184.36	-
Acquisition of non-controlling interest	(5,479.35)	-	-
(Increase)/Decrease in non-current Loans	18.31	97.85	2,040.43
(Increase)/Decrease in current Loans	273.68	921.46	(1,751.73)
(Increase)/Decrease in bank deposit	(22.76)	(539.84)	(1,070.70)
Interest Income	739.95	436.38	284.18
Rental Income	592.11	751.10	742.30
Dividend Income	8.14	-	-
Net Cash From/ (Used In) Investing Activities	**(12,813.45)**	**(2,569.90)**	**(3,963.14)**
Cash Flows From Financing Activities			
Issue of share capital (inclusive of security premium)	383.47	-	-
Increase/ (Decrease) in Long Term Borrowings	1,489.91	(3,452.62)	(61.14)
Lease Rental paid	(3,438.56)	(2,135.82)	(2,011.71)
Increase/ (Decrease) in Short Term Borrowings	(1,813.52)	(8,123.13)	19,910.74
Dividend Paid	(4,881.89)	(764.39)	-
Share application money received from NCI	-	-	55.89
Interest paid (net)	(6,953.75)	(5,500.97)	(2,567.03)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Net cash inflow from/(used in) Financing Activities	**(15,214.34)**	**(19,976.93)**	**15,326.75**
Net Increase (Decrease) In Cash And Cash Equivalents (A+B+C)	**7,180.79**	**13,929.42**	**2,213.73**
Opening Balance of Cash and Cash Equivalents	25,614.50	11,685.08	9,471.34
Total Cash And Cash Equivalents	**32,795.29**	**25,614.50**	**11,685.07**
Components Of Cash And Cash Equivalents			
Cash, Cheque/drafts on hand	317.51	73.55	1,013.27
With banks - on current account	18,278.53	20,075.91	10,356.64
With banks - on deposits with banks	14,199.25	5,465.04	315.15
Total Cash and Cash Equivalents	**32,795.29**	**25,614.50**	**11,685.07**

RELATED PARTY TRANSATIONS

For details of the related party transactions during: (i) Fiscal 2024; (ii) Fiscal 2023; and (iii) Fiscal 2022, as per the requirements in accordance with Ind AS 24 – 'Related Party Transactions' notified under the Ind AS Rules read with Section 133 of the Companies Act, see "*Financial Statements*" on page 289.

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Preliminary Placement Document, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, or the industry and segments in which we operate or India. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, financial condition, results of operations, cash flows or prospects. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Industry Overview" and "Summary Financial Information" on pages 193, 96, 133 and 35, respectively, contained in this Preliminary Placement Document. If anyone or combination of the risks described below or other risks that are currently not known or are currently deemed immaterial actually occur, any of our business, financial condition, results of operations, cash flows or prospects could be adversely affected, the trading price of our Equity Shares could decline, and prospective investors may lose all or part of their investment. In making an investment decision, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries. This Preliminary Placement Document also contains forward-looking statements that involve risks assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Preliminary Placement Document. For details, see "Forward-Looking Statements" on page 19.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. Unless otherwise stated, the financial information of our Company and our Subsidiaries, collectively the "Group", used in this section has been derived from our Consolidated Audited Financial Statements for fiscals 2024, 2023 and 2022, prepared in accordance with Indian Accounting Standards.

Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Apparel Industry Report" dated July, 2024" ("ICRA Report") prepared and issued by ICRA Analytics Limited, appointed by us, and exclusively commissioned and paid for by us for the purposes of confirming our understanding of the industry, exclusively in connection with the Issue. A copy of the ICRA Report is available on the website of our Company at www.pearlglobal.com. *The data included herein includes excerpts from the ICRA Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the ICRA Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For details on disclaimer, see, "Industry and Market Data" on page 18. ICRA Analytics Limited is not related in any manner to our Company, its Subsidiaries, Directors, Key Managerial Personnel, members of Senior Management, our Promoters or the BRLM.*

Our financial year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular financial year are to the 12 months ended March 31 of that year.

A. Risk Factors Relating to Our Business

1. Our entire revenue is derived from export of manufactured and traded goods. Any adverse condition in international markets may affect our business.

Majority, of our revenue is earned from export of readymade garments. Our business of export of garments constitutes 99.27%, 99.67%, 99.08% of our total income on consolidated basis during Fiscals 2024, 2023, and 2022. Any change in international business conditions, macroeconomic outlook, foreign policies of the countries where we are exporting our products may impact our business. Any changes in tariff conditions, India's export policies, import policies of the jurisdiction where we are exporting our products play a crucial role in our business, any adverse change in such policies may impact our business thereby impacting our revenue and financials.

2. ***We do not have long-term agreements or sale contracts with our customers. In the absence of long-term sale contract, there is no guarantee of continued business from the customers each year.***

As is customary in our business, we do not enter into long-term sales contracts/agreements with our customers for our export of our products. We execute sales orders based on the purchase orders received from customers and manufacture our products to meet the requirements of our customers, as specified by them. Our customers generally place their orders at the start of each season. However, since we do not enter into long term sales contracts with them, there is no binding requirement for them to provide any orders. With the absence of a long-term sales contract, there is no guarantee of continued business from such customers each year. In the event, our customers do not place orders, or our exports of garments.

3. ***Our failure to comply with quality standards may impact our reputation, business, results of operations and financial condition.***

While we do not enter into long terms agreements in respect of sale of our products, we are bound by 'quality control agreements'/ quality protocols, provided by our customers. Our products may contain quality issues or undetected errors or defects, resulting from the designing, manufacturing or raw materials used for the products. We have implemented various quality control process and conduct of inspection of raw materials, processes and products in accordance with our internal quality controls standards However, we cannot assure you that our products will always adhere to such standards and that our quality control processes will not fail, or the quality tests and inspections conducted by will be accurate at all times. In the event the quality of our products is not in accordance with our standards or standards provided by our customers, or our products are defective, our customers may return our products, or we may be required to recall or exchange such products at an additional cost. While there has been no instance of such recall in last three years, however we cannot assure you that in future there would not be any such instances in future. Any instance of product recall, may impact will impact our reputation, business, result of operations and financial operations.

4. ***We may face product liability claims and legal proceedings if the quality of our products does not meet our customers' expectations***.

We are exposed to legal proceedings and product liability claims being brought against us by our customers for any defective products. Any shortcoming in the raw materials procured by us or in the production of our products due to failure of our quality assurance procedures, negligence, human error or otherwise, may result in product no complying with necessary standards.

While there have been no such instances in last three fiscals years, where any legal proceedings or product liability claims have been brought against us for defective products sold resulting in a material adverse effect on our business, profitability, cash flows, reputation and financial condition. We cannot assure you that we will not experience any such material product liability in the future or that, we will not incur significant costs to defend any such claims. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs in defending such claims will result in an adverse impact on our business and operations.

5. ***With changing fast fashions and consumer preferences, if we are unable to respond to such changing trends that may adversely affect our continued business.***

The apparel industry is a fast changing industry and retailers expect to have low cost and new designs to match the market. Sales to each of our customers for garments depends on our ability to manufacture garments of acceptable quality that meet the customer's specifications and quality specifications of our customers and requirements and to deliver such products on a timely basis. The apparel industry is affected by changes in consumer preferences, national and local economic conditions and demographic trends. Our inability to identify, anticipate, understand and address contemporary and evolving customer preferences or to deliver quality service as compared to our competitors could materially and adversely affect our business.

As one of the suppliers of apparels to reputed brands, we may not be able to adapt to such changing needs and respond to our customers in timely manner. Further, our failure to maintain an acceptable quality level may lead to rejection of order, and consequential loss thereon. While there have been no instances in last three fiscals years, where any of our customers has severed its relationship with our Company on account of any deficiency in product or for quality of our products, resulting in a material adverse effect on our business, profitability, cash flows, reputation and financial condition. However, the customers can terminate their relationship with us due to a change in policies, vendor preference or any other reason upon relatively short notice, which could materially and adversely impact our business. The loss of, or significant reduction in business from, our customers for our readymade garments could have a material adverse effect on our business, results of operations and financial condition.

The quality and delivery of our products are critical to the success of our business, which requires enhancement to match the evolving customer preferences. Quality of our goods depend significantly on our quality control systems, the skills and experience of our personnel and our ability to retain such persons.

While, we believe our quality control system will correspond to contemporary and evolving customer preferences. Any failure of our quality control systems, or our inability to deliver quality products, could materially affect our business and financial conditions.

6. We derive our significant revenue from limited customers. The loss of any significant customer may impact our financials and business operations.

We derive a large portion of our revenue from our top ten customers. While, we believe that we will be able to meet the quality requirements of our customers, any failure to meet quality requirements or our inability to deliver quality products, could affect our business and financial conditions. Further, in case any of our significant customer decide not to work with us, same would impact our financial and result of our operations. The following table sets forth our percentage of revenue from exports contributed by our top ten customers, for the periods indicated below:

Particulars from top 10 customers	For Fiscal 2024	For Fiscal 2023	For Fiscal 2022
	78.41%	83.68%	85.95%

The loss of orders from any of the significant customers may impact our business, operations, cash flows and financial position.

7. Our Company, its subsidiaries, promoters and directors are involved in certain legal and regulatory proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, financial condition, cash flows and results of operations.

Our Company, its subsidiaries, promoters and directors are involved in certain legal and regulatory proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, financial condition, cash flows and results of operations. The details of the same are provided below.

Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, business, financial condition and results of operations. The summary of such outstanding material legal and regulatory proceedings as on the date of this Draft Red Herring Prospectus is set out below:

Name of the entity/person	Criminal Proceedings	Tax Proceedings	Statutory of Regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved (₹ in lakhs)*
Company						
By the Company	1	Nil	Nil	Nil	6	₹ 3,301.91

Name of the entity/person	Criminal Proceedings	Tax Proceedings	Statutory of Regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved (₹ in lakhs)*
Against the Company	Nil	8	Nil	Nil	17	65.84
Subsidiaries						
By the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Against the Subsidiaries	Nil	Nil	Nil	Nil	5	Nil
Directors						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	2	Nil	Nil	Nil	1003.46
Promoters						
By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoters	Nil	Nil	Nil	Nil	Nil	Nil

**To the extent quantifiable.*

We cannot assure you that any of the outstanding litigation matters will be settled in our favour, or that no (additional) liability will arise out of these proceedings. In addition to the foregoing, we could also be adversely affected by complaints, claims or legal actions brought by persons, before various forums such as courts, tribunals, or other regulatory authorities in the ordinary course or otherwise, in relation to our products, or any other acts/omissions. Further, we may be subject to legal action by our employees and/or ex-employees in relation to alleged grievances such as termination of their employment with our Company. We cannot assure you that such complaints or claims will not result in investigations, enquiries or legal actions by any courts, tribunals or regulatory authorities against us.

8. All our revenues are derived from export of our products to foreign countries. Any change in general economic conditions in the countries to which we are exporting our finished goods may impact our business.

We are exporting our products to various countries as specified below. Our revenues from operations are derived from export of our products to foreign countries. General economic and other conditions in this geographical region where our customer are located, may impact our business and financial operations.

(in ₹ lakhs)

Name of the Country	For Fiscal 2024		For Fiscal 2023		For Fiscal 2022	
	Revenue from exports of finished goods	As a % of the total sale of finished goods %	Revenue from exports of finished goods	As a % of the total sale of finished goods %	Revenue from exports of finished goods	As a % of the total sale of finished goods %
USA	2,57,858.07	76.49%	2,25,958.99	74.16%	2,07,621.15	78.96%
Spain	42,901.65	12.73%	22,455.11	7.37%	22,557.69	8.58%

Canada	10,955.72	3.25%	7,746.71	2.54%	1,910.69	0.73%
UK	9,536.13	2.83%	11,085.89	3.64%	6,555.75	2.49%
Australia	7,029.40	2.09%	8,811.26	2.89%	13,449.95	5.12%
Europe	3,976.79	1.18%	24,523.57	8.05%	2,569.85	0.98%
Others	4,866.24	1.44%	4,116.41	1.35%	8,266.30	3.14%
Total	**3,37,124.00**	**100.00 %**	**3,04,697.93**	**100.00 %**	**2,62,931.37**	**100.00 %**

Any external risks including the regional economic downturn, imposition of countervailing duty or changes in the regulatory or trading environment in the USA, Europe and other overseas countries where our customer are located may materially and adversely affect our business and financial results.

9. We derive our revenue in foreign currency and are exposed to the risks associated with fluctuations in foreign exchange rates.

Our majority revenue is earned from customers situated outside India and denominated in foreign currency in our business of exports of readymade garments. While a large portion of our expenses are paid in local currency, our revenues are mostly in foreign currencies, predominantly in U.S. Dollar Our result of operations may be affected by adverse currency fluctuations. In our export of finished goods, majority of our foreign currency revenues is in U.S. Dollar, ethe details of which are as follows:

Currency	**% of the total revenue**		
	Fiscal 2024	**Fiscal 2023**	**Fiscal 2022**
USD	99.27%	99.67%	99.08%

Set out below are details of net gain/loss on foreign exchange fluctuations on a consolidated basis, for the periods indicated:

(in ₹ lakhs)

Currency	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**
(Gain)/loss on account of foreign exchange fluctuations (net)	2,828.19	6,817.57	(158.93)

We cannot assure you that we will not experience such gains or loss on our foreign currency transactions in the future. Since our entire revenue is derived in foreign currency, a reduction in the value of such foreign currency could have a material impact on our revenue and financial condition. While the Company enters into hedging instruments to mitigate such risks and adverse movements in exchange rates could have a material impact on our profitability.

Any adverse movement of exchange rates may cause significant currency fluctuation risks to the Company and may consequently result in foreign exchange losses causing an adverse impact on our business, operations and financial position. Our Company has a defined foreign exchange policy, and we might, sometimes, take forward positions in anticipation of orders. However, these orders may not materialize, and we might be required to account for any loss caused by these contracts. Adverse moves in exchange rates that we have not adequately hedged will have a material adverse effect on our operations, profitability and financial condition. We manage our foreign exchange risk by entering into forward contracts. However, currency hedging arrangements that we have entered into may not mitigate all, or substantially all, of the losses we may suffer as a consequence of any such fluctuations.

10. We do not enter into any long term agreement with our partners in respect of our manufacturing facilities situated in Vietnam and Indonesia.

We rely on our partners in respect of our manufacturing operations situated in Bangladesh and Vietnam. The revenue from these partners contributes ₹ 48,690.68 lakhs, ₹ 43,533.46 lakhs and ₹ 39,663.29 lakhs forming 21.02%,22.81% and 25.07% during Fiscals 2024, 2023 and 2022. We generally do not enter into agreements with these partners in respect of the manufacturing operations and works on purchase order basis. In absence of long terms arrangements with these suppliers, it may be difficult for us to enforce any claim in case our suppliers fails to meet our quality or quantity requirements.

Further, in case our partners fail to perform their functions as per our requirements, same may lead to delay in our supplies, rejections of the goods and same will inter alia impact our reputation, financials and operations.

11. ***Our facilities are spread across various countries. Any social unrest, natural disaster or breakdown of services and utilities in the areas we operate, may affect our business.***

We have manufacturing facilities in house as well as in partnership with our partners. Details of geographical locations of our manufacturing facilities are as follows:

Name of the Countries	Number of Manufacturing Facilities	
	In-house	Partnership
India	7	-
Bangladesh	4	5
Vietnam	1	4
Indonesia	2	-
Guatemala	1	-

There have been instance of general labour strikes in Bangladesh due to various political factors, which have affected our manufacturing operations in such location. We cannot assure you that such localised social unrest, natural disaster or breakdown of services and utilities in areas will not affect occur in future, occurrence of any such event may affect our business and may have consequent impact on our business, operations or financial position. We are exploring possibilities of setting up new manufacturing facilities and have undertaken inorganic expansion through acquisitions of companies.

Further, any political instability, social unrest, natural disaster or breakdown of services and utilities, change in government, adverse change in applicable laws and policies in these jurisdictions may also result in adverse impact on our growth perspective, business and operations.

While we keep on exploring to diversify our presence in India and abroad mitigate any geographical risks, any social unrest, natural disaster or breakdown of services and utilities in the respective region may have a material impact on our business, operations and financial condition.

12. ***Our inability to meet our obligations, including financial and other covenants under our credit facilities could adversely affect our business and financial results.***

As of March 31, 2024, our aggregate outstanding indebtedness was ₹ 44,514.92 lakhs on consolidated basis. Our credit facilities contain certain restrictive and financial covenants that may require the prior written approval of lenders and limit our ability to undertake certain types of transactions, any of which could adversely affect our business and financial results. Upon the occurrence of certain events or otherwise, certain lenders to our Company have the right to *inter alia,* impose penal/default interest, enforce the security and accelerate the facility and declare all amounts payable by our Company in respect of the facility to be due and payable immediately or otherwise payable on demand. While, as on date of this preliminary placement document, there has been no instance of non-compliance or breach of any financial or other covenants in relation to credit facilities availed by the Company leading to any financial impact on our Company and we are in compliance with covenants of credit facilities availed by us, there can be no assurance that we will continue to be in compliance with all covenants in our loan agreements and any such breach of conditions and covenants in our loan agreement may result in an event of default in terms of loan agreements which may have an adverse impact on our financial condition, business or operations. Further, we are susceptible to changes in interest rates and the risks arising therefrom.

Under these financing agreements, consents from the respective lenders are required for and in connection with the Issue. While we have obtained consent from our lenders, as applicable, in relation to the Issue, however, any failure to comply with the conditions and covenants in our financing agreements or the creation of additional encumbrances that is not waived by our lenders or guarantors or otherwise cured or occurrence of a material adverse event could lead to an event of default or a cross default and consequent termination of our credit facilities could adversely affect our business, results of operations, financial condition, and cash flows.

If our future cash flows from operations and other capital resources are insufficient to pay our debt obligations or our contractual obligations, or to fund our other liquidity needs, we may be forced to restructure or refinance our existing indebtedness. Our ability to restructure or refinance our debt will depend on the condition of the capital markets, our financial condition at such time and the terms of our other outstanding debt instruments. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations.

Also, any failure to make payments of interest or principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our creditworthiness or credit rating, which could harm our ability to incur additional indebtedness on acceptable terms.

13. We have experienced negative cash flows in the past. We cannot assure you that we will not face negative cash flows in future.

We have in the past experienced negative cash flows. The details of our cash flows from operating activities and investing activities for the Fiscals 2024, 2023 and 2022 is set forth below on a consolidated basis:

S. No.	Details	Fiscal 2024	Fiscal 2023	Fiscal 2022
i	Net Cash Inflow From/ (Used In) Operating Activities	35,208.58	36,476.27	(9,149.85)
ii	Net Cash From/ (Used In) Investing Activities	(12,813.45)	(2,569.90)	(3,963.14)
iii.	Net cash inflow from/ (Used in) Financing Activities	(15,214.34)	(19,976.93)	15,326.75

For details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations"* on page 96.

We may in the future, also incur negative cash flow in operating activities or significant negative cash flows in investing and financing activities which could materially impact our ability to operate our business and implement our growth plans. As a result, our business, financial condition and results of operations could be adversely affected.

14. We propose to utilize the Net Proceeds of the funds from Issue towards repayment of loan, working capital and to fund the investment, funding inorganic growth opportunities for which targets have not been identified. Net Proceeds to be utilized towards funding inorganic growth may be insufficient for the cost of our proposed inorganic acquisition and the deployment of Net Proceeds towards our inorganic growth initiatives may not take place within the period currently intended, and may be reduced or delayed.

Our Company intend to utilize ₹ 8367.50 lakhs from our Net Proceeds towards funding working capital requirements of our Company, repayment in full or in part, of certain outstanding borrowings availed by our Company and funding inorganic growth opportunities through acquisitions and general corporate purpose. We intend to utilise such portion of the Net Proceeds for investment or acquisition opportunities that will enable us to enhance our product portfolio, increase geographical presence, widen customer base, increase production capacity, improve financial and operating performance, and allow deeper market penetration. For further details, see "*Use of Proceeds*" on page 80.

The actual deployment of funds will depend on a number of factors, including the timing, nature, size and number of acquisitions to be undertaken, as well as general factors affecting our results of operation, financial condition and access to capital. These factors will also determine the form of investment for these potential acquisitions, i.e., whether they will be directly done by our Company or through our Subsidiaries or whether these will be in the nature of asset including plant or machinery or technology acquisitions or joint ventures.

We have not entered into any definitive agreements towards any future acquisitions, investments or strategic initiatives nor have identified any target company for strategic acquisitions or for undertaking other inorganic initiatives. It is also possible that we may not be able to identify suitable targets, or that if we do identify suitable targets, we may not be able to complete those transactions on terms commercially acceptable to us or at all. The inability to identify suitable targets or investments and the inability to complete such transactions may adversely affect our competitiveness and growth prospects.

We have not entered into any definitive agreement in respect of any future acquisitions nor we have identified any target company for strategic acquisitions or for undertaking other inorganic initiatives. It is also possible that we may not be able to identify suitable targets, or that if we do identify suitable targets, we may not be able to complete those transactions on terms commercially acceptable to us or at all. The inability to identify suitable targets or investments and the inability to complete such transactions may adversely affect our competitiveness and growth prospects. In the event that estimated utilization out of the Net Proceeds in a fiscal is not completely met, the same shall be utilized in the subsequent fiscals, as may be decided by our Company, in accordance with applicable laws. Any change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular object vis-à- vis the utilization of Net Proceeds.

This amount of Net Proceeds proposed to be utilised for the aforesaid Objects are based on our management' estimates and may not be the total value or cost of any such acquisitions, or investments, and may result in shortfall in raising requisite capital from the Net Proceeds towards such acquisitions or investments.

Any proposed acquisition may have unknown or contingent liabilities, including liabilities for failure to comply with relevant laws and regulations, non-availability of any permits, approvals, or authorisations which are required for undertaking business or operations, and accordingly we may become liable for the past activities of such businesses. Further, we may be subject to various obligations or restrictions under the relevant transaction agreements to be entered into for inorganic growth opportunities which may, as the case may be, prevent us from disposing or acquiring shares in the subject entities, or force us to sell or acquire shares in respect of such acquisitions.

15. Any downgrade in our credit ratings may increase our cost of capital and future fund raising may cause a dilution in your shareholding or place restrictions on our operations.

During Fiscal 2024, During the year, ICRA Limited upgraded the long-term credit rating to A- (Stable) from [ICRA] BBB+ (Stable) and short term rating to [ICRA] A2+ from [ICRA] A2. However, we cannot assure you that our credit rating will not be downgraded in future. Any downgrade in our credit rating could inter-alia adversely affect our ability to raise additional financing and increase in the interest rates, borrowing costs due to heightened perceived credit risk, adverse effect on other commercial terms at which such additional financing is available and negative impact on reputation and market perception of business of our Company.

In the future, we may be required to raise additional funding to meet capital or operational expenditure requirements, for our business or operations, to increase our shareholding in subsidiaries and/or associated companies. Such funding, if raised through the issuance of equity securities, may cause a reduction in the percentage ownership of our existing shareholders at that particular point in time.

Alternatively, if such funding requirements are met by way of additional debt financing, we may have restrictions placed on us through such debt financing arrangements which may:

• limit our ability to pay dividends or require us to seek consents for the payment of dividends;
• increase our vulnerability to general adverse economic and industry conditions;
• limit our ability to pursue our growth plans; and
• limit our flexibility in planning for, or reacting to, changes in our business and our industry.

16. ***We are dependent on external suppliers for fabric, which constitutes the largest component of our material, and our Company may not be able to obtain sufficient quantities or required quality of raw materials at the desired prices, in timely manner and could have a material adverse effect on our business, financial condition and results of operations.***

Our business and operations are dependent on the timely availability of the desired quality of raw materials like cotton, specialized yarn, yarn and fabric at a reasonable cost. Our business and operations are dependent on the timely availability of the desired quality of raw materials like yarn and fabric at a reasonable cost. Our primary raw material is cotton fabric. We are dependent on external suppliers for our raw materials including cotton fabric, which constitutes the main component of our raw material. Any delays or non-conformance to quality requirements by our suppliers may impact our ability to meet our customer's requirements and thus impact our business in the long term.

Further we have not entered into any long term agreements with suppliers of raw material and typically procure goods pursuant to purchase orders placed with identified suppliers. In absence of such long-term contracts, we have limited control on pricing of raw material. Further, non-availability of any raw material, textile or any other item of production in appropriate quantity and quality may affect our operations, which in turn can impact our affect our business and financial. Prices of fabric in India fluctuate based on the demand and supply in the market and there can be no assurance that the price levels of fabric will remain where they currently are or not significantly increase. Any fluctuation in fabric prices is passed on to the customer and therefore may not have any impact on business, financial condition, and results of operations.

17. ***Most of our factories are on lease. Non-renewal of such leases can adversely impact our business.***

We have 15 owned manufacturing facilities. These facilities are situated on leased/rented land. We cannot assure you that we will be able to renew our leases on commercially acceptable terms or at all. While we have not failed to renew our lease arrangements in the past, in the event that we are unable to in the future, we may be required to vacate our current premises and make alternative arrangements to shift our manufacturing operations. We cannot assure you that the new arrangements will be on commercially agreeable terms. If we are required to relocate our business operations or shut down our manufacturing facilities during this period, we may suffer a disruption in our operations or incur substantial expenditure in relocating our factories, have to pay increased charges, which could have an adverse effect on our business, financial condition, cash flows and results of operations. Further, process of renewal of lease is long and time consuming process. Further, lease development agreement dated July 1, 2013 and lease agreement dated January 1, 2014, entered into between Nurul Hoque Chowdhury (Lessor) and M/s Norp-Knit Industries Ltd. (Lessee), have expired in June 2023 and December 2023, respectively. Our Company is in the process of renewing the same, however we cannot assure you that same would be renewed within a reasonable time.

Further, there is no assurance that we will not face any disruption of our rights as lessee and such lease agreements will not be terminated prematurely by the lessor. Furthermore, the deeds for our existing and future leased properties may not be adequately stamped or such stamp duty may not be accepted as evidence in a court of law, and we may be required to pay penalties for inadequate stamp duty.

Any failure to obtain any consent or comply with any condition or covenant under our lease agreements could lead to a termination of the lease and could adversely affect our ability to conduct our business. If any of the owners of these premises revokes the arrangements under which we occupy the premises or imposes terms and conditions that are unfavourable to us, or if we are otherwise unable to occupy such premises, we may suffer a disruption in our operations.

18. ***We depend on the success of our relationships with our customers. Any adverse developments or inability to enter into or maintain such relationships could have an adverse effect on our business, results of operations and financial condition.***

We are dependent on a limited number of customers for a significant portion of our revenues. For Fiscal 2024, Fiscal 2023 and Fiscal 2022, our top ten customers contributed ₹ 261,522.33 lakhs, ₹ 259,450.93 lakhs and ₹ 210,472.87 lakhs, or 78.41%, 83.68% and 85.95% of our revenue from operations, respectively.

Our reliance on a select group of customers may also constrain our ability to negotiate our arrangements, which may have an impact on our profit margins and financial performance. The deterioration of the financial condition or business prospects of these customers could reduce their requirement of our products and result in a significant decrease in the revenues we derive from these customers. The loss of one or more of our significant customers or a reduction in the amount of business or raw materials we obtain from them could have an adverse effect on our business, ability to meet debt and working capital requirements, results of operations, financial condition and cash flows. We cannot assure you that we will be able to maintain historic levels of business from our significant customers or that we will be able to significantly reduce customer concentration in the future.

19. ***We have certain contingent liabilities that have not been provided for, if materialized, may adversely affect our business, financial condition, results of operations and cash flows.***

We have disclosed following contingent liabilities as at March 31, 2024, March 2023 and March 2022, are as follows:

(Rs. In lakhs)

Nature of Contingent Liabilities	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
I. The respective companies has reviewed all its pending claims, litigations and other proceedings and has adequately provided for wherever required. The respective companies does not expect the outcome of these proceedings to have a material or adverse effect on financial position of the company. In certain cases, it is difficult for the respective companies to estimate the timings of cash outflows, if any, as it is determinable only on receipt of judgement/decisions pending with various forums/authorities. The group does not expect any reimbursements in respect of the below contingent liabilities.			
-Tax Demand as per Sec 154 and Sec 16(1) of Income Tax Act, 1961 (with respect to Assessment Year 2015-16) - Issue restored to file of CIT(A) for re-adjudication based on order received from ITAT	15.57	15.57	15.57
Tax Demand as per Sec 35(1) of wealth Tax Act, 1957 (with respect to Assessment Year 2015-16)	-	-	0.04
-Tax Demand as per Sec 250 of Income Tax Act, 1961 (with respect to Assessment Year 2016-17) - Matter restored to AO by ITAT for re-calculating the tax liability	3.49	3.49	3.49
-Tax Demand as per Sec 143(3) of Income Tax Act, 1961 (with respect to Assessment Year 2017-18) - Appeal pending before CIT(A)	3.83	3.83	3.83
-Tax Demand as per Sec 115-O of Income Tax Act,1961 (with respect to Assessment Year 2017-18)-Appeal pending before CIT(A) The demand was deleted vide order u/s 154 r.w.s 143(3) of the Income Tax Act,1961 dated 14.12.2023.	-	33.30	33.30
-Tax Demand as per Sec 154 of Income Tax Act, 1961 (with respect to Assessment Year 2018-19) - Appear pending before CIT(A) The demand was adjusted against refund during the year.	-	5.70	5.70
-Tax Demand as per Sec 270A of Income Tax Act, 1961 (with respect to	2.90	2.90	-

Nature of Contingent Liabilities	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
Assessment Year 2020-21) - Appeal pending before CIT(A)			
-Demand as per TDS (TRACES) portal - CPC	14.13	2.86	4.65
II. Irrevocable letter of credit outstanding with banks (net of margin)	17,963.90	15,473.16	14,630.34
III. Bank Guarantee given to government authorities	240.80	238.10	214.48
III. Counter Guarantees given by the group to the Sales Tax Department for entities over which Key Managerial Personnel have Significant influence			
- For enterprise	1.00	1.00	1.00
- For others	0.50	0.50	0.50
IV. Capital Commitment: Estimated amount of contracts remaining to be executed on the capital account (net of capital advances of ₹ 245.55 Lakhs) (March 31,2023: ₹ 106.77 Lakhs)	467.55	294.66	420.11
V. The group is provided with financial guarantee by banks to clear the goods from customs	15.76	17.43	-

We cannot assure you that we will not incur similar or increased levels of contingent liabilities in the future. If any of these contingent liabilities materialize or if at any time, we are compelled to pay all or a material proportion of these contingent liabilities, our financial condition, cash flows and results of operation may be adversely affected. For details, see "*Financial Information*" on page 289.

20. **We are subject to stringent labour laws or other industry standards and any strike, work stoppage or increased wage demand by our employees or any other kind of disputes with our employees could adversely affect our business, financial condition and results of operations.**

Our manufacturing activities are labour intensive. As of June 30, 2024, we had 24,409 full-time and 2,397 contractual employees, respectively, at our Company. We are subject to a number of stringent labour laws that protect the interests of workers, including legislation that stipulates rigorous procedures for dispute resolution and retrenchment of workers that impose financial obligations on employers. While there have been no strikes, lock-outs or other material labour actions in the Company or its manufacturing facilities Fiscals 2024, 2023, and 2022, we cannot assure you that there will not be any strike lock out in the future. Although we have not experienced any material instances during Fiscals 2024, 2023, and 2022, our third-party suppliers may experience strikes or other labour disruptions and shortages that could affect our operations, possibly for a significant period, result in increased wages, shortage in manpower and other costs and otherwise have a material adverse effect on our business, results of operations or financial condition. Additionally, our inability to recruit employees, in particular, employees and retain our current workforce could have a material adverse effect on our business, financial condition and profitability.

Further, a global pandemic or epidemic like Covid-19 can put serious stress on the availability of labour for factory operations and inadequate workforce or delay in availability of labour impacts severely to execution of orders and delays delivery timelines. In the event similar to covid wave, this issue might arise again, and we might not be able to arrange an adequate workforce for its manufacturing units. Additionally, in the event of any Government directive, our factories remain shut during such period, we might have to pay higher wages in such situation during the shutdown period which will affect our results of operation.

Any order from a regulatory body or court requiring us to make payments to such contract labour may have an adverse effect on our business, financial condition, results of operations and cash flows. Further, we may be exposed to risks of loss, fraud, theft, misappropriation, or unauthorized transactions by employees or other personnel we engage for our business or operations. While there has been no material fraud in the Company, in last three years, the internal auditor has found certain discrepancies in payment of salaries to the employees. We cannot assure that any frauds will not occur in future, and if occur, may result in an adverse effect on our reputation, business or operations.

21. Our business is dependent on our Manufacturing Facilities and we are subject to certain risks in our manufacturing process. Any unscheduled, unplanned or prolonged disruption of our manufacturing operations could materially and adversely affect our business, financial condition and results of operations.

Our business is dependent on our ability to manage our manufacturing facilities, including productivity of our workforce, compliance with regulatory requirements and those beyond our control, such as the breakdown and failure of equipment or industrial accidents and severe weather conditions and natural disasters and pandemics which may cause disruptions in the future as well. As a result, any local social unrest, natural disaster or breakdown of services and utilities in that area could have material adverse effect on the business, financial position and results of our operations. Further, we are heavily dependent on our vendors to supply in a timely and cost-effective manner, various equipment required by us for our operations.

Our manufacturing facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output, efficiency, labour disputes, strikes, environmental issues, lock-outs, non-availability of services of our external contractors etc. Further, any significant malfunction or breakdown of our machinery or equipment at our manufacturing facilities may entail significant repair and maintenance costs and cause delays in our operations. However, in the event that we are forced to shut down our manufacturing facility for a significant period of time in the future due to such operational disruptions, it would have a material adverse effect on our earnings, our results of operations and our financial condition as a whole. Our inability to effectively respond to any slowdown or shutdown and to rectify any disruption, in a timely manner and at an acceptable cost, could also lead to an inability to comply with our customers' requirements and would result in us breaching our contractual obligations.

22. We export products to more than 7 countries and are subject to risks associated with doing business internationally, including international market conditions and regulatory risks.

We export our products to more than 7 countries globally. For details of the share of our products please refer to "*All our revenues are derived from export of our products to foreign countries. Any change in general economic conditions in the countries to which we are exporting our finished goods may impact our business.*"

There are a number of risks in doing business abroad, where we have limited experience. These risks and challenges include risks with respect to interest rate and foreign currency fluctuations, different tax and regulatory environments (particularly with respect to the nature of our products), changes in social, political and economic conditions, the need to recruit personnel combining product skills and local market knowledge, obtaining the necessary clearances and approvals to set up business and competing with established players in these regions and cost structures in international markets, including those in which we operate, that are significantly different from those that we have experienced in India. Further, there may be certain developments in the industries in which our customers operate which in turn may have an impact on our sales from exports. There may be imposition of certain tariffs, quotas and other tariff and non-tariff trade barriers on our products in jurisdictions in which we operate or seek to sell our products and we may face trade restrictions in the jurisdictions we operate including the United States and the European countries, among others. Additionally, there may be a prohibition on our exports to certain countries that may be included in the sanctions list maintained by the Government of India.

These risks may impact our ability to expand our exports in different regions and otherwise achieve our objectives relating to our export operations. Expansion into a market outside of our current operation could require significant capital expenditures and have a material effect on our capital structure. If we pursue an international expansion opportunity, we could face internal or external risks, including, without limitation compliance with multiple and potentially conflicting foreign laws and regulations, import and export limitations and limits on the repatriation of funds.

We may be unsuccessful in developing and implementing policies and strategies that will be effective in managing these risks in each country where we have business operations. Our failure to manage these risks successfully could adversely affect our business, operating results and financial condition. Furthermore, we may face competition in other countries from companies that have more experience with operations in such countries or with international operations generally. If we are unable to successfully develop or manage our international operations, it may limit our ability to grow our international business.

23. Our funding requirements and proposed deployment of the Net Proceeds towards objects of the Issue are based on inter-alia management estimates and have not been independently appraised by any bank or financial institution. Net Proceeds proposed to be utilised may be subject to factors which are beyond Company's control and our inability to effectively utilise funds may have an adverse impact on our business, operations or financial conditions.

We propose to utilise of our Net Proceeds for (a) repayment of certain borrowings, in full or part, availed by our Company; (b) working capital requirements; and (c) funding inorganic growth initiatives and general corporate purposes (collectively "Objects"). For further details, please see the section titled as "*Use of Proceeds*" on page 80. Our Company proposes to utilise the Net Proceeds for Objects on or before Fiscal 2025. However, the schedule of deployment of Net Proceeds from the Issue as set out in the section titled as "*Use of Proceeds*" on page 80, may be subject to change and will be at the discretion of our management. We may have to revise our funding requirement on account of various factors, such as financial and market conditions, interest rate fluctuations, access to capital, competitive landscape and other external factors such as changes in the business environment or regulatory climate, which may not be within the control of our management. This may also entail rescheduling of the proposed deployment of the Net Proceeds at the discretion of our management, subject to compliance with applicable laws. Further, in the event, the Net Proceeds are not utilized (in full or in part) for the objects of the Issue during the period stated above due to any reason, including (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized in subsequent periods as may be determined by our Company, in accordance with applicable laws. Further, such factors could also require us to advance the utilisation before the scheduled deployment as disclosed above.

The funding requirements and deployment of the Net Proceeds mentioned as a part of the objects of the Issue are based on, inter-alia internal management estimates, current business plans, business strategies, availability and cost of funds, management perception of growth opportunities and risks, as applicable and have not been appraised by any bank or financial institution or other independent agency. Furthermore, the deployment of the Net Proceeds is at the discretion of our management, in accordance with applicable laws.

We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, macro-economic trends in ready-made garments industry, applicable laws governing our business and investments including in foreign entities etc. Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and results of operations**.**

24. Our dependency on continuous supply of power is high. Frequent disruption/power cuts or significant increase in power tariffs may have an adverse effect on our timely delivery of products or the profitability of our Company.

For day to day operations, we are heavily reliant on continuous supply of electricity to our manufacturing units. Disruption in power may affect the production environment and lead to delay in completion of orders in time which may cause a delay in shipment of goods. While we have not experienced significant increase in power tariffs during Fiscals 2024, 2023, and 2022, however any significant increase in power tariffs will also increase operating costs, which may impact our profitability and results of operations.

25. ***Any changes in regulations or applicable government incentives would materially and adversely affect our business and profitability.***

The Government of India has provided several production and exports related incentives to the textile sector, from which we currently benefit such as the Rebate of State and Central Taxes and Levies (RoSCTL). For Fiscals 2024, 2023 and 2022, our operating revenues earned from such incentives were ₹ 6,111.72 lakhs, ₹ 7,525.89 lakhs and ₹ 6,080.37 lakhs on consolidated basis. These incentives could be modified or removed at any time, which could adversely affect our business and profitability. Furthermore, while there have been no such instances of failure in compliance by the Company of requirements of exports related incentives available to textile sector during Fiscals 2024, 2023 and 2022, however any failure on the part of our Company to adhere to the requirements of these incentives may result in our Company losing the benefit of some or all of these incentives and/or payment of penalties. Relevant authorities in India may also introduce additional or new regulations applicable to our business which could adversely affect our business and profitability. Failure to adhere to the requirements prescribed for availing such benefits may result to loss of income and profitability of our Company.

26. ***We may be unable to manage our working capital requirements, which could materially impact our performance and results of operations.***

One of the objects of the Issue is utilisation towards working capital. There can be no assurance that our budgeting of working capital requirements for a particular year will be accurate. Our working capital requirements will increase as we intend to enhance our existing capacities and increase the level of backward integration at our manufacturing facilities. For reasons such as a global economic crisis, deterioration in financial health of the customers e.g., economic disruption caused by the unprecedented situations like Covid-19 pandemic etc. may result in a complete or partial loss or delay in realization of receivables from the customers. While we may have adequate trade credit insurance for such exigencies, that may not be adequate to cover the bad debt or such loss.

Further, if the purchase of raw materials by us does not accurately predict sourcing levels, customer trends or our expectations about customer needs, we may have to take unanticipated markdowns or impairment charges to dispose of the excess or obsolete inventory, which can adversely affect our results of operations. There may be situations where we may be under-budget for our working capital requirements, in which case there may be delays in arranging the additional working capital requirements which may have an adverse effect on our operations and lead to loss of reputation, levy of liquidated damages and adverse impact on our cash flows. This could also have a material adverse effect on our business and financial condition.

27. ***Our basic raw materials are cotton products, which are inflammable. Any unforeseen accidents may result in loss of property or life in the facilities and/or disruption in the manufacturing processes which may have a material adverse effect on our results of operations, cash flows and financial condition.***

Cotton products and fabric are the basic raw material for apparel manufacturing. Such materials are highly inflammable, which may be due to failure of electrical equipment, sparks from foreign matter in cotton stock or any reason whatsoever. While there have been no accidents in the past resulting in material loss of property or life in the facilities and/or material disruption in the manufacturing processes in the past, and while we undertake routine safety measures, any fire or unforeseen accidents due to any reason beyond our control, may result in loss of property, loss of human life and/or disruption in the manufacturing processes. We may incur high costs and take time to repair our properties, replenish stocks, which may in turn result in us being unable to meet our business commitments and we may be held liable for the loss of life.

28. ***Compliance with, and changes in, safety, health and environmental laws and related laws and regulations impose additional costs and may adversely affect our results of operations and our financial condition***

We are subject to a broad range of safety, health and environmental laws and related laws and regulations in the jurisdictions in which we operate and we may also be required by our clients to meet certain additional criteria with respect to safety, environment, health and labour. Such safety, health and environmental laws and regulations impose controls inter alia on the disposal and storage of raw materials, noise emissions, air and water discharges, on the storage, handling, discharge and disposal of chemicals, employee exposure to hazardous substances and other aspects of our operations and products. While we endeavor to comply in all material respects with all applicable safety, health and environmental laws and regulations, the discharge of our or such third parties' raw materials that are chemical or of other hazardous substances or other pollutants into the air, soil or water may nevertheless cause us to be liable to the Government of India or other governments where we operate or to third parties. The scope and extent of any new environmental, health and safety regulations, including their effect on our operations and cash flows, cannot be predicted with certainty. The cost and management time required to comply with these requirements could be significant. The measures we implement to comply with these new laws and regulations may not be deemed sufficient by Government authorities and our compliance cost may significantly exceed our estimates. Penalties imposed by regulatory authorities on us or on third parties upon whom we depend on may also disrupt our business and operations. In addition, we may be required to incur costs to remedy the damage caused by such discharges, pay fines or other penalties or close down the production facilities for non-compliance. While no material adverse action has been imposed by the regulatory or statutory authorities in relation to non-compliance with the applicable environment laws, however we cannot assure you that we will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future.

Further, we are subject to various regulations and textile policies, primarily in India. Our business, operations and growth prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that we will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which would have a material adverse effect on our business, financial condition and results of operations.

29. We have not complied with certain filing requirements under Companies Act, 2013.

Our Company obtains loans from banks in ordinary course of business. Our Company availed loans from Karur Vysa Bank for purchase of vehicles for purchase of vehicles for our Company during 2014-2015. Our Company filed the form for creation of charge in respect of the said loans. These loans have been repaid by the Company, however our Company failed to file form for satisfaction of said loans. Our Company is not able to trace necessary corporate records in respect of the same. In case we fails to trace these records we may be unable to file the form for satisfaction of charge in respect of the said loans.

While, as on the date of this Preliminary Placement Document, our Company did not receive any notice in respect of the same, nor any penalty or fine has been imposed by any regulatory authority in respect to the same. While the liability if any is not likely to be material, we cannot assure you that the above-mentioned corporate records will be available in the future, and that we will not be subject to any proceedings initiated by any regulatory or statutory authority (including the RoC) in this respect. Any actions including legal proceedings if initiated by regulatory or statutory authorities, it may impact our Company.

30. We do not hold any copyright or other forms of intellectual property protection concerning the designs of our products which could materially affect our business, financial condition and results of operations.

The designs for our readymade garments are primarily provided to us by our customers and some of our large customers for our business of readymade garments may obtain intellectual property protection for the designs we manufacture for them. It is our policy to take precautions to protect our designs, trade secrets and confidential information against breach of trust by our employees, consultants, customers and suppliers and we have written confidentiality agreements with our employees. However, it is possible that unauthorized disclosure of our trade secrets, designs or confidential information may occur. We cannot assure you that we will be successful in the protection of our trade secrets, designs and confidential information. Furthermore, our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming, continuous supply of raw materials or to deliver our costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect its intellectual property, which might adversely affect our business, results of operations and financial condition.

31. ***Our customers may go bankrupt on account of various reasons which may impact our revenue growth and loss of business and profit thereon. Any delays and/or defaults by our customer in making payments will result in increased working capital requirements and reduction of our Company's revenue leading to negative impact on business, operations, cash flows and profits.***

Our business growth is dependent on the revenue growth of our customers in their respective geography. For various reasons, some of our customers may suffer loss and may end up having their inability to pay to the creditors; they may eventually file for a plan for reorganization of their business and creditors in the court. Based on final negotiation and settlement under the reorganization plan by the court-appointed administrative claims manager, our claims may or may not be eligible for preferential payment and we may have to provide for 100% provision on account of expected credit loss towards such receivables. Since such events are beyond the control of our business, this may impact revenue and profitability of our Company. While there has been no such instances in last three Fiscals, however, we cannot guarantee that we will be able to recover our dues or losses in such instances in part or in full, which in turn will have an impact on our financial results.

Further, we have experienced certain delays in receipt of payments from our customers in ordinary course of business, which typically result in short-term impact on our cash flows and working capital cycle. Any significant delay or default by our customers in making payments could result in (a) negative impact on our cash flows, (b) increased working capital requirement for which Company may have to seek additional debt, resulting in increased borrowing costs, (c) loss of revenue, leading to material adverse impact on our business, operations, profits, reputation, and financial position.

32. ***Our operations are dependent upon third party transportation facilities and logistics, which are subject to uncertainties and risks.***

We also rely on third parties to provide air, trucking and other transportation facilities for the transfer of raw materials to our manufacturing facilities and the supply of finished products till ports. These transportation facilities may not be adequate to support our existing and future operations. Further, disruptions of transportation and logistics services due to weather-related problems, strikes, state-wide lockdown induced by unprecedented events, lockouts, inadequacies in the road infrastructure and airport and seaport facilities, or other events could impair our ability to supply our products to our customers on time. Any disruptions could materially and adversely affect our business, reputation, financial condition and results of operations. In addition, any increase in the charges imposed by the operators of transportation and logistics facilities would significantly impact our costs and results of our operations. Further, transportation activity continues to be an unorganized sector and considering the frequent fluctuations in transport rates in the market, long-term contracts with transportation agencies are not entered into for transporting raw materials and finished goods. Although the risk of loss in transit is covered through a transit insurance policy taken by our Company, loss arising out of willful default of transporters in terms of not providing the vehicle on time and loss of material in transit cannot be fully avoided. Such risks are mitigated to a great extent by preferring claims on the defaulting transporters as per the practice followed by the transport industry.

33. ***If we are unable to raise additional capital, our business, results of operations and financial condition could be affected.***

We will continue to incur significant expenditure in maintaining and growing our existing infrastructure. We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. While we expect our cash on hand and cash flow from operations to be adequate to fund our existing commitments, our ability to raise further capital or borrowings is dependent upon the success of our operations. Additionally, the inability to obtain sufficient financing could be impacted affect our ability to complete expansion plans. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. Any unfavourable change to terms of borrowings may be impacted affect our cash flows, results of operations and financial conditions. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to raise adequate capital on time and on acceptable terms, or at all, our business, results of operations, financial condition and cash flows could be affected.

34. We are dependent on a number of key management personnel, including our senior management, and the loss of or our inability to attract or retain such persons could adversely affect our business, financial results and prospects.

Our future success is highly dependent on our senior management to maintain our strategic direction and manage our current operations and meet future business challenges that may also arise in the course of our business. The loss of, or inability to attract or retain, such persons could materially and adversely affect our business and financial results. In particular, the expertise, experience and services of Deepak Kumar Seth, Chairman, Pulkit Seth, Vice Chairman, Pallab Bannerjee, Managing Director and Sanjay Gandhi, Group CFO and other members of our senior management team that are executing our growth strategy, have been integral to our business. For further details in relation to the experience of our senior management team, see "*Board of Directors and senior management*" on page 214.

If one or more of these key management personnel are unwilling or unable to continue in their present positions, we may not be able to replace them with persons of comparable skill and expertise promptly or at all, which could have a material adverse effect on our business, financial results and prospects. We may take a long period to hire and train replacement personnel when skilled personnel terminate their employment with our Company. If we are unable to hire and train replacement personnel on time or increase our levels of employee compensation to remain competitive, our business, financial results and prospects may be materially and adversely affected.

35. We have entered into and may in the future enter into related party transactions.

In the ordinary course of business, we have entered into and continue to enter into transactions with certain related parties. While all such related party transactions have been conducted on an arm's length basis, in ordinary course of business, and related-party transactions that we may enter into or have entered in the past are or have been subject to approval by our Board of Directors, as required under the Companies Act and the SEBI Listing Regulations, however, there can be no assurance that we could not have achieved more favorable terms had such transactions been entered into with non-related parties. We may enter into related party transactions in the future and cannot assure you that such future transactions, individually or in the aggregate, will not involve conflicts of interest. For more information regarding related party transactions, see "*Financial Information*" on page 289.

36. Our auditor has included certain qualification and emphasis of matter in respect of Fiscal 2020 and Fiscal 2021.

Our auditor has included certain qualification and emphasis of matters in respect of Fiscals 2020 and 2021 Details of the same along with management response are as follows:

Financial year/ period ended	**Reservation/ qualifications/ matter of emphasis/ adverse remarks**	**Impact on the financial statements and financial position of the Company**	**Corrective steps taken and/ or proposed to be taken by the Company**
March 31, 2021	**Emphasis of Matter**: We draw attention to Note 27 of the financial statements which states that export incentives under the Remission of Duties and Taxes on Export Products (RoDTEP) Scheme applicable with effect from January 1, 2021 amounting to ₹ 421.16 Lakh has been recognized on the basis of certain assumptions including previous applicable rates, as the rates are yet to be notified under the said scheme. Our opinion is not modified in respect of this matter.	Nil	No corrective actions are required as there was a temporary delay in notification of rates under the said scheme.

Financial year/ period ended	Reservation/ qualifications/ matter of emphasis/ adverse remarks	Impact on the financial statements and financial position of the Company	Corrective steps taken and/ or proposed to be taken by the Company
March 31, 2020	**Qualification**: The inventories are carried in the consolidated balance sheet at ₹ 26,387.33 Lakh as at March 31, 2020. In one of the subsidiaries of the Holding Company, the component auditor of its subsidiary has reported that due to the outbreak of COVID-19 and consequential lockdown in Jakarta, no physical counting against inventories of ` 2,542.30 lakh as at March 31, 2020 was conducted by them and also no other alternative procedures were performed. In consequence they were unable to carry out auditing procedures necessary to obtain adequate assurance regarding the quantities and condition of such inventory. There were no other satisfactory auditing procedures that we could adopt to obtain sufficient evidence regarding the existence and valuation of such inventories. Consequently, we were unable to determine whether any adjustments to these amounts is necessary in the consolidated financial statement.	Nil	Management has carried out the physical verification and submitted the report as well as to the auditor, however, due to COVID-19 restrictions, the auditor was unable to travel to factory location from Jakarta. In the following quarter auditor completed the process and fond no discrepancy.

We cannot assure you that our audit reports for any future fiscal periods will not contain qualifications, emphasis of matters or other observations which affect our cash flows or results of operations in such future periods.

37. Our insurance coverage may be inadequate or may not cover all losses suffered by us.

We maintain insurance that we consider to be typical in our industry in India and in amounts that are commercially appropriate for a variety of risks, including fire and special perils policy. However, such insurance may not be adequate to cover all losses or liabilities that may arise from our business operations, particularly if the loss suffered is not easily quantifiable. We may not be able to successfully assert our claims for any liability or loss under such insurance policies. Additionally, there may be various other risks and losses for which we are not insured because such risks are either uninsurable or not insurable on commercially acceptable terms. Furthermore, there can be no assurance that in the future we will be able to maintain insurance of the types or at levels which we deem necessary or adequate or at premiums which we deem to be commercially acceptable. Further, despite such uninsured losses we may remain obligated for any financial indebtedness or other obligations related to our business. Any such uninsured losses or liabilities could result in an adverse effect on our business and financial results.

38. Industry information included in this Preliminary Placement Document has been derived from an industry report prepared by ICRA exclusively commissioned and paid for by us for such purpose.

This Preliminary Placement Document contains information from ICRA Report, which has been exclusively commissioned and paid for by our Company, pursuant to an engagement with our Company and such industry and third-party related information has not been independently verified by us. The ICRA Report use certain methodology for marketing and forecasting. We commissioned the ICRA Report for the purpose of confirming our understanding on the apparel and ready-made garments industry, and the future outlook of the industry. Moreover, the industry sources including the ICRA Report contains certain industry and market data, based on certain assumptions. Such assumptions may change based on various factors. Further, the ICRA Report uses certain methodologies for market sizing and forecasting. There are no standard data gathering methodologies, and methodologies and assumptions vary widely among different industry sources.

Industry sources and publications are prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Further, the ICRA Report or any other industry data or sources are not recommendations to invest in any company or sector covered in the ICRA Report. In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Issue pursuant to reliance on the information in the Preliminary Placement Document based on, or derived from, the ICRA Report. While the BRLM has exercised due diligence in relation to the ICRA Report as required under applicable laws, you should consult your own advisors and undertake an independent assessment of information in the Preliminary Placement Document based on, or derived from, the ICRA Report before making any investment decision regarding the Issue.

39. Our Promoter, Directors, key management personnel and senior management personnel may have interests in our Company other than normal remuneration or benefits and reimbursement of expenses incurred.

Our Promoter, Directors, key management personnel and senior management personnel may be deemed to be interested in our Company, in addition to regular remuneration or benefits and reimbursements of expenses, to the extent of Equity Shares or other securities, held by them and their relatives (if any) and their dividend or bonus entitlement, and benefits arising from their directorship in our Company and are also interested to the extent of sitting fee payable to them for attending each of our Board and committee meetings (to the extent relevant. There can be no assurance that our Promoters, Directors, Key Management Personnel or senior management personnel will exercise their rights as shareholders to the benefit and best interest of our Company. Our Directors and our Key Management Personnel may take or block actions concerning our business, which may conflict with the best interests of our Company or that of minority shareholders. For details of the related party transactions during the last three Financial Years, see "*Related Party Transactions*" on page 41.

40. Our Chairman Deepak Kumar Seth is also a director on the board of PDS Limited, a listed company engaged in similar operations as that of our Company.

Our Chairman, Deepak Kumar Seth, is also a Chairman, on the board of PDS Limited, a listed company engaged in similar operations as that of our Company. While till date there has been no conflict of the interest between the entities there can be non-assurance in future there will be no conflict of interest.

41. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future.

42. We may not be able to implement our business strategies or sustain and manage our growth, which may adversely affect our business, results of operations and financial condition.

In recent years, we have experienced significant growth. Our revenue from operations, on a consolidated basis, grew at a CAGR of 12.53 % between Fiscals 2022 and 2024. Our growth strategy includes expanding our existing business. We cannot assure you that our growth strategies will be successful or that we will be able to continue to expand further or diversify our product portfolio.

We cannot guarantee that we will be able to on a sustainable basis, manage the growth, integration, profitability, scale and operations of the domestic and international units. Further, if we our unable to manage any future capital expenditure, it may lead to time and cost over-runs.

Accordingly, our ability to sustain and manage our growth, including by way of such inorganic growth, depends significantly upon our ability to manage key issues such as continuing to offer products which are relevant to our customers, developing and maintaining our manufacturing facilities and ensuring a high standard of product quality. Our failure to do any of the preceding could adversely affect our business, results of operations and financial condition and cash flows.

43. This Preliminary Placement Document includes certain non-GAAP financial measures and certain other selected statistical information related to our operations and financial performance. These non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the broking industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other broking companies.

Certain non-GAAP financial measures such as earnings before depreciation, adjusted profit after tax, total net income and interest service coverage ratio (together the "**Non-GAAP Measures**") and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Preliminary Placement Document. Such Non-GAAP measures are a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these Non-GAAP Measures and other statistical information relating to our operations and financial performance are not standardised terms, hence a direct comparison of these Non-GAAP measures between companies may not be possible. Other companies may calculate Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. We compute and disclose such Non-GAAP Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of broking businesses, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results.

44. Our Promoters and Promoter Group will continue to retain control over our Company after completion of the Issue, which will allow them to influence the outcome of matters submitted for approval of our shareholders.

Our Promoters and Promoter Group currently own 2,88,49,818 Equity Shares, aggregating to 66.17% of our Equity Shares. Following the completion of the Issue, our Promoters and Promoter Group will continue to hold a significant percentage of our Equity Share capital. This concentration of ownership could limit your ability to influence corporate matters requiring shareholder approval. As a result, they will have the ability to influence matters requiring shareholders' approval, including the ability to appoint Directors to our Board and the right to approve significant actions at Board and at shareholders' meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our Memorandum of Association and Articles of Association and any assignment or transfer of our interest in any of our licenses. In addition, if our Promoters and Promoter Group do not act together, such matters requiring shareholder approval may be delayed or not occur at all, which could adversely affect our business. Moreover, our Promoters are not obligated to provide any business opportunities to us. If our Promoters and Promoter Group invest in another company in competition with us, we may lose the support provided to us by them, which could adversely affect our business, financial condition, cash flows and results of operations. We cannot assure you that our Promoters and Promoter Group will not have conflicts of interest with other shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

45. Our Promoters, Deepak Kumar Seth and Pulkit Seth, have provided personal guarantees in relation to certain loan facilities availed by us, which if revoked may require alternative guarantees, repayment of amounts due or termination of the facilities and may adversely impact our cash flow, business and result of operations.

As on the date of filing of this Preliminary Placement Document, our Deepak Kumar Seth and Pulkit

Seth have provided personal guarantees as security to secure some of our existing borrowings and may continue to provide similar guarantees in the future. Lenders for such facilities may require alternate guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities. We may not be successful in procuring alternative guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial condition.

46. Restrictions on import of raw materials and an increase in shipment cost may adversely impact our business and results of operations.

In Fiscal 2024, we imported raw materials in the ordinary course of business. Imports to India are regulated by various regulations. We are unable to assure you that such regulations (including stringent anti-dumping measures) would not be made more stringent which would consequently restrict our ability to import raw materials from other jurisdictions. We also cannot assure you that, under these circumstances, we will be successful in identifying alternate suppliers for raw materials or we will be able to source the raw materials at favourable terms in a timely manner. Any restriction on import of raw materials could have an adverse effect on our ability to deliver products to our customers, business and results of operations. Further, any increase in export tariff will increase expenses which in turn may impact our business and results of operations.

47. We are dependent on information technology systems in carrying out our business activities and they form an integral part of our business. Further, if we are unable to adapt to technological changes and successfully implement new technologies or if we face failure of our information technology systems, we may not be able to compete effectively which may result in higher costs and would adversely affect our business and results of operations.

We are dependent on information technology systems in connection with carrying out our business and such systems form an integral part of our business. Any failure of our information technology systems could result in business interruptions, including the loss of our customers, loss of reputation and weakening of our competitive position, and could have a material adverse effect on our business, financial condition and results of operations. Our information technology systems, specifically our software may be vulnerable to computer viruses, piracy, hacking or similar disruptive problems. Computer viruses or problems caused by third parties could lead to disruptions in our business activities. Fixing such problems caused by computer viruses or security breaches may require interruptions, delays or temporary suspension of our business activities, which could adversely affect our operations. Breaches of our information technology systems may result in unauthorized access to confidential information. Such breaches of our information technology systems may require us to incur further expenditure to put in place advanced security systems to prevent any unauthorised access to our networks. Further, the commercial success of our business is highly dependent on the developmental and innovative breakthroughs of our design division. In the event, any breach of our systems or software leads to the leaking of our designs or any inventive design techniques devised by our Company, it might lead to loss of our originality in the market and increase the chance of our products being substituted by the products of our competitors.

Our future success depends in part of our ability to respond to technological advancements and emerging standards and practices on a cost-effective and a timely basis. Our failure to successfully adopt such technologies in a cost-effective manner could increase our costs thereby compelling us to bid at lower margins which might lead to loss of bidding opportunities vis-à-vis such competitors. Additionally, the government authorities may require adherence with certain technologies, and we cannot assure you that we would be able to implement such technologies in a timely manner or at all. The cost of upgrading or implementing new technologies or upgrading our existing equipment or expanding our capacity could be significant, less cost effective and therefore could negatively impact our profitability, results of operations, financial condition as well as our future prospects.

48. Our business may be impacted on account of unprecedented global pandemic like COVID-19 affecting delay in timely delivery of the finished goods agreed with our customers.

The COVID-19 pandemic has had, and may continue to have, repercussions across local, national, and global economies and financial markets. Our industry had been severely affected by the global outbreak of the COVID-19 pandemic since early 2020 due to government-mandated restrictions on movement, and lockdown imposed by central and state governments. While the lockdown measures have been lifted and the apparel and textile sector has resumed its operations in Fiscal 2022 with greater health and safety measures, any resurgence of the COVID-19 pandemic, spread of any new variant of COVID-19, or spread of any other epidemic in future may result in adverse impact on our business, financial condition, cash flows, and results of operations. The extent to which the COVID-19 pandemic, any new strain of COVID-19, any future epidemic, or widespread public health emergency will impact our business and financial position, is significantly dependent on future developments, which are highly uncertain and cannot be predicted. Our business growth is dependent on the revenue growth of our customers in their respective geography. Due to unprecedented events like COVID-19 pandemic, some of our customers may suffer loss and may end up having their inability to pay to the creditors, they may eventually file for bankruptcy, not pay our dues. Any intensification of the COVID-19 pandemic, any future outbreak of another highly infectious or contagious disease, widespread public health emergency or epidemic may adversely affect the business, financial condition, cash flows and results of operations of our Company. Further, our Statutory Auditors have included emphasis of matters in their report on the financial statements for the fiscal year ended March 31, 2021, which describes the uncertainty relating to COVID-19 pandemic and its consequential effects on the affairs of the Company. For further details, see "*Financial Information*"

49. If we are unable to establish and maintain an effective system of internal controls and financial risk management, our business and reputation may be adversely affected.

We are responsible for establishing and maintaining adequate internal measures commensurate and financial risk management with the size and complexity of our operations. While we periodically test and update our internal processes and systems, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances. If our efforts to manage these risks are ineffective, we could suffer losses that may adversely affect our results of operations. Any future expansion and diversification in business will require us to continue to enhance our efforts to manage risks.

Our management information systems and internal procedures may not identify every instance of non-compliance or every suspicious transaction. If internal system or processes weaknesses are identified, our actions may not be sufficient to correct such weaknesses. Failures or material errors in our internal systems may lead to defects in our products, which may be rejected by our customers.

EXTERNAL RISK FACTORS

Risks Relating to India

50. Changing laws, rules and regulations in India could lead to new compliance requirements that are uncertain.

Our business, results of operations, financial condition and cash flows could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. Our business, results of operations, financial condition, cash flows and prospects may be adversely impacted, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. The regulatory and policy environment in which we operate are evolving and are subject to change. The Government of India may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, cash flows, financial condition and prospects.

51. Political instability or changes in policies effected by the Government of India could adversely affect economic conditions in India. Any downturn in the macroeconomic environment in India could adversely affect our business, results of operations, financial condition and cash flows.

The Government of India has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, results of operations, financial condition and cash flows and the market price and liquidity of the Equity Shares may be affected by changes in exchange rates and controls, changes in interest rates, changes in government policies, changes in taxation laws and other political and economic developments affecting India. In addition, an increase in India's trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could increase interest rates and adversely affect liquidity, which could adversely affect the Indian economy and thereby adversely affect our business, results of operations, financial condition and cash flows.

52. If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our customers thereby reducing our margins.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of wages and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business, results of operations, financial condition and cash flows. In particular, we might not be able to reduce our costs or increase the price of our services to pass the increase in costs on to our consumers. In such case, our business, results of operations, financial condition and cash flows may be adversely affected. Further, the Government of India has previously initiated economic measures to combat high inflation rates but it is unclear whether these measures will remain in effect. We cannot assure that Indian inflation levels will not worsen in the future.

53. The Indian tax regime has undergone substantial changes which could adversely affect our business and the trading price of our Equity Shares.

Any change in Indian tax laws could have an effect on our operations. The Government of India has implemented two major reforms in Indian tax laws, namely the Goods and Services Tax ("**GST**"), and provisions relating to general anti-avoidance rules ("**GAAR**"). The indirect tax regime in India has undergone a complete overhaul. The indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise have been replaced by GST with effect from July 1, 2017. The GST regime continues to be subject to amendments and its interpretation by the relevant regulatory authorities is constantly evolving. GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement may result in, among others, a denial of certain tax benefits claimed by us. In the absence of any precedents on the subject, the application of these provisions is subjective. If the GAAR provisions are made applicable to us, it may have an adverse tax impact on us. Further, if the tax costs associated with certain of our transactions are greater than anticipated because of a particular tax risk materializing on account of new tax regulations and policies, it could affect our profitability from such transactions.

Further, the Government of India has announced the interim union budget for the financial year 2024-2025 and has enacted the Finance Act, 2024. While the Finance Act, 2024 does not propose any significant changes to the Income Tax Act, 1961, the entire union budget which is likely to be announced later this year may introduce amendments to the Income Tax Act, 1961. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning, investing or trading in the Equity Shares. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether if at all, any laws or regulations would have an adverse effect on our business. Further, any adverse order passed by the appellate authorities/ tribunals/courts would have an effect on our profitability. In addition, we are subject to tax related inquiries and claims.

54. Any downgrade of India's debt rating by international rating agencies could adversely affect our business.

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business, results of operations, financial condition, cash flows and the price of the Equity Shares.

55. Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets? and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

56. If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our clients thereby reducing our margins.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our clients, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our clients. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

57. ***Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

58. ***Our ability to borrow in foreign currencies is restricted by Indian law.***

Indian companies are subject to foreign exchange regulations that regulate borrowing in foreign currencies, including those specified under the Foreign Exchange Management Act, 1999. Such regulatory restrictions limit our ability to borrow in foreign currencies and, therefore, could negatively affect our ability to obtain financing on competitive terms. In addition, we cannot assure you that any required approvals for borrowing in foreign currency will be granted to us without onerous conditions, if at all. Such, and other, limitations on raising foreign capital may adversely affect our business, results of operations, financial condition and cash flows.

59. ***A third party could be prevented from acquiring control of us post this Issue, because of anti-takeover provisions under Indian law.***

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Issue. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

60. ***Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the Book Running Lead Manager or any of their directors and executive officers in India respectively, except by way of a lawsuit in India.***

Our Company is a company incorporated under the laws of India. All of our fixed assets, Directors, Key Managerial Personnel and Senior Management are located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 ("**CPC**"). Section 13 of CPC provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Section 44A of CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of such section, in any country or territory outside India, which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards.

India is not a party to any international multilateral treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the CPC. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges of a like nature, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India. Further, we cannot assure you that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approval would be acceptable. Such an amount may also be subject to income tax in accordance with applicable law. For details in relation to enforceability of judgments obtained outside India, see "*Enforcement of Civil Liabilities*" on page 21.

RISKS RELATING TO THE ISSUE AND THE EQUITY SHARES

61. We cannot guarantee that the Equity Shares issued pursuant to the Issue will be listed on the Stock Exchanges in a timely manner, or at all.

In accordance with Indian law and practice, after our Board or a duly constituted committee passes the resolution to allot the Equity Shares but prior to crediting such Equity Shares into the Depository Participant accounts of the QIBs, we are required to apply to the Stock Exchanges for listing and trading approvals. After receiving the listing and trading approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the Depository Participant accounts of the respective QIBs and apply for the final listing and trading approvals from the Stock Exchanges. Approval for listing and trading will require all relevant documents authorising the issuing of Equity Shares to be submitted. There could be a failure or delay in obtaining these approvals from the Stock Exchanges, which in turn could delay the listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining these approvals would restrict an investor's ability to dispose of their Equity Shares.

Bidders can start trading the Equity Shares allotted to them in the Issue only after they have been credited to an investor's demat account, are listed and are permitted to trade. Since the Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same.

Further, we cannot assure you that the Equity Shares allocated to an investor will be credited to the investor's demat account, that listing and trading approvals will be issued by the Stock Exchanges in a timely manner, or at all, or that trading in the Equity Shares will commence in a timely manner, or at all. In accordance with applicable Indian laws and regulations and the requirements of the Stock Exchanges, in principle and final approvals for the listing and trading of the Equity Shares to be issued pursuant to the Issue will not be applied for by us or granted by the Stock Exchanges until after such Equity Shares have been issued and allotted by us on the Closing Date. If there is a failure or a delay in obtaining such approvals, we may not be able to credit the Equity Shares allotted to you to your Depository Participant account or assure ownership of such Equity Shares by you in any manner promptly after the Closing Date or at all. In any such event, your ownership over the Equity Shares allotted to you and your ability to dispose of any such Equity Shares may be restricted. For further information on issue procedure, see "*Issue Procedure*" on page 233.

62. Your ability to acquire and sell Equity Shares offered in the Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Placement Document; you will be prohibited from selling any of the Equity Shares subscribed in this Issue other than on Stock Exchanges for a period of one year from the date of the allotment of the Equity Shares.

No actions have been taken to permit an offering of the Equity Shares offered in the Issue in any jurisdiction, except for India. As such, your ability to acquire Equity Shares offered in the Issue is restricted by the distribution and solicitation restrictions set forth in "*Selling Restrictions*" on page 250. Further, the Equity Shares offered in the Issue are subject to restrictions on transferability and resale. Pursuant to the SEBI ICDR Regulations, QIBs will be prohibited from selling any of the Equity Shares subscribed in this Issue other than on a recognised Indian stock exchange for a period of one year from the date of the allotment of the Equity Shares. For further information, see "*Representations by Investors and Transfer Restrictions*" on pages 5 and 258, respectively. You are required to inform yourself on, and observe, these restrictions. Our Company and its representatives and agents will not be obligated to recognise any acquisition, transfer or resale of the Equity Shares offered in the Issue made other than in compliance with applicable law.

63. Any future issuance of Equity Shares could dilute the holdings of investors and could adversely affect the market price of the Equity Shares.

Our Company may be required to finance our future growth through additional equity offerings. Any future issuance of Equity Shares by our Company could dilute investors' holdings and could adversely affect the market price of the Equity Shares. In addition, any future issuances of Equity Shares, sales by any significant shareholder or a perception in the market that such issuance or sale may occur, could adversely affect the trading price of the Equity Shares. Such securities may also be issued at a price below the then current trading price of the Equity Shares. These sales could also impair our Company's ability to raise additional capital from the sale of Equity Shares. Our Company cannot assure you that it will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares.

64. We cannot assure payment of dividends on the Equity Shares in the future.

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flows, capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and subsequent approval of Shareholders and will depend on factors that our Board of Directors and Shareholders deem relevant, including among others, our future earnings, financial condition, cash flows, capital requirements, capital expenditures, business prospects and restrictive covenants under our financing arrangements, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. Our Board may also, from time to time, declare interim dividends from the profits of the Financial Year in which such interim dividend is sought to be declared. Additionally, under some of our loan agreements, we are not permitted to declare any dividends without prior consent from the lenders if there is a default under such loan agreements or unless we have paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof.

The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or the dividend amounts, if any, in the future. There is no guarantee that any dividends will be paid or that the amount thereof will not be decreased in the future. Accordingly, realisation of a gain on investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on the Equity Shares. We cannot assure you that we will be able to pay dividends at any point in the future.

Additionally, under the Finance Act, 2023, dividend distribution tax is not payable in respect of dividends declared, distributed or paid by an Indian company after March 31, 2020, and accordingly, any dividend payments to our resident and non-resident shareholders would not be tax exempt in their hands. For further information, see "*Dividends*" on page 95.

65. After this Issue, the price of the Equity Shares may be volatile, which could result in substantial losses for investors acquiring the Equity Shares in this Issue.

The Issue Price will be determined by our Company in consultation with the Book Running Lead Manager, based on the Bids received in compliance with Chapter VI of the SEBI Regulations, and may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete. The price of the Equity Shares on NSE and BSE may fluctuate after this Issue as a result of several factors, including:

- volatility in the Indian and the global securities market or prospects for our business and the sectors in which we compete;
- the valuation of publicly traded companies that are engaged in business activities similar to us;
- volatility in the Rupee's value relative to the U.S. dollar, the Euro and other foreign currencies;
- our Company's profitability and performance;
- perceptions about our Company's future performance or the performance of Indian banks in general;
- the performance of our Company's competitors and the perception in the market about investments in the banking sector;
- adverse media reports about our Company or the Indian banking sector;
- a comparatively less active or illiquid market for the Equity Shares;
- changes in the estimates of our Company's performance or recommendations by financial analysts;
- significant developments in India's economic liberalization and deregulation policies;
- inclusion or exclusion of our Company in indices;
- significant developments in India's fiscal regulations; and
- any other political or economic factors.

We cannot assure you that you will be able to resell your Equity Shares at or above the Equity Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

66. Foreign investors are subject to certain investment restrictions under Indian law in relation to transfer of shareholding that may limit our ability to attract foreign investors, which may adversely impact the trading price of the Equity Shares.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the requirements specified by RBI from time to time. If the transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions, then prior approval of RBI is required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income-tax authorities. Further, this conversion is subject to the shares having been held on a repatriation basis and is subject to either the security having been sold in compliance with the pricing guidelines or the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. Our Company cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions, or at all.

67. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a Shareholder's ability to sell, or the price at which a Shareholder can sell, the Equity Shares at a particular point in time.

The Equity Shares are subject to a daily circuit breaker imposed on listed companies by the Stock Exchanges in India, which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our Company's circuit breaker applicable to the Equity Shares is set by the Stock Exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges may change the percentage limit of the circuit breaker from time to time without our Company's knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, we cannot assure you regarding the ability of Shareholders to sell the Equity Shares or the price at which Shareholders may be able to sell their Equity Shares which may be adversely affected at a particular point in time. For further details, see "*The Securities Market of India*" on page 260.

68. Fluctuations in the exchange rate between the Rupee and other currencies could have an adverse effect on the value of the Equity Shares in those currencies, independent of our operating results.

The Equity Shares are quoted in Rupees on the Stock Exchanges. Any adverse movement in currency exchange rates during the time it takes to undertake such conversion may reduce the net dividends to investors. Fluctuations in the exchange rate between the foreign currencies with which an investor may have purchased Rupees may affect the value of the investment in the Equity Shares. Specifically, if there is a change in relative value of the Rupee to a foreign currency, each of the following values will also be affected:

- the foreign currency equivalent of the Rupee trading price of the Equity Shares in India;
- the foreign currency equivalent of the proceeds that you would receive upon the sale in India of any of the Equity Shares; and
- the foreign currency equivalent of cash dividends, if any, on the Equity Shares, which will be paid only in Rupees.

In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by investors. The exchange rates between the Rupee and other currencies (including the U.S. dollar, the Euro, the Pound sterling, the Hong Kong dollar and the Singapore dollar) have changed substantially in the last two decades and could fluctuate substantially in the future, which may have an adverse effect on the value of the Equity Shares and returns from the Equity Shares in foreign currency terms, independent of our operating results. You may be unable to convert Rupee proceeds into a foreign currency of your choice, or the rate at which any such conversion could occur could fluctuate. In addition, our Company's market valuation could be seriously harmed by a devaluation of the Rupee if investors in jurisdictions outside India analyse its value based on the relevant foreign currency equivalent of our Company's results of operations, financial condition and cash flows.

69. Investors may be subject to Indian taxes arising out of capital gains and stamp duty on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("**STT**") is levied on equity shares sold on an Indian stock exchange. Any capital gain exceeding ₹100,000, realized on the sale of listed equity shares on a recognised stock exchange, held for more than 12 months may be subject to long-term capital gains tax in India at the rate of 10% (plus applicable surcharge and cess). This beneficial provision is, inter alia, subject to payment of STT on both acquisition and sale of the equity shares. Further any capital gain realised on the sale of listed equity shares of an Indian company, held for more than 12 months, which are sold using any platform other than a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India at the rate of

10% (plus applicable surcharge and cess), without indexation benefits.

Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less immediately preceding the date of transfer, will be subject to short-term capital gains tax in India at the rate of 15% (plus applicable surcharge and cess), subject to STT being paid at the time of sale of such shares. Otherwise, such gains will be taxed at the applicable rates.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident read with the Multilateral Instrument, if and to the extent applicable, and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain realised upon the sale of the Equity Shares. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

70. Bidders are not allowed to withdraw their Bids or revise their Bids downwards after the Issue Closing Date.

In terms of the SEBI ICDR Regulations, Bidders are not allowed to withdraw their Bids or revise their Bids downwards in terms of quantity of Equity Shares or the Bid Amount after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to an Allottee's demat account with the depository participant could take approximately seven to ten Working Days from the Issue Closing Date. However, we cannot assure that adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, adverse changes in our business, results of operations, financial condition and cash flows, or other events affecting the Bidder's decision to invest in the Equity Shares would not arise between the Issue Closing Date and the date of the Allotment of Equity Shares in the Issue. The occurrence of any such events after the Issue Closing Date could also adversely impact the market price of the Equity Shares. Bidders shall not have the right to withdraw their Bids or revise their Bids downwards in the event of any such occurrence. Our Company may complete the Allotment of the Equity Shares even if such events may limit the Allottees' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

71. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, a company having share capital and incorporated in India must offer holders of its Equity Shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new Equity Shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the Equity Shares who have voted on such a resolution. If our Company offers to the Shareholders rights to subscribe for additional Equity Shares or any right of any other nature, our Company will have discretion as to the procedure to be followed in making the rights available to our Shareholders or in disposing of the rights for the benefit of our Company's Shareholders and making the net proceeds available to the Shareholders. Our Company may choose not to offer the rights to Shareholders having an address outside India. Consequently, our Company cannot assure Shareholders that they will be able to maintain their proportional interests in the Equity Shares. Shareholders will be unable to exercise their pre-emptive rights if the law of the jurisdiction in which they are located prohibits the sale of the Equity Shares without first filing an offering document or registration statement, unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available to Shareholders by Indian law. To the extent that Shareholders are unable to exercise the pre-emptive rights granted to them in respect to the Equity Shares, they may suffer future dilution of their ownership position and their proportional interests in our Company would be reduced.

MARKET PRICE INFORMATION

As at the date of this Preliminary Placement Document, 4,35,97,224 Equity Shares are paid-up and outstanding.

The Equity Shares have been listed and traded on the BSE and the NSE since February 15, 2007. On July 12, 2024, the closing price of the Equity Shares on the NSE and the BSE was ₹ 735.25 and ₹ 733.05 per Equity Share, respectively. Since the Equity Shares are actively traded on the Stock Exchanges, the market price and other information for each of the NSE and the BSE has been given separately.

i. The following tables set forth the reported high, low, average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded and the total trading volumes for Fiscal Year 2024, Fiscal Year 2023 and Fiscal Year 2022:

BSE

Fiscal Year	High (₹)	Date of high[1]	Number of Equity Shares traded on the date of high	Total turnover of Equity Shares traded on the date of high (₹ in lakhs)	Low (₹)	Date of low [1]	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on the date of low (₹ in lakhs)	Average price for the year (₹) [2]
January 5, 2024 to March 31, 2024*	715.00	January 5, 2024	2,900	20.29	524.90	March 21, 2024	3,037	16.40	611.92
April 1, 2023 to January 4, 2024*	1,470.00	October 17, 2023	6,756	94.40	377.00	April 10, 2023	218	0.90	843.59
2023	615.05	August 30, 2022	8,588	50.87	327.25	June 20, 2022	1,152	3.95	429.47
2022	598.00	February 4, 2022	6,874	38.46	162.00	May 5, 2021	864	1.46	324.55

(Source: www.bseindia.com)

Notes:

(1) *High and low prices in the above tables are of the high and low of intraday prices. In case of two days with the same high or low price, the date with the higher volume has been chosen.*

(2) *Average price for the year represents the average of daily closing prices on each day of each year.*

**The equity shares of the Company with face value of INR 10 each has been sub-divided into 2 equity shares of face value of INR 5 each and the record date for the same was January 5, 2024*

NSE

Fiscal Year	High (₹)	Date of high(1)	Number of Equity Shares traded on the date of high	Total turnover of Equity Shares traded on the date of high (₹ in lakhs)	Low (₹)	Date of low (1)	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on the date of low (₹ in lakhs)	Average price for the year (₹) (2)
January 5, 2024 to March 31, 2024	715.00	January 5, 2024	17,473	122.55	522.00	January 29, 2024	59,072	319.98	612.08
April 1, 2023 to January 4, 2024*	1,470.80	October 17, 2023	1,43,268	2,012.41	405.65	April 3, 2023	7,655	31.47	843.17
2023	618.00	August 30, 2022	76,207	450.92	325.35	June 20, 2022	19,037	67.34	429.49
2022	575.00	February 2, 2022	67,423	372.95	167.00	April 5, 2021	266	0.45	323.86

(Source: www.nseindia.com)

Notes:

(1) *High and low prices in the above tables are of the high and low of intraday prices. In case of two days with the same high or low price, the date with the higher volume has been chosen.*

(2) *Average price for the year represents the average of daily closing prices on each day of each year*.

** The equity shares of the Company with face value of INR 10 each has been sub-divided into 2 equity shares of face value of INR 5 each and the record date for the same was January 5, 2024*

ii. The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on BSE and NSE on the dates on which such high and low prices were recorded during each of the last six months:

BSE

Month ended	High (₹)	Date of high (1)	Number of Equity Shares traded on the date of high	Total turnover of Equity Shares traded on the date of high (₹ in lakhs)	Low (₹)	Date of low(1)	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on the date of low (₹ in lakhs)	Average price for the month (₹)(2)
January 1, 2024 to January 4, 2024*	1,415.00	January 3, 2024	2,604	35.73	1,288.00	January 1, 2024	1,351	17.84	1,357.16
January 5, 2024* to January 31, 2024	715.00	January 5, 2024	2,900	20.29	525.00	January 29, 2024	8,850	48.20	614.24
February 2024	693.90	February 21, 2024	7,230	47.11	533.60	February,2024	1,391	7.75	623.53
March 2024	672.35	March 6, 2024	1,384	8.60	524.90	March 21, 2024	3,037	16.40	596.90
April 2024	629.95	April 26, 2024	954	5.71	545.60	April 1, 2024	1,107	6.16	590.09
May 2024	684.00	May 28, 2024	2,643	16.54	573.30	May6, 2024	298	1.73	615.51
June 2024	792.90	June 28, 2024	21,163	160.06	550.85	June 4, 2024	2,088	12.81	660.05

(Source: www.bseindia.com)

Notes:

(1) High and low prices in the above tables are of high and low of intraday prices. In case of two days with the same high or low price, the date with the higher volume has been chosen.

(2). Average price for the month represents the average of daily closing prices on each day of each month.

** The equity shares of the Company with face value of INR 10 each has been sub-divided into 2 equity shares of face value of INR 5 each and the record date for the same was January 5, 2024*

NSE

Month ended	High (₹)	Date of high [1]	Number of Equity Shares traded on the date of high	Total turnover of Equity Shares traded on the date of high (₹ in lakhs)	Low (₹)	Date of low[1]	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on the date of low (₹ in lakhs)	Average price for the month (₹)[2]
January 1, 2024 to January 4, 2024*	1,390.00	January 4, 2024	11,151	153.97	1,290.05	January 1, 2024	9,479	125.09	1,355.94
January 5, 2024* to January 31, 2024	715.00	January 5, 2024	17,473	122.55	522.00	January 29, 2024	59,072	319.98	612.87
February 2024	679.85	February 21, 2024	59,065	385.96	527.70	February 13, 2024	27,118	149.96	624.31
March 2024	670.95	March 1, 2024	18,373	120.87	524.20	March 21, 2024	39,051	209.62	597.81
April 2024	627.70	April 4, 2024	7,082	43.37	545.80	April 1,2024	19,229	107.67	590.06
May 2024	659.00	May 22, 2024	26,673	172.43	570.00	May 6, 24	7,131	41.05	616.91
June 2024	792.75	June 28, 2024	5,67,729	4,316.79	549.40	June 4, 2024	39,997	244.12	660.11

(Source: www.nseindia.com)

Notes:
(1) High and low prices in the above tables are of the high and low of intraday prices. In case of two days with the same high or low price, the date with the higher volume has been chosen.
(2). Average price for the month represents the average of daily closing prices on each day of each month.
** The equity shares of the Company with face value of INR 10 each has been sub-divided into 2 equity shares of face value of INR 5 each and the record date for the same was January 5, 2024.*

iii. The following table set forth the details of the number of Equity Shares traded and the turnover during the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 on the Stock Exchanges:

Financial Year Ended	Number of Equity Shares Traded		Turnover (₹ in lakhs)	
	BSE	NSE	BSE	NSE
January 5, 2024 to March 31, 2024*	1,99,488	14,33,601	1,200.06	8,626.33
April 1, 2023 to January 4, 2024*	8,60,134	72,40,196	6,842.14	58,081.52
March 31, 2023	4,09,869	40,65,584	1,889.15	18,788.52
March 31, 2022	12,72,227	90,22,030	4,626.21	33,295.55

(Source: www.bseindia.com and www.nseindia.com)

*Note: * The equity shares of the Company with face value of INR 10 each has been sub-divided into 2 equity shares of face value of INR 5 each and the record date for the same was January 5, 2024.*

iv. The following table set forth the details of the number of Equity Shares traded and the turnover during the six immediately preceding months:

Period	Number of Equity Shares Traded		Turnover (₹ in lakhs)	
	BSE	NSE	BSE	NSE
January 1, 2024 to January 4, 2024*	8,152	44,532	110.72	601.50
January 5, 2024* to January 31, 2024	81,282	3,81,468	485.61	2,262.47
February 2024	78,183	5,58,336	485.74	3,502.13
March 2024	40,023	4,93,797	228.71	2,861.73
April 2024	23,759	2,85,677	139.73	1,682.59
May 2024	33,198	3,47,629	208.07	2,162.08
June 2024	2,38,887	38,63,173	1,736.68	27,989.12

(Source: www.bseindia.com and www.nseindia.com)

*Note: * The equity shares of the Company with face value of INR 10 each has been sub-divided into 2 equity shares of face value of INR 5 each and the record date for the same was January 5, 2024*

v. The following table sets forth the market price on BSE and NSE on November 8, 2023, i.e., the first working day following the approval of the Board of Directors for the Issue:

Stock Exchange	Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares trade	Turnover (₹ in lakhs)
BSE	1368	1373.8	1279.55	1285.05	3470	44.89
NSE	1355.05	1375.8	1292.3	1305.95	41303	539.35

(Source: www.bseindia.com and www.nseindia.com)

USE OF PROCEEDS

The gross proceeds from this Issue shall be approximately ₹ [●] lakhs (“**Gross Proceeds**”). Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions and the estimated expenses of this Issue of approximately ₹ [●] lakhs, shall be approximately ₹ [●] lakhs (“**Net Proceeds**”).

Objects of the Issue

Subject to compliance with applicable laws and regulations, our Company proposes to utilise the Net Proceeds for the following objects:

1. Funding working capital requirements of our Company;
2. Repayment, in full or in part, of certain outstanding borrowings availed by our Company; and
3. Inorganic growth initiatives and general corporate purposes.

(collectively, referred to hereinafter as the “**Objects**”).

Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in accordance with the details provided in the following table:

(₹ in lakhs)

Sr. No.	Particulars	Amount
1.	Funding working capital requirements of our Company	8,367.50
2.	Repayment, in full or in part, of certain outstanding borrowings availed by our Company	1,350.00
3.	Inorganic growth initiatives and general corporate purposes(*)(#)	[●]
	Total	[●]

** The amount to be utilized for funding inorganic growth initiatives and general corporate purposes shall not individually exceed 25% of the Gross Proceeds respectively and shall not exceed 35% collectively of the Gross Proceeds.*
 # To be determined upon finalisation of the Issue Price and updated in the Placement Document.

In the event of a change in the final Issue size, the amounts shown in the table above against each of the use of proceeds specified therein shall be modified in proportion to the change in the final Issue size in the Placement Document.

Our main objects clause and objects incidental and ancillary to the main objects as set out in the Memorandum of Association enables our Company to undertake our existing business activities and activities proposed to be funded from the Net Proceeds.

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(₹ in lakhs)

Sr. No.	Particulars	Amount to be funded from the Net Proceeds	Estimated Deployment Fiscal 2025
1.	Funding working capital requirements of our Company	8,367.50	8,367.50
2.	Repayment in full or in part, of certain outstanding borrowings availed by our Company	1,350.00	1,350.00
3.	Inorganic growth initiatives and General corporate purposes(1)(2)	[●]	[●]
	Total Net Proceeds(2)	[●]	[●]

(1) *The amount to be utilized for general corporate purposes and funding inorganic growth initiatives will not individually exceed 25% of the Gross Proceeds respectively and shall not exceed 35% collectively of the Gross Proceeds.*

(2) *To be determined upon finalization of the Issue Price and updated in the Placement Document.*

Our fund requirements, proposed deployment of funds and the intended use for the Net Proceeds indicated above is based on current business plan, internal management estimates, current circumstances of our business, prevailing market conditions and other technical factors and commercial considerations., which are subject to change in the future. However, deployment of funds described herein, has not been appraised by any bank or financial institution or any other independent agency. Further also see "*Risk Factors- Our funding requirements and proposed deployment of the Net Proceeds towards objects of the Issue are based on inter-alia management estimates and have not been independently appraised by any bank or financial institution. Net Proceeds proposed to be utilised may be subject to factors which are beyond Company's control and our inability to effectively utilise funds may have an adverse impact on our business, operations or financial conditions*" on page 55. We may have to revise our funding requirement on account of various factors, such as financial and market conditions, interest rates fluctuation, access to capital, competitive landscape and other external factors such as changes in the business environment or regulatory climate, which may not be within the control of our management. This may also entail rescheduling of the proposed deployment of the Net Proceeds at the discretion of our management, subject to compliance with applicable laws.

If the Net Proceeds are not utilised (in full or in part) for the Objects during the periods stated in this section due to factors such as the timing of completion of the Issue, economic and market conditions outside the control of our Company and any other business and commercial considerations, the remaining Net Proceeds shall be utilised in subsequent periods in such manner as may be determined by our Company, in accordance with applicable laws. Further, our Company may include any portion of the Net Proceeds, towards the aforementioned Objects of the Issue, ahead of the estimated schedule of deployment specified above. Further also see "*Risk Factors –We propose to utilize the Net Proceeds of the funds from Issue towards repayment of loan, working capital and to fund the investment, funding inorganic growth opportunities for which targets have not been identified. Net Proceeds to be utilized towards funding inorganic growth may be insufficient for the cost of our proposed inorganic acquisition and the deployment of Net Proceeds towards our inorganic growth initiatives may not take place within the period currently intended, and may be reduced or delayed*" on page 49.

Subject to compliance with applicable laws, in case of any variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed from internal accruals, additional equity and/or debt arrangements.

Details of the Objects

1. Funding working capital requirements of our Company

We propose to utilize ₹ 8,367.50 lakhs from the Net Proceeds to fund the working capital requirements of the Company in Fiscal 2025. We fund our working capital requirements in the ordinary course of business from various borrowing and internal accruals. In order to support the incremental business requirements, our Company requires additional working capital for funding its incremental working capital requirements in Fiscal 2025. The deployment of Net Proceeds shall be on a need basis over the course of the Fiscal 2025, in accordance with the working capital requirements of our Company.

Basis of estimation of working capital requirement

The details of our Company's working capital on a standalone basis, of net current assets or working capital as at the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022 and source of funding the same as certified by **S**.R. Dinodia & Co. LLP, Chartered Accountants, the Statutory Auditors of the Company by way of their certificate dated July 15, 2024 are set out in the table below:

(₹ in lakhs)

S.No.	Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
I.	**Current Assets**			
a)	Current Investments(1)	7,517.22	5,020.28	2,958.81
b)	Inventories	15,070.23	13,562.99	22,179.09
c)	Trade Receivables	12,632.97	11,040.37	11,591.48
d)	Short-term loans and advances(2)	1,657.18	2,339.39	435.13
e)	Other current assets(3)	6,836.79	9,718.40	14,709.43
	Total Current Assets (A)	**43,714.39**	**41,681.43**	**51,873.95**
II.	**Current Liabilities(5)**			

S.No.	Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
a)	Trade Payables			
	(A)Total outstanding dues of micro enterprises and small enterprises	1,137.67	744.87	663.71
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	14,890.89	11,850.25	17,219.96
b)	Other current liabilities(4)	1,672.74	1,869.16	1,087.83
c)	Short-term provision	134.13	101.73	110.00
	Total Current Liabilities (B)	**17,835.43**	**14,566.01**	**19,081.50**
III.	**Total Working Capital (A-B)**	**25,878.96**	**27,115.42**	**32,792.45**
IV.	**Funding Pattern(5)**			
a)	Working Capital funding from Banks	14,376.97	12,469.57	15,074.52
b)	Internal Accruals	11,501.99	14,645.85	17,717.93
	Total Working Capital	**25,878.96**	**27,115.42**	**32,792.45**

Notes: Pursuant to the certificate dated July 15, 2024, issued by the S.R. Dinodia & Co. LLP.

1. *Current investment includes fixed deposits with bank with maturity period within 12 months.*
2. *Short-term loans and advances includes only advances paid to suppliers.*
3. *Other current asset includes all the current asset which are not included in any of the above line items.*
4. *Other current liabilities includes all the current liabilities which are not included in any other line items.*
5. *Short term borrowings provided in funding pattern.*
6. *Current maturities of long term borrowings have not been considered to arrive at working capital requirement since the same has been used for capitalisation purpose.*
7. *Lease Liability have not been considered to arrive at working capital requirement as in the nature of notional liability arrived in line with Ind AS compliances.*

The table below contains the details of the holding levels (in number of days) for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022, which has been considered and is derived from the audited standalone financial statements of the Company for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022, respectively.

Holding Levels

The table below contains the details of the holding levels (days) considered:

S.No.	Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
I.	**Current Assets**			
a)	Current Investments	29	17	12
b)	Inventories	58	45	87
c)	Trade Receivables	48	37	45
d)	Short -term loans and advances	6	8	2
e)	Other current assets*	26	32	57
II.	**Current Liabilities**			
a)	Trade Payables			
	(A)Total outstanding dues of micro enterprises and small enterprises	4	2	3
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	57	39	67
b)	Other current liabilities	6	6	4
c)	Short-term provision	1	0	0
d)	Short-term borrowings	55	41	59

** Other current assets includes Cash and Bank Balances*
Notes: Pursuant to the certificate dated July 15, 2024, issued by the S.R. Dinodia & Co. LLP.

On the basis of existing working capital requirement and holding levels for the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, the Fund Raising Committee of our Company, pursuant to its resolution dated July 15, 2024 has approved the projected total working capital requirements for Fiscal 2025 as ₹ 8,367.50 lakhs. Accordingly, our Company proposes to utilize ₹ 8,367.50 lakhs of the Net proceeds in Fiscal 2025, towards our estimated working capital requirements. The balance portion of our working capital requirement shall be met from internal accruals and working capital facilities.

2. Repayment, in full or in part, of certain outstanding borrowings availed by our Company

We have entered into various financing arrangements from time to time, with banks and financial institutions. The loan facilities availed by our Company include borrowings in the form of, inter-alia term loan facilities and working capital demand loans. As on June 30, 2024, we had total outstanding borrowings aggregating to ₹ 22,490.46 lakhs. including term loans outstanding aggregating to ₹ 7,349.34 lakhs.

We propose to utilise an estimated amount of ₹ 1,350.00 lakhs from the Net Proceeds towards repayment, in full or in part, of certain outstanding borrowings availed by our Company. The selection of borrowings proposed to be repaid amongst our borrowing arrangements availed is based on various factors including (i) cost of borrowing, including applicable interest rates, and (ii) other commercial considerations including, among others, the amount of the loans outstanding and the remaining tenor of the loan and provisions of any laws, rules and regulations governing such borrowings. Such repayment will help reduce our outstanding indebtedness, debt servicing costs, improve our debt-to-equity ratio and enable utilisation of our internal accruals for further investment in our business growth and expansion.

Details of utilization

The following table provides the details of outstanding borrowings availed by our Company as of June 30, 2024, which we have identified to repay, in full or in part, from the Net Proceeds:

Sr. No.	Name of Lender	Date of sanction Letter/facility agreement	Nature of Loan	Rate of Interest (% per annum)	Sanctioned amount (in ₹ lakhs)	Total Loan outstanding amount as on June 30, 2024 (in ₹ lakhs)	Purpose for which Loan was sanctioned	Tenure
1.	Kotak Mahindra Bank	August 12, 2016	Term Loan	9.65%	792.00	6.39	Term Loan taken for upgration of Machines under Amended Technology Upgradation Funds Scheme	9 years
2.	IndusInd Bank Limited	February 4, 2019	Term Loan	10.55%	4,000.00	54.23	Term Loan taken for upgration of Machines under Amended Technology Upgradation Funds Scheme	9 years
3.	HDFC Bank Limited	May 25, 2022	Term Loan	9.87%	1,516.70	259.96	Capital expenditure incurred for fresh/ replacement Capex at existing facility. Term Loan originally sanctioned by IndusInd Bank Limited on February 4, 2019, later on part term loan taken over by HDFC Bank Limited on February 25, 2022	9 years
4.	HDFC Bank Limited	May 1, 2023	Term Loan	9.35%	1,500.00	728.21	Re-imbursement of capital expenditure incurred by the Company during 12 months prior to the sanction	5 years
5.	HDFC Bank Limited	December 6, 2023	Term Loan	9.25%	1,500.00	1,364.90	Re-imbursement of capital expenditure incurred by the Company	5 years

Sr. No.	Name of Lender	Date of sanction Letter/facility agreement	Nature of Loan	Rate of Interest (% per annum)	Sanctioned amount (in ₹ lakhs)	Total Loan outstanding amount as on June 30, 2024 (in ₹ lakhs)	Purpose for which Loan was sanctioned	Tenure
							during 12 months prior to the sanction	
6.	Canara Bank	July 21, 2023	Term Loan	8.75%	1,500.00	1,415.00	Capital expenditure for Chennai Plant Expansion	5 years
7.	Standard Chartered Bank	December 12, 2020	Emergency Credit Line Guarantee Scheme (ECLGS)	8.65%	2,475.60	1,031.50	Working Capital Term Loan	4 years
8.	State Bank of India	January 15, 2021	Emergency Credit Line Guarantee Scheme (ECLGS)	9.25%	488.00	193.17	Working Capital Term Loan	4 years
9.	HDFC Bank Limited	February 11, 2021	Emergency Credit Line Guarantee Scheme (ECLGS)	9.25%	150.00	65.63	Working Capital Term Loan	4 years
10.	RBL Bank	February 23, 2021	Emergency Credit Line Guarantee Scheme (ECLGS)	9.25%	380.00	166.25	Working Capital Term Loan	4 years
11.	HDFC Bank Limited (Takeover IndusInd Bank Limited)	August 30, 2022	Emergency Credit Line Guarantee Scheme (ECLGS)	9.00%	726.93	317.97	Working Capital Term Loan	4 years
12.	Punjab National Bank	December 4, 2021	Emergency Credit Line Guarantee Scheme (extension)	9.25%	934.80	798.48	Working Capital Term Loan	4 years

Sr. No.	Name of Lender	Date of sanction Letter/facility agreement	Nature of Loan	Rate of Interest (% per annum)	Sanctioned amount (in ₹ lakhs)	Total Loan outstanding amount as on June 30, 2024 (in ₹ lakhs)	Purpose for which Loan was sanctioned	Tenure
13.	State Bank of India	November 30, 2021	Emergency Credit Line Guarantee Scheme (extension)	9.25%	244.00	206.67	Working Capital Term Loan	4 years
14.	HDFC Bank Limited	December 21, 2021	Emergency Credit Line Guarantee Scheme (extension)	9.20%	264.00	242.00	Working Capital Term Loan	4 years
15.	RBL Bank	November 17, 2021	Emergency Credit Line Guarantee Scheme (extension)	9.25%	190.00	166.25	Working Capital Term Loan	4 years
16.	HDFC Bank Limited (Takeover IndusInd Bank Limited)	August 30, 2022	Emergency Credit Line Guarantee Scheme (extension)	9.00%	363.00	332.74	Working Capital Term Loan	4 years
	Total				17,025.03	7,349.34		

Note: Details in the aforementioned table are certified by ***S****.R. Dinodia & Co. LLP, Chartered Accountants by our Statutory Auditors, pursuant to their certificate dated July 15, 2024. Further, the loan has been utilised for the purpose for which it has been availed by our Company.*

For the purposes of the Issue, our Company has obtained necessary consents and notified the relevant lenders, as is respectively required under the relevant facility documentation. For details, see "*Risk Factors – Our inability to meet our obligations, including financial and other covenants under our credit facilities could adversely affect our business and financial results* " on page 48. If the Net Proceeds are insufficient to the extent required for making payments for such costs, such excessive amount shall be met from our internal accruals.

Given the nature of these borrowings and terms of repayment/prepayment, the aggregate outstanding amount may vary from time to time. Further, the amounts outstanding under these borrowings as well as the sanctioned limits are dependent on several factors and may vary with our business cycle with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits.

3. Funding inorganic growth through acquisitions and general corporate purposes

We intend to use ₹ [●] lakhs of the Net Proceeds to pursue inorganic growth initiatives through acquisitions towards expansion of our operations and general corporate purposes and the business requirements of our Company as approved by the Board, from time to time, subject to such utilization for general corporate purposes and inorganic growth initiatives not be exceeding 35% of the Gross Proceeds from the Issue, in compliance with SEBI ICDR Regulations.

Our Company has in the past has done acquisitions and we shall continue to evaluate acquisition opportunities in the future that we believe supplement our strategic business objectives and growth strategies. We intend to acquire such companies in future which (i) are in the same line of business as the Company, with the intention of acquiring the customers of the target. Such acquisitions will help the Company to increase market penetration; and (ii) are in a complementary line of business to the Company's existing businesses which will benefit to add additional capabilities to the existing line of business in the interest of attaining speed to market new products and services.

Set forth hereunder are brief details of certain of our material acquisitions that we have undertaken in the past:

Year	Entities Acquired / Entities in which the Company Invested	Benefits
2023-24	Pearl GT Holdco Limited	The acquisition was made as part of our strategy to expand the manufacturing footprints in Guatemala.

Rationale for acquisitions

Our Company intends to acquire such companies which (i) are in the same line of business as the Company, with the intention of acquiring the customers of the target. Such acquisitions will help the Company to increase market penetration; and (ii) are in a complementary line of business to the Company's existing businesses which will benefit to add additional capabilities to the existing line of business in the interest of attaining speed to market new products and services. As on the date of this Preliminary Placement Document, our Company has not identified any potential target for investment or acquisition and has not entered into any definitive agreement for which it intends to utilize Net Proceeds. The amount of Net Proceeds allocated for inorganic growth is based on our management's current estimates from our discussions and negotiations with potential targets and partners and other relevant considerations. The actual deployment of the funds will depend on several factors, including the timing, nature, size and number of strategic acquisitions undertaken, as well as general factors affecting our results of operation, financial condition and access to capital. These factors will also determine the form of investment for these potential strategic initiatives, i.e., whether they will involve equity, debt or any other instrument or combination thereof. The portion of the Net Proceeds allocated towards this object may not be the total value or cost of any such strategic initiatives but is expected to provide us with sufficient financial leverage to enter into binding agreements. If there is a shortfall of funds required for such strategic initiatives, such shortfall shall be met out of our internal accruals or debt or any combination thereof.

General corporate purposes

Our Company intends to deploy ₹ [●] lakhs from the balance Net Proceeds towards general corporate purposes, as approved by our management, from time to time, subject to such amount not exceeding 25% of the Gross Proceeds of the Issue and the amount utilized for general corporate purposes along with funding inorganic growth initiatives shall not exceed 35% of the Gross Proceeds, in compliance with the applicable laws. The general corporate purposes for which our Company proposes to utilise Net Proceeds include, without limitation, funding growth opportunities, business development initiatives, meeting expenses incurred in the ordinary course of business and towards any exigencies or any other purpose, as may be approved by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

In addition to the above, our Company may utilise the Net Proceeds towards other purposes relating to our business which are considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act and in accordance with the stated objectives and our business. Our Company's management shall have flexibility in utilising any surplus amounts.

Interim use of Net Proceeds

Pending utilisation of the Net Proceeds towards the purposes described in this section, our Company intends to deposit the Net Proceeds in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934 or to temporarily invest the funds in creditworthy instruments, including money market / mutual funds, as approved by the Board and/or a duly authorized committee of the Board, from time to time, and in accordance with applicable laws.

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and final listing and trading approvals are received from each of the Stock Exchanges and the corresponding return of Allotment is filed with the RoC.

Monitoring of utilisation of funds

Our Company has appointed ICRA Limited as the monitoring agency in accordance with Regulation 173A of the SEBI ICDR Regulations for monitoring the utilisation of Net Proceeds as the size of our Issue exceeds ₹ 10,000 lakhs. The report of the Monitoring Agency shall be placed before the Audit Committee on a quarterly basis, promptly upon its receipt, until such time as the Net Proceeds have been utilized in full or the Objects for which the Net Proceeds were raised have been achieved. Such report, along with the comments (if any) of the Monitoring Agency shall be submitted to the Stock Exchanges within 45 days from the end of each quarter and uploaded on the website of our Company at https://www.pearlglobal.com/investor-relations/, or such other time as may be prescribed under the SEBI Listing Regulations.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall (i) prepare a statement of funds utilised for purposes other than those stated in this Placement Document and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised; and (ii) disclose every year, the utilization of the Net Proceeds during that year in its annual report. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full.

Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects as stated above or the Objects for which the Net Proceeds were raised have been achieved. This information will also be published on our website and our Company shall furnish an explanation for the deviations and category-wise variations in its annual report, after placing the same before the Audit Committee.

Other Confirmations

As permissible under applicable laws, our Company's management will have flexibility in deploying the Net Proceeds. The amounts and timing of any expenditure will depend on, among other factors, the amount of cash generated by our operations, competitive and market developments and the availability of acquisition or investment opportunities on terms acceptable to us.

Neither our Promoters nor our Directors are making any contribution either as a part of the Issue or separately in furtherance of the use of the Net Proceeds.

Further, neither our Promoters nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors or Key Managerial Personnel or Senior Management are not eligible to subscribe in the Issue.

There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered or to be entered into by our Company with our Promoters, Directors, Key Managerial Personnel and/or Senior Management. Since the Net Proceeds of the Issue are proposed to be utilized towards the purposes set forth above, and not for implementing any specific project, the following disclosure requirements under the SEBI ICDR Regulations are not applicable: (i) break-up of cost of the project; (ii) means of financing such project; and (iii) proposed deployment status of the proceeds at each stage of the project.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation statement as at March 31, 2024, derived from the Audited Consolidated Financial Statement for the March 31, 2024 and as adjusted to give effect to the receipt of the proceeds from the Issue. This table should be read in conjunction with the sections entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Risk Factors*" and "*Financial Information*" beginning on pages 96, 43 and 289, respectively.

(₹ in lakhs, unless otherwise stated)

Particulars	**Pre-Issue**	**Post-Issue**
	As at March 31, 2024 (on consolidated basis)	**As adjusted for the Issue(1) (on consolidated basis)**
Borrowings:		
Current borrowings*:		
Secured	29,200.13	[●]
Unsecured	187.58	[●]
Non-current borrowings* (including current maturities of long-term debt):		
Secured	14,244.55	[●]
Unsecured	882.66	[●]
Total Borrowings (A)	**44,514.92**	**[●]**
Shareholders' Funds:		
Equity share capital*	2,179.18	[●]
Other equity* (including non-controlling interest)	79,566.72	[●]
Non - controlling interest	1,543.17	[●]
Total Equity (B)	**81,745.90**	**[●]**
Total Capitalization (A+B)	**126,260.82**	**[●]**
Non-Current Borrowing / Total Equity	18.51%	[●]
Total Borrowing/ Total Equity (A/B)	**54.46%**	**[●]**

** These terms shall carry the meaning as per Schedule III of the Companies Act 2013 (as amended).*

(1) The corresponding post-Issue capitalisation data for each of the amounts given in the above table is not determinable at the time of filing Preliminary Placement Document and hence the same has not been provided in the above statement.

CAPITAL STRUCTURE

The share capital of our Company as on date of this Preliminary Placement Document is as follows:

		Aggregate value at face value of the Shares ***(in ₹, except for securities premium account)***
1.	**AUTHORIZED SHARE CAPITAL**	
	10,28,80,000 Equity Shares of ₹ 5 each	51,44,00,000
	32,56,000 10.5% non-cumulative preference shares of ₹ 100 each	32,56,00,000
	10,000 4% non-cumulative redeemable preference shares of ₹ 10 each	1,00,000
	Total	**84,01,00,000**
2.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**	
	4,35,97,224 Equity Shares of ₹ 5 each	21,79,86,120
3.	**PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT**	
	Up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ [●](1)	[●]
4.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THIS ISSUE**	
	[●] Equity Shares of ₹ 5 each(2)	[●]
	Total	[●]
5.	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue (₹ in lakhs)(2)	17,695.65
	After the Issue (₹ in lakhs) (3)	[●]

(1) The Issue has been approved by the Board of Directors on November 8, 2023, subject to approval of the Shareholders. Subsequently, our Shareholders, through special resolution pursuant to postal ballot, approved the Issue on December 19, 2023.
(2) To be determined upon finalization of the Issue Price.
(3) The securities premium account after the Issue is calculated on the basis of gross proceeds of the Issue, not adjusted for the Issue related expenses.

Notes to Capital Structure

1. Equity Share Capital History of our Company

a. The following table sets forth the history of the Equity Share capital of our Company since incorporation:

Date of allotment of Equity Shares	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason for/Nature of allotment	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
July 5, 1989*	20	10.00	10.00	Subscription on signing MOA	Cash	20	200
March 28, 1994	15,980	10.00	NA	Bonus issue in the ratio of 1:799	NA	16,000	1,60,000
March 31, 1994	24,000	10.00	10.00	Further allotment	Cash	40,000	4,00,000
July 10, 1998	96,000	10.00	10.00	Further allotment	Cash	1,36,000	13,60,000
January 20, 2001	5,98,570	10.00	-	Allotment pursuant to scheme of amalgamation approved by the Delhi High Court *vide* its order dated October 24, 2000	Other than cash	7,34,570	73,45,700

Date of allotment of Equity Shares	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason for/Nature of allotment	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
October 10, 2005	39,22,109	10.00	10.00	Further allotment	Cash	46,56,679	4,65,66,790
June 17, 2006	93,13,358	10.00	NA	Bonus issue in the ratio of 1:2	NA	1,39,70,037	13,97,00,370
October 3, 2006	1,90,000	10.00	65.00	Further allotment	Cash	1,41,60,037	14,16,00,370
October 3, 2006	15,000	10.00	300.00	Further allotment	Cash	1,41,75,037	14,17,50,370
December 26, 2006	1,35,606	10.00	660.00	Further allotment	Cash	1,43,10,643	14,31,06,430
February 6, 2007	47,59,794	10.00	550.00	Initial Public Offering	Cash	1,90,70,437	19,07,04,370
March 21, 2007	4,29,906	10.00	550.00	Initial Public Offering (Green shoe option)	Cash	1,95,00,343	19,50,03,430
February 14, 2012	21,63,594	10.00	-	Allotment pursuant to scheme of amalgamation approved by the Delhi High Court *vide* its order dated November 11, 2011	Other than cash	2,16,63,937	21,66,39,370
October 21, 2023	40,800	10.00	300.00	Allotment pursuant to exercise of ESOP under PGIL ESOP Plan 2022	Cash	2,17,04,737	21,70,47,370
November 15, 2023	71,250	10.00	300.00	Allotment pursuant to exercise of ESOP under PGIL ESOP Plan 2022	Cash	2,17,75,987	21,77,59,870
December 18, 2023	4,550	10.00	300.00	Allotment pursuant to exercise of ESOP under PGIL ESOP Plan 2022	Cash	2,17,80,537	21,78,05,370
Pursuant to the Shareholders' resolution dated December 19, 2023, 1 (one) fully paid-up equity share of our Company of face value of ₹10 was sub-divided into 2 (two) fully paid-up equity share of our Company of face value of ₹5 each. Therefore, 2,17,80,537 equity shares of our Company of face value of ₹10 each were sub-divided into 4,35,61,074 equity shares of our Company of face value of ₹5 each.							
January 17, 2024	12,750	5.00	150.00	Allotment pursuant to exercise of ESOP under PGIL ESOP Plan 2022	Cash	4,35,73,824	21,78,69,120
February 19, 2024	9,500	5.00	150.00	Allotment pursuant to exercise of ESOP under PGIL ESOP Plan 2022	Cash	4,35,83,324	21,79,16,620
March 21, 2024	200	5.00	150.00	Allotment pursuant to exercise of ESOP under PGIL ESOP Plan 2022	Cash	4,35,83,524	21,79,17,620
May 28, 2024	200	5.00	150.00	Allotment pursuant to exercise of ESOP under PGIL ESOP Plan 2022	Cash	4,35,97,724	21,79,18,620
	13,500	5.00	162.50			4,35,97,224	21,79,86,120

**Our Company was incorporated on July 5, 1989. The date of subscription to the Memorandum of Association was June 9, 1989.*

b. Preference Share Capital

As on the date of this Preliminary Placement Document, there is no preference share capital in the Company.

2. **Equity Shares issued in one preceding year for consideration other than Cash, or any allotment of Equity Shares pursuant to a preferential issue, private placement or a rights issue**

The Company has not issued any shares in one year preceding the date of this Preliminary Placement Document for consideration other than cash or made any allotment of Equity Shares pursuant to a preferential issue, private placement or a rights issue.

3. **Pre-Issue and Post-Issue Shareholding Pattern of our Company**

The table below presents the shareholding pattern of our Company as on the date of June 30, 2024:

S. No.	Category	Pre-Issue as on June 30, 2024		Post-Issue	
		Number of equity shares held	% of share holding	Number of equity shares held	% of share holding
A. Promoters/Promoters Group Holding					
1.	Indian				
	Individuals/Hindu Undivided Family	0	0.00	[●]	[●]
	Bodies Corporate	60	0.00	[●]	[●]
	Sub Total	60	0.00	[●]	[●]
2.	Foreign Promoter/Member of Promoter Group	2,88,49,758	66.17	[●]	[●]
	Sub Total (A)	**2,88,49,818**	**66.17**	**[●]**	**[●]**
B. Non-Promoter Holding					
1.	**Institutional Investors**				
a.	Domestic	2,65,506	0.61	[●]	[●]
b.	Foreign	23,48,375	5.39	[●]	[●]
2.	**Non-Institutional Investor**				
a.	Bodies Corporate	9,24,364	2.12	[●]	[●]
b.	Key Managerial Persons	2,20,758	0.51	[●]	[●]
c.	**Indian Public**				
i.	Individual share capital up to ₹ 2 Lacs	38,56,306	8.85	[●]	[●]
ii.	Individual share capital in excess of ₹ 2 Lacs	60,63,583	13.91	[●]	[●]
e.	Non-resident Indian	375,424	0.86	[●]	[●]
f.	Other (Trusts, clearing members, HUF, Unclaimed or suspense account)	531,574	1.22	[●]	[●]
	Sub Total (B)	**1,47,47,406**	**33.83**	**[●]**	**[●]**
	Grand Total (A+B)	**4,35,97,224**	**100.00**	**[●]**	**[●]**

4. **Employee Stock Option as on date of this Preliminary Placement Document**

Our Company adopted the “Pearl Global Industries Limited- Employee Stock Option Plan – 2022” (“**PGIL ESOP Plan 2022**”), which was approved by our Board pursuant to a resolution dated June 30, 2022, and our Shareholders pursuant to a special resolution dated August 28. 2022. Under the PGIL ESOP Plan 2022, our Company is allowed to grant up to 14,54,000 Employee Stock Options (“**ESOPs**”) exercisable into 14,54,000 equity shares of face value ₹5 each to eligible employees of our Company and its Subsidiaries. The objective of the PGIL ESOP Plan 2022 is to reward all eligible employees for their association with the Company, their performance as well as to attract, retain and reward employees to contribute to the growth and profitability of the Company. The eligibility and number of options to be granted to an eligible employee is determined on the basis of criteria laid down in the PGIL ESOP Plan 2022 and is administered by the Nomination and Remuneration Committee. The PGIL ESOP Plan 2022 is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

As on the date of this Preliminary Placement Document, the details of options pursuant to PGIL ESOP Plan 2022 are as follows:

Particulars	Number of employee stock option
Total number of stock options	14,54,000
Total number of options granted	13,07,300
Total number of options vested	3,44,200
Total number of options exercised	2,69,350
Total number of o	43,400
Total number of options vested and outstanding	74,850
Total options outstanding	9,19,700

5. Proposed Allottees in the Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Lead Manager, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, and the percentage of post-Issue share capital that may be held by them will be included in the Preliminary Placement Document in the section "*Proposed Allottees in the Issue*" on page 501.

6. Other Confirmations

The Promoters, the Directors, members of Promoter's group, Key Managerial Persons and the members' of the Senior Management of our Company do not intend to participate in the Issue.

No change in control in our Company will occur consequent to the Issue.

Our Equity Shares have been listed for a period of at least one year prior to the date of issuance of notice dated November 8, 2023, to the Shareholders for the approval of this Issue.

Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottees for a period of one year from the date of Allotment, except on the Stock Exchanges.

At any given time, there shall be only one denomination of the Equity Shares of our Company.

All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Preliminary Placement Document.

Except as set forth in "*Share capital history of our Company*" and "*Employee Stock Option as on date of this Preliminary Placement Document*" in the chapter titled "*Capital Structure*" beginning on page 91, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Preliminary Placement Document.

DIVIDEND

The declaration and payment of dividends by our Company, if any, will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of the Articles of Association and the applicable laws, including the Companies Act, 2013. Our Board may also, from time to time, declare interim dividends. The current dividend policy of our Company was adopted and approved by our Board in their meeting held on August 21, 2023 ("**Dividend Policy**").

In terms of the Dividend Policy, the dividend, if any, will depend on a number of financial parameters/ internal factors and external factors, which, *inter alia*, include (i) operating cash flow of the Company; (ii) profit earned during the year; (iii) profit available for distribution; (iv) working capital requirements; (v) capital expenditure requirements; (vi) business expansion and growth; (vii) up-gradation of technology and physical infrastructure; (viii) cost of borrowings; (ix) any significant changes in macro-economic environment affecting the business in which our Company is engaged and in the geographies in which our Company or our clients operates; (x) any political, tax and regulatory changes in the geographies in which the Company operates.

The dividend (including interim dividend, if any) declared and paid by our Company on the Equity Shares during the Fiscals 2024, 2023 and 2022 and from April 1, 2024 till the date of this Placement Document are as follows:

Particulars	April 1, 2024 till the date of this Preliminary Placement Document	Fiscal 2024		Fiscal 2023 Interim Dividend	Fiscal 2022 Interim Dividend
		Interim Dividend	Interim Dividend		
No. of Equity Shares	Nil	2,17,75,987	2,16,63,937	2,16,63,937	2,16,63,937
Face Value per share (in ₹)		10.00	10.00	10.00	10.00
Aggregate Dividend (in ₹ lakhs)		2,721.99	1,083.19	1,624.79	1,083.19
Dividend per share (in ₹)		12.50	5.00	7.50	5.00
Dividend rate (%)		125.00	50.00	75.00	50.00
Dividend Distribution Tax (%)		Not Applicable	Not Applicable	Not Applicable	Not Applicable
Dividend Distribution Tax (in ₹)		Nil	Nil	Nil	Nil

There is no guarantee that any dividends will be declared or paid or that the amount thereof will not decrease in the future. The form, frequency and amount of future dividends declared by our Company will depend on a number of financial parameters/ internal and external factors, including, but not limited to, distributable surplus available as per applicable law, our Company's liquidity position and future cash flow needs, track record of dividend distributed by our Company, payout ratios of comparable companies, the prevailing taxation policy or any amendments expected thereof, with respect to distribution of dividend, capital expenditure requirements considering opportunities for expansion and acquisition, cost and availability of alternative sources of financing, stipulations/covenants contained under any loan agreements, prevailing macroeconomic and business conditions and other factors, and subject to the approval of our Shareholders.

The Equity Shares to be offered in connection with this Issue shall qualify for all dividends, including interim dividend, if any, that is declared in respect of the fiscal in which they have been allotted. Also see "*Risk Factors*" on page 43.

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition is based on the Audited Consolidated Financial Statements. This discussion should be read in conjunction with the section titled "Selected Financial Information", and the Financial Information included elsewhere in this Preliminary Placement Document. This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current views with respect to future events and financial performance. We caution investors that our business and financial performance is subject to substantive risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth under the sections titled "Forward-Looking Statements" and "Risk Factors" on pages 19 and 43, respectively, and elsewhere in this Preliminary Placement Document.

*We prepared our annual financial statements in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("**Ind AS**") and other applicable statutory and/ or regulatory requirement. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including IFRS and US GAAP and the and the reconciliation of the financial information to other accounting principles has not been provided. Unless otherwise indicated or the context otherwise requires, the financial information included in this Preliminary Placement Document for Fiscal 2024, Fiscal 2023 and Fiscal 2022 have been derived from our Audited Consolidated Financial Statements included in this Preliminary Placement Document on page 289. For further information please also see the section titled "Presentation of Financial Information and Other Convents" page 15.*

*Unless otherwise indicated, the industry and market data used in this section is derived from a report titled "Apparel Industry Report" dated July, 2024 prepared by ICRA Analytics Limited and commissioned by us in connection with the Issue ("**ICRA Report**"). The data included herein includes excerpts from the ICRA Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue) of the ICRA Report that have been left out or changed in any manner. Unless otherwise indicated, operational, industry and other related information derived from the ICRA Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

Our financial year ends on March 31 of every year, so all references to a particular Fiscal are to the twelve-month period ended March 31 of that year. Unless otherwise stated, references in this section to "we", "our" or "us" are to our Company, on a consolidated basis.

OVERVIEW

We are a prominent global apparel manufacturer and exporter company incorporated in 1989 under the vision of Deepak Kumar Seth *(Source: ICRA Report)*. We are primarily engaged in designing, manufacturing, sourcing, distribution and export of ready to wear apparel for men, women and kids through its domestic and global manufacturing facilities and supply chains. We have a diversified manufacturing base in India and across 4 countries outside India, where apart from our own manufacturing facilities, we also partner with other manufacturers for production of our goods. Our multi-stream business model enables us to offer multi-country and multi-product in knits and woven clothing categories across men's, women's, children's wear segments to our global customers. As per ICRA Report, we provide end-to-end supply chain solutions to the fashion industry on a global scale, from design and development, global manufacturing, marketing, and distribution till supply. With presence in ten countries and a network of 75 designers working on a variety of product offerings across the globe, we deliver quality products, timely through systematic processes *(Source: ICRA Report)*.

Over the years, we have steadily developed a base of international customers, including with reputed established brands with global operations. We have forged partnerships with several retail format stores, including Kohl's, Macy's, Inditex, and PVH, among others *(Source: ICRA Report)*. Additionally, the Company has formed collaborations with retail format stores including Bershka, GAP, and Old Navy. *(Source: ICRA Report)*. In the knits category, we have customers including Mango, American Eagle, Tommy Hilfiger. In the woven category it serves Kohl's, TJ Maxx, and Nordstrom *(Source: ICRA Report)*. We supply denim to Target, Walmart, ASDA George, and Bershka, sleepwear and lounge to Macy's, Kohl's, and Walmart, activewear and athleisure to Ideology and Nordstrom, and kids wear to JCPenny, Next, Mango, and ASDA George *(Source: ICRA Report)*.

We began operations with one manufacturing facility at Gurugram, Haryana in India. Over the years, we have expanded our manufacturing operations in India and overseas and design centers in India, Indonesia, Bangladesh, Vietnam, USA (New York), Spain, Hong Kong and United Kingdom. We believe that our integrated global business model positions us to take advantage of synergies in product design, development, manufacturing, distribution and sourcing of our ready-to-wear apparel products. We seek to leverage the competitive advantages of each location to optimize value for our customers, while maximizing our gross margins. We also seek to cater to our customers' needs of competitive pricing, quality, on-time delivery and compliance with global labour practices. The apparel industry plays a pivotal role, particularly in developing economies, in revenue generation and employment creation *(Source: ICRA Report)*. Developing economies with abundant labour are expected to benefit from the industry's growth prospects *(Source: ICRA Report)*. The industry is experiencing severe changes owing to global sourcing and fierce price competition *(Source: ICRA Report)*. Manufacturers face pricing pressures and risk of consolidation from fashion brands *(Source: ICRA Report)*.

The global textile market is currently worth USD 1.7 trillion, which is equivalent to 2% of the global GDP. The US, the EU, and China are the three biggest apparel marketplaces in the world with a combined share of about 54%. Developing economies such as China and India will be the key forces behind the global apparel market's expansion. India's textile and apparel industry has a long-enriched history of centuries. Exports came in at USD 37 billion in FY 2022-2023, making it one of the largest exporting countries. During 2021-22, USA was the top export destination for textile and apparel industry, accounting for 27% share of overall exports which has grown from 24% share witnessed in 2019-20 *(Source: ICRA Report)*. For further details, see section titled "*Industry Overview*" on page 133.

We currently operate 15 in-house manufacturing facilities and 9 partnership manufacturing facilities, of which (i) 7 in-house manufacturing facilities are located in India, (ii) 4 in-house manufacturing facilities and 5 partnership manufacturing facilities in Bangladesh, (iii) 1 in-house manufacturing facility and 4 partnership manufacturing facilities in Vietnam; (iv) 2 in-house manufacturing facilities in Indonesia; and 1 in-house manufacturing facilities in Guatemala, which enable us to leverage each location's relative advantage in a particular product category. We manufacture a broad range of products comprising of knits and woven clothing categories across men's, women's, children's wear segments options to our global customers. As of March 31, 2024, our manufacturing facilities have an aggregate installed capacity of (i) 24.50 millions pieces in our manufacturing facilities located in India; (ii) 45.00 million pieces in our manufacturing facilities located in Bangladesh; (iii) 6.50 million pieces in our manufacturing facilities located in Vietnam; (iv) 4.00 million pieces in our manufacturing facilities located in Indonesia; and (v) 2.00 million pieces in our manufacturing facilities located in Guatemala (*As certified by Prateek Virmani, Chartered Engineer vide its certificate dated July 15, 2024)*. For further details see, "-*Manufacturing Facilities*" on page 204 under this section.

Designing is an integral part of our business process. Our ability to keep abreast of the dynamic fashion trends enables us to showcase our capabilities and understanding our buyers' requirements. Being an export oriented apparel manufacturer, tracking the changing fashion trends across different geographies for various end customers is critical for our success. To fulfil and meet both local and global fashion trends, we have a design team which emphasizes on a comprehensive market intelligence analysis conducted by our talented design personnel. We have integrated technology like 3D CAD rendering for which we use softwares namely 3D optitex, CLO, and Browzwear with raw talent and insights to create final product. For further details see, "-*Information Technology*" on page 208 under this section A design team, therefore allows the business to achieve success by delivering a worthy performance and acquiring more customer for a broadened industry presence.

Our Company is led by Deepak Kumar Seth, our Promoter and Non-Executive Non Independent Director, Chairman, Pulkit Seth, our Promoter and Non-Executive Non-Independent Director, Pallab Banerjee, our Managing Director, Shailesh Kumar, our Whole-time Director and Deepak Kumar, our Whole-time Director, each of them having decades of experience in the apparel industry. Deepak Kumar Seth who is our Promoter and Chairman and Non-Executive Director, was awarded with The Degree Doctor of Philosophy (Honoris Causa) by University of Petroleum and Energy Studies and honoured as the "Icon of the Indian Apparel Industry" during Fiscal 2024. Additionally, Pulkit Seth, our Promoter and Non-Executive Non-Independent Director, was awarded as Most Influential Young Leaders 2020-2021 and Influential Leader of India 2023 by Marksmen Network. Our leadership team also consists of experienced professionals from various backgrounds and their capabilities are crucial for us in understanding and anticipating market trends, managing business operations and growth, leveraging customer relationships and responding to changes in customer preferences. Our management team is backed by a core technical team that has vast experience in manufacturing. As of June 30, 2024, we had approximately 24,409 full-time employees at our Company. We also hire contract labour for our facilities, from time to time and as of June 30, 2024, we have engaged approximately 2,397 contract labourers. For further details, see section title "*Board of Directors and Senior Management Personnel*" on page 214.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our business, financial condition and results of operations have been, and are expected to be, influenced by numerous factors. A summary of the most important factors that have had, and that we expect will continue to have, a significant impact on our business, results of operations, cash flow and financial condition follows below:

Our relationship with our customers

Our success, and our revenue growth in particular, is significantly dependent on our ability to continually attract new customers, retain existing customers and cultivate loyalty, including through increasing repeat customers. Our high customer centricity is reflected in our strong customer retention, long-standing relationship with customers and their contribution to our revenues. However, it is difficult for us to predict with certainty when our customers will decide to increase or reduce inventory levels or levels of production, which strategic direction they will pursue, when they might launch new products, or whether future inventory levels will be consistent with historical levels. If we are unable to continuously grow our customer base, as well as increase overall customer engagement with our product offerings, could materially adversely affect our future growth and our ability to increase our profitability.

Cost of Raw Materials

Our cost of raw materials consumed constitutes the largest component of our total expenses. For Fiscals 2024, 2023 and 2022, our cost of raw materials consumed was ₹1,54,692.59 lakhs, ₹1,49,241.21 lakhs and ₹1,16,530.95 lakhs, comprising 44.60%, 46.91% and 42.42% of our total revenue from operations, respectively. The key raw materials that we use for our manufacturing operations includes finished fabric (made of natural fibres such as cotton, wool, silk, linen, georgette and polyester), accessories and trims such as fasteners, buttons, labels, and other consumables. We identify and approve multiple vendors to source our key raw materials and we place purchase orders with them from time to time. We currently source our key raw materials domestically as well as internationally from various vendors. We employ proactive demand forecasting and early booking of raw materials to secure a consistent supply. Additionally, we align production with confirmed sales orders and conduct regular physical inventory counts to maintain accurate stock levels, preventing both stockouts and overstocks.

As we continue to grow our product portfolio and increase our production capacities, we would need to procure additional volumes of raw materials. We typically do not enter into long term supply contracts with any of our vendors and instead place purchase orders with them from time to time. We are thus exposed to fluctuations in availability and prices of our raw materials and we may not be able to effectively pass on any increase in cost of raw materials to our customers, which may affect our margins, sales, results of operations and cash flows. Any inability on our part to procure sufficient quantities of raw materials and on commercially acceptable terms, could lead to a change in our manufacturing and sales volumes.

Dependence on our top 10 customers

Certain customers are material to our business and operations. The top 10 customers of our Company are the largest customers in terms of revenues. Our customers typically have specific requirements and accordingly, maintaining close relationships with our key customers is critical part of our business strategy and to the ongoing growth of our operations. The table below sets forth details of revenue generated (determined based on revenue derived from such customer) from our top 1 customer, top 5 customers and the top 10 customers for the Fiscal 2024, 2023 and 2022:

Particulars	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	Amount (₹ in lakhs)	***% of total revenue from operations***	***Amount (₹ in lakhs)***	***% of total revenue from operations***	***Amount (₹ in lakhs)***	***% of total revenue from operations***
Top 1 Customer	73,933.80	22.17	93,077.23	30.02	80,581.55	32.90
Top 5 Customers	2,05,799.16	61.70	2,05,230.89	66.19	1,68,036.73	68.62
Top 10 Customers	2,61,522.33	78.41	2,59,450.93	83.68	2,10,472.87	85.95

The deterioration of the financial condition or business prospects of these customers could result in a significant decrease in the revenues we derive from these customers. The reduction in the amount of business we obtain from our customers whether due to circumstances specific to such customer, such as pricing pressures or adverse market conditions affecting our supply chain or the economic environment generally, such as the COVID-19 pandemic, could have an adverse effect on our business, results of operations, financial condition and cash flows. Further, in the event of loss of one or more set of customers on whom we are dependent for our business, we cannot assure you that we may be able to offset such loss of business by entering into contracts with new customers or our existing customers.

Significant geographic concentration

Our revenues are currently subject to significant geographic concentration. Our customers are predominantly based in the USA our business depends significantly upon, and increases our exposure to adverse developments relating to, the general economic and other conditions in this geographical region 76.49%, 74.16% and 78.96% of our total sales from exports for the Fiscals 2024, 2023 and 2022, respectively on a consolidated basis, were generated by our customers based in the USA. The table below sets forth the breakup of our domestic as well as international operations by amount of revenue from operations and percentage of revenue from operations for the Fiscals stated:

Geographical Locations	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	Amount (₹ in lakhs)	***% of total revenue from operations***	***Amount (₹ in lakhs)***	***% of total revenue from operations***	***Amount (₹ in lakhs)***	***% of total revenue from operations***
Bangladesh	7,086.76	2.06	9,994.44	3.16	7,185.57	2.65
Hong Kong	2,49,986.43	72.75	2,25,845.86	71.51	1,50,026.90	55.29
India	71,733.40	20.88	70,938.65	22.46	63,891.55	23.55
Vietnam	615.52	0.18	6,310.51	2.00	-	-
Other	14,193.01	4.13	2,751.45	0.87	50,248.87	18.52
Total	**3,43,615.11**	**100.00**	**3,15,840.92**	**100.00**	**2,71,352.90**	**100.00**

Additionally, our business also depends significantly upon, and increases our exposure to adverse developments relating to, the general economic and other conditions in this geographical region where are manufacturing facilities are located. The table below sets forth the breakup of installed capacity, actual production and utilisation at our 15 in-house manufacturing facilities and 9 partnership manufacturing facilities during the Fiscal 2024, 2023 and 2022:

Location of Manufacturing Facility	**As of and for the financial years ended**								
	2024			**2023**			**2022**		
	Installed Capacity	**Actual Production**	**Utilization**	**Installed Capacity**	**Actual Production**	**Utilization (%)**	**Installed Capacity**	**Actual Production**	**Utilization (%)**
	(Pieces in millions)	**(Pieces in millions)**	**(%)**	**(Pieces in millions)**	**(Pieces in millions)**	**(%)**	**(Pieces in millions)**	**(Pieces in millions)**	**(%)**
India(1)	24.50	16.00	61.00	24.60	21.60	88.00	28.00	19.50	70.00
Bangladesh(2)	45.00	36.30	81.00	45.00	28.40	63.00	45.00	30.30	67.00
Vietnam(3)	6.50	3.30	50.00	6.50	2.70	41.00	4.50	1.90	42.00
Indonesia(4)	4.00	1.30	32.00	4.00	1.70	42.00	3.00	2.20	74.00
Guatemala(5)	2.00	-	-	-	-	-	-	-	-

Notes:

(1) 7 in-house manufacturing facilities are located in India

(2) 4 in-house manufacturing facilities and 5 partnership manufacturing facilities in Bangladesh,

(3) 1 in-house manufacturing facility and 4 partnership manufacturing facilities in Vietnam

(4) 2 in-house manufacturing facilities in Indonesia

(5) 1 in-house manufacturing facilities in Guatemala

As certified by Prateek Virmani, Chartered Engineer vide its certificate dated July 15, 2024.

Any external risks including regional economic downturn or changes in the regulatory or trading environment in the USA and the locations where our manufacturing facilities are located i.e. India, Bangladesh, Vietnam, Indonesia and Guatemala may materially and adversely affect our business and financial results. Additionally, developments in the international apparel markets could have an impact on our sales. From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in international jurisdictions in which we operate or seek to sell our products. There can be no assurance that such jurisdictions will not impose trade restrictions in the future. Any change in the duty structure that affects our ability to export garments to USA, including the imposition of, or increase in the rate of, anti-subsidy or anti-dumping duties, may have an adverse effect on our net revenues and results of operations.

Demand for our products

Demand for our products is also significantly affected by the general level of economic activity, changes in consumer disposable income levels, purchasing power, and preferences influence the demand for textiles, apparel products and economic conditions in the various geographies and sectors in which we operate. These fluctuations impact the demand for textile products and export opportunities both domestically and internationally. Our Company leverages its geographical presence, with 24 manufacturing facilities across five countries, to navigate fluctuations in global economic conditions effectively. This extensive network ensures resilience against regional economic disruptions and facilitates access to a broad market base. This further helps in stabilising demand and optimising export opportunities. However, if economic conditions in the geographies and sectors in which we operate substantially deteriorate, or if there is any major reduction in the levels of discretionary spending or consumer income growth or increases in interest rates, even the value retailers may see a decline in their business and our customers may reduce or delay their purchases from us, which may lower the demand for our products. Accordingly, economic conditions and growth in the geographies and sectors in which we operate may impact our operations, including the level of demand for our products. Our operating results may also be affected by the level of business activity of our major customers.

Exchange rate changes

We are exposed to foreign currency fluctuation risks in businesses in which we sell our products in one currency and make certain purchases in a different currency. Our revenues from operations outside India were ₹3,41,103.55 lakhs, ₹3,14,804.40 lakhs and ₹2,68,853.91 lakhs representing 8.35%, 17.09% and 84.81%, respectively, of our total revenue from operations for Fiscals 2024, 2023 and 2022, respectively. We leverage currency fluctuations to our advantage through natural hedging in all our international operations. We minimise the impact of currency fluctuations by using India-export-forward cover, coupled with minimal import procurement. Any exchange rate fluctuations that we are unable to effectively hedge could have a significant impact on our reported net income (loss), assets or liabilities.

Our business is subject to seasonality.

We are impacted by seasonal variations in sales volumes, which may cause our revenues to vary significantly between different quarters in a Fiscal. As a result, our revenue and profits may vary significantly during different financial periods and certain periods may not be indicative of our financial position for a full financial year and may be significantly below the expectations of the market, analysts and investors. Therefore, our results of operations and cash flows across quarters in a Fiscal may not be comparable and any such comparisons may not be meaningful, or may not be indicative of our annual financial results or our results in any future quarters or periods. Further, any decrease in sales during festive period may adversely affect our business, results of operations and financial condition.

Competition

Our business is competitive, and our success is dependent upon our ability to compete against others, including some that have greater resources than we have. Our company faces some competition from various domestic as well as international players that may have some effect on our competitive position and profitability. Some of our competitors may have longer operating histories, greater financial and technical support, product development and marketing resources and greater name recognition and hence they may be able to compete more effectively.

The intense competition that we face may result in increased pricing pressure, reduced profit margin or loss of market share or a failure to increase our market share. Additionally, we face following challenges and threats in India as well as globally in the industry which we operate:

Reduced Margins for Fashion Brands:
1. Hyperinflation in Europe and the United States has led to a drop in margins for big fashion brands.
2. Manufacturers face pricing pressures and risk of consolidation from fashion brands.
(Source: ICRA Report)

Cost Pressure:
1. Manufacturers deal with reduced prices from buyers due to economic slowdown.
2. Increased costs from suppliers for raw materials and shipping.
3. Non-availability of raw materials at competitive rates.
(Source: ICRA Report)

Threat from Climate Changes:
1. Apparel industry has significant dependence on natural resources. Extreme weather conditions like drought and flood spoil crops such as cotton, which is a crucial raw material.
2. Rising sea levels have been threatening coastal factories and infrastructure.
(Source: ICRA Report)

Global Challenges:
1. Factors like inflation, geopolitical conflicts, and economic slowdown impact textile and apparel exports globally.
2. India faces threat from nations such as Bangladesh and Vietnam. Both the countries benefit from cheap labour and favorable exchange rates, which have made them among the top outsourcing hubs of fashion brands and helped them see significant growth in export over the years.
(Source: ICRA Report)

There can be no assurance that we will be able to effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on us. Our ability to compete successfully will depend, in significant part, on our ability to differentiate and effectively supply our products, reduce costs by improving productivity, eliminating redundancies, adapting to new technologies and ability to attract and retain personnel with appropriate technical abilities.

OUR SIGNIFICANT ACCOUNTING POLICIES

I. Basis of preparation and measurement

1. **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.

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

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

3. **Going Concern**: The board of directors have considered the financial position of the group at March 31, 2024 and the projected cash flows and financial performance of the group for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions,

and believe that the plan for sustained profitability remains on course.

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

4. **Recent accounting pronouncements notified by Ministry of Corporate Affairs are as under**: Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the holding company.

5. **Basis of Consolidation**

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

i) The consolidation financial statements of the group and its subsidiary companies have been prepared in accordance with the Ind AS 110 "Consolidated financial statements", on a line-by-line basis by adding together the book values of like items of assets, liabilities, income, and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group (including consideration to materiality impact, if any).

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

ii) The difference of the cost of investment in subsidiaries over its share in the equity of the investee group as at the date of acquisition of stake is 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 as at reporting date.

Non-controlling interests in the net assets of consolidated subsidiaries consists of:

- The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and

- The non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence. The profit and other comprehensive income attributable to non-controlling interests of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

iv) The Consolidated Financial Statements are presented, to the extent possible, in the same format as adopted by the Holding Group for its individual financial statements.

v) Translation of Financial statements of Foreign Operations

- In view of Ind As-21 'The effects of Changes in Foreign Exchange Rates', the operations of all the foreign subsidiaries are identified as non integral operations of the Group in the current year and translated into Indian Rupee (₹).

- The Assets and Liabilities of Foreign operations, including Goodwill/ Capital Reserve arising on consolidation, are translated in Indian Rupee (₹) at foreign exchange rate at closing rate ruling as at the balance sheet date and the revenue and expenses of foreign operations are translated in Indian Rupee (₹) at yearly average currency exchange rate, of the respective years.

- Foreign exchange differences arising on translation of "Non-integral Foreign Operations" are 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.

  The revenue and expenses of foreign operations are translated in Indian Rupee (INR) at yearly average currency exchange rate, of the respective years.

II. Material accounting policies

1. Material accounting judgements, estimates and assumptions

In preparing these financial statements, Management has made judgements, estimates and assumptions that affect the application of the group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Use of Estimates and Judgements

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

i) Income taxes

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

ii) Contingencies

Contingent Liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal and other claims. By virtue of their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgements and the use of estimates regarding the outcome of future events.

iii) Recoverability of deferred taxes

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment.

iv) Defined benefit plans

The present value of the gratuity and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the actuary considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

v) Useful lives of property, plant and equipment

The group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

vi) Leases

Where the group is the lessee, key judgements include assessing whether arrangements contain a lease and determining the lease term. To assess whether a contract contains a lease requires judgement about whether it depends on a specified asset, whether the group obtains substantially all the economic benefits from the use of that asset and whether the group has a right to direct the use of the asset. In order to determine the lease term judgement is required as extension and termination options have to be assessed along with all facts and circumstances that may create an economic incentive to exercise an extension option, or not exercise a termination option. The group revises the lease term if there is a change in the non-cancellable period of a lease. Estimates include calculating the discount rate which is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

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

vii) Amortisation of government grants

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

viii) Impairment of financial instruments

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

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

2. Current versus non-current classification

The group presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets:

An asset is treated as current when it is:
a) Expected to be realised or intended to be sold or consumed in normal operating cycle.
b) Held primarily for the purpose of trading
c) Expected to be realised within twelve months after the reporting period, or
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
All other assets are classified as non-current.

Liabilities:

A liability is current when:
(a) It is expected to be settled in normal operating cycle
(b) It is held primarily for the purpose of trading
(c) It is due to be settled within twelve months after the reporting period, or
(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle: The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

3. Business combination and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the group, liabilities assumed by the group to the former owners of the acquiree and the equity interests issued by the group in exchange for control of the acquiree. For each business combination, the group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in statement of profit and loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

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

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The group performs its annual impairment test of goodwill as at 31 March. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

4. Property, plant, and equipment (PPE) and depreciation

Property, plant and equipment and capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct services, any other costs directly attributable to bringing the assets to its working condition for their intended use and cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When parts of an item of PPE having significant costs have different useful lives, then they are accounted for as separate items (major components) of property, plant & equipment.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss.

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

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

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

Capital work in progress: Capital work in progress comprises the cost of fixed assets that are not ready for their intended use at the reporting date.

Cost comprises of purchase cost, related acquisition expenses, borrowing costs and other direct expenditure.

Depreciation:

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

- Fixed asset costing upto ₹ 5,000 has been fully depreciated during the financial year
- Leasehold land has been amortised over the lease term.
- Freehold Land is not depreciated.

Depreciation Method, useful lives and residual values are reviewed at each financial year end and adjusted, if appropriate.

5. 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.

6. Other intangible assets

Recognition and measurement

Intangible assets that are acquired by the group are measured initially at cost. Intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. All expenditures, qualifying as Intangible Assets are 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 April 01, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Subsequent Expenditure: Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in Statement of Profit and Loss as incurred.

Amortisation and useful lives: Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. The amortisation method, residual value and the useful lives of intangible assets are reviewed annually and adjusted as necessary.

7. 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.

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.

8. Foreign currency transactions and translations

Functional and presentational currency

The Consolidated financial statements are presented in Indian Rupees (₹). Items included in the Consolidated Financial statements of the Group are recorded using the currency of the primary economic environment in which the Group operates (the 'functional currency'). All the financial information presented in ₹ except where otherwise stated and the values are rounded to nearest lakh upto two decimal places.

Transactions and balances

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

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings. Advances received or paid in foreign currency are recognised at exchange rate on the date of transaction and not re-translated.

Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

• assets and liabilities are translated at the closing rate at the date of that balance sheet
• income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), On Consolidation, all resulting exchange differences on translation are recognised in other comprehensive income, that will be reclassified subsequently to statement of profit and loss.

9. Revenue recognition

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

Revenue from contract with customers

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

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

The group assesses its revenue arrangements against specific recognition criteria like exposure to significant risks and rewards associated with the sale of goods or services. When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement are reviewed to determine each party's respective role in the transaction.

Specific revenue recognition criteria:

(i) Sale of products
Revenue from sale of products is recognised at the point in time when control of product is transferred to the customer. In case of Export sale, transfer of control generally takes place at the time of expected date of departure which is specified in airway bill / bill of lading.

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

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

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

Contract balances

<u>Contract assets</u>

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

Trade receivables

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

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Group performs under the contract.

Cost to obtain a contract

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

10. Inventories

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

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

iii) Inventories of raw material, work in progress, accessories and 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. The comparison of cost and net realizable value is made on a item by item basis. Obsolete or slow moving inventories are identified from time to time and a provision is made for such inventories as appropriate on periodic basis.

11. Leases

The group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether: (i) the contract involves the use of an identified asset (ii) the group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the group has the right to direct the use of the asset. The group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For these short-term and low value leases, the group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets as below:

i) Right-of-use assets

The group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets If ownership of the leased asset transfers to the group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease Liabilities

At the commencement date of the lease, the group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the group and payments of penalties for terminating the lease, if the lease term reflects the group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are included in other current and non-current financial liabilities.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. "Lease liability" and "Right of Use" asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Group as a lessor

Leases for which the group is a lessor is classified as finance or operating lease. Leases in which the group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

12. Employee benefits

Short term employee benefits: All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the group during an accounting period, the group recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences, bonus and ex-gratia etc. are recognised in statement of profit and loss in the period in which the employee renders the related service.

A liability is recognised for the amount expected to be paid after deducting any amount already paid under short-term cash bonus or profit-sharing plans if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. If the amount already paid exceeds the undiscounted amount of the benefits, the group recognises that excess as an asset /prepaid expense to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts.

Retirement benefits in the form of Provident Fund, Employee State Insurance Scheme and Labour Welfare Fund Scheme are defined contribution plans. The contributions paid/payable to government administered respective funds are recognised as an expense in the Statement of Profit and loss during the period in which the employee renders the related service.

Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. The group accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation report using the projected unit credit method as at the year end.

The obligations are measured at the present value of the estimated future cash flows. The discount rate is generally based upon the market yields available on Government bonds at the reporting date with a term that matches that of the liabilities. Re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest and if applicable), is reflected immediately in Other Comprehensive Income in the statement of profit and loss. All other expenses related to defined benefit plans are recognised in statement of profit and loss as employee benefit expenses. Re-measurements recognised in Other Comprehensive Income will not be reclassified to statement of profit and loss hence it is treated as part of retained earnings in the statement of changes in equity. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Curtailment gains and losses are accounted for as past service costs.

Other long term employee benefits

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

Employees Share Based Payment

Employees (including senior executives) of the group receive component of remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

13. Provisions

General: Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognised in the statement of profit and loss as a finance cost.

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

14. Financial instruments

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

(i) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value, plus in case of financial assets not recorded at fair value through profit and loss (FVTPL), transaction cost that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in three categories:
- Financial Asset carried at amortised cost
- Financial Asset at fair value through other comprehensive income (FVTOCI)
- Financial Asset at fair value through profit and loss (FVTPL)

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

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

Financial asset at fair value through profit and loss (FVTPL)
A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised when:
(i) The contractual rights to receive cash flows from the asset has expired, or
(ii) The Group has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(ii) Financial liabilities

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

Subsequent measurement
For purposes of subsequent measurement, financial liabilities are classified in two categories:
- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit and loss (FVTPL)

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

Profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised in the Statement of Profit and loss.

De-recognition

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

(iii) Offsetting of financial instruments

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

Till March 31, 2019, the forward currency contracts were used to hedge foreign currency risks. 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. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

(v) Hedge accounting

With effect from April 2019, the group adopted Hedge Accounting. The derivatives that are designated as hedging instrument under Ind AS 109 to mitigate risk arising out of foreign currency transactions are accounted for as cash flow hedges. The Group enters into hedging instruments in accordance with policies as approved by the Board of Directors with written principles which is consistent with the risk management strategy of the Group.

The hedge instruments are designated and documented as hedges at the inception of the contract. The effectiveness of hedge instruments is assessed and measured at inception and on an ongoing basis.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI, e.g., cash flow hedging reserve and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the statement of profit and loss. The amount accumulated is retained in cash flow hedge reserve and reclassified to profit or loss in the same period or periods during which the hedged item affects the statement of profit and loss.

If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument is terminated or exercised prior to its maturity/ contractual term, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is reclassified to the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified immediately in the statement of profit and loss.

15. Impairment of financial assets

The Group measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increases in credit risk. Expected credit loss is the weighted average of the difference between all contractual cash flows that are due to the Group in accordance with the contracts and all the cash flows that the Group expects to receive, discounted at original effective interest rate with the respective risk of defaults occurring as the weights.

16. Impairment of non-financial assets

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

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

An impairment loss is 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.

17. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
(a) In the principal market for the asset or liability, or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

18. Taxes

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

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

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

Deferred tax

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

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

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

19. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash balance on hand, cash balance at banks and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group’s cash management.

20. Statement of cash flows

The statement of cash flows have been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows.

21. Earnings per share (EPS)

In determining earnings per share, the group considers the net profit after tax and includes the post tax effect of any extraordinary items. Basic EPS amounts are calculated by dividing the profit for the year attributable to the shareholders of the group by the weighted average number of equity shares outstanding as at the end of reporting period.

Diluted EPS amounts are calculated by dividing the profit attributable to the shareholders of the group by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increase the earnings.

22. 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.

23. 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.

24. Research and 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.

25. Exceptional items

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

PRINCIPAL COMPONENTS OF STATEMENT OF PROFIT AND LOSS

Total Income

Our total income comprises of revenue from operations and other income.

Revenue from operations: Our revenue from operation comprises of income from (i) sale of products manufactured by our Company such as children wear, wovens, knits, activewear and athleisure, denim, workwear, outwear, etc; (ii) job receipts; and (iii) other operating revenues.

Other Income*:* Our other income comprises of (i) interest income on bank and fixed deposits, loans and advances, income tax refund and investment; and (ii) other non-operating income being rental income, foreign exchange fluctuation, amortisation of deferred rental income, profit on sale of current investment – mutual fund, dividend income, sundry balances written off relating to provision, sundry balances written back, gain on lease modification and miscellaneous income primarily comprise of excess provision written back and liquidated damages.

Total Expenses

Expenses consist of cost of materials consumed, purchases of stock-in-trade, changes in inventories of finished goods, stock in trade and work in progress, employee benefits expense, finance costs, depreciation and amortisation expense and other expenses.

Cost of material consumed*:* Cost of material consumed include value of inventory of raw material at the beginning of the period along with value purchased during the period less value at the end of period. Our raw materials primarily consists of finished fabric (made of natural fibres such as cotton, wool, silk, linen, georgette and polyester), accessories and trims such as fasteners, buttons, labels, and other consumables etc.

Purchases of stock-in-trade: Comprises of purchase of tradable finished goods.

Changes in inventories of finished goods, stock-in-trade and work in progress: Changes in inventories of finished goods, stock-in-trade and work in progress comprises of net increases or decreases in inventory levels of finished goods, stock-in-trade and work in progress.

Employee benefits expense: Employee benefits expense comprise salaries, wages and bonus, contribution to provident and other funds, gratuity expense, compensated absences, stock compensation expense and staff welfare expense.

Finance costs: Financial cost comprises interest expense on term loans, cash credit and working capital facilities, delayed payment of taxes, lease liabilities and charges related to unwinding of discount on security deposit and other borrowing cost.

Depreciation and amortization expense: Depreciation and amortization expense relate to depreciation of property, plant and equipment, depreciation and amortisation of investment properties, amortisation of intangible assets and amortisation of right-of-use assets.

Other expenses: Other expenses primarily comprise expenses relating manufacturing expense, consumption of stores and spare partes, power and fuel, rent, rates and taxes, travelling and conveyance, freight and clearing charges, repair and maintenance of plant and machinery, building and other, commission, legal and professional expenses, security charges, bank charges, insurance expenses, inspection fees, payment to the auditors, sundry balance written off, foreign exchange fluctuation, corporate social responsibility, loss on lease modification, loss allowance for doubtful debts and advances, loss on sale of licenses and miscellaneous expenses.

Tax Expenses

Our tax expense comprises of current tax, deferred tax and adjustment of tax relating to earlier periods. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability is recognized based on the difference between taxable profit and book profit due to the effect of timing differences.

Key Financial Information and Certain Non-GAAP Measures

In evaluating our business, we consider and use certain non-GAAP measures and key financial information that are presented below as supplemental measures to review and assess our operating performance. We present these non-GAAP measures and key financial information because they are used by our management to evaluate our operating performance. These non-GAAP measures are not defined under Ind AS and are not presented in accordance with Ind AS. The non-GAAP measures and key financial information have limitations as analytical tools. Furthermore, these non-GAAP measures and key financial information may differ from similar information used by other companies, including peer companies, and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation.

EBITDA and EBITDA Margins

The following table sets forth our earnings before interest, taxes, depreciation and amortisation expenses ("**EBITDA**") from our profit before tax, and the manner in which it is calculated for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022. We define our EBITDA Margin as EBITDA divided by revenue from operations.

(₹ in lakhs, except as otherwise stated)

Particulars	**Year ended March 31,**		
	2024	**2023**	**2022**
Profit Before Tax (after exceptional item)	19,205.97	17,584.92	8,581.82
Add: Finance costs	8,331.33	6,517.89	4,660.37
Add: Depreciation and amortization expense	6,419.79	5,077.64	4,833.68
Less: Other Income	3,236.87	2,280.99	3,345.94
EBITDA	30,720.22	26,899.46	14,729.93
EBITDA Margin (EBITDA as a percentage of revenue from operations)	8.94%	8.52%	5.43%

Interest Coverage Ratio

The following table presents our interest coverage ratio, which is profit before tax plus finance cost divided by finance cost:

(₹ in lakhs, except as otherwise stated)

Particulars	**Year ended March 31,**		
	2024	**2023**	**2022**
Profit before tax (A)	19,205.97	17,584.92	8,581.82
Add: finance cost (B)	8,331.33	6,517.89	4,660.37
EBIT (C) = (A) + (B)	27,537.30	24,102.82	13,242.19
Interest Coverage Ratio (C) / (B)	3.31	3.70	2.84

Return on Capital Employed

The following table presents our return on capital employed, which is profit before tax plus finance cost divided by capital employed:

(₹ in lakhs, except as otherwise stated)

Particulars	**Year ended March 31,**		
	2024	**2023**	**2022**
Profit before tax (A)	19,205.97	17,584.92	8,581.82
Add: Finance cost (B)	8,331.33	6,517.89	4,660.37
EBIT (C)=(A)+(B)	27,537.30	24,102.82	13,242.19
Capital Employed (Total Equity + Long Term Borrowing + Short Term Borrowings – Net Cash and Cash Equivalent– Bank Balance+Margin)	97,777.54	93,918.93	1,02,923.72
ROCE (EBIT/Capital Employed)	28.16%	25.66%	12.87%

Return on Equity

The following table presents our return on equity, which is Profit after Tax divided by Average Total Equity:

(₹ in lakhs, except as otherwise stated)

Particulars	**Year ended March 31,**		
	2024	**2023**	**2022**
Average Total Equity	78,011.57	67,882.24	57,251.26
Profit after tax	16,912.36	15,299.22	7,010.88
Return on Equity	21.68%	22.54%	12.25%

Debt to Equity Ratio

The following table presents our debt to equity ratio, which is Debt divided by Total Equity:

(₹ in lakhs, except as otherwise stated)

Particulars	**Year ended March 31,**		
	2024	**2023**	**2022**
Total Equity	81,745.90	74,277.23	61,487.25
Total Debt(Non-current borrowings plus current borrowings plus non-current lease liabilities and current lease liabilities)	58,838.56	55,771.88	64,459.33
Det Equity Ratio	0.72	0.75	1.05

RESULTS OF OPERATIONS OF OUR COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024, MARCH 31, 2023 AND MARCH 31, 2022

The following table sets forth select financial information derived from our Company's audited consolidated financial statements for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022, the components of which are also expressed as a percentage of total income for such periods:

(₹ in lakhs, except for percentages)

Particulars	**Year ended March 31,**					
	2024		**2023**		**2022**	
	Amount	**Percentage of Total Income (%)**	**Amount**	**Percentage of Total Income (%)**	**Amount**	**Percentage of Total Income (%)**
Income						
Revenue from operations	3,43,615.11	99.07	3,15,840.92	99.28	2,71,352.90	98.78
Other income	3,236.87	0.93	2,280.99	0.72	3,345.94	1.22
Total income (I)	**3,46,851.98**	**100.00**	**3,18,121.91**	**100.00**	**2,74,698.84**	**100.00**
Expenses						
Cost of materials consumed	1,54,692.59	44.60	1,49,241.21	46.91	1,16,530.95	42.42
Purchases of stock-in-trade	16,384.97	4.72	18,901.73	5.94	40,790.23	14.85
Changes in inventories of finished goods, stock-in-trade and work in progress	(1,288.70)	(0.37)	(5,192.84)	(1.63)	(6,258.87)	(2.28)
Employee benefits expense	67,036.33	19.33	56,146.52	17.65	45,862.10	16.70
Finance costs	8,331.33	2.40	6,517.89	2.05	4,660.37	1.70
Depreciation and amortisation expense	6,419.79	1.85	5,077.64	1.60	4,833.68	1.76
Other expenses	76,009.56	21.91	71,190.80	22.38	60,370.37	21.98
Total expenses	**3,27,585.87**	**94.45**	**3,01,882.95**	**94.90**	**2,66,788.84**	**97.12**
Profit/ (loss) before exceptional items and tax	**19,266.11**	**5.55**	**16,238.96**	**5.10**	**7,910.00**	**2.88**
Exceptional items	60.14	0.02	(1,345.96)	(0.42)	(671.82)	(0.24)
Profit/ (loss) before tax	**19,205.97**	**5.54**	**17,584.92**	**5.53**	**8,581.82**	**3.12**
Tax expense:						
Current tax	2,553.62	0.74	2,407.75	0.76	1,074.08	0.39
Deferred tax	(217.53)	(0.06)	(127.29)	(0.04)	496.86	0.18
Adjustment of tax relating to earlier periods	(42.48)	(0.01)	5.24	0.00	-	-
Profit/ (loss) for the year	**16,912.36**	**4.88**	**15,299.22**	**4.81**	**7,010.88**	**2.55**

Fiscal 2024 compared to Fiscal 2023

Income

Our total income during the Fiscal 2024 was ₹3,46,851.98 lakhs as compared to ₹3,18,121.91 lakhs during the Fiscal 2023, representing an increase of 9.03%. Our total income comprises of the following:

Revenue from operations

Our revenue from operations during the Fiscal 2024 was ₹3,43,615.11 lakhs compared to ₹3,15,840.92 lakhs during the Fiscal 2023, representing an increase on 8.79%. The increase was primarily due to increase in sale of product and job receipts. The table below sets forth the comparison of the components for our revenue from operations:

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023	% Increase/(Decrease)
Sale of product	3,37,124.00	3,04,697.93	10.64
Job Receipts	902.85	354.40	154.75
Revenue from operations	**3,43,615.11**	**3,15,840.92**	**8.79**

Additionally, the table below provides a comparison of our revenue from operations based on segmental information by geographical area for Fiscal 2024 and Fiscal 2023:

(₹ in lakhs)

Segmental information by geographical areas during Fiscal 2024								
Particulars	**Bangladesh**	**Hong Kong**	**India**	**Vietnam**	**Others**	**Total**	**Elimination**	**Total**
Segment sales	7,086.76	2,49,986.43	71,733.40	615.52	14,193.01	3,43,615.11	-	3,43,615.11
Inter segment sales	1,32,201.55	25,951.10	23,942.16	49,217.00	7,722.08	2,39,033.89	2,39,033.89	-
Total segment sales	**1,39,288.32**	**2,75,937.52**	**95,675.55**	**49,832.52**	**21,915.09**	**5,82,649.00**	**2,39,033.89**	**3,43,615.11**
Segmental information by geographical areas during Fiscal 2023								
Segment sales	9,994.44	2,25,845.86	70,938.65	6,310.51	2,715.45	3,15,840.92	-	3,15,840.92
Inter segment sales	99,929.69	26,572.87	40,612.31	32,496.85	11,860.50	2,11,472.22	2,11,472.22	-
Total segment sales	**1,09,924.13**	**2,52,418.73**	**1,11,550.97**	**38,807.36**	**14,611.94**	**5,27,313.13**	**2,11,472.22**	**3,15,840.92**
% Increase/(Decrease) compared to Fiscal 2024 v. Fiscal 2023	**26.71**	**9.32**	**(14.23)**	**28.41**	**49.98**	**10.49**	**13.03**	**8.79**

Our total segment sales from Bangladesh during the Fiscal 2024 was ₹1,39,288.32 lakhs compared to ₹1,09,924.13 lakhs during the Fiscal 2023, representing an increase of 26.71%. The increase was primarily attributable to increase in Sales volume due to better utilisation of capacity and inclusion of full year sale of Alpha Clothing Limited.

Our total segment sales from Hong Kong during the Fiscal 2024 was ₹2,75,937.52 lakhs compared to ₹2,52,418.73 lakhs during the Fiscal 2023, representing an increase of 9.32%. The increase was primarily attributable to growth in business.

Our total segment sales from India during the Fiscal 2024 was ₹95,675.55 lakhs compared to ₹1,11,550.97 lakhs during the Fiscal 2023, representing a decrease of 14.23%. The decrease was primarily attributable to decrease in Sales volume in net business and some business was shifted to Bangladesh.

Our total segment sales from Vietnam during the Fiscal 2024 was ₹49,932.52 lakhs compared to ₹Nil during the Fiscal 2023. The increase was primarily attributable to addition of new customers and growth in business.

Our total segment sales from other countries during the Fiscal 2024 was ₹21,915.09 lakhs compared to ₹53,419.30 lakhs during the Fiscal 2023, representing a decrease of 58.98%. The decrease was primarily attributable to increase in classification of Vietnam as a separate segment instead of including the same in other countries segment.

Other income

Our other income during the Fiscal 2024 was ₹3,236.87 lakhs compared to ₹2,280.99 lakhs during the Fiscal 2023, representing an increase of 41.91%. The increase was primarily attributable to increase in foreign exchange fluctuation.

Expenses

The total expenses incurred by our Company during the Fiscal 2024 was ₹3,27,585.87 lakhs compared to ₹3,01,882.95 lakhs during the Fiscal 2023, representing an increase of 8.51%. Our total expenses comprise of the following:

Cost of materials consumed, purchase of stock-in trade and changes in inventories

The cost of materials consumed coupled with purchases of stock in trade and changes in inventories of finished goods, work in progress and stock-in-trade was ₹ 1,69,788.86 lakhs in Fiscal 2024, which represented an increase of 4.20% over our cost of materials consumed of ₹ 1,62,950.10 lakhs in Fiscal 2023, which is in consonance to the increase in our revenue from operations and changes in the product mix in the current year compared to the previous year

Employee benefits expense

Our employee benefits expense during the Fiscal 2024 was ₹67,036.33 lakhs compared to ₹56,146.52 lakhs during the Fiscal 2023, representing an increase of 19.40%. The increase was primarily due to Increase in employee benefits expense is primarily due to increase in:

- Salaries and wages by 17.6% to ₹60,511.62 lakhs in Fiscal 2024 from ₹ 51,178.02 lakhs in Fiscal 2023 mainly due to wages revision across geography and addition of 2 new ventures Pearl GT Holdco Limited and Pearl Unlimited Inc.
- Stock compensation expenses by 231.21% to ₹ 860.85 lakhs in Fiscal 2024 from ₹ 259.51 lakhs in Fiscal 2023 was due to issue of fresh employee stock options to the employees.
- Gratuity expense by 63.60% to ₹ 1,006.98 lakhs in Fiscal 2024 from ₹ 615.50 lakhs in Fiscal 2023 mainly due to increased manpower and valuation thereon.
- Staff welfare expense by 15.02% to ₹ 2,592.09 lakhs in Fiscal 2024 from ₹ 2,253.6 lakhs in Fiscal 2023 mainly due to increase in number of employee, and employee engagement activities in the manufacturing units.

Finance costs

Our finance cost during the Fiscal 2024 was ₹8,331.33 lakhs compared to ₹6,517.89 lakhs during Fiscal 2023, representing an increase of 27.82%. The increase was primarily due to increase in interest on factoring cost and borrowings and increase in interest for lease amortization.

Depreciation and amortisation expenses

Our depreciation and amortisation expenses during the Fiscal 2024 was ₹6,419.79 lakhs compared to ₹5,077.64 lakhs during the Fiscal 2023, representing an increase of 26.43%. The increase was primarily due to increase in depreciation on account of capitalisation and increase in lease amortisation amount.

Other expenses

Our other expenses during the Fiscal 2024 was ₹76,009.56 lakhs compared to ₹71,190.80 lakhs during the Fiscal 2023, representing an increase of 6.77%. The increase was primarily on account of increase in manufacturing and other administrative expenses compared with increase in our revenue from operations.

Exceptional items

Exceptional items during the Fiscal 2024 was ₹60.14 lakhs compared to ₹(1,345.96) lakhs during Fiscal 2023, representing an decrease of 104.47%. The decrease was primarily on account of profit on sale of property during Fiscal 2023.

Profit before Tax

For the reasons discussed above our profit before tax for the Fiscal 2024 was ₹19,266.11 lakhs as compared to ₹16,238.96 lakhs during the Fiscal 2023, representing an increase of 18.64%.

Tax expense

Total tax expense during the Fiscal 2024 was ₹2,293.61 lakhs as compared to ₹2,285.70 lakhs during the Fiscal 2023. The increase in tax expense is due to increase in current tax.

Profit for the year

Profit for the year during the Fiscal 2024 was ₹16,912.36 lakhs as compared to ₹15,299.22 lakhs during the Fiscal 2023. Our profit for the year, as a percentage of total income increased from 4.81% during the Fiscal 2023 to 4.88% during the Fiscal 2024, as a result of the factors described above.

Fiscal 2023 compared to Fiscal 2022

Income

Our total income during the Fiscal 2023 was ₹3,18,121.91 lakhs as compared to ₹2,74,698.84 lakhs during the Fiscal 2022, representing an increase of 15.81%. Our total income comprises of the following:

Revenue from operations

Our revenue from operations during the Fiscal 2023 was ₹3,15,840.92 lakhs as compared to ₹2,71,352.90 lakhs during the Fiscal 2022, representing an increase of 16.39%. The increase was primarily due to increase in sale of product, job receipts and other operating revenue. The table below sets forth the comparison of the components for our revenue from operations:

Particulars	March 31, 2023	March 31, 2022	% Increase/(Decrease)
Sale of product	3,04,697.93	2,62,931.37	15.88
Job Receipts	354.40	25.98	1,264.13
Other operating revenues	10,788.59	8,395.55	28.50
Revenue from operations	**3,15,840.92**	**2,71,352.90**	**16.39**

Additionally, the table below provides a comparison of our revenue from operations based on segmental information by geographical area for Fiscal 2023 and Fiscal 2022:

(₹ in lakhs)

Segmental information by geographical areas during Fiscal 2023							
Particulars	**Bangladesh**	**Hong Kong**	**India**	**Others**	**Total**	**Elimination**	**Total**
Segment sales	9,994.44	2,25,845.86	70,938.65	9,061.97	3,15,840.92	-	3,15,840.92
Inter segment sales	99,929.69	26,572.87	40,612.31	44,357.35	2,11,472.22	2,11,472.22	-
Total segment sales	**1,09,924.13**	**2,52,418.73**	**1,11,550.97**	**53,419.30**	**5,27,313.13**	**2,11,472.22**	**3,15,840.92**
Segmental information by geographical areas during Fiscal 2022							
Segment sales	7,185.57	1,50,026.90	63,891.55	50,248.87	2,71,352.90	-	2,71,352.90
Inter segment sales	87,819.38	50,160.99	30,292.59	-	168,272.96	1,68,272.96	-
Total segment sales	**95,004.96**	**2,00,187.89**	**94,184.14**	**50,248.88**	**4,39,625.87**	**1,68,272.97**	**2,71,352.90**
% Increase/(Decrease) compared to Fiscal 2023 v. Fiscal 2022	**15.70**	**26.09**	**18.44**	**6.31**	**19.95**	**25.67**	**16.39**

Our total segment sales from Bangladesh during the Fiscal 2023 was ₹1,09,924.13 lakhs compared to ₹95,004.96 lakhs during the Fiscal 2022, representing an increase of 15.70%. The increase was primarily attributable to increase in revenue from Alpha Clothing Limited acquired during the year.

Our total segment sales from Hong Kong during the Fiscal 2023 was ₹2,52,418.73 lakhs compared to ₹2,00,187.89 lakhs during the Fiscal 2022, representing an increase of 26.09%. The increase was primarily attributable to increase in orders from customers.

Our total segment sales from India during the Fiscal 2023 was ₹1,11,550.97 lakhs compared to ₹94,184.14 lakhs during the Fiscal 2022, representing a decrease of 18.44%. The increase was primarily attributable to increase in business from our existing clients.

Our total segment sales from other countries during the Fiscal 2023 was ₹5,27,313.13 lakhs compared to ₹4,39,625.86 lakhs during the Fiscal 2022, representing an increase of 19.95%. The increase was primarily attributable to increase in revenue from Pearl Global Vietnam Co. Limited.

Other income

Our other income during the Fiscal 2023 was ₹2,280.99 lakhs compared to ₹3,345.94 lakhs during the Fiscal 2022, representing a decrease of 31.83%. The decrease was primarily due to decrease in foreign exchange gain, fair value gain on investments measured at fair value and gain on termination of lease.

Expenses

The total expenses incurred by our Company during the Fiscal 2023 was ₹3,01,882.95 lakhs compared to ₹2,66,788.84 lakhs during the Fiscal 2022, representing an increase of 13.15%. Our total expenses comprises of the following:

Cost of materials consumed, purchase of stock-in-trade and changes in inventories

The cost of materials consumed coupled with purchases of stock in trade and changes in inventories of finished goods, work in progress and stock-in-trade was ₹ 1,62,950.10 lakhs in Fiscal 2023, which represented an increase of 7.87% over our cost of materials consumed of ₹ 1,51,062.31 lakhs in Fiscal 2022, which is in consonance to the increase in our revenue from operations and changes in the product mix in the current year compared to the previous year.

Employee benefits expense

Our employee benefits expense during the Fiscal 2023 was ₹56,146.52 lakhs compared to ₹45,862.10 lakhs during the Fiscal 2022, representing an increase of 22.42%. The increase was primarily due to increase in employee benefits expenses on account of:

- Salaries and wages by 17.06% to ₹ 51,178.02 lakhs in Fiscal 2023 from ₹ 43,718.58 lakhs in Fiscal 2022 mainly attributed to higher production/ shipment.
- Share based payment expenses by to ₹ 259.51 lakhs in Fiscal 2023 from ₹ Nil in Fiscal 2022 which was due to issue of fresh employee stock options to the employees.
- Gratuity expense by 45.95% ₹ 615.5 lakhs in Fiscal 2023 from ₹ 421.73 lakhs in Fiscal 2022 mainly due to increased manpower and valuation there on;
- Staff welfare expense by 213.27% to ₹ 2,253.6 lakhs in Fiscal 2023 from ₹ 719.39 lakhs in Fiscal 2022 mainly due increase in number of employee, and employee engagement activities in the manufacturing units.

Finance costs

Our finance cost during the Fiscal 2023 was ₹6,517.89 lakhs compared to ₹4,660.37 lakhs during Fiscal 2022, representing an increase of 39.86%. The increase was primarily due to increase in borrowing cost pertaining to interest on term loan, cash credit, working capital facility and other borrowing cost.

Depreciation and amortisation expenses

Our depreciation and amortisation expenses during the Fiscal 2023 was ₹5,077.64 lakhs compared to ₹4,833.68 lakhs during the Fiscal 2022, representing an increase of 5.05%. The increase was primarily due to increase in depreciation on tangible assets on account of higher capitalisation during the year.

Other expenses

Our other expenses during the Fiscal 2023 was ₹71,190.80 lakhs compared to ₹60,370.37 lakhs during the Fiscal 2022, representing an increase of 17.92%. The increase was primarily on account of increase in manufacturing expense and foreign exchange fluctuation.

Exceptional items

Exceptional items during the Fiscal 2023 was ₹(1,345.96) lakhs compared to ₹(671.82) lakhs during Fiscal 2022, representing an increase of 100.35%. The increase was primarily on account of sale of land during Fiscal 2023.

Profit before Tax

For the reasons discussed above our profit before tax for the Fiscal 2023 was ₹17,584.92 lakhs as compared to ₹8,581.82 lakhs during the Fiscal 2022, representing an increase of 104.91%.

Tax expense

Total tax expense during the Fiscal 2023 was ₹2,285.70 lakhs as compared to ₹1,570.94 lakhs during the Fiscal 2022. The increase in tax expense is due to increase in current tax and adjustment of tax relating to earlier periods.

Profit for the year

Profit for the year during the Fiscal 2023 was ₹15,299.22 lakhs as compared to ₹7,010.88 lakhs during the Fiscal 2022. Our profit for the year, as a percentage of total income increased from 4.81% during the Fiscal 2023 to 2.55% during the Fiscal 2022, as a result of the factors described above.

CASH FLOWS

The following table summarizes our consolidated cash flow for the Fiscals 2024, 2023 and 2022:

(₹ in lakhs)

Particulars	**For the year ended March 31,**		
	2024	**2023**	**2022**
Net cash inflow from/ (used in) Operating Activities	35,208.58	36,476.27	(9,149.85)
Net cash from/ (used in) Investing Activities	(12,813.45)	(2,569.90)	(3,963.14)
Net cash inflow from/ (used in) Financing Activities	(15,214.34)	(19,976.93)	15,326.75
Net increase / (decrease) in cash and cash equivalent	**7,180.79**	**13,929.42**	**2,213.73**

Cash flow from/ (used in) Operating Activities

Fiscal 2024

Net cash inflow from operating activities for Fiscal 2024, was ₹35,208.58 lakhs. Though our profit before exceptional items and tax was ₹ 19,205.97 lakhs, we had operating profit before working capital changes of ₹32,795.99 lakhs, primarily due to adjustments for profit on sale of current investment – mutual fund of ₹ (379.50) lakhs, rental income of ₹ (723.63) lakhs, interest income of ₹(739.95) lakhs, interest paid and other borrowing cost of ₹ 8,319.50 lakhs, depreciation and amortisation of ₹ 6,419.79 lakhs, unwinding of discount on security deposit – expense of ₹ 11.83 lakhs, sundry balances written back of ₹(104.39) lakhs, allowance for bad and doubtful debts and advances of ₹ 219.37 lakhs, sundry balance written off of ₹ 319.78 lakhs, grant amortised during the year of ₹ (1.00) lakhs, amortisation of deferred rental income of ₹ (14.89) lakhs, unwinding of discount on security deposits-income of ₹ (33.35) lakhs, dividend income of ₹(8.14) lakhs, stock compensation expenses of ₹ 860.85 lakhs and foreign exchange translations of ₹ (556.25) lakhs.

This was further adjusted for working capital changes, which primarily consisted increase in other non-current financial assets of ₹(591.00) lakhs, increase in other non-current assets of ₹(478.29) lakhs, decrease in inventories of ₹1,056.57 lakhs, increase in trade receivables of ₹(6,105.08) lakhs, increase in other current financial assets of ₹(109.09) lakhs, increase in other current assets of ₹(625.69) lakhs, increase in other non-current financial liabilities of ₹1,328.07 lakhs, increase in non-current provisions of ₹597.59 lakhs, decrease in other non-current liabilities of ₹(21.81) lakhs, increase in trade payables of ₹9,580.37 lakhs, decrease in other current financial liabilities of ₹(678.52) lakhs, increase in current provisions of ₹522.80 lakhs and decrease in other current liabilities of ₹(24.11) lakhs. As a result, cash generated from operations for the Fiscal 2024 was ₹37,247.80 lakhs before adjusting for income tax paid (net of refunds) of ₹(2,099.36) lakhs and exceptional items of ₹60.14 lakhs.

Fiscal 2023

Net cash inflow from operating activities for Fiscal 2023, was ₹36,476.27 lakhs. Though our profit before exceptional items and tax was ₹17,584.93 lakhs, we had operating profit before working capital changes of ₹24,368.79 lakhs, primarily due to adjustments for profit on sale of current investment – mutual fund of ₹(97.05) lakhs, rental income of ₹(751.10) lakhs, interest income of ₹(436.38) lakhs, interest paid and other borrowing cost of ₹6,499.74 lakhs, depreciation and amortisation of ₹5,077.63 lakhs, unwinding of discount on security deposit – expense of ₹18.15 lakhs, sundry balances written back of ₹(91.51) lakhs, provision written back of ₹(98.50) lakhs, loss/ (gain) on lease modification of ₹86.09 lakhs, allowance for bad and doubtful debts and advances of ₹151.07 lakhs, sundry balance written off of ₹227.11 lakhs, grant amortised during the year of ₹(1.00) lakhs, amortisation of deferred rental income of ₹(19.36) lakhs, unwinding of discount on security deposits-income of ₹(32.81) lakhs, interest on advance paid of ₹(827.00) lakhs, provision for amount receivable (net of expected credit loss) of ₹(2,122.92) lakhs, dividend income of ₹36.54 lakhs, fair value loss/ (gain) on financial assets measured at fair value through profit and loss ₹13.19 lakhs, stock compensation expenses of ₹270.51 lakhs and foreign exchange translations of ₹(1,118.55) lakhs.

This was further adjusted for working capital changes, which primarily consisted decrease in other non-current financial assets of ₹306.44 lakhs, increase in other non-current assets of ₹(16.99) lakhs, decrease in inventories of ₹2,628.49 lakhs, decrease in trade receivables of ₹15,630.35 lakhs, increase in other current financial assets of ₹(237.78) lakhs, decrease in other current assets of ₹3,485.55 lakhs, increase in other non-current financial liabilities of ₹205.69 lakhs, increase in non-current provisions of ₹402.50 lakhs, decrease in other non-current liabilities of ₹(2,908.54) lakhs, decrease in trade payables of ₹(4,608.60) lakhs, decrease in other current financial liabilities of ₹(5.98) lakhs, decrease in current provisions of ₹(103.84) lakhs and increase in other current liabilities of ₹988.51 lakhs. As a result, cash generated from operations for the Fiscal 2023 was ₹40,134.59 lakhs before adjusting for income tax paid (net of refunds) of ₹(2,312.36) lakhs and exceptional items of ₹(1,345.96) lakhs.

Fiscal 2022

Net cash inflow from operating activities for Fiscal 2022, was ₹(9,149.85) lakhs. Though our profit before exceptional items and tax was ₹8,581.82 lakhs, we had operating profit before working capital changes of ₹16,206.64 lakhs, primarily due to adjustments for profit on sale of current investment – mutual fund of ₹(16.34) lakhs, rental income of ₹(742.30) lakhs, interest income of ₹(310.44) lakhs, interest paid and other borrowing cost of ₹3,484.17 lakhs, depreciation and amortisation of ₹4,833.68 lakhs, unwinding of discount on security deposit – expense of ₹14.08 lakhs, sundry balances written back of ₹(297.41) lakhs, provision written back of ₹(204.11) lakhs, loss/ (gain) on lease modification ₹(50.38) lakhs, allowance for bad and doubtful debts and advances of ₹469.98 lakhs, bad debts written of ₹2.93 lakhs, grant amortised during the year ₹(1.00), amortisation of deferred rental income of ₹(16.44) lakhs, unwinding of discount on security deposits-income of ₹(26.72) lakhs, fair value loss/ (gain) on financial assets measured at fair value through profit and loss ₹(209.27) lakhs, amortisation of deferred asset – security deposit paid of ₹3.13 lakhs, fair value loss/ (gain) on financial assets measured at fair value through OCI of ₹28.98 lakhs, and foreign exchange translations of ₹662.27 lakhs.

This was further adjusted for working capital changes, which primarily consisted decrease in other non-current financial assets of ₹144.29 lakhs, increase in other non-current assets of ₹(18.41) lakhs, increase in inventories of ₹(26,081.21) lakhs, increase in trade receivables of ₹(12,670.09) lakhs, increase in other current financial assets of ₹(475.39) lakhs, increase in other current assets of ₹(4,912.39) lakhs, increase in other non-current financial liabilities of ₹120.08 lakhs, increase in non-current provisions of ₹117.44 lakhs, decrease in other non-current liabilities of ₹(6.28) lakhs, increase in trade payables of ₹19,489.37 lakhs, increase in other current financial liabilities of ₹22.02 lakhs, increase in current provisions of ₹112.14 lakhs and increase in other current liabilities of ₹242.04 lakhs. As a result, cash generated from operations for the Fiscal 2022 was ₹(7,709.76) lakhs before adjusting for income tax paid (net of refunds) of ₹(768.27) lakhs and exceptional items of ₹(671.82) lakhs.

Cash from/ (used in) Investing Activities

Fiscal 2024

Net cash used in investing activities was ₹(12,813.45) lakhs primarily on account of purchase of property, plant and equipment (including ROU, net of lease liabilities) of (12,376.16) lakhs, sale proceeds of property, plant and equipment ₹656.67lakhs, increase in capital work in progress of ₹(175.29) lakhs, purchase on investment properties of ₹(45.76) lakhs, purchase of intangible assets including goodwill ₹(375.38) lakhs, increase in capital advances of ₹(138.78) lakhs, increase in capital creditor of ₹31.32 lakhs, decrease in non-current investments of ₹2,302.98 lakhs and decrease in current investment of ₹941.66 lakhs, capital reserve on acquisition of subsidiary ₹67.76 lakhs, proceeds from NCI of ₹167.45 lakhs, acquisition of non-controlling interest of ₹(5,479.35) lakhs, decrease in non-current loans of ₹18.31 lakhs, decrease in current loans of ₹273.68 lakhs, increase in bank deposit of ₹(22.76) lakhs, interest income of ₹739.95 lakhs, rental income of ₹592.11 lakhs and dividend income of ₹8.14 lakhs.

Fiscal 2023

Net cash used in investing activities was ₹(2,569.90) lakhs primarily on account of purchase of property, plant and equipment (including ROU, net of lease liabilities) of (6,777.07) lakhs, sale proceeds of property, plant and equipment ₹4,748.91 lakhs, increase in capital work in progress of ₹(1,791.11) lakhs, sale proceeds of investment properties of ₹168.44 lakhs, purchase of intangible assets including goodwill ₹(254.63) lakhs, decrease in capital advances of ₹121.66 lakhs, increase in capital creditor of ₹31.37 lakhs, decrease in non-current investments of ₹(735.93) lakhs, decrease in current investments of ₹67.15 lakhs, proceeds from NCI of ₹184.36 lakhs, decrease in non-current loans of ₹97.85 lakhs, decrease in current loans of ₹921.46 lakhs, increase in bank deposit of ₹(539.84) lakhs, interest income of ₹436.38 lakhs and rental income of ₹751.10 lakhs.

Fiscal 2022

Net cash used in investing activities was ₹(3,963.14) lakhs primarily on account of acquisition of purchase of property, plant and equipment (including ROU, net of lease liabilities) of ₹(8,320.85) lakhs, sale proceeds of property, plant and equipment of ₹168.59 lakhs, decrease in capital work in progress of ₹3,179.96 lakhs, sale proceeds of investment properties of ₹714.60 lakhs, purchase of intangible assets of ₹(48.51) lakhs, decrease in capital advances of ₹14.12 lakhs, decrease in capital creditor of ₹(110.84) lakhs, decrease in non-current investments of ₹315.05 lakhs, increase in current investment of ₹(119.75) lakhs, decrease in non-current loans of ₹2,040.43 lakhs, increase in non-current loans of ₹(1,751.73) lakhs, increase in bank deposit of ₹(1,070.70) lakhs, interest income of ₹284.18 and rental income of ₹742.30 lakhs.

Cash inflow from/ (used in) Financing Activities

Fiscal 2024

Net cash from financing activities was ₹(15,214.34) lakhs primarily due to issue of share capital (inclusive of security premium) of ₹383.47 lakhs, increase in long term borrowings of ₹1,489.91 lakhs, lease rental paid of ₹(3,438.56) lakhs, decrease in short term borrowings of ₹(1,813.52) lakhs, dividend paid of ₹(4,881.89) lakhs and interest paid (net) of ₹(6,953.75) lakhs.

Fiscal 2023

Net cash from financing activities was ₹(19,976.93) lakhs primarily due to decrease in long term borrowings of ₹(3,452.62) lakhs, lease rental paid of ₹(2,135.82) lakhs, decrease in short term borrowings of ₹(8,123.13) lakhs, dividend paid of ₹(764.39) lakhs and interest paid (net) of ₹(5,500.97) lakhs.

Fiscal 2022

Net cash from financing activities was ₹15,326.75 lakhs decrease in long term borrowings of ₹(61.14) lakhs, lease rental paid of ₹(2,011.71) lakhs, increase in short term borrowings of ₹19,910.74 lakhs, share application money received from NCI of ₹55.89 lakhs and interest paid (net) of ₹(2,567.03) lakhs.

CAPITAL EXPENDITURE AND ACQUISITIONS IN LAST THREE FINANCIAL YEARS

The following table sets forth additions to property, plant and equipment by category of expenditure, for the Fiscals indicated below:

(₹ in lakhs)

Particulars	**Year ended March 31,**		
	2024	**2023**	**2022**
Capital expenditure towards purchase of plant and machinery	11,873.84	9,969.91	3,593.59

(net of sales, if any, including investment in capital work -in progress, investments in intangible assets and business combination)			
Investments in businesses by the Company (net of acquisitions and sale of business)	451.94	239.66	0.76

Capital Expenditure

For Fiscal 2024, we made additions to property, plant and equipment, capital work in progress, and intangible assets and business combination of ₹ 11,873.84 lakhs on a consolidated basis. This addition is primarily in plant and machinery to the tune of ₹ 8,002.50 lakhs.

For Fiscal 2023, we made additions to property, plant and equipment, capital work in progress, intangible assets and business combination of ₹ 9,969.91 lakhs on a consolidated basis. This addition is primarily in plant and machinery to the tune of ₹ 3,288.42 lakhs.

For Fiscal 2022, we made additions to property, plant and equipment, capital work in progress, intangible assets and business combination of ₹ 3,593.59 lakhs on a consolidated basis. This addition is primarily in plant and machinery to the tune of ₹ 2,819.39 lakhs.

Investment in Business

For Fiscal 2024, we made investments in business of ₹ 451.94 lakhs on a consolidated basis. This investment is primarily due to acquisition of majority stake in Pearl GT HoldCo. Limited.

For Fiscal 2023, we made investments in business of ₹ 239.66 lakhs on a consolidated basis. This investment is primarily in Pearl Global USA Inc.

For Fiscal 2022, we made investments in business of ₹ 0.76 lakhs on a consolidated basis. This investment is primarily in Pearl Global USA Inc.

BORROWINGS

Our total borrowings as on March 31, 2024, March 31, 2023 and March 31, 2022 was ₹44,514.92 lakhs, ₹44,838.43 lakhs and ₹56,414.18 lakhs, respectively. The details of our borrowings on a consolidated basis are set forth below:

(₹ in lakhs)

Particulars	As on March 31		
	2024	2023	2022
Current			
Borrowings	34,094.82	35,908.24	44,031.37
Lease liabilities	1,656.85	1,251.13	883.75
Non-current			
Borrowings	10,420.10	8,930.19	12,382.81
Lease Liabilities	12,666.79	9,682.32	7,161.40
Total Indebtedness	**58,838.56**	**55,771.88**	**64,459.33**

CONTINGENT LIABILITIES

Contingent liabilities as per Ind AS 37 as at March 31, 2024 are described below:

(₹ in lakhs)

Sr. No.	Particulars	As at March 31, 2024
I	(i) The respective companies has reviewed all its pending claims, litigations and other proceedings and has adequately provided for wherever required. The respective companies does not expect the outcome of these proceedings to have a material or adverse effect on financial position of the company. In certain cases, it is difficult for	

Sr. No.	Particulars	As at March 31, 2024
	the respective companies to estimate the timings of cash outflows, if any, as it is determinable only on receipt of judgement/decisions pending with various forums/authorities. The group does not expect any reimbursements in respect of the below contingent liabilities.	
	- Tax demand as per section 154 and section 16(1) of Income Tax Act, 1961 (with respect to Assessment Year 2015-16) – Issue restored to file of CIT(A) for re-adjudication based on order received from ITAT	15.57
	-Tax Demand as per Sec 35(1) of wealth Tax Act, 1957 (with respect to Assessment Year 2015-16)	-
	- Tax demand as per section 250 of the Income Tax Act, 1961 (with respect to Assessment Year 2016-17) – Matter restored to AO by ITAT for recalculating the tax liability	3.49
	- Tax demand as per section 143(3) of Income Tax Act, 1961 (with respect to Assessment Year 2017-18) – Appeal pending before CIT(A)	3.83
	- Tax demand as per section 270A of Income Tax Act, 1961 (with respect to Assessment Year 2020-21) – Appeal pending before CIT(A)	2.90
	- Demand as per TDS (TRACES) portal – CPC	14.13
II	Irrevocable letter of credit outstanding with banks (net of margin)	17,963.90
III	Bank Guarantee given to government authorities	240.80
IV	Counter Guarantees given by the group to the Sales Tax Department for entities over which Key Managerial Personnel have Significant influence	
	- For enterprise	1.00
	-For others	0.50

CAPITAL COMMITMENTS

As at March 31, 2024, the estimated amount of contract remaining to be executed on capital account and not provided in the books are as follows:

(₹ in lakhs)

Particulars	As at March 31, 2024
Capital Commitment: Estimated amount of contracts remaining to be executed on the capital account (net of capital advances of ₹245.55 lakh) (March 31, 2023: ₹106.77 lakh)	467.55

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Credit Risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to the Group. Credit risk arise from cash and cash equivalents, deposit with banks, trade receivables and other financial assets measure at amortised cost. The respective company in the Group continuously monitors defaults of customers and other counterparties and incorporate this information into its credit risk control. The carrying amount of financial assets represents the maximum credit exposure.

Our exposure to credit risk is influenced mainly by the individual characteristics of each customer. The credit risk is managed us based on credit approvals, establishing credit limits and continuously monitoring the credit worthiness of the customers, to whom we grant credit period in the normal course of business including taking credit insurance against export receivables. We use expected credit loss model to assess the impairment loss in trade receivables and makes an allowance of doubtful trade receivables using this model. Additionally, to assess whether there is a significant increase in credit risk we compare the risk of default as at the reporting date with the risk of default as at the date of initial recognition. We consider reasonable and supportive forward-looking information such as significant changes in the value of guarantee or in the quality of exposure or credit enhancements.

Liquidity Risk

Liquidity risk is the risk that we may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. Our objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements. We closely monitor its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

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. Our exposure to the risk of changes in market interest rates relates primarily to the long-term debt obligations with floating interest rates. Our main interest rate risk arises from long-term borrowings with variable rates, which expose us to interest rate risk. We manage the net exposure to interest rate risk related to borrowings, by balancing a proportion of fixed rate and floating rate borrowing in its total borrowing portfolio. Currently, our borrowings are within acceptable risk levels, as determined by the management, hence we have not taken any swaps to hedge the interest rate risk.

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.

SEASONALITY OF BUSINESS

We are impacted by seasonal variations in sales volumes, which may cause our revenues to vary significantly between different quarters in a Fiscal. Typically, we see an increase in our business during the festive periods in the geographies where we operate. Therefore, our results of operations and cash flows across quarters in a Fiscal may not be comparable sequentially and any such comparisons may not be meaningful or may not be indicative of our annual financial results or our results in any future quarters or periods, please see the section titled "*Risk Factors*" beginning on page 43.

RELATED PARTY TRANSACTIONS

For details, please see the chapter titled "*Related Party Transactions*" beginning on page 41.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in our Company's accounting policies during the last three financial years.

SUMMARY OF RESERVATIONS OR QUALIFICATIONS OR ADVERSE REMARKS OR EMPHASIS OF MATTER IN THE AUDITORS' REPORT IN THE LAST FIVE FINANCIAL YEARS IMMEDIATELY PRECEDING THE YEAR OF FILING THIS PLACEMENT DOCUMENT.

Except as stated below our auditor have not made any reservations or qualifications or adverse remarks or emphasis of matter in their reports in the last five financial years immediately preceding the year of filing this Preliminary Placement Document:

Financial year/ period ended	Reservation/ qualifications/ matter of emphasis/ adverse remarks	Impact on the financial statements and financial position of the Company	Corrective steps taken and/ or proposed to be taken by the Company
March 31, 2024	Nil	Nil	Nil
March 31, 2023	Nil	Nil	Nil
March 31, 2022	Nil	Nil	Nil
March 31, 2021	**Emphasis of Matter**: We draw attention to Note 27 of the financial statements which	Nil	No corrective actions are

Financial year/ period ended	Reservation/ qualifications/ matter of emphasis/ adverse remarks	Impact on the financial statements and financial position of the Company	Corrective steps taken and/ or proposed to be taken by the Company
	states that export incentives under the Remission of Duties and Taxes on Export Products (RoDTEP) Scheme applicable with effect from January 1, 2021 amounting to ₹ 421.16 Lakh has been recognized on the basis of certain assumptions including previous applicable rates, as the rates are yet to be notified under the said scheme. Our opinion is not modified in respect of this matter.		required as there was a temporary delay in notification of rates under the said scheme.
March 31, 2020	**Qualification**: The inventories are carried in the consolidated balance sheet at ₹26,387.33 Lakh as at March 31, 2020. In one of the subsidiaries of the Holding Company, the component auditor of its subsidiary has reported that due to the outbreak of COVID-19 and consequential lockdown in Jakarta, no physical counting against inventories of ` 2,542.30 lakh as at March 31, 2020 was conducted by them and also no other alternative procedures were performed. In consequence they were unable to carry out auditing procedures necessary to obtain adequate assurance regarding the quantities and condition of such inventory. There were no other satisfactory auditing procedures that we could adopt to obtain sufficient evidence regarding the existence and valuation of such inventories. Consequently, we were unable to determine whether any adjustments to these amounts is necessary in the consolidated financial statement.	Nil	Management has carried out the physical verification and submitted the report as well as to the auditor, however, due to COVID-19 restrictions, the auditor was unable to travel to factory location from Jakarta. In the following quarter auditor completed the process and fond no discrepancy.

SIGNIFICANT DEVELOPMENT AFTER MARCH 31, 2024

As on the date of this Preliminary Placement Document there have been no circumstances that have arisen since the date of the last reviewed financial statements as disclosed in this Preliminary Placement Document which materially or adversely affect or are likely to affect, the trading or profitability of our Company, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

INDUSTRY OVERVIEW

1. Global Macro economic Overview

1.1 Global Economy Size and Growth Trends

The size of the global[1] economy is projected around USD 109.73 trillion in nominal terms in 2024, according to the International Monetary Fund (IMF). During the past three years, the world economy grew more than 6% and saw the lowest growth in 2020 as Gross Domestic Product (GDP) contracted 3.07%. IMF raised its outlook for global economic growth, citing easing inflation and possibility of a 'soft-landing', to 3.1% in 2024. The world economy is displaying resilience, with inflation declining steadily and growth holding up, opine IMF officials. The agency expects unchanged growth in 2025, at 3.2%. At the same time, many challenges exist – any escalation of the Middle East conflict after Iran's rocket and drone attack on Israel could limit growth as it would raise oil prices and inflation, triggering tighter monetary policy from central banks.

1.2 Top 10 Global Economies and Growth Trend

1. **The US**: The economy of the United States of America[2] – the largest in the world – performed well during the past year, but growth is expected to decelerate from an estimated 2.5% in 2023 to 1.4% in 2024. Robust consumer spending on the back of strong household balance sheets and resilient labor and housing markets supported the better-than-expected performance in 2023.

2. **China**: In China[3], the economic recovery from Covid-19-related lockdowns has been more gradual amid domestic and international headwinds. The economy improved during the second half of 2023, with the growth rate reaching 5.3% for the year, an increase from 3.0% in 2022. A combination of continued weakness in the property sector and faltering external demand –affecting the growth of fixed investment, industrial production, and exports – may push growth down to 4.7% in 2024.

3. **Germany**: Economic activity in Germany[4] is estimated to have contracted 0.3% in 2023. Private consumption suffered from a loss in purchasing power. Investment growth is projected to remain low relative to pre-pandemic values, weighed down by downbeat investor sentiment. On the positive side, market financing conditions have eased moderately, and further easing is expected through the bank lending channel.

4. **Japan**: Growth in Japan[5] is projected to slow from 1.7% in 2023 to 1.2% in 2024 despite accommodative monetary and fiscal policy stances. Rising inflation may signal an exit from the deflationary trend that persisted for more than two decades. Slowing growth in China and the United States – the country's main trading partners – is expected to curb net exports in 2024.

5. **India**: After real GDP[6] contracted in FY 2021 due to the Covid-19 pandemic, growth bounced back strongly in FY 2022, supported by accommodative monetary and fiscal policies and wide vaccine coverage. Consequently, in 2022, India emerged as one of the fastest growing economies in the world, despite significant challenges in the global environment – including renewed disruptions of supply lines following the rise in geopolitical tensions, the synchronized tightening of global monetary policies, and inflationary pressures.

6. In FY 2023, India's real GDP expanded at an estimated 6.9%. Growth was underpinned by robust domestic demand, strong investment activity bolstered by the government's push for investment in infrastructure, and buoyant private consumption, particularly among higher income earners. The

[1] Source: IMF
[2] Source: United Nations
[3] Source: United Nations
[4] Source: European Union
[5] Source: IMF
[6] Source: World Bank

composition of domestic demand also changed, with government consumption being lower due to fiscal consolidation.

7. **The UK**: GDP growth[7] is projected to pick up from 0.5% in 2023 to 0.7% in 2024 and 1.2% in 2025. Private expenditure will replace government consumption and investment as the main driver of growth, helped by easing price pressures. Headline inflation will subside from historically high levels but remain above target over most of the projection period. Core inflation will linger at 3.8% in 2024 and 2.6% in 2025 on the back of the tight, albeit easing, labor market. Unemployment will edge up to 4.9% in 2025.

8. **France**: GDP is estimated to have grown 0.9%[8] in 2023, driven by strong growth in the second quarter. High inflation and tighter financial conditions weighed on growth throughout the year despite government support measures and a very favourable labour market, accompanied by dynamic wages that preserved households' purchasing power. In 2024, GDP is expected to grow moderately, by 0.9% annually. The revision can be mainly attributed to a lower carry-over from a weaker than expected second half of 2023.

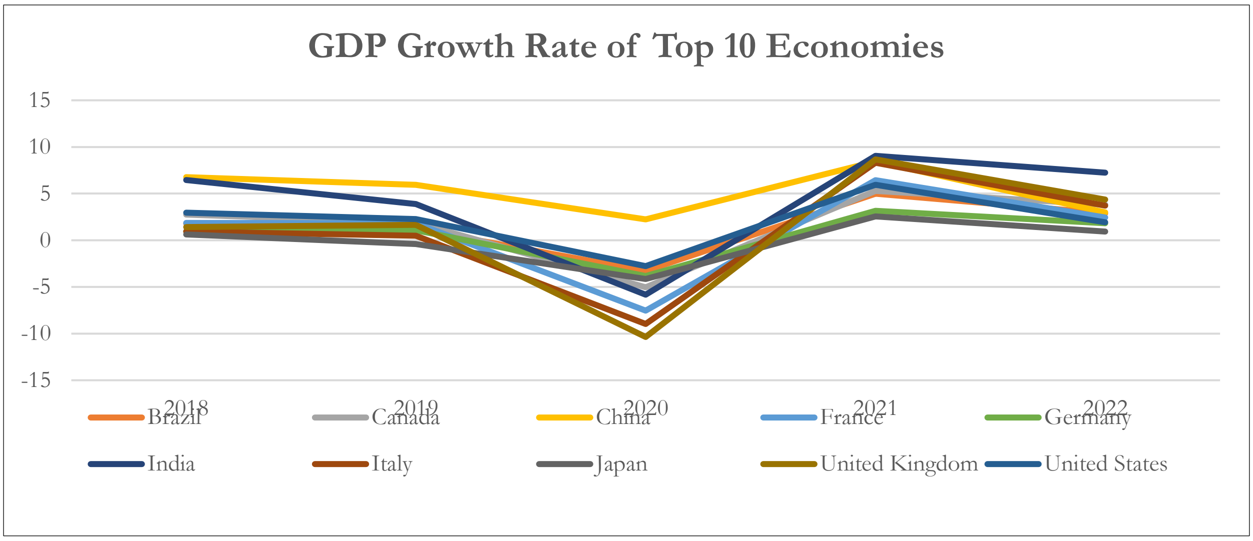
9. **Italy**: Real GDP[9] is estimated to have grown 0.6% in 2023, as private consumption moderated and investment slowed down considerably, due to rising financing costs and the phasing out of housing renovation tax credits. After decreasing 0.3% in the second quarter, GDP edged up in the third and fourth quarters, providing a marginally positive carryover into 2024. Economic output is forecast to continue growing slowly in 2024, with households' purchasing power expected to benefit from disinflation and an increase in wages, against the background of a resilient labour market.

10. **Brazil**: Real GDP[10] per capita was of USD 8,802 in 2022. Its GDP grew 2.9% in the year. It is a large federal country comprising the union (federal government), 26 states (plus the Federal District), and over 5,500 municipalities. Brazil's real GDP expanded 2.9 % in 2023 driven by robust private consumption, still supported by a strong labor market and fiscal stimulus to social transfers, and by a favorable external environment benefiting exports. In 2024, GDP is expected to grow 1.7 %, driven by the delayed effects of monetary tightening and a lower carry-over effect for the year. Going forward, real GDP growth is expected to moderate to about 2 % in the medium term.

11. **Canada**: Real GDP[11] growth is projected to drop to 0.8% in 2024, reflecting slowing domestic demand in the wake of higher borrowing costs and weakening exports, before recovering to 1.9% in 2025 as improved global conditions strengthen exports. Immigration will continue to boost private spending and labour supply. Price pressures will ebb in the face of slowing demand and rising unemployment. Were unemployment to rise faster than expected, there could be a substantial fall off in households' consumption demand and a deeper downturn.

[7] Source: OECD
[8] Source: European Union
[9] Source: European Union
[10] Source: World Bank
[11] Source: OECD

Chart 1: GDP growth rate of top 10 economies



Source: World Bank, ICRA Analytics analysis

1.3 Key Macro-economic Trends and Impact on Global Trade

1. **Russia-Ukraine War**: According to the World Trade Organization[12] (WTO), the global economic outlook has worsened since the start of the Russia–Ukraine war on February 24, 2022. Ukraine and Russia are major commodity exporters. Ukraine, in particular, ships most of its products by sea, and the conflict has greatly limited this mode of transport. Russia, in contrast, faces substantial economic sanctions that impact the domestic economy and limits its ability to participate in global markets. Both mechanisms led to a worldwide reallocation of trade flows for commodities, such as base metals, mineral oils, and agricultural products. Ukraine's exports decreased 30% from 2021 to 2022, with exports falling across the board. However, some neighbouring countries, such as Poland and Hungary, increased their sourcing from Ukraine in particular, for agricultural products.

   Russia's exports increased 15.6% during the same period. This was mostly driven by an increase in prices, particularly for fuels, fertilizers, and cereals. However, export volume may have declined slightly. The biggest increase in Russian exports was to China and India, while the largest decrease was in exports to the United Kingdom and the United States. The biggest decline was in complex industrial goods, such as motor vehicles and pharmaceuticals, as well as non-complex industrial goods, such as wood products and steel.

2. **Israel-Hamas**: Israel's military campaign in the Gaza Strip was triggered by the terrorist attack by Hamas militants in southern Israel on October 7, 2023, that killed 1,400 people, including Americans. The WTO's director-general warned that the ongoing Israel-Hamas conflict will impact global growth if it spills over to the wider Middle East region and it has after Iran launched a drone attack on Israel on April 13, 2024, six months after the Israel-Hamas crisis began.

3. **Houthi attack on Red Sea**: The Red Sea crisis began on October 19, 2023, when the Iran-backed Houthi movement in Yemen launched missiles and armed drones at Israel, demanding an end to the invasion of the Gaza Strip. The Houthis have since seized and launched aerial attacks against merchant and naval vessels in the Red Sea. Many ships have been attacked in the area, with 21 of those suffering direct strikes from missiles or drones. The attacks have resulted in the deaths of at least three seafarers and the sinking of a bulk carrier. They have caused major disruptions to global trade, some 12% of which passes through the Red Sea. The United Nations Conference on Trade and Development[13] (UNCTAD) in a report in January 2024, said traffic in the Suez Canal has decreased 42% after the Houthi attacks. The working

[12] Source: WTO
[13] Source: UNCTAD

capital cycle[14] in international trade could worsen by 15-20 days and the impact could be higher in agriculture and textile sectors.

4. **Israel-Iran**: The ongoing tension between Iran and Israel has significant implications for international trade, particularly from the standpoint of logistics and maritime operations. As these two nations engage in geopolitical tactics, the stability of trade routes, the cost of shipping, and the flow of goods are all subject to disruption. One of the primary concerns stemming from the Iran-Israel conflict is the potential for disruption in key maritime chokepoints. The Strait of Hormuz, a critical waterway through which a significant portion of the world's oil passes, is located near Iran. Any escalation in hostilities could lead to disruptions in oil shipments, impacting global energy markets and driving up shipping costs. An Iran-Israel conflict has broader implications for global trade patterns and supply chains. Heightened geopolitical tensions may prompt businesses to reassess sourcing strategies and supply chain resilience, leading to a shift in supplier bases towards regions perceived as less susceptible to instability[15]. Additionally, the conflict may impact global trade regulations and policies, with countries potentially imposing trade sanctions or restrictions on goods originating from Iran or Israel.

World Trade Predictions

World merchandise trade volume is expected to grow 2.6% in 2024 and 3.3% in 2025 as demand for traded goods rebounds following a contraction in 2023, according to WTO[16] data. Trade volume was down 1.2% last year after recording 3.0% expansion in 2022 despite the outbreak of war in Ukraine. The lingering effects of high energy prices and inflation weighed especially heavily on demand for trade-intensive manufactured goods, but this should recover gradually over the next two years as inflationary pressures ease and as real household incomes improve.

World GDP growth slowed in 2023, but not nearly as much as trade volume growth. Real GDP growth (weighted at marked exchange rates) decreased to 2.7% in 2023 from 3.1% in the previous year. GDP growth is expected to remain mostly stable over the next two years, dipping to 2.6% in 2024 before returning to 2.7% in 2025.

The relatively small 1.2% decline in merchandise trade in 2023 obscures strong regional variation, as import demand fell sharply in Europe, declined in North America, remained flat in Asia, and increased in major fuel-exporting economies. Weak demand reduced export volumes in Europe and prevented a stronger recovery in Asia, while the picture in other regions was mixed. If the forecast is realized, Asia will make a bigger contribution to trade volume growth in 2024 and 2025.

2. Indian Macro-economic Overview

2.1 Nominal GDP Growth and Projections

India's nominal GDP in 2024 is projected at USD 4,105[17] billion at current prices, according to the IMF World Economic Outlook (October 2023). This projection would make India the 5th largest economy globally. India attained the highest 5th rank in 2021 and lowest 17th in 1991. India contributes 3.74% of the entire world's GDP and its share of the world economy increased from 1.08% in 1993 to the current estimate of 3.74% in 2024.

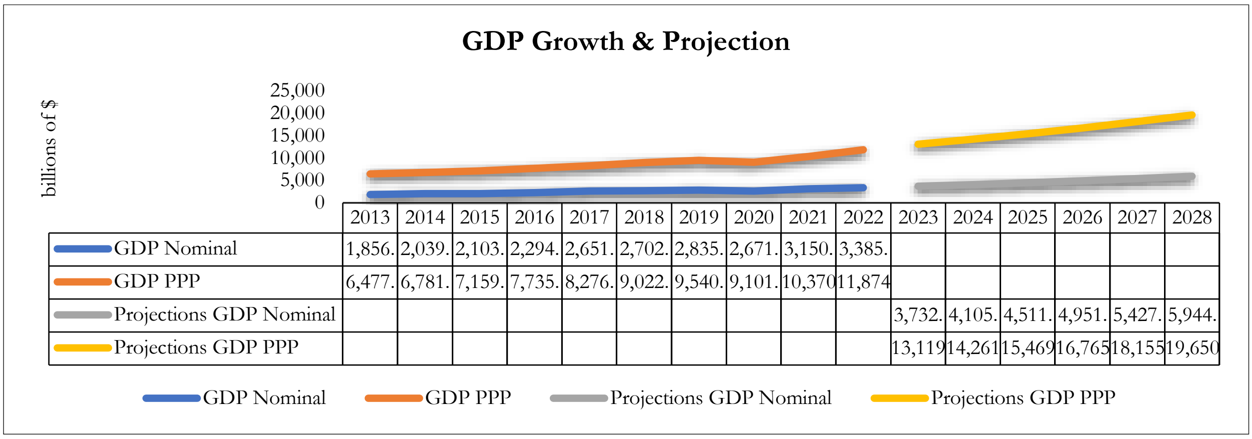
India is in 3rd position after China and Japan among Asian countries. India shares around 9.69% of the total of Asia's GDP (nominal).

Based on Purchasing Power Parity (PPP), in 2024, the Indian economy is projected at 14,261 billion international dollars, 3rd highest in the world, behind the United States and China. India contributes 7.75% of the entire world's GDP (PPP). India shares almost 15.5% of the total of Asia's GDP (PPP). The GDP of India at PPP is 3.52 times of GDP (nominal).

---

[14] Source: Business Standard
[15] Source: Financial Express
[16] Source: WTO
[17] Source: IMF

Chart 2: Historical GDP data; estimates by World Bank



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
GDP Nominal	1,856.	2,039.	2,103.	2,294.	2,651.	2,702.	2,835.	2,671.	3,150.	3,385.						
GDP PPP	6,477.	6,781.	7,159.	7,735.	8,276.	9,022.	9,540.	9,101.	10,370	11,874						
Projections GDP Nominal											3,732.	4,105.	4,511.	4,951.	5,427.	5,944.
Projections GDP PPP											13,119	14,261	15,469	16,765	18,155	19,650

Source: World Bank, ICRA Analytics analysis

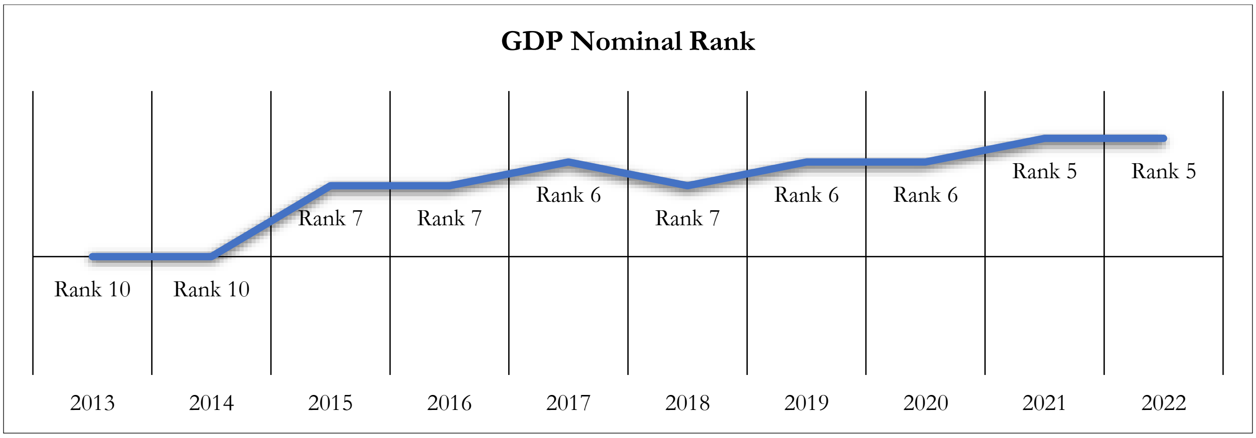
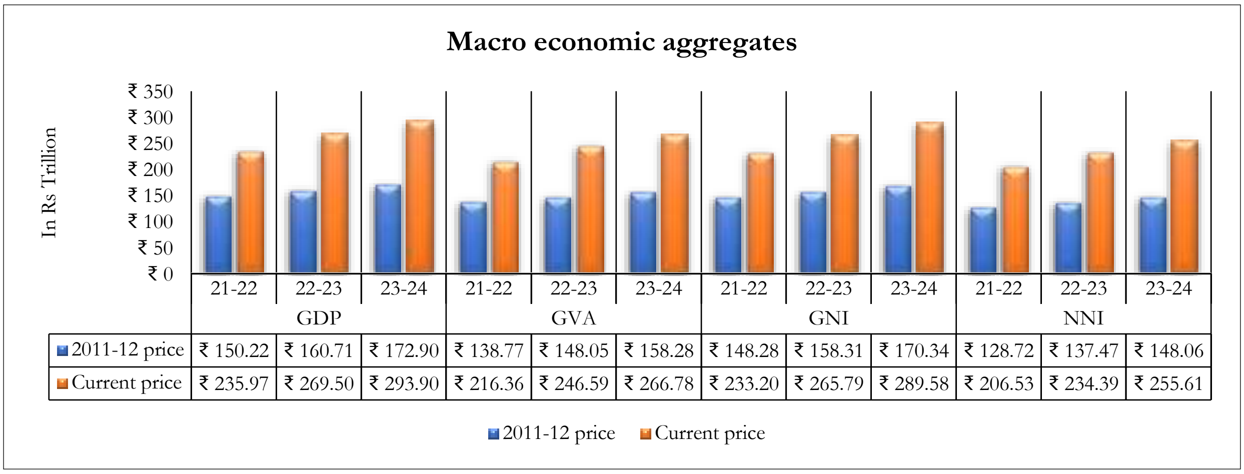


Chart 3: GDP nominal rank - India

Source: World Bank, ICRA Analytics analysis

Chart 4: Macro economics aggregates



	GDP			GVA			GNI			NNI		
	21-22	22-23	23-24	21-22	22-23	23-24	21-22	22-23	23-24	21-22	22-23	23-24
2011-12 price	₹ 150.22	₹ 160.71	₹ 172.90	₹ 138.77	₹ 148.05	₹ 158.28	₹ 148.28	₹ 158.31	₹ 170.34	₹ 128.72	₹ 137.47	₹ 148.06
Current price	₹ 235.97	₹ 269.50	₹ 293.90	₹ 216.36	₹ 246.59	₹ 266.78	₹ 233.20	₹ 265.79	₹ 289.58	₹ 206.53	₹ 234.39	₹ 255.61

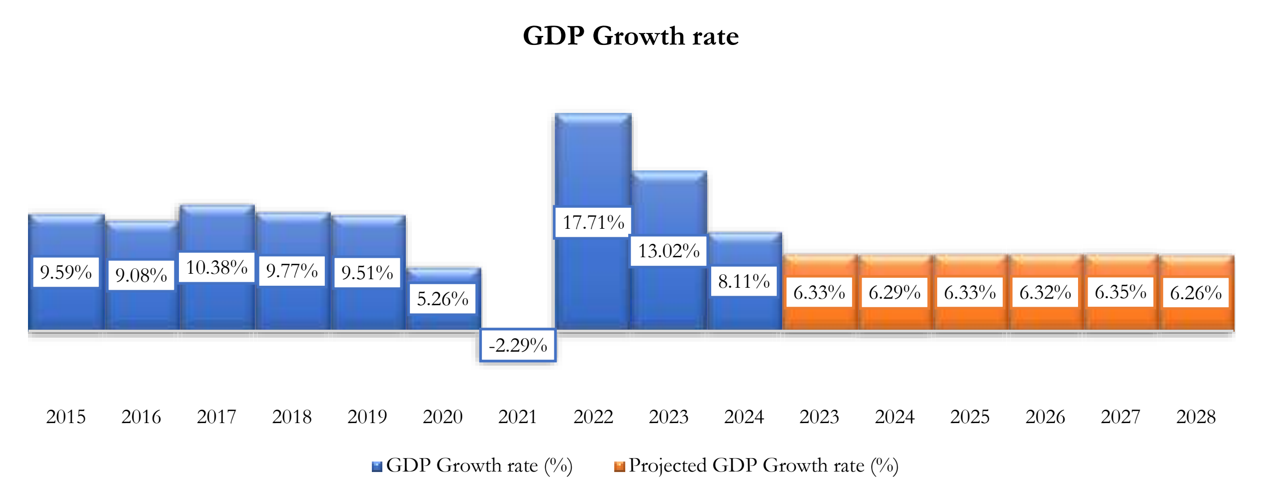
Source: RBI, ICRA Analytics analysis

GDP: Gross Domestic Product; the total value of all the goods and services produced in a country in one year GVA: Gross value added is a productivity metric that measures the contribution of a corporate subsidiary, company, or municipality to an economy GNI: Gross national income, is the sum of incomes of residents of an economy in a given period NNI: Net National Income is 'net' of Consumption of Fixed Capital (CFC) or depreciation, that is, the decline in value of the Fixed Assets used in production

2.2 GDP Growth and Projections

According to the IMF World Economic Outlook (October-2023), India's GDP growth rate in 2024 is projected at 6.29%. India is at 11th position out of 195 economies. With a 6.33% expansion in 2023, India is at the 11th position. India was among the top 10 growing economies in two years, 2016 (9th out of 205) and 2015 (9th out of 206).

Chart 5: GDP growth rate



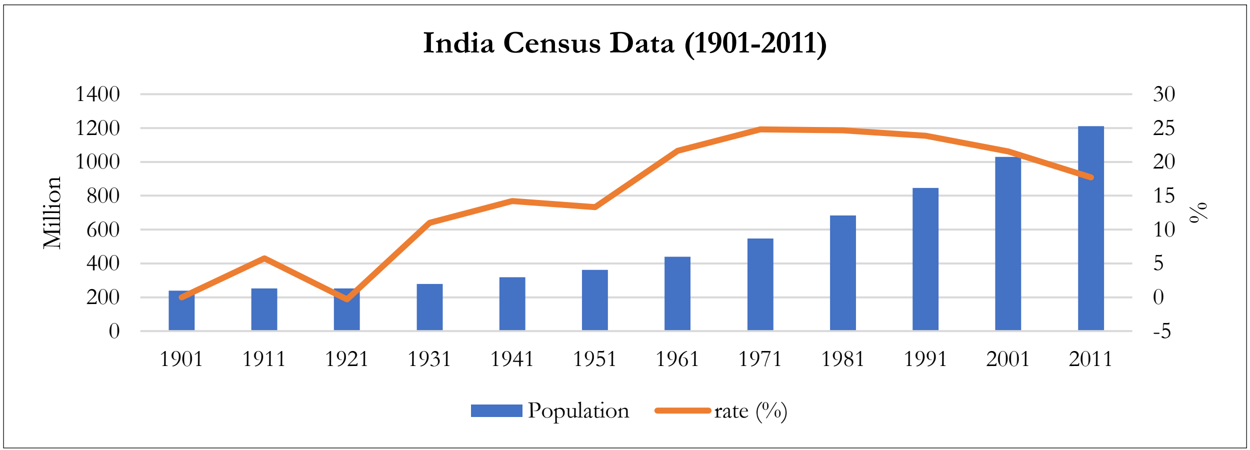
Source: MOSPI, ICRA Analytics analysis

2.3 Demographic Indicators – India & Global

India

The current population of India is close to 1.43 [18]billion as of April 23, 2024, based on interpolation of the latest United Nations data. The population of India is projected at 1.44 billion as of July 1, 2024. India is now the most populous country in the world after overtaking China in 2023. By 2029, India will cross the 1.5 billion milestone. According to the Census of India 2011 (latest and will be updated in 2024), the population of India stood at 1.21. The percentage decadal growth during 2001-2011 was 17.70%, 3.84% lower than 1991-2001 period.

Chart 6: Indian census data



[18] Source: MOSPI

Source: MOSPI, ICRA Analytics analysis

Table 1: Sex ratio by age – India

Age group	Male	Female	Total	M per 100 F
00-04	51.83%	48.17%	11,23,26,462	107.609
05-09	52.14%	47.86%	11,72,58,591	108.926
10-14	52.35%	47.65%	12,32,50,028	109.881
15-19	52.43%	47.57%	12,57,37,562	110.199
20-24	52.47%	47.53%	12,81,27,184	110.379
25-29	52.47%	47.53%	12,32,70,642	110.376
30-34	52.05%	47.95%	11,72,65,259	108.547
35-39	51.81%	48.19%	11,01,29,959	107.514
40-44	51.70%	48.30%	9,87,37,066	107.06
45-49	51.35%	48.65%	8,64,58,655	105.568
50-54	50.99%	49.01%	7,58,58,271	104.042
55-59	50.58%	49.42%	6,43,61,240	102.367
60-64	49.98%	50.02%	5,34,82,923	99.901
65-69	49.27%	50.73%	4,21,69,061	97.118
70-74	48.51%	51.49%	3,02,09,289	94.227
75-79	46.36%	53.64%	1,73,04,076	86.414
80-84	43.82%	56.18%	94,87,906	78.011
85-89	41.28%	58.72%	44,18,514	70.308
90-94	39.84%	60.16%	14,78,111	66.236
95-99	39.97%	60.03%	3,40,967	66.587
100+	38.76%	61.24%	48,085	63.304
Total	51.56%	48.44%	1,44,17,19,851	106.453

Table 2: Sex Ratio India Census Data (1901-2011)

Year	Sex Ratio			Decadal change
	Total	Rural	Urban	
2011	943	949	929	10
2001	933	946	900	6
1991	927	938	893	-7
1981	934	951	879	4
1971	930	949	858	-11
1961	941	963	845	-5
1951	946	965	860	1
1941	945	-	-	-5
1931	950	-	-	-5
1921	955	-	-	-9
1911	964	-	-	-8
1901	972	-	-	-

Global

The current population of the world is 8.10 billion as of April 23, 2024, based on interpolation of the latest United Nations data. The world population is projected at 8.12 as of July 1, 2024.

Table 3: Sex ratio by age – Global

Age group	Male	Female	Total (In Cr.)	Male per 100 Female
00-04	51.00%	49.00%	65.27	105
05-09	51.00%	49.00%	67.89	106
10-14	52.00%	48.00%	67.59	107
15-19	52.00%	48.00%	64.32	107
20-24	52.00%	48.00%	61.15	106
25-29	51.00%	49.00%	59.24	106
30-34	51.00%	49.00%	59.89	105
35-39	51.00%	49.00%	58.68	104
40-44	51.00%	49.00%	53.30	103
45-49	50.00%	50.00%	47.68	101
50-54	50.00%	50.00%	46.48	100
55-59	49.00%	51.00%	41.99	97
60-64	48.00%	52.00%	35.12	94
65-69	47.00%	53.00%	29.21	89
70-74	46.00%	54.00%	22.76	84
75-79	44.00%	56.00%	14.84	78
80-84	41.00%	59.00%	9.01	70
85-89	37.00%	63.00%	4.95	58
90-94	32.00%	68.00%	1.96	46
95-99	26.00%	74.00%	0.49	35
100+	19.00%	81.00%	0.07	24
Total	50.00%	50.00%	811.88	101

Table 4: Population - comparison between the top 5 economies

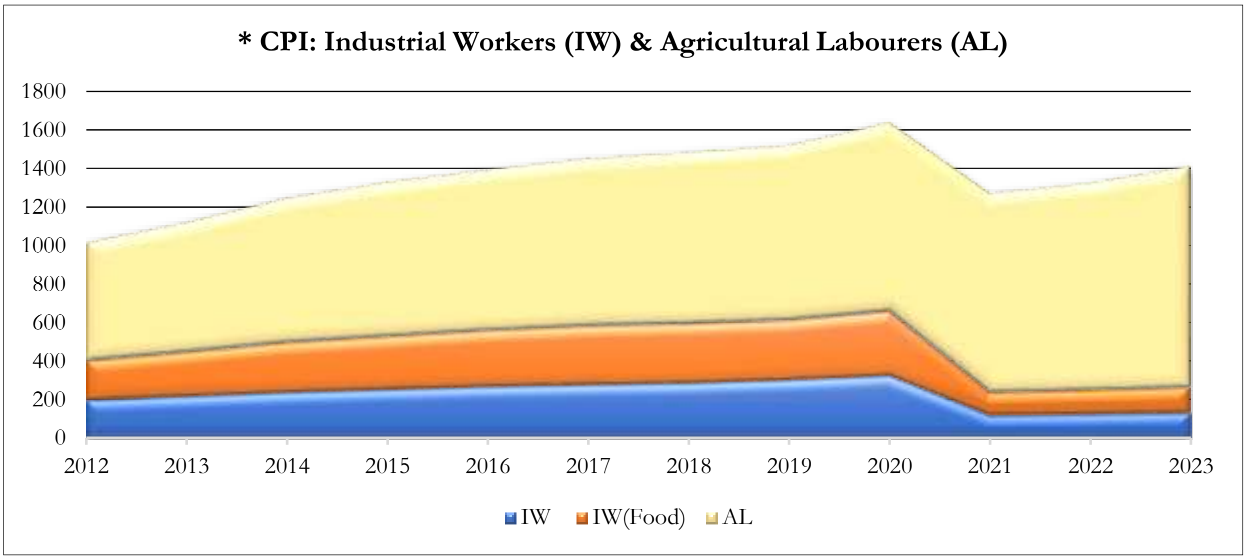
Country	2023 (In Cr.)	2024 (In Cr.)	Change (%)
United States of America	34	34.18	0.53
China	142.57	142.52	-0.03
Germany	8.33	8.33	-0.05
Japan	12.33	12.26	-0.54
India	142.86	144.17	0.92

Table 5: Sex ratio - comparison between the top 5 economies

Country/Territory	Sex ratio (2024)		At birth (2024)	M per 100 F by Age group (2024)		
	M per 100 F	Rank	M per 100 F	0-14	15-65	65++
United States of America	97.987	97	104.9	104.696	100.847	82.905
China	103.998	204	110.3	114.344	106.875	82.232
Germany	97.52	81	105.6	105.516	103.447	79.141
Japan	94.505	47	105.1	104.75	102.646	77.401
India	106.453	214	107.1	108.836	107.432	90.779

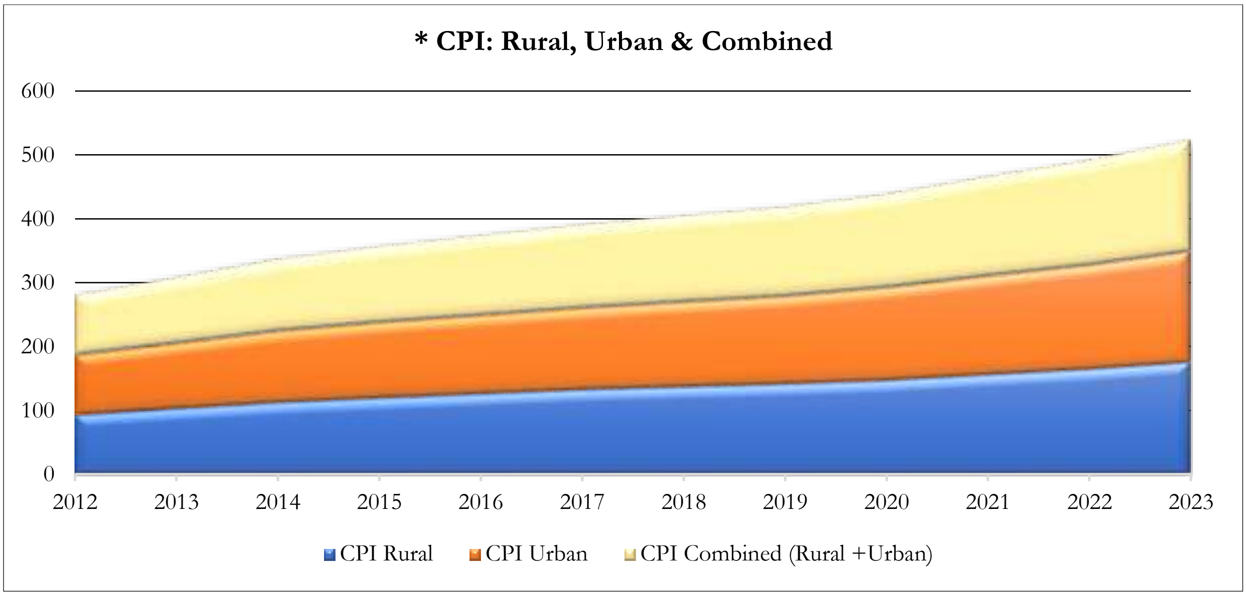
2.4 Historical Movement of Key Macro-economic Indicators

Chart 7: Consumer Price Index – IW & AL



Source: MOSPI, ICRA Analytics analysis

Chart 8: Consumer Price Index – Rural, Urban & Combined

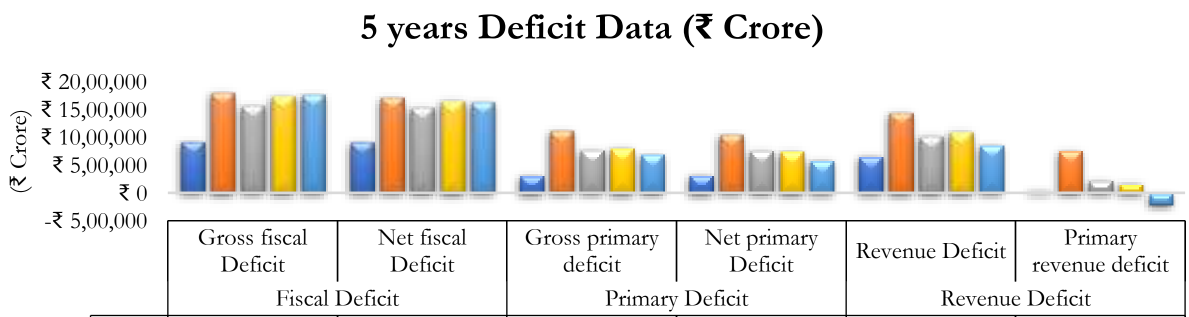


Source: MOSPI, ICRA Analytics analysis
*Year 2012 to 2020: Base: 2012
*Year 2021 to 2023: Base: 2016

Table 6: Components of Gross Value Added at Basic Prices

GVA at Basic Prices (Base Year: 2011-12) Current Prices					
					(Amount in ₹ Crore)
Items/Year	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**
Agriculture, Forestry and Fishing	3029925	3368471	3695412	4066649	4557599
Industry	3639680	3565101	3617968	4381704	4961246
Mining & Quarrying	377661	357001	316268	429364	583535
Manufacturing	2812560	2705101	2800895	3396735	3636171
Electricity, Gas, Water Supply & Other Utility Services	449459	502999	500804	555605	741540
Services	10505523	11447545	10875400	12990530	15224026
Construction	1352118	1378669	1343531	1737505	2027545
Trade, Hotels, Transport, Communication and Services Related to Broadcasting	3202762	3478889	2870667	3611993	4448156
Financial, Real Estate & Professional Services	3529498	3881113	4036766	4612286	5300147
Public Administration, Defence and Other Services	2421145	2708874	2624437	3028745	3448178
GVA at Basic Prices	17175128	18381117	18188780	21438883	24742871

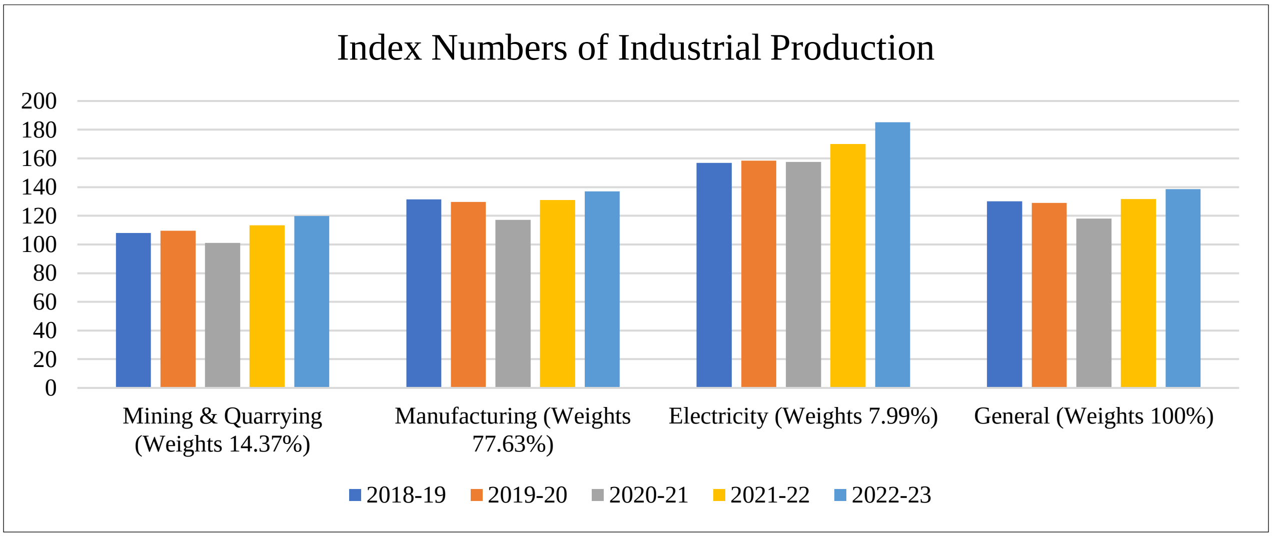
Chart 9: Key Deficit Indicators of the Central Government



	Fiscal Deficit		Primary Deficit		Revenue Deficit	
	Gross fiscal Deficit	Net fiscal Deficit	Gross primary deficit	Net primary Deficit	Revenue Deficit	Primary revenue deficit
2020	₹ 9,33,651.00	₹ 9,27,553.00	₹ 3,21,581.00	₹ 3,27,832.00	₹ 6,66,545.00	₹ 54,475.00
2021	₹ 18,18,291.00	₹ 17,27,529.00	₹ 11,38,422.00	₹ 10,64,774.00	₹ 14,49,599.00	₹ 7,69,730.00
2022	₹ 15,84,521.00	₹ 15,50,882.00	₹ 7,79,022.00	₹ 7,67,257.00	₹ 10,31,021.00	₹ 2,25,522.00
2023	₹ 17,55,319.00	₹ 16,70,749.00	₹ 8,14,668.00	₹ 7,54,738.00	₹ 11,10,546.00	₹ 1,69,895.00
2024	₹ 17,86,816.00	₹ 16,45,982.00	₹ 7,06,845.00	₹ 5,90,831.00	₹ 8,69,855.00	-₹ 2,10,116.00

Data for 2024 is projected
Source: RBI, ICRA Analytics analysis

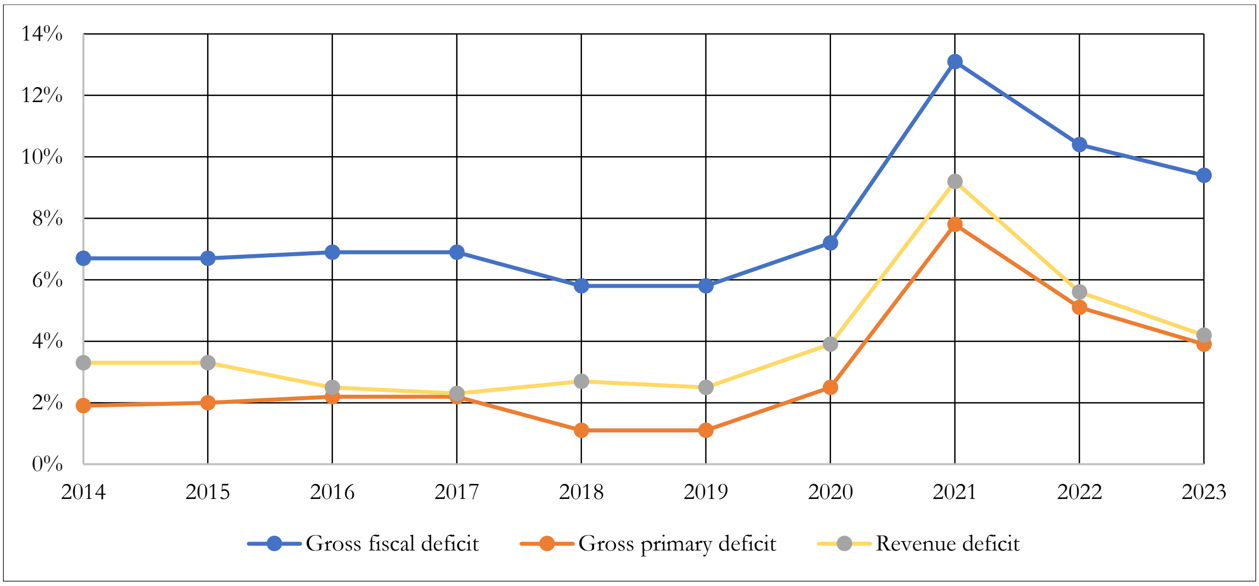
Chart 10: Index Numbers of Industrial Production



Base: 2012

Source: RBI, ICRA Analytics analysis

Chart 11: Combined Deficits of the Central and State Governments (as %age to GDP)



Source: RBI, ICRA Analytics analysis

2.5 Key Factors Driving the Indian Economy

Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key drivers of GDP in the first half of FY 2024. In 2023-24 (April-December), India's service exports stood at USD 247.92 billion. Furthermore, India's overall exports (services and merchandise) in 2023-24 (April-December) were estimated at USD 565.04 billion. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers. The contact-based services sector has largely demonstrated promise to boost growth by unleashing pent-up demand. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well.

Despite uncertainty from adverse geopolitical developments and expansionary fiscal measures taken during the Covid-19 pandemic, the Indian economy has demonstrated resilience and maintained healthy macroeconomic fundamentals. As per the First Advance Estimates of National Income of FY 2023-24, India's Real GDP is projected to grow at 7.3%.

Industry and services sectors were the primary growth drivers in H1 of FY 2024. India has registered the highest growth among major advanced and emerging market economies during this period. As per the IMF, India is likely to become the third-largest economy in 2027 in USD at market exchange rate. It also estimates that India's contribution to global growth will rise by 200 basis points in five years.

Macroeconomic stability and improvements in India's external position, particularly significant moderation in the current account deficit and revival of capital flows on the back of a comfortable foreign exchange reserves buffer, resulted in stability in the Indian rupee during FY2023-24. Further, inflationary pressures in India moderated, majorly driven by proactive supply side initiatives by the Government.

Table 7: Fiscal Indicators - Rolling Targets as a % age of GDP

	Revised Estimates	**Budget Estimates**
	2023-24	2024-25
1. Fiscal Deficit	5.8	5.1
2. Revenue Deficit	2.8	2
3. Primary Deficit	2.3	1.5
4. Tax Revenue (Gross)	11.6	11.7
5. Non-tax Revenue	1.3	1.2
6. Central Government Debt	57.8	56.8

Strategic priorities for FY2024-25:

The Government's fiscal policy stance has been to make the domestic economy more resilient to exogenous shocks and to mitigate the risks of global economic downturn without compromising on the overall macroeconomic balances. The FY 2024-25 fiscal strategy of the government is based on the following broad intents:

- Directing towards more inclusive, sustainable and more resilient domestic economy to absorb the unanticipated shocks, if any; Channelizing and allocating increased resources towards capital spending to sustain infrastructure development momentum;
- Continuing the holistic approach of fiscal federalism towards enhancing the public infrastructure by supporting efforts of the States for capital spending;
- Focus on integrated and coordinated planning and implementation of infrastructure projects in the country, embracing the principles of PM Gati Shakti;
- Prioritization of expenditure towards the key developmental sectors viz., drinking water, housing, sanitation, green energy, health, education, agriculture, rural development etc. for long run sustainable and inclusive betterment of the citizens;
- Enhancing the effectiveness of cash management through just-in-time release of resources by using Single Nodal Agency / Treasury Single Account system, etc.

2.5.1 Urbanization

India is urbanizing rapidly - by 2036, its towns and cities will be home to 600 million people, or 40% of the population, up from 31% in 2011, with urban areas contributing almost 70% to GDP.

Since nearly 70% of the urban infrastructure needed by 2047 is yet to be built, sizeable investments will be required. By 2036, India will need to invest $840 billion in infrastructure - an average of $55 billion or 1.2% of GDP per annum. However, estimates suggest that between 2011 and 2018, the country's total capital expenditure on urban infrastructure averaged only 0.6% of GDP, half the required quantum of investment.

Private financing will need to play a significant role. Yet, while more than 160 Indian cities have been classified as investment grade, reliance on government funding remains high. Central and state governments finance 72% of urban infrastructure, with commercial financing providing a meagre 5%. Recognising these challenges, the government has taken measures to enable commercial financing, but its use remains extremely limited, even in financially strong cities.

To tap into private capital, Urban Local Bodies (ULB) will need to comprehensively build their capacity and focus on executing bankable projects. It will also be important for the country to develop the municipal bond market and introduce innovative financing structures.

To increase the productive potential of citizens, cities will also need to invest in public services to improve their quality of life. Building human capital by improving access to health care and upgrading skills - with the private sector playing an important role - is a critical component of India's urban transformation agenda.

Providing efficient public transportation is another factor that adds to people's productive potential. Chennai, for instance, is addressing institutional fragmentation in the transportation sector by taking a holistic approach and establishing a nodal body to oversee, coordinate, and monitor traffic and transportation in the city. Ensuring that transportation is safe and accessible for women can also help bring more women into the work force, a key opportunity for development. World Bank calculations suggest that over the next 10 years, India can probably add 1.2% age points per year to potential growth if female labour force participation gradually increases from the current 31.6% to more than 50%.

Given that India is a water-stressed country, creating the infrastructure needed for water security is just as imperative. Surat, for instance, has become one of the first cities to recycle wastewater at scale. Dharampuri - a small town in Madhya Pradesh - has become water surplus by developing an integrated approach to water supply, linking every household to the sewerage system, and recycling wastewater.

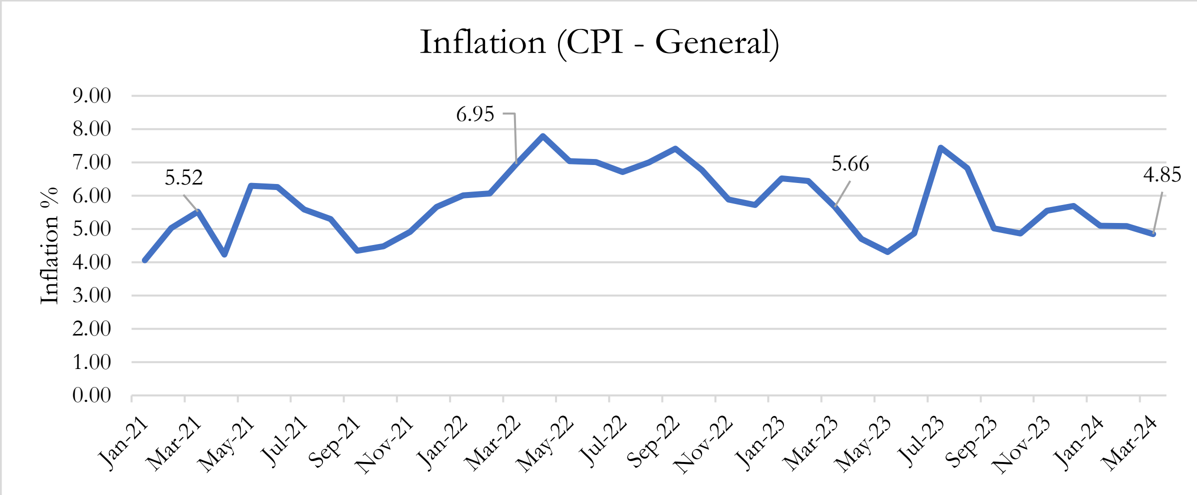
2.5.2 Per Capita Income

India's per capita disposable income is expected to be ₹2.14 lakh in 2023-24, according to the government. The new data indicates that per capita disposable income grew 8% in FY 2024 and 13.3% in the previous year.

India's gross national disposable income, which includes net primary income and other transfers received from the rest of the world, is expected to expand 8.9% in FY 2024 and 14.5% in FY 2023, as against 13.8% and 8.9% projected earlier. GNDI calculation is used to determine savings level for the economy. India's gross savings declined below 30% to 29.7% in 2022-23, according to government's data release, from 30.8% in the previous year.

2.5.3 Impact of Inflation and Interest Rate

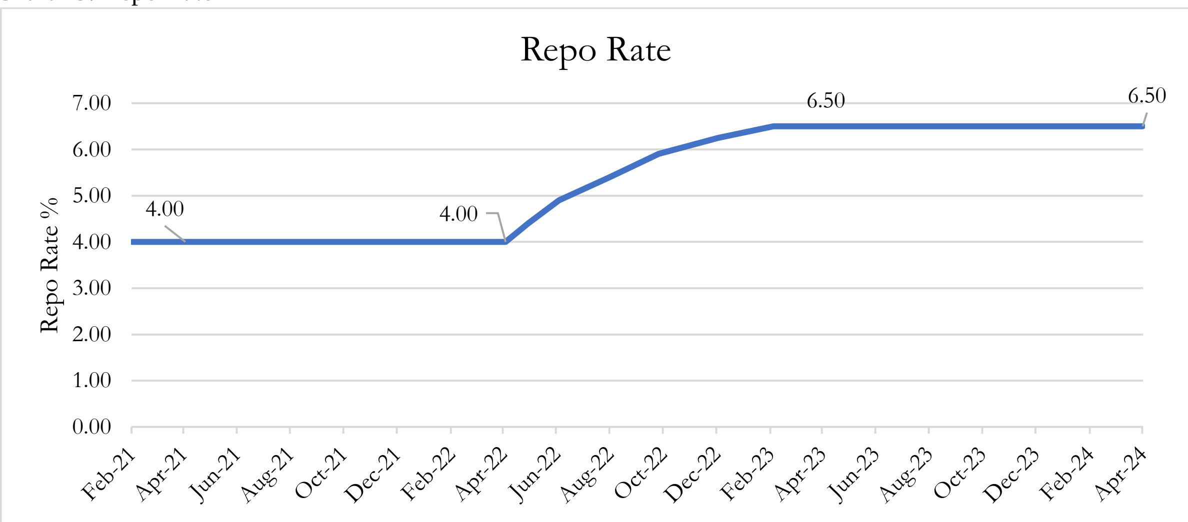
Chart 12: Inflation - India



Source: Government of India, collated by ICRA Analytics

India has been experiencing high inflation in the past few years, majorly ranging between 4-8% since 2021. Inflation directly impacts consumer purchasing power. The inflation dynamics have been influenced by a series of factors such as domestic economic activities, Covid-19, policy decision, Russia-Ukraine conflict, supply disruptions, and commodity prices. In the past one year, retail inflation, or CPI-based inflation, heightened to 7.44% in July 2023, however, since January 2024 it has been softening for three consecutive months. In March 2024, it stood at 4.85%, down from 5.09% in the prior month. In its last policy meet, the Reserve Bank of India (RBI) forecast retail inflation at 4.5% for FY2025, with Q1 projection at 4.9%, 3.8% in Q2, 4.6% in Q3 and Q4 projection at 4.5%. Policy makers are focused on gradually aligning the inflation to its medium-term target of 4% within a bank of +/- 2% to support economic growth.

Chart 13: Repo Rate



Source: Government of India, collated by ICRA Analytics

The Monetary Policy Committee (MPC) has also kept the repo rates unchanged for the seventh time in a row at 6.5% in April 2024 as they remain committed to keep inflation under check. Stable policy rate indicates interest rates for borrowers would remain steady, which is good for new and existing borrowers with floating interest rates. This is expected to lift consumer confidence and support overall demand in the economy.

With inflation treading down and supported by steady interest rates, overall consumer sentiments should get better and improve discretionary spending.

3. Apparel Manufacturing and Export Business

3.1 Global Apparel Manufacturing Industry

3.1.1 Global Textile Industry: Size & Growth Trend

The global textile industry is the foundation of fashion and apparel market. The industry goes through constant changes and developments owing to changing consumer tastes and preferences, technological improvements, and sustainability initiatives. There are several factors, including rising population, urbanization, increasing disposable income, popularity of e-commerce platform, growing awareness and adoption of environmental-friendly textile, which are contributing towards the demand for diverse textile products across the globe. This, in turn, is fostering industry expansion. As per Maximize Market Research, a global research and consultancy firm, the global textile market was valued at USD 1,695 billion[19] in 2023. The industry is estimated to grow at a CAGR of 7.7% and reach USD 3,041 billion by 2030.

With escalating awareness on sustainable practice, numerous textile companies are working on restructuring their businesses and building manufacturing practices to make sustainable products. For instance, DuPont’s plant-based faux fur is a luxurious alternative to animal fur, which designers can use in premium garments. Another case is that of Eastman, where it formed an agreement with Circular Polymers to use waste materials, such as discarded carpets, and recycle them through its carbon renewal technology into new materials.
Besides, novel technologies, such as smart textiles and advanced manufacturing techniques, have been shaping product innovation and consumer demand. The coronavirus pandemic has been a major disruptor, forcing the industry to move towards Personal Protective Equipment (PPE) and healthcare textiles. The industry adapted to the unprecedented requirement and showed agility in the face of adversity. In addition, key players such as Nike, Adidas, and H&M have been taking significant steps towards sustainability and embracing circular fashion initiatives. They are investing in eco-safe materials and collaborating with players to lower environmental footprints across the supply chains.

Additionally, digital transformation is playing a major role in stimulating growth in the textile market. More than ever, customers can directly engage with brands through online retailing platforms and e-commerce. These customization capabilities and comfort are providing freedom to customers. Such market dynamism, converging sustainability consciousness, quality and durability with technological integration, and receptive strategies augurs well for the industry. However, confirming to the health and safety standards, addressing durability requirements, and tackling environmental sustainability issues aren’t easy to manage and may deter the industry's growth and evolution.

China and India are the top producers and exporters of textiles industry. The US is among the key textile markets not only in the North American regions, but across the globe. It is among the largest producers and exporters of raw cotton, while a big importer of raw textile.

3.1.2 Global Apparel Industry: Size & Growth Trend

According to Modor Intelligence, the current size of the global apparel market (2024) is estimated to be around USD 1.36 trillion[20], which is forecast to grow at a CAGR of 4.63% to USD 1.78 trillion by 2029.

The apparel industry plays a pivotal role, particularly in developing economies, in revenue generation and employment creation. Developing economies with abundant labour are expected to benefit from the industry’s growth prospects. The industry is experiencing severe changes owing to global sourcing and fierce price competition. There are several factors contributing towards the industry’s growth, from favourable demographic factors, changing consumer preference to rising per capital income and disposable income. Increasing number of

[19] Source: Maximize Market Research
[20] Source: Modor Intelligence

working women is not only increasing the disposable income of the family, but also boosting demand for womenswear. Moreover, preference for branded and luxury wear and evolving fashion trends are aiding growth. In addition, higher online shopping and large e-commerce portals are allowing apparel manufacturers to get greater exposure and transcend the domestic market barrier to reach buyers outside the country.

Relation between Textile and Apparel: The apparel and textile industry go hand in hand. The textile industry makes raw materials, converts the material to yarns, then dyes and finishes the fabrics produced from the yarn. It is much larger and diverse including segments such as spinning, knitting, weaving, finishing, and nonwoven. Textile fabrics can include strips of cloth, but also have materials for carpeting, towels, upholstery, and industrial products. On the other hand, the apparel industry is engaged in designing, sewing, producing, and marketing clothing or accessories, and footwear.

The apparel market may be categorized into clothing, accessories, and footwear. The clothing category dominates the market and is expected to continue to do so. Clothing may further be segmented by end-user into men, women, and children. In terms of type, clothing may be categorized into formalwear, casualwear, sportswear, athleisure, nightwear, loungewear, and innerwear.

3.1.3 Key Growth Drivers for Global Apparel Industry

1. **Online shopping and e-commerce are revolutionizing the market**: Manufacturers have been able to tap buyers through online portal. This has enabled them to market their product at a much larger scale and expand their customer base to different geographies. Covid-19 led to a surge in e-commerce, which is propelling the market expansion. As per data gathering and visualization firm Statista, retail e-commerce sales increased from USD 3.35 trillion in 2019 to USD 4.25 trillion in 2020 and is estimated to have reached USD 5.78 trillion[21] in 2023 (actuals not available yet). Domestic apparel brands are exploring international markets through e-commerce portals and serving buyers across the globe instead of getting restricted to one geography. As an instance, Amazon's luxury offering, which was earlier restricted to North America, was launched in Europe in 2022. This was made available to the UK, France, Italy, Spain, and Germany via Amazon.

2. **Changing fashion trend**: Fashion is ever changing, and this is the key driver behind the industry's growth and expansion. Sustainable fashion, athleisure, gender-neutral apparel are among the latest trends. Athleisure is a new trend driven by lifestyle changes and increasing health consciousness without compromising on style. Individuals are looking for comfort wear that are stylish and may be used for workout sessions along with regular wear. Additionally, gender-neutral fashion is picking pace with several consumers opting for unisex designs and styles in their clothing, accessories, and footwear.

3. **Increasing disposable income**: Rising spendable income, particularly in emerging markets, is playing a critical role in steering consumer spending behaviour on apparels. India's per capita disposable income is estimated to be ₹2.14 lakh[22] (around USD 2,564) in FY 2024, up 8% y-o-y vis-à-vis 13% rise in FY 2023. China's per capital disposable income rose 6% in nominal terms to around USD 5,511[23] in 2023. As more and more individuals are working and increasing their income levels, there's a dramatic shift in their purchase pattern. Not only is the spending on apparels, accessories and footwear increasing, but there's a growing preference for branded clothing.

4. **Sustainability and ethical fashion**: Demand for eco-friendly and sustainable apparel is rising. Concerns over the clothing industry's effects on the environment and society are growing among consumers. As such, they are gravitating towards brands that manufacture ethically and sustainably using eco-friendly materials like recycled fabrics, organic cotton, and other cutting-edge substitutes. Customers are more conscious than ever regarding reducing environmental impact and fostering a sustainable future.

[21] Source: Statista
[22] Source: GoI
[23] Source: State Council of the People's Republic of China

5. **Advent of new technology**: Technological advancement is another significant factor that is driving the industry. Increasing knowhow of 3D printing and artificial intelligence are expected to evolve the way clothes are manufactured, designed, and distributed. Another interesting use of technology has been developing a virtual fitting room, which allows customers to try on clothes virtually to get a sense of how it would physically look on them. For instance, Walmart was seen launching Zeekit, a virtual fitting room platform for its customers in 2022. In addition, manufacturers are investing in research and development with the intention to make advancements in material science and manufacturing techniques. There are computer-controlled embroidery machines that can create design on the fabric, make special fabric effects, perform chain stitch embroidery, cutwork, sequins, applique just via an input given in digital format. They also want to create innovative fabrics that are lightweight, durable, comfortable and form protective layers and enhance safety features in apparel. There is also a conscious effort to replace animal and fossil-fuel-based textiles in the industry through the Material Innovation Initiative (MII).

6. **Rising influence of social media**: Social media is playing a crucial role in shaping the tastes and preferences of individuals in fashion. The need to dress and appear better is also growing more than ever. People are taking fashion inspiration from digital platforms and are getting influenced by global fashion, celebrity endorsements, and social media influencers. Brands are also trying to increase their presence and make visually attracting content to stimulate demand. As per Statista, top fashion luxury brands spent nearly USD 400 million[24] in social media marketing in the US in the third quarter of 2021 to enhance their presence in popular social channels including Instagram, YouTube, and Twitter.

7. **Asia-Pacific holds a prominent role**: The Asia-Pacific region is expected to drive the global apparel market. The governments in the region have undertaken several initiatives to foster growth and development in the textile and apparel space. For instance, in India, governments incentives such as Amended Technology Upgradation Fund Scheme and Advance Authorization Scheme Source aim to augment production of textile and apparel products in the country. There are other measures to bolster export competitiveness of Indian apparel. Similarly, the CNTAC, China's regulating organization for textile and apparel, in its 14th five-year plan outlined the development goals, growth strategies, and key tasks for textile and clothing sector. Both India and China are major garment exporters.

3.1.4 Key Trends in Global Apparel Industry

1. **Declining dependence on China**: Apparel brands depend significantly on China for imports and mass textile and apparel production. Several supply chain factors including increased cost and concerning working conditions have compelled western brands to reconsider their reliance on their factories that have been set up in China. In addition, geo-political tensions between the West and China have also led the former to lower their reliance on the latter.

   Players such as Mango, Dr Martens, Marc O' Polo, Adidas, and Nike have signaled shifting manufacturing locations away from the mainland. PVH Corp (owner of brands such as Tommy Hilfiger, Calvin Klein) has slashed sourcing from China. Walmart and Target are also cutting imports and reducing its reliance on China to diversify its supply chain. The decision of moving operations to other countries solidified with the severe supply chain disruption as the Covid-19 pandemic broke. This resulted in high freight cost and shipping delays. Despite all the efforts, China remains a crucial sourcing destination for apparel manufacturers. Shifting supply base away from China is not easy where companies already have established manufacturing facilities, supply chain, skilled labour, raw material, and infrastructure.

2. **Consolidation of supplier base**: A consolidated supplier base streamlines and simplifies procurement process, saves money, and strengthens supplier relation. According to the 2021 Fashion Industry Benchmarking Study, fashion firms are trying to become more adaptable to changes in demand by improving their ties with key suppliers and consolidating their source base. This trend has been observed following the coronavirus pandemic.

[24] Source: Statista

Businesses are proactively partnering with reliable suppliers, particularly those who make investments in digitization and upskilling and are quick and adaptable about batch sizes and production cycles. There is an increase in long-term, dedicated partnerships where companies are preferring to attach their operations with a small number of effective suppliers than maintain a large and spread-out supplier base. Suppliers using dated methods of operation may have difficulties and not be preferred.

3. **Destocking of inventory**: Inventory management has become one of the key operational concerns, especially in the fashion world. Big and small brands alike struggle to estimate consumer demand, which can result in overproduction or stockouts. As a result, there are large quantities of unsold clothing, known as deadstock. Such products lead to considerable loss of revenue and a waste of resources when left discarded in the warehouses. The US and European companies experienced feeble demand last year, which led to bulging inventories. To manage inventory better, several fashion houses have adopted tech-driven solutions to handle the pressing issue of inventory management.

   Fashion retailer Zara uses predictive analytics to optimize its inventories. It can modify its production plans and quantities via real-time analysis of sales data and client preferences. This strategy has decreased overstock and improved responsiveness to fashion trends. Nike uses Radio Frequency Identification (RFID) tags into its supply chain to monitor and trace their items. Nike can accurately monitor inventory levels owing to this real-time tracking technology, which guarantees effective stock management and lowers overproduction. Other players such as Target and Walmart are also working towards maintaining lean inventory. Macy's has also been working towards a tighter inventory management by investing in data analytics. Lean stock levels have helped the company to maintain merchandise margins even when revenue plummeted.

3.1.5 Demand-Supply Scenario – Global and India

Global Market Scenario

The global textile market is currently worth USD 1.7 trillion, which is equivalent to 2% of the global GDP. The US, the EU, and China are the three biggest apparel marketplaces in the world with a combined share of about 54%[25]. Developing economies such as China and India will be the key forces behind the global apparel market's expansion.

The US: The apparel manufacturing business in the United States is a dynamic and constantly changing market. It covers a broad spectrum of goods, from high-end clothing to necessities, meeting the needs of a wide range of customers. The contribution of the US textile and apparel to its GDP declined to 0.12%[26] in 2020, down from 0.57% in 1998, as per Bureau of Economic Analysis, 2021. The industry's contribution remains at around 0.10%[27] of the GDP in the fourth quarter of 2023.

In recent times, uncertain global economic situation, Russia-Ukraine war, inflationary pressures, and slowdown in developed economies are impacting demand and affecting the industry. Covid-19 related shipping and logistics challenges have subsided, but labour costs have risen. The continuous bilateral tussle between the US and China is another area of concern, as the US refrains from import from the latter. This means finding other sourcing countries outside of China, such as Vietnam, Bangladesh, India, Cambodia, and Indonesia. However, the transition would be difficult considering the massive dependence on China.

The European Union: Europe has a sizable clothes industry and is home to some of the most well-known clothing brands in the world. As per the 2022 World Trade Statistical Review report by the World Trade Organization, the European Union is the top global clothing and textile import market. In terms of value, the EU accounted for 34.1%[28] of global imports of clothing and textiles in 2021, while the US was the second-largest importer with 18.5%.

---

[25] Source: Government of UP
[26] Source: Shenglu Fashion
[27] Source: U.S. Department of Commerce, BEA
[28] Source: CBI EU

As per Statista, the revenue of apparel industry is forecast to be around USD 487 billion in 2024[29]. While non-luxury apparel is expected to make up 93% of the apparel market's revenues, high-end fashion labels continue to rule the French clothing market because to their classic styles and superb craftsmanship. Currently, more than 54% of the market volume is driven by womenswear. The industry is estimated to grow at a CAGR of 2.06% between 2024 and 2028.

However, there are obstacles too, as the region is exposed to global pressures. Europe is presently grappling with soaring inflation, higher cost of living, and Russia-Ukraine crises, which are dampening demand and outlook for textile and apparel industry. Apparel imports grew in recent years, but rising inflation is adversely impacting customer spending power and they are postponing purchases of non-essential items. At an economic level, the EU’s trade deficit in textile and clothing has expanded owing to increasing imports from Bangladesh and China.

China: China's apparel industry is dealing with growing complexities in the external environment and global economies. The demand growth for apparel has been impacted owing to geo-political situations, China Plus One strategy, and a slowdown in global economic growth. Global apparel and footwear makers are strategizing to shift their manufacturing base away from China owing to geo-political tension between China and the West. While the US and European brands target to severe ties with China to lower political risks, finding feasible production locations would be challenging owing to the lack of skilled labour, raw material, infrastructure, and supply chain.

Chinese clothing companies are working towards innovation and development, creating a cutting-edge industrial framework, and steering the sector toward smart, integrated, high-end development. Amid all the challenges, some of the trends that’s driving domestic demand are yoga wear, hiking, outdoor and other sports apparel as customers look for healthier lifestyles. In addition, consumers are seeking for lesser but better-quality products. Rising affluence and upper middle class, rebound in spending post the pandemic are supporting growth in domestic demand, though at a slower pace.

The Indian Market Scenario

The Indian apparel and textile industry contributes around 2.3% to the country’s GDP, 13% to industrial production and 12% to exports, according to government data[30]. The country’s share of the global trade in textiles and apparel stands at 4%. The industry is the second largest employer in the country and a source of earning to 45 million people and 100 million individuals in allied industries. It is also the second-largest maker of PPE across the globe with over 600 certified companies producing PPEs.

In 2024, the average volume per person is estimated to be 24.2 pieces[31]. During the year, most of the sales, around 99%, would be coming from non-luxury apparel. Moving forward, the Indian apparel market volume is expected to touch 40.1 billion pieces by 2028. Overall, India’s rich tradition of textiles and apparel augers well for the country and makes it a great manufacturing, investment, and export hub.
India is targeting to reach $250 billion in textiles production and $100 billion in exports by 2030. The textile and apparel sector in the country is strong from fiber, yarn, fabric, and garments all the way up the value chain. The traditional handloom, handicrafts, wool, and silk products, as well as the organized textile sector, are just a few of the many diverse segments that make up India's textile and apparel business. The mass production of textile items through capital-intensive technology, encompassing spinning, weaving, processing, and garment manufacturing, is the hallmark of India's organized textile industry. India accounts for 23% of global cotton production and 39% of the world's total land under cotton cultivation. An estimated 6.5 million cotton farmers depend heavily on cotton for their livelihood. According to the Directorate of Economics and Statistics' Third Advance Estimate (DES), India produced 94 lakh bales of raw jute in FY 2022–2023.

In terms of the industry’s outlook, the long-term prospect appears promising. However, recent times have been challenging owing to uncertain global economic condition, rising inflation, geo-political tension, and escalating input costs. Textile and apparel domestic demand has been tepid, and exports have shrunk in the April-October 2023 period. Large inventory with retailers, rising raw materials prices, introduction of quality control orders, and

[29] Source: Statista
[30] Source: Invest India, GoI
[31] Source: Statista

import of garments are stunting growth. Indian clothing exporters continue to struggle with pricing on the global market. Despite the recent increase in wages in Bangladesh, Indian exporters do not anticipate a significant shift in orders. Clothes from Bangladesh and India should cost roughly 2-3% less overall, but labour costs in Bangladesh are nearly 30% lower[32]. It has duty-free access to the EU owing to the LDC status, therefore Indian exporters are unable to gain traction.

Also, post Covid-19, demand spiked, and capacities were added, certain states had offered incentives and packages to attract investments, and now there's over capacity. The industry is hoping for a revival, driven by a rebound in cotton textile exports. For the long run, the government's Production Linked Incentive (PLI) Scheme with an outlay of ₹10,683 crore should encourage the manufacture of Man-made Fibre (MMF) apparel, MMF fabrics, and technical textile products domestically. This will help the textile industry grow and become more competitive.

In addition, India has all the elements which make it a perfect manufacturing and sourcing base for textile and apparels. First, there's availability of abundant raw material, with diverse range of fabric and styles, both natural and synthetic fibres. Second, there's an established supply chain, from fibre, filament to garments and made ups. This gives India an edge over other nations including Bangladesh, Vietnam, Sri Lanka, Myanmar, and Cambodia that have fragmented value chain, concentrating only one the end product. Third, the cost of manufacturing is competitive. Labour cost is lower than China and Vietnam. Fourth, there's a large pool of skilled workers, which is extremely favorable for labour intensive sectors such as textile and apparel. The government has also implemented numerous initiatives to enhance skilled manpower. Lastly, there are numerous governmental initiatives, such as the PM Mitra Parks, the potential Free Trade Agreements (FTA) with the UK and the EU, and the longer-term advantages of the China Plus One shift in garment sourcing should hold the industry in good stead.

FTA Policy: India recently had FTAs with Mauritius and Australia, which have borne positive results for RMG exports that went up 16.8% and 5.7%[33], respectively, during April-February 2023-2024. The Economic Cooperation and Trade Agreement (ECTA) between India and Australia was signed in April 2022 and has been a win-win for both nations since the trade between them is significantly complementary. India imports raw material and intermediate goods from Australia and exports finished consumer products. Custom duty advantage under the FTA is highly advantageous to Indian apparel exporters.

The country is now heading towards concluding an FTA with the UK after resolving certain differences by arriving at a midpoint. The bilateral partnership is expected to open doors to a variety of opportunities, usher economic growth and enhance trade, which is presently worth around GBP 38.1 billion[34] annually. India is negotiating better mobility of skilled labour in IT and healthcare, in addition to seeking custom free access to numerous goods. Labour intensive sectors[35] including textile, apparel, footwear should benefit from lowered tariffs. Indian garment traders are optimistic that the potential FTA would bear favorable outcomes on textile and apparel exports. The country is expected to enjoy duty benefits for items including textile, apparel including shirts, trousers, and women's dress, bed linen, footwear, carpet, cars, and some food items.

India is also in discussions with the EU on free trade deals. EU levies high import duties, ranging between 10-12% on textile products, which impacts the country's competitiveness vis-à-vis Bangladesh and China. Bangladesh benefits significantly because of its Least Developed Country (LDC) status. The topic of introducing textile in the non-tariff category was raised and discussed in the seventh round of India's negotiations with the EU. With the country emerging as the preferred destination of sourcing textile and apparel given its quality products that adhere to global standards, such FTAs are expected to drive exports.

Bangladesh's LDC status: Bangladesh enjoys duty free access owing to its LDC status. But the country is slated to graduate from an LDC to a developing nation in November 2026. Bangladesh was recommended for graduation in 2024[36], but this got pushed forward to 2026 after the World Trade Organization (WTO) decided to extend support in view of the pandemic and its economic hit. Because of the LDC status, Bangladesh has been enjoying

---

32 Source: The Hindu
33 Source: Telegraph India
34 Source: Indian Express
35 Source: Economic Times
36 Source: OECDiLibrary

duty-free access to 38 countries including the UK and 27 EU economies. Majority of the country's apparel exports are concentrated in the UK and the EU. Overall, Bangladesh's export earnings may get hurt by USD 5.73 billion[37] in a year. Considering this and to ensure seamless post-graduate transition, in March 2024, 166 members[38] of the WTO endorsed that the duty-free market access be continued for three more years until 2029 for Bangladesh.

3.1.6 Top Five Apparel Markets

1. **The US**: The 2021 market size for retail clothing, footwear, and accessories was USD 477 billion[39], according to GlobalData. The country is home to large apparel brands including Macy's, Kohl's, PVH Corp, Ralph Lauren, and many others. These companies have expansion plans. Macy's plans to open 30 small stores[40] in strip malls across the US and tap into the suburbs. Ralph Lauren entered the Canadian market[41] by opening a store in Toronto and launching dedicated digital commerce last year as part of its retail expansion plan in the country. Clothing and accessory retailer, America Eagle, is also spreading its international portfolio. It launched its store in Kerala[42]. The company entered the Indian market in 2018 with the launch of its store in Noida.

   The US has been a market leader in this segment, holding around 25% of the global market. It drives the global fashion industry, which makes the clothing and footwear segment extremely crucial. The country's apparel market is estimated to grow at a CAGR of 3.0%. Childrenswear is estimated to grow at 2.8% and touch USD 69.8 billion by 2027.

   According to Statista, per person revenue should come in around USD 1.05k in 2024. Market volume is expected to hit 32.2 billion pieces by 2028. Spending on lifestyle products has gone up and it is projected to see more growth in the near term. New York and Los Angeles count among the most popular cities for clothing and footwear. Though Covid-19 had been a major disruptor with demand shrinking, but gradually countries across the globe have rebound post-pandemic. Demand for sustainable and ethically produced clothing is growing, which has helped brands such as Patagonia and Eileen Fisher. In addition, e-commerce is also playing a pivotal role in shaping the industry with e-commerce behemoths such as Amazon and platforms such as Zappos offering the comfort of online purchases.

2. **China**: China's market size for retail clothing and footwear was USD 438 billion in 2021 or 23% of the market, as per GlobalData. Demand for clothing, accessories and footwear in China is largely induced by new generation shoppers who believe in spending to upgrade their lifestyle. Moreover, China's active participation in different international sports events also boosts demand for sportswear in the region. The country's apparel market is forecast to increase at CAGR of 8.0% between 2022 and 2027 and reach USD 537 billion. By 2028, apparel market volume is forecast to touch 31.5 billion pieces, according to Statista. In terms of population, per person revenue is expected to be around USD 229.30 in 2024. Innovation and development, creating an advanced industrial system, and steering the industry towards premium, smart, sustainable, and integrated development are the key to growth.

   However, the Chinese clothing industry is experiencing challenge environment. In 2023, the international clothing demand contracted, which put pressure on clothing industry demand. This impacted apparel enterprises across the country. This clubbed with de-risking policies have been putting downward pressure on exports. Apparel exports to the US, the European Union, Japan, Canada and ASEAN declined, while exports to Africa and Russia inched up.

3. **Japan**: According to GlobalData, the market size for retail clothing and footwear in Japan was USD 96 billion in 2021. The apparel market is expected to expand at a CAGR of 1.2% between 2022 to 2027.

[37] Source: Financial Express
[38] Source: The Daily Star
[39] Source: GlobalData
[40] Source: NBC Chicago
[41] Source: Ralph Lauren
[42] Source: India Retailing

Japan is one of the largest apparel markets in the world. Women's apparel makes for the largest share in the apparel industry. Overall, though traditional clothing has been an essential part of its culture, not only is the industry embracing Western fashion trends but it's setting trends as well. National dresses are nowadays worn mostly at special occasions and ceremonial events, with these garments being worn less often, which in turn has affected the kimono market. Western clothing such as pants, skirts, and suits, has replaced traditional garments in regular wear. Traditional clothes are only worn on special occasions.

The Japanese apparel market emphasizes significantly on traditional craftsmanship and premium material. It is home to several fashion brands serving a range of needs, from affordable to luxury. Fashion companies keep launching new style through seasonal collection and limited edition to keep the demand rolling. Awareness on sustainable fashion, growth in e-commerce, increasing young population, and influence of social media are among other key market growth drivers.

4. **Germany**: Germany's market size for retail clothing and footwear was USD 80 billion in 2021, as per GlobalData. Statista projects that the apparel market in Germany would expand at a CAGR of 1% between 2024-2028. In terms of per capita figures, per person revenue is estimated to be USD 883.30 in 2024. The volume is expected to touch 4.8 billion pieces over the next four years.

   Rising consumer interest in healthcare and fitness is expected to drive demand for sportswear in the near term. In addition, increasing inflationary pressures is impacting the discretionary income of consumers who are emphasizing on items providing value for money, are more versatile, and budget friendly. Moreover, online channel is continuing to drive the apparel market with shoppers seeking more convenience, larger variety of products, and access to greater number of brands. Additionally, social media influence is also bolstering apparel demand.

5. **Italy**: Italy's retail clothing and footwear market size was USD 69 billion in 2021, according to GlobalData. Apparel is forecast to grow at a compounded annual growth rate of 3.8% between 2022 and 2027. As per Statista, the apparel market in Italy is expected to produce 2.2 billion pieces by 2028. Per person revenue is forecast to be USD 0.99k in 2024.

   There are several factors that have worked in favor of the expansion of Italy's clothing and fashion industries. To begin with, its rich heritage and reputation in fashion add to the country's appeal on a worldwide level. It is home to numerous famous luxury brands, fashion houses, and designers, which draw attention from across the world and drive customer demand. Additionally, French enterprises have been setting standards on eco-friendly materials, ethical production techniques, and fair labor practices, which are gaining popularity in recent years.
   However, the industry is also up against obstacles as it works to become more competitive and grow. Change in consumer spending, global economic slowdown, and ambiguity in the economy are problems, which are adversely impacting demand and limiting consumer spending power. Fashion companies are also obliged to spend in e-commerce capabilities with change in customer preferences in favor of online purchasing. This has been affecting traditional retail channels.

3.1.7 Top Five Apparel Exporting Countries

1. **China**: China is the world's largest garment exporter. The country's garment export was valued at USD 176 billion in FY 2022-2023 as per Garments Export Data from SEAIR EXIM Solutions[43]. China's manufacturing capabilities, availability of cheap labour force, low trade barrier, and supply chain are unmatched. The textile and apparel industry offers a variety of clothing items, from fast fashion to premium couture.

   Though China remains the top clothing exporter, its global market share in clothing export has come down from 36.6% in 2010 to 31.7% in 2022[44]. In recent years, the outbreak of Covid-19 pandemic adversely impacted China's apparel exports as the international demand declined. This led to cancellation

[43] Source: Garments Export Data, SEAIR EXIM Solutions
[44] Source: Statista (last updated March 1, 2024)

or delay in orders. In addition, the country is also experiencing uncertainties due to changing global economic dynamics and de-risking policies.

2. **Bangladesh**: Bangladesh is a major player in textile and garments export. It is skilled in manufacturing knitwear. According to The Bangladesh Garment Manufacturers and Exporters Association (BGMEA), the country exported nearly USD 47 billion[45] worth apparel to the world in FY 2023. It is extremely competitive owing to its affordable labour force and production, which makes its garments reasonably priced. It is giving tough competition to India as a major exporter. This has attracted several global fashion brands.

   The garment industry is a significant employment and income generator in the economy. Around 4.4 million people[46] are engaged in the sector. The European Union absorbs more than half the apparel exports from Bangladesh (50.07%), while the US consumes 18.1%, the UK 10.7%, and Canada 3.3% as per FY 2023 BGMEA data.

3. **Germany**: Germany has a long and rich history of production and innovation in the apparel sector. The country ranks among the leading exporters of equipment, synthetic yarn, and knitted garments. Germany is known for premium textile, apparel, and accessories. In FY 2022-2023, it exported nearly USD 39 billion worth of textile. Nearly half the revenue of the textile industry comes from foreign trade. In other words, around half the country's textile output, in terms of value, is exported.

4. **India**: India's textile and apparel industry has a long-enriched history of centuries. Exports came in at USD 37 billion in FY 2022-2023, making it one of the largest exporting countries. The country's ready-made garments export was USD 14.5 billion[47], according to Apparel Export Promotion Council (AEPC). However, textile and garments exports have contracted over the past five years, while China, Bangladesh, Vietnam, and the EU are witnessing significant growth and dominating global garments trade, as per research conducted by Global Trade and Research Initiative.

   It is essential for the country to encourage production and export of synthetic apparel, boost weaving and processing segments, liberalize labour laws, and build more factories compliant with fast fashion industry (FFI). While smaller countries such as Bangladesh and Vietnam have benefited from globalization and enjoyed enormous growth in garments export in the past decade, for India competition has increased with production increasing in low-cost labour countries.

5. **Italy**: Italy is renowned and has a niche in high-quality craftsmanship, top notch tailoring and premium designs since centuries. Manufacturing and export of textile, apparel and fashionable items are integral to country's economic growth. In FY 2023, the country exported nearly USD 37 billion worth of textile and apparel. The foundation for textile and apparel dates back to the early days of the Italian renaissance. Italian designers and artisans are globally renowned for luxury apparel, footwear, and accessories. Covid-19 had a bearing on the global textile and apparel industry, and Italy was no exception. Export revenue from textile and apparel shrank in 2020.

   There are around 45,000 textile and fashion companies in the country with majority being small and medium in size and scale, mostly located in industrial districts.

Other key exporters: Indonesia and Vietnam count among other prominent apparel exporters. Vietnam has been witnessing growth in recent years. Its skilled workforce and competitive costs have supported the industry growth. The country also benefits from FTAs, which makes it a preferred sourcing hub for several international fashion companies that look for diversification. In FY 2023, its exports stood at USD 27 billion.

Indonesia is another key southeast Asian country, which is a big exporter of various apparel categories including casual wear, sportswear, and more. Like Vietnam, Indonesia's abundant labour force clubbed with favorable

[45] Source: BGMEA
[46] Source: World Fashion Exchange (WFX)
[47] Source: AEPC

government policies have been critical for the industry's growth. The government has also been supportive and have relaxed policies and measures, which helped in the sector recovery and exports, particularly after the pandemic. It invested more than USD 658 million[48] in textile and apparel industry in 2022. In addition, the government adopted several proactive business measures to draw in foreign capital and make it business friendly from legal and tax perspective.

A major portion of Indonesia's textile and clothing production is exported, where the US is the largest importer. In FY 2023, the country exported around USD 11 billion worth of garments.

3.1.8 The US and European Apparel Markets

The US Apparel Market

Key growth drivers and trends: The US apparel market is being driven by several factors. First, rising demand for apparel on e-commerce platforms with more consumers preferring comfort over visiting physical stores. Second, demand for sustainable fashion, organic and eco-friendly fabrics is on the rise. Market for sustainable fabric and clothing is expected to grow over the coming years as consumers are looking for alternative products to limit the harmful effects of synthetic chemicals in clothes. Other essential trends favouring demand include social media influence, demand recovery post pandemic, and occasion- and holiday-wear owing to more traveling post pandemic.

Challenges: The US fashion market showed considerable recovery from the pandemic in 2021. However, recent times have been challenging owing to high inflationary pressure, geo-political situation, increased cost of living, reduced spending in non-essentials, and economic slowdown. In addition, the overall macroeconomic uncertainty, higher unemployment rates, higher credit card debt, and resumption of federal student loan payments have reduced the financial cushion for a certain segment of consumers. Meanwhile, the industry is also faced with the challenge increased scrutiny on fashion supply chains. The latest sustainability rules and regulations in the US and the European Union needs apparel makers to double down initiatives to cut greenhouse gas emission and waste. Such new regulations could particularly be adding cost pressure on fast fashion companies.

Competition: Some of the largest fashion companies in the US based on market capitalization are Nike, TJX Companies, Cintas, and Ross Stores. A large portion of Nike's revenue comes from footwear with Jordan Brand being its most popular brand. TJX is an American off-price apparel and home fashions retailers, headquartered in Massachusetts with operations in Canada, Europe, and Australia. On the other hand, Cintas is into uniforms and corporate apparel, and Ross Stores is a chain of discount departments into clothes, shoes, home décor and more. American Eagle, PVH Corp, Banana Republic, and Ralph Lauren are among other big names in the US apparel market. The apparel market is dynamic and characterized by a mix of established brands, designers, and e-commerce platforms such as Amazon and Zappos. Other than traditional names, companies such as Patagonia and Eileen Fisher have become well-known for their dedication to sustainability.

Import: Apparel imports declined 22% to USD 77.84 billion[49] in 2023 compared with USD 99.86 billion in 2022. In 2023, 71.6% of apparel imports were from Asia, which is the lowest in five years. The reason being the country is aiming to diversify its sourcing away from China owing to increasing geo-political concerns. A few developing EU and African suppliers such as Morocco, Tunisia, Romania, Turkey, and Morocco performed reasonably well in terms of exporting to the US in 2023. The sourcing diversity strategy is likely to continue in 2024 because many businesses believe it is the best way to reduce sourcing risks and numerous market uncertainties.

Countries exporting to the US: The US largest textile and clothing imports are from China, Vietnam, India, Bangladesh, Mexico, Indonesia, Pakistan, and Cambodia[50]. The Office of Textiles and Apparel (OTEXA) of the US Department of Commerce released data showing that apparel imports from China fell 10.83% to USD 16.32 billion in 2023. Imports from Bangladesh plunged steeper at 25% to USD 7.29 billion during the reporting period. Vietnam, India, Indonesia, and Cambodia were other key apparel exporters in 2023, and their respective shares

[48] Source: Asian Insiders
[49] Source: Textile Insights
[50] Source: World Integrated Trade Solutions, WITS

fell 22.79%, 21.42%, 25.19%, and 23.58% relative to 2022. Share of China in the imports was 20.96%, followed by Vietnam (18.21%) and Bangladesh (9.37%)) in the third place.

The European Apparel Market

Key growth drivers: The European apparel market has been driven by a combination of various factors and ongoing trends. Some of the key ones include growing preference for trendy apparel and fast fashion and increasing focus on health and wellness driving the demand for athleisure. In addition, young population in the UK, Germany, France, and Italy who are fashion conscious are also supporting overall apparel demand. Increasing disposable income and availability of pocket-friendly styles across physical and online stores are also encouraging industry growth.

Growth seen by eastern European countries including Poland, Czech Republic, and Russia also augers well for the fashion industry[51]. Moreover, online channels are growing at a good pace with consumers increasingly opting to make purchases from the comfort of their homes. In addition, growing concern for the environment is driving the demand for sustainable fashion.

Challenges: There are hurdles, too, as the region is exposed to global economic pressures. Europe has been grappling with rising inflation, soaring cost of living, and the ongoing Russia-Ukraine war. These have been denting demand for non-essentials and softening outlook for textile and apparel market. While apparel imports rose in recent years, soaring inflation has been negatively impacting customer spending power and lowering consumer confidence. Hence several buyers are postponing purchases of non-essential items.

At an economic level, the EU's trade deficit in textile and clothing has grown owing to increasing imports from Bangladesh and China. Moreover, growing awareness on pollution and the negatives of synthetic chemicals are resulting in the formation of stricter regulations around effluent treatment and adoption of sustainable practices. To incorporate this, companies would need to invest in such practices to address such issues, which would take a hit on their profitability and balance sheet.

Competition: The European apparel market is highly competitive with major players such as Zara (owned by Inditex), H&M, Primark, Mango, and Bershka. These players are constantly looking for ways and strategies to differentiate themselves from another to gain market share. Brands are providing distinctive product lines, joining forces with influencers, and offering personalized shopping experience to stand out.

Import: Apparel imports from developing companies have been rising faster in the European Union than imports from other nations. Imports of clothing and textiles from Europe increased significantly in 2022 in terms of both value and volume. This was driven by post pandemic recovery. However, the trend seemed to have reversed in fiscal 2023, based on data released by the French Fashion Institute (IFM) during the Première Vision Paris trade exhibition.
The European Union (EU) imported USD 89.5 billion (€83.5 billion)[52] worth of clothing in 2023, according to the preliminary estimates. This represents a 15.9% annual decline in value and a 16% annual decrease in volume. Gildas Minvielle, head of the IFM's Economic Observatory, considers this to be an adjustment "following a crazy 2022" when imports had grown 22% in volume and 41% in value.

Countries exporting to Europe: The European Union's largest textile and clothing imports are from China, Bangladesh, Turkey, India, Pakistan, Vietnam, and Cambodia. China's share in EU's textile imports have grown from 13% in 2002 to 44% in 2022. Its role in the EU's apparel industry is evident when it comes to sourcing.

[51] Source: Coherent Market Insights
[52] Source: Fashion Network

3.1.9 Top Global Manufacturers

Inditex

Industria de Diseño Textil, or Inditex, is a Spanish multinational clothing company, which is renowned for its fast fashion business and diverse portfolio of brands. It is the largest fast fashion group in the world and operates several fashion brands such as Zara – its biggest brand, Pull & Bear, Massimo Dutti, Bershka, Stradivarius, Oysho, Uterque and Lefties. The company caters to a wide range of demographics and fashion preferences, offering stylish and affordable clothing, footwear, accessories, and home textiles.
Inditex is headquartered in Arteixo, Galicia, Spain. Operating in over 90 countries worldwide, Inditex boasts a vast global presence with a network of over 7200 stores and an extensive online presence. The company's supply chain enables it to quickly respond to changing tasks in fashion, ensuring constant flow of new and trendy merchandise to its stores.

Nike

Nike is a renowned American multinational corporation which manufactures sports footwear and apparel. It is the biggest supplier and one of the largest manufacturers of sports shoes and sports equipment.

The company was founded by Bill Bowerman and Phil Knight on January 25, 1964, as "Blue Ribbon Sport". It then later changed its name to Nike, Inc, on May 30, 1971. Apart from its own brand, it markets products under Nike Dunk, Air Max, Nike Golf, Nike Pro, Nike+, Nike Blazers and other subsidiaries including Air Jordan and Converse (brand).

It manufactures a wide range of high-quality athletic footwear, apparel, equipment and accessories designed for various sports activities. The company also runs retail stores under the name of Niketown.

Nike is headquartered near Beaverton, Oregon in the United States. It operates in about 110 countries around the world, spanning across North America, Europe, Middle East and Africa, Asia Pacific and Latin America.

Fast Retailing

Fast Retailing Co., Ltd., is a Japanese multinational apparel retail holding company which is known for its high-quality, affordable clothing through its flagship brand, UNIQLO. It also includes other brands such as J Brand, Comptoir des Cotonniers, GU, and more. The company's primary brand UNIQLO specializes in casual wear for men, women, and children, offering a varied range of clothing items.

Fast Retailing was founded in 1963 and is headquartered in Tokyo, Japan. The company's operation spans across Asia, Europe, North America, and other regions, with 3578 physical stores as of 2023 and an increasing e-commerce presence. It has been successful in expanding beyond Japan to become a prominent player in the apparel industry.

Ralph Lauren Corporation

Ralph Lauren was founded in 1967 and is headquartered in New York. It is a globally recognised name in luxury fashion, and has evolved into a leading designer, marketer, and distributor of premium lifestyle products. It offers products such as apparel, accessories, home furnishings, and fragrances.

Some of its key brands include Ralph Lauren Collection, Polo Ralph Lauren, Lauren Ralph Lauren, and Chaps, each catering to different market segment. Ralph Lauren Collection offers high-end and runway ready clothes, while Polo Ralph Lauren is known for its popular polo shirts and casual, yet elegant clothing. The company has a significant retail presence in North America, Europe, and Asia, complemented by a strong online presence. Its products are sold in upscale department stores, specialty stores, and its own flagship stores globally.

Ralph Lauren has committed to achieve net-zero greenhouse gas emissions by 2040. This initiative includes increased use of eco-friendly materials, and significant renewable energy. It has also embraced digital transformation by adopting technologies like augmented reality for virtual try-ons and personalized shopping experiences, which have got positive feedback from consumers.

Kering

Kering is a prominent French luxury goods conglomerate which is known for its various luxury brands spanning fashion, leather goods, jewellery, and watches. It includes several iconic fashion brands such as Gucci, Saint Laurent, Bottega Veneta, Balenciaga, Alexander McQueen, Brioni, Boucheron, Pomellato, DoDo, Qeelin, Ginori 1735 as well as Kering Eyewear and Kering Beauté, with each having distinct and innovative designs and craftsmanship. It offers products under various categories, including ready to wear clothing, handbags, shoes, and accessories.

Kering was founded in 1963 by Francois Pinault and is headquartered in Paris, France. It operates in over 50 countries worldwide spanning across Europe, North America, Asia Pacific, and other regions. The parent company of Kering is Groupe Artemis, which has a 42% holding in the company. The company, as on 2023, has 1771 stores around the world, of which GUCCI alone has 538 stores. The company has its presence in departmental stores and shopping destinations of almost every major city around the world.

Gap Inc.

Gap Inc. was founded in 1969 in San Francisco, California. Gap is an international clothing and accessories retailer which is renowned for its denim offerings. The company’s product catalog includes clothing, accessories, and personal care items for men, women, and children. It operates in over 40 countries and has an extensive online presence.

Two of Gap’s key brands are Old Navy and Banana Republic. Old navy, launched in 1994, is known for its trendy yet affordable fashion. Banana Republic, on the other hand, targets a more upscale market with its urbane and polished apparel, creating adaptable workwear and chic casual wear.

Recently, Gap has announced a significant step towards sustainability by committing to ambitious environmental goals. The company has pledged to reduce emissions from its facilities by 90% and from its manufacturing partners by 30% by 2030. Another initiative of Gap Inc. is to increase the use of sustainable materials and to source all of its cotton from sustainable sources by 2025.

PVH Corp.

PVH Corp., originally known as Philips-Van Heusen Corporation, was founded in 1881 and it’s headquarters are in New York City, New York. Over the years, PVH has grown into one of the largest and most renowned fashion companies in the world. The corporation is known for its diverse range of products, such as clothing, accessories, and footwear catering to both men and women. Among its key brands, PVH boasts ownership of two of the most iconic and successful names in the fashion world, Calvin Klein and Tommy Hilfiger. These brands adopt different approaches in designing their clothes. While Calvin Klein is known for its minimalist aesthetics and modern sophistication, Tommy Hilfiger is recognized for its modern and leisurely, yet innovative approach to fashion.

PVH operates in over 40 countries worldwide, with a strong retail and digital presence. PVH is working on the expansion of its digital and e-commerce capabilities, which resulted in significant online sales growth. Its decision to invest in advanced data analytics and customer engagement platforms have enhanced its ability to meet consumer demands and have strengthened its position in the fashion industry.

Table 8: Some essential financial figures of key apparel companies

Companies	2023 (all figures in USD billion)			
	Market Cap*	Revenue	EBIDTA	PAT
Inditex	144.01	35.00	9.02	4.44
Nike	141.56	51.19	6.02	5.07
Fast Retailing	85.25	17.81	2.46	1.91
Ralph Lauren Corp.	10.84	6.44	0.97	0.52
Kering	43.64	21.02	7.06	3.21
Gap Inc.	7.79	15.62	0.44	-0.20
PVH Corp.	6.35	9.02	1.20	0.20

Source: WSJ Markets, *As on May 08, 2024, for PVH, Gap, and Ralph Lauren market capitalization is as of May 24, 2024. Exchange rate: 1 EUR = 1.07 USD, 1 JPY = 0.0064 USD

Other prominent industry fashion brands

Kohl's

Kohl's is headquartered in Wisconsin. As of February 2024, the company has 1,174 stores across 49 states and is among the largest department store chain in America. It also serves online via its e-commerce platform of Kohls.com. The company sells reasonably priced private and national brand apparel, footwear, accessories, beauty, and home products. Its private portfolio has established brands including Croft & Barrow, Jumping Beans, SO, Sonoma Goods for Life, and Tek Gear. The company buys merchandise from multiple domestic and international suppliers. The company's revenue came in at USD 17.48 billion for fiscal 2023. It has plans to spend around USD 500 million to further solidify its partnership with LVMH-owned beauty brand Sephora.

Macy's

Macy's is headquartered in New York. The company operates around 718 stores across 43 states in the country, District of Columbia, Puerto Rico and Guam. It also has presence in the UAE and Kuwait. Macy's operations are carried out through Macy's, Bloomingdale's, Bloomingdale's The Outlet, Macy's Backstage, Macy's small format, Bloomie's, and Bluemercury. The company offers a large range of merchandise, which includes apparel and accessories, cosmetics, home furnishing, and other consumer goods. In fiscal 2023, it registered USD 23.87 billion in revenue. Majority of the company's top line is generated from sale of apparel, accessories, footwear, and cosmetics. Macy's plans to open Bluemercury stores in new and existing markets in the next three years as part of its strategy to focus on luxury growth.

Muji

Muji is a Japanese retailer selling a wide variety of products including clothing, household goods and food. The company was found in 1980 with the aim to provide reasonably priced products by streamlining the manufacturing process. Presently, Muji has more than 1,000 stores across the globe. The company follows a minimalist design aesthetic that emphasizes on recycling, cutting down on production and packaging waste, and not having a logo or "no-brand" policy. The company has presence in Europe, Asia Pacific, and North America.

3.2 Indian Apparel Manufacturing Industry

3.2.1 Textile Industry: Market Size & Growth Trend

With a history spanning several centuries, the textile industry is among the most ancient in the Indian economy. The industry is immensely diverse, with the capital-intensive modern mills sector at one end and the hand-spun and hand-woven textiles sector at the other. India's textile industry is primarily strong due to its robust production base of various fibers and yarns, ranging from natural materials like cotton, jute, silk, and wool to synthetic materials like polyester, viscose, nylon, and acrylic.

The biggest part of the textile industry is made up of the decentralized power looms, hosiery, and knitting sectors. The textile industry is distinct from other sectors of the nation's economy due to its tight ties to agriculture (for raw materials like cotton) and the nation's long-standing textile-related culture and traditions. The textile sector in India can produce a broad range of goods appropriate for various market niches both domestically and internationally.

To attract private equity and employ more people, the government introduced various schemes such as the Scheme for Integrated Textile Parks (SITP), Technology Upgradation Fund Scheme (TUFS) and Mega Integrated Textile Region and Apparel (MITRA) Park scheme.

The Indian textile and apparel industry is expected to grow at 10% CAGR from 2019-20 to reach USD 190 billion by 2025-26, according to the government[53]. India has a 4% share of the global trade in textiles and apparel. Moreover, India is the world's 3rd largest exporter of textiles and apparel. India ranks among the top five global exporters in several textile categories, with exports expected to reach USD 65 billion by FY 2026. Major textile and apparel export destinations for India are the US, EU-27 and the UK, accounts for approximately 50% of India's textiles and apparel exports.

The textiles and apparel industry contributes 2.3% to the country's GDP, 13% to industrial production and 12% to exports. The textile industry in India is predicted to double its contribution to the GDP, rising from 2.3% to approximately 5% by the end of this decade.

The Indian technical textile market is the fifth largest in the world, with a potential growth rate of 10% and an enhanced penetration level of 9-10%. In 2022-23, the sportech industry in India is projected to be worth USD 1.17 million.

India is the world's largest producer of cotton. In the first advances, the agriculture ministry projected cotton output for 2023-24 at 31.6 million bales. According to the Cotton Association of India[54] (CAI), the total availability of cotton in the 2023-24 season has been pegged at 34.6 million bales, against 31.1 million bales of domestic demand, including 28 million bales for mills, 1.5 million for small-scale industries, and 1.6 million bales for non-mills. Cotton production in India is projected to reach 7.2 million tonnes (~43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers. It is expected to surpass USD 30 billion by 2027, with an estimated 4.6-4.9% share globally.

In 2022-23, the production of fibre in India stood at 2.15 million tonnes. While for yarn, the production stood at 5,185 million kgs during the same period. Natural fibres are regarded as the backbone of the Indian textile industry, which is expected to grow from USD 138 billion to USD 195 billion by 2025.

India's textile and apparel exports stood at USD 20.01 billion in FY24 (April-October). Exports of textiles Ready-Made Garments (RMG) of all textiles, cotton yarns/fabs./made-ups/handloom products, man-made yarns/fabs./made-ups, handicrafts excl. handmade carpets, carpets and jute mfg. including floor coverings) stood at USD 12.47 billion in FY24 (April-November).

India's textiles industry has around 4.5 crore employed workers including 35.22 lakh handloom workers across the country.

3.2.2 Apparel Industry: Market Size & Growth Trend

Market Segmentation

Branded Retailers – Key players

---

[53] Source: GoI
[54] Source: Livemint

Aditya Birla Fashion and Retail - This Indian retail business was established in Mumbai in 2007 by Kumar Mangalam Birla. The firm is a part of Aditya Birla Group ($50 billion turnover). Aditya Birla Retail owns several up-and-coming retail companies, including Planet Fashion, Pantaloons, Madura Garments, More and Idea Cellular. The company employs over 15,000 people and brings in over $2 billion in revenue annually. There are approximately ~2700 ABFRl outlets in India across 750+ cities and towns. In FY 2023, the company posted revenue[55] of Rs 12418 crore.

H&M- Swedish fashion retailer Hennes & Mauritz (H&M) is India's largest fast fashion brand by revenues. With over 5,000 stores operating in 74 countries, H&M has over 50 locations distributed across 25 Indian cities. In the fiscal year FY 2023, H&M's sales amounted to Rs 2,960 crore, a significant jump from Rs 2,115 crore in the preceding year[56].

Zara: The operations of Zara stores in India are managed by Inditex Trent Retail India Private Ltd (ITRIPL), a joint venture with Tata. Zara's India revenue for FY 2023 reached Rs 2,562.50 crore, showcasing a growth[57] rate of 40.42%.

Allen Solly- One of the biggest and fastest-growing retailer of luxury lifestyle goods in India and a brand-name clothing company. Since its founding by William Hollins & Co. Ltd. in 1744, it has produced premium western clothing for adults, adolescents, and children. It was introduced in India in 1993 by Madura Fashion & Lifestyle, which Aditya Birla Fashion & Retail Limited eventually purchased.

Shopper's Stop - Shoppers Stop is one of India's leading retailers in apparel industry. Shoppers Stop was founded by the K Raheja Group in Mumbai, India, in 1991. It employs more than 15,000 retail experts and generates more than $400 million revenue annually[58]. Shoppers Stop is the owner of the rising Indian retail brands HomeStop, Mothercare, Crossword, and Life.

Max Fashion- Max Fashion was launched in the UAE in 2004. It has been the top value fashion brand under the Landmark Group. Max Fashion opened their first location in Indore, India, in 2006. It has democratised fashion for over 25 million customers in 130 cities and 19 countries in less than 14 years. It provides wide range of fashion for kids, adults, accessories, and footwear.

B2B manufacturers – Key players

Raymond & Co - Raymond is one of the leading apparel & fabric manufacturer in India and has a significant hold over the B2B segment. It has its loyal customer base both in India and the international market. It was set up in 1925, a small woollen mill in Maharashtra's Thane district. In 1958, it entered the retail sector by opening its first ever showroom at Ballard Estate in Mumbai. All retail brands under The Raymond shop including Park Avenue, Raymond Ready to Wear, ColorPlus and Parx Ethnix cater to providing solutions to well-dressed professional as well as the casual wear segment. It has a remarkable presence in market and holds ~60% market share in superior quality ring denim.

The Loyal Group- Loyal Textile Mills Ltd with a turnover of 300 million is a vertically integrated firm with advanced manufacturing units and exports to over 45+ countries with repeat customer base in USA, EU, South America, Central America, China, Turkey, Egypt etc. They are into making fabric, yarn, knitwear, woven wear etc. In the apparel section they specialize in making corporate wear, hospital & protective wear, hotel garments and workwear.

Arvind Mills- Arvind Mills, a joint venture founded in 1931 by three brothers and referred to as the "pillar" of India's textile industry, is currently the third-largest denim manufacturer in the world. The group has worked with fashion companies including Arrow, New Port, Mega Mart, Flying Machine, and USPA throughout the years.

---

[55] Source: ABFRL
[56] Source: Economic Times
[57] Source: Economic Times
[58] Source: Economic Times

KPR Mills- This company makes yarn, ready-to-wear ensembles, coloured fabric, and knitted grey fabric. The enterprise has one of the biggest garment manufacturing operations in India, with an annual capacity of 95 million pieces sold.

Organized vs Unorganized Market

The textile industry has two broad segments - first, the unorganized sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organized sector consisting of spinning, apparel, and garments segment, which apply modern machinery and techniques such as economies of scale.

3.2.3 Key Growth Drivers

1. **Government Schemes**: The Government's plans to set up seven mega textile parks across India will not only create more employment opportunities but also strengthen the MSME sector. These parks are equipped with advanced infrastructure and provide tax and other benefits to textile companies. An even bigger proposal is the Production-Linked Incentives (PLI) worth USD 1.4 billion, which will help the textile and apparel manufacturing units realise their capacity potential. These initiatives by the Government are positive steps in facilitating the growth of the industry.

   The government has introduced labour-friendly policies, for example, the EPF scheme will bear 12% of the garment industry employers' contribution to the EPF for new employees earning less than INR 15,000/month for the first three years.

   This reform not only provides workers with greater in-hand wages but also encourages them to join the formal sector, thus helping to create more job opportunities. Other policies and initiatives to promote the industry include Duty Drawback Scheme, Technology Upgradation Fund Scheme, Export Promotion Capital Goods Scheme, and Invest India Scheme. These initiatives have helped the industry to increase its exports and become more competitive. The Indian textile industry is highly export-oriented and exports a large variety of products to many countries in the world.

2. **Exports Boost**: The textile and apparel industry in India is spread across the length and breadth of the country. India is the second largest textile and clothing exporter in the world. Over the years, apparel has contributed to the majority of exports, followed by home textiles and fabric.

   The country recorded its high-ever textiles and apparel exports (including handicrafts) in the financial year 2021-22 at USD 44.4 billion, with an increase of 41% YoY. Exports of readymade garments, including cotton accessories, stood at USD 6.19 billion in FY22. India's top textile export destinations are the USA, accounting for 27% share, followed by the EU (18%), Bangladesh (12%) and UAE (6%).

3. **Digital Technology**: In the past few years, digital textile technologies have developed quickly. Technological developments in digital printing, fabric weaving, and other related fields have made it possible to produce a vast array of fabrics with unprecedented precision, uniformity, and economy of scale. Inkjet printing has made it possible to produce printed fabrics more quickly, while digital printing has made it possible to print colors onto textiles that are more accurate and vivid.

   Union Minister for Textiles announced that India is currently the 5th largest producer of technical textiles in the world. India could reach a technical textiles market size of USD 40 billion in the next 4-5 years.

4. **Self-employment**: The textile business offers a wide range of alternatives for self-employment. There is something for everyone, from creating and designing distinctive apparel to making personalized blankets and furnishings. With the advancement in technology, the industry is well-positioned to tap into new and unexplored markets, which will further increase its potential for growth. Therefore, those with a creative eye and an entrepreneurial spirit can find success in this industry. With the rise of the internet, there are several outlets that individuals can use to showcase their work and get it out to potential customers.

Additionally, those interested in creating their own products can find a range of tools and resources to help them get started.

There are also numerous trade shows and other events that allow individuals to network and find potential buyers and partners. With the right amount of effort and dedication, self-employment in the textile industry can be a great way to achieve financial freedom and follow one's passion. Khadi and Village Industries Commission under the Ministry of MSME is also taking active measures to boost the growth of micro and small-scale textile industries in rural areas. As per the scheme, over 10,000 people were trained in 2020-2021 through various training centres of KVIC (departmental as well as non-departmental). This will create self-employment and entrepreneurial opportunities and rural development.

5. **Women Employment**: In the last few decades, women have made significant progress in the textile sector. This is a good thing since it gives women entry into a field that was previously dominated by men. Nowadays, women can work in industries like retail, marketing, production, design, and fabric manufacture. This is great news for women who want to work in the textile sector because it provides them more opportunities to pursue.

Women's participation in the textile sector can also foster creativity and increase the diversity of viewpoints and ideas. Furthermore, because they are frequently more receptive to novel concepts and methods, women are assuming leadership roles and contributing significantly to economic progress. In the end, it's critical to make sure that there are more positions in the textile sector accessible for women, as this will contribute to the development of a more just and successful sector.

A survey states that women make up between 60-70% of the labor in the textile and garment business. In India, the textile and clothing industries employ around 27 million women. Women would have more jobs as a result of the expanding employment options, which would boost their engagement and economic contribution in India.

3.2.4 Opportunities in India & Globally

The broad variety of fibers and yarns that the Indian textile industry produces on a robust production base is its core strength. Natural fibers such as cotton, jute, silk, and wool, as well as synthetic or man-made fibers like polyester, viscose, nylon, and acrylic, are examples of these. Large, typically multinational enterprises are at the center of production network coordination in producer-driven value chains. Similar to the automotive, aerospace, computer, semiconductor, and heavy machinery industries, the textile sector is capital- and technology-intensive.

Large retailers, marketers, and branded manufacturers are the key players in buyer-driven value chains, which establish decentralized manufacturing networks across a range of exporting nations, most of which are developing nations. Trade-led industrialization has become a frequent tendency in labor-intensive consumer goods industries like consumer electronics, toys, handicrafts, apparel, and footwear. Large manufacturers control the producer-driven value chains at the point of production, while marketers and merchandisers exercise the main leverage in buyer-driven value chains at the design and retail stages.

The apparel business is a perfect place to study buyer-driven value chain dynamics. Third-world garment exporters are unlike any other due to the relative ease of setting up clothing companies and the presence of developed-country protectionism in this industry.

The major growth drivers of the global apparel market will be the developing economies, mainly China and India, both growing in double digits. China will become the biggest apparel market adding more than USD 378 billion in market size by 2025, while India will be the second most attractive apparel market adding around USD 121 billion by 2025.

By 2025, the combined value of these two nations' rising purchasing power and significant and expanding domestic demand would increase the size of the global apparel market by around USD 500 billion. By 2025, it is anticipated that the combined apparel markets of China and India, valued at USD 795 billion, will surpass that of the EU and the USA, valued at USD 775 billion.

The expansion of Indian e-commerce enterprises presents prospects for the textile sector in both the local and global markets. Within the Indian e-commerce sector, the leading players are Amazon, Flipkart, and Myntra.

3.2.5 Potential of Apparel Manufacturing in India

Apparel is the largest exported category in India's exports with a dominant share of 36%. The US with 30%, UAE with 14% and the UK with 9% are the top three markets for India's apparel exports, while Germany and France contribute 6% and 4%, respectively. India is one of the largest producers and consumers of textile and apparels.

Also, textile industry in India is playing a pivotal role in country's economy and employment generation, especially for women in the rural areas. The government's focus on creating a conducive environment for trade and investments augur well for the fashion industry and the textile industry. The Performance Linked Incentive (PLI) scheme helps to build a robust ecosystem for MMSF (Man-Made Staple Fibre). India's position as a key cotton supplier benefits domestic readymade garments manufacturers, which may contribute to sharp rise in that segment.

Government schemes continue to incentivize companies to increase their manufacturing capacity. Considering PM MITRA coupled with the FTAs which the government has signed or is negotiating with the major T&A markets like Australia, UAE, EU-27, the UK, etc., the industry is all poised to grow in the years to come.

ESG integration and Raw Material Security are other areas where the government is playing a key role. Some of the other contributing factors in the growth potential of India's apparel industry are:

Embracing digitalisation and automation: Though India's textiles industry is behind the curve on automation, the time is ripe to adopt digitalisation across the entire value chain. Planning must take advantage of AI-enabled analytics to sharply design collections. Manufacturing should explore a variety of solution, such as IoT-based real-time performance monitoring, predictive maintenance, robotic process automation admin operations, and automatic guiding vehicles for moving materials.

Global market share: India is the world's second-largest producer of textiles and garments. It is also the sixth-largest exporter of textiles spanning apparel, home and technical products. India has a 4% share of the global trade in textiles and apparel. However, China remains the leader with a 31% share in global exports.

China dominance: To differentiate from China and attract global retailers and customers as they look to diversify away from China, Indian players should pivot their sales and marketing campaigns around sustainability. Embrace sustainable practices like organic cotton, bamboo, and recycled materials

Growing middle class: India's middle class is expanding, creating a new consumer base. The country is evolving from a sourcing hub to an attractive consumer market. Over 300 international fashion brands plan to open stores in India in the next two years.

Promoting "Brand India": India's abundant raw materials, including cotton, jute, silk, and wool, coupled with the world's second-largest spinning and weaving capacity, provide an exceptional opportunity for domestic value addition. The industry is committed to promoting 'Brand India' on a global platform, emphasising sustainability, circularity, ethical sourcing, labour standards, and women's empowerment through employment. The recent Kasturi Cotton initiative will also play a significant role in boosting the textile exports of India and provide opportunities for Indian industries and farmers to sell cotton and textiles at premium prices. With more quality certification and 100 % traceability of cotton, brand Kasturi will help bringing a textile revolution in India and add to the economic growth of the country.

3.2.6 Challenges and Threats for Apparel Manufacturing in India & Globally

Global textile and apparel industry in the past few months has been hit due to various reasons such as increased inflation, economic slowdown, prolonged Russia-Ukraine war, ongoing Israel-Hamas conflict, which have impacted demand of textile and apparel products globally and is thus also affecting the exports of textile and apparel products from India. Data released by the Department of Commerce shows that during April-November 2023, exports of India's T&A have declined by about 6.58% as compared to April-November 2022 and about 15.97% as compared to April-November 2021. Additionally, trade data suggests that during the last five years, global exports increased at a CAGR of 3.6 % during 2018-2022. While countries like Bangladesh and Vietnam have been able to achieve CAGR of 9.4 % and 10%, respectively, India could achieve a growth of only 0.8 %, which was also the lowest by any of the top 10 exporters of T&A to the world.

Some of the areas which could be contributing to the challenges in the industry are as follows:

Reduced Margins for Fashion Brands:

1. Hyperinflation in Europe and the United States has led to a drop in margins for big fashion brands
2. Manufacturers face pricing pressures and risk of consolidation from fashion brands

Cost Pressure:

1. Manufacturers deal with reduced prices from buyers due to economic slowdown
2. Increased costs from suppliers for raw materials and shipping
3. Non-availability of raw materials at competitive rates

Depressed Demand from Europe and the United States:

1. Reduced volumes from these regions affect major manufacturing units in Asia
2. Countries like Bangladesh, India, and Sri Lanka have been forced to run at lower utilization and accept orders at near-zero margins

Threat from Climate Changes:

1. Apparel industry has significant dependence on natural resources. Extreme weather conditions like drought and flood spoil crops such as cotton, which is a crucial raw material
2. Rising sea levels have been threatening coastal factories and infrastructure

Supply Chain Complexity:

1. Managing supply chains in the apparel industry involves juggling many moving parts
2. Balancing production, logistics, and inventory management is challenging

Sustainability and Ethical Manufacturing:

1. Consumers demand sustainable fashion
2. Brands need to adopt eco-friendly materials and production methods

Fluctuating Demand and Inventory Management:

1. The industry's fast-paced nature requires agility in managing inventory and meeting demand
2. Volatility in cotton consumption and production

Global Challenges:

1. Factors like inflation, geopolitical conflicts, and economic slowdown impact textile and apparel exports globally
2. India faces threat from nations such as Bangladesh and Vietnam. Both the countries benefit from cheap labour and favorable exchange rates, which have made them among the top outsourcing hubs of fashion brands and helped them see significant growth in export over the years

3.2.7 Apparel Manufacturing and Export in India & Globally

Indian Context: India's textile and apparel industry is a vibrant and multifaceted sector that plays a crucial role in the country's economy. Here are some key points:

1. **Diverse manufacturing base**: India boasts a diverse manufacturing base, producing a wide range of textiles and garments. From traditional handloom fabrics to modern synthetic materials, the country caters to both domestic and international markets

2. **Employment generation**: The textile and apparel sector is a significant source of employment. It provides livelihoods to millions of people, especially in rural areas. Cottage industries, small-scale units, and large factories contribute to job creation. Skilled artisans, weavers, and garment workers form the backbone of this labor-intensive industry
3. **Export-oriented approach**: India is a major player in global textile and apparel exports. The country exports a wide variety of products, including garments, fabrics, yarn, and home textiles. Indian textiles are known for their quality, craftsmanship, and competitive pricing
4. **Challenges and opportunities**: Challenges such as outdated machinery, lack of innovation, and environmental concerns persist. However, the industry is gradually adopting sustainable practices and modernizing its infrastructure. Opportunities lie in leveraging technology, exploring new markets, and focusing on value-added products. India's rich textile heritage and skilled workforce position it well for future growth

Global Perspective: The global apparel market is a dynamic arena influenced by various factors. Here's an overview:

1. **Market size and trends**: The global apparel market is vast, with a value exceeding USD 1.36 trillion in recent years. It encompasses clothing, accessories, and footwear. Trends evolve rapidly due to changing consumer preferences, fashion cycles, and lifestyle shifts. Sustainability, customization, and digitalization are driving forces
2. **Supply chain complexity**: The apparel supply chain is intricate, involving raw material sourcing, manufacturing, distribution, and retail. Globalization has led to complex supply networks, with production often spread across different countries. Brands and retailers collaborate with suppliers worldwide
3. **Sustainability and ethical practices**: Consumers increasingly demand transparency and ethical practices. Brands focus on sustainable materials, fair wages, and responsible production. Circular fashion, recycling, and reducing environmental impact are critical considerations
4. **E-commerce and digital transformation**: E-commerce platforms have revolutionized apparel retail. Online sales continue to grow, impacting traditional brick-and-mortar stores. Digital technologies, including virtual try-ons and personalized recommendations, enhance the shopping experience
5. **Fast fashion vs. slow fashion**: Fast fashion emphasizes quick production cycles, affordability, and trend-driven designs. However, it raises concerns about overconsumption and waste. Slow fashion promotes quality, durability, and timeless pieces. Consumers are increasingly conscious of their choices

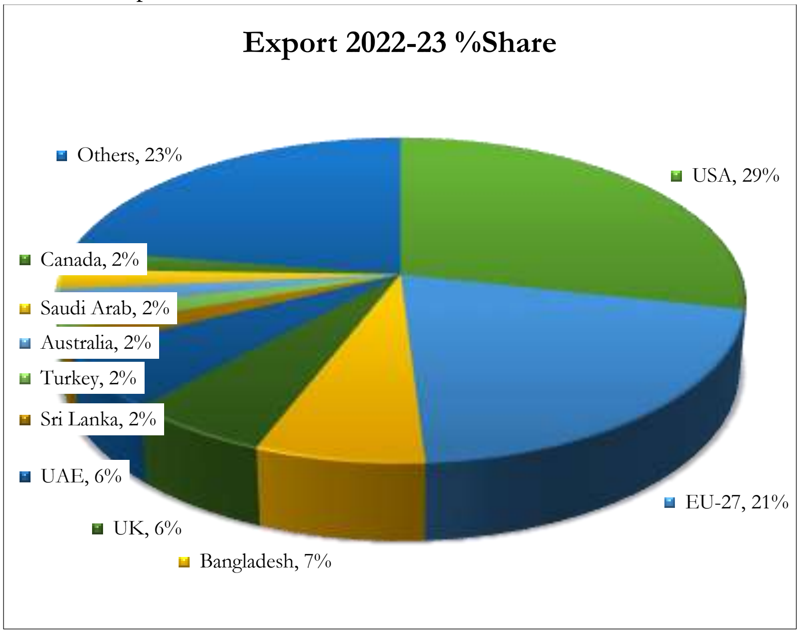
3.2.8 Apparel: Domestic vs Exports Size & Trend

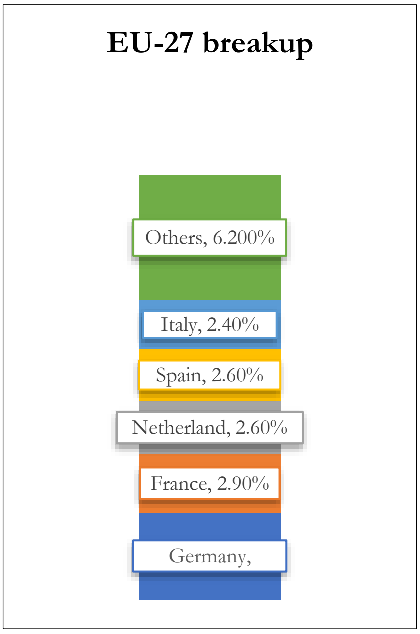
3.2.9 Major Export Destinations

India is the sixth largest exporter of textiles and apparel products in the world with a massive raw material and manufacturing base textile, apparel and handicrafts in India's total exports was 11.4% while India's share of the global trade in textiles and apparel stood at 4%. Despite unprecedented logistics issues, India registered highest ever exports at USD 44.4 billion in textiles and apparel (T&A) including handicrafts in FY 2022, recording a growth of 41% and 26% over FY 2021 and FY 2020, respectively. In FY 2023 (until September 2022) exports of RMG stood at USD 8,127.3 million showing a growth of 10.8% over FY 2022. Based on product category, exports during 2021-22 saw highest yearly growth of 54% in cotton textiles followed by 51% growth in man-made textiles, 30% growth in ready-made garments and 22% growth in handicrafts. Cotton textiles exports is a major contributor with 39% share of total exports of textiles and apparel industry while RMG, man-made textiles and handicrafts contributed 36%, 14% and 5% of the total Yarn/Fabrics/Madeups, Handloom products etc. stood at USD 767.50 million in September 2022 and accounts for 2.35% of the total exports of the month.

India's textile and apparel products, including handlooms and handicrafts, are exported to more than 100 countries across the globe. India's key export destinations for textiles and apparel products includes countries namely USA, UAE, the UK, Bangladesh, Germany, China, Spain, France, Italy, Netherlands, Saudi Arabia, etc. USA is the largest importer among all, importing about one fourth of the total exports from India. During 2021-22, USA was the top export destination for textile and apparel industry, accounting for 27% share of overall exports which has grown from 24% share witnessed in 2019-20. Among the other key export countries, Bangladesh has grown its share of imports significantly from 6% to 12% over the same period. India and UAE have recently signed a Free Trade Agreement (FTA) and the country is also in the process of negotiating FTAs with EU, Australia, UK, Canada, Israel, and other countries/ region which is likely to boost exports of Indian textile and apparels in future by providing competitive edge over other exporting countries. Furthermore, India's consolidated foreign direct investment (FDI) policy circular 2020 provides 100% FDI in single brand product retail trading and up to 51% FDI in multi-brand retail trading, subject to certain conditions. This continues to attract leading international garment and home textiles requirements from India and drives the interest from new export destinations.

Chart 14: Export data





Source: GoI, ICRA Analytics analysis

3.2.10 Peer Analysis

Company Profile

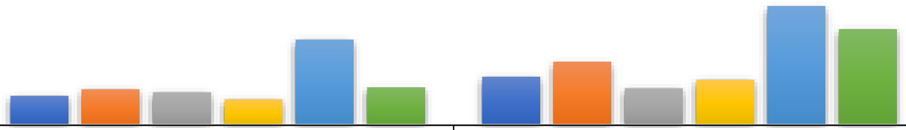
Key Entities	Brief Note
Pearl Global Industries Limited (CIN: L74899DL1989PLC036849)	**About the company**: Pearl Global is a prominent global apparel manufacturer and exporter incorporated in 1989 under the vision of Deepak Kumar Seth. Their product portfolio includes knits and woven tops, dresses, and bottom wear for women, as well as shirts and bottom wear for men and children wear. The company has more than 25,708 diverse skilled talent across the globe. The revenue segmentation is majorly from outside India. The 2024 consolidated revenue is ₹3,436 crore, an increase of 8.8% compared with FY 2023. Net Profit before tax stood at ₹192.06 crore in FY24, relative to ₹175.85 crore in FY 2023. The company forecasts its revenue to grow at a CAGR of 15-20% over the next 3 to 4 years. Pearl Global's financial framework and overall cash flow management is healthy. **Presence across value chain**: It provides end-to-end supply chain solutions to the fashion industry on a global scale, from design and development, global manufacturing, marketing, and distribution till supply. With presence in ten countries and a network of 75 designers working on a variety of product offerings across the globe, Pearl Global delivers quality products, timely through systematic processes.
S P Apparels Limited	**About the company:** SP Apparels Ltd. (SPAL) is an Indian manufacturer and exporter of knitted garments for infants and children. The company provides end-to-end garment

Key Entities	Brief Note
(CIN: L18101TZ2005PLC012295)	manufacturing services from grey fabric to finished products. Around 90% of SPAL's revenue comes from exports. In the last fiscal, the company crossed the ₹1,000 crore consolidated revenue mark, with a net profit of ₹82 crore. **Presence across value chain**: The company specializes in garment manufacturing, focusing on apparel for newborns and girls within the fashion industry. They deliver products by leveraging vertically integrated manufacturing processes and real-time system-driven control mechanisms.
PDS Limited (CIN: L18101KA2011PLC094125)	**About the company**: PDS Limited (earlier known as PDS Multinational Fashions Limited) was incorporated as a public limited company in 2011. In 2014, an arrangement with Pearl Global Industries Limited and PDS was made for demerging Pearl Global's sourcing, distribution, and marketing division (SDM) business and transferring the same to PDS. The company is engaged in trading of ready to wear apparels, providing services to group companies in exports and sourcing & distribution of their products. **Presence across value chain**: The company has an integrated design-led platform offering product development, sourcing, virtual manufacturing, and distribution for major brands and retailers worldwide.
Gokaldas Exports Limited (CIN: L18101KA2004PLC033475)	**About the company:** Gokaldas Exports is a large apparel manufacturer. The company produces more than 36 million garments annually. It registered ₹2,247.2 crore in revenue in FY 2023. Gokaldas Exports focuses on sustainability and inclusivity, making it a prominent player in the industry. **Presence across value chain**: The company purchases raw materials from approved sources and uses them in manufacturing process. They also have an efficient distribution system.
Kitex Garments Limited (CIN: L18101KL1992PLC006528)	**About the company**: Kitex Garments, listed in 1992, is a manufacturer and exporter of ready-made kid garments. Their focus lies in cotton and organic cotton garments, primarily for infants. Specializing in knitted garments, Kitex Garments is a listed public company with diversified business interests. As of March 31, 2023, the company had a workforce of 5,000+ employees. **Presence across value chain**: Kitex Garments has an integrated and traceable value chain at various stages of the product supply chain.
KPR Mill Limited (CIN: L17111TZ2003PLC010518)	**About the company**: K.P.R. Mill is a listed textile company in India with diversified business focus spanning across yarn, fabrics, garments, green power, sugar and ethanol, extending employment to more than 30,000 people (90% are women). Over the past three decades the company has produced a range of textile varieties such as readymade knitted apparel; fabrics; compact, melange, carded, polyester and combed yarn. **Presence across value chain**: Major vertically integrated companies with presence across the textile chain value from manufacturing of cotton yarn to processed fabric to garments which imparts strong operational flexibility.

Comparative Key Financials (based on FY 2024)

Chart 15: Liquidity

Liquidity ratios



	Quick ratio	Current ratio
Pearl Global Industries Limited	0.88	1.45
S P Apparels Ltd.	1.07	1.91
PDS Limited	0.98	1.11
Gokaldas Exports Ltd.	0.77	1.37
Kitex Garments Ltd.	2.58	3.59
K P R Mill Ltd.	1.14	2.89

■ Pearl Global Industries Limited ■ S P Apparels Ltd. ■ PDS Limited
■ Gokaldas Exports Ltd. ■ Kitex Garments Ltd. ■ K P R Mill Ltd.

1. The liquidity position of the entities varies, but overall, it seems healthy. The metric value suggests the entities have ample liquidity to honour short term liabilities without stress
2. The quick ratio (liquid ratio) is also crucial, ensuring that the entities can cover immediate liabilities without relying heavily on inventory

Chart 16: Gearing

Gearing ratios

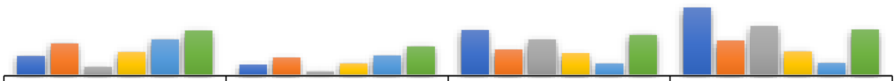
	Debt to equity ratio (Gross)	Interest Coverage
Pearl Global Industries Limited	0.54	3.31
S P Apparels Ltd.	0.23	7.29
PDS Limited	0.76	3.17
Gokaldas Exports Ltd.	0.48	5.38
Kitex Garments Ltd.	0.66	12.83
K P R Mill Ltd.	0.27	14.99

■ Pearl Global Industries Limited ■ S P Apparels Ltd. ■ PDS Limited
■ Gokaldas Exports Ltd. ■ Kitex Garments Ltd. ■ K P R Mill Ltd.

1. The metric values indicate that the apparel players are managing their debt levels judiciously. Pearl Global's gearing ratios look healthy with limited reliance on external funds
2. The debt-to-equity ratio measures the proportion of a company's capital structure funded by debt compared to equity. A higher metric value indicates higher financial leverage, which may be advantageous for growth but also increases risk
3. The interest coverage ratio ascertains if operational profits are ample to pay interest charges. The higher the metric value, the healthier the company is operationally to meet interest payments
4. The industry's working capital requirements are significant due to seasonal demand fluctuations, inventory management, and production cycles. This requires short term loans and working capital lines. Some players have also availed long-term debt to invest in capacity expansion, modernization, and technology adoption

Chart 17: Profitability

Profitability & return ratios



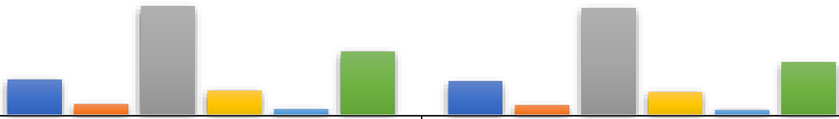
	EBITDA Margin	PAT Margin	Return on Net Worth	Return on Capital Employed
Pearl Global Industries Limited	8.96%	4.92%	20.69%	30.80%
S P Apparels Ltd.	14.51%	8.24%	11.74%	15.93%
PDS Limited	3.84%	1.95%	16.27%	22.56%
Gokaldas Exports Ltd.	10.68%	5.51%	10.14%	10.95%
Kitex Garments Ltd.	16.29%	9.05%	5.41%	5.72%
K P R Mill Ltd.	20.41%	13.29%	18.48%	20.88%

■ Pearl Global Industries Limited ■ S P Apparels Ltd. ■ PDS Limited
■ Gokaldas Exports Ltd. ■ Kitex Garments Ltd. ■ K P R Mill Ltd.

1. The net margin is improving, but it remains a challenge for the industry
2. Although the industry faces headwinds, there are positive signs of recovery. The focus on cost management and improving margins will be crucial for sustained growth
3. Return on Capital Employed (RoCE) and Return on Net Worth (RoNW) are appealing, denoting that capital is being efficiently used to generate profits

Chart 18: Size metrics

Sales & Total Expense (In Cr.)

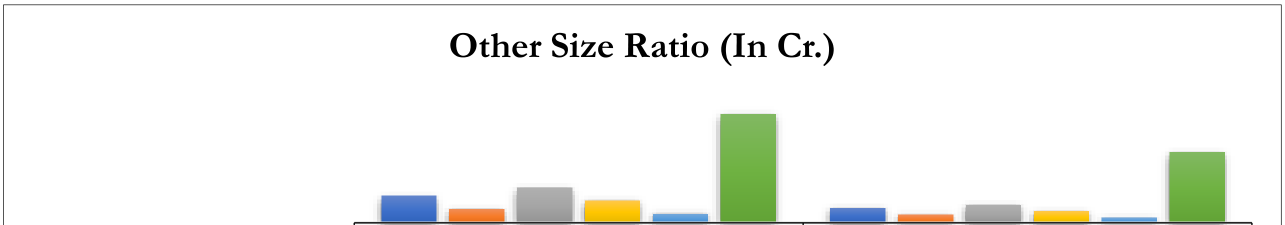


	Sales (In Cr.)	Total expenses (In Cr.)
Pearl Global Industries Limited	₹3,436.15	₹3,275.86
S P Apparels Ltd.	₹1,087.36	₹986.03
PDS Limited	₹10,372.65	₹10,181.11
Gokaldas Exports Ltd.	₹2,378.88	₹2,249.99
Kitex Garments Ltd.	₹616.92	₹544.45
K P R Mill Ltd.	₹6,059.68	₹5,086.55

■ Pearl Global Industries Limited ■ S P Apparels Ltd. ■ PDS Limited
■ Gokaldas Exports Ltd. ■ Kitex Garments Ltd. ■ K P R Mill Ltd.

1. The Indian apparel industry is dynamic, with e-commerce driving growth and sustainability becoming a key focus. Brands that embrace these trends while managing costs effectively will thrive in this ever-evolving landscape

Chart 19: Other size ratio



	EBITDA (In Cr.)	PAT (In Cr.)
Pearl Global Industries Limited	₹307.80	₹169.12
S P Apparels Ltd.	₹157.78	₹89.63
PDS Limited	₹398.14	₹202.68
Gokaldas Exports Ltd.	₹254.01	₹130.97
Kitex Garments Ltd.	₹100.51	₹55.83
K P R Mill Ltd.	₹1,236.69	₹805.35

1. The industry's growth trajectory hinges on effective distribution strategies, adaptation to changing consumer preferences, and the interplay between organized and unorganized players
2. Distribution plays a crucial role in the apparel industry. Manufacturing, distribution, wholesalers and distributers plays a vital role in reducing cost and increase margins

Source: Annual Reports

Table 9: Financial Snapshots

	Pearl Global Industries Limited	S P Apparels Ltd	PDS Limited	Gokaldas Exports Ltd	Kitex Garments Ltd	KPR Mill Ltd
Total Revenue	₹ 3,468.52	₹ 1,103.67	₹ 10,407.32	₹ 2,408.99	₹ 631.17	₹ 6,126.94
Total Expenses	₹ 3,275.86	₹ 986.03	₹ 10,181.11	₹ 2,249.99	₹ 544.45	₹ 5,086.55
Profit/Loss Before Tax	₹ 192.66	₹ 117.64	₹ 226.22	₹ 158.99	₹ 86.72	₹ 1,040.39
Current Tax	₹ 22.94	₹ 28.02	₹ 29.71	₹ 28.02	₹ 30.89	₹ 235.04
Total Tax Expenses	₹ 22.94	₹ 28.02	₹ 29.71	₹ 28.02	₹ 30.89	₹ 235.04
Profit/Loss After Tax and Before Extraordinary Items	₹ 169.12	₹ 89.63	₹ 196.50	₹ 130.97	₹ 55.83	₹ 805.35
Profit/Loss for The Period	₹ 174.83	₹ 89.57	₹ 144.23	₹ 130.97	₹ 56.33	₹ 805.35
Total Share Capital	₹ 21.79	₹ 25.09	₹ 26.35	₹ 31.69	₹ 6.65	₹ 34.18
Reserves And Surplus	₹ 780.24	₹ 738.55	₹ 1,140.15	₹ 1,259.65	₹ 897.94	₹ 4,324.05
Total Shareholders' Funds	₹ 802.03	₹ 763.64	₹ 1,166.50	₹ 1,291.34	₹ 904.59	₹ 4,358.23
Total Non-Current Liabilities	₹ 284.90	₹ 69.23	₹ 152.01	₹ 436.47	₹ 730.94	₹ 419.99
Total Current Liabilities	₹ 883.11	₹ 315.21	₹ 2,664.21	₹ 1,013.31	₹ 162.05	₹ 1,085.77
Total Capital And Liabilities	₹ 1,985.46	₹ 1,141.64	₹ 4,061.89	₹ 2,741.12	₹ 1,925.12	₹ 5,863.99
Total Non-Current Assets	₹ 706.52	₹ 540.48	₹ 1,111.33	₹ 1,354.52	₹ 1,343.53	₹ 2,724.07
Total Current Assets	₹ 1,278.94	₹ 601.16	₹ 2,950.55	₹ 1,386.60	₹ 581.59	₹ 3,139.92
Total Assets	₹ 1,985.46	₹ 1,141.64	₹ 4,061.89	₹ 2,741.12	₹ 1,925.12	₹ 5,863.99

Source: Money Control; All values are in Rs. crore; Consolidated financials have been considered for fiscal 2024

Production Capacity

Pearl Global Industries Limited: Pearl Global's manufacturing units are strategically located across geographies to meet global demand effectively. It has manufacturing set ups across five countries: Gautemala, India, Bangladesh, Vietnam, and Indonesia. In India, the company has seven in-house manufacturing units with total combined installed annual capacity of 26.40 lakh pieces as on March 31, 2024. Bangladesh has four in-house manufacturing units and five facilities in partnership with an installed annual capacity of 45.00 lakh pieces as on March 31, 2024. Vietnam has one in-house manufacturing unit and four in partnership making installed annual capacity of 6.50 lakh pieces as on March 31, 2024. Indonesia has two in-house facilities with install annual capacity of 4.00 lakh pieces as of March 31, 2024, and Gautemala one facility with installed annual capacity of 2.00 lakh pieces as of March 31, 2024.

S P Apparels Limited: No information is available on the latest production capacity of S P Apparels. However, as per the 2023 annual report, the company has increased the production capacity.

PDS Limited: PDS Limited has apparel manufacturing hubs across different countries including India, Bangladesh, Turkey, Sri Lanka, and China. The capacity of the manufacturing units in Bangladesh and Sri Lanka are state below:

1. Green Smart Shirts, Bangladesh: 8,00,000- 8,50,000 pcs annually
2. Progress Apparel, Bangladesh: 12 million pcs annually
3. Norlanka, Sri Lanka: 1.1 Million pcs per month

Gokaldas Exports Limited: The company's currently production capacity is:

1. Quilting with a capacity to quilt over 10,000 meters/day
2. Executing innovative wash on denims and non-denims capacity of producing 1,50,000 pieces/day, including garment dyeing and all kinds of dry processes
3. 54 million impressions per annum
4. Annual apparel manufacturing capacity of 36 million pieces

Kitex Garments Limited: Kitex Garments has one primary manufacturing facility in Kerela. Two more integrated manufacturing facilities are slated to come up in Telangana.The current the production capacity is:

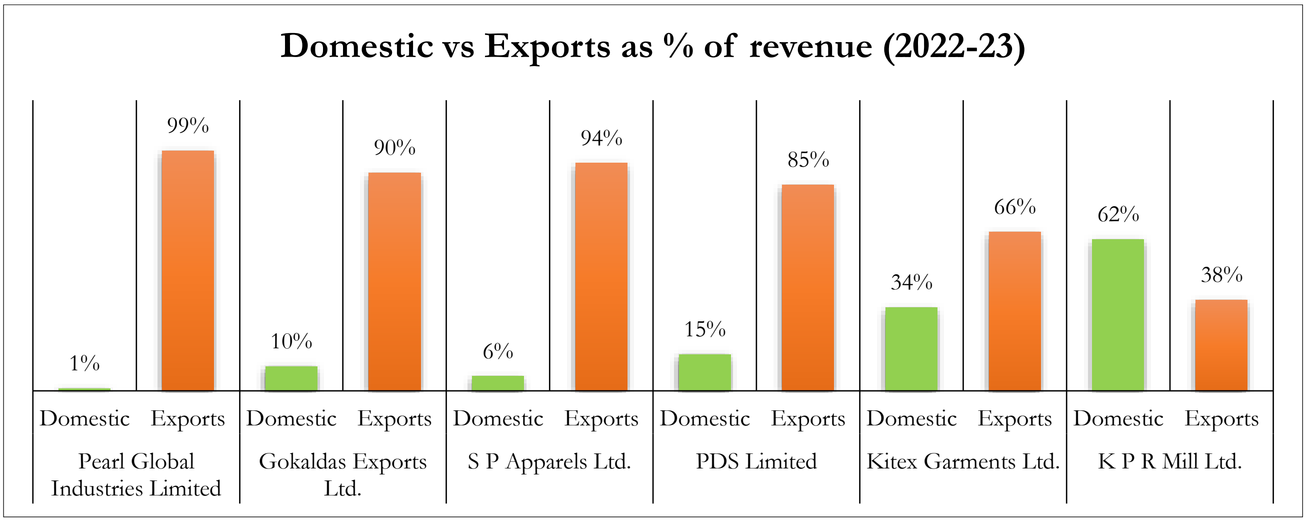
1. 50 tones per day textile capacity
2. 4,32,000 units per day

KPR Mill Limited: 'KPR Group' has 15 manufacturing units with a capacity to produce:

1. 1,00,000 MT of cotton yarn and 4,000 MT viscose vortex yarn per annum
2. 40,000 MT fabrics per annum
3. 157 million readymade knitted apparel per annum
4. Fabric processing capacity of 30,000 MT per annum
5. Printing division with a capacity to print 15,000 MT per annum
6. 1,00,000 high fashion garments placement printing per day

   Source: Investor presentation; Annual report

Chart 20: Revenue Break-up: Domestic vs Exports (as per latest available data)



1. The Indian apparel industry thrives on a delicate balance between catering to its vast domestic market and actively participating in global trade
2. The domestic market plays a pivotal role, contributing a large portion of the overall market size. However, exports also make a significant share, which is crucial for economic growth and maintenance of balance of trade
3. With ambitious targets, including reaching $250 billion in textiles production and $100 billion in exports by 2030, India continues to shape the future of the textile and apparel sector
4. The textiles and apparel industry in India is a significant contributor to the economy. It provides direct employment to around 45 million people and indirectly supports 100 million people in allied industries

Chart Source: Annual Reports

Major Customers

Pearl Global Industries Limited: Pearl Global has forged partnerships with several retail format stores, including Kohl's, Macy's, Inditex, and PVH, among others. Additionally, the company has formed collaborations with retail format stores including Bershka, GAP, and Old Navy.
In the knits category, it has customers including Mango, American Eagle, Tommy Hilfiger. In the woven category it serves Kohl's, TJ Maxx, and Nordstrom. It supplies denim to Target, Walmart, ASDA George, and Bershka, sleepwear and lounge to Macy's, Kohl's, and Walmart, activewear and athleisure to Ideology and Nordstrom, and kids wear to JCPenny, Next, Mango, and ASDA George.

S P Apparels Limited: S P Apparels has a strong foothold and has collaboration with premium brand customers in the UK and the US for its garments.

PDS Limited: PDS primarily operates on a global B2B business model. It provides customized solutions including manufacturing, design-led sourcing, sourcing as a service, and brand management, to retailers and brands across the globe. It has a well-diversified base of more than 200 marquee customers across geographies including the UK, Europe, North America, Asia and the Middle East.

Gokaldas Exports Limited: The company's customers include international fashion retailers, wholesalers, and global brands, primarily based in the US and Europe. These customers source a wide range of ready-made garments such as fashion wear, outerwear, and sportswear across multiple geographies for men, women, and kids for all seasons.

Kitex Garments Limited: Kitex is into exports of cotton garments especially infantswear. The company exports its products to the US and the European markets, catering prominent conglomerates like Gerber Childrenswear LLC, Carters, Carters brands, H & O Fashions, Buy-Buy Baby, Ross Stores, Amazon, Target, Sam's Club and Walmart.

KPR Mill Limited: KPR Mill has a customer base of over 1300 regular domestic clients for yarn and fabrics (~60% from contribution in revenue) and leading brands from more than 60 countries for apparels (~37% contribution through overseas)

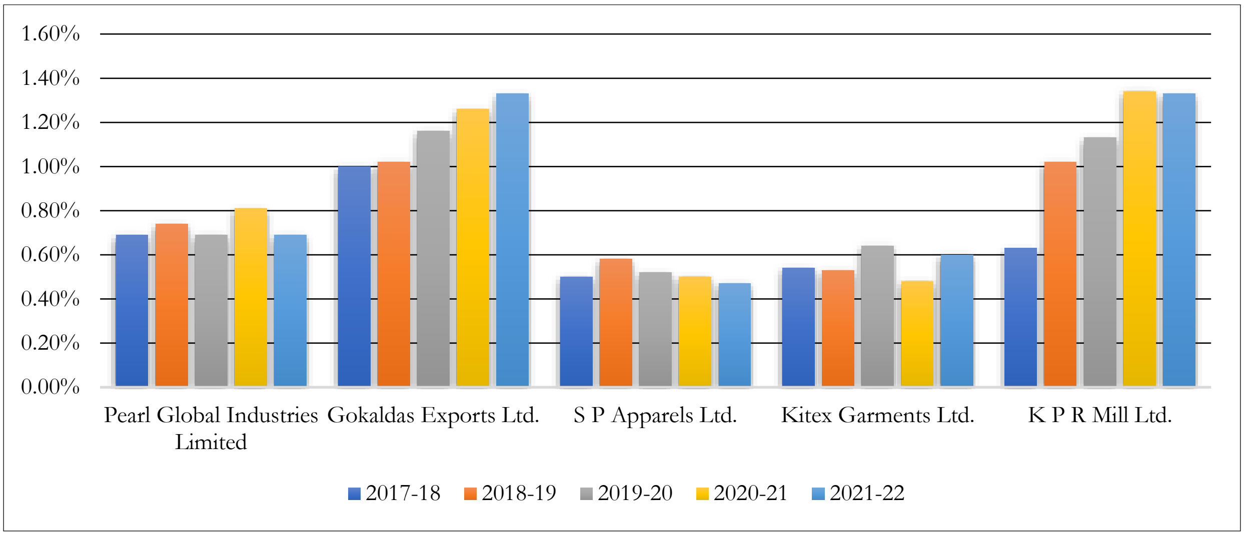
Source: Investor presentation, Annual report

Presence in Geographies

Pearl Global Industries Ltd	S P Apparels Limited	PDS Limited	Gokaldas Exports Limited	Kitex Garments Limited	KPR Mill Limited
Present across ten countries: India, Indonesia, Bangladesh, Vietnam, US, Spain, Hong Kong, UK and Guatemala, UAE. It has 24 manufacturing units in India, Bangladesh, Vietnam, Indonesia, and Gautemala. The company has design and marketing offices in the US, UK, Spain and Hongkong	Present in the UK and the US. The manufacturing units are located in various towns and districts of Tamil Nadu including Avinashi, Palangarai, Thekkalur, Coimbatore, and Erode	Present in more than 22 countries. The sales and design offices are in the US, Canada, Europe, Australia, and South Africa. Manufacturing facilities are in Bangladesh and Sri Lanka. While India, China, Vietnam, Pakistan, Egypt, and Jordan count among its key sourcing hubs.	The company is an exporter to fashion brands and retailers in over 50 countries. It has marketing, product development, and corporate functions in India, the US, and the UAE. Has more than 30 manufacturing facilities in India, Kenya, and Ethiopia	Present in the US and the European markets. Sells in the world's leading retail outlets as well as through various online retail platforms in Australia, Austria, Brazil, Canada, China, France, Germany, Liberia, India, Indonesia, Israel, Japan, Mexico, Poland, Saudi. Manufacturing facility is in Kerala and it's also expanding in Telangana.	Present in North America with 84.3% revenue share, Asia with 11%, and Europe with 4% revenue share. Exports to brands in over 60 countries in Europe, North America, Australia, Asia, and others. Production facility is in Tamil Nadu and has established a manufacturing unit in Ethiopia.

Source: Investor presentation, Annual report, Company website

Chart 21: Market Share (as per latest available data)



1. The apparel industry in India comprises a multitude of players, ranging from large corporations to smaller businesses. While exact numbers can vary, there are numerous players operating in this space
2. The average market share of individual companies can vary significantly based on factors such as brand recognition, product range, distribution channels, and consumer preferences. It is important to note that the Indian apparel market is highly competitive, with both domestic and international players

Source: CMIE

4. Category wise Apparel Manufacturing Sector

4.1 Knitwear

Global scenario: Knitwear market was valued at around USD 644 billion in 2021, as per a Market Research Future report. As of 2024, the knitwear market is about USD 721.81 billion, which is forecast [59]to grow to USD 1605.69 billion by 2030, meaning a compound annual growth rate (CAGR) of 12.10%. There are several factors fostering demand for this segment. Some of the key drivers include rising disposable income and availability of large variety of products in the market.

Key growth drivers: The major drivers of growth in the global market are as follows:

1. Rise in sporting activities have directly benefited and bolstered the demand for knitted sportwear including t-shirts, shorts, socks, etc. Increase in usage of internet over time is also expected to boost the sports category, and in turn, the knitwear market. Knitwear is moisture wicking, wrinkle resistant and a breathable fabric with ample thermal insulation, which makes it a high in-demand wear for sports. It's also softer than woven material, hence a preferred choice

2. Europe is among the world's largest importers of knitwear. With rising popularity of knitwear products into current fashion trends, and especially during the colder seasons in Europe, it is expected that its demand shall continue to remain solid in the near to medium future

3. In terms of market share, Asia-Pacific holds the largest market share, followed by North America and Europe. North America knitwear market is the second largest since winter lasts long and demand for warm clothing is high. Demand in the Asia-Pacific region, including China, India, Japan, Australia, and South Korea also looks promising owing to increasing per capital income and fashion awareness

Major market players are investing in research and development to widen product lines and expand knitwear offering. There are increased investments, contractual agreements, mergers and acquisitions, and alliances with other companies.

[59] Source: Market research future

Manufacturers are adopting strategies to offer stylish clothes and producing locally to limit operating costs. Key players in this segment are Mango, American Eagle, Tommy Hilfiger, Kohl's, Adidas AG (Germany), Ralph Lauren Corporation (the USA), The Nautical Company (UK) Ltd, Victoria's Secret (the USA), Gildan Activewear Inc. (Canada), Puma SE (Germany), Gap Inc., and others are making significant investments in R&D to stimulate demand.

Indian scenario: The major drivers of knitwear apparel industry in India are:

1. Athleisure, gym wear, yoga wear, comfort wear, and other new categories have emerged, along with a shift in customer tastes and preferences, and these developments have drawn numerous brands and stores to serve the expanding knitwear industry. Growth in the knitwear segment would be fueled by their rising penetration in rural and small towns

2. Both men's and women's wardrobes are becoming more casual due to rising levels of urbanization, increased discretionary expenditure, and changing lifestyles. Wearing smart casual clothing with a few dos and don'ts is no longer only appropriate on Fridays, it's getting more and more commonplace every day

Knitwear materials are renowned for their ease of care, comfort, stretch, and ability to absorb moisture. The shift from need-based to occasion-based clothing will raise demand for knitwear moving forward.

Key challenges and recent development: The challenges faced by the woven category is mostly similar for the global and the Indian market. Limited technical knowhow in several developing nations may impede production and expansion of the industry. Additionally, escalating cotton and yarn prices have been a matter of concern for numerous producers. To overcome this, businesses are focusing on purchasing machinery that could bolster production.

4.2 Woven wear

Global scenario: The global woven fabric market was valued at USD 471.64 billion in 2021 [60]and is forecast to expand over the next few years and touch USD 520.46 billion by 2028, which translates to a CAGR of 1.40%, as per a report by a research firm.

Demand for the fabric is rising across various sectors such fashion, home textiles, and industrial textiles. Woven is a kind of textile fabric where two discrete sets of yarns or threads interlace with each other and form a stable and durable structure. This fabric is commonly used in industries such as fashion, interiors, automotive, and industrial sectors. It is known for its strength, flexibility, and ease of production.

Key growth drivers: There are several factors driving the demand for woven fabric:

1. Rise in population, increasing urbanization, higher disposable income are key reasons behind the demand for woven fabric market. Moreover, sustainable fashion and eco-friendly materials is also supporting the adoption of woven fabric owing to its natural and biodegradable properties

2. Furthermore, the automotive and industrial sectors are driving the demand for woven fabric due to its high strength and resistance to wear and tear. With advancements in technology, there is an increasing demand for advanced textiles that offer functionalities such as thermal insulation, moisture management, and antibacterial properties, further driving the growth of the woven fabric market

3. There are numerous opportunities such as the implementation of advanced technologies like digital printing and computer-aided designing that enables the creation of natural patterns and designs on woven fabrics

[60] Source: Linkedin

The woven fabric market is extremely competitive with well-established companies. These players have vintage in the business and good market presence in the industry. Some of the top companies in the woven category include Mango, Macy's, TJ Maxx, Nordstrom, Kohl's, etc.

Toray Industries, a Japanese multinational corporation, is a key market player globally founded in 1926. The company specializes in manufacturing synthetic fibers and textiles, which includes woven fabrics. Glen Raven is another leading company in the woven fabric market. It is an American textile producing high-performance fabrics, which includes woven textiles. The company was established in 1880. Another significant player is HYOSUNG, which is a South Korean conglomerate. The company produces a variety of fabrics, including woven and has seen continuous market growth over the years.

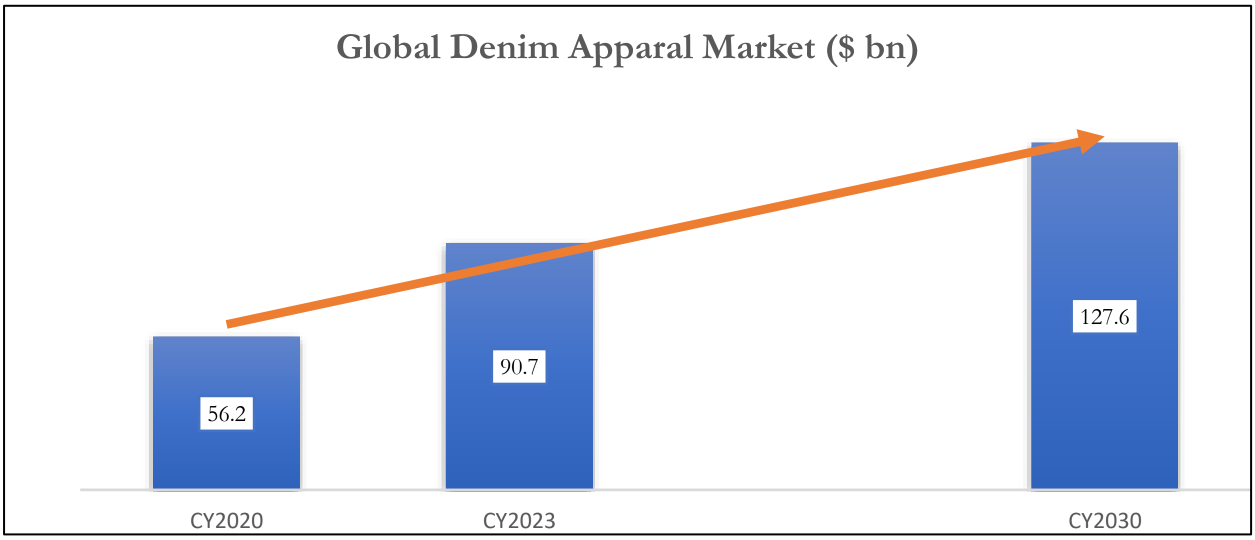
Key challenges and recent development: The challenges faced by the woven category is mostly similar for the global and the Indian market. Alternative fabrics such as knitted, non-woven, synthetic textile pose some threat to the woven category. Besides, similar to knitwear, changing raw material prices and supply chain issues, particularly post Covid-19, pose challenges for the industry. In addition, woven fabric demands skilled labour, which increases production costs and adversely impacts profit margins.

4.3 Denim

Overview, past trends & growth prospects: There are varied types of fabrics in the market, and one of them is well-known to be a robust cotton fabric that is often created using a twill weave. This makes it simple to create a diagonal ribbed pattern in the fabric, which in turn make denims. Following that, the same can be utilized to make a wide range of clothing items, such as denim dresses, denim blouses, denim jackets, denim jeans, denim dungarees, and many more. Both the domestic and the global market is optimistic about its growth prospects in the given sector.

Global scenario: The global market for jeans is expected to increase at a compound annual growth rate (CAGR) of 9% from 2020 to 2030, reaching [61]~US$128 billion, according to a recent projection by few well known market agencies from an estimated market size of ~US$56.2 billion. The U.S. accounts for nearly ~25% market share in the global denim market, estimated around ~USD$15 billion during 2021 while China is expected to reach the same market size by 2026. From European region, Germany, Turkey, France are some of the regions dominating the market, expected to reach ~USD$29 billion by 2028. Key market players in this segment are Bershka, GAP, ASDA George, Target, Walmart, Levin, Spykar etc

Chart 22: Global denim apparel market

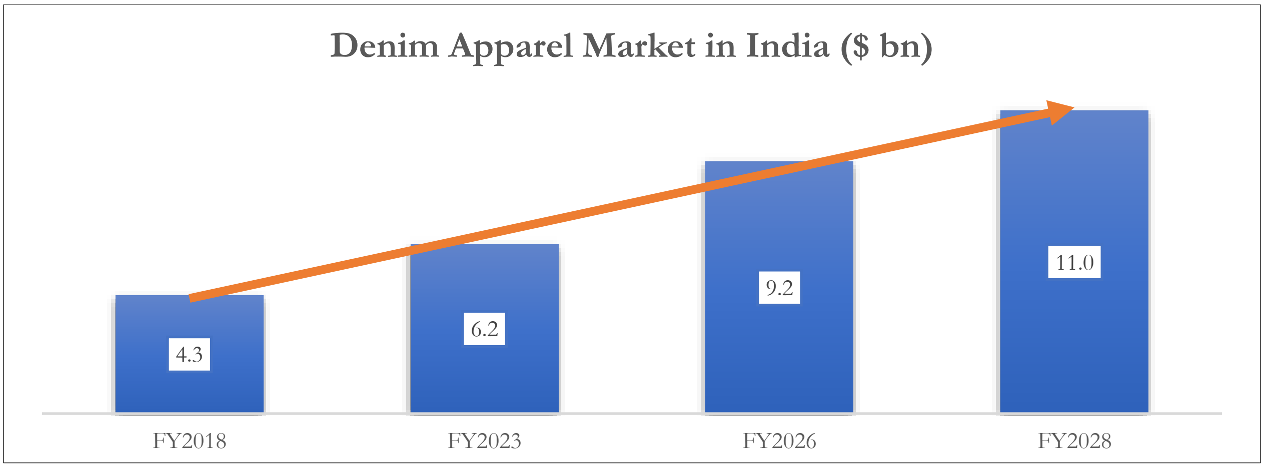


[61] Source: Allied market research, verified market research

Indian scenario: Following the pandemic, the denim market segment has recovered the fastest. India, being a pioneer in denim fabrics, has seen steady growth in recent years which is indeed, faster than the worldwide expansion rate.

India's denim apparel market was estimated to be worth US$6.15 billion in FY2023 and is projected to increase at a 14% compound annual growth rate (CAGR) over the next three years to reach US$9.15 billion by FY2026. On an average, it is maintaining an average of 10-12% CAGR over the last few years and by FY28, it will most likely reach US$11.01 billion.

Chart 23: India's denim apparel market



Source: Images Business of Fashion, Research & Markets

This industry has a bright future ahead of it thanks to emerging trends, technology, and expanded market penetration. A growing proportion of people are choosing denim over traditional attire, even in non-metropolitan areas, as denim is becoming extremely trendy.

Considering the consumer-wise segmentation, although it has witnessed growth among all segments, men's %age share has always been the biggest chunk consisting around 80-85% of the total share while women's share was just 10-12% and children's share was merely ~5% (this has been the trend in the past).

Going forward, in the next 2-3 years, women's share is estimated to increase by ~5% led by the rise in the number of women entering the workforce, the growing popularity of western clothing, the advent of fusion and mix-and-match fashions, etc.

The domestic denim market is dominated by the mid-to-premium pricing segment, which is led by domestic brands as well as global lifestyle retailer brand which provide excellent quality and variety at affordable price points. Leading foreign brands dominate the super premium and luxury market. They are doing so by leveraging their established brand recognition and the increasing premiumization trend in India.

In an effort to meet the needs of more aspirational consumers, denim companies like Killers, Mufti, and Spykar as well as global names like Levis and Jack & Jones are branching out into tier 2+ towns. So, going ahead, with all these factors taken into consideration, the market demand for denim is expected to remain robust.

Key Challenges and Recent developments

Global scenario:

1. The global recession evident in EU & US has led to tight budgets which have replaced credit-fueled spending, leading to increased popularity of low-cost knitted athletic wear. In the US, the ultra-high-end denim market remains thriving, while the mainstream mass market has reached a standstill

2. Synthetic fibres are another aspect that has impacted the denim industry. Cotton has been partially substituted with polyester by some producers in an attempt to reduce the cost of producing jeans for the general market. The trend of stretchable jeans has long played a significant role

3. Global denim prices are comparatively low as a result of sluggish demand and an increasing shift to blends. The issue of overcapacity has further lowered the price level

4. The decline in aggregate denim capacity is expected due to dismantling inefficient mills in Europe, North America, and Asia while at the same time, new capacity will be added in China, India, Turkey, and Brazil. Over time, the expansion from these nations along with a smaller number of other producers, like Vietnam, will balance out reductions in less productive capacity elsewhere.

India's scenario:

India has the second-largest installed capacity for denim fabrics worldwide, after China, with an annual capacity of about 1600 million metres. Approximately 60% more denim fabric mills are expected to be operating in the organised sector today than there were 10 years ago, with over 50 mills operating overall. Around 850–900 million metres are consumed domestically including the locally produced ones while the rest is exported to other countries, to Bangladesh, Colombia, Venezuela, Egypt, and Sri Lanka.

The denim sector in India has enormous growth potential. Nevertheless, a few things restrict this expansion. At the same time, developments are aimed at mitigating those challenges.

1. **Raw Materials**: Cotton is the main raw material and this being a globally traded commodity, any fluctuation in its prices affects the price of the final product However, due to fluctuating weather condition, disease outbreak and pest infestations, it could result in bad harvest in India. So, it is mostly imported from China with a hefty import charge. Even then the domestic cotton is more expensive than imported cotton. To stabilise the price of domestic cotton, the government should think about devising and implementing the Cotton Price Stabilisation Fund Scheme

   Businesses may better control raw material availability and plan for efficient, on-time manufacturing with the help of this backward integration. It is encouraging to note that while the bigger, more well-known mills are still consolidating, smaller companies are making an effort to grow

2. **Extent of competition from other countries**: Due to the organised manufacturing capabilities and low production costs, countries like China, Bangladesh, and Vietnam pose a serious threat to India's market dominance, mandating higher levels of innovation, pricing, and quality. There is a need to create a vertical integration which will fully take control of denim manufacturing starting from farming of cotton to final product which will help in reducing cost and maintaining quality

3. **Environmental impact**: The effects of denim manufacture on the environment are frequently observed to be detrimental which implies that using sustainable manufacturing techniques is necessary. Recycled denim and organic cotton are two examples of sustainable raw materials that could be utilised to replace current ones while lessening their environmental impact

   Nowadays, the demand for sustainable, environment friendly and socially responsible denims are attracting consumer's attention. Socially-conscious companies are even using ZLD (Zero Liquid Discharge) and ETP (Effluent Treatment Plants) technology in their production processes, which allows them to treat the process water before releasing it into the environment. Likewise, companies have begun to prioritise the use of sustainable raw material substitutes, like eco-friendly chemicals and recycled yarns and fabrics.

4. **Brand competition**: It is difficult for new denim makers to break into the denim sector since there is already too much competition in the market, making it difficult for them to stand out and gain market share. Indian consumers are also very sensitive to price, which puts pressure on businesses to lower the

cost of their denim goods. As a result, there is a decrease in the profit margin, which inhibits marketing and innovation spending

Other than these, there are a few areas where there are new developments taking place-

1. **Online penetration**: E-commerce, which accounts for over 20% of the Indian garment market, is the fastest-growing channel in the industry, driven by rising internet penetration. Leading online vertical experts like Myntra and Ajio are offering denim through their main private labels, Roadster and DNMX, and this trend has also been observed exclusively for the denim category
2. Denim fashion brands have received finance and acquisitions in the D2C market as well. The internet-first denim fashion firm "Freakins" raised US$4 million in its seed fund round in July 2023, with Matrix Partners India and Blume Ventures leading the investment
3. Alternatively, in December 2021, D2C denim company "High Star" was purchased by e-commerce unicorn "Mensa Brands" as part of their series of acquisitions and buyouts
4. **The +1 policy open gates of opportunities**: Given the trend in denim fabric towards synthetic blends and the introduction of the "China +1" policy, India has a decent chance of exploring new denim export markets. Increased exports of denim clothing to recently joined FTA (Free Trade Agreement) partners like Australia and the United Arab Emirates can be facilitated by domestic manufacturers. Even when it comes to exporting denim fabric, Indian denim makers can take advantage of the "China +1" effect and broaden their product lines to target areas where China now holds a dominant stake, such as Mexico, Cambodia, Vietnam, and Turkey
5. **Sustainability**: Consumers of today are knowledgeable and concerned about the environment. The market for environmentally friendly and sustainable fabrics is expanding
6. Likewise, companies have begun to prioritise the use of sustainable raw material substitutes, like eco-friendly chemicals and recycled yarns and fabrics

The denim manufacturing sector may face some challenges, but they would overcome when all parties involved in the process—farmer, manufacturer, supplier, retailer, and customer—work together to find solutions. Individuals from each of these stages should work together to create an economy, which would ultimately turn the Indian denim manufacturing sector into a global textile powerhouse.

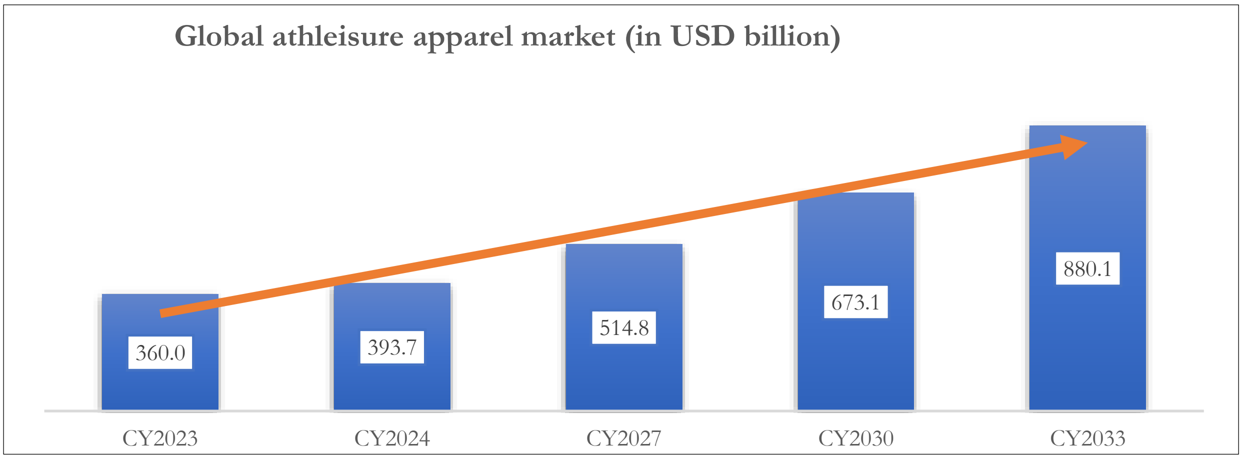
4.4 Athleisure & Activewear

Overview, past trends & growth prospects: Athleisure aims to create a functional wardrobe that combines stylish and athletic styles. It has grown its importance as a fashion trend in this era of comfort and style. It appeals to more health-conscious, fashion-forward, and active population by providing a versatile clothing style that effortlessly crosses the line between athletic and leisurewear.

The most widely used fabric in athleisure is polyester since it is strong, mostly affordable, and has many other qualities that make it perfect for athleisure. Most of it is sourced from Asian countries with China being the main exporter followed by India, Indonesia, Taiwan, and South Korea.

Global scenario: The size of the worldwide athleisure market exceeded USD 360.04 billion in 2023, and with a compound annual growth rate of 9.35% from 2024 to 2033, it is projected to be valued approximately USD 880.11 billion. The growing blurring of the lines between athletic and daily wear is what is driving the athleisure sector.

Chart 24: Global athleisure apparel market



Source: precedenceresearch.com

North America has mostly dominated the athleisure/sportwear segment, consisting of nearly 30-35% of the total market share in 2023[62]. It offers an abundance of well-known athleisure brands with loyal customers who have established trusting relationships with them over the years for their quality, performance, and style. The second largest share is by Europe (27-29%) followed by Asia-pacific regions (25-26%).

Some of the major global names in this segment are- Adidas AG, Nike Inc., Under Armour Inc, New Balance Athletics Inc, Columbia Sportswear Company, ASICS Corporation, PUMA SE, VF Corporation, Lululemon Athletica. Fashion brands like H&M, Zara and Marks & Spencers also have a hold of athleisure in their portfolio.

If we look at the overall segment globally, the mass segment has mostly taken the lead in market share where women athletic wear as an end user product has been the largest chunk consisting of around ~40% of the total market share.

Although the selling medium is still accelerated by the offline stores, but the online market penetration is increasing its footprint.

Major drivers:

1. Increasing focus on fitness and health is a major driver propelling the athleisure market's growth. There is an increasing need for apparel that promotes an active lifestyle while keeping a stylish look as people grow more health conscious. This requirement is met by athletic wear, which offers clothes with fashionable styles and functional features that make consumer feel confident and at ease whether they're running errands or the gym
2. Furthermore, the popularity of athleisure apparel has been greatly aided by the emergence of social media influencers and celebrity sponsorships. Customers are exposed to a wide variety of athleisure outfits presented by their favourite celebrities thanks to platforms like Instagram, TikTok and many others, which act as significant centres for style inspiration. This exposure influences customer perceptions of fitness and fashion, which in turn propels market's demand for athleisure wear
3. The growing convergence of mainstream fashion labels and conventional athletic/sportswear brands is another aspect driving the athleisure market's rise. Many athletic labels have expanded their product lines to include fashionable athleisure lines
4. In a similar vein, premium fashion manufacturers have integrated performance components into their luxury designs, seeing athleisure as a lucrative and viable business area. Athleisure's appeal has expanded due to the fusion of high fashion with sportswear, drawing in a wide spectrum of demographic consumers

[62] Source: precedenceresearch.com

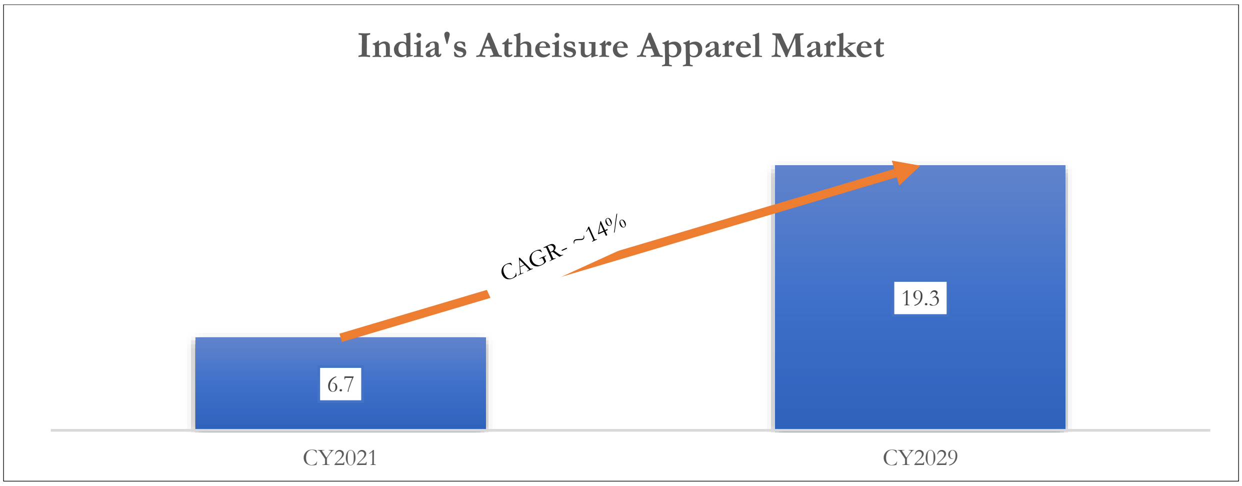
5. Technological integration has also attributed in shaping the evolution of athleisure apparel industry by making innovations in fabric making technology and manufacturing facilities enabling production of durable and seamless garments.

Indian scenario:

Indians are becoming more conscious about healthy living and are moving towards more health-conscious lives that involve going to the gym, doing yoga, and spending time outside- mostly a cultural shift. As a result, they need apparel that supports their physical and mental wellbeing and that's where athleisure boom happened which is taking the market by storm.

The market size of Indian athleisure was $0.7 billion in 2022 and it is expected to reach $1.9 billion by 2029, CAGR of ~13% over a span of 8 years.

Chart 25: India's athleisure apparel market



Source: maximisemarketresearch.com

Major drivers:

1. Rapid urbanization has impacted the options for where to live. Athleisure clothing sales have surged due to urban dwellers' need for comfortable, fashionable, and versatile clothing options. The international brands are trying to maintain their presence in the Indian market because of its population and largest share of young generation
2. Another positive sign for the growth of the Indian activewear market is the rising participation of women and children in sports, the promotion of activewear as casual clothing by well-known brands like Jockey, and the rise of young direct-to-consumer (D2C) labels. Furthermore, the increasing popularity and reach of ecommerce platforms in tier-II and tier-III cities are crucial in expanding the activewear market
3. The athleisure product industry is expected to experience sustained expansion due to the growing incorporation of technology and the heightened emphasis on environmentally safe and sustainable materials. The endorsement of brands by celebrities and launching of their own brands is also supporting the growth. Few examples are activewear brands- Prowl by Tiger Shroff, HRX by Hrithik Roshan, Shahid Kapoor's Skult, Virat Kohli's Wrogn and Just F by Jacqueline Fernandez Overall, technology remains one of the highlights which can boost production of smart textiles, operational efficiency & transparency

Key challenges and recent developments: The challenges faced by this sector are mostly similar for the global and the Indian market. They are as follows:

1. The sales of real athletic wear is likely to be hampered by the availability of cheap, imitation alternatives. As more people choose to buy cheaper counterfeit items rather than investing in real products, authentic firms may face a decline in income and growth potential. Counterfeit goods often copy popular athleisure

brands, clouding the validity of the brand and deceiving buyers. This might diminish the credibility and perceived value of legitimate athleisure brands

2. Athleisure consumers may become less confident in the market due to the proliferation of low-cost, counterfeit items. For fear that they would unintentionally encourage unethical behaviour or acquire counterfeit items, customers may become cautious about purchasing athleisure products altogether
3. Due to the substantial expansion of the athleisure market over the years, there is now more competition. To stand out in a crowded market, businesses need to consistently innovate and differentiate their offerings
4. Some customers still struggle with price sensitivity, particularly when it comes to high-end athleisure companies. Finding a balance between pricing, design, and quality is essential to drawing in a wide range of clients

There are certain challenges which are crucial for Indian economy-

1. A significant challenge in India is the unavailability of the fabrics forcing the big home-grown brands to create a global supply chain which is time consuming
2. Market players need to adapt to the mindset as to why there's a need to reduce carbon footprint as it is extremely for our ecosystem
3. There's a constant challenge for innovation and upping the game of fashion as it has almost become like a FMCG product which is perishable

Recent developments: (global & domestic)

1. A trend towards sustainability is also being seen in the athleisure market, thanks to consumer worries about the environment and ethics. Demand for athleisure firms that put sustainability first in their materials and production processes is growing as eco-consciousness spreads. Consumers that care about the environment are gravitating towards sustainable athleisure firms, who are bringing about positive change in the sector through techniques like employing recycled textiles and eco-friendly manufacturing procedure. Eg- Zaecy, a brand-new athleisure clothing manufacturer, announced in January 2023 that it will soon launch in the United Arab Emirates. It is an online supplier of sportswear, offering fashionable and environmentally conscious activewear for children, adults, and teenagers. Zaecy was founded in 2022 with an emphasis on wellbeing
2. The increasing online sale of the segment via Amazon, Flipkart, etc., is boosting sales. Also, there's increased number of Indian and international manufacturers

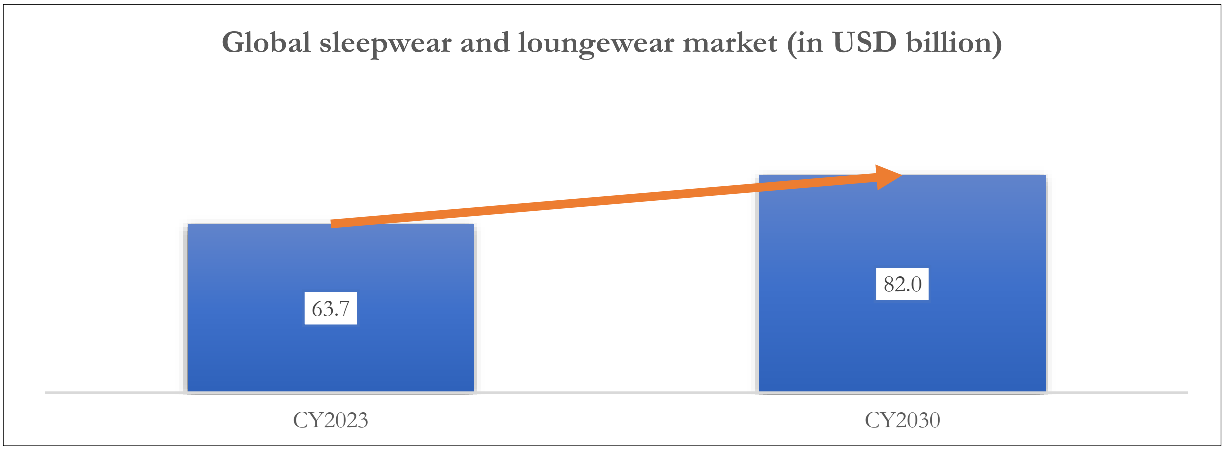
Overall, it is one of the fastest growing segments in the apparel industry which has huge potential and is expected to maintain sustainable growth prospects in the future.

4.5 Sleepwear & Loungewear

Overview, past trends & growth prospects: Loungewear is smart yet comfortable attire for wearing around the house; it's not necessary to wear it to bed, though it's certainly not forbidden. It's more casual than what we might wear to work, but yet classier than pyjamas. The loungewear alternatives of the past were more casual in style, but the ones of today are more elegant and people can leave their homes without worrying about how one looks and do so with confidence and style while to ensure the utmost in comfort and a restful night's sleep, sleepwear is only worn at bedtime.

Global scenario: An increase in disposable income has given customers more purchasing power, which has encouraged them to spend more on loungewear and sleepwear. Due to the increased demand for high-end loungewear and sleepwear, the global market for these products is expected to grow in value. Due to the increasing demand for high-quality loungewear and sleepwear, vendors are making more investments in new product developments. They are concentrating on employing technology and sustainable raw materials to improve product performance as well as the look and feel of their offers. Additionally, suppliers are launching goods with creative designs that take into account current market trends.
The market size of the global loungewear and sleepwear segment was valued at around $64.7 billion in 2023 and it is forecasted to reach $82 billion by the year 2030, CAGR growth ~4% within a span of 7 years.

Chart 26: Global sleepwear and loungewear market



Source: verifiedmarketresearch.com

Some of the largest manufacturers in this segment are AEO Management Co., H&M, Hanesbrands, L Brands, PVH, Ralph Lauren, Macy's, and Walmart. By region wise, North America and European countries are leading followed by the Asia-Pacific region.

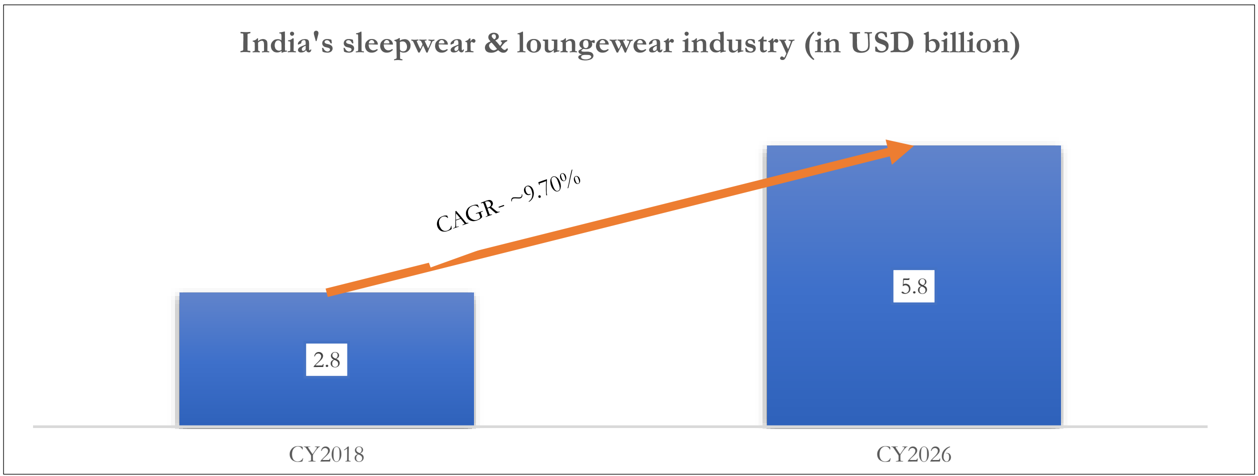
The major drivers of the sleepwear and loungewear segment in the industry are as follows:

1. The market growth of sleepwear/loungewear is driven by its evolving perception as a fashion statement, social media showcasing it as a lifestyle choice, influencers and fashion icons wearing trendy loungewear/sleepwear, limited-edition collections, and high-fashion sleepwear/loungewear with intricate patterns and luxurious materials
2. The sleepwear market is growing due to societal awareness of health and wellness, advancements in textile technology, and increased consumer awareness about sleepwear materials. The rising prevalence of health conditions like sleep apnea and sensitive skin is also driving demand for specialized sleepwear
3. Availability of plus-size loungewear/sleepwear to include size inclusivity is a phenomenon driving more people of various sizes to get attracted to the segment
4. The Covid-19 epidemic has expedited the rise in telecommuting and remote employment, which has raised demand for comfortable apparel that can be worn for both work and play. Sales in this category have increased as a result of the widespread replacement of formal work clothing with loungewear
5. Overall, consumers are willing to invest in this segment for a better quality of life, as a part of self-care regimen and yet be fashionable while doing so would help in maintain the growth momentum witnessed in the segment

Indian scenario: The Indian middle class's growing disposable income and changing lifestyles are major drivers of the market's size and reach, particularly in the "Indian sleepwear segment."

The Indian sleepwear market, according to a trade analysis by ResearchAndMarkets, was valued at $2.77 billion in 2018 and is anticipated to reach $5.81 billion by 2026.

Chart 27: India's sleepwear and loungewear market



Source: Research And Markets

An interesting trend is to note that the market for contemporary, western-style nightwear—such as shorts, t-shirts, and gowns—has grown, especially among younger consumers, enhancing their R&D capabilities to increase the range and usefulness of designs.

Businesses also try to reduce operating costs and enhance product quality through vertical integration. With export tariffs and import limitations lifted on sleepwear made in China for the US and EU, Chinese and Indian sellers are vying for market supremacy.

The country as a whole has a high level of fashion awareness, and communities outside of the big cities have a lot of promise. This is when the fashion element comes into play.

Growth drivers for Indian market are also same as that stated for the global market which include increased work from home culture, online market penetration and consumer's demand for more fashionable, luxurious loungewear/sleepwear products.

Key challenges and recent developments: The challenges faced by this sector is mostly similar for the global and the Indian market are:

1. Pricey fabric are used to make sleepwear/loungewear, it can be very expensive. Additionally, high competition in this segment can lead to pricing pressure. So, the presence of counterfeit goods in the market can affect the market
2. In emerging markets, there's still lack of awareness about this segment, especially in the rural areas
3. The sales get affected by the seasonal fluctuations

Overall, this is a segment which has lots of opportunities to unveil including rising demand for eco-friendly and sustainable loungewear, growing middle class population in the emerging markets and customizations brought in to cater to individual preferences.

4.6 Kids wear

Overview, past trends & growth prospects: One of the most profitable areas of the apparel industry is the children's wear market. The market is anticipated to surpass both men's and women's clothing in terms of increase in retail value because of a confluence of social, economic, and demographic trends, as well as increased sales in this category.

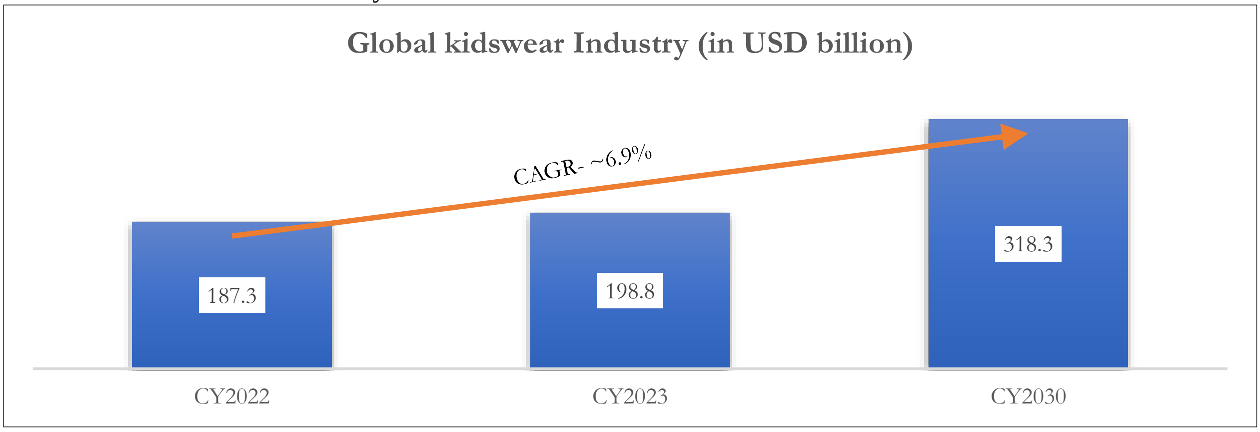
Furthermore, the market is developing because of rising disposable income. Growing product personalization, inventiveness, and reasonably priced children's clothing and footwear are propelling global market expansion.

The market is divided amongst infant (0-24 months), toddlers (1-3 years), young children (3-6 years) and teens (7-14 years).

Global scenario: The global kids wear apparel manufacturing industry is estimated to be valued at $187.29 billion in 2022 to $198.8 billion in 2023. The same is projected to reach $318.3 billion in 2030. As per recent studies by Modor Intelligence, the market is dominated mostly by China with a market size of $53.9 billion in 2023 followed by United states at $52.7 billion in 2023. However, China is predicted to grow at a CAGR of 8.12% to reach $79.7 billion in 2028 while US will grow at a CAGR of 2.9% to 60.8 billion in 2028.

By end-user segment, boys market mostly dominated the segment and going ahead, although girl's share is expected to rise but boys share will still dominate the market share. Some of the well-known global kids wear brands are Mothercare, Chicco, Fruit of the looms, Adidas, Max, Zara, Ideology, Nordstrom, Walmart, etc.

Chart 28: Global kids wear industry



Source: Fortune Business Insights

The safety, comfort, and ease of wear of children's clothes are the top priorities in the worldwide kids wear market. Most of the children's clothing is still made of cotton because it is the best material for their sensitive skin.
The major drivers of the kid's apparel market are as follows:

1. The growing number of newborn babies supporting the market expansion
2. The trend of unisex or gender-neutral styles are driving the market sentiment in this segment. Cost-conscious parents are drawn to the growing character licensing market and the growing trend of unisex apparel in fast fashion, especially in light of children's rapid growth. Brands that catered to youngsters of all genders and offered an extensive assortment of colours, styles, and designs are at an advantage
3. The market is expanding quickly because of the growing demand for sustainable practices and eco-friendly and ethical textiles
4. The growing demand for branded product in the kids wear segment owing to rapid changes in consumer lifestyle and higher disposable income have led to more demand for fashionable kids wear amongst parents
5. New-generation parents frequently utilize social media platforms like Instagram, YouTube, and Snapchat to share pictures and videos of themselves and their kids dressed same in both developed and developing nations. In recent years, parents twinning with children has become incredibly popular. For example, John Lewis debuted its first "mini-me" collection in April 2022 with its ANYDAY line. The collection crosses the gap between womenswear and childrenswear, with sixteen pieces created to complement one another

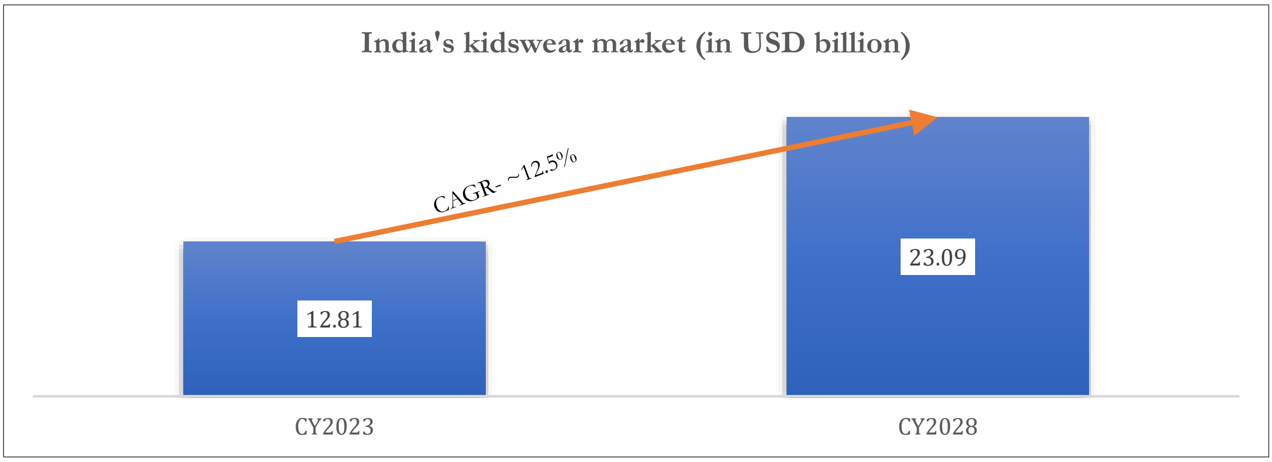
However, success in the ever-changing kids wear business also depends on anticipating market transitions, being up to date on industry trends, and proactively obtaining and acting upon client feedback.
Indian scenario: Fashion consciousness amongst parents is one of the most prominent trends in the Indian kids apparel market. When it comes to selecting clothing for their children, parents in today's world are more knowledgeable and discriminating. They look for fashion and trends in addition to comfort and toughness.

Fashionable kids' apparel has been increasingly in demand due to this shift, and businesses are catering to this desire by providing a wide range of stylish options.

The Indian kids wear market has seen significant transformation thanks in large part to e-commerce. Parents now can shop for their children's clothes more conveniently, choose from a wider selection of brands and designs, and take advantage of deals and discounts when they purchase online. Consequently, a number of internet markets and specialized websites selling children's clothes.

According to Modor Intelligence, India's kids wear apparel market size in the year 2023 stood at $12.8 billion and it is projected to reach $23.1 billion in the year 2028, at a CAGR of 2.9%.
Examples of homegrown kids wear brands are Gini & Jony, Ed-a-mama, Mini Klub, Me n Moms, Babyhug, Pantaloons, Zeezeezoo, Navtinati, etc.

Chart 29: India's kids wear market



Source: Modor Intelligence

The major drivers of growth in Indian market are as follows:

1. Indian families' financial flexibility owing to increased disposable income and changing lifestyles are driving increased investment in children's clothing, leading to a growth in the market for high-quality, stylish apparel
2. Increased share in children's population, approximately 26% of the overall population creating substantial demand for kids wear. The replacement cycle of clothing is extremely high in the kids wear segment because of their frequent outgrowth
3. The nation's diverse array of customs and celebrations including festivals like Diwali, Navaratri, Eid and weddings plays a pivotal role in influencing India's kids wear market as parents nowadays are very enthusiastic to dress their children as per occasions
4. The school dress and uniforms adhering to the educational institutions in the country create a consistent demand for kids wear across ages from toddlers to teens
5. The introduction of online shopping offers the convenience of perusing a wide variety of products, comparing pricing, and making purchase from the comfort of home

There are other drivers of the segment including the increasing preference of coordinated sets amongst children, matching cloths with the parents and the celebrity influenced concept of social wardrobing where parents have become extremely cautious as to how their children would look like compared with their peers and their extreme urge to put it up on social media.

Key Challenges and Recent developments: The challenges faced by this sector is mostly similar for the global and the Indian market are:

1. It can be difficult to manage inventory turnover and reduce waste for the manufacturers and the retailers because there are more products and a wider range of sizes in the kid's clothing industry. The tendency

towards fast fashion, which necessitates speedy adaptability to shifting styles and trends, contributes to this difficulty

2. Maintaining high standards of quality is crucial to establishing and preserving brand credibility in the extremely competitive kids wear market, as parents will probably stick with brands who regularly provide their kids with clothes that are safe, comfortable, and long-lasting
3. Especially for the Indian market, customers are price conscious. In the kids' wear market, where kids typically outgrow clothes quickly, parents might therefore give cost-effectiveness a higher priority than brand loyalty

Even if the market may appear cutthroat, companies/manufacturers who can adapt their product offerings to the constantly shifting preferences of their target audience while capturing their attention through innovative marketing techniques stand a good chance of success.

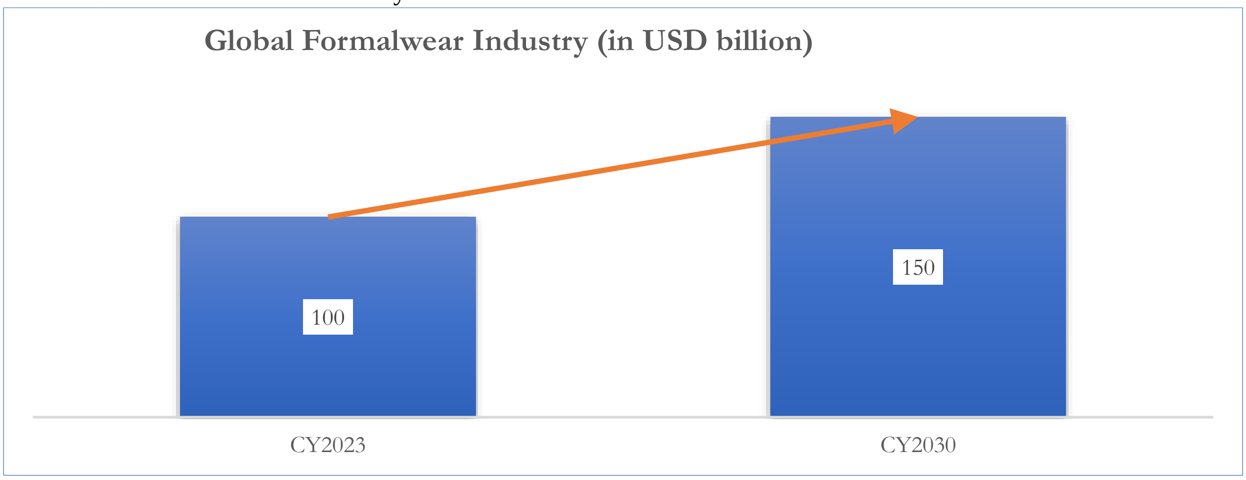
4.7 Formalwear

Overview, past trends & growth prospects: Formal wear covers a wide range of attire appropriate for formal events such as workplace settings, wedding. From its inception in the early modern era until the 21st century, formal dress underwent several modifications. Formal attire was once mostly preferred and manufactured for men, but as the globe has become more modernized, the selection of women's formal clothing has expanded significantly.

The formal clothing is in high demand due to the growth of corporate culture and the development in business-related activities. This market has grown because of the tendency of dressing formally in the job to present a professional image.

Global scenario: The size of the global market for formal wear was estimated at USD 3.85 billion in 2023 and is projected to grow at a compound annual growth rate (CAGR) of 6.5% to reach USD 6.79 billion by 2032. The expanding number of corporate jobs, increased disposable income, growing acceptance of internet shopping, and the growing influence of fashion trends are all considered contributing factors to the market expansion. United States and European countries are the market leaders in this segment. Some of the top manufacturers of format wear market globally are Gap, H&M, Inditex, Kering, L Brands, Nike, PVH, Adidas, Burberry, Hermès, Michael Kors, Prada, Ralph Lauren, Uniqlo, Industria de Diseno Textil, S.A, Pacific Brands Limited, Etam Development, Fast Retailing Co., Esprit Holdings Limited etc. The market leader in this segment is North America (USA, Canada) followed by European countries (Germany, France, UK, Italy & Russia) and Asia-Pacific regions (China, Japan, South Korea, India, Australia, China, Indonesia, Thailand, Malaysia).

Chart 30: Global formalwear industry



Source: Verified Market Reports

The major drivers of growth in the global market are as follows:

1. **Urbanisation and globalization**: Growing urbanization and globalization are expected to boost the market. Formal clothing is frequently required in urban locations for social gatherings, business settings, and special occasions. The need for formal attire is predicted to increase in areas with growing cities and more frequent international business exchanges. Furthermore, globalization has created a more connected space where fashion trends disseminate swiftly, hence increasing the market

2. **Sustainability**: Consumers that care about the environment are creating a demand for formal wear made with organic materials like hemp and bamboo, recycled materials, and production methods that don't harm the environment. Additionally increasing popularity of rental business for high-end formal attire rental businesses enable one-time use without harming the environment. The expansion of these environmentally friendly methods in the formal wear sector is gaining traction

3. **Gender neutral outfits**: Traditional gender standards are being challenged by formal attire. Along with gowns with pants or masculine designs, gender-neutral outfits and tuxedos are becoming more and more popular. This trend satisfies a growing market group that rejects conventional clothing standards and seeks self-expression

4. **Branded apparel**: Another factor propelling the market is the high demand for branded clothing. Customers are displaying an increasing inclination towards branded apparel, as they believe it to be of superior quality and style. This is especially true in the market for formal attire, where brand names are frequently connected to elegance and sophistication. It is anticipated that consumers will continue to be prepared to pay more for branded formal clothes

5. **Higher spendable income**: Along with these factors, increasing disposable income remain one of the key reason for customers to spur the formal wear market as they are willing to invest in quality outfits for their business collaborations and other functions

Indian scenario: Formalwear market in India is classified as men's formal wear and women's formal wear. Gowns, cocktail dresses, skirts, blouses, and trousers make up the women's formal attire. Clothing items such as sarees, lehenga cholis, and salwar kameez are also included in the formal Indian womenswear category. Despite certain Western influences, the Indian womenswear market has managed to preserve a traditional feel while incorporating more eye-catching patterns and hues. Different parts of India can be easily recognized in terms of their preferences. The northern region of India prefers more vibrant colour and heavier fabric for any occasion while Southern region prefers lighter and softer fabrics. When it comes to fashion, younger working population in Tier I cities like Mumbai, Delhi, Bangaluru, Pune etc are far more experimental with colours and patterns.

The growing number of increasing workforce in India (especially increasing number of women joining the workforce) have also led to increasing demand for formal attire to make their presence seen.
Major market player in this segment are Raymonds, FabIndia, Libas, etc.

The major drivers of growth in Indian market are as follows:

1. The increasing disposable income amongst the working professionals including corporate jobs and entrepreneurs have increased demand for professional attire. They are willing to invest in quality and diverse professional/formal wear
2. The trend to make an impression in the business world or the corporate world has become important which led to increasing demand for professional attire. Additionally, professional presentations and business meeting with people from all over the world for work are also creating demand
3. The increasing number of online retailing platforms have wider range of options, competitive pricing has attracted lot of consumers to purchase formalwear for various occasions as well as offices from the comfort of home
4. The increasing influence of social media influencers and celebrities have helped create shaping fashion trends. They have a considerable influence on the consumer preferences driving the formalwear segment

Overall, it is basically influenced by several factors including social factors, economic status, consumer preferences and fashion trends. All these factors help in shaping the market landscape creating both challenges and opportunities for the market participants.

Key Challenges and Recent developments: The challenges faced by this sector are mostly similar for the global and the Indian markets:

1. High production costs are expected to hurt the market sentiment. High-quality materials and skilled labour are frequently used in the creation of formal attire, which significantly raises expenses. Since the consumer usually bears the brunt of these expenses, formal dress is more expensive than casual clothes. Some consumers, especially those with less disposable income, are discouraged from buying formal clothing because of this price gap
2. The market for formal apparel is expected to be restrained by the rise of casual office wear and increasing trend of hybrid work culture promoting work from office. Many places of business are implementing lenient dress standards, which eliminates the need for employees to buy formal attire. This trend is especially common in fields where casual clothing is frequently the norm, such as creative arts. As this tendency persists, there will be less demand for formal attire, which would hurt the market
3. This market segment is also expected to face challenges due to the easy availability of counterfeit items. They are frequently offered for less money than authentic goods, these counterfeit goods attract shoppers searching for a deal. They harm the original brand's reputation and are usually of inferior quality. This affects the market by resulting in lower sales of real formal clothing

4.8 Outerwear

Overview, past trends & growth prospects: Clothes worn outside, meaning everything we wear on top of our regular clothes are considered outerwear. These are garments that are only going to be worn with other outfits. Although the thought of winter clothing immediately comes to mind, there are other types of apparel as well, some of which are appropriate for wearing in warmer months. A few examples of outerwear include coat, blazer, jackets, tuxedo, trench coat, extra-long vest, cardigan, pullovers, overcoat, shawl, cloaks, shrug, sweatshirt, hoodies, etc.
As brands are concentrating on innovation with goods that offer durability, safety, and style to satisfy consumers' changing needs, outerwear is forecast to continue growing. There is a rising need for stylish yet practical outerwear, and the growth of internet retail platforms is enabling manufacturers to access a wider global audience. The market is also being shaped by advanced technology and developments in materials and environmental practices.
The growing instances of extreme weather events brought on by climate change are triggering the need for clothing with strong protective qualities. The kind of products that are on the market is also being induced by the increasing influence of fashion-forward millennials. Purchase decisions made by consumers are based on the usefulness of clothing with better materials, higher insulation, and fine craftsmanship.

Global scenario: In 2022, the global market for coats and jackets was projected to be worth over USD 100 billion[63]. The size of the men's and women's segments was about equal with an estimated USD 44 billion, with the children's section making up the remaining portion. In 2022, China led the market, bringing in over USD 18 billion. The US, in second place, and Italy, in third, were separated by a considerable margin. In terms of trade, the US and China topped the charts; the former was the largest importer and the latter the largest exporter of outerwear. The market for high-end outerwear is one important area. In 2022, it was projected to be valued at about USD 15.7 billion.
Some of the prominent manufacturers of outer wear market globally are Adidas, Talbots, Tommy Hilfiger, Columbia Sportswear, Nike, Aigle International, Banana Republic, Levi, Ralph Lauren, Loius Vuitton, Madewell, Shred Dog, J. Crew, Patagonia, Puma, Vineyard Vines, Brooks Brothers, etc.

India scenario: As per Statista, the coats and jackets market in India is expected to generate revenue of USD 309 million[64] in 2024. In terms of per capita contribution, each individual is expected to contribute USD 0.21 in revenue in 2024. This segment is expected to grow at a CAGR of 2.59% between 2024 and 2028. The demand for traditional embroidered coats and jackets, which highlight India's rich cultural legacy, is rising.

[63] Source: Statista
[64] Source: Statista

Key Challenges and Recent developments: The challenges faced by this sector are mostly similar for the global and the Indian markets:

1. High cost: Outerwear including jackets, coats, shawls, shrugs, hoodies are relatively more expensive, especially if they have advanced features. This is seen to discourage price-sensitive consumers. Furthermore, the market growth is also threatened by the presence of counterfeit products, which could limit the segment from harnessing the potential.
2. Environmental impact: Several consumers are environmentally and socially conscience. Hence several refrain from purchasing outer wears that aren't eco-friendly. For instance, traditional wetsuits use neoprene, which is not only petroleum based, but is also energy intensive to manufacture and non-renewable. Some brands have recently introduced a range of natural rubber wetsuits to overcome this and demonstrate that they care about the environmental impact.

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 19 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 43, 289 and 96, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

We prepared our annual financial statements in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other applicable statutory and/ or regulatory requirement. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including IFRS and US GAAP and the and the reconciliation of the financial information to other accounting principles has not been provided. Unless otherwise indicated or the context otherwise requires, the financial information included in this Preliminary Placement Document for Fiscal 2024, Fiscal 2023 and Fiscal 2022 have been derived from our Audited Consolidated Financial Statements included in this Preliminary Placement Document on page 289. For further information please also see the section titled "Presentation of Financial Information and Other Convents" page 15

Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "Apparel Industry Report" dated July, 2024 (the "ICRA Report"), prepared and issued by ICRA Analytics Limited. There are no parts, data or information (which may be relevant for the proposed issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the ICRA Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "Risk Factors – Industry information included in this Preliminary Placement Document has been derived from an industry report prepared by ICRA Analytics Limited exclusively commissioned and paid for by us for such purpose." on page 60. Also see section titled, "Industry and Market Data" on page 18.

Our fiscal year ends on March 31 of each year. Accordingly, references to a "Fiscal" year are to the 12-month period ended March 31 of the relevant year. Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to Pearl Global Industries Limited on a standalone basis, and references to "the Group", "we", "us", "our", are to Pearl Global Industries Limited on a consolidated basis.

OVERVIEW

We are a prominent global apparel manufacturer and exporter company incorporated in 1989 under the vision of Deepak Kumar Seth *(Source: ICRA Report)*. We are primarily engaged in designing, manufacturing, sourcing, distribution and export of ready to wear apparel for men, women and kids through its domestic and global manufacturing facilities and supply chains. We have a diversified manufacturing base in India and across 4 countries outside India, where apart from our own manufacturing facilities, we also partner with other manufacturers for production of our goods. Our multi-stream business model enables us to offer multi-country and multi-product in knits and woven clothing categories across men's, women's, children's wear segments to our global customers. As per ICRA Report, we provide end-to-end supply chain solutions to the fashion industry on a global scale, from design and development, global manufacturing, marketing, and distribution till supply. With presence in ten countries and a network of 75 designers working on a variety of product offerings across the globe, we deliver quality products, timely through systematic processes *(Source: ICRA Report)*.

Over the years, we have steadily developed a base of international customers, including with reputed established brands with global operations. We have forged partnerships with several retail format stores, including Kohl's, Macy's, Inditex, and PVH, among others *(Source: ICRA Report)*. Additionally, the Company has formed collaborations with retail format stores including Bershka, GAP, and Old Navy. *(Source: ICRA Report)*. In the knits category, we have customers including Mango, American Eagle, Tommy Hilfiger. In the woven category it serves Kohl's, TJ Maxx, and Nordstrom *(Source: ICRA Report)*. We supply denim to Target, Walmart, ASDA George, and Bershka, sleepwear and lounge to Macy's, Kohl's, and Walmart, activewear and athleisure to

Ideology and Nordstrom, and kids wear to JCPenny, Next, Mango, and ASDA George *(Source: ICRA Report)*.

We began operations with one manufacturing facility at Gurugram, Haryana in India. Over the years, we have expanded our manufacturing operations in India and overseas and design centers in India, Indonesia, Bangladesh, Vietnam, USA (New York), Spain, Hong Kong and United Kingdom. We believe that our integrated global business model positions us to take advantage of synergies in product design, development, manufacturing, distribution and sourcing of our ready-to-wear apparel products. We seek to leverage the competitive advantages of each location to optimize value for our customers, while maximizing our gross margins. We also seek to cater to our customers' needs of competitive pricing, quality, on-time delivery and compliance with global labour practices. The apparel industry plays a pivotal role, particularly in developing economies, in revenue generation and employment creation *(Source: ICRA Report)*. Developing economies with abundant labour are expected to benefit from the industry's growth prospects *(Source: ICRA Report)*. The industry is experiencing severe changes owing to global sourcing and fierce price competition *(Source: ICRA Report)*. Manufacturers face pricing pressures and risk of consolidation from fashion brands *(Source: ICRA Report)*.

The global textile market is currently worth USD 1.7 trillion, which is equivalent to 2% of the global GDP. The US, the EU, and China are the three biggest apparel marketplaces in the world with a combined share of about 54%. Developing economies such as China and India will be the key forces behind the global apparel market's expansion. India's textile and apparel industry has a long-enriched history of centuries. Exports came in at USD 37 billion in FY 2022-2023, making it one of the largest exporting countries. During 2021-22, USA was the top export destination for textile and apparel industry, accounting for 27% share of overall exports which has grown from 24% share witnessed in 2019-20 *(Source: ICRA Report)*. For further details, see section titled "*Industry Overview*" on page 133.

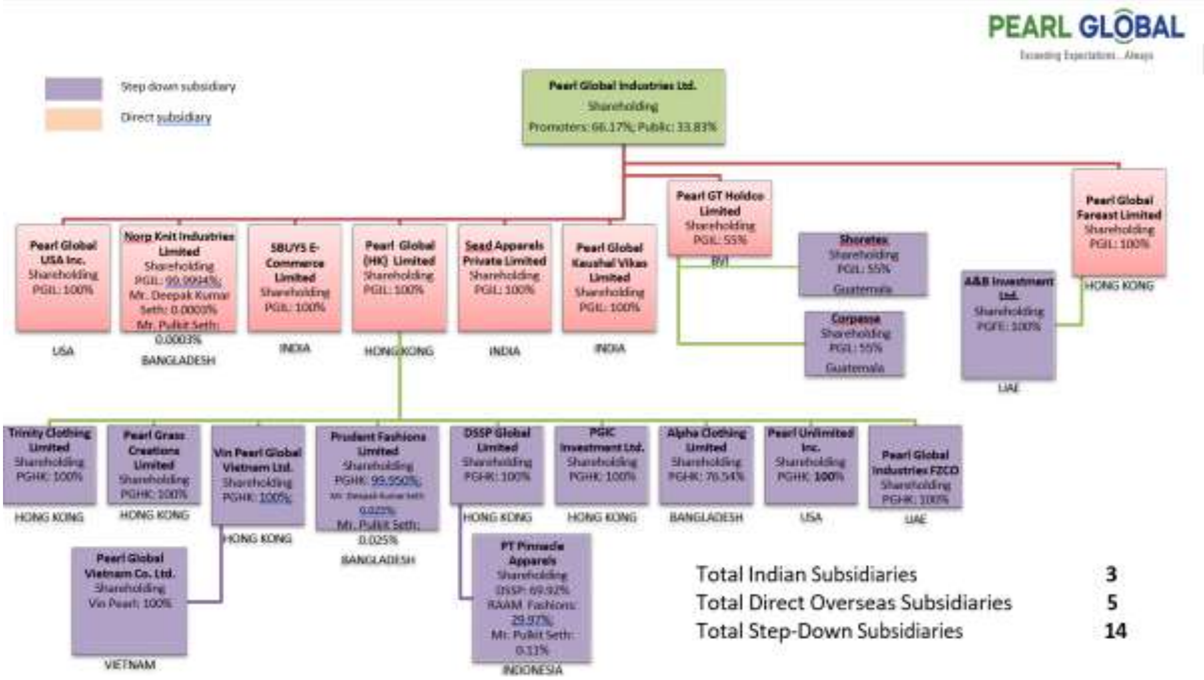
We currently operate 15 in-house manufacturing facilities and 9 partnership manufacturing facilities, of which (i) 7 in-house manufacturing facilities are located in India, (ii) 4 in-house manufacturing facilities and 5 partnership manufacturing facilities in Bangladesh, (iii) 1 in-house manufacturing facility and 4 partnership manufacturing facilities in Vietnam; (iv) 2 in-house manufacturing facilities in Indonesia; and 1 in-house manufacturing facilities in Guatemala, which enable us to leverage each location's relative advantage in a particular product category. We manufacture a broad range of products comprising of knits and woven clothing categories across men's, women's, children's wear segments options to our global customers. As of March 31, 2024, our manufacturing facilities have an aggregate installed capacity of (i) 24.50 million pieces in our manufacturing facilities located in India; (ii) 45.00 million pieces in our manufacturing facilities located in Bangladesh; (iii) 6.50 million pieces in our manufacturing facilities located in Vietnam; (iv) 4.00 million pieces in our manufacturing facilities located in Indonesia; and (v) 2.00 million pieces in our manufacturing facilities located in Guatemala (*As certified by Prateek Virmani, Chartered Engineer vide its certificate dated July 15, 2024)*. For further details see, "*-Manufacturing Facilities*" on page 204 under this section.

Designing is an integral part of our business process. Our ability to keep abreast of the dynamic fashion trends enables us to showcase our capabilities and understanding our buyers' requirements. Being an export oriented apparel manufacturer, tracking the changing fashion trends across different geographies for various end customers is critical for our success. To fulfil and meet both local and global fashion trends, we have a design team which emphasizes on a comprehensive market intelligence analysis conducted by our talented design personnel. We have integrated technology like 3D CAD rendering for which we use softwares namely 3D optitex, CLO, and Browzwear with raw talent and insights to create final product. For further details see, "*-Information Technology*" on page 208 under this section A design team, therefore allows the business to achieve success by delivering a worthy performance and acquiring more customer for a broadened industry presence.

Our Company is led by Deepak Kumar Seth, our Promoter and Non-Executive Non Independent Director, Chairman, Pulkit Seth, our Promoter and Non-Executive Non-Independent Director, Pallab Banerjee, our Managing Director, Shailesh Kumar, our Whole-time Director and Deepak Kumar, our Whole-time Director, each of them having decades of experience in the apparel industry. Deepak Kumar Seth who is our Promoter and Chairman and Non-Executive Director, was awarded with The Degree Doctor of Philosophy (Honoris Causa) by University of Petroleum and Energy Studies and honoured as the "Icon of the Indian Apparel Industry" during Fiscal 2024. Additionally, Pulkit Seth, our Promoter and Non-Executive Non-Independent Director, was awarded as Most Influential Young Leaders 2020-2021 and Influential Leader of India 2023 by Marksmen Network. Our leadership team also consists of experienced professionals from various backgrounds and their capabilities are crucial for us in understanding and anticipating market trends, managing business operations and growth, leveraging customer relationships and responding to changes in customer preferences. Our management team is backed by a core technical team that has vast experience in manufacturing. As of June 30, 2024, we had approximately 24,409 full-time employees at our Company. We also hire contract labour for our facilities, from time to time and as of June 30, 2024, we have engaged approximately 2,397 contract labourers. For further details, see section title "*Board of Directors and Senior Management Personnel*" on page 214.

Group Structure

The following chart shows our corporate structure and shareholding as on the date of this Preliminary Placement Document:



Our Key Financial and Operational Performance Indicators

Set forth are the key financial and operational performance indicators for the period/ years indicated:

(₹ in lakhs, except as otherwise stated)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from operations	3,43,615.11	3,15,840.92	2,71,352.90
Total income	3,46,851.98	3,18,121.91	2,74,698.84
EBITDA	30,720.22	26,899.46	14,729.93
EBITDA margin (%)	8.94	8.52	5.43
Profit for the period/ year	16,912.36	15,299.22	7,010.88
Net profit ratio (%)	4.92	4.84	2.58
Return on equity (%)	21.68	22.54	12.25
Debt equity ratio	0.72	0.75	1.05
Interest coverage ratio	3.31	3.70	2.84
Current ratio	1.45	1.42	1.37

Notes*:*

1) Revenue from operation means revenue from sales, service and other operating revenues.
(2) EBITDA is calculated as Profit before tax + Depreciation + Finance Costs-Other Income.
(3) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.
(4) PAT Margin is calculated as Profit After Tax for the period/year divided by revenue from operations.
(5) Net Profit Ratio is calculated as profit for the period/ year divided by revenue from operations.
(6) Return on Equity is calculated as Profit for the period / year divided by Average Total Equity (Average of total equity at the beginning of the period/ year and total equity at the end of the period/ year).
(7) Debt to equity ratio is calculated as Total Debt divided by Total Equity where Total Debt is non-current borrowings plus current borrowings plus non current lease liabilities and current lease liabilities.
(8) Interest coverage ratio is calculated as Earnings before interest and tax (EBIT) divided by finance costs.
(9) Current ratio is calculated by total current assets divided by total current liabilities

KEY STRENGTHS

Our competitive strengths are as follows:

We are recgonized as a prominent global apparel manufacturers with an established strong brand presence in the market with over 37 years of industry presence.

We are prominent global apparel manufacturer and exporter incorporated in 1989 under the vision of Deepak Kumar Seth *(Source: ICRA Report)*. We provide end-to-end supply chain solutions to the fashion industry on a global scale, from design and development, global manufacturing, marketing, and distribution till supply *(Source: ICRA Report)*. With presence in ten countries and a network of 75 designers working on a variety of product offerings across the globe, we deliver quality products, timely through systematic processes *(Source: ICRA Report)*. With a robust design team and 24 manufacturing facilities across various geographies, we in create quality products while maintaining strong operational rigour and sustainability. Additionally, we emphasize customer relationship management by providing them collaborative environment that drives continuous process improvement, certification training to their associates, enabling them to confidently certify products on our behalf. We also ensure our growth by obtaining our customers' feedback, continuously refining our products, and staying abreast of the latest trends. This approach has led to long-standing relationships with our customers. We believe that our long-term association with our customers and our strong business capabilities have resulted in us becoming a valued partner of these customers. We manufacture a broad range of products comprising of knits and woven clothing categories across men's, women's, children's wear segments to our global customers. We believe that our comprehensive product offering positions us as the one stop shop for all the requirements for our customers.

OUR CLOTHING CATEGORIES

GENDER-WISE SPLIT

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

Design and Marketing Offices
Hong Kong
Spain
UK
New York

We believe that the depth of our product categories at various price points have enabled us to achieve an effective presence and has enhanced our relationship our customers. This has led to an increase in our total income at a CAGR of 12.37% between Fiscal 2022 and Fiscal 2024, EBITDA at a CAGR of 47.97% between Fiscal 2022 to Fiscal 2024 and Profit After Tax at a CAGR of 55.32% between Fiscal 2022 and Fiscal 2024. Further, we forecast our revenue to grow at a CAGR of 15-20% over the next 3 to 4 years *(Source: ICRA Report)*. As per ICRA Report, the financial framework and overall cash flow management our Company is healthy.

Marquee international brands as customers with long standing relationships

Our long-standing relationship with our major customers has been one of the most significant factors contributing to our growth. Our commitment to quality and customer service practices have been strong contributing factors to our customer relations. Over the years, we have steadily developed a base of international customers, including with reputed established brands with global operations. We have forged partnerships with several retail format stores, including Kohl’s, Macy’s, Inditex, and PVH, among others *(Source: ICRA Report)*. Additionally, the company has formed collaborations with retail format stores including Bershka, GAP, and Old Navy. *(Source: ICRA Report)*. In the knits category, we have customers including Mango, American Eagle, Tommy Hilfiger. In the woven category it serves Kohl’s, TJ Maxx, and Nordstrom *(Source: ICRA Report)*. We supply denim to Target, Walmart, ASDA George, and Bershka, sleepwear and lounge to Macy’s, Kohl’s, and Walmart, activewear and athleisure to Ideology and Nordstrom, and kids wear to JCPenny, Next, Mango, and ASDA George *(Source: ICRA Report)*. During the Fiscal 2024, our revenue contribution generated from our customers with whom we had a relationship for a period of more than 5 years was 56.00% and with whom we had a relationship for a period of less than 5 years was 44.00%. Even though we do not have any long-term supply agreements with them, we have continuously received repeat business from many of our international customers and are proud to be a preferred vendor for certain of our customers. This indicates their level of trust in our ability to understand latest trends and ensure timely delivery of quality products.

International presence across emerging markets and diverse customer base

We have developed a thoughtful strategy to grow our international business and currently operate with 15 in-house manufacturing facilities and 9 partnership manufacturing facilities situated in India, Bangladesh, Vietnam, Indonesia and Guatemala, the details of which are as follow:

Name of the Countries	**Number of Manufacturing Facilities**		**Specialisation**
	In-house	**Partnership**	
India	7	-	Woven and knit tops, dresses, shirts, women’s fashion wear, kid’s wear, sleepwear and woven and knits bottoms
Bangladesh	4	5	Woven, knits, denim, sleepwear and loungewear, active wear & athleisure, tops and bottoms for men, women and kids
Vietnam	1	4	Outerwear and jackets including down jackets, woollen jackets and coats, seam-sealed jackets, puffers, anoraks, swimming trunks, and synthetic bottoms
Indonesia	2	-	Women’s professional wear, performance wear, woven tops and dresses, sleepwear, and loungewear
Guatemala	1	-	Polos, heavy weight knits, light weight knits, bottoms, and denims

There are also approximately four supply chains which include Southeast Asia, South Asia, Mediterranean region and USA *(Source: ICRA Report)*. Most of our customers and the retailers in USA source from all these channels or all these locations. We are also supplying from Central America and South Asia. During Fiscal 2024, Fiscal 2023, Fiscal 2022, our consolidated gross revenue from exports represented 99.27%, 99.67% and 99.08%, respectively, of our consolidated gross revenue from operation. Further, we also have design and marketing offices in USA, United Kingdom, Hong Kong and Spain. Our established sales and marketing department has separate teams focusing on each of our business verticals. We believe our track record in India, our manufacturing facilities and our in-house design capabilities enable us to develop products for other emerging markets which have a compelling value proposition. Further, our revenues are attributable to both domestic and international sales.

Geographical segmentation of revenue generated from each of the countries in which the Company operate during the Fiscal 2024, Fiscal 2023 and Fiscal 2022 is as under:

Name of the Countries	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	**% of the revenue from operations**	**Amount (₹ in lakhs)**	**% of the revenue from operations**	**Amount (₹ in lakhs)**	**% of the revenue from operations**
Bangladesh	7,086.76	2.06%	9,994.44	3.16%	7,185.57	2.65%
Hong Kong	2,49,986.43	72.75%	2,25,845.86	71.51%	1,50,026.90	55.29%
India	71,733.40	20.88%	70,938.65	22.46%	63,891.55	23.55%
Vietnam	615.52	0.18%	6,310.51	2.00%	-	-
Other	14,193.01	4.13%	2,751.45	0.87%	50,248.87	18.52%
Total	**3,43,615.11**	**100%**	**3,15,840.92**	**100%**	**2,71,352.90**	**100%**

We have a well-established product brands across our focus areas which is recognized by our customers in various segments. We believe that our diversified and comprehensive product portfolio and large customer base spread across several countries and customer categories diminishes the risks associated with our dependence on any particular product, customer or geography.

Strong product and designing capabilities with robust in-house design team

As per ICRA Report, fast fashion emphasizes quick production cycles, affordability, and trend-driven designs. Additionally, suppliers are launching goods with creative designs that take into account current market trends *(Source: ICRA Report)*. In order to offer new and varied products to our customers, we focus on creating innovative designs with an emphasis on quality. To fulfil and meet both domestic and global fashion trends, we have design team which emphasizes on a comprehensive market intelligence analysis conducted by our talented design personnel. Our design team is committed to staying ahead by keeping an eye on emerging trends. As of March 31, 2024, we have a design team of approximately 75 members, with expertise across men's wear, women's wear and kids wear categories. We have integrated technology like 3D CAD rendering for which we use softwares namely 3D optitex, CLO, and Browzwear with raw talent and insights to create final product. A design team therefore, allows the business to achieve success by delivering a worthy performance and acquiring more customer for a broadened industry presence.

Our design team designs and develops apparel based on brand guidelines and creates products which are suited to the fit and comfort of our targets customers. Our skilled design personnel gather and assess data from both large and regional areas, providing valuable insights that are effectively capitalised upon. We believe that our process of design is also geared towards innovation which allows us to further shape consumer preferences. We have also undertaken designing initiatives for certain of our customers. Our design team, together with our marketing and procurement teams, are focused in developing innovative design concepts across product categories. We believe our data-centric approach, supported by our innovative and organized design process as well as our experienced design team allows us to develop new and differentiated products and respond to evolving market trends and our customers' preferences.

Consistent track record of growth and financial performance

Our focus on operational and functional excellence has contributed to our track record of healthy financial performance with total Income having grown at a CAGR of 12.37% between Fiscal 2022 and Fiscal 2024, EBITDA having grown at a CAGR of 47.97% between Fiscal 2022 to Fiscal 2024 and Profit After Tax at a CAGR of 55.32% between Fiscal 2022 and Fiscal 2024, on account an increase in our revenue from operations. For the Fiscals 2024, 2023 and 2022, our total revenue from operations was ₹ 3,43,615.11lakhs ₹ 3,15,840.92 lakhs and ₹ 2,71,352.90 lakhs, respectively. For the Fiscals 2024, 2023 and 2022, we have achieved an EBITDA margin of 8.94%, 8.52% and 5.43%, respectively. For the Fiscals 2024, 2023 and 2022, we have achieved an profit margin of 4.92%, 4.84% and 2.58%, respectively. This is attributable to our continued focus on product quality and process improvement, higher-margin products, competitive pricing and cost rationalization. Our strong financial performance reflects the efficacy of the manufacturing and management protocols that we have implemented and strong working capital management across our business. while our steady operating cash flows enable us to meet the present and future needs of our customers and develop new value-added products. Further this aids us in strengthening our trust and engagement with our customers and which further enhances our ability to retain these customers and extend our engagement across products and geographies.

(₹ in lakhs, except as otherwise stated)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from operations	3,43,615.11	3,15,840.92	2,71,352.90
Total income	3,46,851.98	3,18,121.91	2,74,698.84
EBITDA	30,720.22	26,899.46	14,729.93
EBITDA margin (%)	8.94%	8.52%	5.43%
Profit for the period/ year	16,912.36	15,299.22	7,010.88
Net profit ratio (%)	4.92	4.84	2.58
Return on equity (%)	21.68%	22.54%	12.25%
Debt equity ratio	0.72	0.75	1.05
Interest coverage ratio	3.31	3.70	2.84
Current ratio	1.45	1.42	1.37

***Notes**:*

(1) Revenue from operation means revenue from sales, service and other operating revenues.

(2) EBITDA is calculated as Profit before tax + Depreciation + Finance Costs-Other Income.

(3) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.

(4) PAT Margin is calculated as Profit After Tax for the period/year divided by revenue from operations.

(5) Net Profit Ratio is calculated as profit for the period/ year divided by revenue from operations.

(6) Return on Equity is calculated as Profit for the period / year divided by Average Total Equity (Average of total equity at the beginning of the period/ year and total equity at the end of the period/ year).

(7) Debt to equity ratio is calculated as Total Debt divided by Total Equity where Total Debt is non-current borrowings plus current borrowings plus non current lease liabilities and current lease liabilities.

(8) Interest coverage ratio is calculated as Earnings before interest and tax (EBIT) divided by finance costs.

(9) Current ratio is calculated by total current assets divided by total current liabilities

Highly experienced and professional promoters and management

Our Company is led by Deepak Kumar Seth, our Chairman and Non-Executive Director, Pulkit Seth, our Vice-Chairman and Non-Executive Director and Pallab Banerjee, our Executive and Managing Director, each of them having decades of experience in the apparel industry. We are also led by a dedicated senior management team with several years of industry experience. Our senior management team have played a key role in developing our business and we benefit from their significant experience in the garments and apparel industry. Our Company's senior management includes qualified personnel with rich experience in the industry in which we operate. With the combined strength of business acumen and innovative approach, our Promoters has over the years expanded the scale of operations to our current market positions. For further information on our Directors experience and background, see "*Board of Directors and Key Management Personnel*" on page 214.

We will continue to leverage on the experience of our management team and their understanding of the garments and apparel industry in order to take advantage of current and future market opportunities. Further, our operations are led by an experienced senior management group who we believe has the professional expertise and vision to maintain our position as one of the leading players. Our senior management team has time and again demonstrated ability to manage and continuously grow our operations organically and inorganically in our domain. Their experience has helped us to develop relationships with our customers vendors, institutional customers and our dealers and distributors. We believe that our management team of qualified and experienced professionals enables us to identify new avenues of growth and helps us to implement our business strategies in an efficient manner and to continue to enhance our product offerings.

KEY STRATEGIES

Our key business strategies include:

Focus on maintaining an asset-light model and consistent improvement in our sustainability efforts.

We are committed to the asset-light model and will continue to progress in this direction, leveraging our presence in various locations. We aim to acquire more customers, increase our market share with existing customers, expand geographically, automate our facilities and processes, and optimise our capacities. We also plan to pursue partnership facilities and capitalise on initiatives from the state government to facilitate setting up of manufacturing facilities by creating conducive manufacturing eco system in India. We believe that we have transitioned from owning manufacturing facilities to establishing strategic partnerships with factories and this shift has allowed us to optimise our capital utilisation, enabling us to fund operations through internal resources rather than relying on external financing.

We believe that one of the major drivers of the growth in the global market is sustainability. The industry goes through constant changes and developments owing to changing consumer tastes and preferences, technological improvements, and sustainability initiatives *(Source: ICRA Report)*. With escalating awareness on sustainable practice, numerous textile companies are working on restructuring their businesses and building manufacturing practices to make sustainable products *(Source: ICRA Report)*. Demand for eco-friendly and sustainable apparel is rising. Concerns over the clothing industry's effects on the environment and society are growing among consumers *(Source: ICRA Report)*. As such, they are gravitating towards brands that manufacture ethically and sustainably using eco-friendly materials like recycled fabrics, organic cotton, and other cutting-edge substitutes *(Source: ICRA Report)*. Customers are more conscious than ever regarding reducing environmental impact and fostering a sustainable future *(Source: ICRA Report)*. Market for sustainable fabric and clothing is expected to grow over the coming years as consumers are looking for alternative products to limit the harmful effects of synthetic chemicals in clothes *(Source ICRA Report)*. However, the industry is gradually adopting sustainable practices and modernizing its infrastructure *(Source: ICRA Report)*. We have adopted renewable energy sources in our operations and implemented several sustainable initiatives, such as (i) we provide evidence of adherence to specific guidelines, such as environmental regulations, fair trade practices, labour standards, and product safety requirements; and (ii) we are also using technology in our Bangladesh operations to reduce the water used in denim production. Additionally, below mentioned are some of the sustainability initiatives implemented by us:

(i) Ozone machine; (ii) Tonello machine; (iii) Sewing machine; (iv) EGB Boiler; (v) Water Effluent Treatment Plant; (vi) Ultra Filtration; (v) Green Factory; and (vi) Electric Steam Boiler.

The brief details of the certain sustainable initiatives implement by us is as follows:

Water Treatment: In 2023, our total water consumption increased marginally that was primarily driven by expansions in production capacity and workforce size. The direct water footprint underscores the importance of our efforts to monitor and manage water usage efficiently. Despite the increase in total water consumption, our proactive approach to water conservation yielded promising results. The implementation of optimized washing cycles, alongside strategic business orders necessitating reduced washing and steaming, contributed to a decrease in water consumption per garment across most factories. This significant enhancement in water recycling capacity underscores our dedication to minimizing freshwater consumption and maximizing resource efficiency. This reduction in water intensity reflects our continuous pursuit of sustainable manufacturing practices and process optimization initiatives.

UV Filtration Plant: We have installed UV filtration plant at various facilities that helps to purify water. The reject water is further reused in washroom and other areas that reduces the fresh-water demand.

Solar Power Generation: We have installed solar photo-voltaic system to save electricity consumption from grid in our Chennai facility and plan to install in our facilities as well. Pursuant to the installation we get around 30% of power consumption from solar.

We aim to protect the environment through sustainable practices, reducing our carbon footprint and preserving natural resources. Therefore, as the market dynamics evolve, we aim to continue to adapt and innovate, ensuring a sustainable competitive edge.

Deepening our product penetration with existing customers and increasing our customer base

We will continue to expand our product portfolio and plan to provide differentiated offerings to our customers. In order to expand our customer base, we are dedicated to upholding the high-quality standards, aligning our practices seamlessly with customer expectations to effectively eliminate product risk. Through ongoing communication with customer representatives, we develop a collaborative environment that drives continuous process improvement. With a focus on sustainability and customer satisfaction, we believe that we are well-positioned to meet evolving consumer preferences and regulatory requirements. We routinely track business development with a view to ensure a robust pipeline for future growth. We believe that there is substantial opportunity to expand our customer base across our business segments, functions and geographies.

Pursue selective acquisitions and other opportunities.

In pursuit of our strategy of growth, we seek opportunities to acquire businesses and assets which complements our product offerings, expand our product portfolio, strengthen or establish our presence and provide synergy to our existing businesses and operations. We intend to seek attractive inorganic opportunities that we believe will fit well with our strategic business objectives and growth strategies. We have in the past acquired companies, which we believe has complemented our integrated business model and increased the growth of our business. The table below provides details of our past acquisition and benefits accrued form such acquisitions is under:

Year	Entities Acquired / Entities in which the Company Invested	Benefits
2023-24	Pearl GT Holdco Limited	The acquisition was made as part of our strategy to expand the manufacturing footprints in Guatemala.

We intend to acquire such companies in future which (i) are in the same line of business as the Company, with the intention of acquiring the customers of the target. Such acquisitions will help the Company to increase market penetration; and (ii) are in a complementary line of business to the Company's existing businesses which will benefit to add additional capabilities to the existing line of business in the interest of attaining speed to market new products and services.

Scaling through geographical reach.

As per Maximize Market Research, a global research and consultancy firm, the global textile market was valued at USD 1,695 billion19 in 2023. The industry is estimated to grow at a CAGR of 7.7% and reach USD 3,041 billion by 2030 *(Source: ICRA Report)*. According to Modor Intelligence, the current size of the global apparel market (2024) is estimated to be around USD 1.36 trillion, which is forecast to grow at a CAGR of 4.63% to USD 1.78 trillion by 2029 *(Source: ICRA Report)*.

We have increased our market share in the apparel industry outside India in recent years through increasing our product portfolio organically and our customer base. With a view to further increase our customer base and increase our market share, we intend to augment our presence in the markets where we presently operate as well as expand into new markets. Towards this objective, we seek to continue to leverage our relationships with our existing customers through cross-selling of our services.

Cost effective capacity expansion backed on Government initiatives and achieving operational excellence through a well-managed manufacturing process enabling us to undertake bulk production.

By enhancing production capabilities and streamlining operations, we aim to capitalize on emerging opportunities effectively. Within India, we have significantly expanded our capacity coupled with the implementation of automation in machinery and maintenance infrastructure. In coming year, we plan to expand in Madhya Pradesh, Bihar and other states in India through our Indian subsidiaries. We also plan to pursue partnership facilities and capitalise on initiatives from the state government to facilitate setting up of manufacturing facilities by creating conducive manufacturing eco system in India.

To attract private equity and employ more people, the government introduced various schemes such as the Scheme for Integrated Textile Parks (SITP), Technology Upgradation Fund Scheme (TUFS) and Mega Integrated Textile Region and Apparel (MITRA) Park scheme *(Source: ICRA Report)*. The Government's plans to set up seven mega textile parks across India will not only create more employment opportunities but also strengthen the MSME sector *(Source: ICRA Report)*. These parks are equipped with advanced infrastructure and provide tax and other benefits to textile companies *(Source: ICRA Report)*. An even bigger proposal is the Production-Linked Incentives (PLI) worth USD 1.4 billion, which will help the textile and apparel manufacturing units realise their capacity potential. These initiatives by the Government are positive steps in facilitating the growth of the industry *(Source: ICRA Report)*.

As per ICRA Report, the Indian textile and apparel industry is expected to grow at 10% CAGR from 2019-20 to reach USD 190 billion by 2025-26, according to the government. India has a 4% share of the global trade in textiles and apparel. Moreover, India is the world's 3rd largest exporter of textiles and apparel. India ranks among the top five global exporters in several textile categories, with exports expected to reach USD 65 billion by FY 2026. Major textile and apparel export destinations for India are the US, EU-27 and the UK, accounts for approximately 50% of India's textiles and apparel exports

We are working on strengthening our manufacturing practices and industrial engineering to improve productivity and control wastage. We believe that our reputation and presence in the apparel industry presents us with an advantage to benefit from future growth opportunities by continuing to expand our manufacturing capacity through cost effective expansion backed on government initiatives and process optimization.

HISTORY AND DEVELOPMENT

Key Milestones and Events

The following table sets forth certain key milestones and events in our Company's history:

Calendar Year	Particulars
2004	Built import and distribution in the USA and the United Kingdom
	Commenced operations of Norp Knit Industries Limited in Bangladesh
2007	Our Company got listed on NSE and BSE
2011	Expanded operations in Bangladesh by incorporating Norp Knit Industries Limited
	Merger of erstwhile Pearl Global Limited with the Company (formerly House of Pearl Fashions Limited
2014	Commenced operations in Bengaluru
	Demerger of sourcing, marketing and distribution business of our Company to PDS Multinational Fashions Limited
2016	Commenced operations of Pearl Global Industries Limited in Chennai

Calendar Year	Particulars
2017	Started operations in Vietnam
2020	Commenced operations of Prudent Fashions Limited in Bangladesh
2021	Inaugurated own corporate office of PT Pinnacle Apparels in Indonesia
	Acquired land for acquisition of PT Pinnacle Apparels operations in Indonesia
2022	Acquired Alpha Clothing Limited in Bangladesh
2023	Expanded capacity by building a new facility on owned land in Indonesia
	Expanded operations in Guatemala

Awards and Recognitions

We have received the following industry awards and recognitions:

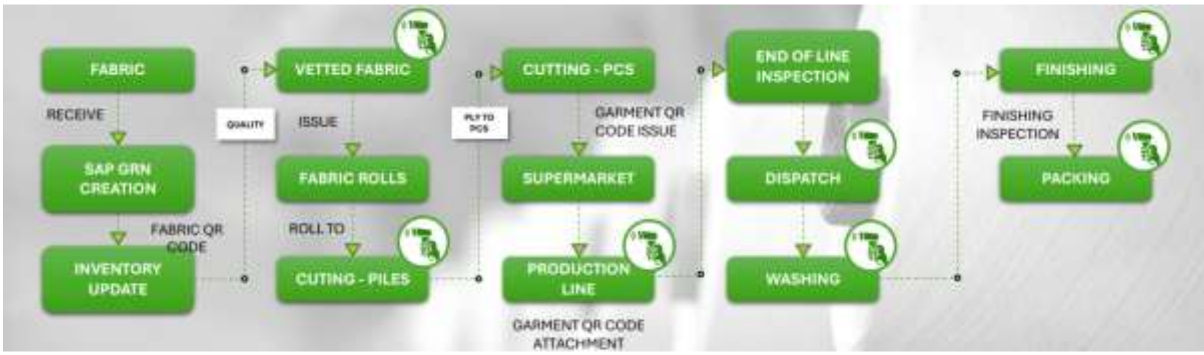
Calendar Year	Particulars
2009	Award of excellence was presented to our Company for highest exports in woven garment during the year 2007-08 by Apparel Export Promoter Council.
2010	Award of excellence was presented to our Company for highest exports in woven garment during the year 2009-10 by Apparel Export Promoter Council.
2011	Award of excellence was presented to our Company for highest exports in woven garment during the year 2010-11 by Apparel Export Promoter Council.
2012	Award of excellence was presented to our Company for highest exports in woven garment during the year 2011-12 by Apparel Export Promoter Council.
2013	Award of excellence was presented to our Company for highest exports by young entrepreneur during the year 2012-13 by Apparel Export Promoter Council.
2016	Award of excellence was presented to our Company for highest exports (above ₹100 crore and up to ₹ 500 crore) during the year 2015-16 by Apparel Export Promoter Council.
2022	Awarded as one of the best organisation for women for the year 2022 by The Economics Times
2023	Awarded as one of the most preferred workplace for the year 2022 by Marksmen India

DESCRIPTION OF OUR BUSINESS OPERATIONS

Manufacturing Process

Our Company undertakes the activity of manufacturing of ready to wear apparel for men, women and kids through its domestic and global manufacturing facilities. The existing manufacturing process concerning our readymade garments is set forth below:

Digitisation Process



Cotton Traceability

Manufacturing Facilities

Our Company currently operates 15 in-house manufacturing facilities and 9 partnership manufacturing facilities.

The details of our installed capacity, actual production and utilisation during the Fiscal 2024, 2023 and 2022 are as follow:

Location of Manufacturing Facility	Products Manufactured	As of and for the financial years ended								
		2024			2023			2022		
		Installed Capacity	Actual Production	Utilization	Installed Capacity	Actual Production	Utilization (%)	Installed Capacity	Actual Production	Utilization (%)
		(Pieces in Million)	(Pieces in Million)	(%)	(Pieces in Million)	(Pieces in Millio)	(%)	(Pieces in Millions)	(Pieces in Millions)	(%)
India[1]	Woven and knit tops, dresses, shirts, women's fashion wear, kid's wear, sleepwear and woven and knits bottoms	24.50	16.00	61.00	24.60	21.60	88.00	28.00	19.50	70.00
Bangladesh[1]	Woven, knits, denim, sleepwear and loungewear, active wear & athleisure, tops and bottoms for men, women and kids	45.00	36.30	81.00	45.00	28.40	63.00	45.00	30.30	67.00
Vietnam[3]	Outerwear and jackets including down jackets, woolen jackets and coats, seam-sealed jackets, puffers, parkas, blazers, anoraks, swimming trunks, and synthetic bottoms	6.50	3.30	50.00%	6.50	2.70	41.00	4.50	1.90	42.00

Location of Manufacturing Facility	Products Manufactured	As of and for the financial years ended								
		2024			2023			2022		
		Installed Capacity	Actual Production	Utilization	Installed Capacity	Actual Production	Utilization (%)	Installed Capacity	Actual Production	Utilization (%)
		(Pieces in Million)	(Pieces in Million)	(%)	(Pieces in Million)	(Pieces in Millio)	(%)	(Pieces in Millions)	(Pieces in Millions)	(%)
Indonesia(4)	Women's professional wear, performance wear, woven tops and dresses, sleepwear, and lounge wear	4.00	1.30	32.00	4.00	1.70	42.00	3.00	2.20	74.00
Guatemala(5)	Polos, heavy weight knits, light weight knits, bottoms, and denims	2.00	-	-	-	-	-	-	-	-

Notes:

(1) 7 in-house manufacturing facilities are located in India

(2) 4 in-house manufacturing facilities and 5 partnership manufacturing facilities in Bangladesh,

(3) 1 in-house manufacturing facility and 4 partnership manufacturing facilities in Vietnam

(4) 2 in-house manufacturing facilities in Indonesia

(5) 1 in-house manufacturing facilities in Guatemala

As certified by Prateek Virmani, Chartered Engineer vide its certificate dated July 15, 2024.

Our infrastructure and machinery for sewing, cutting, printing, embroidery, and garment finishing enable us to fulfill multiple bulk orders promptly. The variety of our infrastructure supports our manufacturing operations effectively. The strategic location of our facilities in India allows us to achieve significant savings in production, labour, and transportation costs, and to utilize labour and key technical personnel across all our sites. Our facilities in Bangladesh benefit from better operational efficiencies due to lower manufacturing costs, including reduced expenses for labour, power, and water. The location of our facilities offers convenient access to raw materials, trims, and machinery supplies, including replacement parts. The manufacturing of ready-made garments is a labour-intensive process, and we rely heavily on our employees. Every product we manufacture involves manual intervention throughout the production process, depending on the skills and turnaround time of each employee. As of June 30, 2024, we had approximately 24,409 full-time employees at our Company. We also hire contract labour for our facilities, from time to time and as of June 30, 2024, we have engaged approximately 2,397 contract labourers.

Raw Materials and Suppliers

We maintain control over the complete value chain by directly working with our raw material suppliers. We have our own raw material technical team that specifies, negotiates and ensures the quality of the raw materials used in producing products that we sell and accordingly our vendors use such specified quality raw materials in their manufacturing process. The majority of the materials used in our manufacturing operations are purchased in the form of finished fabrics directly from a variety of suppliers. In addition, many of our buttons, zippers, thread and other trim items are also purchased from third-party suppliers. Generally, we have not had difficulties in obtaining such materials. We regard our access to sources of raw materials as adequate for our needs. We do not have long-term raw materials contracts with any of our principal suppliers. However, we maintain good relationships with our suppliers and have, where possible, diversified our supplier base so as to avoid a disruption in supply. No single supplier or third-party producer accounts for a material portion of our purchases or business. Alternative competitive sources are available, and we do not anticipate significant difficulty in meeting our production requirements.

Product Designs

In order to offer new and varied products to our customers, we focus on creating innovative designs with an emphasis on quality through our dedicated in-house design team of approximately 75 members as on March 31, 2024, with expertise across men’s wear, women’s wear and kids’ wear, categories. Our design team design and develop apparel, based on our customers guidelines, by creating the fit and comfort of our products which are suited to our target customers using their deep understanding of consumer preferences, in-depth market research and data analysis. In apparel, a full year is usually divided into two seasons: spring summer and autumn winter and the design process are aligned for a season. Further the products are divided into two broad group basis their shelf life namely Core Products and Fashion Products. Core products are those whose designs do not change season over season and Fashion products are those which have season specific designs.

Marketing, Distribution and Branding

Marketing involves managing relationships with our existing customers and meeting the needs of new customers. Our marketing and design offices are located in the USA, United Kingdom, Spain and Hong Kong. These offices interact face-to-face with our customers and play a critical role in showcasing our designs and products, managing the distribution of our products and providing customer specific solutions to existing and potential customers. Following the conception of style and design, our marketing team presents garment samples to potential customers. The samples are modified based on the customers’ specific design and cost requirements. Our marketing team then sends the details of the selected samples and other customer requirements to our in-house manufacturing facilities and our third-party sourcing offices for feedback on the estimated cost of production. The in-house manufacturing facilities and third-party sourcing offices compete for orders based on cost estimates and other factors, including quality, past performance and turn-around time. On receipt of the cost estimates from our in-house manufacturing facilities and third-party sourcing offices, the marketing team evaluates the feasibility of these cost estimates and quotes the lowest feasible estimate to the customer. Once our samples are approved and the price, delivery schedule and other material conditions are negotiated, the customer releases a production order containing the order details to our marketing office. The marketing team places the order with the in-house manufacturing facility or the third-party sourcing office that provided the lowest feasible cost estimate and that can manufacture products in an efficient and timely manner. The marketing office regularly monitors the progress of the orders. Once the order is executed, based on the terms of delivery of the order, the finished products are delivered to the customer’s.

Transportation and Logistics

We receive orders from customers then merchant team shares order details with production and shipping departments. After receiving order details, the production department starts production and completes order at extended date and shipping department also starts booking shipments with forwarder and all documentation formalities after completion of the order, preparing packet list and arranging transportation for forwarding goods to clearing housing agents. The clearing housing agents performs all clearance activities to enter goods in port and handover goods to buyers nominated forwarder, after that it is the forwarder's responsibility to reach the goods to buyers.

Quality Control, Accreditation and Certification

We ensure that quality processes are utilized in various facets of our supply chain, such as fabric and garment inspections on the basis of internationally accepted norms as well as internal quality standards, together with quality audits, vendor quality improvement programs, conformity with regulatory processes, implementing training programs and product quality tracking. We maintain strict quality control for customer compliance reasons. Our quality assurance team has adopted strict standards at each stage of garment production to ensure high quality of our products. We monitor quality through quality assurance inspectors, who are employed to identify defects when the product is manufactured. We have a dedicated quality assurance and sourcing team, who ensure compliance with internal and brand quality standards to ensure conformity with our strict quality, cost and delivery requirements.

Two of our manufacturing units located at Gurugram and Bangalore have been certified by Bureau Veritas Certification for manufacturing and supply of readymade garments. We have been certified by IDFL India Private Limited to be in conformity with (i) Global Organic Textile Standard (GOTS) Version 6.0 for trading, embroidering, manufacturing, knitting, and laundering; (ii) Organic Content Standard (OCS) (Version 3.0) for manufacturing, laundering, trading and embroidery; and (iii) Global Recycled Standard (GRS) (Version 4.0) for trading, embroidery, manufacturing, knitting and laundering. We have obtained OEKO-TEX Standard 100 certification and the right to use its trademark from the Hohenstein Textile Testing Institute, Germany and certificate of membership from U.S. Cotton Trust Protocol.

Customers

We sell our product to customers in more than 7 countries. The table below sets forth the revenue derived from our top customers (determined based on revenue derived from such customers), for the Fiscals stated:

Particulars	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	Amount (₹ in lakhs)	***% of total revenue from operations***	***Amount (₹ in lakhs)***	***% of total revenue from operations***	***Amount (₹ in lakhs)***	***% of total revenue from operations***
Top 1 Customer	73,933.80	22.17	93,077.23	30.02	80,581.55	32.90
Top 5 Customers	2,05,799.16	61.70	2,05,230.89	66.19	1,68,036.73	68.62
Top 10 Customers	2,61,522.33	78.41	2,59,450.93	83.68	2,10,472.87	85.95

The table below sets forth the breakup of our domestic as well as international operations by amount of revenue from operations and percentage of revenue from operations for the Fiscals stated:

Name of the Countries	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	Amount (₹ in lakhs)	**% of the revenue from operations**	**Amount (₹ in lakhs)**	**% of the revenue from operations**	**Amount (₹ in lakhs)**	**% of the revenue from operations**
Bangladesh	7,086.76	2.06	9,994.44	3.16	7,185.57	2.65
Hong Kong	2,49,986.43	72.75	2,25,845.86	71.51	1,50,026.90	55.29
India	71,733.40	20.88	70,938.65	22.46	63,891.55	23.55
Vietnam	615.52	0.18	6,310.51	2.00	-	-
Other	14,193.01	4.13	2,751.45	0.87	50,248.87	18.52

Name of the Countries	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of the revenue from operations	Amount (₹ in lakhs)	% of the revenue from operations	Amount (₹ in lakhs)	% of the revenue from operations
Total	**3,43,615.11**	**100.00%**	**3,15,840.92**	**100.00%**	**2,71,352.90**	**100.00%**

Inventory management and warehousing

As we are apparel manufacturing company the inventory is procured and consumed with respect to each customer order. We have implemented SAP ECC 6 EHP 7 with AFS 6.7 component which help to track the entire inventory movement from the receipt of raw material to its consumption along with WIP production and finished garments sale. Our Manufacturing Facilities are digitized on SAP through QR codification at fabrics and WIP inventory level. Fabrics receiving's, quality inspections, issuance and its consumptions are captured live on facility floors via tabs and scanning of QR tags. The manufacturing process from cutting till packing is also digitized by live recording of its WIP production and quality inspections at various WIP levels on facility floors. This helps us to achieve our endeavour to maintain high quality standards and good manufacturing practices along with on-time deliveries to our customers.

Employees

We believe our employees are one of our most important assets and critical to maintaining our competitive position in our key geographical markets and in our industry. As of June 30, 2024, we had approximately 24,409 full-time employees at our Company. We also hire contract labour for our facilities, from time to time and as of June 30, 2024, we have engaged approximately 2,397 contract labourers. We believe we have good relations with our employees. We further believe our employees are one of our most important assets and critical to maintaining our competitive position in our key geographical markets and in our industry.

Competition

Our industry is intensely competitive and characterized by many organized and unoganised players. Due to the encompassing nature of our offerings, we face competition from various kinds of fashion players including, players operating in retail, wholesale and e-commerce space. The garment manufacturing industry, globally and in India, is highly fragmented, with a large number of small and medium sized manufacturers. Our principal competitors in our manufacturing operations in India include, among others, Gokaldas Exports Limited, S. P. Apparels Limited, Kitex Garments Limited and KPR Mills Limited. For further details on competition, please see section title "*Industry Report*' on page 133.

We believe that our international presence is a key factor that differentiates us from our competitors. We believe our global operations help us to compete effectively by positioning us to take advantage of synergies in product design, development, manufacturing, sourcing and distribution of our products throughout these locations. Our international operations also enable us to satisfy diverse customer requirements and effectively compete with manufacturers from India and other low-cost countries by reducing delivery lead times. In order to be competitive in the export market, we intend to continue to leverage our scalable and cost efficient production and operational capabilities, focus on providing innovative designs to our customers and maintain strong relationships with our customers.

Information Technology

We have latest information technology infrastructure for the functioning of our business and operations. The hardware, software, and service components are adequate to support the delivery of business systems and IT-enabled processes. All our facilities are Wi-Fi enabled and users can access the network only through SOPHOS firewall. IT assets are QR coded as same being the integral components of the Organization systems and network infrastructure. Our network has been designed and configured to deliver high performance and reliability to meet the modern day needs of the business. We have surveillance systems in our facilities which are accessible at one location for better monitoring and control.

Our entire business cycle is functional on the software which is SAP ECC 6.0 EHP 7 with AFS 6.7 version. Our on-premise SAP Servers are placed in highly accredited data center which has modern infrastructure to provide 24x7 services.

Recently, we have implemented digitization on SAP at all facilities covering Fabric Store and Production floors by capturing Inventory Movements, WIP Production and Quality Inspections via Tabs and QR Tags. Our IT Team is responsible for ensuring that both the software and IT infra resources are working optimally, and SOP's or new initiatives are followed uniformly across the entire group.

Insurance

We have insured all our warehouses, offices, vehicles and other assets against fire and allied risks. We have also insured our stocks against burglary and theft risks and have adequate coverage for loss of goods while in transit. We are insured for the directors' and officers' liability covering the loss suffered for any wrongful act done by a director or officer of our Company in such capacity. We are covered by fidelity policy, which protects us against internal employee frauds. We are covered by commercial general liability policy, which provides coverage to us for accidents arising in our premises for bodily injury, personal injury and property damage. Apart from group personal accident policy, we also cover our employees with group mediclaim policy, which also includes hospitalization benefits and term life insurance policy to our employees and their direct dependents. Further, our bankers who are secured by charge on the Company's stocks and assets are covered as additional insured as a part of the facility sanction terms and conditions. We have also covered the risk of cash in transit or safe under Money Insurance Policy. We review the adequacy of the insurance cover at periodic intervals. Also, see "*Risk Factors – Our insurance coverage may be inadequate or may not cover all losses suffered by us*." on page 60

Intellectual Property

Trademarks

Our Company has applied for registrations in respect of six trademarks out of which registrations have been granted in respect of four of these applications:

Trademark Application Number	Class	Date of Application	Status	Trademark Type	Goods and Service Details
2502514	25	March 26, 2013	Registered	WORD **S BUY S**	Clothing, Footwear, Readymade Garments for Men, Women, Kids and Infant, Caps, Sports Caps, Scarves, Sweaters, Clothing belts, Leather shoes
3441160	24	December 26, 2016	Opposed	WORD **PEARL**	Fabric, fabric substitute, Woolen fabric, oven Fabric, knitted fabric excluding Suiting Shirting Dress material
344161	25	December 26, 2016	Opposed	WORD **PEARL**	Clothing, footwear, readymade garments for men, Women, kids and infant, caps, sports caps, scarves, Sweaters, clothing belts, leather shoes
344162	24	December 26, 2016	Registered	DEVICE **PEARL GLOBAL**	Fabric, Fabric Substitute, Woolen Fabric, Woven Fabric, Knitted Fabric
344163	25	December 26, 2016	Registered	DEVICE **PEARL GLOBAL**	Clothing, footwear, readymade garments for men, Women, kids and infant, caps, sports caps, scarves, Sweaters, clothing belts, leather shoes
5130229	24	September 14, 2021	Registered	DEVICE **PEARL GLOBAL**	Fabric, fabric substitute, woolen fabric, woven Fabric, knitted fabric

Corporate Social Responsibility

We have been actively engaged in a variety of community development initiatives. The primary beneficiaries of these CSR programs, *inter alia*, includes welfare measures for the community at large, contribution to society at lare by way of social cultural development, imparting education, training and social awareness and protection and safeguard of environment and maintaining ecological balance.

We have undertaken various CSR initiatives such across geographies, we organised multiple dental, medical, and TB camps, as well as blanket and food distribution drives. Pearl Global Indonesia led COVID-19 vaccination efforts, administering two doses and booster shots to all employees, workers, and the local community to ensure their health and well-being. Various HER project programmes, such as HER Health and HER Essentials, have been implemented in our factories in India and Bangladesh.

Properties

Our Registered Office is located at C17/1 Paschimi Marg, Vasant Vihar, South West Delhi, New Delhi – 110 057, India and Corporate Office is located at Pearl Tower, Plot No. 51, Sector 32, Gurugram, Haryana – 122 001, India. Our manufacturing facilities located in India and other jurisdictions are on premises that are either owned by us or leased by us. Our lease agreements for our manufacturing facilities in India are typically range between 3 years to 99 years.

ORGANIZATIONAL STRUCTURE

Corporate History

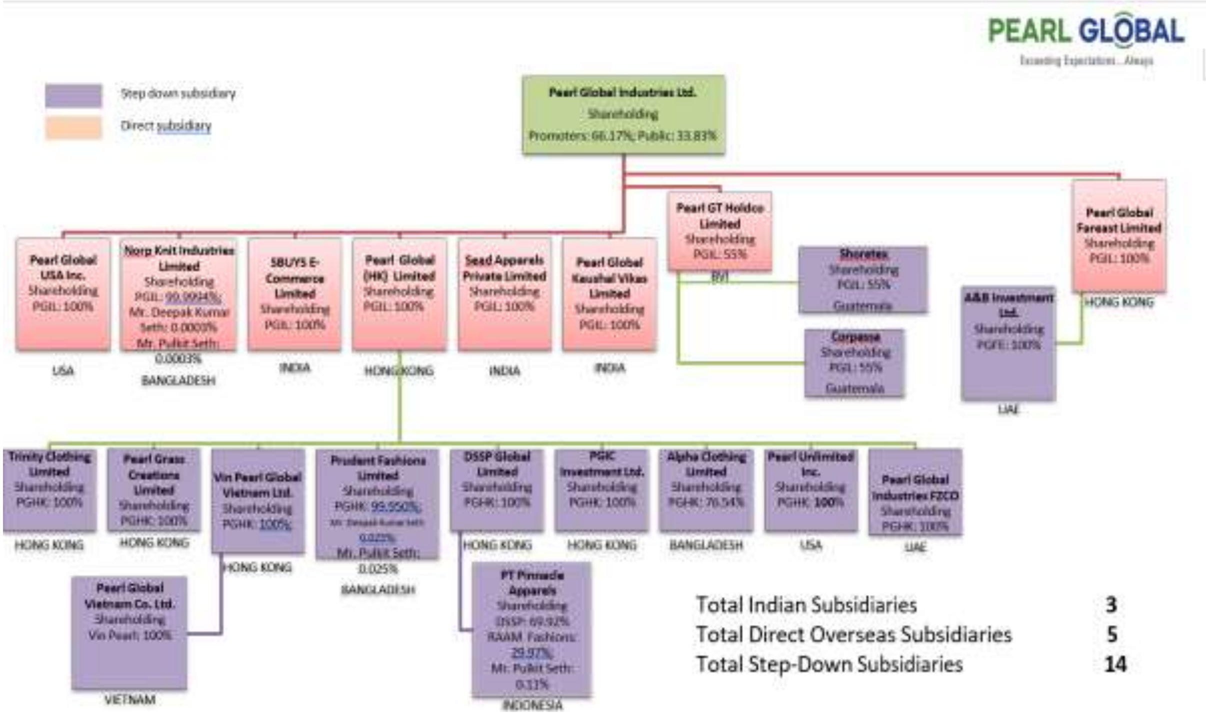
Our Company was incorporated as '*Mina Estates Private Limited*' under the provision of Companies Act, 1956, pursuant to the certificate of incorporation dated July 5, 1989, issued by Registrar of Companies, Delhi and Haryana, located at New Delhi (the "**RoC**"). Subsequently, the name of our Company was changed to '*House of Pearl Fashions Private Limited*' pursuant to a special resolution of the shareholders of the Company at an extraordinary general meeting held on May 9, 2006 and a fresh certificate of incorporation consequent upon the change of name was granted on June 19, 2006, by the RoC. Our Company became a public limited company pursuant to a special resolution passed by the shareholders of our Company at an extraordinary general meeting held on June 28, 2006. Pursuant to this special resolution, the name of our Company was changed to '*House of Pearl Fashions Limited*' and a fresh certificate of incorporation was issued by the RoC consequent upon change of name on conversion to public limited company on July 31, 2006. Subsequently, the name of our Company was changed to its present name '*Pearl Global Industries Limited*' pursuant to a special resolution of the shareholders of the Company through postal ballot on March 10, 2012 and a fresh certificate of incorporation consequent upon the change of name was granted on March 20, 2012, by the RoC.

The Registered Office of our Company is located at: C17/1 Paschimi Marg, Vasant Vihar, South West Delhi, New Delhi – 110 057, India and the Corporate Office of our Company is located at Pearl Tower, Plot No. 51, Sector 32, Gurugram, Haryana – 122 001, India.

Change in the Registered Office

There has been change in the registered office of our Company since the date of incorporation from A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi, India, within the local limits of New Delhi city to C-17/1, Paschimi Marg, Vasant Vihar, South West Delhi, New Delhi – 110 057, India with effect from May 1, 2021.

Organisational Structure



Subsidiaries

As on date of this Preliminary Placement Document, our Company has twenty-two subsidiaries. For further details, see "*Definitions and Abbreviations*" and "*Financial Information*" on pages 23 and 289, respectively.

Holding company

As on the date of this Preliminary Placement Document, the Company does not have any holding company.

Joint Venture

As on the date of this Preliminary Placement Document, our Company has does not have any Joint Venture.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The composition of the Board is governed by of the Companies Act, 2013, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles. In accordance with the Articles, our Company shall not have less than three Directors and not more than 15 Directors. As of the date of this Placement Document, our Company has 12 (twelve) Directors, of which 1 (one) is the Managing Director, 2 (two) are Whole-Time Directors, 3 (three) are Non-Executive Non-Independent Director and 6 (six) are Non-Executive Independent Directors (including two-woman Independent Director).

The following table sets forth the details regarding our Board as on the date of this Placement Document:

S. No.	Name, Address, Occupation, Date of Birth, Age, Nationality, DIN and Period of Directorship	Designation and Current Term
1.	Deepak Kumar Seth **Address**: House No. -9, Avenue Ashok, West End Greens, Rajokri, A F, Rajokari, South West Delhi, Delhi – 110 038 ***Occupation:*** Business ***Date of Birth**:* May 22, 1951 ***Age**:* 73 ***Nationality:*** Indian ***DIN:*** 00003021 ***Period of Directorship**:* Director since July 5, 1989	***Designation*****:** Non-Executive – Non-Independent Director, Chairman ***Current Term**:* Liable to retire by rotation*
2.	Pulkit Seth **Address**: House No. -9, Avenue Ashok, West End Greens, Rajokri, A F, Rajokari, South West Delhi, Delhi – 110 038 ***Occupation:*** Business ***Date of Birth**:* February 5, 1980 ***Age**:* 44 ***Nationality:*** Indian ***DIN:*** 00003044 ***Period of Directorship**:* Director since November 1, 2004	***Designation*****:** Non-Executive - Non-Independent Director ***Current Term**:* Liable to retire by rotation**
3.	Shifalli Seth **Address**: House No. -9, Avenue Ashok, West End Greens, Rajokri, A F, Rajokari, South West Delhi, Delhi – 110 038 ***Occupation:*** Business ***Date of Birth**:* February 24, 1981	***Designation*****:** Non-Executive – Non-Independent Director ***Current Term**:* Liable to retire by rotation

S. No.	Name, Address, Occupation, Date of Birth, Age, Nationality, DIN and Period of Directorship	Designation and Current Term
	Age**: 43* ***Nationality: Indian ***DIN:*** 01388430 ***Period of Directorship**:* Director since January 19, 2012	
4.	Pallab Banerjee **Address**: K – 2136, 3rd Floor, Chittranjan Park, Kalkaji, South Delhi, Delhi – 110019, India ***Occupation:*** Service ***Date of Birth**:* July 31, 1968 ***Age**:* 56 ***Nationality:*** Indian ***DIN:*** 07193749 ***Period of Directorship**:* Director since October 1, 2021	***Designation*****:** Managing Director ***Current Term**:* Appointed for a period of three (3) years, with effect from April 01, 2022 to March 31, 2025 and liable to retire by rotation.
5.	Shailesh Kumar **Address**: House No. P-25, Ground Floor (Silver Crest) Uppal Southend Sector-48, South City- II, Gurgaon, Haryana- 122018, India ***Occupation:*** Service ***Date of Birth**:* June 5, 1969 ***Age**:* 55 ***Nationality:*** Indian ***DIN:*** 08897225 ***Period of Directorship**:* Director since October 7, 2020	***Designation*****:** Whole-Time Director ***Current Term**:* Re-appointed as a Whole-Time Director of the Company with effect from October 07, 2023, for a further period of three years and liable to retire by rotation.
6.	Deepak Kumar **Address**: J-537, 13, Ashok Vihar Phase 3, Extension, Gurgaon, Haryana- 122001, India ***Occupation:*** Service ***Date of Birth**:* July 25, 1979 ***Age**:* 44 ***Nationality:*** Indian ***DIN:*** 09497467	***Designation*****:** Whole-Time Director ***Current Term**:* Appointed as a Whole-Time Director for a period of three years commencing from February 14, 2022 and liable to retire by rotation.

S. No.	Name, Address, Occupation, Date of Birth, Age, Nationality, DIN and Period of Directorship	Designation and Current Term
	***Period of Directorship**:* Director since February 14, 2022	
7.	Abhishek Goyal **Address**: H. No. E- 105, Vasant Vihar, Kusum Par, Vasant Vihar -1, South West Delhi, Delhi – 110057, India ***Occupation:*** Business ***Date of Birth**:* January 30, 1981 ***Age**:* 43 ***Nationality:*** Indian ***DIN:*** 01928855 ***Period of Directorship**:* Director since May 26, 2017	***Designation***: Non-Executive - Independent Director ***Current Term**:* Re-appointment for a second term of five consecutive years, with effect from May 26, 2022, not liable to retire by rotation
8.	Madhulika Bhupatkar **Address**: C-11, Nikash Skies, Someshwarwadi, Near Shivranjan Towers Pashan, Armament, Pune, Maharashtra -411021, India ***Occupation:*** Teaching ***Date of Birth**:* March 16, 1956 ***Age**:* 68 ***Nationality:*** Indian ***DIN:*** 08712718 ***Period of Directorship**:* Director since March 18, 2020	***Designation***: Non-Executive – Independent Director ***Current Term**:* Appointed for a term of up to five consecutive years with effect March 18, 2020 to March 17, 2025, not liable to retire by rotation
9.	Neha Khanna **Address**: House No. 100, Anand Lok, New Delhi, South Extension-II, South Delhi, Delhi – 110049, India ***Occupation:*** Management Consultancy ***Date of Birth**:* October 30, 1987 ***Age**:* 36 ***Nationality:*** Indian ***DIN:*** 03477800 ***Period of Directorship**:* Director since June 21, 2021	***Designation***: Non-Executive – Independent Director ***Current Term**:* For a term of up to five (5) consecutive years commencing from June 21, 2021, not liable to retire by rotation.
10.	Ashwini Agarwal **Address**: 2902, A, Beau Monde, Appa Saheb Marathe	***Designation***: Non-Executive – Independent Director

S. No.	Name, Address, Occupation, Date of Birth, Age, Nationality, DIN and Period of Directorship	Designation and Current Term
	Marg, Prabhadevi, Mumbai, Maharashtra-400025, India ***Occupation:*** Service ***Date of Birth****:* May 26, 1968 ***Age****:* 56 ***Nationality:*** Indian ***DIN:*** 00362480 ***Period of Directorship****:* Director since February 12, 2024	***Current Term****:* Term of five (5) consecutive years with effect from February 12, 2024, not liable to retire by rotation
11.	Rajiv Kumar **Address**: C- 215, Sarvodaya Enclave, Malviya Nagar, S.O, South Delhi, Delhi-110017, India ***Occupation:*** Service ***Date of Birth****:* July 6, 1951 ***Age****:* 73 ***Nationality:*** Indian ***DIN:*** 02385076 ***Period of Directorship****:* Director since February 12, 2024	***Designation*****:** Non-Executive – Independent Director ***Current Term****:* Term of five (5) consecutive years with effect from February 12, 2024, not liable to retire by rotation
12.	Sanjay Kapoor **Address**: 8/1, First Floor, Shanti Niketan, South West Delhi, Delhi-110021, India ***Occupation:*** Service ***Date of Birth****:* October 28, 1967 ***Age****:* 56 ***Nationality:*** Indian ***DIN:*** 00264602 ***Period of Directorship****:* Director since February 12, 2024	***Designation*****:** Non-Executive – Independent Director ***Current Term****:* Term of five (5) consecutive years with effect from February 12, 2024, not liable to retire by rotation

**Subject to approval of Shareholders.*

Brief Profiles of our Directors

Deepak Kumar Seth is the Non-Executive- Non-Independent Director and Chairman of our Company. He has been associated with our Company since its incorporation. He holds a bachelor's degree in economics from the University of Delhi and a master's degree in management studies from University of Bombay. He also holds a degree in doctor of philosophy from the University of Petroleum and Energy Studies, in recognition of his outstanding contributions in the field of apparel manufacturing, fashion and the society at large.

Pulkit Seth is the Non-Executive - Non-Independent Director of our Company. He holds a bachelor's degree in science from the Leonard N. Stern School of Business, University of New York, United States.

Shifalli Seth is the Non-Executive - Non-Independent Director of our Company. She holds a bachelor's degree in science in business and management studies from the University of Bradford, United Kingdom.

Pallab Banerjee is the Managing Director of our Company. He holds a bachelor's degree in science from the University of Delhi and a master's degree apparel manufacturing and merchandising from the National Institute of Fashion Technology, Delhi. Prior to his association with our Company, he was associated with GAP International Sourcing (India) Private Limited.

Shailesh Kumar is the Whole-Time Director of our Company. He holds a bachelor's degree in science from the Magadh University, Bodh-Gaya, a post graduate diploma in personnel management from the Lalit Narayan Mishra Institute of Economic Development & Social Change. He also holds a diploma in labour laws with administrative law from Annamalai University and another diploma in training and development from the Indian Society for Training & Development. Prior to his association with our Company, he was associated with Shahi Exports Private Limited.

Deepak Kumar is the Whole-Time Director of our Company. He holds a bachelor's degree in Science from the Maharshi Dayanand University and a post graduate diploma in business administration from the Symbiosis Centre for Distance Learning. Prior to his association with our Company, he was associated with Delhi International Airport Limited.

Abhishek Goyal is the Non-Executive Independent Director of our Company. He holds a bachelor's degree in finance and economics from the University of Virginia, the United States.

Madhulika Bhupatkar is the Non-Executive Independent Director of our Company. She holds a bachelor's degree in science from the Shreemati Nathibai Damodar Thackrey, Women's University, Bombay and degree in bachelor's of education from the University of Poona.

Neha Khanna is the Non-Executive Independent Director of our Company. She holds a bachelor's degree in commerce from the University of Delhi and a master's degree in business administration from the Oxford University. She also holds a certificate of membership from the Institute of Chartered Accountants of India.

Ashwini Agarwal is the Non-Executive Independent Director of our Company. He holds a bachelor's degree in commerce from the University of Delhi and a post graduate diploma in management from the Indian Institute of Management, Bangalore. He is also associated as a designated partner at Demeter Advisors LLP.

Rajiv Kumar is the Non-Executive Independent Director of our Company. He holds a Ph.D. in economics from the Lucknow University. He is a former a vice-chairman of Niti Ayog and was a Director and Chief Executive Officer of Indian Council for Research on International Economic Relations (ICRIER) in the past.

Sanjay Kapoor is the Non-Executive Independent Director of our Company. He holds a bachelor's degree in arts from the University of Delhi. He is a founder and president of Genesis Luxury Fashion Private Limited.

Relationship between our Directors

Except as disclosed below, none of our Directors are related to each other:

DIRECTOR	RELATIONSHIP
Deepak Kumar Seth	Father of Pulkit Seth and father-in law of Shifalli Seth
Pulkit Seth	Son of Deepak Kumar Seth and husband of Shifalli Seth
Shifalli Seth	Wife of Pulkit Seth and daughter -in law of Deepak Kumar Seth

Borrowing Powers of our Board

Pursuant to resolution passed by our shareholders of the Company dated September 26, 2014, our Board has been authorized to borrow any sum or sums of monies or financial indebtedness, notwithstanding that the moneys to be borrowed by our Company together with monies already borrowed or financial indebtedness already availed (apart for any specific purpose(s)), will or may exceed our Company's aggregate paid-up share capital and/or free reserves (except for reserves set apart for specific purpose(s), provided that the total amount of money so borrowed by the Board shall not at any time together with interest payable exceed a sum of ₹ 50, 000 Lakhs.

Terms of Appointment of our Directors

a) Each of the Executive Directors of our Company are entitled to the following remuneration and perquisites:

Pallab Banerjee

Pallab Banerjee is the Managing Director of our Company. The following table sets forth the current terms of appointment of Pallab Banerjee, pursuant to the Board resolution dated May 20,2024 and subject to the approval of the shareholders of the Company:

S.No.	Category	Remuneration
i.	Gross Salary	Up to ₹ 500.00 Lakhs (Basic Salary, Perquisites, Allowances, Variable pay/Bonus) to be paid by the Company/its wholly owned subsidiary (Pearl Global (HK) Limited);
ii.	Reimbursements	Reimbursement of actual business expenses of conveyance including Driver and Entertainment reimbursement, Provident Fund & Gratuity and other benefits as per Company's rules.
iii.	Perquisites	Perquisite value on Stock Options, if any, arising on account of exercise of Stock Options vested on or before March 31, 2025, under Employee Stock Options under Pearl Global Industries Limited – Employee Stock Option Plan 2022 (ESOP Plan 2022)

Deepak Kumar

Deepak Kumar is the Whole-Time Director of our Company. The following table sets forth the current terms of appointment of Deepak Kumar, pursuant to the Board resolution dated February 14, 2022 and shareholders' resolution dated March 30, 2022:

S.No.	Category	Remuneration
i.	Gross Salary	Up to ₹ 30 Lakh
ii.	Reimbursements	Reimbursement of actual business expenses of accommodation, Conveyance including Driver and Entertainment reimbursement, Provident Fund & Gratuity and other benefits as per Company's rules.

Shailesh Kumar

Shailesh Kumar is the Whole-Time Director of the Company. The following table sets forth the current terms of appointment and remuneration of Shailesh Kumar, pursuant to the Board resolution dated May 15, 2023 and shareholders resolution dated July 31, 2023:

S.No.	Category	Remuneration
i.	Gross Salary	Up to ₹ 30 Lakhs p.a. (Basic Salary, Perquisites, allowances, variable pay)
ii.	Reimbursements	Reimbursement of actual business expenses of Conveyance including Driver and Entertainment reimbursement, Provident Fund & Gratuity and other benefits as per Company's rules

Remuneration of the Whole-Time Directors

The following tables set forth the details of remuneration paid by our Company to the Whole-Time Directors of our Company for the current year and Fiscal 2024, Fiscal 2023, Fiscal 2022:

(*₹ in lakhs*)

S.No.	Name of the Director	Remuneration from April 1, 2024 till the date of this Preliminary Placement Document	Remuneration for Fiscal 2024	Remuneration for Fiscal 2023	Remuneration for Fiscal 2022
1.	Pallab Banerjee	32.68	367.84	267.13	102.72
2.	Deepak Kumar	6.04	23.30	22.83	6.58
3.	Shailesh Kumar	5.34	17.29	16.39	18.00

b) Terms of appointment of the Non-Executive - Non-Independent Directors and Non-Executive - Independent Directors

Pursuant to the Board resolution dated April 18, 2024, our Non-Executive Non-Independent Directors and Non-Executive - Independent Directors, are entitled to receive sitting fees of ₹ 50,000 for attending each meetings of the Board and ₹ 25,000 for attending each meeting of the committees of the Board. Further, Ashwini Agarwal, our Non-Executive – Independent Director, pursuant to the Board resolution dated May 20, 2024, is also entitled to payment of consultancy fees up to an amount of ₹ 20,00,000/- per annum, which is effective from the financial year 2024-25.

Sitting Fees of the Non-Executive Non-Independent Directors and Non-Executive - Independent Directors

The following table set forth the details of sitting fees paid by our Company to the Non-Executive- Non-Independent Directors and Non-Executive - Independent Directors of our Company for the current year and Fiscal 2024, Fiscal 2023, Fiscal 2022:

(*₹ in lakhs*)

S.No.	Name of the Director	Sitting Fees from April 1, 2024 till the date of this Preliminary Placement Document	Sitting Fees for Fiscal 2024	Sitting Fees for Fiscal 2023	Sitting Fees for Fiscal 2022
1.	Deepak Kumar Seth	0.50	0.60	0.50	0.60
2.	Pulkit Seth	0.50	1.20	1.00	Nil
3.	Shifalli Seth	Nil	0.25	Nil	Nil
4.	Abhishek Goyal	0.75	1.80	1.00	0.70
5.	Madhulika Bhupatkar	0.75	2.25	1.25	0.95
6.	Neha Khanna	0.50	1.55	1.25	0.95
7.	Ashwini Agarwal	0.75	0.25	NA	NA
8.	Sanjay Kapoor	0.50	0.25	NA	NA
9.	Rajiv Kumar	0.75	0.25	NA	NA

Payment or benefit to Directors

In Fiscal 2024, our Company has not paid any compensation or granted any benefit on an individual basis to any of our Directors (including contingent or deferred compensation) other than the remuneration paid to them for such period.

Shareholding of Directors in our Company

The table sets forth the details of Equity Shares held by the Directors of the Company as on the date of filing the Preliminary Placement Document:

S.No.	Name of the Director	Number of Equity Shares held	Percentage of the pre-Issue issued and paid-up Equity Share capital
1.	Pallab Banerjee*	1,40,708	0.32
2.	Pulkit Seth	1,38,95,242	31.87
3.	Deepak Kumar Seth	57,24,290	13.13
4.	Shifalli Seth	4,02,956	0.92

**Pallab Banerjee has 1,02,000 outstanding employee stock options under the PGIL ESOP Plan 2022. For details of the options under the ESOP Schemes, please see section titled "Capital Structure – Employee Stock Option Plan" on page 91.*

Interest of our Directors

All the Directors may be deemed to be interested to the extent of their shareholding, remuneration or benefits to which they are entitled to as per their terms of appointment and fees payable to them for attending meetings of our Board or committees thereof, as well as to the extent of reimbursement of expenses, if any, and the Executive Directors of our Company may be deemed to be interested to the extent of remuneration paid to them for services rendered and to the extent of the Equity Shares held by them directly or indirectly in our Company or stock options granted to them, if any, and any dividend payable to them and other distributions in respect of such Equity Shares.

Except Pulkit Seth, Deepak Kumar Seth and Shifalli Seth, none of our Directors have any interest in the promotion or formation of our Company.

Our Directors may also be regarded as interested in any Equity Shares held by them and to the extent of any dividend payable to them and other distributions or benefits in respect of the Equity Shares held by them. Our Directors may also be regarded as interested in the Equity Shares held by their trusts in which they are interested as members and trustees.

Further, none of our Directors are interested in any property acquired or proposed to be acquired by our Company.

Except as stated and provided in the section titled as "*Related Party Transactions*" on page 41, our Company has not entered into any contract, agreement or arrangement during the three Fiscals immediately preceding the date of this Placement Document, in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them.

Other than as disclosed in this Preliminary Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested.

Corporate Governance

Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, in respect of corporate governance, including constitution of our Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of our Board committees, as required under law. Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations.

Committees of our Board of Directors

Our Board has constituted statutory committees, which function in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations.
The statutory committees of our Board are:

(a) Audit Committee;

(b) Nomination and Remuneration Committee;
(c) Stakeholders' Relationship Committee;
(d) Corporate Social Responsibility Committee; and
(e) Risk Management Committee

The following table sets forth details of members of the aforesaid committees, as on the date of this Preliminary Placement Document:

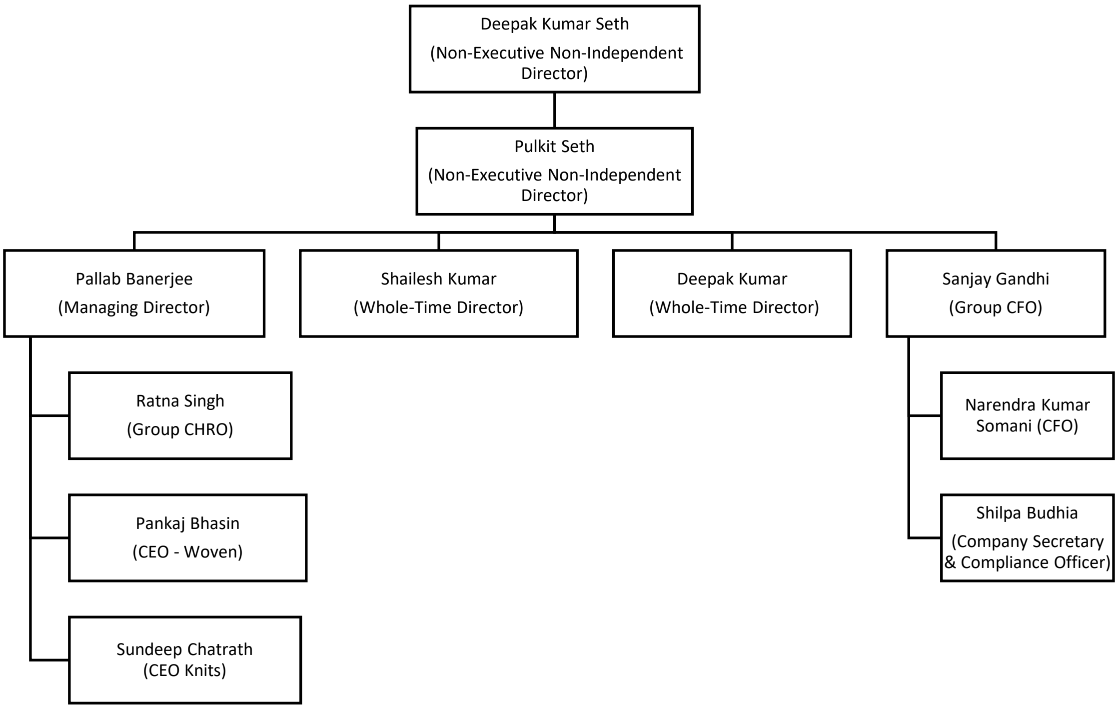
S.No.	Committee	Name and Designation in the Committee
1.	Audit Committee	1. Abhishek Goyal, Chairman 2. Madhulika Bhupatkar, Member 3. Rajiv Kumar, Member 4. Ashwini Agarwal, Member
2.	Nomination and Remuneration Committee	1. Abhishek Goyal, Chairman 2. Deepak Kumar Seth. Member 3. Rajiv Kumar, Member 4. Neha Khanna, Member
3.	Stakeholders' Relationship Committee	1. Ashwini Agarwal, Chairman 2. Pulkit Seth, Member 3. Sanjay Kapoor, Member
4.	Corporate Social Responsibility Committee	1. Madhulika Bhupatkar, Chairperson 2. Pulkit Seth, Member 3. Pallab Banerjee, Member
5.	Risk Management Committee	1. Pallab Banerjee, Chairman 2. Neha Khanna, Member; 3. Sanjay Kapoor, Member

Key Managerial Personnel

The Key Managerial Personnel are permanent employees of our Company. In addition to the Managing Director and Whole-Time Directors the details of our other Key Managerial Personnel in terms of the Companies Act and the SEBI ICDR Regulations as on the date of this Preliminary Placement Document:

Name	Designation
Sanjay Gandhi	Group Chief Financial Officer
Narendra Kumar Somani	Chief Financial Officer
Shilpa Budhia	Company Secretary and Compliance Officer

Management Organisation Structure



Members of Senior Management

The members of Senior Management are permanent employees of our Company. In addition to Narendra Kumar Somani, the Chief Financial Officer of our Company, Shilpa Budhia, the Company Secretary and Compliance Officer of our Company and Sanjay Gandhi, Group Chief Financial Officer, the details of our members of Senior Management, as on the date of this Preliminary Placement Document are set forth below:

S.No.	Name	Designation
1.	Pankaj Bhasin	CEO-Woven
2.	Sundeep Chatrath	CEO-Knits Division
3.	Ratna Singh	Group Chief Human Resource Officer

Shareholding of Key Managerial Personnel and members of the Senior Management

Except as disclosed under "*Shareholding of Directors in our Company*" on page 220 and except as disclosed below, none of the Key Managerial Personnel and Senior Management Personnel hold any Equity Shares as on the date of this Preliminary Placement Document:

S.No.	Name	Number of Equity Shares held	Percentage of the pre-Issue issued and paid-up Equity Share capital
1.	Sanjay Gandhi(1)	80,050	0.18
2.	Pankaj Bhasin(2)	5,000	0.01
3.	Sundeep Chatrath(3)	4,138	Negligible
4.	Ratna Singh(4)	5,792	0.01

(1) Sanjay Gandhi has 1,02,000 outstanding employee stock options under the PGIL ESOP Plan 2022. For details of the options under the ESOP Schemes, please see section titled "Capital Structure – Employee Stock Option Plan" on page 220.

(2)Pankaj Bhasin has 30,000 outstanding employee stock options under the PGIL ESOP Plan 2022. For details of the options under the ESOP Schemes, please see section titled "Capital Structure – Employee Stock Option Plan" on page 220.

(3) Sundeep Chatrath has 30,000 outstanding employee stock options under the PGIL ESOP Plan 2022. For details of the options under the ESOP Schemes, please see section titled "Capital Structure – Employee Stock Option Plan" on page 220.

[(4)]*Ratna Singh has 48,000 outstanding employee stock options under the PGIL ESOP Plan 2022. For details of the options under the ESOP Schemes, please see section titled "Capital Structure – Employee Stock Option Plan" on page 220.*

Relationship with other Key Managerial Personnel, members of Senior Management and Directors

None of our Key Managerial Personnel or members of Senior Management are related to any of our Directors, Key Managerial Personnel or members of Senior Management or inter-se.

Interests of Key Managerial Personnel and members of Senior Management

Our Key Managerial Personnel and members of Senior Management do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them in the ordinary course of business and to the extent of the Equity Shares held by them directly or indirectly in our Company or stock options granted to them, if any, and any dividend payable to them and other distributions in respect of such Equity Shares.

None of our Key Managerial Personnel and members of Senior Management have any interest in any property acquired or proposed to be acquired of our Company or by our Company. For details on interest of our Whole-Time Directors (in their capacity as key managerial personnel), please see the section titled as "*Interests of the Directors*" on page 214.

Related Party Transactions

Except as provided in the section titled as "*Related Party Transactions*" on page 41, our Key Managerial Personnel and Senior Management Personnel do not have any interest in our Company**.**

Other Confirmations

Except as otherwise stated above in the section titled as "*Interest of our Directors*" on page 214, "*Interest of Key Managerial Personnel and members of Senior Management*" on page 214, none of our Directors, Promoters, Key Managerial Personnel or Senior Management Personnel have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interest of other persons.

Neither our Company, nor the Directors or Promoters have been identified as wilful defaulter or fraudulent borrower.

Neither our Company, nor our Directors or Promoters are debarred from accessing capital markets under any order or direction made by SEBI.

Further, none of our Promoters or Directors is a fugitive economic offender.

None of the Directors, Promoters, Key Managerial Personnel or Senior Management Personnel of our Company intend to subscribe to the Issue.

No change in control in our Company will occur consequent to the Issue.

Policy on disclosures and internal procedure for prevention of insider trading

Regulation 9(1) of the SEBI Insider Trading Regulations applies to our Company and our employees and requires our Company to implement a code of internal procedures and conduct for the fair disclosure of unpublished price sensitive information and the prevention of insider trading. In compliance with the same, our Company has adopted a code of conduct to regulate, monitor and report trading in securities of the Company by insiders, as approved by our Board on February 7, 2023, which lays down the procedure for preserving the confidentiality of unpublished price sensitive information and preventing misuse of such information. Our Company Secretary acts as the compliance officer of our Company under the aforesaid code of conduct for the prevention of insider trading.

SHAREHOLDING PATTERN OF OUR COMPANY

The tables below represents the information regarding the ownership of Equity Shares by the Shareholders:

Summary of statement holding of specified securities as of June 30, 2024

Category of shareholder	No. of shareholders	No. of fully paid-up equity shares held	Total no. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) as a % of (A+B+C2)	No. of voting rights	Total as a % of total voting right	No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)As a % of (A+B+C2)	No. of equity shares held in dematerialised form	Sub-categorization of shares (XV Shareholding (No. of shares) under		
										Sub-Category I	Sub-Category II	Sub-Category III
(A) Promoter & Promoter Group	5	2,88,49,818	2,88,49,818	66.17	2,88,49,818	66.17	-	64.7	2,88,49,818	-	-	-
(B) Public	19,279	1,47,47,406	1,47,47,406	33.83	1,47,47,406	33.83	9,94,550	35.3	1,46,43,076	-	-	-
(C1) Shares underlying DRs	-	-	-	0.00	-	0.00	-	0.00	-	-	-	-
(C2) Shares held by Employee Trust	-	-	-	0.00	-	0.00	-	0.00	-	-	-	-
(C)Non-Promoter - Non-Public	-	-	-	0.00	-	0.00	-	0.00	-	-	-	-
Grand Total	**19,284**	**4,35,97,224**	**4,35,97,224**	**100.00**	**4,35,97,224**	**100.00**	**9,94,550**	**100.00**	**4,34,92,894**	**-**	**-**	**-**

Statement showing shareholding pattern of the Promoter and Promoter Group as of June 30, 2024

Category of shareholder	Entity type	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) as a % of (A+B+C2)	Number of voting rights held in each class of securities				Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)As a % of (A+B+C2)	Number of equity shares held in dematerialised form
						No. of Voting Rights			Total as a % of Total Voting rights		
						Class X	Class Y	Total			
A1) Indian	-	-	-	-	0.00	-	0.00	0.00	0.00	0.00	-
Any Other (specify)	-	1	60	60	0.00	60	0.00	60	0.00	0.00	60
Bodies Corporate	-	1	60	60	0.00	60	0.00	60	0.00	0.00	60
Nim International Commerce LLP	Promoter Group	1	60	60	0.00	60	0.00	60	0.00	0.00	60
Sub Total A1	-	1	60	60	0.00	60	0.00	60	0.00	0.00	60
A2) Foreign	-	-	-	-	0.00	-	0.00			0.00	-
Individuals (Non-Resident Individuals/ Foreign Individuals)	-	4	2,88,49,758	2,88,49,758	66.17	2,88,49,758	0.00	2,88,49,758	66.17	64.7	2,88,49,758
Pulkit Seth	Promoter	1	1,38,95,242	1,38,95,242	31.87	1,38,95,242	0.00	1,38,95,242	31.87	31.16	1,38,95,242
Payel Seth	Promoter	1	88,27,270	88,27,270	20.25	88,27,270	0.00	88,27,270	20.25	19.8	88,27,270
Deepak	Promoter	1	57,24,290	57,24,290	13.13	57,24,290	0.00	57,2	13.13	12.84	57,24,290

Category of shareholder	**Entity type**	**Nos. of shareholders**	**No. of fully paid up equity shares held**	**Total nos. of shares held**	**Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) as a % of (A+B+C2)**	**Number of voting rights held in each class of securities**				**Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)As a % of (A+B+C2)**	**Number of equity shares held in dematerialised form**
						No. of Voting Rights			**Total as a % of Total Voting rights**		
						Class X	**Class Y**	**Total**			
Kumar Seth								4,290			
Shifalli Seth	Promoter Group	1	4,02,956	4,02,956	0.92	4,02,956	0.00	4,02,956	0.92	0.90	4,02,956
Sub Total A2	-	4	2,88,49,758	2,88,49,758	66.17	2,88,49,758	0.00	2,88,49,758	66.17	64.7	2,88,49,758
A= A1+A2	-	5	2,88,49,818	2,88,49,818	66.17	2,88,49,818	0.00	2,88,49,818	66.17	64.7	2,88,49,818

Statement showing shareholding pattern of the Public Shareholder as of June 30, 2024

Category and name of the shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. of shares held	Shareholding % calculated as per SCRR, 1957 as a % of (A+B+C2)	No. of voting rights	Total as a % of total voting rights	No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of equity shares held in dematerialised form (Not Applicable)	Sub-categorization of shares (XV) Shareholding (no. of shares) under		
										Sub-Category I	Sub-Category II	Sub-Category III
B1) Institutions	0	0	-	0.00	-	0.00	-	0.00	-	-	-	-
B2) Institutions (Domestic)	0	0	-	0.00	-	0.00	-	0.00	-	-	-	-
Alternate Investment Funds	2	2,65,506	2,65,506	0.61	2,65,506	0.61	-	0.6	2,65,506	-	-	-
Sub Total B1	2	2,65,506	2,65,506	0.61	2,65,506	0.61	-	0.6	2,65,506	-	-	-
B3) Institutions (Foreign)	0	0	-	0.00	-	0.00	-	0.00	-	-	-	-
Foreign Portfolio Investors Category I	41	23,18,611	23,18,611	5.32	23,18,611	5.32	-	5.2	23,18,611	-	-	-
Lts Investment Fund Ltd	1	6,25,151	6,25,151	1.43	6,25,151	1.43	-	1.4	6,25,151	-	-	-
Premier Investment Fund Limited	1	14,04,721	14,04,721	3.22	14,04,721	3.22	-	3.15	14,04,721	-	-	-
Foreign Portfolio Investors Category II	3	29,764	29,764	0.07	29,764	0.07	-	0.07	29,764	-	-	-

Category and name of the shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. of shares held	Shareholding % calculated as per SCRR, 1957 as a % of (A+B+C2)	No. of voting rights	Total as a % of total voting rights	No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of equity shares held in dematerialised form (Not Applicable)	Sub-categorization of shares (XV)		
										Shareholding (no. of shares) under		
										Sub-Category I	Sub-Category II	Sub-Category III
Sub Total B2	44	23,48,375	23,48,375	5.39	23,48,375	5.39	-	5.27	23,48,375	-	-	-
B4) Central Government State Government(s) / President of India	0	0		0.00		0.00	-	0.00	-	-	-	-
B5) Non-Institutions	0	0		0.00		0.00	-	0.00		-	-	-
Key Managerial Personnel	2	2,20,758	2,20,758	0.51	2,20,758	0.51	-	0.50	2,20,758	-	-	-
Investor Education and Protection Fund (IEPF)	1	1,61,516	1,61,516	0.37	1,61,516	0.37	-	0.36	1,61,516	-	-	-
Resident Individuals holding nominal share capital up to Rs. 2 lakhs	18,188	38,56,306	38,56,306	8.85	38,56,306	8.85	-	8.65	37,71,162	-	-	-
Resident Individuals	16	60,63,583	60,63,583	13.91	60,63,583	13.91	-	13.6	60,63,583	-	-	-

Category and name of the shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. of shares held	Shareholding % calculated as per SCRR, 1957 as a % of (A+B+C2)	No. of voting rights	Total as a % of total voting rights	No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of equity shares held in dematerialised form (Not Applicable)	Sub-categorization of shares (XV)		
										Shareholding (no. of shares) under		
										Sub-Category I	Sub-Category II	Sub-Category III
holding nominal share capital in excess of Rs. 2 lakhs												
Sanjiv Dhireshbhai Shah	1	32,94,638	32,94,638	7.56	32,94,638	7.56	-	7.39	32,94,638	-	-	-
Mukul Mahavir Agrawal	1	15,00,000	15,00,000	3.44	15,00,000	3.44	-	3.36	15,00,000	-	-	-
Non Resident Indians (NRIs)	325	3,75,424	3,75,424	0.86	3,75,424	0.86	-	0.84	3,57,436	-	-	-
Bodies Corporate	139	9,24,364	9,24,364	2.12	9,24,364	2.12	-	2.07	9,23,166	-	-	-
Any Other (specify)	562	5,31,574	5,31,574	1.22	5,31,574	1.22	9,94,550	3.42	5,31,574	-	-	-
Clearing Members	4	1,478	1,478	0.00	1,478	0.00	-	0.00	1,478	-	-	-
Unclaimed Suspense or Escrow Account	1	840	840	0.00	840	0.00	-	0.00	840	-	-	-
Trusts	2	14,863	14,863	0.03	14,863	0.03	-	0.03	14,863	-	-	-
HUF	538	4,11,616	4,11,616	0.94	4,11,616	0.94	-	0.92	4,11,616	-	-	-
LLP	17	1,02,777	1,02,777	0.24	1,02,777	0.24	-	0.23	1,02,777	-	-	-

Category and name of the shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. of shares held	Shareholding % calculated as per SCRR, 1957 as a % of (A+B+C2)	No. of voting rights	Total as a % of total voting rights	No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of equity shares held in dematerialised form (Not Applicable)	Sub-categorization of shares (XV)		
										Shareholding (no. of shares) under		
										Sub-Category I	Sub-Category II	Sub-Category III
Sub Total B4	19,233	1,21,33,525	1,21,33,525	27.83	1,21,33,525	27.83	9,94,550	29.44	1,20,29,195	-	-	-
B=B1+B2+B3+B4	19,279	1,47,47,406	1,47,47,406	33.83	1,47,47,406	33.83	9,94,550	35.3	1,46,43,076	-	-	-

Statement showing the shareholding pattern of the Non-Promoter Non-Public Shareholder as of June 30, 2024

Category and name of the shareholder (I)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Total no. of shares held (VII=IV+V+VI)	Shareholding % calculated as per SCRR, 1957 as a % of (A+B+C2) (VIII)	Total shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)(XI)	Number of equity shares held in dematerialised form (XIV) (Not applicable)
C1) Custodian/ DR Holder	0	0	-	0.00	-	-
C2) Employee Benefit Trust	0	0	-	0.00	-	-

Details of Disclosure by Trading Members (TM) holding 1% or more of the Total no. of Shares as of June 30, 2024

Sl. No.	Name of the trading member	Name of the Beneficial Owner	No. of shares held	% of total no. of shares	Date of reporting by the Trading Member
-	NIL	NIL	NIL	NIL	NIL

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the bidding application, payment of Application Amount, Allocation and Allotment of the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below and investors are assumed to have apprised themselves of the same from our Company or the Book Running Lead Manager and any restrictions or limitations that may be applicable to them and are required to consult their respective advisors in this regard. Investors that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. Prospective Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. For further details, see "Selling Restrictions" and "Transfer Restrictions" on pages 250 and 258, respectively.

Our Company, the Book Running Lead Manager and their directors, shareholders, employees, counsel, officers, agents, advisors, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THIS ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

This Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, 2013 and rules thereunder, through the mechanism of a Qualified Institutions Placement ("**QIP**"). Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, our Company, being a listed company in India may issue Equity Shares to Eligible QIBs, provided that certain conditions are met by such Company. Some of these conditions are set out below:

- the Shareholders of our Company have passed a special resolution approving the Issue. Such special resolution must *inter alia* specify (a) that the Allotment of Equity Shares is proposed to be made pursuant to the QIP; and (b) the Relevant Date;

- the explanatory statement to the notice to the Shareholders for convening the general meeting must disclose among other things, the particulars of the Issue, including the date of passing the board resolution, the kind of securities being offered, amount which our Company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of Issue, the contribution made by the promoters or directors either as part of the Issue or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be Allotted through this Issue, are listed on the recognised Stock Exchanges, in India having nationwide trading terminal for a period of at least one year prior to the date of issuance of notice to our Shareholders for convening the meeting seek approval of the shareholders for to the above-mentioned special resolution except for Equity Shares allotted during the preceding one year from the date of this Preliminary Placement Document;

- the Issue must be made through a private placement offer cum application letter (i.e., this Preliminary Placement Document) and an application form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law. Our Company have completed allotments with respect to any earlier offer or invitation made by the us or shall have withdrawn or abandoned such invitation or offer made by the us, except as permitted under the Companies Act;

- in accordance with the SEBI ICDR Regulations, issuance and allotment of Equity Shares shall be made only in dematerialized form;

- the Promoters and Directors of our Company are not fugitive economic offenders;

- the Promoters or Directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016;

- our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue;

- our Company shall have completed allotments with respect to any previous offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer cum application letter (i.e., this Preliminary Placement Document), our Company must prepare and record a list of Eligible QIBs to whom this Issue will be made. This Issue must be made only to such Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe; and

- our Company acknowledges that the offering of securities by issue of public advertisements or utilization of any media, marketing or distribution channels or agents to inform the public about this Issue is prohibited;

- At least 10% of the Equity Shares issued to Eligible QIBs shall be Allotted to Mutual Funds, provided that, if this portion or any part thereof to be Allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The floor price of the Equity Shares issued under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the stock exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. The "Relevant Date" referred to above means the date of the meeting in which the Fund Raising Committee decides to open the Issue and "stock exchange" means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with the approval of the Shareholders on September 29, 2023 our Company may offer a discount of not more than 5% on the Floor Price in accordance with the SEBI ICDR Regulations.

Our Board through its resolution dated November 8, 2023 and our Shareholders through a special resolution by a postal ballot dated December 19, 2023, have authorised our Board to decide the quantum of discount up to 5 % of the Floor Price at the time of determination of the Issue Price.

The Issue Price shall be subject to appropriate adjustments, if our Company makes any alteration to its share capital as mentioned in Regulation 176 (4) of the SEBI ICDR Regulations.

The Equity Shares will be Allotted within 365 days from the date of the Shareholders' resolution approving this Issue being December 19, 2023and within 60 days from the date of receipt of Application Amount from the Successful Bidders. For details of Allotment, see **"**– *Pricing and Allocation" and "Designated Date and Allotment* *of Equity Shares*" on page and 243.

The Equity Shares issued pursuant to this Issue must be issued on the basis of this Preliminary Placement Document and the Placement Document. This Preliminary Placement Document and the Placement Document shall contain all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations and the requirements prescribed under the PAS Rules and Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select investors through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

This Issue has been approved by our Board of Directors on November 8, 2023subject to approval of the shareholders. Subsequently, our Shareholders, through special resolution, approved the Issue on December 19, 2023.

The minimum number of Allottees with respect to the QIP shall not be less than:

- two, where the issue size is less than or equal to ₹ 25,000 lakhs; and
- five, where the issue size is greater than ₹ 25,000 lakhs.

No single Allottee shall be Allotted more than 50% of the Issue Size. Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of this Issue. For details of what constitutes "same group" or "common control", see "— *Bid Process—Application Form*" on page 239.

Equity Shares being Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on floor of recognised stock exchange. Allotments made to VCFs and AIFs in this Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold or delivered in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in, and in compliance with, Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For the selling restrictions in certain other jurisdictions, see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 250 and 258, respectively for information about selling and transfer restrictions that apply to the Equity Shares sold in the Issue.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Our Company has filed a copy of this Preliminary Placement Document with and shall also file a copy of the Placement Document with each of the Stock Exchanges. We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules. Our Company has received in-principle approvals from each of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares on the BSE and NSE, dated July 15, 2024.

Issue Procedure

1. Our Company in consultation with the Book Running Lead Manager shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to Eligible QIBs and the Application Form will be specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain records of

the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to whom this Preliminary Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act, 2013 and the PAS Rules.

2. **The list of Eligible QIBs to whom this Preliminary Placement Document cum Application Form will be delivered, shall be determined by our Company in consultation with the Book Running Lead Manager, at their sole discretion. Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Application Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

3. Eligible QIBs may submit the Application Form, including any revisions thereof along with the Application Amount transferred to the escrow account specified in the Application form and a copy of the PAN card or PAN allotment letter, during the Issue Period to the Book Running Lead Manager.

4. Bidders will be required to indicate the following in the Application Form:

- full official name of the Bidder to whom Equity Shares are to be Allotted, complete address, phone number, permanent account number, e-mail address and bank account details;

- number of Equity Shares Bid for;

- price at which they are agreeable to subscribe for the Equity Shares and the aggregate Application Amount for the number of Equity Shares Bid for;

- details of the beneficiary account maintained with a depository participant to which the Equity Shares should be credited pursuant to this Issue;

- equity shares held by the Bidder in our Company prior to the Issue;

- it has agreed to all the representations, warranties, acknowledgements and agreements set forth in or incorporated by reference in the Application Form, which will include, but will not be limited to, the representations, warranties, acknowledgements and agreements set forth in the "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions*" beginning on pages 2, 5, 233, 250, and 258, respectively, which will be incorporated by reference;

- an undertaking that they will deliver an offshore transaction letter to our Company prior to any sale of Equity Shares confirming that they will not re-offer, re-sell, pledge or otherwise transfer the Equity Shares, except in an offshore transaction on a recognized Indian stock exchange in compliance with Regulation S; and

- a representation that it is outside the United States and it has agreed to certain other representations set forth in the "*Representations by Investors*" on page 5 and "*Transfer Restrictions*" on page 258 and certain other representations made in the Application Form.

Note: Eligible FPIs are required to indicate the SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

5. Each Bidder shall be required to make the entire payment of the Application Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment

of Application Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. Application Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Pending Allotment and the filing of return of Allotment by our Company with the RoC or receipt of final listing and trading approval from the Stock Exchanges, whichever is later, Application Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event, among others, a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to the Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Application Amount is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to the Bidder and the Issue Price, or any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in *"– Refunds"* below.

6. Once a duly completed Application Form is submitted by a Bidder and the Application Amount is transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. In case of Bids being made on behalf of the Eligible QIBs where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

7. Eligible QIBs acknowledge that in accordance with the requirements of the Companies Act, upon Allocation, our Company will be required to disclose the names of proposed Allottees and the percentage of their post Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.

8. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

9. Upon receipt of the duly completed Application Form and the Application Amount in the Escrow Account, after the Issue Closing Date, our Company shall, in consultation with the Book Running Lead Manager, determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the Book Running Lead Manager, on behalf of our Company, will send the serially numbered CAN to the Eligible QIBs who have been Allocated the Equity Shares. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated and the Refund Amount (if any) due to the Successful Bidders. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form. **Please note that the Allocation will be at the absolute discretion of our Company, in consultation with the Book Running Lead Manager.**

10. Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to

the Successful Bidders, the Book Running Lead Manager, shall, on our behalf, send a serially numbered Placement Document to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

11. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. We will inform the Stock Exchanges of the details of the Allotment.

12. After passing the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the depository participant, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to this Issue.

13. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

14. Our Company will then apply for the final trading approvals from the Stock Exchanges.

15. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

16. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the Book Running Lead Manager shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Eligible Qualified Institutional Buyers

Eligible QIBs are who have not been prohibited by the SEBI from buying, selling or dealing in securities can participate in this Issue. Provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Non-Debt Rules will be considered as Eligible QIBs. FVCIs and non-resident multinational and bilateral development financial institutions are not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in this Issue and also as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations, are set forth below:

- alternate investment funds registered with SEBI;
- Eligible FPIs;
- insurance companies registered with Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions;
- Mutual Funds registered with SEBI;
- pension funds with minimum corpus of ₹ 25 crores;
- provident funds with minimum corpus of ₹ 25 crores;
- public financial institutions;
- scheduled commercial banks;

- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
- venture capital funds registered with SEBI; and
- systemically important non-banking financial companies,

subject to such QIB not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA NON-DEBT RULES, IN THIS ISSUE. ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE FPIS DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means common ownership of more than fifty per cent or common control) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Non-Debt Rules, the total holding by each FPI including its investor group shall be below 10% of the total paid-up Equity Share capital of our Company. In case the holding of an FPI including its investor group increases to 10% or more of the total paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable.

Further, the aggregate permissible limit of all FPIs investments, with effect from April 1, 2020, is the sectoral cap applicable to the sector in which our Company operates currently being 100.00% under the automatic route. The existing aggregate investment limit for FPIs in our Company is not exceeding the sectoral cap i.e., 24 % of the post issue of the paid-up capital of our Company.

In case the holding of an FPI including its investor group increases to 10.00% or more of the total paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done, the total investment made by such FPI together with its investor group will be reclassified as FDI as per the procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (a) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable. As per the circular issued by SEBI dated November 5, 2019 (circular no. IMD/FPI&C/CIR/P/2019/124), these investment restrictions shall also apply to subscribers of Offshore Derivative Instruments. Two or more subscribers of Offshore Derivative Instruments having a common beneficial owner shall be considered together as a single subscriber of the Offshore Derivative Instruments. In the event an investor has investments as an FPI and as a subscriber of Offshore Derivative Instruments, these investment restrictions shall apply on the aggregate of the FPI and Offshore Derivative Instruments investments held in the underlying company.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-Debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed NSDL as the designated depository to monitor the level of FPI/NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The Stock Exchanges are then required to issue the necessary circulars / public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.
Please note that participation by non-residents in the Issue is restricted to participation by FPIs under Schedule II of the FEMA Rules, in the Issue subject to limit of the individual holding of an FPI below 10.00% of the post Issue paid-up capital of our Company and the aggregate limit for FPI investment currently not exceeding 100.00% (sectoral limit of the sector in which our Company operates) of the paid-up capital of our Company. Other non-residents such as FVCIs are not permitted to participate in the Issue.

Subject to receipt of valid Bids, a minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Restriction on Allotment

Under Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being, our Promoters or any person related to our Promoters. QIBs which have all or any of the following rights shall be deemed to be persons related to our Promoters:

- rights under a shareholders' agreement or voting agreement entered into with our Promoters or members of our Promoter Group;

- veto rights; or

- a right to appoint any nominee director on our Board.

Provided, however, that a Eligible QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to our Promoters.

Our Company and the Book Running Lead Manager and any of their respective shareholders, employees, counsel, officers, directors, advisors, representatives, agents or affiliates are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of under-subscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: *Affiliates or associates of the Book Running Lead Manager who are Eligible QIBs may participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and/or the Book Running Lead Manager in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document.

An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period, and in such case, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Eligible QIB will be deemed to have made the following representations, warranties, acknowledgements and undertakings given or made under the sections "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 2, 5, 250 and 258, respectively:

1. The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. The Eligible QIB confirms that it is not a Promoter and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters;

3. The Eligible QIB confirms and consents to its name and percentage of post-Issue shareholding (assuming full subscription in the Issue) will be included as a 'proposed allottee' in the Issue in the Placement Document;

4. The Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoters;

5. Each Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

6. The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;

7. The Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

8. The Eligible QIB confirms that it is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to this Issue, if any. The Eligible QIB further confirms that its holding of the Equity Shares, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Eligible QIB;

9. The Eligible QIB confirms that its Bids would not result in triggering an open offer under the SEBI Takeover Regulations;

10. The Eligible QIB agrees that it will make payment of its Application Amount along with submission of the Application Form within the Issue Period. Each Eligible QIB agrees that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date;

11. The Eligible QIB agrees that although the Application Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, 2013 and rules made thereunder, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running Lead Manager. The Eligible QIB further

acknowledges and agrees that the payment of Application Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

12. The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, 2013 upon Allocation, our Company will be required to disclose the names of proposed Allottees and the percentage of their post-Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees that the disclosure of such details in relation to it in the Placement Document will not guarantee Allotment to it, as Allotment in the Issue shall continue to be at the sole discretion of our Company. However, the Eligible QIB further acknowledges and agrees that, disclosure of such details as "*proposed Allottees*" in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLM;

13. The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

- QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other QIB; and

- "Control" shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations;

14. The Eligible QIB confirms that it is outside the United States, it is purchasing the Equity Shares in an "*offshore transaction*" as defined in, and in compliance with, Regulation S and is not our affiliate or a person acting on behalf of such an affiliate.

15. The Eligible QIB acknowledge that no Allocation shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price.

16. The Eligible QIB confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

17. The QIBs confirm that they shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

Each Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations

A representation that such Bidder is outside the United States, is acquiring the Equity Shares in an "*offshore transaction*" under Regulation S and is not an affiliate of the Company or the BRLM or a person acting on behalf of such an affiliate.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020.

ELIGIBLE QIBs MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGER, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGER TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGER, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Application Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Application Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

Once a duly completed Application Form is submitted by a Bidder, whether signed or not, the submission of such Application Form and payment of the Application Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Equity Shares that may be Allotted to such Bidder and shall become a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with payment and a copy of the PAN card or PAN allotment letter. Additionally, the Application Form will include details of the relevant Escrow Account into which the Application Amounts will have to be deposited. The Application Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the Book Running Lead Manager either through electronic form or through physical delivery at either of the following addresses:

Name	Address	Contact person	Email	Telephone
Emkay Global Financial Services Limited	7th Floor, Senapati Bapat Marg, Dadar – West, Mumbai 400 028, Maharashtra, India	Deepak Yadav/ Pooja Sarvankar	qip.pgil@emkayglobal.com	+91 22 6612 1212

The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period. Once a duly completed Application Form is submitted by a Bidder, whether signed or not, and the Application Amount is transferred to the Escrow Account, such application constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. In case Bids are being made on behalf of the Eligible QIB and the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

The Book Running Lead Manager shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Application Amount.

All Bidders submitting a Bid in the Issue, shall pay the entire Application Amount within the Issue Period.

Payment of Application Amount

Our Company has opened the "Pearl Global Industries Limited - QIP Escrow Account" with HDFC Bank Limited, the Escrow Bank, in terms of the arrangement among our Company, the Book Running Lead Manager and the Escrow Bank. Bidders will be required to deposit the entire Application Amount payable for the Equity Shares applied for through the Application Form submitted by it in accordance with the applicable laws.

Payments are to be made only through electronic fund transfer.

Note: Payments are to be made only through electronic fund transfer. Payments through cheque or demand draft or cash shall be rejected.

If the payment is not made favouring the Escrow Account within the Issue Period stipulated in the Application Form, the Application Form of the QIB is liable to be cancelled.

Pending Allotment, our Company undertakes to utilise the amount deposited in the Escrow Account only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) refund of Application Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in "-*Refunds*" on page 245.

Permanent Account Number or PAN

Each Bidder should mention its PAN allotted under the IT Act in the Application Form. A copy of PAN card is required to be submitted with the Application Form. Further, Applications without this information will be considered incomplete and are liable to be rejected. Bidders should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank Account Details

Each Bidder shall mention the details of the bank account from which the payment of Application Amount has been made along with confirmation that such payment has been made from such account.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the two weeks preceding the Relevant Date. For the purpose of determination of the Floor Price, '*stock exchange*' shall mean any of the recognised stock exchanges in which the Equity Shares are listed and in which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. However, our Company may offer a discount of not more than 5% of the Floor Price in accordance with the approval of the Shareholders of our Company accorded through special resolution by a postal ballot dated December 19, 2023, and in terms of Regulation 176(1) of the SEBI ICDR Regulations.

Build-up of the Book

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Book Running Lead Manager. Such Bids cannot be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the Book Running Lead Manager.

Price Determination and Allocation

Our Company, in consultation with the Book Running Lead Manager, shall determine the Issue Price, which shall be at or above the Floor Price. The "Relevant Date" referred to above will be the date of the meeting in which the Board or the committee thereof decides. However, our Company, in consultation with the Book Running Lead Manager, may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations as approved by our Shareholders pursuant to a resolution adopted on December 19, 2023.

After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Method of Allocation

Our Company shall determine the Allocation on a discretionary basis in consultation with the Book Running Lead Manager and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with BRLM has the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERBOOK RUNNING BOOK RUNNING LEAD MANAGER IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBS. ELIGIBLE QIBS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE APPLICATION AMOUNT AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGER ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the Application Forms and Application Amount, our Company in their sole and absolute discretion, in consultation with the Book Running Lead Manager, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price, the Application Amount for the Equity Shares Allotted and the Refund Amount (if any) shall be notified to such Successful Bidders. The CAN shall also include details of amount to be refunded, if any, to such Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Successful Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the QIB to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, the Eligible QIB would be deemed to have made the representations and warranties as set forth in "*Notice to Investors*" and "*Representation by Investors*" on pages 2 and 5, respectively, and such Eligible QIBs shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by the Stock Exchanges.

Designated Date and Allotment of Equity Shares

Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of Equity Shares is completed by the Designated Date provided in the respective CANs. The Equity Shares in the Issue will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act. However, transfer of securities of listed companies in physical form is not permitted pursuant to Regulation 40 of the SEBI Listing Regulations.

Our Company, at its sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares pursuant to the Issue into the QIBs' beneficiary accounts maintained with the Depository Participant, our Company will apply for final trading and listing approvals from the Stock Exchanges.

Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in this Issue, viz, the names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees, and the percentage of their post-Issue shareholding in our Company is required to be disclosed in the Placement Document.

The Escrow Bank shall release the monies lying to the credit of the Escrow Account to our Company upon receipt of notice from the Book Running Lead Manager and the trading and listing approvals of the Stock Exchanges for Equity Shares offered in the Issue and after filing return of Allotment under Form PAS-3 with the RoC.

After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Successful Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Successful Bidder, or the Application Amount paid by a Successful Bidder is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to such Successful Bidder and the Issue Price, the excess Application Amount paid by such Successful Bidder will be refunded to the same bank account from which the Application Amount was remitted, in the form and manner set out in the CAN issued to such Successful Bidder. The Refund Amount will be transferred to the relevant Successful Bidders within two Working Days from the date of issuance of the CAN.

In the event that a Bidder withdraws the Application Form prior to the Issue Closing Date or does not receive any Allocation in the Issue, or the Issue is cancelled prior to Allocation or at any time after that for any reason, the Application Amount paid by such Bidder (or all Bidders, if the Issue is cancelled) will be refunded to the same bank account from which the Application Amount was remitted, in the form and manner set out in the Refund Intimation.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and Allot the Equity Shares offered in the Issue within 60 days from the date of receipt of the Application Amount, or the Issue is cancelled post Allocation, or where our Company has Allotted the Equity Shares but final listing and trading approvals are refused by the Stock Exchanges, our Company shall repay the Application Amount within 15 days from expiry of 60 days or such other time period as applicable under applicable law, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the Companies Act, 2013.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.

Permanent Account Number or PAN

Each Bidder should mention its PAN (except Bids from any category of Bidders, which may be exempted from specifying their PAN for transacting in the securities market) allotted under the IT Act. A copy of PAN card is required to be submitted with the Application Form. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank account details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Manager, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Book Running Lead Manager in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Application Amount paid by the bidder shall be refunded to the same bank account from which the Application Amount was remitted by such Bidder as set out in the Application Form. For further details see – "*Issue Procedure*" and – "*Refund*" on pages 233 and 243, respectively.

Equity Shares in Dematerialized form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialized form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a successful QIB will be credited in electronic form directly to the specified beneficiary account (with the Depository Participant) of the successful QIB, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialized form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Manager will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the QIBs.

Release of Funds to our Company

The Escrow Bank shall not release the monies lying to the credit of the Escrow Account to our Company until receipt of notice from the Book Running Lead Manager, the trading and listing approvals of the Stock Exchanges for Equity Shares offered in the Issue and filing of return of Allotment under Form PAS-3 with the RoC.

PLACEMENT AND LOCK-UP

Placement Agreement

The Book Running Lead Manager and our Company have entered into the Placement Agreement dated July 15, 2024 pursuant to which the Book Running Lead Manager have agreed, to manage the Issue and to act as placement agents in connection with the proposed Issue and procure subscriptions for the Equity Shares on a reasonable efforts basis to be placed with the QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations, Section 42 of Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

The Placement Agreement contains customary representations and warranties, as well as indemnity from our Company and the Issue is subject to the satisfaction of certain conditions and subject to the termination of the Placement Agreement in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to this Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

This Preliminary Placement Document and the Placement Document have not been, and will not be, filed as a prospectus with the Registrar of Companies, and no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs.

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold by our Company outside the United States, in "*offshore transactions*" as defined in, and in compliance with, Regulation S and the applicable laws of the jurisdiction where those offers, and sales occur.

For further details, see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 250 and 258, respectively.

Relationship with the Book Running Lead Manager

In connection with the Issue, the Book Running Lead Manager (or its affiliates) may, for its own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares or in secondary market transactions. As a result of such transactions, the Book Running Lead Manager (or its affiliates) may hold long or short positions in the Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Manager may purchase Equity Shares, see "*Offshore Derivative Instruments*" on page 12.

From time to time, the Book Running Lead Manager and its affiliates may engage in transactions with and perform services for our Company, its affiliates, shareholders or their respective affiliates in the ordinary course of business and have engaged, or may in the future engage, in, investment banking, advisory services relating to debt syndication and any other transactions in this regards with our Company, its affiliates, shareholders or their respective affiliates, for which they have received compensation and may in the future receive compensation.

Lock-up

Our Company undertakes that it will not, for a period commencing the date hereof and ending 45 days from the date of allotment of equity shares pursuant to the Issue ("**Lock-up Period**"), without the prior written consent of the Book Running Lead Manager, do the following:

1. directly or indirectly, offer, issue, contract to issue, lend, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any of the Equity Shares or any securities convertible into or exercisable for the Equity Shares or file any registration statement under the U.S. Securities Act, with respect to any of the foregoing, or

2. enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for the Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of the Equity Shares or such other securities, in cash or otherwise), or

3. enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Equity Shares in any depository receipt facility, or

4. publicly announce any intention to enter into any transaction falling within 1 to 3 above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of the Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within 1 to 3 above.

Our Promoters and Promoter Group, severally and not jointly, agree that they will not, without the prior written consent of the Book Running Lead Manager (which such consent shall not be unreasonably withheld), we will not, during the period commencing on the date hereof and ending 45 days after the date of allotment of the Equity Shares pursuant to the Issue (the "**Lock-up Period**", which shall be communicated by the Book Running Lead Manager in writing immediately on the completion of the allotment of the Equity Shares), directly or indirectly:

a) sell, lend, pledge, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose off, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing (regardless of whether any of the transactions described in this clause (a) is to be settled by the delivery of the Promoters and Promoter Group Shares or such other securities, in cash or otherwise);

b) enter into any swap or other agreement or any transaction that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Promoters and Promoter Group Equity Shares or any securities convertible into or exercisable or exchangeable for any of the Promoter and Promoter Group Equity Shares (regardless of whether any of the transactions described in this clause (b) is to be settled by the delivery of the Promoters and Promoter Group Shares or such other securities, in cash or otherwise); or

c) deposit any of the Promoters and Promoter Group Equity Shares or any securities convertible into or exercisable or exchangeable for the Promoter and Promoter Group Equity Shares or which carry the right to subscribe to or purchase the Promoters and Promoter Group Equity Shares or which carry the right to subscribe to or purchase Equity Shares in depository receipt facilities or enter into any such transactions (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares in any depository receipt facility; or

d) publicly announce any intention to enter into any transaction whether any such transaction described in a), b) or c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise;

provided however that the foregoing restrictions will not be applicable to (i) pledge or mortgage of the Equity Shares already existing on the date of this Agreement or transfer of such existing pledge or mortgage; and (ii) any inter group transfer made to any member of Promoter Group, subject to compliance with applicable laws; (iii) any offering, issuance, grant, allotment made under the provision of PGIL ESOP Plan 2022 and subject to observance by the transferee Promoter Group Entities of the foregoing restrictions on transfer of Promoter Shares until the expiry of the Lock-up Period.

SELLING RESTRICTIONS

The distribution of this Preliminary Placement Document and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Preliminary Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

This Issue is being made only to Eligible QIBs through a QIP, in reliance upon Chapter VI of the SEBI ICDR Regulations the Companies Act and Rule 14 of the PAS Rules. Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under sections entitled "Notice to Investors" and "Representations by Investors" on pages 2 and 5, respectively.

General

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. This Issue will be made in compliance with the applicable SEBI ICDR Regulations, Section 42 and 62 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under the section entitled *"Transfer Restrictions"* on page 258.

Republic of India

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Preliminary Placement Document has not been and will not be registered as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

Australia

This Preliminary Placement Document is not a disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) ("Corporations Act") and has not been lodged with the Australian Securities and Investments Commission and it does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act.

No offer will be made under this Preliminary Placement Document to investors to whom disclosure is required to be made under Chapter 6D of the Corporations Act. Each purchaser of the Equity Shares offered in the Issue in Australia shall be deemed to represent and warrant that it is either a "sophisticated investor" or a "professional investor" within the meaning of those terms in the Corporations Act.

The Equity Shares acquired in the Issue in Australia must not be offered for sale in Australia in the period of 12 months after the date of the Allotment, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under Section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document that complies with Chapter 6D of the Corporations Act. Each purchaser of the Equity Shares offered in the Issue in Australia shall be deemed to undertake to our Company that it will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those Equity Shares to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where or where the offer is pursuant to a disclosure document that complies with Chapter 6D of the Corporations Act.

British Virgin Islands

The Equity Shares are not being and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on our behalf. The Equity Shares may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands) (each a "BVI Company"), but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands.

This Preliminary Placement Document has not been, and will not be, registered with the Financial Services Commission of the British Virgin Islands. No registered document has been or will be prepared in respect of the Equity Shares for the purposes of the Securities and Investment Business Act, 2010 or the Public Issuers Code of the British Virgin Islands.

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands to subscribe for any of the Equity Shares but an invitation or offer may be made to sophisticated persons (as defined in the Cayman Islands Securities Investment Business Act (the "SIBA"), high net worth persons (as defined in the SIBA) or otherwise in accordance with the SIBA. This Preliminary Placement Document does not constitute an invitation or offer to the public in the Cayman Islands of the Equity Shares, whether by way of sale or subscription. The Equity Shares are not being offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands.

People's Republic of China

This Preliminary Placement Document may not be circulated or distributed in the People's Republic of China (excluding, for the purposes of this paragraph, the Hong Kong and Macau Special Administrative Regions and Taiwan Province) and the Equity Shares may not be offered or sold directly or indirectly to any resident of the People's Republic of China, or offered or sold to any person for reoffering or re-sale directly or indirectly to any resident of the People's Republic of China.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Relevant State**"), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that the Company may make an offer to the public in that Relevant State of any Equity Shares at any time:

1. to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;

2.to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the placement agent for any such offer; or

3.in any other circumstances falling within Article1 (4) of the Prospectus Regulation,

provided that no such offer of the Equity Shares shall require the Company or placement agent to publish a pros pectuspursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129 and includes any delegated regulations.

Hong Kong

The Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “**CWUMPO**”) or which do not constitute an offer to the public within the meaning of the CWUMPO.

No advertisement, invitation or document relating to the Equity Shares has been or will be issued for the purposes of the issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong), other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act (Act No. 25 of 1948 as amended) of Japan (the “**FIEA**”) and disclosure under the FIEA has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949 as amended) of Japan (a “**Japanese Resident)** or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

In an offering of Equity Shares in Japan or to, or for the benefit of, a Japanese Resident, if an offeree does not fall under a “qualified institutional investor” (*tekikaku kikan toshika*), as defined in Article 2, Paragraph 3, Item 1 of the FIEA and Article 10, Paragraph 1 of the Cabinet Office Order on Definitions under Article 2 of the Financial Instruments and Exchange Act (Order of the Ministry of Finance No. 14 of 1993) of Japan (a “**Qualified Institutional Investor**”), Equity Shares will be offered to such offeree by a private placement to small number of investors (*shoninzu muke kan’yu*), as provided under Article 23-13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

In an offering of Equity Shares in Japan or to, or for the benefit of, a Japanese Resident, if an offeree falls under a Qualified Institutional Investor, Equity Shares will be offered to such offeree by a private placement to Qualified Institutional Investors (*tekikaku kikan toshika muke kan’yu*), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To subscribe for any Equity Shares, such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring any of such Equity Shares other than to another Qualified Institutional Investor.

Republic of Korea

The Equity Shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the “**FSCMA**”), and the Equity Shares have been and will be offered in Korea as a private placement under the FSCMA. None of the Equity Shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the “**FETL**”). Furthermore, the purchaser of the Equity Shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Equity Shares. By the purchase of the Equity Shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Equity Shares pursuant to the applicable laws and regulations of Korea.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia (“**Commission**”) for the Commission’s approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this Preliminary Placement

Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services Licence; (iii) a person who acquires the Equity Shares, as principal, if the offer is on terms that the Equity Shares may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), provided that the net value of the primary residence of the individual (with his or her spouse) contribute not more than RM1 million of the total net assets; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the Equity Shares is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities. The distribution in Malaysia of this Preliminary Placement Document is subject to Malaysian laws. This Preliminary Placement Document does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

Mauritius

The Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Preliminary Placement Document nor any offering material or information contained herein relating to the offer of the Equity Shares may be released or offered to the public in Mauritius or used in connection with any such offer. This Preliminary Placement Document does not constitute an offer to sell the Equity Shares to the public in Mauritius and is not a prospectus as defined under the Securities Act 2005.

The Mauritius Financial Services Commission (the "FSC") does not assume any responsibility for the contents of this Preliminary Placement Document and makes no representation as to the accuracy or completeness of any of the statements made or opinions expressed in this Preliminary Placement Document and expressly disclaimsany liability whatsoever for any loss arising from or in reliance upon the whole or any part thereof. The FSC does not vouch for the financial soundness of the Issuer or for the correctness of any statements made or opinions expressed with regard to it.

Sultanate of Oman

The information contained in this Preliminary Placement Document does not constitute an offer of securities in Oman as contemplated by the Commercial Companies Law (Royal Decree 18/2019) or the Securities Law (Royal Decree 46/2022) or the Executive Regulations of the Capital Market Law (Decision No. 1/2009, as amended) or an offer to sell or the solicitation of any offer to buy non-Omani securities in Oman.

This Preliminary Placement Document and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in Oman without the prior consent of the Oman Capital Market Authority ("**CMA**") (or its successor, the Financial Services Authority ("**FSA**"), and any reference to the CMA shall include the reference to the FSA in accordance with Royal Decree 20/2024) and then only in accordance with any terms and conditions of such consent. In connection with the offering of Equity Shares, no prospectus has been filed with the CMA (or any successor entity thereof, such as the FSA). The offering and sale of Equity Shares described in the Preliminary Placement Document will not take place inside Oman. The Preliminary Placement Document is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any person other than the intended recipient hereof.

Additionally, this Preliminary Placement Document is not intended to lead to the making of any contract within the territory or under the laws of Oman.

The CMA (or any successor entity thereof, such as the FSA) takes no responsibility for the accuracy of the statements and information contained in this Preliminary Placement Document or for the performance of the Company with respect to the Equity Shares, nor shall it have any liability to any person for damage or loss resulting from reliance on any statement or information contained herein.

Qatar (excluding the Qatar Financial Centre)

This Preliminary Placement Document did not, and was not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Preliminary Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (b) neither the Company nor the Lead Manager are authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Preliminary Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Preliminary Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. The persons representing the Lead Manager are, by distributing this document, not advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this Preliminary Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Qatar Financial Centre

Nothing in this Preliminary Placement Document is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of securities in the State of Qatar or in the Qatar Financial Centre or the inward marketing of securities or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre other than in compliance with any laws applicable in the State of Qatar or in the Qatar Financial Centre governing the issue, offering and sale of securities under the laws of the State of Qatar and the Qatar Financial Centre.

This Preliminary Placement Document and any underlying instruments or securities have not been and will not be filed with, reviewed or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Exchange or any other relevant Qatar governmental body or securities exchange. The Company has not been authorised or licenced by any Qatari governmental body or regulator to market, offer or sell the Equity Shares in the State of Qatar or in the Qatar Financial Centre.

This Preliminary Placement Document is strictly private and confidential. This Preliminary Placement Document is provided on an exclusive basis to the specifically intended recipient of such document, upon that person's request and initiative, and for the recipient's personal use only. It is being distributed to a limited number of qualified investors and must not be provided to any person other than the original recipient. It is not for general circulation in the State of Qatar or the Qatar Financial Centre and may not be reproduced or used for any other purpose. Any distribution of this document by the recipient to third parties in the State of Qatar or the Qatar Financial Centre is not authorised and shall be at the liability of such recipient.

Recourse against the Company and/or its affiliates may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar and/or the Qatar Financial Centre.

Singapore

This Issue is made in reliance on the exemption under sections 274 and 275(1) and (1A) of the Securities and Futures Act 2001, of Singapore as modified and amended from time to time (the "**SFA**"). It is not made in or accompanied by a prospectus that is registered by the Monetary Authority of Singapore (the "**MAS**"). This Preliminary Placement Document has not been registered as a prospectus with the MAS. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Equity Shares, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA, or (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA.

It is a condition of the Issue that where the Equity Shares are subscribed for or acquired pursuant to an offer made in reliance on sections 274 or 275 of the SFA by a relevant person which is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six (6) months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person defined in section 275(2) of the SFA, or (in the case of such corporation) where the transfer arises from an offer referred to in section 276(3)(c)(ii) of the SFA or (incase of a trust) where the transfer arises from an offer referred to in section 276(4)(c)(ii) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Switzerland

The Equity Shares may not be publicly offered in Switzerland and are not and will not be listed or admitted to trading on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading venue in Switzerland. Neither this Preliminary Placement Document, any other offering or marketing material relating to the Equity Shares offered hereby nor this Issue constitutes or fulfils the requirements of a prospectus in accordance with Articles 35 et seq. of the Swiss Financial Services Act of 15 June 2018, as amended ("FinSA") and Articles 43 et seq. of the underlying regulations of the Swiss Financial Services Ordinance of 6 November 2019, as amended ("FinSO") or in accordance with Articles 27 et seq. of the SIX Listing Rules of 23 August 2023, as amended ("SIX Listing Rules") or the respective listing rules of any other stock exchange or regulated trading venue in Switzerland. Neither this Preliminary Placement Document, any other offering or marketing material relating to the Equity Shares offered hereby nor this Issue may be distributed, directly or indirectly, or otherwise made available in or into Switzerland in a manner which would require the publication of a prospectus in accordance with the regulations of the FinSAand the FinSO.

Neither this Preliminary Placement Document, any other offering or marketing material relating to the Equity Shares offered hereby, this Issue nor the Issuer have been or will be filed with or reviewed by a prospectus review body licensed by the Swiss Financial Market Supervisory Authority ("FINMA"). In particular, this Issue is not and will not be supervised by, the FINMA, and is not and will not be authorized in accordance with the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, as amended ("CISA"). Accordingly, no such protection is provided. In particular, the investor protection afforded to acquirers of interests in collective investment schemes within the meaning of the CISA does not extend to acquirers of the Equity Shares.

United Arab Emirates (excluding the Dubai International Financial Centre)

This Preliminary Placement Document does not constitute or contain an offer of securities to the general public in the United Arab Emirates (the "**UAE**"). No offering, marketing, promotion, advertising or distribution (together, "**Promotion**") of this Preliminary Placement Document or the Equity Shares may be made to the general public in the UAE unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Decision No. (13/R.M) of 2021 (the "**Rulebook**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted under one of the exemptions from licensing set out in the Rulebook or otherwise in accordance with the laws and regulations of the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this Preliminary Placement Document nor does any such entity accept any liability for the contents of this Preliminary Placement Document.

Dubai International Financial Centre

This Preliminary Placement Document relates to an Exempt Offer in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority ("**DFSA**") Rulebook. This Preliminary Placement Document is intended for distribution only to persons of a type specified in the Markets Rules Module of the DFSA Rulebook. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Preliminary Placement Document nor taken steps to verify the information set forth herein and has no responsibility for this Preliminary Placement Document. The securities to which this Preliminary Placement Document relates may be illiquid and/ or subject to restrictions on their resale. Prospective purchasers of the securities offered may be required to bear the financial risks of this investment for an indefinite period of time and should conduct their own due diligence on the securities. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorized financial advisor. In relation to its use in the DIFC, this Preliminary Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

United Kingdom

No Equity Shares have been offered or will be offered pursuant to the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the FCA, except that the Equity Shares may be offered to the public in the United Kingdom at any time:

1. to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
2. to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Lead Manager for any such offer: or
3. in any other circumstances falling within Section 86 of the FSMA.

For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended).

United States

The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Equity Shares are being offered and sold only outside the United States in "*offshore transactions*" as defined in, and in compliance with, Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For further information, see sections entitled "*Representations By Investors*" and "*Transfer Restrictions*" on pages 5 and 258, respectively.

Other Jurisdictions

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Preliminary Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to subscribing for Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on a recognized Stock Exchanges, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any resale, pledge or transfer of our Equity Shares. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in this Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see section entitled *"Selling Restrictions"* on page 250.

Purchaser Representations and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

By accepting delivery of this Preliminary Placement Document, submitting a bid to purchase the Equity Shares and/or accepting delivery of Equity Shares, you will be deemed to have represented and agreed as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations and will comply with all laws, regulations and restrictions (including the selling restrictions contained in this Preliminary Placement Document) which may be applicable in its jurisdiction and it has obtained or will obtain any consent, approval or authorization required for it to purchase and accept delivery of Equity Shares, and it acknowledges and agrees that none of our Company or the Book Running Lead Manager and its respective affiliates shall have any responsibility in this regard.

- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in "offshore transactions" as defined in, and in compliance with, Regulation S, and such Equity Shares have not been and will not be registered under the U.S. Securities Act.

- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, (ii) such customer is located outside the United States (within the meaning of Regulation S), and (iii) such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.

- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.

- It agrees (or it is a broker-deal acting on behalf of a customer that has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any "directed selling efforts" as defined in Regulation S. It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any "directed selling efforts" as defined in Regulation S

- It understands and agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred in compliance with the U.S. Securities Act and other applicable securities laws only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the U.S. Securities Act and, in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdictions in which such offers or sales are made.

- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company or the Book Running Lead Manager for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) is seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and it has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares, (v) have no need for liquidity with respect to the investment in the Equity Shares, and (vi) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. It is seeking to subscribe to the Equity Shares in this Issue for its own investment and not with a view to distribution. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment.

- It has been provided access to this Preliminary Placement Document and will be provided access to the Placement Document which it has read in its entirety.
.
- It agrees to indemnify and hold our Company and the Book Running Lead Manager harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold our Company or the Book Running Lead Manager liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “it” to include such accounts.

- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by our Company.

If such person is a dealer (as such term is defined under the U.S. Securities Act), it may not resell the Equity Shares in the United States prior to 40 days from the commencement of the offering of the Equity Shares. It acknowledges that our Company and the Book Running Lead Manager and its respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify our Company and the Book Running Lead Manager. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by our Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes our Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

Other Jurisdictions

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Preliminary Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Book Running Lead Manager or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges Regulations

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the Securities Contracts (Regulation) Act, 1956 (the "**SCRA**") and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, as amended from time to time notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SCR (SECC) Rules**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum net worth requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

BSE

BSE is one of the stock exchanges in India on which our Equity Shares are listed. Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of the SEBI, with effect from August 19, 2005, the BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. Deliveries for trades executed "on- market" are exchanged through the National Securities Clearing Corporation Limited. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Listing and Delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013 the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by the SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and byelaws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Further the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 govern the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% (except public sector undertakings) at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such public shareholding having fallen below the 25% threshold. However, every listed public sector company whose public shareholding falls below 25% at any time, such company shall increase its public shareholding to at least 25%, within a period of twelve months from the date of such fall, respectively, in the manner specified by SEBI. Further, every listed public sector company whose public shareholding falls below 25% at any time after the commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018, shall increase its public shareholding to at least 25%, within a period of two years from the date of such fall, in the manner specified by SEBI. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above-mentioned requirements. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. The Stock Exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the S&P, CNX NIFTY of the NSE, whichever is breached earlier. In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 5%, 10% and 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available. The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI and other applicable laws. NSE became the first exchange to grant approval to its members for providing internet based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both, the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with the BSE On-line Trading facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform, BOLT Plus. The NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the SEBI Takeover Regulations, which provides for specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/ voting rights/ control. The SEBI Takeover Regulations prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. The SEBI Takeover Regulations also provides certain general exemptions which exempt certain acquisitions from the obligation to make an open offer. The SEBI Takeover Regulations were further amended on June 22, 2020 to exempt any acquisitions by way of preferential issue from the obligation to make an open offer. Subsequently, the SEBI Takeover Regulations were amended on August 13, 2021 exempting (a) persons, together with persons acting in concert with him, holding shares or voting rights entitling him to exercise twenty-five per cent or more of the voting rights in a target company; and (b) promoter of the target company, together with persons acting in concert with him, from making continual disclosures in relation to aggregate shareholding and voting rights in the target company. Further, the amendment has also removed certain disclosure obligations for acquirers/promoters, pertaining to acquisition or disposal of shares aggregating to 5% and any change of 2% thereafter, annual shareholding disclosure and creation/invocation/release of encumbrance registered in depository systems under the SEBI Takeover Regulations. These relaxations have been given on account of implementation of the System Driven Disclosures (SDD).

SEBI Insider Trading Regulations

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the regulations of 1992. The SEBI Insider Trading Regulations prohibit and penalize insider trading in India and impose certain restrictions on the communication of information by listed companies. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**"), subject to certain limited exceptions. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities listed or proposed to be listed to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations. Further, the SEBI Insider Trading Regulations makes it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders.

The SEBI Insider Trading Regulations also provides for initial and continuing disclosure obligations for shareholders holding more than a pre-defined percentage, and directors and officers, with respect to their shareholding in the company, and the changes therein. Initial disclosures are required from promoters, key managerial personnel, directors as well as continual disclosures by every promoter, designated person, employee or director in case value of trade exceed monetary threshold of 10 lakh rupees over a calendar quarter, within two days of reaching such threshold. The board of directors of all listed companies are required to formulate and publish on the company's website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the SEBI Insider Trading Regulations. The definition of "insider" includes any person who has received or has had access to unpublished price sensitive information in relation to securities of a company or any person reasonably expected to have access to unpublished price sensitive information in relation to securities of a company and who is or was connected with the company or is deemed to have been connected with the company. On July 17, 2020, SEBI amended the SEBI (Prohibition of Insider Trading) Regulations, 2015 to prescribe that the board of directors or head(s) of listed companies shall ensure that a structured digital database containing the nature of unpublished price sensitive information, the names and details of persons who have shared the information and the names and details persons with whom information is shared shall be maintained.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI has framed regulations in relation to formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organization under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of the Memorandum and Articles and the Companies Act. Bidders are urged to read the Memorandum and Articles carefully, and consult with their advisers, as the Memorandum and Articles and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares

Share capital

The Authorised Share Capital of the Company is Rs. 84,01,00,0001- (Rupees Eighty-Four Crore and one Lakh only) divided into 10,28,80,000 equity shares of Rs. 5/- (Rupees Five Only) each, 32,56,000 10.5% non-cumulative preference shares of Rs. 100/-(Rupees one hundred only) each and 10,000 4% non-cumulative redeemable preference shares of Rs. 10/- (Rupees Ten only) each.

Dividends

Under the Companies Act, a company may pay dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held each fiscal year. Under the Companies Act, unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013 no dividend can be declared or paid by a company for any fiscal year except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the company for any previous fiscal year(s) arrived at as laid down by the Companies Act. According to the Articles of Association, the amount of dividends shall not exceed the amount recommended by the Board of Directors. However, our Company may declare a smaller dividend in the general meeting and may fix the time for payments not exceeding 30 (thirty) days from the declaration thereof. In addition, as is permitted by the Articles of Association, the Board may from time to time pay to the members such Interim Dividends as appear to the Board to be justified by the financial position of the Company.

Further, as per the Companies Act read with Companies (Declaration and Payment of Dividend) Rules, 2014, in the event of inadequacy or absence of profits in any year, a company may declare dividend out of free reserves, provided: (a) the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year; provided, this rule shall not apply to a company, which has not declared any dividend in each of the three preceding financial years; (b) the total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of the paid up share capital of the company and free reserves as per the most recent audited financial statement; (c) the amount so drawn shall be first utilised to set off the losses incurred by the company in the financial year in which the dividend is declared before any dividend in respect of equity shares is declared; and (d) the balance of reserves of the company after such withdrawal shall not fall below 15% of the company's paid up share capital as per the most recent audited financial statement of the company.

Pursuant to the Articles of Association of our Company, if our Company declares a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, our Company shall, within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days, transfer the total amount of dividend, which remains so unpaid or unclaimed to a special account to be opened by our Company in that behalf in any scheduled bank to be called “Unpaid Dividend Account”. All Equity Shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by our Company in the name of Investor Education and Protection Fund, established by the Central Government

The Equity Shares issued pursuant to this Preliminary Placement Document shall rank *pari passu* with the existing Equity Shares in all respects including entitlements to any dividends that may be declared by our Company.

Capitalisation of Profits

In addition to permitting dividends to be paid as described above, the Companies Act permits the board of directors, if so approved by the shareholders in a general meeting, to distribute to the Shareholders, in the form of fully paid-up bonus shares, an amount transferred from the company’s free reserves, securities premium account or the capital redemption reserve account. These bonus equity shares must be distributed to the Shareholders in proportion to the number of equity shares owned by them.

Bonus shares can only be issued if the company has not defaulted in payments of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus or principal/interest payments on fixed deposits or debt securities issued by it. Bonus shares shall not be issued in lieu of dividend.

According to the Articles of Association, the Company in general meeting may, upon the recommendation of the Board, resolves that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Company's profit or loss account, or otherwise available for distribution amongst the Shareholders who would have been entitled thereto, if distributed by way of Dividends and in the same proportions. The sum aforesaid shall not be paid in cash but shall be applied either in or towards (i) paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively; (ii) paying up in full, un-issued shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Shareholders in the proportions aforesaid; or (iii) partly in the way specified in sub-article (i) and partly in the way specified in sub-article (ii). A securities premium account may be applied as per Section 52 of the Act, and a capital redemption reserve account may, duly be applied in paying up of unissued shares to be issued to Shareholders of the Company as fully paid bonus shares.

Any issue of bonus shares by a listed company would be subject to the SEBI regulations. The relevant SEBI regulations prescribe that no company shall make a bonus issue of Equity Shares if it has outstanding fully or partly convertible debt instruments at the time of making the bonus issue, unless it has made reservation of the Equity Shares in the same class in favour of the holders of the outstanding convertible debt instruments in proportion to the convertible part thereof and the Equity Shares reserved for the holders of fully or partly convertible debt instruments shall be issued at the time of conversion of such convertible debt instruments on the same terms or same proportion on which the bonds were issued. Further, for issuance of such bonus shares, a company should not have defaulted in the payment of interest or principal in respect of fixed deposits and interest on existing debentures or principal on redemption of such debentures. The declaration of bonus shares in lieu of a dividend cannot be made. The bonus issuance shall be made out of free reserves built out of genuine profits or share premium collected in cash only. The reserves created by revaluation of fixed assets cannot be capitalised. Further, a company should have sufficient reason to believe that it has not defaulted in respect of the payment of statutory dues of the employees, such as contributions to provident funds, gratuities and/or bonuses.

Alteration of Share Capital

Subject to the provisions of the Companies Act, our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. According to Section 62(1)(a) of the Companies Act such new shares shall be offered to existing Shareholders in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date the board may dispose of the shares offered in respect of which no acceptance has been received which shall not be disadvantageous to the Shareholders. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person.

Under the provisions of Section 62(1)(c) of the Companies Act, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed, if a special resolution to that effect is passed by our shareholders in a general meeting.

Pursuant to the terms of our Articles of Association, our Company may, from time to time: (a) increase its share capital by such amount as it thinks expedient by issuing new shares; (b) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares, provided that no consolidation and division which results in changes in the voting percentage of Shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner; (c) convert all or any of its fully Paid-up shares into stock, and reconvert that stock into fully Paid-up shares of any denomination; (d) subdivide its existing Shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so, however, that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived and (e) cancel its Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. Cancellation of shares in pursuance of this Article shall not be deemed to be reduction of Share Capital within the meaning of the Act .

Issuance of Preference Shares

Subject to Section 55 of the Companies Act, any new shares may be issued as preference shares or convertible preference shares which are liable to be redeemed in any manner permissible under the Companies Act. Subject to the provisions of the Articles of Association, Company shall have the power to issue on a cumulative or noncumulative basis, preference shares in any manner permissible under the Companies Act and the Directors may, subject to the applicable provisions of the Companies Act, exercise such power in any manner as they deem fit.

General meetings of Shareholders

There are two types of general meetings of shareholders: (i) AGM; and (ii) EGM. A company must hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. Our Board may convene an EGM when necessary or at the request of a shareholder in accordance with the Companies Act. Written notice or notice via electronic mode means setting out the business to be transacted at the meeting must be given at least 21 days prior to the date set for the general meeting to the Shareholders. Shorter notice is permitted if consent is received from 95% of the Shareholders entitled to vote at such meeting. Such number of shareholders as required under the Companies Act, 2013 or applicable law personally present shall constitute quorum for a general meeting.

As per the provisions of the Companies Act and the Articles of Association, all the general meetings of the Company other than annual general meetings shall be called extra-ordinary general meetings. The Directors may, whenever they think fit, convene an extraordinary general meeting. If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed under the Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a general meeting, any Director or any two or more members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an extraordinary general meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. The quorum for a general meeting shall be a provided in the Companies Act.

Voting Rights

Subject to provisions of the Companies Act and in accordance with the Articles of Association, subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands, every member present in personal shall have one vote and on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company. A member may exercise his vote at a meeting by electronic means in accordance with the Companies Act and shall vote only once. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

Transfer and Transmission of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are exempt from stamp duty. Our Company has entered into an agreement for such depository services with the NSDL and CDSL. SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. Pursuant to the SEBI Listing Regulations, in the event our Company has not effected the transfer of shares within 15 days or where our Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, it is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Equity Shares shall be freely transferable, subject to applicable laws.

Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased

Shareholder, (not being one of two or more joint- holders) or his nominee(s), shall be the only Shareholders recognized by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such Executors or Administrators or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India. Subject to the provisions of Sections 58 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to issue the letter of confirmation in case of transmission by operation of law of the right to, any Securities or interest of a Shareholder in the Company. The Company shall, within 30 (thirty) days from the date on which the intimation of such transmission, was delivered to the Company, send a notice of refusal to the person giving notice of such transmission, giving reasons for such refusal. Provided that the issuance of letter of confirmation shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

Directors

Subject to the applicable provisions of the Companies Act, the Board of Directors shall consist of not less than three Directors and not more than fifteen Directors. However, the Company may at any time appoint more than fifteen Directors after passing Special Resolution at a General Meeting. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the applicable SEBI Regulations. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.

Buy-back

Pursuant to a resolution of the Board or a Special Resolution of the Shareholders, as required under the Act, the Company may purchase its own Equity Shares or other Securities, as may be specified by the Act read with Rules made there under from time to time, by way of a buy- back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Buy Back Rules and subject to compliance with the applicable Laws out of (i) its free reserves; or (ii) the securities premium account; or (iii) the proceeds of the issue of any Shares or other specified securities or (iv) otherwise specified by the law for the time being in force. .

Winding up

Our Articles of Association provide that subject to the provisions of the Companies Act and the rules made thereunder, if the Company shall be wound up, the Liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act divide amongst the Shareholders, in specie or kind the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not. For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

TAXATION

To,

The Board of Directors
Pearl Global Industries Limited
C-17/1 Paschimi Marg,
Vasant Vihar, South-West Delhi,
New Delhi, Delhi- 110057, India

Emkay Global Financial Services Limited
7th Floor, The Ruby,
Senapati Bapat Marg,
Dadar (West),
Mumbai – 400028
Maharashtra, India

(Emkay Global Financial Services Limited is referred to as the "**Book Running Lead Manager**" or **"BRLM**" in relation to the Issue)

Sub: Independent Auditors' Certificate on Special Tax benefits for the Proposed Qualified Institutions Placement of equity shares of face value of ₹ 5 each (the "Equity Shares") by Pearl Global Industries Limited (the "Company") in accordance with Sections 42 and 62(1)(c) of the Companies Act, 2013 (the "Act") read with Chapter VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") (the "Issue").

1. This Certificate is issued in accordance with the terms of our arrangement letter dated July 15, 2024 executed between the Company and BRLM for the purpose of the proposed issue.

2. We, the current statutory auditors of the Company, namely S.R. Dinodia & Co. LLP, Chartered Accountants, have been requested by the company to provide confirmation on the accompanying Statement prepared by the management of the company which contains the details for possible special tax benefits (under direct and indirect tax laws) available to the Company, to its shareholders and its subsidiaries (including material subsidiaries), pursuant to (i) the Income-tax Act, 1961, as amended and read with the rules, circulars and notifications issued in relation thereto; and (ii) applicable indirect taxation laws, as amended and read with the rules, circulars and notifications issued in connection thereto.("**Taxation Laws**"), as applicable to the assessment year 2024-25 relevant to the financial year 2023-24, which we have initialed for identification purpose only

Management's Responsibility

3. The management of the Company has prepared the accompanying 'Statement of Special Tax Benefits', as set out in the **Annexure A** hereinafter referred as "the Statement", for possible special tax benefits (under direct and indirect tax laws) available to the Company, to its shareholders and its material subsidiaries, pursuant to Taxation Laws"), as applicable as on date, which shall be included in the Preliminary Placement Document and the Placement Document (together the "**Placement Documents**") as per the SEBI ICDR Regulations, the Companies Act, 2013 and the relevant rules made thereunder, as amended from time to time, which we have initialed for the purpose of identification only.

4. The management confirms that there are three subsidiaries of the company which falls under the criteria of material subsidiary as provided under regulation 16 of the Securities and Exchange Board of India (Listing and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**") for the financial year ended March 31, 2024 and as on date are as under:

- Pearl Global (HK) Limited., Hong Kong,
- Norp Knit Industries Limited, Bangladesh

- Pearl Grass Creation Limited, Hong Kong. (step down subsidiary)

  The Statement also covers possible special tax benefits in the hands of these material subsidiaries, under direct and indirect tax laws presently in force in respective countries of Hong Kong and Bangladesh, applicable for the financial year ending March 31, 2024.

5. The Management of the Company is responsible for maintenance of proper book of account and relevant supporting records as per regulatory guidelines and its compliance. This responsibility includes the design, implementation, and maintenance of internal controls relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.

6. The Management is responsible for identifying and ensuring that the Company complies with the law and regulations applicable to its activities and details provided for verification are correct.

7. The Management is also responsible for ensuring that the Company complies with the requirements of the SEBI ICDR Regulations, the Companies Act, 2013 and other applicable guidelines.

Auditors' Responsibility

8. It is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available to the Company and/or its material subsidiaries) and /or its shareholders as of date, in accordance with the respective tax laws as at the date of our certificate.

9. Pursuant to the requirements of the proposed issue, our scope of work did not include verification of compliance with other requirements of the Taxation Law, the SEBI ICDR Regulations, the Companies Act, 2013 and the relevant rules made thereunder and other circulars, notifications, etc. as issued by relevant regulatory authorities from time to time and any other laws and regulations applicable to the Company. Further, our scope of work did not involve performing audit tests for the purpose of expressing an opinion on the possible special tax benefits available to the Company or its shareholders and its material subsidiaries on fulfilling the conditions prescribed under the relevant provisions of the Taxation Law and consequently, no assurance is expressed

10. We have conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). The Guidance Note requires that we comply with the independence and ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

11. Insofar as possible special tax benefits under direct and indirect tax laws in the Hong Kong as applicable to Pearl Global (HK) Limited and Pearl Grass Creation Limited are concerned, we have relied on the certificate dated July 10, 2024 issued by Louis Lai & Luk CPA Limited, Hongkong without independently verifying the correctness of the certificate or content therein.

12. Insofar as possible special tax benefits under direct and indirect tax laws in the Bangladesh as applicable to Norp Knit Industries Limited are concerned, we have relied on the certificate dated July 8. 2024 issued by Snehasish Mahmud & Co., Dhaka, Chartered Accountants without independently verifying the correctness of the certificate or content therein.

13. We have complied with the relevant applicable requirements of the Standard on Quality Control ('SQC') 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

14. Our confirmation is based on the information, explanations and representations obtained from the Company and based on our understanding of the business activities and operations of the Company, we confirm that,

    a. These possible special tax benefits are dependent on the Company or its shareholders and its material subsidiaries including step down subsidiary fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company or its shareholders and its Material Subsidiaries including step down subsidiary to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company, its shareholders and its Material Subsidiaries may or may not choose to fulfill such conditions.

    b. The special tax benefits discussed in the enclosed **Annexure A** are not exhaustive or conclusive and cover the possible special tax benefits available to the Company, its shareholders and its Material Subsidiaries including step down subsidiary and do not cover any general tax benefits available to them.

    c. The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed Issue. Neither we are suggesting nor advising investors to invest money based on this statement.

15. We do not express any opinion or provide any assurance as to whether:

    (i) the Company or its shareholders and its Material Subsidiaries or their shareholders will continue to obtain these possible special tax benefits in future; or
    (ii) the conditions prescribed for availing the possible special tax benefits, where applicable have been/would be met.

16. We confirm that the information in this certificate is true, correct, accurate, complete and there is no untrue or misleading statement or omission which would render the contents of this certificate misleading in its form or context.

Restriction on use

17. We consent to the inclusion of the above information in the Placement Documents to be filed by the Company with the BSE Limited and the National Stock Exchange of India Limited (the "**Stock Exchanges**"), the Securities and Exchange Board of India, and the Registrar of Companies, Delhi at New Delhi and any other authority and such other documents as may be prepared in connection with the Issue.

18. We undertake to inform you promptly, in writing of any changes, within our knowledge, to the above information until the Equity Shares issued by the Company pursuant to issue commence trading on the Stock Exchanges. In the absence of such communication from us, the above information should be considered as updated information until the Equity Shares issued pursuant to the Issue, commence trading on the Stock Exchanges.

19. This certificate may be relied upon by the addressees to this certificate and the legal counsel appointed for the purpose of the Issue. We hereby consent to extracts of, or reference to, this certificate being used in the Placement Documents to be filed in relation to the Issue. We also consent to the submission of this certificate as may be necessary to any regulatory authority and/or for the records to be maintained by the BRLM in connection with the Issue, in accordance with applicable law.

20. We also authorize the Emkay Global Financial Services Limited is referred to as the "Book Running Lead Manager" or "BRLM" to deliver this letter to Securities and Exchange Board of India ("**SEBI**"), the Stock Exchanges or any other governmental or regulatory authority as may be required or in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

21. All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Placement Documents to be filed in relation to the Issue.

Limiting Condition

22. Neither S.R Dinodia & Co. LLP nor any of its employees undertakes responsibility in any way whatsoever to any person in respect of any errors in this certificate arising from any incorrect information & representation provided to us by the Company.

23. Our certificate is based on the information provided by the management &/or by the employees of the Company at the time of rendering of services.

24. Our audit procedures were performed to the date of this certificate and do not extend to events or transactions occurring after this date. Accordingly, we do not express an opinion on any events or transactions that may have occurred after date of this certificate.

For S.R. Dinodia & Co. LLP
Chartered Accountants
Firm Registration Number: 001478N/N500005
Peer Review Number: 014521

(Sandeep Dinodia)
Partner
(Membership Number: 083689)
UDIN: 24083689BKBLVT4031

Place of Signature: New Delhi
Date: July 15, 2024

Encl: Annexure A

Annexure A

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, ITS SHAREHOLDERS AND ITS MATERIAL SUBSIDIARIES UNDER THE APPLICABLE TAX LAWS

This statement of possible special income-tax benefits is required as per Schedule VI (Part A) (9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended **("SEBI ICDR Regulations").**

The information provided below sets out the possible special tax benefits available to the Company, its subsidiaries (including material subsidiaries) and its shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares of the Company, under the current Taxation Laws presently in force in India.

I. Possible Special Tax benefits available to the Company

(i) Direct Tax

Lower corporate tax rate on income of domestic companies under Section 115BAA of the Income-tax Act, 1961 ('the IT Act')

- The Taxation Laws (Amendment) Act, 2019 introduced section 115BAA wherein domestic companies are entitled to avail a concessional tax rate of 22% (plus surcharge of 10% and cess) on fulfillment of certain conditions. The option to apply this tax rate is available from Financial Year ('FY') 2019-20 relevant to Assessment Year ('AY') 2020-21 and the option once exercised through filing of Form 10IC on the Income tax portal shall apply to subsequent assessment years. The concessional tax rate of 22% is subject to the company not availing any of the following exemptions/incentives/deductions under the provisions of the IT Act:

- Section10AA: Tax holiday available to units in a Special Economic Zone
- Section 32(1) (iia): Additional depreciation;
- Section 32AD: Investment allowance.
- Section 33AB/3ABA: Tea coffee rubber development expenses/site restoration expenses
- Section 35(1)/35(2AA)/ 35(2AB): Expenditure on scientific research.
- Section 35AD: Deduction for capital expenditure incurred on specified businesses.
- Section 35CCC/35CCD: expenditure on agricultural extension /skill development
- Chapter VI-A except for the provisions of section 80JJAA and section 80M.

The total income of a company availing the concessional rate of 25.168% (i.e., 22% along with surcharge of 10% and health and education cess of 4%) is required to be computed without set-off of any carried forward loss and depreciation attributable to any of the aforesaid deductions/incentives. A company can exercise the option to apply for the concessional tax rate in its return of income filed under section 139(1) of the IT Act. Further, provisions of Minimum Alternate Tax ('MAT') under section 115JB of the IT Act shall not be applicable to companies availing this reduced tax rate, thus, any carried forward MAT credit also, cannot be claimed.

The provisions do not specify any limitation/condition on account of turnover, nature of business or date of incorporation for opting for the concessional tax rate. Accordingly, all existing as well as new domestic companies are eligible to avail this concessional rate of tax.

The Company has opted to apply section 115BAA of the Act from the Financial Year 2021-2022 (Assessment Year 2022- 2023).

- Deduction under the provisions of section 80JJAA of the IT Act

The Company is entitled to claim deduction of an amount equal to 30 thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year for three assessment years including the assessment year relevant to the previous year in which such employment is provided. The eligibility to claim deductions is subject to fulfillment of conditions prescribed in the Act.

- Deduction under the provisions of section 80M of the IT Act

As per the provisions of section 80M of the Act, while computing the amount of tax payable on dividend income, the Company is entitled to claim deductions of an amount equal to dividend distributed to its shareholders on or before due date not exceeding the amount of dividend received from other domestic company or foreign company. The expression "due date" means the date one month prior to the date of furnishing the return of income under section 139(1) of the Income Tax Act for the recipient company.

- Deduction under the provisions of section 35D of the IT Act

In accordance with and subject to the fulfillment of conditions as laid out under section 35D of the IT Act, the company may be entitled to amortize preliminary expenditure, being specified expenditure incurred in connection with the issue for public subscription or such other expenditure as prescribed under section 35D of the IT Act, subject to the limit specified therein (viz maximum 5% of the cost of the project or 5% of the capital employed in the business of the company).

The deduction is allowable for an amount equal to one-fifth of such expenditure for each of five successive previous years beginning with the previous year in which the business commences or as the case may be, the previous year in which the extension of the undertaking is completed, or the new unit commences production or operation.

(ii) Indirect Tax

As per the nature of current operation of company, the company is covered under regular provision of Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), The Customs Act, 1962 ("Customs Act"), the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2023 including the relevant rules, notifications and circulars issued there under and Foreign Trade (Development Regulation) Act, 1992 ("FTDR Act"), applicable for the Financial Year 2023-24, presently in force in India.

The company is not utilizing any specific tax benefits under the above referred Act. However, the company is availing export incentives as per the relevant laws.

- Remission of Duties and Taxes on Exported Products (RoDTEP)

The Remission of Duties and Taxes on Exported Products (RoDTEP) scheme was announced by Government of India (GOI) on September 14, 2019 to boost exports by allowing reimbursement of taxes and duties, which are not exempted or refunded under any other scheme in accordance with World Trade Organization (WTO) norms. RoDTEP is a combination of the current Merchandise Export from India Scheme (MEIS) and Rebate of State and Central Taxes and Levies (RoSCTL) and will replace all these schemes once come in operations. At present, embedded duties and taxes, which are not refunded under any other scheme. Under the scheme, rebate of these taxes will be given in the form of duty credit/electronic scrip.

- Benefits of Duty Drawback scheme under Sections 75 of the Customs Act, 1962

As per section 75, Central Government is empowered to allow duty drawback on export of goods, where the imported materials are used in the manufacture of such goods. Unlike the drawback of a portion of the customs duty paid on imported goods, here the main principle is that the Government fixes a rate per unit of final article to be exported out of the country as the amount of drawback payable on such goods.

- Duty Exemption Schemes (Advance Authorization)

  Notification No. 21/2023 dated April 1, 2023, pertains to Advance Authorization for duty-free import of inputs incorporated into export products, with provisions for fuel, oil, and catalysts used in production. This authorization is based on Standard Input Output Norms (SION) or self-declaration under paragraph 4.07 of the Handbook of Procedures. It allows duty savings on imports without export incentives.

- Duty Exemption Schemes (Special Advance Authorization)

  Notification No. 27/2023 dated April 1, 2023, allows duty-free import of fabric under the Special Advance Authorization Scheme for export of Articles of Apparel and Clothing Accessories. The authorization is based on Standard Input Output Norms (SION) or norms fixed by the Norms Committee. It covers fabrics including interlining as the sole importable input. Exporters are eligible for All Industry Rate of Duty Drawback for non-fabric inputs. The authorization and imported fabric are subject to actual use and non-transferable post export obligation completion, except for job work under GST provisions.

- EPCG (Export Promotion Capital Goods)

  The EPCG Scheme allows duty-free import of capital goods for pre-production, production, and post-production activities. Capital goods include machinery, computer systems, spares, etc. Importers must fulfill an Export Obligation (EO) six times the duty saved, within 6 years from the authorization date. The scheme permits import or procurement from domestic sources, subject to conditions. Authorizations are valid for 24 months without revalidation. Integrated Tax and Compensation Cess paid in cash aren't considered for duty savings if Input Tax Credit isn't claimed.

II. Possible Special Tax benefits available to the Shareholders

(i) Direct Tax

- There are no special tax benefits available to shareholders for investing in the Company's shares. Shareholders and investors are advised to consult their own tax consultants to understand any potential tax benefits. However, there are concessional rates applicable to capital gains earned by investors.

- Section 112A of the Act provides for concessional rate of tax on long term capital gain arising on transfer of equity shares with effect from April 1, 2018 (i.e., Assessment Year 2019-20) subject to conditions. Any long-term capital gain, exceeding INR 1,00,000 arising from the transfer of a long-term capital asset (i.e., capital asset held for the period of 12 months or more) being an Equity Share in a company wherein Securities Transaction Tax ('STT') is paid on both acquisition and transfer, income tax is charged at a rate of 10% without giving effect to indexation.

- Section 111A of the Act provides for concessional rate of tax @ 15% in respect of short-term capital gains (provided the short-term capital gains exceed the basic threshold limit of income exemption, where applicable) arising from the transfer of a short-term capital asset (i.e., capital asset held for the period of less than 12 months) being an Equity Share in a company or wherein STT is paid on both acquisition and transfer.

- In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident shareholder has fiscal domicile.

- For shareholders who are Foreign Institutional Investors/ Portfolio Investors (FII/FPIs)

  - Section 2(14) of Act defining capital asset, specifically includes any securities held by an FII which has invested in such securities in accordance with the SEBI Regulations.

- In accordance with and subject to the provisions of section 115AD of the Act, LTCG on transfer of shares by FIIs/FPIs are taxable at 10% (plus applicable surcharge and cess). In case of LTCG arising on long term capital assets referred to in section 112A of the Act i.e. transfer of listed shares subject to securities transaction tax, the gains are chargeable to tax at 10% (plus applicable surcharge and cess) on income exceeding one lakh rupees. The benefit of cost indexation and foreign currency fluctuations is not available to FIIs/FPIs.

- In accordance with and subject to the provisions of section 115AD of the Act, STCG on transfer of shares by FIIs/FPIs are taxable at 30% (plus applicable surcharge and cess). However, STCG arising on transfer of listed shares are chargeable to tax at the rate of 15% (plus applicable surcharge e and cess) if such transaction is chargeable to securities transaction tax under section 111A of the Act.

- Under section 196D (2) of the Act, no deduction of tax at source will be made in respect of income by way of capital gains arising to FIIs/FPIs from the transfer of securities referred in section 115AD of the Act.

- The provision of the Agreement for Avoidance of Double Taxation entered by the Government of India with the country of residence of the non-resident shareholder will be applicable to the extent more beneficial to the non-resident investor.

- Accordingly, taxability of capital gains in India in the hands of FIIs/FPIs shall be governed by the provisions of the relevant tax treaty subject to fulfilment of the conditions provided under the Act or the applicable tax treaty. Under the Act, tax treaty benefit is available subject to conditions which inter alia include furnishing of the Tax Residency Certificate issued by the government of that country of which the non-resident shareholder may be a res ident and a self-declaration in form 10F, if required to be furnished.

- The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPIs) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of section 115AD of the Act.

➢ For shareholders who are Investment Funds

- Under section 10(23FBA) of the Act, any income except for income under the head "Profits and Gains of Business/ Profession" of Investment Funds, registered as Category-I or category-II Alternative Investment Fund under the Securities and Exchange Board of India (Alternate Investment Fund) regulations, 2012 is exempt from income tax, subject to conditions specified therein.

- As per section 115UB (1) of the Act, any income accruing/arising/received by a person from his
- investment in the Investment Fund is taxable in the hands of such person in the same manner as if it were the income accruing/arising/received by such person had the investments been made directly by him.

- Under section 115UB (4) of the Act, the total income of an Investment Fund is charged at the rate or rates as specified in the Finance Act of the relevant year where the Investment Fund is a company or a firm and at maximum marginal rate in any other case.

- Further, as per section 115UB (6) of the Act, the income accruing or arising to or received by the Investment Fund if not paid or credited to a person (who has made investments in an Investment Fund) shall be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year.

- Taxation of income of AIF Category III and its investors are governed by the other / normal provisions of the Act.

- Investment Funds have withholding tax obligation under section 194LBB of the Act while making g distribution to unit holders at the rate of 10% where the payee is resident and at the rates in force where payee is non-resident. As per press release dated 13.05.2020 the said rate of 10% has been reduced to 7.5% for the period from 14.05.2020 to 31.03.2021.

- Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. Further, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of individuals, whether incorporated or not and every artificial juridical person, surcharge would be restricted to 15%, irrespective of the amount of dividend.

- Separately, any dividend income received by the shareholders would be subject to tax deduction at source by the company under section 194 @ 10%. However, in the case of individual shareholders, this would apply only if dividend income exceeds 5,000. Further, dividend income is now taxable in the hands of the shareholders.

- In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident shareholder has fiscal domicile.

(ii) Indirect Tax

- There are no special indirect tax benefits available to the Shareholders.

III. Possible Special Tax benefits available to the Material Subsidiaries

A. Norp Knit Industries Ltd., Bangladesh

Statement of possible special tax benefits available to Norp Knit Industries Limited ('the Company') and its Shareholders.

This statement of possible special income-tax benefits is required as per Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended **("SEBI ICDR Regulations").**

I. Special Income tax benefits available to the Company in Bangladesh under the Income tax Act, 2023 ('Act')

Lower corporate tax rate on business income of **Norp Knit Industries Limited** – S. R. O. No. 44/AIN/INCOME TAX-25/2024

- Income Tax Act, 2023, enacted through Section 76 to allow reduced tax rate for export income at a concessional tax rate of 12% on fulfillment of certain conditions. The option to apply this tax rate is available till 30 June -2028.The concessional tax rate of 12% is subject to the company fulfilling below conditions under the provisions of the Income Tax Act-2023:
  - Exporter should have tax identification number.
  - Comply to all environmental issues.

  The provisions do not specify any limitation/condition on account of turnover, nature of business or date of incorporation for opting for the concessional tax rate. Accordingly, all existing as well as new companies are eligible to avail this concessional rate of tax.

2. Special Income tax benefits available to the Shareholders of Company under the Act, Section 119(2).

There is no special tax benefit available to the shareholders of Company for investing in the shares of the Company.

However, in respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between Bangladesh and the country in which the non-resident shareholder has fiscal domicile.

- Notes:

1. We have not considered the general tax benefits available to the Company, or shareholders of the Company.
2. The above is as per the Tax Laws as on date.
3. The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of Equity Shares.

SPECIAL TAX BENEFITS

1. Benefits of cash incentive by FEPD Circular No. 12 (30 June 2024)

Bangladesh Government has declared cash incentive on export of goods, subject to fulfillment of directives.

B. Pearl Global HK Limited, Hongkong

Statement of possible special tax benefits available to Pearl Global (HK) Limited ('the Company') in the Special Administrative Region of Hong Kong, People's Republic of China

1. Special Income tax benefits available to the Company

Exemption from Hong Kong profits tax

The principal activities of the Company consisted of trading of garments and investment holding during the year. All the sales and purchases were negotiated, concluded and executed outside of Hong Kong. All customers and suppliers of Company during the year were located outside Hong Kong. In the regard, the trading profits derived by the Company during the year ended March 31, 2023 was offshore sourced and not chargeable to Hong Kong Profits Tax Under Section 14 of the Inland Revenue Ordinance.

This special tax benefit has been applicable for the period from 1 April 2017 to 31 March 2023.

3. Special Income tax benefits available to the Shareholders of Company under the Hong Kong Inland Revenue Ordinance.

There is no special tax benefit available to the shareholders of Company for investing in the shares of the Company.

Notes:

1. We have not considered the general tax benefits available to the Company, or shareholders of the Company.

2. The above is as per the Hong Kong Inland Revenue Ordinance as of this date.

3. The above Statement of possible special tax benefits sets out the provisions of Hong Kong Inland Revenue Ordinance in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of any intended purposes.

4. This Statement does not discuss any tax consequences in any country outside The Special Administrative Region of Hong Kong, People's Republic of China.

4. No indirect tax is applicable for the company in Hong Kong.

The Company has not yet filed tax return for FY24; however, the tax law & rules will remain same as in FY23".

C. Pearl Grass Creation Ltd., Hong Kong. (step down subsidiary)

Statement of possible special tax benefits available to Pearl Grass Creation Limited ('the Company') in the Special Administrative Region of Hong Kong, People's Republic of China

2. Special Income tax benefits available to the Company

 that loss suffered by the Company has been carried forward for setting off of profits assessable to tax in the year in which an assessable profit has been determined to be earned.

 that profits net of loss carried forward has been charged to tax at 8.25% on the first HK2 million and 16.5% on the balance.

5. Special Income tax benefits available to the Shareholders of Company under the Hong Kong Inland Revenue Ordinance.

There is no special tax benefit available to the shareholders of Company for investing in the shares of the Company.

Notes:

1. We have not considered the general tax benefits available to the Company, or shareholders of the Company.

2. The above is as per the Hong Kong Inland Revenue Ordinance as of this date.

3. The above Statement of possible special tax benefits sets out the provisions of Hong Kong Inland Revenue Ordinance in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of any intended purposes.

4. This Statement does not discuss any tax consequences in any country outside The Special Administrative Region of Hong Kong, People's Republic of China.

6. No indirect tax is applicable for the company in Hong Kong.

The Company has not yet filed tax return for FY24; however, the tax law & rules will remain same as in FY23".

Notes:

- We have not considered the general tax benefits available to the Company, or shareholders of the Company.

- The above Statement of tax benefits is as per the current Income Tax Act, 1961 read with relevant rules, circulars and notifications as on date with respect to company incorporated in India.

- The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of Equity Shares.

- This Statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

- This Statement does not discuss any tax consequences in any country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible income -tax consequences that apply to them.

- Our views expressed in this Statement are based on the facts and assumptions as indicated in the Statement. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For Pearl Global Industries Limited

Authorized Signatory
Sanjay Gandhi
Group Chief Financial Officer

Place: Gurgaon

Date: July 15, 2024

STATUTORY AUDITORS

Our Company's current Statutory Auditor, S.R. Dinodia & Co. LLP, Chartered Accountants is an independent auditor with respect to our Company as required by the Companies Act, 2013 and in accordance with the guidelines prescribed by ICAI and has been appointed as the statutory auditor of our Company pursuant to a resolution adopted by our Shareholders' at the AGM held on September 26, 2022 for a period of five years.

S.R. Dinodia & Co. LLP, Chartered Accountants, have audited the Audited Consolidated Financial Statements for Fiscals 2024 and 2023, which are included in this Preliminary Placement Document in "*Financial Statements"* on page 289.

B.R. Gupta & Co., have audited the Audited Consolidated Financial Statements for Fiscals 2022 and their audit report on those financial statements are included in this Placement Document in "*Financial Statements"* on page 289.

LEGAL PROCEEDINGS

We involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are primarily in the nature of criminal cases, civil case, tax proceedings etc. We assess each such legal proceedings filed by or against us and monitor the legal position on an ongoing basis.

*Except as disclosed in this section, there is no outstanding legal proceeding which has been considered material in accordance with our Company's 'Policy for Determination of Materiality for Disclosure of Information/Events to the Stock Exchanges' framed in accordance with Regulation 30 of the SEBI Listing Regulations ("**Materiality Policy**").*

However, solely for the purpose of the Issue, our Company has disclosed in this section, to the extent applicable:

- *All outstanding criminal proceedings involving our Company, our Subsidiaries, our Promoters and our Directors;*
- *All outstanding actions by statutory or regulatory authorities (such as SEBI, RBI, Stock Exchanges or such similar authorities) which is outstanding and involves our Company, our Subsidiaries, our Promoters and our Directors;*
- *Additionally, for the purpose of identification of material litigation, pursuant to the terms of the approach approved by the Board in its meeting held on July 13, 2024, solely for the purpose of the Issue Any outstanding civil litigations including tax proceedings involving our Company, our Subsidiaries, our Promoters and our Directors where the amount involved is equal to or exceeds 5% of average absolute value of profit or loss after tax from total operations (being the lowest of 2% of turnover, 2% of net worth and 5% of average absolute value of profit or loss after tax from total operations) as per the audited consolidated financial statements of the Company for the last three years, which is approximately equivalent to ₹ 654.00 lakhs or above will be disclosed individually ("**Materiality Threshold**"), which has been determined as material in accordance with the materiality policy adopted by the board of directors of the Company on July 13, 2024, in accordance with Regulation 30 of the Securities and Exchange of Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The materiality threshold as disclosed here is applicable on the civil proceedings (including outstanding tax proceedings) only. Consolidated disclosure of the direct and indirect tax matters involving the Company, its Subsidiaries, Promoters and Directors that are above the Materiality Threshold. Any other outstanding litigation involving our Company, its Subsidiaries its Promoters and Directors wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could materially and adversely affect the reputation, operations or financial position of our Company.*

Except as disclosed elsewhere, this section of the Preliminary Placement Document also discloses (i) any inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company, its Subsidiaries, or its Promoters and any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years and the stub period for the Company, its Subsidiaries and its Promoters ; (ii) any material fraud committed against our Company including Subsidiaries in the last three years, and if so, the action taken by our Company; (iii) any significant and material order passed by the regulators, courts and tribunals impacting the going concern status of our Company or its future operations; (iv) any default by our Company including therein the amount involved, duration of default and present status, in repayment of: (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; or (d) loan from any bank or financial institution and interest thereon; (v) any default in annual filing of our Company under the Companies Act, 2013 or the rules made thereunder; (vi) any litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against the Directors of our Company during the last three years immediately preceding the year of this Preliminary Placement Document and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action, if any,; or (vii) there are no reservations, qualifications or adverse remarks of auditors in their respective reports on our Audited Consolidated Financial Statements in the last five Fiscal Years immediately preceding the year of circulation of this Preliminary Placement Document and any other documents issued in relation to the Issue.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, our Subsidiaries, our Promoters or our Directors as the case may be, from third parties (excluding statutory/ regulatory/ governmental authorities or notices threatening criminal action) shall not, unless otherwise decided by the board of directors of the Company, be considered material until such time that the relevant party, as the case may be, is *impleaded as a defendant in litigation before any judicial or arbitral forum.*

Capitalised terms used herein shall, unless otherwise specified, have the same meanings ascribed to such terms in this section.

I. Litigations involving our Company

A. Criminal Proceedings involving our Company

Criminal Proceedings filed by our Company

1. Our Company ("the Complainant") has filed an application bearing number COMI-186-2022, under Section 156(3) of the Criminal Procedure Code before the Court of Judicial Magistrate First Class, Gurugram, against Saurabh Gehlot (the "**Accused**") for offences under Sections 403, 408, 418, 420 and 427 of the Indian Penal Code upon discovering that the Accused, during his tenure of employment in our Company, was charging commission from the labour contractors in return of promise to engage their services. He was charging an amount of ₹ 2 per piece as commission from the contractor and had duped the Company for a total amount aggregating to ₹ 20.00 lakhs. The matter is currently pending.

Criminal Proceedings filed against our Company

Nil

B. Material Civil Proceedings involving our Company

Civil Proceedings filed by our Company

1. Our Company (the "**Petitioner**") has filed a special leave petition ("**SLP**") bearing number13544/2010 on April 21, 2010, against the Union of India (Ministry of Textile & Ministry of Commerce), Chief Controller of Imports & Exports and the Apparel Export Promotion Council (the "**Respondents**") before the Hon'ble Supreme Court of India, challenging the order passed by the Division Bench of the High Court of Delhi (the "**Division Bench**") in LPA No. 281/2008 dated January 19, 2010 (the "**Impugned Order**") vide which the appeal filed by the Union of India against our Company was allowed and the earlier common order dated January 10, 2008 (the "**Earlier Common Order**") passed by the Single Judge of the High Court of Delhi (the "**Single Judge**") in WP (C) No. 3905 of 2000 filed by the Company (the "**Writ Petition**") was reversed on grounds of technical delays and latches in filing the Writ Petition. A Writ Petition was filed before the High Court of Delhi challenging a public notification bearing number 28-ETC(PN)/87 dated October 15, 1987 issued by the Government of India relating to scheme for exports of garments and knitwear to several countries from January 1, 1983 to December 31, 1990 the scheme was struck down as unconstitutional by the Division Bench of High Court of Delhi vide a detailed judgement dated February 22, 1989. Before any refund could be obtained, the Union of India filed a SLP before the Hon'ble Supreme Court but subsequently the Union of India did not peruse the SLP and the SLP was dismissed on the ground of non-prosecution vide order dated November 23, 1995. Our Company paid an amount of ₹ 43,26,368/- and demanded a refund in terms of the order of the Hon'ble High Court, however, the same was not acceded to. Our Company filed a Writ Petition bearing no. W.P. (C) 3905/2000. The Hon'ble High Court allowed the Writ Petition of our Company vide its order dated January 10, 2008 and directed the Respondents to refund the premium collected along with 10% interest per annum with effect from February 22, 1989. The Respondents however challenged the order passed by the Single Judge in the Writ Petition and filed a LPA bearing no. 281/2008 which was allowed vide order dated January 10, 2008, on the grounds that it was incorrectly allowed. Our Company has challenged The matter is currently pending.

2. Our Company (the "**Petitioner**") has filed a Regular Second Appeal bearing number no. 4423 of 2015 dated May 8, 2015 before the High Court of Punjab and Haryana at Chandigarh against the State of Haryana through Collector and the Land Acquisition Collector (the "**Respondent**"), challenging the order dated March 30, 2015, passed by Ld. Additional District Judge, Gurugram. Our Company is seeking enhancement of the compensation as per the industrial rates. In the present matter, the Respondents acquired land admeasuring 1.087 acres situated within the revenue estate of village Narsinghpur, Teshsil, district Gurgaon at public expenses for the public purpose namely for the development and utilization of land for 90 meters wide southern periphery road along with 30 meters wide green belt on both sides from National Highway no. 8 up to sector 72 at Gurgaon. Earlier, the Additional District Judge, Gurgaon, awarded enhanced

compensation at the rate of ₹ 1,30,68,800 per acre along with other statutory benefits. The matter is currently pending.

3. Our Company (the "**Claimant**") has filed a claim petition dated March 23, 2021 vide case no. 205/NHAI/ARBITRATOR, before the Learned Deputy Commissioner, Gurugram- Cum-Arbitrator (the "**Claim**") under Section 3 G (5) of the National Highway Act, 1956 (the "**Act**") against the State of Haryana and National Highway Authority of India (the "**NHAI**"), (collectively referred to as the "**Respondents**") being aggrieved by the award dated June 24, 2020 (the "**Impugned Award**"). In the present matter, the Claimant was the owner of the land measuring 0.1625 acre situated in the revenue estate of village Narsinghpur, Gurugram, Haryana, the Respondent acquired land for the public purpose for building, widening/ six lane, etc., maintenance, management and operation of Dwarka Expressway (National Highway No, 248-BB) on the stretch of land. Further, the Sub Divisional Officer (Civil)- cum- Competent Authority (Land Acquisition), announced a compensation at the rate of ₹ 2,07,70,000 per acre in favour of the Claimant in lieu of acquisition of the land. Being aggrieved, the Claimant has filed the present Claim seeking enhanced compensation. The matter is currently pending for passing of award.

4. Our Company (the "**Claimant**") has filed a claim petition dated July 29, 2022 vide case no. 40/NHAI/ARBITRATOR, before the Learned Deputy Commissioner, Gurugram- Cum-Arbitrator (the "**Claim**") under Section 3 G (5) of the National Highway Act, 1956 (the "**Act**") against the State of Haryana and National Highway Authority of India (the "**NHAI**"), (collectively referred to as the "**Respondents**") being aggrieved by the award dated July 14, 2020 (the "**Impugned Award**"). In the present matter, the Claimant was the owner of the land measuring 0.05 acres situated in the revenue estate of village Narsinghpur, Gurugram, Haryana, the Respondent acquired land for the public purpose for building, widening/ six lane, etc., maintenance, management and operation of Dwarka Expressway (National Highway No, 248-BB) on the stretch of land. Further, the Sub Divisional Officer (Civil)- cum- Competent Authority (Land Acquisition), announced a compensation at the rate of ₹ 2,14,71,000 per acre in favour of the Claimant in lieu of acquisition of the land. Being aggrieved, the Claimant has filed the present Claim seeking enhanced compensation. The matter is currently pending for passing of award.

5. Our Company (the "**Claimant**") has filed a claim petition dated February 10, 2020 vide case no. 78/NHAI/ARBITRATOR, before the Learned Deputy Commissioner, Gurugram- Cum-Arbitrator (the "**Claim**") under Section 3 G (5) of the National Highway Act, 1956 (the "**Act**") against the State of Haryana and National Highway Authority of India (the "**NHAI**"), (collectively referred to as the "**Respondents**") being aggrieved by the award dated May 9, 2019 (the "**Impugned Award**"). In the present matter, the Claimant was the owner of the land measuring 0.23125 acres situated in the revenue estate of village Narsinghpur, Gurugram, Haryana, the Respondent acquired land for the public purpose for building, widening/ six lane, etc., maintenance, management and operation of Dwarka Expressway (National Highway No, 248-BB) on the stretch of land. Further, the Sub Divisional Officer (Civil)- cum- Competent Authority (Land Acquisition), announced a compensation at the rate of ₹ 2,28,94,000 per acre in favour of the Claimant in lieu of acquisition of the land. Being aggrieved, the Claimant has filed the present Claim seeking enhanced compensation. The matter is currently pending for passing of award.

6. Our Company (the "**Decree Holder**") has filed an execution petition (the "**Execution Petition**") before the Court of Learned District Judge, District & Sessions Judge, Gurugram, against National Highways Authority of India (the "**NHAI**" or "**Judgment Debtor**") on February 15, 2024, seeking execution of arbitral award dated December 29, 2020 (the "**Arbitral Award**") passed in Case No. 41/NHAI/ARBITRATOR passed by the Learned Deputy Commissioner, Gurugram-cum-Arbitrator ("**the Arbitrator**"). The Arbitrator awarded an enhancement compensation at the rate of ₹ 4, 52,54,000 per acre along with other statutory benefits. Despite passing of the Arbitral Award, the Judgement Debtor has failed to make payments of the enhanced compensation amount along with statutory benefits in addition to the accrued interest. Through the present Execution Petition, our Company is seeking realisation of an amount of ₹ 3,301.91 lakhs along with pendente lite interest at the rate of 15% per annum. The matter is currently pending for execution.

Civil Proceedings filed against our Company

1. Om Prakash (the "**Appellant**") has filed a R.S.A No. 3321 of 2019 (the "**Regular Second Appeal**") dated July 4, 2019, against our Company (the "**Respondent**") before the High Court of Punjab and Haryana at Chandigarh. Under the Regular Second Appeal, the Appellant has challenged the judgement dated March 6, 2019, passed by the Learned District Judge, Gurgaon, as well as judgement dated April 4, 2015, passed

by the Civil Judge, Gurgaon. While under both the judgements, our Company was declared to be having clear, claim and title over the piece of land. However, the Appellant through the Regular Second Appeal is claiming that he is the Pattedar of the same land. The matter is currently pending.

Labour disputes matters

1. There are 16 labour disputes filed by the erstwhile employees of our Company (the "**Applicants**") under the Industrial Disputes Act, 1947, who were terminated from their services by our Company on account of on account of reasons such as misconduct, misbehavior, and absenteeism on their part. The matters are currently pending at different stages of adjudication before various forums.

C. Actions taken by Regulatory and Statutory Authorities against our Company

Nil

II. Litigations involving our Subsidiaries

A. Criminal Proceedings involving our Subsidiaries

Criminal Proceedings filed by our Subsidiaries

Nil

Criminal Proceedings filed against our Subsidiaries
Nil

B. Material Civil Proceedings involving our Subsidiaries

Civil Proceedings filed by our Subsidiaries

Nil

Civil Proceedings filed against our Subsidiaries

1. There is one labour dispute filed against our Subsidiary namely Pearl Global (HK) Limited ("**PGHK**") under Section 213 of the Bangladesh Labour Act, 2006 by an employee of the Subsidiary for the settlement of dues as the employee was expelled from the services on account of absenteeism from services without the permission of authorities of the PGHK and did not join despite serving complaint letter and notices. The matter is currently pending.

2. There are 3 labour disputes filed by the erstwhile employees of our Subsidiary namely Prudent Fashions Limited (the "**Applicants**") under the Bangladesh Labour Act, 2006, against dismissal. Further, there is a labour dispute filed by the erstwhile employee of our Subsidiary namely Norp Knit Industries Limited under the Bangladesh Labour Act, 2006 for seeking more termination benefits . The matters are currently pending.

III. Actions taken by Regulatory and Statutory Authorities against our Subsidiaries

Nil

IV. Litigations involving our Promoters

A. Criminal Proceedings involving our Promoters

Criminal Proceedings filed by our Promoters

Nil

Criminal Proceedings filed against our Promoters

Nil

B. Material Civil Proceedings involving our Promoters

Civil Proceedings filed by our Promoters

Nil

Civil Proceedings filed against our Promoters

Nil

C. Actions taken by Regulatory and Statutory Authorities against our Promoters

Nil

V. Litigations involving our Directors

A. Criminal Proceedings involving our Directors

Criminal Proceedings filed by our Directors

Nil

Criminal Proceedings filed against our Directors

Nil

B. Material Civil Proceedings involving our Directors

Civil Proceedings filed by our Directors

Nil

Civil Proceedings filed against our Directors

Nil

C. Actions taken by Regulatory and Statutory Authorities against our Directors

As on the date of this Preliminary Placement Document, there are no action taken by regulatory and statutory authorities against our Directors.

VI. Inquiries, inspections, or investigations under the Companies Act initiated or conducted in the last three years or prosecutions filed, fines imposed or compounding of offences in the last three years in respect of the Company or its Subsidiaries

There have been no inquiries, inspections or investigations initiated or conducted against our Company or our Subsidiaries under the Companies Act, 1956 or the Companies Act in the last three years immediately preceding the year of issue of this Preliminary Placement Document, nor have there been any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company or our Subsidiaries.

VII. Details of acts of material frauds committed against our Company in the last three years, if any and if so, the action taken by our Company

There have been no material frauds committed against our Company in the last three years preceding the date of this Preliminary Placement Document.

VIII. **Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operation**

There are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.

IX. **Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon**

As on the date of this Preliminary Placement Document, our Company has no outstanding defaults in repayment of undisputed statutory dues, dues payable to holders of any debentures and interest thereon, deposits and interest thereon and loans and interest thereon from any bank or financial institution.

X. **Details of defaults in annual filing of our Company under the Companies Act and the rules made thereunder**

As on the date of this Preliminary Placement Document, our Company has not made any default in filings of our Company under the Companies Act and the rules made thereunder.

XI. **Reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of issue of this Preliminary Placement Document and their impact on the financial statements and financial positions of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks**

Except as disclosed in the section, "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 96, there are no reservations, qualifications, or adverse remarks of the Statutory Auditor in their report on audited consolidated financial statements or audited standalone financial statements for last five Fiscals preceding the date of this Preliminary Placement Document.

XII. **Tax Proceedings**

We have set out below claims relating to direct and indirect taxes involving our Company, Subsidiaries, Directors and Promoters in a consolidated manner giving details of number of cases and total amount involved in such claims:

Nature of case	Number on cases	Amount involved (₹ in lakhs)*
Company		
Direct Tax	7	32.40
Indirect Tax	1	33.44
Total	8	65.84
Subsidiaries		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	Nil	Nil
Directors		
Direct Tax	2	1003.46
Indirect Tax	Nil	Nil
Total	Nil	Nil
Promoters		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	Nil	Nil

**To the extent quantifiable.*

GENERAL INFORMATION

- Our Company was incorporated as '*Mina Estates Private Limited*' under the provision of Companies Act, 1956, pursuant to the certificate of incorporation dated July 5, 1989, issued by Registrar of Companies, Delhi and Haryana, located at New Delhi (the "**RoC**"). Subsequently, the name of our Company was changed to '*House of Pearl Fashions Private Limited*' pursuant to a special resolution of the shareholders of the Company at an extraordinary general meeting held on May 9, 2006 and a fresh certificate of incorporation consequent upon the change of name was granted on June 19, 2006, by the RoC. Our Company became a public limited company pursuant to a special resolution passed by the shareholders of our Company at an extraordinary general meeting held on June 28, 2006. Pursuant to this special resolution, the name of our Company was changed to '*House of Pearl Fashions Limited*' and a fresh certificate of incorporation was issued by the RoC consequent upon change of name on conversion to public limited company on July 31, 2006. Subsequently, the name of our Company was changed to its present name '*Pearl Global Industries Limited*' pursuant to a special resolution of the shareholders of the Company at through Postal Ballot on March 10, 2012, and a fresh certificate of incorporation consequent upon the change of name was granted on March 20, 2012, by the RoC.

- The registered office of our Company is located at C17/1 Paschimi Marg, Vasant Vihar, South West Delhi, New Delhi – 110 057, India.

- The corporate office of our Company is located at Pearl Tower, Plot No. 51, Sector 32, Gurugram, Haryana – 122 001, India.

- The CIN of our Company is L74899DL1989PLC036849.

- The website of our Company is www.pearlglobal.com.

- The Equity Shares of our Company are listed on BSE and NSE since February 15, 2007.

- The Issue has been approved by our Board of Directors on November 8, 2023 subject to approval of the shareholders. Subsequently, our Shareholders, through special resolution, approved the Issue on December 19, 2023.
.
- Our Company has received in-principle approvals under Regulation 28(1)(a) of the SEBI Listing Regulations to list the Equity Shares on the NSE and the BSE, each dated July 15, 2024. Our Company will make applications to the respective Stock Exchanges to obtain final listing and trading approvals for the Equity Shares after Allotment of the Equity Shares in the Issue.

- In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed ICRA Analytics Limited as the Monitoring Agency, for monitoring the utilisation of the proceeds in relation to the Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

- Copies of the Memorandum and Articles of Association will be available for inspection during usual business hours on any weekday between 10.00 A.M. to 5.00 P.M. (except public holidays) at our Corporate Office.

- No change in the control of our Company will occur consequent to the Issue.

- Except as disclosed in this Preliminary Placement Document, our Company has obtained necessary consents, approvals and authorizations required in connection with the Issue.

- Except as disclosed in this Preliminary Placement Document, there has been no material change in our financial or trading condition since March 31, 2024, the date of the latest audited financial statements prepared and included herein.

- Except as disclosed in this Preliminary Placement Document, there are no material litigation or arbitration proceedings pending against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which may have a material adverse effect on the Issue. For further details, see "*Legal Proceedings*" on page 281.

- There have been no defaults in the annual filings of our Company under the Companies Act or the rules made thereunder.

- Our Company Secretary and Compliance Officer is Shilpa Budhia. Her contact details are as follows:

  Shilpa Budhia
  Telephone: + (91) 124 4651000
  E-mail: company.secretary@pearlglobal.com

- The Floor Price for the Issue is ₹ 748.68 per Equity Share, calculated in accordance with Regulation 176 of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations and in accordance with the approval of the Shareholders accorded through their resolution passed on December 19, 2023.

- Our Company and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including our website, would be doing so at his or her own risk.

- Our Company is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and Rule 19A of the SCRR.

- Our Company has obtained necessary consents, approvals and authorizations required in connection with the Issue.

FINANCIAL STATEMENTS

S.R. DINODIA & Co. LLP
CHARTERED ACCOUNTANTS
K-39 Connaught Place, New Delhi-110001 INDIA
Ph. : +91-(0)11-4370 3300 Fax : +91-(0)11-4151 3666

Independent Auditor's Report

To The Members of Pearl Global Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Pearl Global Industries Limited** (hereinafter referred to as " the Holding Company") and its Subsidiaries (the Holding Company and its subsidiaries together referred as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statement, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditors on separate financial statements of subsidiaries audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, the consolidated profit (including Other Comprehensive Income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each key audit matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key Audit Matter	How our audit addressed the Key Audit Matter
Recognition, measurement, presentation and disclosures of revenues as per Ind AS 115 "Revenue from Contracts with Customers" In accordance with the requirements of Ind AS 115 - Revenue from Contracts with Customers, an entity shall recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. An asset is transferred when the customer obtains control of that asset. Revenue is one of the key measures of performance. Revenue is identified as an area of significant risk. As per the accounting policy, the Holding Company derives its revenue primarily from sale of garments with revenue recognised at a point in time when control of the goods has transferred to the customer. At the year end, management has to exercise significant judgement & control as the volume of transactions are high. Accordingly, Revenue Recognition is identified as a Key Audit Matter.	Our procedures included, but were not limited to the following: ✓ Assessed the appropriateness of the Holding Company's revenue recognition accounting policies as per Ind AS 115 -Revenue from Contracts with Customers. ✓ Obtained an understanding and assessed the design, implementation and operating effectiveness of key internal controls over recognition and measurement of revenue in accordance with customer contracts, including correct timing of revenue recognition. ✓ Performed substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year, verifying with the underlying documents i.e sales invoices, dispatch documents including shipping biil, Airway bill, bill of lading, forwarder cargo receipt etc. ✓ Performed cut off testing, on sample basis to ensure that the revenue from sale of goods is recognized in the appropriate period. ✓ Assessed manual journals posted to revenue to identify unusual items and tested the same on a sample basis. ✓ Performed analytical procedures for reasonableness of revenues disclosed vis-à-vis the direct and indirect costs involved. ✓ Considered adequacy of the Group's disclosures in respect of revenue and related estimates and judgements in the Consolidated Ind AS financial statements. Based on our procedures as mentioned above, we did not identify any findings that are significant for the financial statements as whole in respect of accounting, presentation and disclosure of Revenue Recognition.

Information other than Consolidated Financial Statements and Auditor's Reports thereon

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

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

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

S.R. DINODIA & CO. LLP. CHARTERED ACCOUNTANTS

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and Subsidiaries which are incorporated in India has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to which we are independent auditors to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the entities consolidated in the consolidated financial statements, which have been audited by other auditors, such other auditors are responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of six subsidiaries included in the consolidated financial statements whose financial statements reflect total assets (before eliminating of inter-company transaction of ₹ 12,363.80 lakh) of ₹ 140,840.53 lakh as at March 31,2024, total revenues (before eliminating of inter-company transaction of ₹ 102,303.88 lakh) of ₹ 369,686.40 lakh, total net profit after tax (before eliminating of inter-company transaction of ₹ Nil) of ₹ 15,612.76 lakh & total comprehensive income (before eliminating of inter-company transaction of ₹ (99.95) lakh) of ₹ ₹ 14,826.12 lakh for year ended March 31, 2024 respectively and total net cash inflow of ₹ 8,131.67 lakh for the year ended March 31, 2024, as considered in the consolidated financial statements. These financial statements and other information have been audited by other auditors whose reports have been furnished to us by the Management and our conclusion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of Regulation read with the Circulars, in so far as it relates to the aforesaid subsidiaries, are based on the reports of the other auditors and the procedures performed by us as stated in paragraph below.

(b) Further, of these subsidiaries, four subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's Management has converted the financial statements of such subsidiaries from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. Independent firm of Chartered Accountant have audited these conversion adjustments made by the Holding Company management in India. Our opinion in so far as it relates to the balances and affairs of such subsidiary companies located outside India are based on the report of other auditor in their respective countries and conversion adjustments prepared by the Management and audited by independent firm of Chartered Accountants of India.

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS

Our opinion on the consolidated financial statement is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

(c) The Consolidated Financial Statements also include the financial statements of one foreign subsidiary included in the consolidated financial statements, whose financial statements reflect total assets (before eliminating of inter-company transaction of ₹ 104.21 lakh) ₹ 2,177.24 lakh as at March 31,2024, total revenues (before eliminating of inter-company transaction of ₹ 2,036.63 lakh) of ₹ 7,731.76 lakh, total net profit after tax (before eliminating of inter-company transaction of ₹ Nil) of ₹ (31.30) lakh & total comprehensive income (before eliminating of inter-company transaction of ₹ Nil) of ₹ (28.01) lakh for the year ended March 31,2024 and net cash outflow of ₹ 333.22 lakh for the year ended March 31,2024, as considered in the consolidated financial statements, which have not been audited. These financial statements have been certified by the respective Management and furnished to us by Holding Company's Management. Our conclusion, in so far as it relates to the amounts included in respect of aforesaid subsidiary, is based solely on such financial statements. In our view and according to the information and explanations given to us by the Holding Company's Management, these financial statements are not material to the Group.

Our conclusion is not modified in respect of this matter with respect to our reliance on these unaudited financial statements of aforesaid subsidiary, as certified by the respective Management.

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in the paragraph 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order"/"CARO"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and CARO reports issued by respective statutory auditors of the subsidiaries which have been included in the consolidated financial statements of the Group & to which reporting under CARO is applicable, we report that there are no qualifications and adverse remarks in those CARO reports.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the auditor on a separate financial statement and the other information of the subsidiaries, as noted in the 'Other Matters' paragraph, we report to the extent applicable that:

I. We/ the other auditors whose reports we have relied upon have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.

II. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, except for the matters stated in the paragraph 2 (VIII) (f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 and that in respect of its one domestic subsidiary, instead of daily back-ups, periodic backups of books of account & other relevant documents have been maintained in the electronic format.

III. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

IV. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

V. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of the subsidiary's companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164 (2) of the Act.

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

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

VII. With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to these consolidated financial statements of the Holding Company and its subsidiaries incorporated in India, refer to our separate report in **Annexure – A.**

VIII. With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanation given to us and based on the report of other auditors as separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:

a) The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group - Refer Note No. 46 of the Consolidated financial statements.

b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2024.

c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries companies incorporated in India for the year ended March 31, 2024.

d)

i. The respective Managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited in the act have represented to us and the other auditors of such subsidiaries have reported that, to the best of its knowledge and belief, as disclosed in the Note 53 to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

ii. The respective Managements of the Holding Company and its subsidiaries incorporated in India have represented, that, to the best of its knowledge and belief, as disclosed in the Note 53 to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

iii. Based on such audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) & (ii) above, contain any material misstatement.

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

Further, the subsidiaries companies incorporated in India, consolidated in the group, have not declared any dividend during the year.

f) Based on our examination which included test checks, performed by us on the Holding Company and based on the consideration of reports of the component auditors of the subsidiaries which are Companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Holding Company and subsidiaries have used accounting software for maintaining its books of account which have a feature of recording audit

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software:

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

ii. In case of Holding Company, accounting software has been used for maintaining its payroll records. Audit trail feature at application layer as well as at database level is not available within the software configuration.

iii. In case of subsidiaries incorporated in India, in one subsidiary the feature of recording audit trail (edit log) facility has not been enabled throughout the year while in one subsidiary, the books of account are maintained manually, therefore, assessment and reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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

In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2024, has been paid/ provided by Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V of the Act.

For S.R. Dinodia & Co. LLP.
Chartered Accountants,
Firm's Registration Number 001478N/N500005

S.R. DINODIA & CO. LLP. * CHARTERED ACCOUNTANTS *

(Sandeep Dinodia)
Partner
Membership Number 083689
UDIN: 24083689BKBLTO6641

Place of Signature: New Delhi
Date: 20.05.2024

Annexure 'A' to the Independent Auditors' Report of even date on the Consolidated Financial Statement of Pearl Global Industries Limited

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

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to financial statements of Pearl Global Industries Limited (the "Holding Company") and its Subsidiaries, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls with reference to these consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion to the best of our information and according to the explanation given to us and based on consideration of the reports of the other auditors referred to in Other Matter paragraph below, the Holding and its Subsidiaries companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to these consolidated financial statements and such internal financial controls with reference to these consolidated financial statements were operating effectively as at March 31, 2024, based on the internal control criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

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

For S.R. Dinodia & Co. LLP.
Chartered Accountants,
Firm's Registration Number 001478N/N500005

S.R. DINODIA & CO. LLP. * CHARTERED ACCOUNTANTS

(Sandeep Dinodia)
Partner
Membership Number 083689
UDIN: 24083689BKBLTO6641

Place of Signature: New Delhi
Date: 20.05.2024

Pearl Global Industries Limited

Consolidated Balance Sheet as at March 31, 2024

(Amount in ₹ Lakh, unless otherwise stated)

Particulars	Note No.	As At March 31, 2024	As At March 31, 2023
I. Assets			
1. Non-current assets			
(a) Property, plant and equipment	4	36,918.69	28,822.60
(b) Capital work in progress	5	3,487.90	3,312.61
(c) Right of use asset	49	16,173.35	13,393.26
(d) Investment properties	6	5,643.04	5,736.05
(e) Goodwill	7	2,189.20	1,924.67
(f) Other Intangible assets	8	232.20	156.19
(g) Financial assets			
(i) Investment	9	2,996.65	5,415.10
(ii) Loans	10	8.85	27.16
(iii) Other financial assets	11	1,415.14	809.25
(h) Non current tax assets (net)	13	553.10	2,048.00
(i) Deferred tax assets (net)	12	253.52	138.49
(j) Other non current assets	14	780.68	163.61
Total Non-current assets		**70,652.33**	**61,946.99**
2. Current assets			
(a) Inventories	15	50,273.12	51,329.69
(b) Financial assets			
(i) Investments	9	-	562.16
(ii) Trade receivables	16	26,535.45	20,936.17
(iii) Cash and cash equivalents	17	32,795.29	25,614.50
(iv) Bank balances other than cash and cash equivalents	18	3,854.99	3,832.23
(v) Loans	10	2,264.32	2,538.00
(vi) Other financial assets	11	1,056.06	815.43
(c) Other current assets	14	11,114.71	10,489.02
Total current assets		**127,893.95**	**116,117.20**
Total Assets		**198,546.28**	**178,064.19**
II. Equity And Liabilities			
1. Equity			
(a) Equity share capital	19	2,179.18	2,166.39
(b) Other equity	20	78,023.55	70,080.17
Equity attributable to equity shareholders		**80,202.73**	**72,246.56**
Non - controlling interest		1,543.17	2,030.67
Total equity		**81,745.90**	**74,277.23**
2. Liabilities			
Non- current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	10,420.10	8,930.19
(ia) Lease Liabilities	49	12,666.79	9,682.32
(ii) Others financial liabilities	23	1,774.69	446.62
(b) Provisions	24	3,505.79	2,886.64
(c) Deferred tax liabilities	12	48.51	60.02
(d) Other non current liabilities	25	73.73	96.53
Total non- current liabilities		**28,489.61**	**22,102.32**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	34,094.82	35,908.24
(ia) Lease Liabilities	49	1,656.85	1,251.13
(ii) Trade payables	26		
Total outstanding due of micro enterprises and small enterprises		1,141.66	744.87
Total outstanding due of creditors other than micro enterprises and small enterprises		47,503.01	38,423.82

S.R. DINODIA & CO. LLP. * CHARTERED ACCOUNTANTS *

Pearl Global Industries Limited
Consolidated Balance Sheet as at March 31, 2024
(Amount in ₹ Lakh, unless otherwise stated)

Particulars	Note No.	As At March 31, 2024	As At March 31, 2023
(iii) Other financial liabilities	23	628.35	1,395.08
(b) Other current liabilities	25	1,912.92	1,937.03
(c) Provisions	24	663.77	140.97
(d) Current tax liabilities (net)	27	709.39	1,883.50
Total current liabilities		**88,310.77**	**81,684.64**
Total equity and liabilities		**198,546.28**	**178,064.19**
Summary of Material Accounting Policies	3		

The accompanying notes form an integral part of these consolidated financial statements

As per our Report of even date attached
For S. R. Dinodia & Co. LLP
Chartered Accountants
Firm's Registration Number 001478N/N500005

S.R. DINODIA & CO. LLP. CHARTERED ACCOUNTANTS

(Sandeep Dinodia)
Partner
Membership Number: 083689

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

(Pulkit Seth)
Vice-Chairman
DIN 00003044

(Pallab Banerjee)
Managing Director
DIN 07193749

(Sanjay Gandhi)
Group CFO
M. No. 096380

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

Shilpa Budhia

(Shilpa Budhia)
Company Secretary
M. No. ACS - 23564

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

Place of Signature: Gurugram
Date: May 20, 2024

Pearl Global Industries Limited

Consolidated Statement of Profit and Loss for the Year ended March 31, 2024

(Amount in ₹ Lakh, unless otherwise stated)

Particulars	Note No.	For the Year ended March 31, 2024	For the Year ended March 31, 2023
I **Income**			
Revenue from operations	28	343,615.11	315,840.92
Other income	29	3,236.87	2,280.99
Total income		**346,851.98**	**318,121.91**
II **Expenses**			
(a) Cost of materials consumed	30	154,692.59	149,241.21
(b) Purchases of stock-in-trade	31	16,384.97	18,901.73
(c) Changes in inventories of finished goods, stock in trade and work in progress	32	(1,288.70)	(5,192.84)
(d) Employee benefits expense	33	67,036.33	56,146.52
(e) Finance costs	34	8,331.33	6,517.89
(f) Depreciation and amortization expense	35	6,419.79	5,077.64
(g) Other expenses	36	76,009.56	71,190.80
Total expenses		**327,585.87**	**301,882.95**
III **Profit/ (loss) before exceptional items and tax (I-II)**		**19,266.11**	**16,238.96**
IV **Exceptional Items**	37	60.14	(1,345.96)
V **Profit/ (loss) before tax (III-IV)**		**19,205.97**	**17,584.92**
VI **Tax expense:**	12		
(a) Current tax		2,553.62	2,407.75
(b) Deferred tax		(217.53)	(127.29)
(c) Adjustment of tax relating to earlier periods		(42.48)	5.24
VII **Profit/(loss) for the year (V-VI)**		**16,912.36**	**15,299.22**
VIII **Other comprehensive income**	38		
(A) (i) Items that will not be reclassified to profit or loss			
(a) Re-measurement gains/ (losses) on defined benefit plans		5.31	(56.05)
(b) Gain on Bargain Purchase		67.76	506.98
(c) Changes in fair value of financial assets designated at fair value		(185.85)	(193.77)
(ii) Income tax on items that will not be reclassified to profit or loss		(26.87)	(0.53)
(B) (i) Items that will be reclassified to profit or loss			
(a) Foreign exchange translation reserve		(556.25)	(1,050.98)
(b) Fair valuation of investment in mutual fund		-	-
(c) Net movement in effective portion of cash flow hedge reserve		184.28	(595.46)
(d) Changes in fair value of financial assets designated at fair value		70.38	(64.01)
(ii) Income tax on items that will be reclassified to profit or loss		(46.38)	149.87
Other comprehensive income for the year, net of tax		**(487.62)**	**(1,303.95)**
IX **Total comprehensive income for the year, net of tax**		**16,424.74**	**13,995.27**
Profit Attribituable to:			
Equity shareholders		17,483.38	14,925.44
Non-controlling interests		(571.02)	373.78
Other comprehensive income attributable to:			
Equity shareholders		(565.93)	(1,284.13)
Non-controlling interests		78.31	(19.82)
Total comprehensive income attributable to:			
Equity shareholders		16,917.45	13,641.31
Non-controlling interests		(492.71)	353.96
X **Earnings per share: (Face value ₹ 5 per share)**	39		
1) Basic (amount in ₹)		40.26	34.45
2) Diluted (amount in ₹)		40.05	34.40
Summary of Material Accounting Policies	3		

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For S. R. Dinodia & Co. LLP

Chartered Accountants

Firm's Registration Number 001478N/N500005

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

(Sandeep Dinodia)

Partner

Membership Number: 083689

Place of Signature: New Delhi

Date: May 20, 2024

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

(Pulkit Seth)
Vice-Chairman
DIN 00003044

(Pallab Banerjee)
Managing Director
DIN 07193749

(Sanjay Gandhi)
Group CFO
M. No. 096380

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

Shilpa Budhia

(Shilpa Budhia)
Company Secretary
M. No. ACS - 23564

Place of Signature: Gurugram

Date: May 20, 2024

Pearl Global Industries Limited
Consolidated Statement of changes in equity for the year ended March 31, 2024
(All amounts are in ₹ Lakh, unless otherwise stated)

A. Equity Share Capital

As at April 1, 2022	2,166.39
Changes during the year	-
As At March 31, 2023	2,166.39
Changes during the year	12.79
As At March 31, 2024	2,179.18

B. Other Equity

Particulars	Reserve & Surplus							Items of other comprehensive income			Total Other Equity	Non-controlling interest	Total Equity
	General Reserve	Security Premium	Capital Redemption Reserve	Amalgamation Reserve	Capital reserve	Retained earnings	Share Based Payment Reserve	Change in investment through other comprehensive	Effective Portion of Cash Flow Hedge	Currency Translation Reserve			
Balance As at April 1, 2022	4,204.36	17,103.90	95.00	625.95	-	30,388.41	-	(35.11)	305.08	5,039.94	57,727.53	1,593.33	59,320.86
Profit / (loss) for the year	-	-	-	-	-	14,925.44	-	-	-	-	14,925.44	373.78	15,299.22
Gain on Bargain Purchase on subsidiary acquired during the year					506.98						506.98		506.98
Share based payment Reserve							259.51				259.51		259.51
Adjustments during the year	-	-	-		-	76.61	-	-	-	(2.97)	73.64	83.38	157.02
Net movement in effective portion of cash flow hedge reserve, net of tax effect									(445.59)		(445.59)		(445.59)
Remeasurement of the benefit plan, net of tax	-	-	-	-	-	(36.88)	-	-	-	-	(36.88)	(19.70)	(56.58)
Share Application Money	-	-	-	-	-	-	-	-	-	-		-	-
Other Comprehensive Income	-	-	-	-	-	-	-	(257.77)	-	(1,047.89)	(1,305.66)	(0.12)	(1,305.78)
Dividend paid	-	-	-	-		(1,624.80)		-	-	-	(1,624.80)	-	(1,624.80)
Balance As at March 31, 2023	4,204.36	17,103.90	95.00	625.95	506.98	43,728.78	259.51	(292.88)	(140.51)	3,989.08	70,080.17	2,030.67	72,110.84
Profit / (loss) for the year	-	-	-	-	-	17,483.38	-	-	-	-	17,483.38	(571.02)	16,912.36
Purchase on subsidiary acquired during the period												167.45	167.45
Gain on Bargain Purchase on subsidiary acquired during the year	-	-	-	-	67.76	-	-	-	-	-	67.76	-	67.76
Acquisition of non-controlling interest					(5,317.11)						(5,317.11)	(162.24)	(5,479.35)
Security Premium		591.75									591.75		591.75
Share based payment Reserve	-	-	-	-	-		639.68	-	-	-	639.68	-	639.68
Net movement in effective portion of cash flow hedge reserve, net of tax effect	-	-	-	-	-	-	-	-	137.90	-	137.90	-	137.90
Remeasurement of the benefit plan, net of tax effect	-	-	-	-	-	(59.31)	-	-	-	-	(59.31)	37.75	(21.56)
Other Comprehensive Income	-	-	-	-	-	-	-	(115.47)	-	(596.81)	(712.28)	40.56	(671.72)
Dividend paid	-	-	-	-	-	(4,888.39)	-	-	-	-	(4,888.39)	-	(4,888.39)
Balance As At March 31, 2024	4,204.36	17,695.65	95.00	625.95	(4,742.37)	56,264.46	899.19	(408.35)	(2.61)	3,392.27	78,023.55	1,543.17	79,566.72

Summary of Material Accounting Policies (Note No. 3)
The accompanying notes form an integral part of these financial statements

As per our Report of even date attached
For S. R. Dinodia & Co. LLP
Chartered Accountants
Firm's Registration Number 001478N/N500005

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

(Sandeep Dinodia)
Partner
Membership Number: 083689

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

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

(Pulkit Seth)
Vice-Chairman
DIN 00003044

(Pallab Banerjee)
Managing Director
DIN 07193749

(Sanjay Gandhi)
Group CFO
M. No. 096380

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

(Shilpa Budhia)
Company Secretary
M. No. ACS - 23564

Place of Signature: Gurugram
Date: May 20, 2024

Pearl Global Industries Limited

Consolidated Statement of Cash flows for the Year ended March 31, 2024

(Amount in ₹ Lakh, unless otherwise stated)

Particulars		For the Year ended March 31, 2024	For the Year ended March 31, 2023
Cash Flows From Operating Activities			
Profit before exceptional items and tax		19,205.97	17,584.93
Adjustments to reconcile profit before tax to net cash flows:			
Profit on sale of current investment - Mutual Fund		(379.50)	(97.05)
Rental Income		(723.63)	(751.10)
Interest Income		(739.95)	(436.38)
Interest Paid and other borrowing cost		8,319.50	6,499.74
Depreciation and amortization		6,419.79	5,077.63
Unwinding of discount on security deposit - Expense		11.83	18.15
Sundry balances written back		(104.39)	(91.51)
Provision written back		-	(98.50)
Loss/ (Gain) on lease modification		-	86.09
Allowance for bad and doubtful debts and Advances		219.37	151.07
Sundry balance written off		319.78	227.11
Grant Amortised during the year		(1.00)	(1.00)
Amortisation of deferred Rental Income		(14.89)	(19.36)
Unwinding of discount on security deposits - Income		(33.35)	(32.81)
Interest on Advance Paid		-	(827.00)
Provision for amount receivable (net of expected credit loss)		-	(2,122.92)
Dividend Income		(8.14)	36.54
Fair value loss /(gain) on financial assets measured at fair value through profit and loss		-	13.19
Stock compensation expenses		860.85	270.51
Foreign exchange translation		(556.25)	(1,118.55)
Operating Profit Before Working Capital Changes		**32,795.99**	**24,368.79**
Changes In Operating Assets And Liabilities:			
(Increase)/Decrease in other non-current financial assets		(591.00)	306.44
(Increase)/Decrease in other non-current assets		(478.29)	(16.99)
(Increase)/Decrease in Inventories		1,056.57	2,628.49
(Increase)/Decrease in Trade Receivables		(6,105.08)	15,630.35
(Increase)/Decrease in other current financial assets		(109.09)	(237.78)
(Increase)/Decrease in other current assets		(625.69)	3,485.55
Increase/(Decrease) in other non-current financial liabilities		1,328.07	205.69
Increase/(Decrease) in non-current provisions		597.59	402.50
Increase/(Decrease) in other non-current liabilities		(21.81)	(2,908.54)
Increase/(Decrease) in Trade Payables		9,580.37	(4,608.60)
Increase/(Decrease) in other current financial liabilities		(678.52)	(5.98)
Increase/(Decrease) in current provisions		522.80	(103.84)
Increase/(Decrease) in other current liabilities		(24.11)	988.51
Cash Generated From Operations		**37,247.80**	**40,134.59**
Direct Tax paid (Net of Refunds)		(2,099.36)	(2,312.36)
Cash flow before exceptional items		**35,148.44**	**37,822.23**
Exceptional items		60.14	(1,345.96)
Net Cash Inflow From/(Used In) Operating Activities	(A)	**35,208.58**	**36,476.27**
Cash Flows From Investing Activities			
Purchase of property, plant and equipment (including ROU, net of Lease Liabilities)		(12,376.16)	(6,777.07)
Sale proceeds of property, plant and equipment		656.67	4,748.91
(Increase)/Decrease in Capital work in progress		(175.29)	(1,791.11)
Sale proceeds of Investment Properties		-	168.44
Purchase of Investment Properties		(45.76)	-
Purchase of Intangible assets including Goodwill		(375.38)	(254.63)
(Increase)/decrease in capital advances		(138.78)	121.66
Increase/(decrease) in capital creditor		31.32	31.37
(Increase)/Decrease in non-current Investments		2,302.98	(735.93)
(Increase)/Decrease in current Investments		941.66	67.15
Capital reserve on acquisition of Subsidiary		67.76	-
Proceeds from NCI		167.45	184.36
Acquisition of non-controlling interest		(5,479.35)	
(Increase)/Decrease in non-current Loans		18.31	97.85
(Increase)/Decrease in current Loans		273.68	921.46
(Increase)/Decrease in bank deposit		(22.76)	(539.84)
Interest Income		739.95	436.38
Rental Income		592.11	751.10
Dividend Income		8.14	
Net Cash From/ (Used In) Investing Activities	(B)	**(12,813.45)**	**(2,569.90)**

S.R. Dinodia & Co. LLP * Chartered Accountants *

Pearl Global Industries Limited
Consolidated Statement of Cash flows for the Year ended March 31, 2024
(Amount in ₹ Lakh, unless otherwise stated)

Particulars		For the Year ended March 31, 2024	For the Year ended March 31, 2023
Cash Flows From Financing Activities			
Issue of share capital (inclusive of security premium)		383.47	-
Increase/ (Decrease) in Long Term Borrowings		1,489.91	(3,452.62)
Lease Rental Paid		(3,438.56)	(2,135.82)
Increase/ (Decrease) in Short Term Borrowings		(1,813.52)	(8,123.13)
Dividend Paid		(4,881.89)	(764.39)
Interest paid (net)		(6,953.75)	(5,500.97)
Net cash inflow from/(used in) Financing Activities	(C)	**(15,214.34)**	**(19,976.93)**
Net Increase (Decrease) In Cash And Cash Equivalents (A+B+C)		**7,180.79**	**13,929.42**
Opening Balance of Cash and Cash Equivalents		25,614.50	11,685.08
Total Cash And Cash Equivalent (Note 17)		**32,795.29**	**25,614.50**
Components Of Cash And Cash Equivalents			
Cash, Cheque/drafts on hand		317.51	73.55
With banks - on current account		18,278.53	20,075.91
With banks - on deposits with banks		14,199.25	5,465.04
Total Cash and Cash Equivalent ((Note 17)		**32,795.29**	**25,614.50**

Note :

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

b) For the Increase/ (Decrease) in liabilities arising from financing activities in respect of non-cash transactions, refer respective standalone financial statements of holding company & subsidiary companies.

Summary of Material Accounting Policies 3

The accompanying notes form an integral part of these consolidated financial statements

As per our Report of even date attached

For S. R. Dinodia & Co. LLP
Chartered Accountants
Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)
Partner
Membership Number: 083689

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

(Pallab Banerjee)
Managing Director
DIN 07193749

(Pulkit Seth)
Vice-Chairman
DIN 00003044

(Sanjay Gandhi)
Group CFO
M. No. 096380

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

(Shilpa Budhia)
Company Secretary
M. No. ACS - 23564

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

Place of Signature: Gurugram
Date: May 20, 2024

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

Note 1: Corporate Information

Pearl Global Industries Limited is a public limited company domiciled in India and incorporated under the provisions of the Companies Act,1956, and now under the Companies Act, 2013. The holding company along with its subsidiaries (collectively referred to as "the Group"), is primarily engaged in manufacturing, sourcing, distribution and export of ready to wear apparels through its domestic and global facilities and operations. The shares of the company are listed on BSE Limited and National Stock Exchange of India Limited in India.

The Consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 20, 2024.

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

Name of company	Country of incorporation	Principal activities	Proportion (%) of equity interest	
			As At March 31, 2024	As At March 31, 2023
Subsidiaries				
Pearl Global Industries Limited	India	Manufacturing and trading of garments	Holding Company	Holding Company
Pearl Global Kaushal Vikas Limited	India	Skill development	100.00	100.00
SBUYS E-Commerce Limited	India	Online Trading of garments	100.00	100.00
Sead Apparels Private Limited	India	Trading of garments	100.00	-
Pearl Global Fareast Limited	Hong Kong	Trading of garments	100.00	100.00
Pearl Global (HK) Limited	Hong Kong	Trading of garments	100.00	100.00
Norp Knit Industries Limited	Bangladesh	Manufacturing and trading of garments	99.99	99.99
Pearl Global USA Inc.	USA	Trading and marketing of garments	100.00	100.00
Pearl GT Holdco Limited	BVI	Manufacturing and trading of garments	55.00	-

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

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

Going Concern

The board of directors have considered the financial position of the group at March 31, 2024 and the projected cash flows and financial performance of the group for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

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

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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the holding company.

Basis of Consolidation:-

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

i) The consolidation financial statements of the group and its subsidiary companies have been prepared in accordance with the Ind AS 110 "Consolidated financial statements", on a line-by-line basis by adding together the book values of like items of assets, liabilities, income, and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group (including consideration to materiality impact, if any).

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

ii) The difference of the cost of investment in subsidiaries over its share in the equity of the investee group as at the date of acquisition of stake is 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 as at reporting date.

Non-controlling interests in the net assets of consolidated subsidiaries consists of:

- The amount of equity attributable to Non-controlling interests at the date on which investment in a subsidiary is made; and
- The Non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence. The profit and other comprehensive income attributable to Non-controlling interests of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

iv) The Consolidated Financial Statements are presented, to the extent possible, in the same format as adopted by the Holding Group for its individual financial statements.

v) Translation of Financial Statements of Foreign Operations

- In view of Ind As-"21" 'The effects of Changes in Foreign Exchange Rates', the operations of all the foreign subsidiaries are identified as non integral operations of the Group in the current year and translated into Indian Rupee (₹).

- The Assets and Liabilities of Foreign operations, including Goodwill/ Capital Reserve arising on consolidation, are translated in Indian Rupee (₹) at foreign exchange rate at closing rate ruling as at the balance sheet date and the revenue and expenses of foreign operations are translated in Indian Rupee (₹) at yearly average currency exchange rate, of the respective years.

- Foreign exchange differences arising on translation of "Non-integral Foreign Operations" are 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.

The revenue and expenses of foreign operations are translated in Indian Rupee (INR) at yearly average currency exchange rate, of the respective years.

Note 3: Material accounting policies

a) **Material accounting judgements, estimates and assumptions**

In preparing these financial statements, Management has made judgements, estimates and assumptions that affect the application of the group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

Use of Estimates and Judgements

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

i) Income taxes

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

ii) Contingencies

Contingent Liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal and other claims. By virtue of their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgements and the use of estimates regarding the outcome of future events.

iii) Recoverability of deferred taxes

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment.

iv) Defined benefit plans

The present value of the gratuity and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the actuary considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

v) Useful lives of property, plant and equipment

The group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

vi) Leases

Where the group is the lessee, key judgements include assessing whether arrangements contain a lease and determining the lease term. To assess whether a contract contains a lease requires judgement about whether it depends on a specified asset, whether the group obtains substantially all the economic benefits from the use of that asset and whether the the group has a right to direct the use of the asset. In order to determine the lease term judgement is required as extension and termination options have to be assessed along with all facts and circumstances that may create an economic incentive to exercise an extension option, or not exercise a termination option. The group revises the lease term if there is a change in the non-cancellable period of a lease. Estimates include calculating the discount rate which is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

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

vii) Amortisation of Government Grants

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

viii) Impairment of financial instruments

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

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

b) Current versus non-current classification

The group presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets:

An asset is treated as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle.

b) Held primarily for the purpose of trading

c) Expected to be realised within twelve months after the reporting period, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Liabilities:

A liability is current when:

(a) It is expected to be settled in normal operating cycle

(b) It is held primarily for the purpose of trading

(c) It is due to be settled within twelve months after the reporting period, or

(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle: The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

c) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the group, liabilities assumed by the group to the former owners of the acquiree and the equity interests issued by the group in exchange for control of the acquiree. For each business combination, the group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.
If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in statement of profit and loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

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

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The group performs its annual impairment test of goodwill as at 31 March. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

d) Property, Plant and Equipment (PPE) and Depreciation

Property, plant and equipment and capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct services, any other costs directly attributable to bringing the assets to its working condition for their intended use and cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When parts of an item of PPE having significant costs have different useful lives, then they are accounted for as separate items (major components) of property, plant & equipment.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss.
Transition to Ind AS: On transition to Ind AS, the Group has elected to continue with the carrying value of all its property, plant and equipment as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

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

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

Capital work in progress: Capital work in progress comprises the cost of fixed assets that are not ready for their intended use at the reporting date.

Cost comprises of purchase cost, related acquisition expenses, borrowing costs and other direct expenditure.

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

- Fixed asset costing upto ₹ 5,000 has been fully depreciated during the financial year
- Leasehold land has been amortised over the lease term.
- Freehold Land is not depreciated.

Depreciation Method, useful lives and residual values are reviewed at each financial year end and adjusted, if appropriate.

e) Investment Properties

Property that is held for rental yields or for capital appreciation or both, and that is not occupied by the group, is classified as investment property. Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any.

The group, based on technical assessment made by management, depreciates the building over estimated useful life of 60 years. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.
Transition to Ind AS: On transition to Ind AS, the Group has elected to continue with the carrying value of all its investment properties as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such investment properties.

f) Other Intangible assets

Recognition and measurement

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

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

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 April 01, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Subsequent Expenditure: Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in Statement of Profit and Loss as incurred.

Amortisation and useful lives: Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. The amortisation method, residual value and the useful lives of intangible assets are reviewed annually and adjusted as necessary.

g) **Borrowing costs**

Borrowing costs consists of interest and 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.

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.

h) **Foreign Currency Transactions and Translations**

Functional and presentational currency

The Consolidated financial statements are presented in Indian Rupees (₹). Items included in the Consolidated Financial statements of the Group are recorded using the currency of the primary economic environment in which the Group operates (the 'functional currency'). All the financial information presented in ₹ except where otherwise stated and the values are rounded to nearest lakh upto two decimal places.

Transactions and balances

Transactions in foreign currencies are translated into the functional currency of the group at the exchange rates at the date the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currencies are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost are not retranslated.

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

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

Group Companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

• assets and liabilities are translated at the closing rate at the date of that balance sheet

• income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions). On Consolidation, all resulting exchange differences on translation are recognised in other comprehensive income, that will be reclassified subsequently to statement of profit and loss.

i) **Revenue Recognition**

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

Revenue from contract with customers

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

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

The group assesses its revenue arrangements against specific recognition criteria like exposure to significant risks & rewards associated with the sale of goods or services. When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement are reviewed to determine each party's respective role in the transaction.

Specific revenue recognition criteria:

(i) Sale of products

Revenue from sale of products is recognised at the point in time when control of product is transferred to the customer. In case of Export sale, transfer of control generally takes place at the time of expected date of departure which is specified in airway bill / bill of lading.

(ii) Job work income

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

(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.

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

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

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

Contract balances
Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.
Trade receivables
A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Financial instruments – initial recognition and subsequent measurement.
Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Group performs under the contract.
Cost to obtain a contract
The Group does not capitalise costs to obtain a contract because majorly the contracts have terms that do not extend beyond one year. The Group does not have a significant amount of capitalized costs related to fulfilment.

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

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

iii) Inventories of raw material, work in progress, accessories & consumables are valued at cost (weighted average method) or at estimated net realizable value whichever is lower. WIP cost includes appropriate portion of allocable overheads. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.
iv) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on a item by item basis. Obsolete or slow moving inventories are identified from time to time and a provision is made for such inventories as appropriate on periodic basis.

k) Leases
The group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee
The group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether: (i) the contract involves the use of an identified asset (ii) the group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the group has the right to direct the use of the asset. The group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For these short-term and low value leases, the group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets as below:

i) Right-of-use assets
The group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets If ownership of the leased asset transfers to the group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease Liabilities
At the commencement date of the lease, the group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the group and payments of penalties for terminating the lease, if the lease term reflects the group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are included in other current and non-current financial liabilities.

(iii) Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. "Lease liability" and "Right of Use" asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

Group as a lessor

Leases for which the group is a lessor is classified as finance or operating lease. Leases in which the group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

l) **Employee's benefits**

Short term employee benefits: All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the group during an accounting period, the group recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences, bonus and ex-gratia etc. are recognised in statement of profit and loss in the period in which the employee renders the related service.

A liability is recognised for the amount expected to be paid after deducting any amount already paid under short-term cash bonus or profit-sharing plans if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. If the amount already paid exceeds the undiscounted amount of the benefits, the group recognises that excess as an asset /prepaid expense to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts.

Retirement benefits in the form of Provident Fund, Employee State Insurance Scheme and Labour Welfare Fund Scheme are defined contribution plans. The contributions paid/payable to government administered respective funds are recognised as an expense in the Statement of Profit and loss during the period in which the employee renders the related service.

Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.
The group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. The group accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation report using the projected unit credit method as at the year end.

The obligations are measured at the present value of the estimated future cash flows. The discount rate is generally based upon the market yields available on Government bonds at the reporting date with a term that matches that of the liabilities.
Re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest and if applicable), is reflected immediately in Other Comprehensive Income in the statement of profit and loss. All other expenses related to defined benefit plans are recognised in statement of profit and loss as employee benefit expenses. Re-measurements recognised in Other Comprehensive Income will not be reclassified to statement of profit and loss hence it is treated as part of retained earnings in the statement of changes in equity. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Curtailment gains and losses are accounted for as past service costs.

Other long term employee benefits

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

Employees Share Based Payment

Employees (including senior executives) of the group receive component of remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

m) **Provisions**

General

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
When the group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognised in the statement of profit and loss as a finance cost.
Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

n) **Financial instruments**

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

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

(i) Financial assets

Initial recognition and measurement
All financial assets are recognised initially at fair value, plus in case of financial assets not recorded at fair value through profit and loss (FVTPL), transaction cost that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in three categories:
- Financial Asset carried at amortised cost
- Financial Asset at fair value through other comprehensive income (FVTOCI)
- Financial Asset at fair value through profit and loss (FVTPL)

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

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

Financial asset at fair value through profit and loss (FVTPL)
A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

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

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

Subsequent measurement
For purposes of subsequent measurement, financial liabilities are classified in two categories:
- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit and loss (FVTPL)

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

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

(iii) Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the 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
Till March 31, 2019, the forward currency contracts were used to hedge foreign currency risks. 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. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

(v) Hedge Accounting
With effect from April 2019, the group adopted Hedge Accounting. The derivatives that are designated as hedging instrument under Ind AS 109 to mitigate risk arising out of foreign currency transactions are accounted for as cash flow hedges. The Group enters into hedging instruments in accordance with policies as approved by the Board of Directors with written principles which is consistent with the risk management strategy of the Group.

The hedge instruments are designated and documented as hedges at the inception of the contract. The effectiveness of hedge instruments is assessed and measured at inception and on an ongoing basis.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI, e.g., cash flow hedging reserve and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the statement of profit and loss. The amount accumulated is retained in cash flow hedge reserve and reclassified to profit or loss in the same period or periods during which the hedged item affects the statement of profit and loss.

If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument is terminated or exercised prior to its maturity/ contractual term, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is reclassified to the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified immediately in the statement of profit and loss.

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

o) Impairment of financial assets

The Group measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increases in credit risk. Expected credit loss is the weighted average of the difference between all contractual cash flows that are due to the Group in accordance with the contracts and all the cash flows that the Group expects to receive, discounted at original effective interest rate with the respective risk of defaults occurring as the weights.

p) Impairment of non-financial assets

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

An impairment loss is 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.

q) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
(a) In the principal market for the asset or liability, or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

r) Taxes

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.
Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

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

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

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

s) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash balance on hand, cash balance at banks and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

t) Statement of Cash flows

The statement of cash flows have been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows.

u) Earnings per share (EPS)

In determining earnings per share, the group considers the net profit after tax and includes the post tax effect of any extraordinary items.

Basic EPS amounts are calculated by dividing the profit for the year attributable to the shareholders of the group by the weighted average number of equity shares outstanding as at the end of reporting period.

Diluted EPS amounts are calculated by dividing the profit attributable to the shareholders of the group by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increase the earnings.

v) Government grants

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

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

w) Contingent liabilities and contingent assets

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

x) Research & development costs

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

y) Exceptional items

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

S.R. Dinodia & Co. LLP * Chartered Accountants *

[This page has been left blank intentionally]

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

Note 4 : Property, Plant and Equipment

Particulars	Land-Freehold	Land- Leasehold	Buildings	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Vehicles	Total
Gross carrying amount								
As at April 1, 2022	**2,701.20**	**711.25**	**7,945.01**	**2,031.04**	**23,783.25**	**2,573.87**	**1,372.34**	**41,118.00**
Add: Additions made during the year	177.46	-	40.88	1,198.93	2,646.66	358.64	370.78	**4,793.35**
Add: Business Combination	1,115.73	-	1,818.62	-	1,364.49	62.72	31.24	**4,392.80**
(Less): Disposals during the year	(113.24)	-	(103.10)	(58.30)	(609.83)	-	(244.19)	**(1,128.66)**
(Less)/Add: Adjustments during the year	(1.87)	-	153.43	(130.51)	779.42	30.53	34.13	**865.12**
As at March 31, 2023	**3,879.27**	**711.25**	**9,854.84**	**3,041.16**	**27,963.99**	**3,025.76**	**1,564.30**	**50,040.60**
Add: Additions made during the year	-	-	3,143.61	637.61	6,831.17	459.92	394.99	**11,467.30**
Add: Business Combination	-	-	505.74	50.33	341.71	162.39	-	**1,060.17**
(Less): Disposals during the year	64.96	-	(45.38)	-	(799.61)	-	(149.42)	**(929.45)**
(Less)/Add: Adjustments during the year	(24.22)	-	694.43	(709.49)	(451.16)	(41.87)	11.73	**(520.58)**
As at March 31, 2024	**3,920.01**	**711.25**	**14,153.24**	**3,019.61**	**33,886.10**	**3,606.20**	**1,821.60**	**61,118.04**
Accumulated depreciation								
As at April 1, 2022	-	**11.15**	**1,815.13**	**734.20**	**10,928.42**	**1,069.26**	**744.40**	**15,302.55**
Add: Depreciation charge for the year	-	8.19	352.31	273.17	2,111.68	264.51	167.03	**3,176.89**
Add: Business Combination	-	-	448.14	-	783.21	20.06	20.72	**1,272.13**
(Less): Disposals during the year	-	-	(31.48)	(4.41)	(568.62)	-	(184.72)	**(789.23)**
(Less)/Add: Adjustments during the year	-	-	242.47	23.44	1,804.68	146.01	39.07	**2,255.66**
As at March 31, 2023	-	**19.34**	**2,826.56**	**1,026.40**	**15,059.38**	**1,499.84**	**786.50**	**21,218.01**
Add: Depreciation charge for the year	-	8.20	678.69	289.20	2,386.84	296.87	164.97	**3,824.77**
Add: Business Combination	-	-	19.43	4.11	29.56	12.47	-	**65.57**
(Less): Disposals during the year	-	-	(6.38)	-	(208.46)	-	(64.36)	**(279.20)**
(Less)/Add: Adjustments during the year	-	-	(90.93)	(2.12)	(508.68)	(19.16)	(8.92)	**(629.81)**
As at March 31, 2024	-	**27.54**	**3,427.38**	**1,317.58**	**16,758.63**	**1,790.02**	**878.19**	**24,199.34**
Net Carrying Amount								
As at March 31, 2024	3,920.01	683.71	10,725.87	1,702.01	17,127.46	1,816.18	943.40	**36,918.69**
As at March 31, 2023	3,879.27	691.91	7,028.28	2,014.76	12,904.61	1,525.92	777.80	**28,822.60**

a) For Information on Property, plant and equipment pledged as security by the Group refer Note 21 & 22.

b) The above property, plant and equipment includes certain assets given on lease, details are as under:

Particulars	Plant and Equipment	Furniture and Fixtures	Total
As at March 31, 2024			
Gross carrying amount	27.77	21.22	48.99
Accumulated depreciation	(22.09)	(19.71)	(41.80)
Net carrying amount	**5.68**	**1.51**	**7.19**
As at March 31, 2023			
Gross carrying amount	27.77	21.22	48.99
Accumulated depreciation	(22.09)	(19.68)	(41.77)
Net carrying amount	**5.68**	**1.54**	**7.22**

Note 5 : Capital work in progress	**As At March 31, 2024**	**As At March 31, 2023**
Balance at the beginning of the year	3,312.61	1,521.50
Add: Addition made during the year	4,788.45	2,933.13
Less: (Disposals)/adjustments during the year	(4,613.16)	(1,142.02)
Balance at the end of the year	**3,487.90**	**3,312.61**

a) Breakup of Capital Work in Progress is as follows:	**As At March 31, 2024**	**As At March 31, 2023**
Building	1,740.39	3,234.68
Plant and Machinery	1,706.17	76.94
Furniture and Fittings	24.44	0.99
Other Expenses	16.90	-
	3,487.90	**3,312.61**

b(i) Ageing schedule of CWIP as at March 31, 2024

Particulars	**Amount in CWIP for a period of**				**Total**
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
Projects in progress	3,486.74	1.16	-	-	**3,487.90**
Projects temporarily suspended	-	-	-	-	-

b(ii) Ageing schedule of CWIP as at March 31, 2023

Particulars	**Amount in CWIP for a period of**				**Total**
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
Projects in progress	2,085.47	544.79	70.47	593.60	**3,294.34**
Projects temporarily suspended	18.27	-	-	-	**18.27**

c) There are no capital work in progress as at March 31, 2024 and March 31, 2023 whose completion is overdue or has exceeded its cost as compared to original plan except CWIP relating to PGIL(HK) as mentioned below:

Completion schedule of CWIP as at March 31, 2024

Particulars	**Amount in CWIP for a period of**				**Total**
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
Projects in progress					
Project 1 - PG(HK)	-	-	-	-	-

Completion schedule of CWIP as at March 31, 2023

Particulars	**Amount in CWIP for a period of**				**Total**
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
Projects in progress					
Project 1 - PG(HK)	233.11	-	-	-	**233.11**

d) During the year interest expense amounting to ₹ 16.90 lakh relating to capital expenditure has been transferred to capital work in progress. (March 31, 2023: Nil)

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

[This space has been left blank intentionally]

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

Note 6 : Investment Properties	Land freehold	Building	Total
Gross carrying amount			
As at April 1, 2022	**1,875.70**	**4,482.09**	**6,357.79**
Add: Additions made during the year	24.71	-	**24.71**
(Less): Disposals /adjustments during the year	-	(153.87)	**(153.87)**
As at March 31, 2023	**1,900.41**	**4,328.22**	**6,228.63**
Add: Additions made during the year	45.77	-	**45.77**
(Less): Disposals /adjustments during the year	(64.97)	-	**(64.97)**
As at March 31, 2024	**1,881.21**	**4,328.22**	**6,209.43**
Accumulated depreciation			
As at April 1, 2022	-	**453.30**	**453.30**
Add: Depreciation charge for the year	-	79.56	**79.56**
(Less): Disposals /adjustments during the year	-	(40.28)	**(40.28)**
As at March 31, 2023	-	**492.58**	**492.58**
Add: Depreciation charge for the year	-	73.81	**73.81**
(Less): Disposals /adjustments during the year	-	-	-
As at March 31, 2024	-	**566.39**	**566.39**
Net Carrying Amount			
As at March 31, 2024	1,881.21	3,761.83	5,643.04
As at March 31, 2023	1,900.41	3,835.64	5,736.05

	For the Year ended March 31, 2024	For the Year ended March 31, 2023
(a) Amounts recognized in statement of profit and loss for investment properties		
Rental Income	728.92	774.49
Less: Direct operating expenses of property that generated rental income	(62.05)	(69.17)
Income arising from Investment properties before charging depreciation	**666.87**	**705.33**
Less : Depreciation & amortisation	(73.81)	(79.56)
Income from Investment properties (net)	**593.06**	**625.77**
(b) Fair value of investment properties		
Estimation of fair value	**12,187.78**	**11,560.52**

The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, restrictive entry to the complex, age of building and trend of fair market rent. This valuation is based on valuations performed by an accredited independent valuer. Fair valuation is based on replacement cost method. The fair value measurement is categorised in level 2 fair value hierarchy.

S.R. Dinodia & Co. LLP Chartered Accountants

[This space has been left blank intentionally]

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

Note 7 : Goodwill	**As At March 31, 2024**	**As At March 31, 2023**
Goodwill on acquisition of subsidiaries	1,924.67	1,800.78
Add: Additions during the year (Refer note 52(a))	242.30	-
Add/(Less): Foreign Exchange Fluctuation	22.23	123.89
	2,189.20	**1,924.67**

Note 8 : Other intangible assets	**Computer Software**	**Total**
Gross carrying amount		
As at April 1, 2022	**322.84**	**322.84**
Add: Additions during the year	139.61	139.61
(Less): Disposals /adjustments during the year	(18.30)	(18.30)
As at March 31, 2023	**444.15**	**444.15**
Add: Additions during the year	110.85	110.85
Add: Business Combination	-	-
(Less): Disposals during the year	(10.32)	(10.32)
(Less)/ Add : Adjustments during the year	176.71	176.71
As at March 31, 2024	**721.39**	**721.39**
Amortisation and impairment		
As at April 1, 2022	**250.77**	**250.77**
Add: Amortisation charge for the year	37.61	37.61
(Less): Disposals /adjustments during the year	(0.44)	(0.44)
As at March 31, 2023	**287.94**	**287.94**
Add: Amortisation charge for the year	60.37	60.37
(Less): Disposals during the year	(8.73)	(8.73)
(Less)/ Add : Adjustments during the year	149.61	149.61
As at March 31, 2024	**489.19**	**489.19**
Net Carrying Amount		
As at March 31, 2024	**232.20**	**232.20**
As at March 31, 2023	**156.19**	**156.19**

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

[This page has been left blank intentionally]

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

Note 9: Investments	As At March 31, 2024	As At March 31, 2023
(I) Non Current Investment		
A. Equity Instruments		
At Fair value through profit and loss		
(Quoted)		
PDS Limited Nil, equity shares of ₹ 2 each fully paid up (March 31, 2023 : 250000, of ₹ 10 each fully paid up)	-	830.37
	-	**830.37**
B. Investments Others		
At Fair value through other comprehensive income		
Investment in Debt Instruments - (Unquoted)	696.95	915.47
Investment in equity shares-(Quoted)	-	1,222.93
Investment in key man insurance policy (Refer 'a' below)	2,299.23	2,444.70
	2,996.18	**4,583.10**
C. Investments in Government securities - (Unquoted)		
At Amortised cost		
Investments in Government securities Gold Sovereign Bond- 15 units of 1 gram each (March 31 2023: 22 units of 2 gram each and 15 units of 1 gram each) issued by Reserve Bank of India	0.47	1.63
	0.47	**1.63**
Total (A + B + C)	**2,996.65**	**5,415.10**

(II) Current Investment	As At March 31, 2024	As At March 31, 2023
A. Investments in mutual funds - (Quoted)		
At Fair value through profit and loss		
ICICI Prudential Short Term Fund DP Growth Nil units (March 31, 2023: 536068.057 units) Face Value of ₹ 10 per unit	-	291.45
IDFC Banking and PSU debt fund direct plan - growth Nil units (March 31, 2023: 1267806.9250 units) of Face Value of ₹ 10 per unit	-	270.71
	-	**562.16**
Aggregate book value of quoted investments	-	2,615.46
Aggregate market value of quoted investments	-	2,615.46
Aggregate value of unquoted investments	2,996.65	3,361.80
Aggregate amount of impairment in value of unquoted investments	-	-
Aggregate value of unquoted investments (net of impairment)	2,996.65	3,361.80

a) The amount invested in key man insurance policy by Pearl Global (HK) Limited has been pledged to bank to secure banking facilities by the said subsidiary.

b) The number of units and number of shares in note above represents absolute numbers.

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

[This page has been left blank intentionally]

Pearl Global Industries Limited
Notes to consolidated financial statements for the year ended March 31, 2024
(All amounts are in ₹ lakh, unless otherwise stated)

Note 10: Loans	Non - current		Current	
	As At March 31, 2024	As At March 31, 2023	As At March 31, 2024	As At March 31, 2023
(Unsecured, considered good unless otherwise stated)				
Loans to employees	8.85	11.60	99.92	80.25
Loans to related parties (Refer note no. 47)	-	-	-	100.00
Loans to others	-	15.56	2,164.40	2,357.75
Loans receivable from others - credit impaired	-	-	23.58	31.54
Less: Loss Allowance	-	-	(23.58)	(31.54)
	8.85	**27.16**	**2,264.32**	**2,538.00**

a) The group has no loans which have significant increase in credit risk and loans which are credit impaired. (Refer Note No. 44)

b) Details of Loans or Advances granted to promoters, directors, KMPs and the related parties :

Type of Borrower	As At March 31, 2024		As At March 31, 2023	
	Amount of Loan or Advance in the nature of loan outstanding	Percentage to Total Loan and Advances in the nature of Loan	Amount of Loan or Advance in the nature of loan outstanding	Percentage to Total Loan and Advances in the nature of Loan
Director	-	-	50.00	50.00%
KMP	-	-	50.00	50.00%
Related Parties	-	-	-	-

Note: Loans given to Director and KMP in the F.Y 2022-23 has been received back during the year. The interest rate was higher than the prevailing yield of Government security closest to the tenor of the loan. The loan facilities are made available by the company to all its employees.

Note 11 : Other financial assets	Non - current		Current	
	As At March 31, 2024	As At March 31, 2023	As At March 31, 2024	As At March 31, 2023
(Unsecured, considered good unless otherwise stated)				
Security deposits	1,328.62	756.15	960.55	692.31
Interest accrued but not due on				
- Term deposits	1.93	9.12	87.08	106.17
- Loan to related parties	-	-	-	3.51
Deposits with original maturity of more than 12 months (Refer note 18)	84.59	43.98	-	-
Other receivables (Refer note(a) below)	-	-	8.43	13.46
	1,415.14	**809.25**	**1,056.06**	**815.43**

Note:

a) Other receivables of ₹ 8.43 lakh represents amount receivable from bank on hedged instruments ₹ 5.87 lakh and Insurance claim receivables ₹ 2.56 lakh (March 31, 2023 : ₹ 13.46 lakh claim receivables from vendors)

[This space has been left blank intentionally]

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

Note 12: Income Tax

The major components of income tax expense for the years ended March 31, 2024 and March 31, 2023 are:

a) Income Tax recognised in Statement of Profit and Loss	**As At March 31, 2024**	**As At March 31, 2023**
Tax Expense:		
a) Current tax	2,553.62	2,407.75
b) Adjustments in respect of current income tax of previous year	(42.48)	5.24
c) Deferred tax	(217.53)	(127.29)
Income tax expense reported in the statement of profit or loss	**2,293.61**	**2,285.70**

b) Income Tax recognised in Other Comprehensive Income	**As At March 31, 2024**	**As At March 31, 2023**
Net loss/(gain) on remeasurements of defined benefit plans	(26.87)	(0.53)
Income tax on items that will be reclassified subsequently to statement of profit and loss	(46.38)	149.87
Income tax charged to OCI	**(73.25)**	**149.34**

c) Net Deferred Tax Asset/(Liability)	**As At March 31, 2024**	**As At March 31, 2023**
Recognised DTA- Pearl Global Industries Limited	163.65	71.95
Recognised DTA- Pearl Global (HK) Limited	31.52	66.54
Nop Knit Industries Limited	58.35	-
Total Deferred Tax Assets	**253.52**	**138.49**
Recognised DTL- Pearl Global (HK) Limited	48.51	60.02
Total Deferred Tax Liabilities	**48.51**	**60.02**

d) Reconciliation of Effective tax Rate and item wise movement of deferred tax

Since the holding company and its subsidiaries operates in different tax jurisdictions and has different tax laws, refer standalone financial statements of Holding Company and subsidiaries as at reporting date for effective tax reconciliation and item wise movement of deferred tax.

e) The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

[This page has been left blank intentionally]

Note 13 : Non current tax asset	**As At March 31, 2024**	**As At March 31, 2023**
Advance income tax (Net of provision of ₹ 2,186.53 lakh (March 31, 2023 : ₹ 3,083.74 lakh)	553.10	2,048.00
	553.10	**2,048.00**

Note 14 : Other assets	**Non - current**		**Current**	
	As At March 31, 2024	**As At March 31, 2023**	**As At March 31, 2024**	**As At March 31, 2023**
(Unsecured, considered good, unless otherwise stated)				
Capital advances (Refer note no. 46(b) for capital commitments)	245.55	106.77	-	-
Balance with government authorities	-	-	2,845.66	2,585.63
Balance with government authorities - considered doubtful	22.74	22.74	-	-
Less: Loss allowance	(22.74)	(22.74)	-	-
Deferred Assets- Security Deposit	0.26	-	0.78	10.26
Prepaid expenses	534.87	56.84	787.15	1,040.05
Export incentive receivable	-	-	3,206.89	3,193.86
Advances to suppliers - considered good	-	-	3,868.20	3,166.57
Advances to suppliers - considered doubtful			239.75	12.19
Less : Provision for doubtful advances			(239.75)	(12.19)
Other receivables - considered good (Refer note (a) below)	-	-	406.03	492.65
Other receivables - considered doubtful (Refer note (b) below)			2,639.50	2,639.50
Less: Loss allowance	-	-	(2,639.50)	(2,639.50)
	780.68	**163.61**	**11,114.71**	**10,489.02**

a) Other receivables considered good of ₹ 406.03 lakh (March 31 2023: ₹ 492.65 lakh) includes amount recoverable from employee gratuity trust, rent receivable and GST input credit which is not reflected in GST portal as on balance sheet date.
b) Other Receivables considered doubtful of ₹ 2639.50 lakh (March 31, 2023 ₹ 2639.50 lakh) includes enhanced compensation of ₹ 2,335.15 lakh receivable by the Company from National Highways Authority of India pursuant to land acquisition by the Central Government under National Highways Act, 1956 (Refer note 37). Also, it includes expenditure recoverable from Jharkhand State Livelihood Promotion Society (Ministry of Rural Development) regarding Project cost component for skilling candidates in state of Jharkhand of ₹ 304.35 lakh (March 31, 2023 : ₹ 304.35 lakh)

S.R. DINODIA & CO. LLP. * CHARTERED ACCOUNTANTS *

[This space has been left blank intentionally]

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

Note 15: Inventories	**As At March 31, 2024**	**As At March 31, 2023**
Raw materials	21,919.09	24,473.89
Good in transit- raw material	1,405.86	1,190.20
Work in progress	17,214.05	15,980.33
Finished goods	9,187.22	9,327.43
Scrap Stock	49.45	48.81
Stores spares & others	557.53	409.46
	50,333.20	**51,430.12**
Less: Provision on inventories (Finished Goods)	(60.08)	(100.43)
	50,273.12	**51,329.69**

a) Refer note 22 for information on above assets being pledged as security by the Group.

Note 16 : Trade Receivables	**As At March 31, 2024**	**As At March 31, 2023**
Considered good - secured	-	-
Considered good - unsecured	26,535.45	20,936.17
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	4.07	4.30
Less: Loss allowance	(4.07)	(4.30)
	26,535.45	**20,936.17**

a) Trade receivables ageing schedule as at March 31, 2024

Particulars	**Outstanding for following periods from due date of payment**						**Total**
	Not due	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
(i) Undisputed Trade receivables – considered good	25,505.86	1,013.15	7.24	9.20	-	-	**26,535.45**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Dispute Trade Receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	4.07	-	-	-	-	**4.07**
Less: Allowances for expected credit loss	-	(4.07)	-	-	-	-	**(4.07)**
Net Trade receivables	**25,505.86**	**1,013.15**	**7.24**	**9.20**	**-**	**-**	**26,535.45**

Trade receivables ageing schedule as at March 31, 2023

Particulars	**Outstanding for following periods from due date of payment**						**Total**
	Not due	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
(i) Undisputed Trade receivables – considered good	20,110.93	785.35	26.58	11.40	1.92	-	**20,936.17**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Dispute Trade Receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	0.16	4.04	0.10	-	-	-	**4.30**
Less: Allowances for expected credit loss	(0.16)	(4.04)	(0.10)	-	-	-	**(4.30)**
Net Trade receivables	**20,110.93**	**785.35**	**26.58**	**11.40**	**1.92**	**-**	**20,936.17**

b) The movement in allowance for bad and doubtful debts is as follows:	**As At March 31, 2024**	**As At March 31, 2023**
Balance as at beginning of the year	**4.30**	**756.25**
Loss Allowance during the year	-	-
Trade receivables written off / written back during the year	(0.23)	(751.95)
Balance as at the end of the year	**4.07**	**4.30**

c) Trade receivables are generally on terms of 30 - 90 days (March 31, 2023: 30-90 days).
d) The Group exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 44.
e) For information on trade receivables pledged as security, Refer note no. 21 & 22.
f) No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other persons.

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

Note 17 : Cash and cash equivalents	**As At March 31, 2024**	**As At March 31, 2023**
Balances with banks:		
- Current account	18,278.53	17,575.11
- Deposits with original maturity of less than 3 months	14,199.25	7,264.89
Cash on hand	192.32	60.31
Cheque/drafts on hand	125.19	714.19
Total	**32,795.29**	**25,614.50**

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

Note 18 : Bank balances other than cash & cash equivalents	**As At March 31, 2024**	**As At March 31, 2023**
Earmarked balances with banks		
Unpaid dividend account	34.59	28.09
Deposits with original maturity of more than 3 months but less than 12 months (Refer note 'a' below)	3,794.96	3,804.14
Deposits with original maturity of more than 12 months (Refer note 'a' below)	110.03	43.98
	3,939.58	**3,876.21**
Less: Amount disclosed under "other financial assets" (Refer Note No. 11)	(84.59)	(43.98)
	3,854.99	**3,832.23**

a) Refer note 21 & 22 for information on above assets being pledged as security by the Group.
b) The bank has created as lien/charge on any amount kept by the borrower time to time with the bank as term deposit and other deposit maximum upto ₹ 1810.36 lakh for Letter of credit issued and working capital for the Group (March 31, 2023: ₹ 843.41 lakh).

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

[This space has been left blank intentionally]

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

Note 19 : Share Capital	As At March 31, 2024	As At March 31, 2023
Authorised		
102880000* equity shares of ₹ 5 each (March 31, 2023: 51440000* equity share of ₹ 10 each)	5,144.00	5,144.00
10000* (March 31, 2023: 10000*) 4% Non Cumulative Redeemable Preference Shares of ₹ 10 each	1.00	1.00
3256000* (March 31, 2023: 3256000*) 10.5% Non Cumulative Redeemable Preference Shares of ₹ 100 each	3,256.00	3,256.00
	8,401.00	**8,401.00**
Issued, subscribed and paid up		
43583524* equity Shares of ₹ 5 each fully paid up (March 31, 2023: 21663937* equity share of ₹ 10 each fully paid up)	2,179.18	2,166.39
	2,179.18	**2,166.39**

* Number of Shares are given in absolute numbers.

a) Reconciliation of issued and subscribed share capital:

	No. of shares	Amount
Balance as at April 1, 2022	21,663,937	2,166.39
Changes during the year	-	-
Balance As at March 31, 2023	**21,663,937**	**2,166.39**
Changes during the year		
Add: Adjustment for sub divison of equity shares (refer note (b) below)	21,663,937	-
Add: Issued during the year	255,650	12.79
Balance As at March 31, 2024	**43,583,524**	**2,179.18**

b) Terms/ rights attached to equity shares:

The company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. During the year prior to sub division of face value of shares , the holding company had declared and paid Interim dividend of ₹ 5/- per share for FY 22-23 and ₹ 17.5/- per share for FY 2023-24 for distribution to shareholders.

The Equity shares of the company has undergone sub-division from the face value of Rs. 10 per equity share to Rs. 5 per equity share i.e. 1 equity share to be split into 2 equity shares. The record date was fixed as January 5, 2024 and thereafter the sub-division has become effective.

c) Details of shareholders holding more than 5% shares

Name of Party	As at March 31, 2024		As at March 31, 2023	
	No. of shares (FV of ₹ 5 each)	Holding %	No. of shares (FV of ₹ 10 each)	Holding %
Mrs. Payel Seth	8,827,270	20.25	4,413,635	20.37
Mr. Deepak Kumar Seth	5,724,290	13.13	2,862,145	13.21
Mr. Pulkit Seth	13,895,242	31.88	6,947,621	32.07
Mr. Sanjiv Dhireshbhai Shah	3,270,536	7.50	1,716,282	7.92
Total	**31,717,338**	**72.76**	**15,939,683**	**73.57**

d) Details of Promotor's shareholding:

Name of Shareholder	As at March 31, 2024		As at March 31, 2023		% change during the year
	No. of shares (FV of ₹ 5 each)	% of total shares	No. of shares (FV of ₹ 10 each)	% of total shares	
Mrs. Payel Seth	8,827,270	20.25	4,413,635	20.37	(0.12)
Mr. Deepak Kumar Seth	5,724,290	13.13	2,862,145	13.21	(0.08)
Mr. Pulkit Seth	13,895,242	31.88	6,947,621	32.07	(0.19)
Mrs. Shifalli Seth	402,956	0.92	201,478	0.93	(0.01)
Nim International Commerce LLP	60	-	30	0.00	(0.00)
Total	**28,849,818**	**66.18**	**14,424,909**	**66.58**	

Name of Shareholder	As at March 31, 2023		As at March 31, 2022		% change during the year
	No. of shares (FV of ₹ 10 each)	Holding %	No. of shares (FV of ₹ 10 each)	Holding %	
Mrs. Payel Seth	4,413,635	20.37	4,413,635	20.37	-
Mr. Deepak Kumar Seth	2,862,145	13.21	2,862,145	13.21	-
Mr. Pulkit Seth	6,947,621	32.07	6,947,621	32.07	-
Mrs. Shifalli Seth	201,478	0.93	201,478	0.93	-
Nim International Commerce LLP	30	-	30	0.00	(0.00)
Total	**14,424,909**	**66.58**	**14,424,909**	**66.58**	

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

Note 20 : Other Equity	As At March 31, 2024	As At March 31, 2023
General Reserve	4,204.36	4,204.36
Securities Premium	17,695.65	17,103.90
Capital Redemption Reserve	95.00	95.00
Amalgamation Reserve	625.95	625.95
Capital Reserve	(4,742.37)	506.98
Foreign Currency Translation Reserve	3,392.27	3,989.08
Change in investment through other comprehensive income	(408.35)	(292.88)
Retained Earnings	56,264.46	43,728.78
Share Based Payment reserve	899.19	259.51
Cash Flow Hedge Reserve (Net of tax of ₹ (1.87) lakh (March 31, 2023 : ₹ (48.25) lakh)	(2.61)	(140.51)
	78,023.55	**70,080.17**

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

II. Nature and purpose of reserves

a) General reserve

Particulars	As At March 31, 2024	As At March 31, 2023
Balance as at beginning/ end of the year	4,204.36	4,204.36

The holding company has transfered a portion of the net profit of the holding company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

b) Securities premium

Particulars	As At March 31, 2024	As At March 31, 2023
Balance as at beginning/ end of the year	17,695.65	17,103.90

The amount received in excess of face value of the equity shares is recognised in securities premium. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013. During the year, the company has issued 255,650 equity shares on which security premium of ₹ 591.75 lakh has been recognised in books of account.

c) Capital redemption reserve

Particulars	As At March 31, 2024	As At March 31, 2023
Balance as at beginning/ end of the year	95.00	95.00

This Reserve has been created at the time of merger with other companies in earlier years in accordance with the provisions of the Companies Act, 2013.

d) Amalgamation reserve

Particulars	As At March 31, 2024	As At March 31, 2023
Balance as at beginning/ end of the year	625.95	625.95

This Reserve has been created at the time of amalgamation of other companies in earlier years in accordance with the provisions of the Companies Act, 2013.

e) Capital reserve

Particulars	As At March 31, 2024	As At March 31, 2023
Balance as at beginning/ end of the year	(4,742.37)	506.98

This Reserve pertains to gain on bargain purchase on subsidiary acquired during the year.

S.R. Dinodia & Co. LLP Chartered Accountants

f) Foreign currency translation reserve

Particulars	**As At March 31, 2024**	**As At March 31, 2023**
Balance as at beginning/ end of the year	3,392.27	3,989.08

The exchange differences arising from the translation of financial statements is recognized in other comprehensive income and is presented within equity.

g) Retained earnings

Particulars	**As At March 31, 2024**	**As At March 31, 2023**
Balance as at beginning/ end of the year	56,264.46	43,728.78

Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Out of the above, reserve on account of revaluation of assets of ₹ 407.15 (March 31, 2023: ₹ 404.77 lakh) is not available for distribution. During the year, the company has paid dividend of ₹ 4,888.39 lakh, out of which ₹ 1,083.20 lakh pertains to FY 22-23 .

h) Share Based Payment Reserve

Particulars	**As At March 31, 2024**	**As At March 31, 2023**
Balance as at beginning/ end of the year	899.19	259.51

The fair value of equity settled share based payment transactions with employees of the company / subsidiary company is recognised in share based payment reserve.

i) Cash Flow Hedge Reserve

Particulars	**As At March 31, 2024**	**As At March 31, 2023**
Balance as at beginning/ end of the year	(2.61)	(140.51)

This reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. This reserve will be reclassified to statement of profit and loss only when the hedged transaction affects the profit or loss.

j) Change in investment through Other Comprehensive Income (OCI)

Particulars	**As At March 31, 2024**	**As At March 31, 2023**
Balance as at beginning/ end of the year	(408.35)	(292.88)

Change in investment through Other Comprehensive Income (OCI) represents fair valuation of investments of subsidiary company routed through OCI.

[This space has been left blank intentionally]

Note 21 : Long Term Borrowings	Non current		Current	
	As At March 31, 2024	As At March 31, 2023	As At March 31, 2024	As At March 31, 2023
From Banks (Secured)				
- Term Loan*	9,467.43	8,617.94	4,649.86	4,131.76
- Vehicle Loans	70.01	61.48	57.25	46.44
From Financials Institutional (Secured)				
- Vehicle Loans	-	-	-	-
From others - unsecured (Refer note "E" below)	882.66	250.77	-	-
	10,420.10	**8,930.19**	**4,707.11**	**4,178.20**
Less: Amount disclosed under other financial liabilities as 'Current maturities of long-term borrowings' (Refer note 22)	-	-	4,707.11	4,178.20
	10,420.10	**8,930.19**	-	-

*includes loans which are carried at amortised cost

A) Nature of Security in respect of Holding Company:
i) Term Loan from Kotak Mahindra Bank is secured by Fixed Deposit of ₹ 20.00 Lakh. (March 31, 2023 : secured by lien marked on investment in debt mutual fund and personal gurantee of Mr Pulkit Seth (Promoter Director))

ii) Term Loan Facility from Indusind Bank is secured by Fixed Deposit of ₹ 83 Lakh (March 31, 2023: ₹ 83 lakh)

iii) Term loans from HDFC Bank are secured by charge over assets financed by term Loan, Immovable Properties of the company situated at (i) Plot No. 51, Sector 32, Gurgaon & (ii) Plot No. 446, Udyog Vihar, Phase IV, Gurgaon and Personal Guarantee of Mr. Pulkit Seth (Promoter Director).

iv) Term loans from Canara Bank are secured by charge over assets financed by term loan, Land & building, Plant & Machinery at Survey No. 30(P), 31(P), 32(P) & 262(P), Melavalam & Arryapakkam Village, Madurantakam Taluk, Kancheepuram District, Tamil Nadu. and Personal Guarantee of Mr. Deepak Seth and Mr. Pulkit Seth (Promoter Director).

v) Emergency credit line guaranteed scheme (ECLGS 2.0) & ECLGS 2.0 (Extension) facilities are secured by second charge over securities provided for base credit facility, except personal guarantees.

vi) Vehicle Loans are secured by Hypothecation over the Vehicle financed by respective loan.

B) Security in respect of Pearl Global (HK) Limited
i) The bank borrowing facilities are secured by Group's property, plant and equipment, inventories, trade receivables, corporate guarantee of the holding company and a fellow subsidiary and director's (Mr. Pulkit Seth) personal guarantee.

C) Maturity Profile

Particulars	2024-25	2025-26	2026-27	Beyond 2026-27	Total
Term loan from Banks and Financial Institution are repayable in monthly/quarterly/yearly installments	4,649.86	3,457.84	2,550.49	3,459.09	**14,117.29**
Vehicle loans from banks and financial institutions are repayable in monthly installments	57.25	35.94	14.92	19.15	**127.26**
From others - unsecured	-	882.66	-	-	**882.66**

D) Vehicle loans are secured against hypothecation of respective vehicles.

E) It represents loan from Non-Controlling shareholders which is unsecured, interest free and not expected to be repayable within one year.

F) The above loan(s) carries rate of interest ranging between 6.15% to 12.43% per annum (March 31, 2023 : Between 4.50% to 10.85%)

Note 22 : Short Term Borrowings	As At March 31, 2024	As At March 31, 2023
Working capital loan from banks(secured)		
- Rupee loan	29,200.13	31,730.04
Borrowings From Others-Current (Refer note (D) below)	187.58	-
Current maturities of long-term borrowings (Refer no. 21)	4,707.11	4,178.20
	34,094.82	**35,908.24**

A. Securities for Working Capital Facilities under Consortium Arrangement of Holding Company:
i) Primary Securities offered includes:

a) First Pari-Passu Charge by way of hypothecation of the Borrower's entire current assets, including but not limited to stocks of raw materials, semi finished and finished goods, raw material, book debts and stock, loans and advances etc.

b) First Pari-Passu charge by way of hypothecation over the entire movable fixed assets belonging to the Borrower, except any assets charged to any banks/financial institutions for securing the terms loans.

c) Refer Note No. 21 for the terms and conditions, nature of security and maturity profile of the current maturities of long-term borrowings (forming part of long term borrowings of the Company).

ii) Collateral Securities offered includes:

a) First pari passu charge over Immoveable properties of the company situated at (i) Plot No. 16/17, Udyog Vihar, Phase VI, Gurgaon, (ii) Plot No. 751, Pace City-II, Sector 37, Gurgaon & (iii) Survey No. 30(P), 31(P), 32(P) & 262(P), Melavalam & Arryapakkam Village, Madurantakam Taluk, Kancheepuram District, Tamil Nadu.

b) Principal amount of fixed deposits pledged amounting to ₹ 710.00 lakh(Closing balance as on 31 March 2024 ₹747.43) (March 31, 2023: ₹ 710 lakh)

c) Irrevocable and unconditional personal guarantee of Mr. Deepak Kumar Seth (Promoter Director) and Mr. Pulkit Seth (Promoter Director).

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

B. Securities for Working Capital Facilities by HDFC Bank (Adhoc Outside Consortium)

a) Exclusive Charge over property situated at Plot No. 51, Sector 32, Gurgaon (Land & Building)

C. Security in respect of Pearl Global (HK) Limited,

i) As at March 31, 2024, certain of the company's Inventories with a net carrying amount of approximately ₹ 7,149.03 (March 2023: ₹ 3,946.56) were pledged to secure banking facilities granted to the comapny.

ii) As at March 31, 2024, certain of the Company's property, plant & equipment with a net carrying amount of approximately ₹ 2,615.53 (March 31, 2023: ₹ 5,721.59) were pledged to secure banking facilities granted to the company.

iii) As at March 31, 2024, certain of the company's leasehold land with a net carrying amount of approximately ₹ 4,035.11 (March 31, 2023: ₹ 2,693.29) were pledged to secure banking facilities granted to the company.

iv) As at March 31, 2024, certain of the company's trade receivable with a net carrying amount of approximately ₹ 3,818.35 (March 31, 2023: ₹ 3,864.34) were pledged to secure banking facilities granted to the company.

D. It represents loan from Non-Controlling shareholders of PGIL HK which is unsecured, interest free and expected to be repayable within one year.

E. Security in respect of Norp Knit Industries Limited,

- First Pari-Passu charge on movable fixed assets and whole of current assets including stocks of raw material, semi-finished goods, finished goods, book debts, consumable stores and spares.

F. For interest rate & liquidity risk related disclosures, (refer note 44).

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

[This space has been left blank intentionally]

Note 23 : Other Financial Liabilities

	Non current		Current	
	As At March 31, 2024	As At March 31, 2023	As At March 31, 2024	As At March 31, 2023
Security deposit	122.78	107.03	-	19.43
Book overdraft	-	-	215.17	-
Interest accrued but not due on borrowings	-	-	216.26	137.57
Unpaid dividends (Refer Note (b) below)	-	-	34.59	28.09
Creditors for capital goods	-	-	101.03	124.27
Creditors for capital goods-MSME			54.56	-
Financial Liabilities at Fair Value through OCI - Cash Flow Hedge	-	-	6.74	303.62
Others (Refer Note (c) below)	1,651.91	339.59	-	782.10
	1,774.69	**446.62**	**628.35**	**1,395.08**

Notes:

a) The Group's exposure to market and liquidity risk related to other financial liabilities is disclosed in note 44.

b) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end (March 31,2023: Nil)

c) Other payables under non current financial liabilities of ₹ 1651.91 represents payable for acquisition of non controlling interest of Pearl Grass Creation Limited (March 31, 2023 : ₹ 339.59 lakh represents consideration payable to Non-Controlling interest shareholders for acquisition of Step-down subsidiary "Alpha Clothing Limited").

Other payable under current financial liabilities of ₹ Nil (March 31, 2023 : ₹ 782.10 lakh includes ₹ 425.14 lakh pertaining to consideration payable to Non-Controlling interest shareholders for acquisition of Step-down subsidiary "Alpha Clothing Limited").

[This page has been left blank intentionally]

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

Note 24 : Provisions

	Non current		Current	
	As At March 31, 2024	As At March 31, 2023	As At March 31, 2024	As At March 31, 2023
Provision for employee benefits				
Provision for compensated absences	569.49	400.02	438.13	19.26
Provision for gratuity (Refer to note 40)	2,936.30	2,355.57	225.64	82.47
Other employee benefits	-	131.05	-	39.24
	3,505.79	**2,886.64**	**663.77**	**140.97**

Note 25: Other liabilities

	Non current		Current	
	As At March 31, 2024	As At March 31, 2023	As At March 31, 2024	As At March 31, 2023
Advance from customers	-	-	240.66	114.94
Deferred government grant	4.58	5.58	145.60	145.60
Deferred rental income	69.14	90.95	14.82	6.97
Statutory dues	-	-	1,511.84	1,383.14
Others	-	-	-	286.38
	73.73	**96.53**	**1,912.92**	**1,937.03**

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

[This space has been left blank intentionally]

Note 26 : Trade payables	As At March 31, 2024	As At March 31, 2023
Total outstanding dues of micro and small enterprises	1,141.66	744.87
Total outstanding dues of creditors other than micro and small enterprises	47,503.01	38,423.82
	48,644.67	**39,168.69**

a) Trade Payables ageing schedule as at March 31, 2024 :

Particulars	Outstanding for following periods from due date of payment						
	Unbilled dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	799.55	332.67	9.44	-	-	1,141.66
(ii) Others	4,350.54	24,685.93	18,231.34	219.11	14.17	1.92	47,503.01
(iii) Disputed dues — MSME	-	-	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-	-	-

b) Trade Payables ageing schedule as at March 31, 2023 :

Particulars	Outstanding for following periods from due date of payment						
	Unbilled dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	742.65	2.22	-	-	-	744.87
(ii) Others	3,575.64	23,597.03	11,207.42	41.75	1.98	-	38,423.82
(iii) Disputed dues — MSME	-	-	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-	-	-

c) Trade payable are non- interest bearing and are generally on a credit period of not more than 90 days except in case of Micro & Small Enterprises (if any) which are settled within 45 days. However, in respect of Pearl Global (HK) Limited, trade payables are normally settled within one year.

d) For information of amount of trade payable to related parties, Refer note no. 47.

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

Note 27 : Liabilities for current tax (net)	As At March 31, 2024	As At March 31, 2023
Provision for income tax [Net of advance tax ₹ 2,285.57 lakh (March 31, 2023 ₹ 1,788.26 lakh)]	709.39	1,883.50
	709.39	**1,883.50**

[This space has been left blank intentionally]

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

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

Note 28 : Revenue from operations	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Sale of Product	337,124.00	304,697.93
Job Receipts	902.85	354.40
Other Operating Revenues	5,588.26	10,788.59
	343,615.11	**315,840.92**

a) Performance obligation

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

During the year, the Group has not entered into long term contracts with customers and accordingly disclosure of unsatisfied or remaining performance obligation (which is affected by several factors like changes in scope of Contracts, periodic revalidations, adjustment for revenue that has not been materialized, tax laws etc.) is not applicable to the Group.

b) Disaggregation of revenue

The table below presents disaggregated revenues from contracts with customers on the basis of geographical spread of the operations of the Group. The Group believes that this disaggregation best depicts how the nature, amount of revenues and cash flows are affected by market and other economic factors:

Revenue based on Geography	For the Year ended March 31, 2024	For the Year ended March 31, 2023
India	2,511.56	1,036.52
Outside India	341,103.55	314,804.40
	343,615.11	**315,840.92**

c) Reconciliation of revenue from operations with contracted price	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Contracted Price	344,226.96	318,682.33
(Less): Sales Returns	(2.42)	(11.07)
(Less): Rebates and discounts	(609.43)	(2,830.34)
	343,615.11	**315,840.92**

d) Trade Receivables, Contract Balances

For Trade Receivables, Refer note no. 16.

Further, the Group has no contracts where the period between the transfer of the promised goods or services to the customer and payment terms by the customer exceeds one year. In light of above;

- it does not adjust any of the transaction prices for the time value of money, and
- there is no unbilled revenue as at March 31, 2024.

Further, the Group doesn't have any contract liabilities as at March 31, 2024 and March 31, 2023

e) Variable Consideration associated with Sales: The companies under the Group estimates the variable consideration using the most likely amount or expected value method, whichever approach best predicts the amount of consideration based on the terms of contract and available information and updates the estimates in each reporting period.

Note 29 : Other income	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Interest income		
- On bank and fixed deposits	556.81	228.15
- On loans and advances	127.13	147.01
- On income tax refund	4.21	26.34
- On Investment	51.80	34.88
Other non-operating income:		
- Rental income	723.63	751.10
- Foreign exchange fluctuation	825.09	-
- Amortisation of deferred rental income	14.89	19.36
- Profit on sale of current investment - mutual fund	379.50	97.05
- Dividend Income	8.14	36.54
- Sundry balances written off relating to Provision	-	98.50
- Sundry balances written back	104.39	91.51
- Gain on lease modification	59.97	-
- Miscellaneous income	381.31	750.55
	3,236.87	**2,280.99**

[This page has been left blank intentionally]

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

Note 30 : Cost of material consumed	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Balance at the beginning of the Year	24,473.89	32,955.06
Add:- Purchase during the year	153,403.88	144,048.38
Add: Impact of exchange fluctuation & re-instatement	(1,266.09)	(3,288.34)
	176,611.68	**173,715.10**
Less:- Balance at the end of the Year	(21,919.09)	(24,473.89)
	154,692.59	**149,241.21**

Note 31 : Purchase of stock in trade	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Purchase during the year	16,384.97	18,901.73
	16,384.97	**18,901.73**

Note 32 : Changes in inventories of finished goods, stock in trade and work in progress		For the Year ended March 31, 2024	For the Year ended March 31, 2023
Inventories at the beginning of the year			
Work-in-progress		15,980.33	12,466.08
Finished goods		9,227.00	7,888.48
Scrap Stock		48.81	41.82
	(A)	**25,256.14**	**20,396.38**
Inventories at the end of the year			
Work-in-progress		17,214.05	15,980.33
Finished goods		9,127.14	9,227.00
Scrap Stock		49.45	48.81
	(B)	**26,390.64**	**25,256.14**
Impact of exchange fluctuation & re-instatement	**(C)**	**(154.20)**	**(333.08)**
	(A-B+C)	**(1,288.70)**	**(5,192.84)**

Note 33 : Employee benefits expense	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Salaries, Wages & Bonus	59,508.31	50,467.63
Contribution to Provident and Other funds	2,064.79	1,839.89
Gratuity expense (Refer note 40)	1,006.98	615.50
Compensated absences	1,003.31	710.39
Stock compensation expense (Refer Note 51)	860.85	259.51
Staff welfare expense	2,592.09	2,253.60
	67,036.33	**56,146.52**

Note 34 : Finance cost	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Interest Expense		
- On Term loans, Cash Credit & Working Capital Facilities	4,691.82	2,777.35
- Delayed Payment of Taxes	26.30	72.51
- lease liabilities	1,365.75	997.47
Unwinding of discount on security deposit	11.83	18.15
Other borrowing cost	2,235.63	2,652.41
	8,331.33	**6,517.89**

Note 35 : Depreciation and amortisation expense	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Depreciation of Property, plant and equipment (Refer note no. 4)	3,824.77	3,176.89
Depreciation & Amortisation of Investment Properties (Refer note no. 6)	73.81	79.56
Amortisation of intangible assets (Refer note no. 8)	60.37	37.61
Amortisation of Right-of-use assets (Refer note no. 49)	2,460.82	1,783.58
	6,419.79	**5,077.64**

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

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

Note 36 : Other expenses	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Manufacturing Expense	34,682.97	32,016.00
Consumption of Stores & Spare Parts	2,023.58	1,509.11
Power & fuel	3,933.09	3,075.46
Rent	247.71	1,031.11
Rates & Taxes	405.53	481.49
Travelling & Conveyance	3,610.50	2,416.58
Freight & clearing Charges	5,908.19	5,895.06
Repair & Maintenance		
- Plant & Machinery	579.76	530.04
- Buildings	13.74	98.82
- Other	1,796.58	1,405.65
Commission	827.90	308.68
Legal & Professional Expenses	9,128.12	7,062.45
Security Charges	402.25	344.21
Bank charges	1,659.08	1,691.75
Insurance Expenses	862.24	779.07
Inspection Fees	591.88	650.23
Payment to the Auditors	212.60	191.57
Sundry Balances written off	319.78	227.11
Foreign Exchange Fluctuation	3,653.28	6,817.57
Corporate social responsibility	15.82	20.33
Loss on Lease Modification	-	86.09
Loss allowance for doubtful debts and advances	219.37	163.28
Loss on sale of Licenses	68.32	274.73
Miscellaneous Expenses	4,847.27	4,114.41
	76,009.56	**71,190.80**

Note 37 : Exceptional Items	For the Year ended March 31, 2024	For the Year ended March 31, 2023
(Profit)/Loss on sale of property, plant and equipment and investment property	60.14	(4,295.89)
Impairment of investment in subsidiaries written back	-	(1,648.35)
Investment written off	-	1,648.35
Interest on refund of advance	-	827.00
Loss allowance for receivables (net of expected credit loss reversal)	-	2,122.93
	60.14	**(1,345.96)**

S.R. DINODIA & CO. LLP. * CHARTERED ACCOUNTANTS *

[This space has been left blank intentionally]

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

Note 38 : Components of other comprehensive income	For the Year ended March 31, 2024	For the Year ended March 31, 2023
A Items that will not be reclassified to profit or loss		
Re-measurement gains/ (losses) on defined benefit plans	5.31	(56.05)
Income tax expense	(26.87)	(0.53)
Gain on Bargain Purchase	67.76	506.98
Changes in fair value of financial assets designated at fair value OCI Movement will not be reclassified	(185.85)	(193.77)
B Items that will be reclassified to profit or loss		
Foreign exchange translation reserve	(556.25)	(1,050.98)
Hedging Reserve through OCI	184.28	(595.46)
Changes in fair value of financial assets designated at fair value OCI Movement will be reclassified	70.38	(64.01)
Income tax expense	(46.38)	149.87
Total	**(487.62)**	**(1,303.95)**

Note 39 : Earnings per share (EPS)	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Profit attributable to the equity shareholders **(A)**	17,483.38	14,925.44
Number/Weighted average number of equity shares outstanding at the end of the year* **(B)**	43,423,828	43,327,874
Dilutive effect on Weighted average number of equity shares outstanding at the end of the year* **(C.)**	225,932	68,533
Number/Weighted average number of diluted equity shares outstanding at the end of the year* **(D = B + C)**	43,649,760	43,396,407
Nominal value of equity shares*	₹5	₹5
Basic Earning per share **(A/B) (in ₹)**	40.26	34.45
Diluted Earning per share **(A/D) (in ₹)**	40.05	34.40

* The basic and diluted earnings per share and number of shares used for computation of the EPS have been adjusted retrospectively to give effect to the sub division of shares from ₹10 face value to ₹5 face value.

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

[This space has been left blank intentionally]

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

Note 40 : Gratuity and other post-employment benefit plans

a) Defined contribution plans

The Group makes contribution towards Employees Provident Fund, Employee's State Insurance scheme and other welfare schemes. Under the rules of these schemes, the Group is required to contribute a specified percentage of payroll costs. The Group during the year recognised the following amount in the Statement of profit and loss account under Group's contribution to defined contribution plan.

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Employer's Contribution to Provident Fund/ Pension Fund	1,702.58	1,527.51
Employer's Contribution to Employee State Insurance	344.95	295.76
Employer's Contribution to Welfare Fund	17.26	16.62
Total	**2,064.79**	**1,839.89**

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

b) Employee Benefit Obligation in case of Pearl Global HK Limited

Policy for the Group's operation in the Republic of Indonesia

The Group determines its post-employment benefits obligation under the Labor Law of the Republic of Indonesia No. 13/2003. The cost of providing post-employment benefits is determined using "Projected Unit Credit" method. Actuarial gains or losses are recognized as income or expense when the net cumulative unrecognized actuarial gains and losses at the end of the previous reporting year exceeded the higher of 10% of the defined benefit obligation and 10% of the fair value of plan assets at that date. These gains or losses are recognised on a straight-line basis method over the expected average remaining working lives of the employees. Past service cost arising from the introduction of a defined benefit plan or changes in the benefits obligation of an existing plan are required to be amortized over the period until the benefits concerned become vested.

Policy for the Group's operation in the Socialist Republic of Vietnam

The severance allowance for employees is accrued at the end of each reporting period for all employees having worked at the Group for full 12 months and above. Working time serving as the basis for calculating severance allowance shall be the total actual working time subtracting the time when the employees have made unemployment insurance contributions as prescribed by law, and the working time when severance allowance has been paid to the employees. The allowance made for each year of service equals to a half of an average monthly salary under the Vietnamese Labour Code, Social Insurance Code and relevant guiding documents. The average monthly salary used for calculation of severance allowance shall be adjusted to be the average of the 6 consecutive months nearest to the date of the financial statements at the end of each reporting period. The increase or decrease in the accrued amount shall be recorded in the statement of profit or loss or other comprehensive income.

Policy for the Group's operation in the Hong Kong Special Administrative Region of the People's Republic of China

The Group participates in Mandatory Provident Fund Scheme ("MPF Scheme") for its employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Pursuant to the rules of the MPF Scheme, each of the employer and employees are required to make contributions to the scheme at rates specified in the rules. The MPF Scheme is a defined contribution plan and the Group is only obliged to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in the future years. The retirement benefit cost arising from the MPF Scheme charged to the consolidated statement of profit or loss and other comprehensive income represent contribution payable to the funds by the Group in accordance with the rules of the MPF Scheme.

c) Defined benefit plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Group is able to determine the present value of obligations. "Projected Unit Credit Method" 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 in case of holding company

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The gratuity is funded in current year for all the units and maintained by Life Insurance Corporation of India .

ii) Other long term employee benefits

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

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

d) The following tables 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 by actuary's of respective companies consolidated in these financial statements.

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

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

Change in benefit obligations	As At March 31, 2024		As At March 31, 2023	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Opening defined benefit obligation	1,109.00	1,525.13	916.76	1,345.90
Adjustment in opening obligation	-	102.14	-	7.76
Interest cost	81.62	146.45	68.85	94.55
Service cost	348.57	480.89	277.97	220.65
Past Service cost	-	(36.12)	-	(26.00)
Benefits paid	(143.29)	(235.52)	(104.27)	(139.17)
Foreign currency translation reserve	-	(45.41)	-	(87.97)
Actuarial (gain) / loss on obligations	(47.16)	41.20	(50.30)	109.41
Present value of obligation as at the end of the year	**1,348.74**	**1,978.76**	**1,109.00**	**1,525.13**

e) The following tables summarise the components of net benefit expense recognised in the Statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Cost for the year included under employee benefit	As At March 31, 2024		As At March 31, 2023	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Current service cost	348.57	480.89	277.97	220.65
Past service cost	-	(36.12)	-	(26.00)
Interest cost	67.19	146.45	48.33	94.55
Expected return on plan assets	-	-	-	-
Actuarial (gain) / loss	-	-	-	-
Net cost	**415.76**	**591.22**	**326.30**	**289.20**

f) **Changes in the fair value of the plan assets are as follows:**

	As At March 31, 2024		As At March 31, 2023	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Fair value of plan assets at the beginning	196.09	-	273.25	-
Difference amount in opening fund	-	-	-	-
Expected return on plan assets	14.43	-	20.52	-
Contributions	101.92	-	7.19	-
LIC charges	(2.94)	-	(3.65)	-
Benefits paid	(143.29)	-	(104.27)	-
Actuarial gains / (losses) on the plan assets	(0.65)	-	3.05	-
Fair value of plan assets at the end	**165.56**	**-**	**196.09**	**-**

g) **Detail of actuarial gain/loss recognised in OCI is as follows:**

	As At March 31, 2024		As At March 31, 2023	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Actuarial (gain) / loss for the year – obligation	(47.16)	41.20	(50.30)	109.41
Actuarial (gain) / loss for the year - plan assets	0.65	-	(3.05)	-
Total (gain) / loss for the year	**(46.51)**	**41.20**	**(53.35)**	**109.41**

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The actuarial assumptions include economic assumptions of discount rate and rate of increase in compensation levels. Other assumptions considered are demographic assumptions and withdrawal rate while calculating the obligations as at year end.

h) **Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets -**

Particulars	As At March 31, 2024		As At March 31, 2023	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Present value of obligation	1,348.74	1,978.76	1,109.00	1,525.13
Less: Fair value of plan assets	165.56	-	196.09	-
Net assets /(liability)	**(1,183.18)**	**(1,978.76)**	**(912.91)**	**(1,525.13)**

i) **A quantitative sensitivity analysis for significant assumptions is as shown below:**

A. Discount rate	As At March 31, 2024		As At March 31, 2023	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Effect on DBO due to increase in Discount Rate (1% in funded and 0.5% in unfunded)	(136.25)	(1,245.65)	(111.39)	(905.26)
Effect on DBO due to decrease in Discount Rate (1% in funded and 0.5% in unfunded)	162.27	1,346.18	132.39	1,071.22

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

B. Salary escalation rate				
Effect on DBO due to increase in Salary Escalation Rate (1% in funded and 0.5% in unfunded)	164.10	1,353.24	134.24	1,074.89
Effect on DBO due to decrease in Salary Escalation Rate (1% in funded and 0.5% in unfunded)	(139.95)	(1,245.55)	(114.68)	(907.33)

C. Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated for group as a whole.

j) Risk Profile

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

k) Refer respective standalone financial statements of holding company and the subsidiary companies forming part of the Group for Maturity Profile of Defined Benefit obligation.

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

[This page has been left blank intentionally]

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

Note 41 : Capital management

The Group's objectives when managing capital are to:
- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
-maintain an appropriate capital structure of debt and equity.

The Board of Directors have the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management in deployment of funds and sourcing by leveraging opportunities in domestic and international markets so as to maintain investors, creditors and markets confidence and to sustain future development of the business.

The Group monitors capital, using a medium term view ranging between three to five years, on the basis of a number of financial ratios generally used by the industry. The Group monitors capital structure using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises of long term and short term borrowings (Including lease liabilities) less cash and cash equivalents. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of reporting periods were as follows:

Particulars	**As At March 31, 2024**	**As At March 31, 2023**
Borrowings (Refer to note 21 & 22)	44,514.92	44,838.43
Lease Liabilities (Refer to note 49)	14,323.64	10,933.45
Interest accrued but not due on borrowings (Refer note no. 23)	216.26	137.57
Less: Cash and cash equivalents (Refer to note 17)	(32,795.29)	(25,614.50)
Net debt (A)	**26,259.53**	**30,294.94**
Equity share capital (Refer to note 19)	2,179.18	2,166.39
Other equity (Refer to note 20)	78,023.55	70,080.17
Total Capital (B)	**80,202.73**	**72,246.56**
Capital and net debt (A+B=C)	**106,462.26**	**102,541.50**
Gearing ratio (A/C)	**24.67%**	**29.54%**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

In order to achieve overall objective, the company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

[This page has been left blank intentionally]

Note 42 : Derivative instruments and unhedged foreign currency exposure

I) Hedge Accounting

(i) The Group enters into hedging instruments in accordance with policies as approved by the Board of Directors with written principles which is consistent with the risk management strategy of the Group. The Group has decided to apply hedge accounting for certain derivative contracts that meets the qualifying criteria of hedging relationship entered post April 01, 2019. Hedging strategies are decided and monitored periodically by the Risk Management Committee of the Board. The Hedging Practice and its corresponding hedge accounting is mainly followed by the holding company.

Cash Flow Hedges

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecasted hedged items in US dollar. These forecast transactions are highly probable. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

(ii) **The fair value of derivative financial instruments is as follows:**

Particulars	Asset / (Liability) As at March 31, 2024	Asset / (Liability) As at March 31, 2023
Fair value of foreign currency forward exchange contract designated as hedging instruments	(6.74)	(303.62)

The critical terms of the foreign currency forward contracts match the terms of the expected highly probable forecast sale transactions.
The cash flow hedges of the forecasted sale transactions for the year ended March 31, 2024 were assessed to be highly effective and unrealised profit of ₹ 184.28 lakh, with a deferred tax asset / (liability) of ₹ lakh relating to the hedging instruments, is included in OCI. [March 31, 2023: Unrealised profit of ₹(-) 595.46 lakh with a corresponding deferred tax asset / (liability) of ₹ 149.87 lakh].

(iii) **Maturity Profile:** The following table includes the maturity profile of the foreign exchange forward contracts:

Particulars	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	Total
As At March 31, 2024 (₹ in lakh)	4,238.01	12,983.44	5,176.41	2,821.98	2,783.32	28,003.16
Notional amount (in USD in lakh)	50.69	155.50	61.60	33.50	33.00	334.29
Average forward rate (USD/₹)	83.61	83.49	84.03	84.24	84.34	83.77
As At March 31, 2023 (₹ in lakh)	5,590.82	4,917.45	5,639.68	1,629.11	3,623.58	21,400.64
Notional amount (in USD in lakh)	70.00	61.00	68.75	19.50	43.00	262.25
Average forward rate (USD/₹)	79.87	80.61	82.03	83.54	84.27	81.60

(iv) The impact of the hedging instruments on the balance sheet is as follows:

The line item in Balance Sheet where Hedge instrument is disclosed under other current financial assets (March 31 2023: Other current Financial Liabilities). The changes in fair value of forward exchange contract are disclosed as under:

Particulars	Amount (₹)
Foreign currency risk forward contract- As At March 31, 2024 (₹ in lakh) [Asset / (Liability)]	(6.74)
Foreign currency risk forward contract- As At March 31, 2023 (₹ in lakh) [Asset / (Liability)]	(303.62)

(v) The effect of the cash flow hedge in the statement of profit or loss and other comprehensive income is, as follows:

Particulars	Total hedging gain/(loss) recognised in OCI	Line item in Statement of profit and loss	Amount reclassified from OCI to profit or loss.	Line item in Statement of profit and loss
As At March 31, 2024 (₹ in lakh) Highly probable forecast sales	184.28	Cash Flow Hedge Reserve (OCI)	79.04	Revenue from Operations
As At March 31, 2023 (₹ in lakh) Highly probable forecast sales	(595.46)	Cash Flow Hedge Reserve (OCI)	(568.68)	Revenue from Operations

(vi) **Impact of hedging on equity**

Set out below is the reconciliation of each component of equity and the analysis of other comprehensive income in respect of cash flow hedge reserve:

Particulars	Cash Flow Hedge Reserve	Tax Amount	Movement net of tax
As at April 01, 2023	(188.76)	(48.25)	(140.51)
Effective Portion of Changes in fair Value arising from Foreign Exchange Forward Contracts	105.24	26.49	78.75
Amount reclassified to profit & loss	79.04	19.89	59.15
As at March 31, 2024	(4.48)	(1.87)	(2.61)
As at April 01, 2022	406.69	101.61	305.08
Effective Portion of Changes in fair Value arising from Foreign Exchange Forward Contracts	(1,164.13)	(292.99)	(871.14)
Amount reclassified to profit & loss	(568.68)	(143.13)	(425.55)
As at March 31, 2023	(188.76)	(48.25)	(140.51)

Note : The Group did not have any forecast transactions for which cash flow hedge accounting had been used in the previous period, but which is no longer expected to occur.

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

(vii) Valuation Technique

The Group enters into derivative financial instruments which are valued using valuation techniques which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing models, using present value calculations. Where quoted market prices are not available, fair values are based on management best estimates, which are arrived at by the reference to market prices.

II) Particulars of Unhedged foreign currency exposures:

Particulars	As at March 31, 2024			As at March 31, 2023		
	Foreign Currency in lakh		₹ in lakh	Foreign Currency in lakh		₹ in lakh
Foreign currency receivable	HKD	-	-	HKD	-	-
	IDR	75,455.50	417.66	IDR	47,512.65	260.97
	BDT	2,326.87	1,763.56	BDT	1,227.45	961.15
	GBP	-	-	GBP	-	-
	SGD	-	-	SGD	-	-
	VND	423,550.58	1,422.93	VND	21,746.48	76.20
	CNY	-	-	CNY	-	-
	USD	-	-	USD	-	-
Foreign currency payable	HKD	-	-	HKD	-	-
	IDR	25,680.07	135.05	IDR	89,136.65	489.60
	VND	824,465.57	2,769.81	VND	6,96,550.70	2,440.67
	EUR	-	-	EUR	-	-
	BDT	5,500.10	4,168.57	BDT	5,604.95	4,388.94

III) In respect of the derivative contracts entered into by the Group. The management assesses no material foreseeable losses as at the reporting date.

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

[This space has been left blank intentionally]

Note 43 : Fair value measurements

I Financial instruments

a) Financial instruments by category

Except Investment in equity instruments (Quoted) and investment in mutual funds which are measured at fair value through profit or loss, all other financial assets and liabilities viz. trade receivables, security deposits, cash and cash equivalents, other bank balances, interest receivable, other receivables, trade payables, employee related liabilities and borrowings, are measured at amortised cost. Derivative financial instruments and certain investments are measured at fair value through other comprehensive income.

b) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy :

As At March 31, 2024 (₹ in lakh)

Particulars	Carrying amount					Fair value			
	FVOCI	FVTPL	Financial Assets - amortised	Financial Liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in Units and Debt instrument	696.95	-	-	-	696.95	-	696.95	-	696.95
Investments in key man insurance policy	2,299.23	-	-	-	2,299.23	-	2,299.23	-	2,299.23
Financial Assets at Fair Value through OCI - Cash Flow Hedge	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value									
Investment in government securities	-	-	0.47	-	0.47	-	-	-	-
Loan to employees	-	-	108.77	-	108.77	-	-	-	-
Loan to Others	-	-	2,164.40	-	2,164.40	-	-	-	-
Security Deposits	-	-	2,289.17	-	2,289.17	-	-	-	-
Interest accrued but not due on term deposits	-	-	89.01	-	89.01	-	-	-	-
	-	-	84.59	-	84.59				
Deposits with original maturity of more than 12 months						-	-	-	-
Trade receivables	-	-	26,535.45	-	26,535.45	-	-	-	-
Cash and cash equivalents	-	-	32,795.29	-	32,795.29	-	-	-	-
Other bank balances	-	-	3,854.99	-	3,854.99	-	-	-	-
Other Financial assets	-	-	8.43	-	8.43	-	-	-	-
	2,996.18	**-**	**67,930.57**	**-**	**70,926.75**	**-**	**2,996.18**	**-**	**2,996.18**

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

Financial liabilities measured at fair value									
Financial Liabilites at Fair Value through OCI - Cash Flow Hedge	6.74	-	-	-	6.74	6.74	-	-	6.74
Financial liabilities not measured at fair value									
Borrowings	-	-	-	44,514.92	44,514.92	-	-	-	-
Lease Liabilities	-	-	-	14,323.64	14,323.64	-	-	-	-
Security Deposits	-	-	-	122.78	122.78	-	-	-	-
Book overdraft	-	-	-	215.17	215.17	-	-	-	-
Interest accrued but not due on borrowings	-	-	-	216.26	216.26	-	-	-	-
Unpaid dividends	-	-	-	34.59	34.59	-	-	-	-
Trade payables	-	-	-	48,644.67	48,644.67	-	-	-	-
Creditors for capital goods	-	-	-	155.59	155.59	-	-	-	-
Others	-	-	-	1,651.91	1,651.91	-	-	-	-
	6.74	**-**	**-**	**109,879.53**	**109,886.27**	**6.74**	**-**	**-**	**6.74**

As At March 31, 2023 (₹ in lakh)

Particulars	Carrying amount					Fair value			
	FVOCI	FVTPL	Financial Assets - amortised cost	Financial Liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in equity shares (Quoted)	-	830.37	-	-	830.37	830.37	-	-	830.37
Investment in mutual funds	-	562.16	-	-	562.16	562.16	-	-	562.16
Investment in Units and Debt instrument	2,138.40	-	-	-	2,138.40	1,222.93	915.47	-	2,138.40
Investments in key man insurance policy	2,444.71	-	-	-	2,444.71	-	2,444.71	-	2,444.71
Financial assets not measured at fair value									
Investment in government securities	-	-	1.63	-	1.63	-	-	-	-
Loan to employees	-	-	91.85	-	91.85	-	-	-	-
Loan to related parties	-	-	100.00	-	100.00	-	-	-	-
Loan to Others	-	-	2,373.31	-	2,373.31	-	-	-	-
Security Deposits	-	-	1,448.46	-	1,448.46	-	-	-	-
Interest accrued but not due on term deposits	-	-	118.80	-	118.80	-	-	-	-
Deposits with original maturity of more than 12 months	-	-	43.98	-	43.98	-	-	-	-
Trade receivables	-	-	20,936.17	-	20,936.17	-	-	-	-
Cash and cash equivalents	-	-	25,614.50	-	25,614.50	-	-	-	-
Other bank balances	-	-	3,832.23	-	3,832.23	-	-	-	-
Other Financial assets	-	-	13.44	-	13.44	-	-	-	-
	4,583.11	**1,392.53**	**54,574.37**	**-**	**60,550.01**	**2,615.46**	**3,360.18**	**-**	**5,975.64**

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

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

Financial liabilities measured at fair value								
Financial Liabilites at Fair Value through OCI - Cash Flow Hedge	303.62	-	-	-	303.62	303.62	-	-	303.62
Financial liabilities not measured at fair value								
Borrowings	-	-	-	44,838.43	44,838.43	-	-	-	-
Lease Liabilities	-	-	-	10,933.45	10,933.45	-	-	-	-
Security Deposits	-	-	-	126.46	126.46	-	-	-	-
Interest accrued but not due on borrowings	-	-	-	137.57	137.57	-	-	-	-
Unpaid dividends	-	-	-	28.09	28.09	-	-	-	-
Trade payables	-	-	-	39,168.69	39,168.69	-	-	-	-
Creditors for capital goods	-	-	-	124.27	124.27	-	-	-	-
Others	-	-	-	1,121.69	1,121.69	-	-	-	-
	303.62	**-**	**-**	**96,478.65**	**96,782.27**	**303.62**	**-**	**-**	**303.62**

c) The holding company has an established control framework with respect to the measurement of fair values. The finance and accounts team that has overall responsibility for overseeing all significant fair value measurements and reports directly to the board of directors. The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the holding company's board of directors.

d) Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers in either direction for the year ended 31 March 2024 and 31 March 2023.

e) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of short-term trade and other receivables, trade payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

For other financial liabilities/ assets that are measured at fair value, the carrying amounts are equal to the fair values.

f) For specific valuation techniques used to value financial instruments, Refer disclosures made in the standalone financials of holding company and subsidiary companies.

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

[This space has been left blank intentionally]

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 has exposure to the following risks arising from financial instruments:
-credit risk,
-liquidity risk and
-market risk.
The senior level management of respective companies in the Group oversees the management of these risks and is supported by treasury department that advises on the appropriate financial risk governance framework.

A. Credit risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to the Group. Credit risk arise from Cash and cash equivalents, deposit with banks, trade receivables and other financial assets measure at amortised cost. The respective companies in the Group continuosly monitors defaults of customers and other counterparties and incorporate this information into its credit risk control. The carrying amount of financial assets represents the maximum credit exposure.

i) Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The credit risk is managed by the Group based on credit approvals, establishing credit limits and continuosly monitoring the credit worthiness of the customers, to whom the Group grants credit period in the normal course of business inlcuding taking credit insurance against export receivables. The Group uses expected credit loss model to assess the impairement loss in trade receivables and makes an allowance of doubtful trade receivables using this model.

ii) Other Financial Assets

The Group maintains exposure in cash & cash equivalents, term deposits with banks, investments, advances and security deposits etc. Credit risk from balances with banks, investment in mutual funds and loan to related parties is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the respective company's board of directors on an annual basis, and may be updated throughout the year subject to approval of their finance committee. The Group's maximum exposure to the credit risk as at March 31, 2024 and March 31, 2023 is majorly the carrying value of each class of financial assets.

iii) Risk Exposure of Holding Company in respect of guarantees given as under:

- Quantitative data about exposure and maturity profile

Guarantee Given to	Details of Subsidiary	Purpose of Guarantee	Amount As At March 31, 2024 (₹ in lakh)	Guarantee Valid Upto
SCB Bank, Hongkong Branch	Pearl Global (HK) Limited	Securing Credit Facilities	USD 20.00 lakh equivalent to ₹1667.4 lakh	Feb 4, 2025
Vietnam Technological and Commercial Joint Stock Bank	Pearl Global Vietnam Company Limited	Securing Credit Facilities	USD 55.00 lakh equivalent to ₹4585.35 lakh	August 27, 2024
Heng Seng Bank Limited, Hong Kong	DSSP Global Limited	Securing Credit Facilities	USD 30.00 lakh equivalent to ₹2501.1 lakh	December 25, 2025
Heng Seng Bank Limited, Hong Kong	DSSP Global Limited	Securing Credit Facilities	USD 20.00 lakh equivalent to ₹1667.4 lakh	May 12, 2025

- **Policy of managing risk**: To assess whether there is a significant increase in credit risk The Group compares the risk of default as at the reporting date with the risk of default as at the date of initial recognition. The Group considers reasonable and supportive forward-looking information such as significant changes in the value of guarantee or in the quality of exposure or credit enhancements.

B. Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.
The Group's objective is to, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

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

As At March 31, 2024 (₹ in lakh)	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	20,695.33	13,399.50	9,820.50	599.60	44,514.93
Lease Liabilities	336.74	1,320.11	4,915.22	7,751.57	14,323.64
Trade payables	44,976.06	3,668.61	-	-	48,644.67
Other financial liabilities	588.26	40.09	1,774.69	-	2,403.04
Total	**66,596.39**	**18,428.31**	**16,510.41**	**8,351.17**	**109,886.28**

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

As At March 31, 2023 (₹ in lakh)	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	29,278.01	6,630.23	8,930.19	-	44,838.43
Lease Liabilities	313.72	937.40	3,743.29	5,939.03	10,933.45
Trade payables	26,054.90	13,113.79	-	-	39,168.69
Other financial liabilities	1,395.08	-	446.62	-	1,841.70
Total	**57,041.72**	**20,681.43**	**13,120.10**	**5,939.03**	**96,782.27**

C. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk are borrowings, short term deposits and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2024 and March 31, 2023.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates primarily to the long-term debt obligations with floating interest rates.

The Group main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to interest rate risk. The Group manages its net exposure to interest rate risk related to borrowings, by balancing a proportion of fixed rate and floating rate borrowing in its total borrowing portfolio. Currently, the Group's borrowings are within acceptable risk levels, as determined by the management, hence the Group has not taken any swaps to hedge the interest rate risk.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of borrowings affected. With all other variables held constant, the Group profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase or decrease in basis points	Decrease / (increase) in profit
March 31, 2024	+50	223.38
	-50	(223.38)
March 31, 2023	+50	253.13
	-50	(253.13)

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

ii) Foreign currency risk

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

Particulars	Changes in Exchange rate	Decrease / (increase) in profit before tax
March 31, 2024	+5%	173.46
	-5%	(173.46)
March 31, 2023	+5%	301.04
	-5%	(301.04)

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

[This space has been left blank intentionally]

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

Note 45 : Segment information

a) The operating segments are established on the basis of those components of the group that are evaluated regularly by the Executive Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. The Group has presented segment information on geographical basis in the consolidated financial statements.

Summary of segment Information as at and for the year ended March 31, 2024 and March 31, 2023 is as follows:

Particulars	Bangladesh	Hong Kong	India	Vietnam	Others	Un-allocable	Total	Elimination	Total
Segment Sales	7,086.76	249,986.43	71,733.40	615.52	14,193.01	-	343,615.11	-	343,615.11
	(9,994.44)	(225,845.86)	(70,938.65)	(6,310.51)	(2,751.45)	-	(315,840.92)	-	(315,840.92)
Inter Segment Sales	132,201.55	25,951.10	23,942.16	49,217.00	7,722.08	-	239,033.89	239,033.89	-
	(99,929.69)	(26,572.87)	(40,612.31)	(32,496.85)	(11,860.50)	-	(211,472.22)	(211,472.22)	-
Total Segment Sales	**139,288.32**	**275,937.52**	**95,675.55**	**49,832.52**	**21,915.09**	-	**582,649.00**	**239,033.89**	**343,615.11**
	(109,924.13)	**(252,418.73)**	**(111,550.97)**	**(38,807.36)**	**(14,611.94)**	-	**(527,313.13)**	**(211,472.22)**	**(315,840.92)**
Other Income	239.27	(36.03)	4,225.62	562.40	2,207.52	-	7,198.77	3,959.43	3,239.35
	(206.82)	(407.27)	(3,007.80)	(1,285.92)	(607.48)	-	(5,515.29)	(3,234.29)	(2,280.99)
Total Segment Revenue	**139,527.59**	**275,901.49**	**99,901.17**	**50,394.91**	**24,122.61**	-	**589,847.78**	**242,993.32**	**346,854.46**
	(110,130.95)	**(252,826.00)**	**(114,558.76)**	**(40,093.28)**	**(15,219.42)**	-	**(532,828.42)**	**(214,706.52)**	**(318,121.90)**
Total Revenue of each segment as a percentage of total revenue of all segment	23.65	46.78	16.94	8.54	4.09	-	100.00	-	-
	(20.67)	(47.45)	(21.50)	(7.52)	(2.86)	-	(100.00)	-	-
Total Segment Operative Profit	14,564.39	8,387.12	7,227.00	3,758.10	20.47	-	33,957.08	-	33,957.09
	(11,012.72)	(4,359.74)	(10,333.68)	(2,301.19)	(3,474.30)	-	(29,180.44)	-	(29,180.44)
Depreciation	2,460.80	175.43	2,439.97	466.12	877.46	-	6,419.78	-	6,419.79
	(2,122.50)	(229.65)	(1,888.66)	(192.81)	(644.01)	-	(5,077.64)	-	(5,077.64)
Total Segment Result before Interest & Taxes	12,103.59	8,211.69	4,787.03	3,291.98	(856.99)	-	27,537.30	-	27,537.30
	(8,890.22)	(4,130.09)	(8,445.02)	(2,108.38)	(529.10)	-	(24,102.81)	-	(24,102.81)
Total EBIT of each segment as a percentage of total EBIT of all segment	43.95	29.82	17.38	11.95	(3.11)	-	100.00	-	-
	(36.88)	(17.14)	(35.04)	(8.75)	(2.20)	-	(100.00)	-	-
Net Financing Cost	-	-	-		-	-	-	-	8,331.33
	-	-	-		-	-	-	-	(6,517.89)
Income Tax Expenses	-	-	-		-	-	-	-	2,293.61
	-	-	-		-	-	-	-	(2,285.70)
Profit for the Year	-	-	-		-	-	-	-	**16,912.36**
	-	-	-		-	-	-	-	**(15,299.22)**

Segment Assets *	66,110.24	44,862.85	71,234.94	21,307.49	17,215.53	(22,184.79)	198,546.26	-	198,546.26
	(56,132.30)	(32,678.71)	(65,182.68)	(20,164.69)	(8,962.98)	5,057.17	(178,064.19)	-	(178,064.19)
Segment Assets as a percentage of Total assets of all segments	33.30	22.60	35.88	10.73	8.67	(11.17)	100.00	-	-
	(31.52)	(18.35)	(36.61)	(11.32)	(5.03)	2.84	(100.00)	-	-
Segment Liabilities *	30,301.53	25,587.76	23,366.10	11,978.97	6,760.34	18,805.67	116,800.38	-	116,800.38
	(27,863.36)	(9,494.66)	(19,256.68)	(11,202.65)	(1,585.89)	(34,383.71)	(103,786.95)	-	(103,786.95)
Segment Liabilities as a percentage of Total Liabilities of all segments	25.94	21.91	20.01	10.26	5.79	16.10	100.00	-	-
	(26.85)	(9.15)	(18.55)	(10.79)	(1.53)	(33.13)	(100.00)		-
Segment Capital Employed	35,808.71	19,275.09	47,868.84	9,328.52	10,455.19	(40,990.46)	81,745.89		81,745.89
	(28,268.94)	(23,184.05)	(45,926.00)	(8,962.04)	(7,377.09)	39,440.89	(74,277.23)		(74,277.23)
Segment Capital Employed as a percentage of Total capital employed of all segments	43.80	23.58	58.56	11.41	12.79	(50.14)	100.00		-
	(38.06)	(31.21)	(61.83)	(12.07)	(9.93)	53.10	(100.00)		-

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

Capital Expenditure	2,913.90	1,271.87	4,947.46	1,266.00	1,399.98	-	11,799.21	-	11,799.21
	(4,856.12)	(1,100.95)	(2,780.47)	(1,118.35)	(1,285.70)	-	(11,141.59)	-	(11,141.59)
Segment Capital Expenditure as a percentage of Total capital expenditure of all segments	24.70	10.78	41.93	10.73	11.87	-	100.00	-	-
	(43.59)	(9.88)	(24.96)	(10.04)	(11.54)	-	(100.00)	-	-

* Unallocable segment assets and liabilities have been merged with inter-segment assets and liabilities respectively.

b) The Group revenue from sale of garments to external customer are as follows:

Particulars	As At March 31, 2024	As At March 31, 2023
Local Customers	2,511.56	555.57
Foreign Customers	341,103.55	304,142.36
	343,615.11	**304,697.93**

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

Particulars	As At March 31, 2024	As At March 31, 2023
Non Current Assets		
- within India	27,967.32	24,668.32
- outside India	42,685.01	37,278.67

d) Revenue from major customer: During the year the Group generates 90% of its external revenues from 17 customers (March 31, 2023: 15 customers).

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

[This space has been left blank intentionally]

Note 46 : Contingent liabilities and commitments

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

I (i) The respective companies has reviewed all its pending claims, litigations and other proceedings and has adequately provided for wherever required. The respective companies does not expect the outcome of these proceedings to have a material or adverse effect on financial position of the company. In certain cases, it is difficult for the respective companies to estimate the timings of cash outflows, if any, as it is determinable only on receipt of judgement/decisions pending with various forums/authorities. The group does not expect any reimbursements in respect of the below contingent liabilities.

	Particulars	**As At March 31, 2024**	**As At March 31, 2023**
	-Tax Demand as per Sec 154 and Sec 16(1) of Income Tax Act, 1961 (with respect to Assessment Year 2015-16) -Issue restored to file of CIT(A) for re-adjudication based on order received from ITAT	15.57	15.57
	-Tax Demand as per Sec 250 of Income Tax Act, 1961 (with respect to Assessment Year 2016-17) - Matter restored to AO by ITAT for recalculating the tax liability	3.49	3.49
	-Tax Demand as per Sec 143(3) of Income Tax Act, 1961 (with respect to Assessment Year 2017-18) - Appeal pending before CIT(A)	3.83	3.83
	- Tax Demand as per Sec 115-O of Income Tax Act,1961 (with respect to Assessment Year 2017-18)-Appeal pending before CIT(A) The demand was deleted vide order u/s 154 r.w.s 143(3) of the Income Tax Act,1961 dated 14.12.2023.	-	33.30
	-Tax Demand as per Sec 154 of Income Tax Act, 1961 (with respect to Assessment Year 2018-19) - Appeal pending before CIT(A) The demand was adjusted against refund during the year.	-	5.70
	-Tax Demand as per Sec 270A of Income Tax Act, 1961 (with respect to Assessment Year 2020-21) - Appeal pending before CIT(A)	2.90	2.90
	-Demand as per TDS (TRACES) portal - CPC	14.13	2.86
	(ii) Various legal cases of labour pending at labour Court, Civil Court and High Court. The group has assesed and believe that none of these cases, either individually or in aggregate, are expected to have any material adverse effect on its financial statements.		
II	Irrevocable letter of credit outstanding with banks (net of margin)	17,963.90	15,473.16
III	Counter Guarantees given by the group to the Sales Tax Department for entities over which Key Managerial Personnel have Significant		
	- For enterprise	1.00	1.00
	- For others	0.50	0.50

IV The group is provided with financial guarantee of Taka 2,079,601(equivalent to ₹ 15.76 lakh) as at March 31, 2024 (March 31, 2023: ₹ 17.43 lakh) by HSBC to clear the goods from customs

	b) Commitments	**As At March 31, 2024**	**As At March 31, 2023**
	Capital Commitment: Estimated amount of contracts remaining to be executed on the capital account (net of capital advances of ₹ 245.55 lakh) (March 31, 2023 : ₹ 106.77 lakh)	467.55	294.66

The group does not have any other long term Commitments or material non cancellable contractual commitments, which may have a material impact on the standalone financial statement.

[This space has been left blank intentionally]

Pearl Global Industries Limited
Notes to consolidated financial statements for the year ended March 31, 2024
(All amounts are in ₹ lakh, unless otherwise stated)

Note 47 : Related party transactions

a) **List of related parties**

Nature of Relationship	Name of the Related Party	
Subsidiary (Direct / Indirect)	**Domestic (Direct)**	
	SBUYS E-Commerce Limited	
	Pearl Global Kaushal Vikas Limited	
	Pearl Apparel Fashions Limited (Liquidated in FY 2022-23)(Refer Note (g) below)	
	Sead Apparels Private Limited (Refer note (h) below)	
	Overseas (Direct)	
	Pearl Global Fareast Limited	
	Pearl Global (HK) Limited	
	Norp Knit Industries Limited	
	Pearl Global USA, Inc.	
	Pearl GT Holdco Ltd (Refer note (i) below)	
	Overseas (Indirect)	
	A & B Investment Limited	
	Pearl Global F.Z.E. (Liquidated w.e.f November 8, 2023)	
	DSSP Global Limited	
	Pearl Global Vietnam Company Limited	
	Pearl Unlimited Inc.	
	Pearl Grass Creations Limited (Formerly known as Pearl Tiger HK Limited)	
	PGIC Investment Limited	
	Prudent Fashions Limited	
	PT Pinnacle Apparels (Formerly known as PT Norwest Industry)	
	Vin Pearl Global Vietnam Limited	
	Alpha Clothing Limted (w.e.f September 04, 2022)	
	Trinity Clothing Limited (w.e.f May 10, 2023)	
	Corporacion de Productos Y Servicios Asociados, Sociedad Anonima (CORPASA)	
	Shoretex, Sociedad Anonima (SHORETEX)	
	Pearl Global Industries FZCO	
Enterprise over which Key Managerial Personnel exercise Significant influence	PDS Limited (Formerly PDS Multinational Fashions Limited)	
Key Management Personnel (KMP) & their relative	Mr. Deepak Seth	Chairman
	Mr. Pulkit Seth	Vice Chairman, Non-Executive Director
	Ms. Shifalli Seth	Non-Executive Director
	Mr. Pallab Banerjee	Managing Director
	Mr. Uma Shankar Kaushik	Whole-Time Director (till January 10, 2022)
	Mr. Shailesh Kumar	Whole-Time Director
	Mr. Deepak Kumar	Whole-Time Director
	Mr. Sanjay Gandhi	Group Chief Financial Officer
	Mr. Narendra Kumar Somani	Chief Financial Officer
	Mr. Ravi Arora	Company Secretary (from Feb 14, 2022 till June 28, 2022).
	Ms. Shilpa Budhia	Company Secretary (w.e.f. November 11, 2022).

b) **Disclosure of Related Parties Transactions:**

(i) **Enterprise over which KMP has Significant Influence**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Dividend Received	-	18.17

(ii) **Key Management Personnel (KMP)**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Short term employee benefits	574.49	458.95
Share based payments	503.80	-
Expenses paid by the company on their behalf (EPF Paid)	12.28	8.60
Expenses incurred on behalf of the company	93.10	45.97
Loan Given	-	100.00
Loan recovered back	100.00	
Interest Income	5.92	3.51

Pearl Global Industries Limited
Notes to consolidated financial statements for the year ended March 31, 2024
(All amounts are in ₹ lakh, unless otherwise stated)

Closing Balance	As At March 31, 2024	As At March 31, 2023
Loan Receivable (Inclusive of Interest)	-	103.51
Trade Payable - Payable to KMP	20.70	10.92

c) **Disclosure of transactions between group and related parties during the year which are more than 1% of revenue.**
As the transactions between group and related party does not exceed 1% of revenue, hence disclosure of transactions has not been made.

Terms and conditions of transactions with related parties

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

e) Personal Guarantee given by Mr. Deepak Kumar Seth (Promoter Director) and Mr. Pulkit Seth (Director) against the Borrowings (refer note no. 21 & 22).

f) The remuneration of Key managerial Personnel does not include amount in repect of gratuity and leave encashment payable as the same are not determinable as individual basis for the KMP. The liabilities of gratuity and leave encashment are provided for Company as whole on the basis of acturial valuation.

g) During the financial year 2020-21, Pearl Apparel Fashions Limited, a wholly owned subsidiary of the company had gone into voluntarily liquidation. The NCLT order has been received on December 16, 2022 and company has been liquidated.

h) During the financial year 2022-23, Investement was made in SEAD Apparels Private limited during the third quarter of FY 22-23, making it a wholly owned subsidiary of the company.

i) During the year, the group had acquired 55% equity interest in substance in Pearl GT HoldCo Limited. Further, Pearl GT HoldCo Limited is the Holding Company of Corporacion de Productos Y Servicios Asociados, Sociedad Anonima (CORPASA) and Shoretex, Sociedad Anonima (SHORETEX)

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

[This space has been left blank intentionally]

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

Note 48 : Disclosures mandated by Schedule III of Companies Act 2013, by way of additional information

Particulars	For the financial year 2023-24							
	Net Assets i.e. total assets minus total liabilities		Share in profit /(loss)		Share in other Comprehensive Income		Share in total Comprehensive Income	
Name of the Entities	As a % of consolidated net assets	Amount	As a % of consolidated Profit	Amount	As a % of consolidated Profit	Amount	As a % of consolidated Profit	Amount
Parent:								
Pearl Global Industries Limited	46.65	37,413.31	16.70	2,823.77	(30.29)	147.71	18.09	2,971.48
Subsidiary:								
- Indian								
Pearl Global Kaushal Vikas Limited	(0.00)	(1.33)	(0.00)	(0.75)	-	-	(0.00)	(0.75)
SBUYS E-Commerce Limited	0.51	408.12	1.07	180.76	-	-	1.10	180.76
Sead Apparels Private Limited	(0.02)	(18.11)	(0.11)	(18.44)	-	-	(0.11)	(18.44)
- Foreign								
Norp Knit Industries Limited	27.40	21,977.66	37.21	6,293.40	120.39	(587.04)	34.74	5,706.35
Pearl Global Far East Limited	9.69	7,770.83	1.34	227.28	(38.19)	186.22	2.52	413.51
Pearl Global (HK) Limited	31.17	25,000.70	60.91	10,301.71	78.22	(381.42)	60.40	9,920.29
Pearl Global USA, Inc.	0.28	223.24	(0.19)	(31.30)	(0.68)	3.30	(0.17)	(28.01)
Pearl GT Holdco Limited	(1.24)	(993.45)	(8.11)	(1,371.95)	0.90	(4.40)	(8.38)	(1,376.35)
Subtotal	-	**91,780.97**	-	**18,404.48**	-	**(635.64)**	-	**17,768.84**
Intercompany Elimination & Consolidation	(14.44)	(11,578.24)	(8.82)	(1,492.11)	(30.36)	148.03	(8.18)	(1,344.08)
Total	-	**80,202.73**	-	**16,912.36**	-	**(487.61)**	-	**16,424.76**
Non Controlling Interest in subsidiaries	-	1,543.17	-	571.01	-	(78.31)	-	492.70
Grand Total	-	**81,745.90**	-	**17,483.38**	-	**(565.92)**	-	**16,917.46**

Particulars	For the financial year 2022-23							
	Net Assets i.e. total assets minus total liabilities		Share in profit /(loss)		Share in other Comprehensive Income		Share in total Comprehensive Income	
Name of the Entities	As a % of consolidated net assets	Amount	As a % of consolidated Profit	Amount	As a % of consolidated Profit	Amount	As a % of consolidated Profit	Amount
Parent:								
Pearl Global Industries Limited	52.72	38,085.99	35.18	5,381.65	21.35	(278.42)	36.46	5,103.22
Subsidiary:								
- Indian								
Pearl Global Kaushal Vikas Limited	(0.00)	(0.59)	(0.00)	(0.27)	-	-	(0.00)	(0.27)
SBUYS E-Commerce Limited	0.31	227.36	1.16	177.69	-	-	1.27	177.69
Sead Apparels Private Limited	0.00	0.33	(0.00)	(0.67)	-	-	(0.00)	(0.67)
- Foreign								
Norp Knit Industries Limited	22.68	16,383.12	22.61	3,458.57	211.48	(2,757.54)	5.01	701.03
Pearl Global Far East Limited	10.18	7,357.33	0.61	93.57	(25.44)	331.69	3.04	425.26
Pearl Global (HK) Limited	30.31	21,898.72	47.01	7,192.90	(100.99)	1,316.85	60.80	8,509.75
Pearl Global USA, Inc.	0.35	251.27	0.00	0.66	(0.64)	8.32	0.06	8.97
Subtotal	-	**84,203.55**	-	**16,304.09**	-	**(1,379.11)**	-	**14,924.99**
Intercompany Elimination & Consolidation	(16.55)	(11,956.99)	(6.57)	(1,004.87)	(5.76)	75.16	(6.64)	(929.72)
Total	-	**72,246.56**	-	**15,299.22**	-	**(1,303.95)**	-	**13,995.27**
Non Controlling Interest in subsidiaries	-	2,030.67	-	(373.78)	-	19.82	-	(353.96)
Grand Total	-	**74,277.23**	-	**14,925.44**	-	**(1,284.13)**	-	**13,641.31**

[This space has been left blank intentionally]

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

Pearl Global Industries Limited

Notes to consolidated financial statements for the year ended March 31, 2024

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

Note 49 : Leases

a) Lease contracts entered by the Group to conduct its business in the ordinary course. The Group does not have any lease restrictions and commitment towards variable rent as per the contract.

Right-of-use assets: movements in carrying value of assets	Land	Buildings	Machinery	Office Premises	Vehicle	Total
Gross Block as at April 1, 2022	**2,940.27**	**12,529.14**	**213.71**	-	-	**15,683.12**
Add: Business Combination	-	36.88	-	-	-	36.88
Add: Additions during the year	-	4,603.22	-	-	-	4,603.22
Less: Disposal/ adjustments during the year	-	(606.92)	-	-	-	(606.92)
Add/(Less): Exchange Fluctuation/Translation	248.24	(1,296.87)	3.57	-	-	(1,045.05)
Gross Block as at March 31, 2023	**3,188.51**	**15,265.45**	**217.28**	-	-	**18,671.25**
Add: Additions during the year	398.44	4,186.38	373.35	505.33	-	5,463.50
Add: Disposals/Adjustments	-	(748.61)	-	498.40	174.05	(76.16)
Add: Exchange Fluctuation	44.96	(309.16)	(7.36)	(2.89)	2.43	(272.02)
Gross Block as at March 31, 2024	**3,631.91**	**18,394.06**	**583.27**	**1,000.84**	**176.48**	**23,786.57**
Accumulated Depreciation/Amortisation :						
As at April 1, 2022	**358.60**	**4,141.34**	**15.03**	-	-	**4,514.97**
Add: Business Combination	-	10.39	-	-	-	10.39
Add: Depreciation/Amortisation charge for the year	111.57	1,616.07	55.94	-	-	1,783.58
Less: (Disposals) / adjustments during the year	(7.63)	(617.33)	-	-	-	(624.96)
Add/(Less): Exchange Fluctuation/Translation	32.69	(440.19)	1.52	-	-	(405.98)
As at March 31, 2023	**495.22**	**4,710.28**	**72.49**	-	-	**5,277.99**
Add: Depreciation/Amortisation charge for the year	125.32	1,859.42	99.51	318.15	58.42	2,460.82
Less: (Disposals) / adjustments during the year	-	(342.29)	-	189.41	76.72	(76.16)
Add/(Less): Exchange Fluctuation/Translation	6.20	(53.06)	1.69	(6.40)	2.13	(49.44)
As at March 31, 2024	**626.74**	**6,174.35**	**173.69**	**501.16**	**137.27**	**7,613.21**
Net Block :						
As at March 31, 2024	**3,005.17**	**12,219.71**	**409.58**	**499.68**	**39.21**	**16,173.35**
As at March 31, 2023	**2,693.29**	**10,555.17**	**144.79**	-	-	**13,393.26**

In 2023-24, there were no impairment charges recorded for right-of-use assets.

Leases: movements in carrying value of recognised liabilities	Amount
As At April 01, 2022	**8,045.15**
Add: Business Combination	8.62
Add: Additions during the year	4,466.44
Add: Interest expense on lease liabilities	997.47
Less: (Disposals) / adjustments during the year	104.12
Less: Repayment of lease liabilities	(2,135.82)
Add: Exchange Realisation/Translation	(552.53)
As At March 31, 2023	**10,933.45**
Add: Additions during the year	5,463.50
Add: Interest expense on lease liabilities	1,365.75
Less: (Disposals) / adjustments during the year	-
Less: Repayment of lease liabilities	(3,438.56)
Add: Exchange Realisation/Translation	(0.50)
As at March 31, 2024	**14,323.64**
Non-current lease liabilities	12,666.79
Current lease liabilities	1,656.85
Total lease liabilities	**14,323.64**

The maturity analysis of lease liabilities is given in note 44 in the 'Liquidity risk' section.

Leases committed and not yet commenced:
There are no leases committed which have not yet commenced as on reporting date. Cash flows from operating activities includes cash flow from short term lease & leases of low value.

Cash flows from operating activities includes cash flow from short term lease & leases of low value. Cash flows from financing activities includes the payment of interest and the principal portion of lease liabilities.

Group as a Lessor
The group is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor. The group accounted for its leases in accordance with Ind AS 116 from the date of initial application. The group does not have any significant impact on account of sub-lease on the application of this standard.

The group has given its building space, lying under property, plant and equipment's, on operating lease through operating lease arrangements. Income from operating leases is recognised as revenue on a straight-line basis over the lease term.

Lease income of ₹ 723.63 lakh (March 31, 2023: ₹ 751.10 lakh) has been recognised and included under Other Income. (Refer Note No. 29)

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

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

The following table sets out a maturity analysis of lease receivable, showing the undiscounted lease payments to be received after the reporting date.

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Less than one year	778.67	702.26
One to two years	797.30	778.67
Two to three years	841.89	797.30
Three to Four Years	813.25	841.89
Four to five years	670.42	813.25
More than five years	1,973.08	2,643.50

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

[This space has been left blank intentionally]

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

Note 50 : Event occurring after balance sheet date

(a) Interim Dividend :

Particulars	**For the Year ended March 31, 2024**	**For the Year ended March 31, 2023**
Declared for the year:		
Nil (Second Interim dividend declared on May 15, 2023 ₹ 5.00 per share for the financial year 2022-23)	-	1,083.20
[Nil (2022-23 ₹ 5 on 21,663,937 equity shares)](Prior to sub division)		

(b) Proposed Dividend:

- The directors of PG(HK) proposed final dividend for financial year 2023-24: $ 0.31 per share (2022-23: $ 0.31 per share) which is subject to the approval of the Group's shareholders at the forthcoming annual general meeting. Also, during the year, the entity had declared interim dividend of $ 0.81 per share (2022-23: $ 0.16 per share)	416.10	411.10

(c) No other material events have occurred between the balance sheet date to the date of issue of these financial statements that could affect the values stated in the financial statements.

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

[This space has been left blank intentionally]

Note 51: Employee Share Based Payment

A. The Board of Directors had accorded their consent for the implementation of Pearl Global Industries Limited Employee Stock Option Plan 2022 (the Plan) on June 30, 2022, which was approved by the shareholders of the company vide Postal Ballot on August 28, 2022. Pursuant to the terms of the said plan, the company had granted 1,280,200 options till date to employees of the holding company. During the year ended March 31, 2024, the holding company has granted 4,54,000* (March 31, 2023: 8,26,200*) stock options to the eligible employees of the company/subsidiary companies. Each option when exercised would be converted into one fully paid-up equity share of Rs. 5/- each of the holding company. The options granted under ESOP scheme carry no rights to dividends and no voting rights till the date of exercise. The fair value of the share options is estimated at the grant date using Black and Scholes Model, taking into account the terms and conditions upon which the share options were granted.

Further,during the year ended March 31, 2024, the group has accelerated the vesting of 135,000 options based on the approval of Nomination and Remuneration Committee in accordance with 'the Plan', due to which an additional amount of ₹ 63.01 lakh has been charged to statement of profit and loss account.

The group has recognised an expense of ₹ 860.85 Lakh (March 31, 2023 ₹ 259.51 Lakh) arising from equity settled share based payment transactions for employee services received during the year. The carrying amount of Employee stock options outstanding reserve as at March 31, 2024 is ₹ 899.19 Lakh (March 31, 2023: ₹ 259.51 Lakh).

* The movement of options & the fair value assumptions have been restated to give effect of share split of equity shares of face value of ₹ 10 each sub-divided into 2 equity shares of face value of ₹ 5 each held vide shareholder's approval dated December 19 , 2023 through postal ballot.

B. Options granted under ESOP Scheme

Particulars	As At March 31, 2024	As At March 31, 2023
Options outstanding at the beginning of the year	826,200	-
Options granted during the year	454,000	826,200
Options forfeited during the year	-	-
Options expired/lapsed during the year	43,400	-
Options exercised during the year	255,650	-
Options outstanding at the end of the year	981,150	
Exercisable at the end of the year	75,050	-
For options outstanding at the end of the year		
Exercise price range (₹)	150-375	150
Weighted average remaining contractual life (in years)	2.33 years	3.53 years

C. Fair value of options granted

(i) Fair value of each option is estimated on the date of grant i.e. October 10, 2022, based on the following assumptions:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV
Dividend yield (%)	0.95%	0.95%	0.95%	0.95%
Expected life (years)	2.5 years	3 years	3.5 years	4 years
Risk free interest rate (%)	7.05%	7.15%	7.23%	7.29%
Volatility (%)	58.21%	57.92%	55.93%	54.70%
Share price on date of grant*	₹ 230.675			
Fair value of options	122.88	128.645	132.22	135.81

(ii) Fair value of each option is estimated on the date of grant i.e. May 15, 2023, based on the following assumptions:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV
Dividend yield (%)	1.06%	1.06%	1.06%	1.06%
Expected life (years)	3 years	4 years	5 years	6 years
Risk free interest rate (%)	6.83%	6.85%	6.88%	6.91%
Volatility (%)	56.05%	54.82%	53.24%	52.03%
Share price on date of grant*	₹ 222.95			
Fair value of options	114.015	122.855	129.335	134.705

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

(ii) Fair value of each option is estimated on the date of grant i.e. August 10, 2023, based on the following assumptions:

Particulars	Vest 1	Vest 2		
		Tranche I	Tranche II	Tranche III
Dividend yield (%)	0.93%	0.93%	0.93%	0.93%
Expected life (years)	3 years	3 years	4 years	5 years
Risk free interest rate (%)	6.99%	6.99%	7.02%	7.03%
Volatility (%)	56.73%	56.73%	55.73%	53.73%
Share price on date of grant*	₹ 322.875			
Fair value of options	208.275	171.835	184.97	193.81

(ii) Fair value of each option is estimated on the date of grant i.e. October 10, 2023, based on the following assumptions:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV
Dividend yield (%)	1.17%	1.17%	1.17%	1.17%
Expected life (years)	3 years	4 years	5 years	6 years
Risk free interest rate (%)	7.21%	7.26%	7.29%	7.31%
Volatility (%)	57.23%	56.15%	53.97%	52.38%
Share price on date of grant*	₹ 507.125			
Fair value of options	259.93	280.82	294.315	305.525

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The volatility is based on annualised standard deviation of the continuously compounded rates of return based on the peer companies and competitive stocks over a period of time. The company has determined the market price on grant date based on latest equity valuation report available with the company preceding the grant date.

D. Expenses arising from share-based payment transactions

Particulars	As At March 31, 2024	As At March 31, 2023
Stock based compensation expense determined under fair value method recognised in statement of profit or loss	899.19	259.51

Note 52 : Business Combination

a) During the year, on 9 June 2023, the Group acquired 55% equity interest in Pearl GT Holdco Ltd. (British virgin Islands). Pearl GT Holdco Ltd. is engaged in the manufacture readymade garments item and allied products and has two wholly owned subsidiaries namely Shoretex, Sociedad Anonima and Corporacion de Productos Y Servicious Asociados, Sociedad Anonima. The acquisition was made as part of the Group's strategy to expand the manufacturing footprints in Guatemala and expecting to benefit from the synergies of broader customer base. The purchase consideration for the acquisition was in the form of cash, with USD$ 550,000 (equivalent ot ₹ 451.94 lakh) paid at the acquisition date and goodwill on purchase of subsidiary was USD$ 293,969 (equivalent ot ₹ 242.30 lakh) .

b) During the year, the Group acquired 100% equity interest in Trinity Clothing Limited from a third party. Trinity Clothing is engaged in the trading of fabrics and interlining. The acquisition was made as part of the Group's strategy to expand its business operation, expecting to benefit from the synergies of broader customer base. The purchase consideration for the acquisition was in the form of cash at the acquisition date.

c) During the year, the group has entered into a sale and purchase agreement with the non-controlling party to acquire the remaining 20% equity interest of a subsidiary, Pearl Grass Creations Limited. The subsidiary became a wholly- owned subsidiary of Pearl Global (HK) Limited upon completion.

d) During previous year FY 2022-23, the Group acquired 100% equity interest in substance in Alpha Clothing Limited from a third party. Alpha Clothing is engaged in the manufacture readymade garments item and allied products. The acquisition was made as part of the Group's strategy to expand its market share of garment products in the Bangladesh. The purchase consideration for the acquisition was in the form of cash, with US$ 10,45,081 (equivalent to ₹ 824.98 lakh) paid at the acquisition date and the remaining US$ 4,90,075 (equivalent to ₹ 402.94 lakh) and US$ 4,70,473 (equivalent to ₹ 386.82 lakh) paid by 31 March 2023 and 31 July 2024 respectively. During the year, the sellers agreed to unconditionally defer the second payment of US$ 4,90,075 (equivalent to ₹ 402.94 lakh). Further, in last installment of US$ 4,70,473 (equivalent to ₹ 386.82 lakh) discounted amount is US$ 4,13,021 (equivalent to ₹ 339.59 lakh), which is reflected in Note 23 to the consolidated financial statement.

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

Note 53 : No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entity identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 54: Disclosure of transactions with struck off companies

The group did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the financial years.

Note 55 :

A) No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

(a) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

(b) Crypto Currency or Virtual Currency

(c) Relating to borrowed funds:

i) Wilful defaulter

ii) Utilisation of borrowed funds & share premium

iii) Borrowings obtained on the basis of security of current assets

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

(Pulkit Seth)
Vice-Chairman
DIN 00003044

(Pallab Banerjee)
Managing Director
DIN 07193749

(Sanjay Gandhi)
Group CFO
M. No. 096380

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

(Shilpa Budhia)
Company Secretary
M. No. ACS - 23564

Place of Signature: Gurugram
Date: May 20, 2024

S.R. DINODIA & CO. LLP. CHARTERED ACCOUNTANTS

S.R. DINODIA & Co. LLP
CHARTERED ACCOUNTANTS
K-39 Connaught Place, New Delhi-110001 INDIA
Ph. : +91-(0)11-4370 3300 Fax : +91-(0)11-4151 3666

Independent Auditor's Report

To The Members of Pearl Global Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Pearl Global Industries Limited** (hereinafter referred to as " the Holding Company") and its Subsidiaries (the Holding Company and its subsidiaries together referred as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statement, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditors on separate financial statements of subsidiaries audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, the consolidated profit (including Other Comprehensive Income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each key audit matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

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, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of five subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets (before eliminating of inter-company transaction of ₹ 22,087.36 lakh) of ₹ 124,951.16 lakh as at March 31,2023, total revenues (before eliminating of inter-company transaction of ₹ 90,390.23 lakh) of ₹ 334,135.77 lakh , total net profit after tax (before eliminating of inter-company transaction of ₹ Nil) of ₹ 10,922.06 lakh and total comprehensive income (before eliminating of inter-company transaction of ₹ (114.62) lakh) of ₹ 9813.06 lakh for the year ended March 31, 2023 respectively and total net cash inflow of ₹ 11,167.30 lakh for the year ended March 31, 2023, as considered in the consolidated financial statements. These financial statements and other information have been audited by other auditors whose reports have been furnished to us by the Management and our conclusion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of Regulation read with the Circulars, in so far as it relates to the aforesaid subsidiaries, are based on the reports of the other auditors and the procedures performed by us as stated in paragraph below.

(b) Further, of these subsidiaries, three subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's Management has converted the financial statements of such subsidiaries from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. Independent firm of Chartered Accountant have audited these conversion adjustments made by the Holding Company management in India. Our opinion in so far as it relates to the balances and affairs of such subsidiary companies located outside India are based on the report of other auditor in their respective countries and conversion adjustments prepared by the Management and audited by independent firm of Chartered Accountants of India.

Our opinion on the consolidated financial statement is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

(c) The Consolidated financial statements also include the financial statements of one foreign subsidiary whose financial statements reflect total assets (before eliminating of inter-company transaction of ₹ 61.67 lakh) ₹ 1071.54 lakh as at March 31,2023, total revenues (before eliminating of inter-company transaction of ₹1832.89 lakh) of ₹ 4453.60 lakh, total net profit after tax (before eliminating of inter-company transaction of ₹ Nil) of ₹ 0.66 lakh & total comprehensive income (before eliminating of inter-company transaction of ₹ Nil) of ₹ 8.97 lakh for the year ended March 31,2023 and net cash inflow of ₹ 342.85 lakh for the year ended March 31, 2023 as considered in the consolidated financial statements, which have not been audited. These financial statements have been certified by the respective Management and furnished to us by Holding Company's Management. Our conclusion, in so far as it relates to the amounts included in respect of aforesaid subsidiary, is based solely on such financial statements. In our view and according to the information and explanations given to us by the Holding Company's Management, these financial statements are not material to the Group.

Our conclusion is not modified in respect of this matter with respect to our reliance on these unaudited financial statements of aforesaid subsidiary, as certified by the respective Management

(d) The comparative financial statement of the Group for the year ended March 31, 2023 included in this Consolidated financial statement, are based on the previously issued statutory Consolidated financial statements which had been audited by the predecessor auditor whose report for the year ended March 31, 2022 dated May 25, 2022 expressed an unmodified opinion on those Consolidated financial statement. Our opinion is not modified in respect of this matter.

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

Key Audit Matter	How our audit addressed the Key Audit Matter
Adequacy and completeness of disclosures of Related Party Transactions The Group has related party transactions which include among others, sale/purchase of goods to its subsidiaries and other related parties. This area was significant to our audit due to the following reasons: - the significance of transactions with related parties during the year ended March 31, 2023; and - Related party transactions are subject to compliance and disclosure requirement under the Companies Act, 2013 and Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India.	Our procedures included the following steps: ✓ Obtaining an understanding of policies and procedures in respect of identification of related parties and transactions with them. We also traced the related parties from declaration given by directors and financial statements of the subsidiaries, wherever applicable. ✓ Read the minutes of the meetings of Board of Directors and Audit Committee and verified that the transactions are approved in accordance with internal procedures and the applicable regulations. ✓ Tested on a sample basis the arrangements between the related parties along with supporting documents to evaluate the assertions that the transactions were at arm's length and in the ordinary course of business. ✓ Evaluated and tested on a sample basis the rights and obligations of the related parties and assessed whether the transactions were recorded appropriately and disclosed. ✓ We have also relied upon the audited financial statements of the subsidiaries and audit reports issued thereupon. Also, we have reviewed the signed component instructions received from Statutory Auditors of the subsidiaries as per SA 600. Our procedures as mentioned above did not identify any findings that are significant for the consolidated financial statements as whole in respect of accounting, presentation and disclosure of Related Party Transactions.
Recognition, measurement, presentation and disclosures of revenues as per Ind AS 115 "Revenue from Contracts with Customers" In accordance with the requirements of Ind AS 115 - Revenue from Contracts with Customers, an entity shall recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. An asset is transferred when the customer obtains control of that asset. Revenue is one of the key measures of performance. Revenue is identified as an area of significant risk. As per the accounting policy, the Holding Company derives its revenue primarily from sale of garments with revenue recognised at a point in time when control of the goods has transferred to the customer. At the year end, management has to exercise significant judgement & control as the volume of transactions are high. Accordingly, Revenue Recognition is identified as a Key Audit Matter.	Our procedures included, but were not limited to the following: ✓ Assessed the appropriateness of the Holding Company's revenue recognition accounting policies as per Ind AS 115 -Revenue from Contracts with Customers. ✓ Obtained an understanding and assessed the design, implementation and operating effectiveness of key internal controls over recognition and measurement of revenue in accordance with customer contracts, including correct timing of revenue recognition. ✓ Performed substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year, verifying with the underlying documents i.e sales invoices, dispatch documents including shipping bill, Airway bill, bill of lading, forwarder cargo receipt etc. ✓ Performed cut off testing, on sample basis to ensure that the revenue from sale of goods is recognized in the appropriate period. ✓ Assessed manual journals posted to revenue to identify unusual items and tested the same

	on a sample basis. ✓ Performed analytical procedures for reasonableness of revenues disclosed vis-à-vis the direct and indirect costs involved. ✓ Considered adequacy of the Group's disclosures in respect of revenue and related estimates and judgements in the Consolidated Ind AS financial statements. Based on our procedures as mentioned above, we did not identify any findings that are significant for the financial statements as whole in respect of accounting, presentation and disclosure of Revenue Recognition.

Information other than Consolidated Financial Statements and Auditor's Reports thereon

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

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and Subsidiaries which are incorporated in India has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to which we are independent auditors to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the entities consolidated in the consolidated financial statements, which have been audited by other auditors, such other auditors are responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

S.R. DINODIA & CO. LLP
CHARTERED ACCOUNTANTS

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in the paragraph 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order"/"CARO"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and CARO reports issued by respective statutory auditors of the subsidiaries which have been included in the consolidated financial statements of the Group & to which reporting under CARO is applicable, we report that there are no qualifications and adverse remarks in those CARO reports.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the auditor on a separate financial statement and the other information of the subsidiaries, as noted in the 'Other Matters' paragraph, we report to the extent applicable that:

I. We/ the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.

II. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.

III. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

IV. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

V. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of the subsidiaries companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164 (2) of the Act.

VI. With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to these consolidated financial statements of the Holding Company and its subsidiaries incorporated in India, refer to our separate report in **Annexure – A.**

VII. With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanation given to us and based on the report of other auditors as separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:

a) The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group - Refer Note No. 46 of the Consolidated financial statements.

b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2023.

c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries companies incorporated in India for the year ended March 31, 2023.

d)

i. The respective Managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited in the act have represented to us and the other auditors of such subsidiaries have reported that, to the best of its knowledge and belief, as disclosed in the Note 53 to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

ii. The respective Managements of the Holding Company and its subsidiaries incorporated in India have represented, that, to the best of its knowledge and belief, as disclosed in the Note 53 to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

iii. Based on such audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) & (ii) above, contain any material misstatement.

e) The first interim dividend declared and paid by the Holding Company during the year and is in accordance with section 123 of the Companies Act 2013. Further, as stated in note 50 to the financial statements, second interim dividend declared by the Holding Company for the year is in accordance with section 123 of the Companies Act 2013, to the extent, it applies to declaration of dividend. However, the second interim dividend was not paid on the date of this audit report.

Further, the subsidiaries companies incorporated in India, consolidated in the group, have not declared any dividend during the year.

f) Proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable for the Company and its subsidiaries which are companies incorporated in India w.e.f. April 1, 2023 and accordingly, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2023, has been paid/ provided by Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V of the Act.

For S.R. Dinodia & Co. LLP.
Chartered Accountants,
Firm's Registration Number 001478N/N500005

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

(Sandeep Dinodia)
Partner
Membership Number 083689
UDIN: 23083689BGWOCN7329

Place of Signature: New Delhi
Date: May 15, 2023

Annexure 'A' to the Independent Auditors' Report of even date on the Consolidated Financial Statement of Pearl Global Industries Limited

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

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to financial statements of Pearl Global Industries Limited (the "Holding Company") and its Subsidiaries, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls with reference to these consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

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

Opinion
In our opinion to the best of our information and according to the explanation given to us and based on consideration of the reports of the other auditors referred to in Other Matter paragraph below, the Holding and its Subsidiaries companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to these consolidated financial statements and such internal financial controls with reference to these consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

For S.R. Dinodia & Co. LLP.
Chartered Accountants,
Firm's Registration Number 001478N/N500005

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

(Sandeep Dinodia)
Partner
Membership Number 083689
UDIN: 23083689BGWOCN7329

Place of Signature: New Delhi
Date: May 15, 2023

Pearl Global Industries Limited
Consolidated Balance Sheet as at March 31, 2023
(Amount in ₹ Lakh, unless otherwise stated)

Particulars	Note No.	As At March 31, 2023	As At March 31, 2022
I. Assets			
1. Non-current assets			
(a) Property, plant and equipment	4	28,822.60	25,815.42
(b) Capital work in progress	5	3,312.61	1,521.50
(c) Right of use asset	49	13,393.26	11,168.15
(d) Investment properties	6	5,736.05	5,904.48
(e) Goodwill	7	1,924.67	1,800.78
(f) Other Intangible assets	8	156.19	72.06
(g) Financial assets			
(i) Investment	9	5,415.10	4,985.82
(ii) Loans	10	27.16	125.01
(iii) Other financial assets	11	809.25	1,096.34
(h) Non current tax assets (net)	13	2,048.00	601.00
(i) Deferred tax assets (net)	12	138.49	89.81
(j) Other non current assets	14	163.61	210.77
Total Non-current assets		**61,946.99**	**53,391.14**
2. Current assets			
(a) Inventories	15	51,329.69	53,958.18
(b) Financial assets			
(i) Investments	9	562.16	532.26
(ii) Trade receivables	16	20,936.17	36,662.31
(iii) Cash and cash equivalents	17	25,614.50	11,685.07
(iv) Bank balances other than cash and cash equivalents	18	3,832.23	3,292.39
(v) Loans	10	2,538.00	3,459.46
(vi) Other financial assets	11	815.43	590.85
(c) Other current assets	14	10,489.02	14,490.19
Total current assets		**116,117.20**	**124,670.71**
Total Assets		**178,064.19**	**178,061.85**
II. Equity And Liabilities			
1. Equity			
(a) Equity share capital	19	2,166.39	2,166.39
(b) Other equity	20	70,080.17	57,727.53
Equity attributable to equity shareholders		**72,246.56**	**59,893.92**
Non - controlling interest		2,030.67	1,593.33
Total equity		**74,277.23**	**61,487.25**
2. Liabilities			
Non- current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	8,930.19	12,382.81
(ia) Lease Liabilities	49	9,682.32	7,161.40
(ii) Others financial liabilities	23	446.62	240.92
(b) Provisions	24	2,886.64	2,427.56
(c) Deferred tax liabilities	12	60.02	256.64
(d) Other non current liabilities	25	96.53	3,006.07
Total non- current liabilities		**22,102.32**	**25,475.40**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	35,908.24	44,031.37
(ia) Lease Liabilities	49	1,251.13	883.75
(ii) Trade payables	26		
Total outstanding due of micro enterprises and small enterprises		744.87	663.99
Total outstanding due of creditors other than micro enterprises and small enterprises		38,423.82	43,204.80

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

Particulars	Note No.	As At March 31, 2023	As At March 31, 2022
(iii) Other financial liabilities	23	1,395.08	904.09
(b) Other current liabilities	25	1,937.03	948.52
(c) Provisions	24	140.97	244.81
(d) Current tax liabilities (net)	27	1,883.50	217.87
Total current liabilities		**81,684.64**	**91,099.20**
Total equity and liabilities		**178,064.19**	**178,061.85**
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 S. R. Dinodia & Co. LLP
Chartered Accountants
Firm's Registration Number 001478N/N500005

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

(Sandeep Dinodia)
Partner
Membership Number: 083689

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

(Pulkit Seth)
Vice-Chairman
DIN 00003044

(Pallab Banerjee)
Managing Director
DIN 07193749

(Sanjay Gandhi)
Group CFO
M. No. 096380

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

Shilpa Budhia

(Shilpa Budhia)
Company Secretary
M. No. ACS - 23564

Place of Signature:
Date: May 15, 2023

Place of Signature:
Date: May 15, 2023

Pearl Global Industries Limited
Consolidated Statement of Profit and Loss for the Year ended March 31, 2023
(Amount in ₹ Lakh, unless otherwise stated)

	Particulars	Note No.	For the Year ended March 31, 2023	For the Year ended March 31, 2022
I	**Income**			
	Revenue from operations	28	315,840.92	271,352.90
	Other income	29	2,280.99	3,345.94
	Total income		**318,121.91**	**274,698.84**
II	**Expenses**			
	(a) Cost of materials consumed	30	149,241.21	116,530.95
	(b) Purchases of stock-in-trade	31	18,901.73	40,790.23
	(c) Changes in inventories of finished goods, stock in trade and work in progress	32	(5,192.84)	(6,258.87)
	(d) Employee benefits expense	33	56,146.52	45,862.10
	(e) Finance costs	34	6,517.89	4,660.37
	(f) Depreciation and amortization expense	35	5,077.64	4,833.68
	(g) Other expenses	36	71,190.80	60,370.37
	Total expenses		**301,882.95**	**266,788.84**
III	**Profit/ (loss) before exceptional items and tax (I-II)**		**16,238.96**	**7,910.00**
IV	**Exceptional Items**	37	(1,345.96)	(671.82)
V	**Profit/ (loss) before tax (III-IV)**		**17,584.92**	**8,581.82**
VI	**Tax expense:**	12		
	(a) Current tax		2,407.75	1,074.08
	(b) Deferred tax		(127.29)	496.86
	(c) Adjustment of tax relating to earlier periods		5.24	-
VII	**Profit/(loss) for the year (V-VI)**		**15,299.22**	**7,010.88**
VIII	**Other comprehensive income**	38		
(A)	(i) Items that will not be reclassified to profit and loss			
	(a) Re-measurement gains/ (losses) on defined benefit plans		(56.05)	(100.97)
	(b) Gain on Bargain Purchase		506.98	-
	(c) Changes in fair value of financial assets designated at fair value		(193.77)	-
	(ii) Income tax on items that will not be reclassified to profit and loss		(0.53)	(20.48)
(B)	(i) Items that will be reclassified to profit and loss			
	(a) Foreign exchange translation reserve		(1,050.98)	1,242.11
	(b) Fair valuation of investment in mutual fund		-	(28.98)
	(c) Net movement in effective portion of cash flow hedge reserve		(595.46)	419.03
	(d) Changes in fair value of financial assets designated at fair value		(64.01)	-
	(ii) Income tax on items that will be reclassified to profit and loss		149.87	(105.46)
	Other comprehensive income for the year, net of tax		**(1,303.95)**	**1,405.26**
IX	**Total comprehensive income for the year, net of tax**		**13,995.27**	**8,416.14**
	Profit Attribituable to:			
	Equity shareholders		14,925.44	6,814.64
	Non-controlling interests		373.78	196.24
	Other comprehensive income attributable to:			
	Equity shareholders		(1,284.13)	1,357.87
	Non-controlling interests		(19.82)	47.39
	Total comprehensive income attributable to:			
	Equity shareholders		13,641.31	8,172.51
	Non-controlling interests		353.96	243.63

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

Particulars	Note No.	For the Year ended March 31, 2023	For the Year ended March 31, 2022
X Earnings per share: (Face value ₹ 10 per share)	39		
1) Basic (amount in ₹)		68.90	31.46
2) Diluted (amount in ₹)		68.79	31.46
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 S. R. Dinodia & Co. LLP
Chartered Accountants
Firm's Registration Number 001478N/N500005

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

(Sandeep Dinodia)
Partner
Membership Number: 083689

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

(Pulkit Seth)
Vice-Chairman
DIN 00003044

(Pallab Banerjee)
Managing Director
DIN 07193749

(Sanjay Gandhi)
Group CFO
M. No. 096380

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

Shilpa Budhia

(Shilpa Budhia)
Company Secretary
M. No. ACS - 23564

Place of Signature:
Date: May 15, 2023

Place of Signature:
Date: May 15, 2023

Pearl Global Industries Limited

Consolidated Statement of changes in equity for the year ended March 31, 2023

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

A. Equity Share Capital

As at April 1, 2021	2,166.39
Changes during the year	-
As at March 31, 2022	2,166.39
Changes during the year	-
As at March 31, 2023	2,166.39

B. Other Equity

Particulars	Reserve & Surplus							Items of other comprehensive income			Total Other Equity	Non-controlling interest	Total Equity
	General Reserve	Security Premium	Capital Redemption Reserve	Amalgamation Reserve	Capital reserve	Retained earnings	Share Based Payment Reserve	Change in investment through other comprehensive income	Effective Portion of Cash Flow Hedge	Currency Translation Reserve			
Balance As at April 1, 2021	4,204.36	17,103.90	95.00	625.95	-	23,668.62	-	(309.53)	(1,281.96)	5,448.73	49,555.07	1,293.82	50,848.89
Profit / (loss) for the year	-	-	-	-	-	6,814.64	-	-	-	-	6,814.64	196.24	7,010.88
Adjustments during the year	-	-	-	-	-	-	-	377.43	1,273.47	(1,650.90)	-	-	-
Remeasurement of the benefit plan, net	-	-	-	-	-	(94.81)	-	-	-	-	(94.81)	(26.64)	(121.45)
Share Application Money	-	-	-	-	-	-	-	-	-	-		55.88	55.88
Other Comprehensive Income	-	-	-	-	-	-	-	(103.01)	313.57	1,242.11	1,452.67	74.03	1,526.71
Balance As at March 31, 2022	4,204.36	17,103.90	95.00	625.95	-	30,388.41		(35.11)	305.08	5,039.94	57,727.53	1,593.33	59,320.86
Profit / (loss) for the year	-	-	-	-	-	14,925.44	-	-	-	-	14,925.44	373.78	15,299.22
Gain on Bargain Purchase on subsidiary acquired during the year	-	-	-	-	506.98	-	-	-	-	-	506.98	-	506.98
Share based payment Reserve	-	-	-	-	-	-	259.51	-	-	-	259.51	-	259.51
Adjustments during the year	-	-	-	-	-	76.61	-	-	-	(2.97)	73.64	83.38	157.02
Net movement in effective portion of	-	-	-	-	-	-	-	-	(445.59)	-	(445.59)	-	(445.59)
Remeasurement of the benefit plan, net of tax effect	-	-	-	-	-	(36.88)	-	-	-	-	(36.88)	(19.70)	(56.58)
Other Comprehensive Income	-	-	-	-	-	-	-	(257.77)	-	(1,047.89)	(1,305.66)	(0.12)	(1,305.78)
Dividend paid	-	-	-	-	-	(1,624.80)	-	-	-	-	(1,624.80)	-	(1,624.80)
Balance As at March 31, 2023	4,204.36	17,103.90	95.00	625.95	506.98	43,728.78	259.51	(292.88)	(140.51)	3,989.08	70,080.17	2,030.67	72,110.84

Summary of Significant Accounting Policies (Note No. 3)

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For S. R. Dinodia & Co. LLP
Chartered Accountants
Firm's Registration Number 001478N/N500005

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

(Sandeep Dinodia)
Partner
Membership Number: 083689

Place of Signature:
Date: May 15, 2023

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

(Pulkit Seth)
Vice-Chairman
DIN 00003044

(Pallab Banerjee)
Managing Director
DIN 07193749

(Sanjay Gandhi)
Group CFO
M. No. 096380

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

(Shilpa Budhia)
Company Secretary
M. No. ACS - 23564

Place of Signature:
Date: May 15, 2023

Pearl Global Industries Limited

Consolidated Statement of Cashflow for the Year ended March 31, 2023

(Amount in ₹ Lakh, unless otherwise stated)

Particulars		For the Year ended March 31, 2023	For the Year ended March 31, 2022
Cash Flows From Operating Activities			
Profit before tax		17,584.93	8,581.82
Adjustments to reconcile profit before tax to net cash flows:			
Profit on sale of current investment - Mutual Fund		(97.05)	(16.34)
Rental Income		(751.10)	(742.30)
Interest Income		(436.38)	(310.44)
Interest Paid and other borrowing cost		6,499.74	3,484.17
Depreciation and amortization		5,077.63	4,833.68
Unwinding of discount on security deposit - Expense		18.15	14.08
Sundry balances written back		(91.51)	(297.41)
Provision written back		(98.50)	(204.11)
Loss/ (Gain) on lease modification		86.09	(50.36)
Allowance for bad and doubtful debts and Advances		151.07	469.98
Bad debts written off		227.11	2.93
Grant Amortised during the year		(1.00)	(1.00)
Amortisation of deferred Rental Income		(19.36)	(16.44)
Unwinding of discount on security deposits - Income		(32.81)	(26.72)
Interest on Advance Paid		(827.00)	-
Provision for amount receivable (net of expected credit loss)		(2,122.92)	-
Dividend Income		36.54	-
Fair value loss /(gain) on financial assets measured at fair value through profit and loss		13.19	(209.27)
Amortisation of deferred asset - security deposit paid		-	3.13
Fair value loss /(gain) on financial assets measured at fair value through OCI		-	28.98
Stock compensation expenses		270.51	-
Foreign exchange translation		(1,116.55)	662.27
Operating Profit Before Working Capital Changes		**24,368.79**	**16,208.64**
Changes In Operating Assets And Liabilities:			
(Increase)/Decrease in other non-current financial assets		306.44	144.29
(Increase)/Decrease in other non-current assets		(16.99)	(16.41)
(Increase)/Decrease in Inventories		2,628.49	(26,081.21)
(Increase)/Decrease in Trade Receivables		15,630.35	(12,670.09)
(Increase)/Decrease in other current financial assets		(237.78)	(475.39)
(Increase)/Decrease in other current assets		3,485.55	(4,912.39)
Increase/(Decrease) in other non-current financial liabilities		205.69	120.08
Increase/(Decrease) in non-current provisions		402.50	117.44
Increase/(Decrease) in other non-current liabilities		(2,908.54)	(6.28)
Increase/(Decrease) in Trade Payables		(4,608.60)	19,489.37
Increase/(Decrease) in other current financial liabilities		(5.98)	22.02
Increase/(Decrease) in current provisions		(103.84)	112.14
Increase/(Decrease) in other current liabilities		988.51	242.04
Cash Generated From Operations		**40,134.59**	**(7,709.76)**
Direct Tax paid (Net of Refunds)		(2,312.36)	(768.27)
Cash flow before exceptional items		**37,822.23**	**(8,478.03)**
Exceptional items		(1,345.96)	(671.82)
Net Cash Inflow From/(Used In) Operating Activities	(A)	**36,476.27**	**(9,149.85)**
Cash Flows From Investing Activities			
Purchase of property, plant and equipment (including ROU, net of Lease Liabilities)		(6,777.07)	(8,320.85)
Sale proceeds of property, plant and equipment		4,748.91	168.59
(Increase)/Decrease in Capital work in progress		(1,791.11)	3,179.96
Sale proceeds of Investment Properties		168.44	714.60
Purchase of Intangible assets		(254.63)	(48.51)
(Increase)/decrease in capital advances		121.66	14.12
Increase/(decrease) in capital creditor		31.37	(110.84)
(Increase)/Decrease in non-current Investments		(735.93)	315.05
(Increase)/Decrease in current Investments		67.15	(119.75)
Acquisition of Subsidiary		184.36	-
(Increase)/Decrease in non-current Loans		97.85	2,040.43
(Increase)/Decrease in current Loans		921.46	(1,751.73)
(Increase)/Decrease in bank deposit		(539.84)	(1,070.70)
Interest Income		436.38	284.18
Rental Income		751.10	742.30
Net Cash From/ (Used In) Investing Activities	(B)	**(2,569.90)**	**(3,963.14)**
Cash Flows From Financing Activities			
Increase/ (Decrease) in Long Term Borrowings		(3,452.62)	(61.14)
Lease Rental paid		(2,135.82)	(2,011.71)
Increase/ (Decrease) in Short Term Borrowings		(8,123.13)	19,910.74
Dividend Paid		(764.39)	-

Particulars		For the Year ended March 31, 2023	For the Year ended March 31, 2022
Share application money received from NCI		-	55.89
Interest paid (net)		(5,500.97)	(2,567.03)
Net cash inflow from/(used in) Financing Activities	**(C)**	**(19,976.93)**	**15,326.75**
Net Increase (Decrease) In Cash And Cash Equivalents	**(A+B+C)**	**13,929.42**	**2,213.73**
Opening Balance of Cash and Cash Equivalents		11,685.08	9,471.34
Total Cash And Cash Equivalents (Refer note 17)		**25,614.50**	**11,685.07**
Components Of Cash And Cash Equivalents			
Cash, Cheque/drafts on hand		73.55	1,013.27
With banks - on current account		20,075.91	10,356.64
With banks - on deposits with banks		5,465.04	315.15
Total Cash and Cash Equivalents (Refer note 17)		**25,614.50**	**11,685.07**

Notes :

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

b) For the increase/ (Decrease) in liabilities arising from financing activities in respect of non-cash transactions, refer respective standalone financial statements of holding company & subsidiary companies.

Summary of Significant Accounting Policies 3

The accompanying notes form an integral part of these consolidated financial statements

As per our Report of even date attached

For S. R. Dinodia & Co. LLP
Chartered Accountants
Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)
Partner
Membership Number: 083689

Place of Signature:
Date: May 15, 2023

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

(Pulkit Seth)
Vice-Chairman
DIN 00003044

(Pallab Banerjee)
Managing Director
DIN 07193749

(Sanjay Gandhi)
Group CFO
M. No. 096380

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

(Shilpa Budhia)
Company Secretary
M. No. ACS - 23564

Place of Signature:
Date: May 15, 2023

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

Note 1: Corporate Information

Pearl Global Industries Limited is a public limited company domiciled in India and incorporated under the provisions of the Companies Act,1956, and now under the Companies Act, 2013. The Company along with its subsidiaries (collectively referred to as "the Group"), is primarily engaged in manufacturing, sourcing, distribution and export of ready to wear apparels through its domestic and global facilities and operations. The shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited in India.

The Consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 15, 2023.

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

Name of Company	Country of incorporation	Principal activities	Porportion (%) of equity interest	
			As At March 31, 2023	As At March 31, 2022
Subsidiaries				
Pearl Global Industries Limited	India	Manufacturing and trading of garments	Holding Company	Holding Company
Pearl Global Kausal Vikas Limited	India	Skill development	100.00	100.00
SBUYS E-Commerce Limited	India	Online Trading of garments	100.00	100.00
Sead Apparels Private Limited	India	Trading of garments	100.00	-
Pearl Global Fareast Limited	Hong Kong	Trading of garments	100.00	100.00
Pearl Global (HK) Limited	Hong Kong	Trading of garments	100.00	100.00
Norp Knit Industries Limited	Bangladesh	Manufacturing and trading of garments	99.99	99.99
Pearl Global USA Inc.	USA	Trading and marketing of garments	100.00	100.00

During the year, Pearl Apparel Fashions Limited, a wholly owned subsidiary of the company had gone into voluntarily liquidation. The NCLT order has been received on December 16, 2022 and company has been liquidated.Accordingly, the same is not considered in these consolidated financial statements as at March 31, 2023.

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: The financial statements are prepared under the historical cost convention except for certain financial assets and liabilities (including derivative financial instruments) that are measured at fair value or amortised cost.
All assets and liabilities have been classified as current or non-current according to the Group's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

Going Concern
The board of directors have considered the financial position of the Group at 31st March 2023 and the projected cash flows and financial performance of the Group for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.
The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Group's operations.

Recent accounting pronouncements notified by Ministry of Corporate Affairs are as under:-
Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2023, as below:

a) Ind AS 1 - Presentation of Financial Statements
This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The group has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements.

b) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The group has evaluated the amendment and there is no impact on its consolidated financial statements.

c) Ind AS 12 - Income Taxes
This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The group has evaluated the amendment and there is no impact on its consolidated financial statement

Basis of Consolidation:-
The Consolidated Financial Statements have been prepared on the following basis:-
i) The consolidation financial statements of the Group and its subsidiary companies have been prepared in accordance with the Ind AS 110 "Consolidated financial statements", on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group (including consideration to materiality impact, if any).

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

ii) The difference of the cost of investment in subsidiaries over its share in the equity of the investee Group as at the date of acquisition of stake is 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 as at reporting date.

Non-controlling interests in the net assets of consolidated subsidiaries consists of:

- The amount of equity attributable to Non-controlling interests at the date on which investment in a subsidiary is made; and
- The Non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence. The profit and other comprehensive income attributable to Non-controlling interestsof subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

iv) The Consolidated Financial Statements are presented, to the extent possible, in the same format as adopted by the Holding Group for its individual financial statements.

v) Translation of Financial Statements of Foreign Operations

- In view of Ind As-"21" 'The effects of Changes in Foreign Exchange Rates', the operations of all the foreign subsidiaries are identified as non integral operations of the Group in the current year and translated into Indian Rupee (₹).
- The Assets and Liabilities of Foreign operations, including Goodwill/ Capital Reserve arising on consolidation, are translated in Indian Rupee (₹) at foreign exchange rate at closing rate ruling as at the balance sheet date and the revenue and expenses of foreign operations are translated in Indian Rupee (₹) at yearly average currency exchange rate, of the respective years.
- Foreign exchange differences arising on translation of "Non-integral Foreign Operations" are 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.

Note 3: Significant accounting policies

a) Significant accounting judgements, estimates and assumptions

In preparing these financial statements, Management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Use of Estimates and Judgements

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

i) Income taxes

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

ii) Contingencies

Contingent Liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal and other claims. By virtue of their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgements and the use of estimates regarding the outcome of future events.

iii) Recoverability of deferred taxes

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment.

iv) Defined benefit plans

The present value of the gratuity and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the actuary considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

v) Useful lives of property, plant and equipment

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

vi) Leases

Where the Group is the lessee, key judgements include assessing whether arrangements contain a lease and determining the lease term. To assess whether a contract contains a lease requires judgement about whether it depends on a specified asset, whether the Group obtains substantially all the economic benefits from the use of that asset and whether the the Group has a right to direct the use of the asset. In order to determine the lease term judgement is required as extension and termination options have to be assessed along with all facts and circumstances that may create an economic incentive to exercise an extension option, or not exercise a termination option. The Group revises the lease term if there is a change in the non-cancellable period of a lease. Estimates include calculating the discount rate which is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

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

vii) Amortisation of Government Grants

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

viii) Impairment of financial instruments

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

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

b) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets:

An asset is treated as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle.
b) Held primarily for the purpose of trading
c) Expected to be realised within twelve months after the reporting period, or
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Liabilities:

A liability is current when:

(a) It is expected to be settled in normal operating cycle
(b) It is held primarily for the purpose of trading
(c) It is due to be settled within twelve months after the reporting period, or
(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle: The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

c) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in statement of profit and loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

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

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 March. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cashgenerating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

d) Property, Plant and Equipment (PPE) and Depreciation

Property, plant and equipment and capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct services, any other costs directly attributable to bringing the assets to its working condition for their intended use and cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When parts of an item of PPE having significant costs have different useful lives, then they are accounted for as separate items (major components) of property, plant & equipment.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss.

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

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

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

Capital work in progress: Capital work in progress comprises the cost of fixed assets that are not ready for their intended use at the reporting date.

Cost comprises of purchase cost, related acquisition expenses, borrowing costs and other direct expenditure.

Depreciation :

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

- Fixed asset costing upto ₹ 5,000 has been fully depreciated during the financial year
- Leasehold land has been amortised over the lease term.
- Freehold Land is not depreciated.

Depreciation Method, useful lives and residual values are reviewed at each financial year end and adjusted, if appropriate.

e) Investment Properties

Property that is held for rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any.

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

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

f) Other Intangible assets

Recognition and measurement

Intangible assets that are acquired by the Group are measured initially at cost. Intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. All expenditures, qualifying as Intangible Assets are 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 April 01, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Subsequent Expenditure: Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in Statement of Profit and Loss as incurred.

Amortisation and useful lives: Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. The amortisation method, residual value and the useful lives of intangible assets are reviewed annually and adjusted as necessary.

g) Borrowing costs

Borrowing costs consists of interest and 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.

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.

h) Foreign Currency Transactions and Translations

Functional and presentational currency

The Consolidated financial statements are presented in Indian Rupees (₹). Items included in the Consolidated Financial statements of the Group are recorded using the currency of the primary economic environment in which the Group operates (the 'functional currency'). All the financial information presented in ₹ except where otherwise stated and the values are rounded to nearest lakh upto two decimal places.

Transactions and balances

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rates at the date the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.Non-monetary assets and liabilities that are measured at fair value in a foreign currencies are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost are not retranslated.

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

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

Group Companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

• assets and liabilities are translated at the closing rate at the date of that balance sheet

• income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), On Consolidation, all resulting exchange differences on translation are recognised in other comprehensive income, that will be reclassified subsequently to statement of profit and loss.

I) Revenue Recognition

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

Revenue from contract with customers

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

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

The Group assesses its revenue arrangements against specific recognition criterior like exposure to significant risks & rewards associated with the sale of goods or services. When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement are reviewed to determine each party's respective role in the transaction.

Specific revenue recognition criteria:

(i) Sale of products

Revenue from sale of products is recognised at the point in time when control of product is transferred to the customer. In case of Export sale, transfer of control generally takes place at the time of expected date of departure which is specified in airway bill / bill of lading.

(ii) Job work income

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

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

Significant Financing Component

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

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

Contract balances

Contract assets

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

Trade receivables

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

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Group performs under the contract.

Cost to obtain a contract

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

j) Inventories

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

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

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

iv) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on a item by item basis. Obsolete or slow moving inventories are identified from time to time and a provision is made for such inventories as appropriate on periodic basis.

k) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets as below:

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

[This space has been left blank intentionally]

ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are included in other current and non-current financial liabilities.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. "Lease liability" and "Right of Use" asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Group as a lessor

Leases for which the Group is a lessor is classified as finance or operating lease. Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

l) Employee's benefits

Short term employee benefits: All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Group during an accounting period, the Group recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences, bonus and ex-gratia etc. are recognised in statement of profit and loss in the period in which the employee renders the related service.

A liability is recognised for the amount expected to be paid after deducting any amount already paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. If the amount already paid exceeds the undiscounted amount of the benefits, the Group recognises that excess as an asset /prepaid expense to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts.

Retirement benefits in the form of Provident Fund, Employee State Insurance Scheme and Labour Welfare Fund Scheme are defined contribution plans. The contributions paid/payable to government administered respective funds are recognised as an expense in the Statement of Profit and loss during the period in which the employee renders the related service.

Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.
The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. The Group accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation report using the projected unit credit method as at the year end.

The obligations are measured at the present value of the estimated future cash flows. The discount rate is generally based upon the market yields available on Government bonds at the reporting date with a term that matches that of the liabilities.
Re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest and if applicable), is reflected immediately in Other Comprehensive Income in the statement of profit and loss. All other expenses related to defined benefit plans are recognised in statement of profit and loss as employee benefit expenses. Re-measurements recognised in Other Comprehensive Income will not be reclassified to statement of profit and loss hence it is treated as part of retained earnings in the statement of changes in equity. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Curtailment gains and losses are accounted for as past service costs.

Other long term employee benefits

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

Employees Share Based Payment
Employees (including senior executives) of the group receive component of remuneration in the form of sharebased payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

m) <u>Provisions</u>

General
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognised in the statement of profit and loss as a finance cost.
Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

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

(i) Financial assets

Initial recognition and measurement
All financial assets are recognised initially at fair value, plus in case of financial assets not recorded at fair value through profit and loss (FVTPL), transaction cost that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in three categories:
- Financial Asset carried at amortised cost
- Financial Asset at fair value through other comprehensive income (FVTOCI)
- Financial Asset at fair value through profit and loss (FVTPL)

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

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

Financial asset at fair value through profit and loss (FVTPL)
A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

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

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

S.R. D... & CO. LLP CHARTERED ACCOUNTANTS

Subsequent measurement

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

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

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

De-recognition

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

(iii) Offsetting of financial instruments

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

Till March 31, 2019, the forward currency contracts were used to hedge foreign currency risks. 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. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

(v) Hedge Accounting

With effect from April 2019, the Group adopted Hedge Accounting.The derivatives that are designated as hedging instrument under Ind AS 109 to mitigate risk arising out of foreign currency transactions are accounted for as cash flow hedges. The Group enters into hedging instruments in accordance with policies as approved by the Board of Directors with written principles which is consistent with the risk management strategy of the Group.

The hedge instruments are designated and documented as hedges at the inception of the contract. The effectiveness of hedge instruments is assessed and measured at inception and on an ongoing basis.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI, e.g., cash flow hedging reserve and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the statement of profit and loss. The amount accumulated is retained in cash flow hedge reserve and reclassified to profit or loss in the same period or periods during which the hedged item affects the statement of profit and loss.

If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument is terminated or exercised prior to its maturity/ contractual term, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is reclassified to the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified immediately in the statement of profit and loss.

o) **Impairment of financial assets**

The Group measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increases in credit risk. Expected credit loss is the weighted average of the difference between all contractual cash flows that are due to the Group in accordance with the contracts and all the cash flows that the Group expects to receive, discounted at original effective interest rate with the respective risk of defaults occuring as the weights.

p) **Impairment of non-financial assets**

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

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

An impairment loss is 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.

q) **Fair value measurement**

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

(a) In the principal market for the asset or liability, or

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

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

r) Taxes

Current income tax

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

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

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

Deferred tax

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

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

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

s) Cash and cash equivalents

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

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

t) Statement of Cash flows

The statement of cash flows have been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows.

u) Earnings per share (EPS)

In determining earnings per share, the Group considers the net profit after tax and includes the post tax effect of any extraordinary items.

Basic EPS amounts are calculated by dividing the profit for the year attributable to the shareholders of the Group by the weighted average number of equity shares outstanding as at the end of reporting period.

Diluted EPS amounts are calculated by dividing the profit attributable to the shareholders of the Group by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increase the earnings.

v) Government grants

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

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

w) Contingent liabilities and contingent assets

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

x) **Research & development costs**

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

y) **Exceptional items**

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

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

[This page has been left blank intentionally]

Pearl Global Industries Limited

Notes to consolidated financial statements for the year ended March 31, 2023

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

Note 4 : Property, Plant and Equipment

Particulars	Land- Freehold	Land- Leasehold	Buildings	Leasehold Improvements	Plant and Equipment	Furniture and Fixures	Vehicles	Total
Gross carrying amount								
As at April 1, 2021	**1,829.72**	**580.32**	**7,252.88**	**871.38**	**19,904.12**	**1,811.50**	**1,504.26**	**33,754.18**
Add: Additions made during the year	947.36	38.53	578.01	1,306.85	3,570.34	730.24	86.20	**7,257.53**
(Less): Disposals during the year	-	-	-	(189.94)	(132.04)	-	(210.52)	**(532.51)**
(Less)/Add: Adjustments during the year	(75.88)	92.41	114.12	42.75	440.83	32.13	(7.60)	**638.77**
As at March 31, 2022	**2,701.20**	**711.25**	**7,945.01**	**2,031.04**	**23,783.25**	**2,573.87**	**1,372.34**	**41,118.00**
Add: Additions made during the year	177.46	-	40.88	1,198.93	2,646.66	358.64	370.78	**4,793.35**
Add: Business Combination	1,115.73	-	1,818.62	-	1,364.49	62.72	31.24	**4,392.80**
(Less): Disposals during the year	(113.24)	-	(103.10)	(58.30)	(609.83)	-	(244.19)	**(1,128.66)**
(Less)/Add: Adjustments during the year	(1.87)	-	153.43	(130.51)	779.42	30.53	34.13	**865.12**
As at March 31, 2023	**3,879.27**	**711.25**	**9,854.84**	**3,041.16**	**27,963.99**	**3,025.76**	**1,564.30**	**50,040.60**
Accumulated depreciation								
As at April 1, 2021	-	**3.33**	**1,479.54**	**533.37**	**8,838.25**	**820.71**	**699.13**	**12,374.33**
Add: Depreciation charge for the year	-	7.82	308.82	331.27	1,968.55	234.90	175.77	**3,027.13**
(Less): Disposals during the year	-	-	-	(142.45)	(62.95)	-	(136.20)	**(341.60)**
(Less)/Add: Adjustments during the year	-	-	26.77	12.01	184.56	13.65	5.71	**242.70**
As at March 31, 2022	-	**11.15**	**1,815.13**	**734.20**	**10,928.42**	**1,069.26**	**744.40**	**15,302.55**
Add: Depreciation charge for the year	-	8.19	352.31	273.17	2,111.68	264.51	167.03	**3,176.89**
Add: Business Combination	-	-	448.14	-	783.21	20.06	20.72	**1,272.13**
(Less): Disposals during the year	-	-	(31.48)	(4.41)	(568.62)	-	(184.72)	**(789.23)**
(Less)/Add: Adjustments during the year	-	-	242.47	23.44	1,804.68	146.01	39.07	**2,255.66**
As at March 31, 2023	-	**19.34**	**2,826.56**	**1,026.40**	**15,059.38**	**1,499.84**	**786.50**	**21,218.01**
Net Carrying Amount								
As at March 31, 2023	3,879.27	691.91	7,028.28	2,014.76	12,904.61	1,525.92	777.80	**28,822.60**
As at March 31, 2022	2,701.20	700.11	6,129.88	1,296.84	12,854.83	1,504.61	627.94	**25,815.42**

a) For Information on Property, plant and equipment pledged as security by the Group refer Note 21 & 22.

b) The above property, plant and equipment includes assets given on lease given in the below table:

	Plant and Equipment	Furniture and Fixures	Total
As at March 31, 2023			
Gross carrying amount	27.77	21.22	48.99
Accumulated depreciation	22.09	19.68	41.77
Net carrying amount	**5.68**	**1.54**	**7.22**
As at March 31, 2022			
Gross carrying amount	27.77	21.22	48.99
Accumulated depreciation	21.64	18.20	39.84
Net carrying amount	**6.13**	**3.02**	**9.15**

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS

c) Adjustments made above includes fluctuations in foreign currency on conversion into presentation currency.

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

Note 5 : Capital work in progress	As At March 31, 2023	As At March 31, 2022
Balance at the beginning of the year	1,521.50	4,701.46
Add: Addition made during the year	2,933.13	524.14
Less: (Disposals)/adjustments during the year	(1,142.02)	(3,704.10)
Balance at the end of the year	**3,312.61**	**1,521.50**

a) Breakup of Capital Work in Progress is as follows:	As At March 31, 2023	As At March 31, 2022
Building	3,234.68	1,331.66
Plant and Machinery	76.94	189.84
Furniture and Fittings	0.99	-
	3,312.61	1,521.50

b) Ageing schedule of CWIP as at March 31, 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,085.47	544.79	70.47	593.60	3,294.34
Projects temporarily suspended	18.27	-	-	-	18.27

b) Ageing schedule of CWIP as at March 31, 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	686.63	834.17	-	0.70	1,521.50
Projects temporarily suspended	-	-	-	-	-

c) There are no capital work in progress as at March 31, 2023 and March 31, 2022 whose completion is overdue or has exceeded its cost as compared to original plan except CWIP relating to PGIL(HK) as mentioned below :-

Completion schedule of CWIP as at March 31, 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Project 1 - PG(HK)	233.11	-	-	-	233.11

Completion schedule of CWIP as at March 31, 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Project 1 - PG(HK)	-	-	-	0.70	0.70

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

[This space has been left blank intentionally]

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

Note 6 : Investment Properties

	Land freehold	Land leasehold	Building	Total
Gross carrying amount				
As at April 1, 2021	**1,838.38**	**10.36**	**4,611.74**	**6,460.48**
Add: Additions made during the year	60.39	-	-	**60.39**
(Less): Disposals /adjustments during the year	(23.07)	(10.36)	(129.65)	**(163.08)**
As at March 31, 2022	**1,875.70**	-	**4,482.09**	**6,357.79**
Add: Additions made during the year	24.71	-	-	**24.71**
(Less): Disposals /adjustments during the year	-	-	(153.87)	**(153.87)**
As at March 31, 2023	**1,900.41**	-	**4,328.22**	**6,228.63**
Accumulated depreciation				
As at April 1, 2021	-	-	405.87	**405.87**
Add: Depreciation charge for the year	-	-	82.20	**82.20**
(Less): Disposals /adjustments during the year	-	-	(34.76)	**(34.76)**
As at March 31, 2022	-	-	**453.30**	**453.30**
Add: Depreciation charge for the year	-	-	79.56	**79.56**
(Less): Disposals /adjustments during the year	-	-	(40.28)	**(40.28)**
As at March 31, 2023	-	-	**492.58**	**492.58**
Net Carrying Amount				
As at March 31, 2023	1,900.41	-	3,835.64	5,736.05
As at March 31, 2022	1,875.70	-	4,028.79	5,904.49

	For the Year ended March 31, 2023	For the Year ended March 31, 2022
(a) Amounts recognized in statement of profit and loss for investment properties		
Rental Income	774.49	769.38
Less: Direct operating expenses of property that generated rental income	(69.17)	(47.44)
Less: Direct operating expenses of property that did not generated rental income	-	(0.75)
Income arising from investment properties before charging depreciation	**705.33**	**721.19**
Less : Depreciation & amortisation	(79.56)	(82.20)
Income from investment properties (net)	**625.77**	**638.99**
(b) Fair value of investment properties	**11,560.52**	**11,213.29**

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.

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

[This space has been left blank intentionally]

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

Note 7 : Goodwill

	As At March 31, 2023	As At March 31, 2022
Goodwill on acquisition of subsidiaries	1,800.78	1,756.13
Add/(Less): Foreign Exchange Fluctuation	123.89	44.65
	1,924.67	**1,800.78**

Note 8 : Other intangible assets

Particulars	Computer Software	Total
Gross carrying amount		
As at April 1, 2021	274.32	274.32
Add: Additions during the year	48.53	48.53
(Less): Disposals /adjustments during the year	-	-
As at March 31, 2022	**322.84**	**322.84**
Add: Additions during the year	139.61	139.61
(Less): Disposals /adjustments during the year	(18.30)	(18.30)
As at March 31, 2023	**444.15**	**444.15**
Amortisation and impairment		
As at April 1, 2021	220.24	220.24
Add: Amortisation charge for the year	30.53	30.53
(Less): Disposals /adjustments during the year	-	-
As at March 31, 2022	**250.77**	**250.77**
Add: Amortisation charge for the year	37.61	37.61
(Less): Disposals /adjustments during the year	(0.44)	(0.44)
As at March 31, 2023	**287.94**	**287.94**
Net Carrying Amount		
As at March 31, 2023	**156.19**	**156.19**
As at March 31, 2022	**72.06**	**72.06**

S.R. DINODIA & CO. LLP
CHARTERED ACCOUNTANTS

[This page has been left blank intentionally]

Note 9: Investments	As At March 31, 2023	As At March 31, 2022
(I) Non Current		
A. Equity Instruments		
Fair value through profit and loss		
(Quoted)		
PDS Limited 250000, Equity Shares of ₹ 2 each fully paid up (March 31, 2022 : 50000, Equity Shares of ₹ 10 each fully paid up)	830.37	873.50
	830.37	**873.50**
B. Investments in Financial Markets		
Fair value through other comprehensive income		
Debt Investment, at fair value - (Unquoted)	915.47	600.41
Investment in listed equity investment, at fair value- (Quoted)	1,222.93	1,308.08
Investments in key man insurance policy (Refer 'b' below)	2,444.70	2,202.20
	4,583.10	**4,110.69**
C. Investments in Government securities - (Unquoted)		
At Amortised cost		
Investments in Government securities		
- Gold Sovereign Bond- 37 units of 2 gram each issued by Reserve Bank of India	1.63	1.63
	1.63	**1.63**
Total (A + B + C)	**5,415.10**	**4,985.82**

(II) Current	As At March 31, 2023	As At March 31, 2022
A. Investments in mutual funds - (Quoted)		
Fair value through profit and loss		
ICICI Prudential Short Term Fund DP Growth 536068.057 units of Face Value of ₹ 10 per unit (March 31, 2022: 536068.057 units)	291.45	273.64
Bandhan Banking and PSU debt fund direct plan - growth (Erstwhile IDFC Banking and PSU debt fund direct plan - growth) 1267806.9250 units of Face Value of ₹ 10 per unit (March 31, 2022: 1267806.9250 units)	270.71	258.62
	562.16	**532.26**
a) Aggregate book value of quoted investments	2,615.46	2,713.84
Aggregate market value of quoted investments	2,615.46	2,713.84
Aggregate value of unquoted investments	3,361.79	2,804.23
Aggregate amount of impairment in value of unquoted investments	-	-
Aggregate value of unquoted investments (net of impairment)	3,361.79	2,804.23

b) The amount invested in key man insurance policy by Pearl Global (HK) Limited has been pledged to bank to secure banking facilities by the said subsidiary.

c) During the year, Pearl Apparel Fashions Limited, a wholly owned subsidiary of the company has gone into voluntary liquidation. The NCLT order has been received on December 16, 2022 and the said subsidiary company has been liquidated. Accordingly, the company has written off its investment in aforesaid subsidiary and provision for diminution on investment has been written back amount to ₹ 1648.35 lakh.

d) The number of units and number of shares in note above represents absolute numbers.

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS

[This page has been left blank intentionally]

Note 10: Loans

	Non - current		Current	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
(Unsecured, considered good unless otherwise stated)				
Loans to employees	11.60	5.38	80.25	35.98
Loans to related parties (Refer note no. 47)	-	-	100.00	-
Loans to others	15.56	119.63	2,357.75	3,423.48
Loans receivable from others - credit impaired	-	1.67	31.54	47.86
Less: Loss Allowance	-	(1.67)	(31.54)	(47.86)
	27.16	**125.01**	**2,538.00**	**3,459.46**

a) The group has no loans which have significant increase in credit risk and loans which are credit impaired. (Refer Note No. 44)

b) Details of Loans or Advances granted to promoters, directors, KMPs and the related parties :

	As At March 31, 2023		As At March 31, 2022	
Type of Borrower	Amount of Loan or Advance in the nature of loan outstanding	Percentage to Total Loan and Advances in the nature of Loan	Amount of Loan or Advance in the nature of loan outstanding	Percentage to Total Loan and Advances in the nature of Loan
Director	50.00	50.00%	-	-
KMP	50.00	50.00%	-	-
Related Parties	-	-	-	-

Note : For loans given to Director and KMP, the interest rate is higher than the prevailing yield of Government security closest to the tenor of the loan. The loan facilities are made available by the company to all of its employees.

Note 11 : Other financial assets

	Non - current		Current	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
(Unsecured, considered good unless otherwise stated)				
Security deposits	756.15	799.91	692.31	113.02
Interest accrued but not due on				
- Term deposits	9.12	21.59	106.17	40.82
- Loan to related parties	-	-	3.51	-
Deposits with original maturity of more than 12 months (Refer note 18)	43.98	273.70	-	-
Mark to market forward contracts	-	-	-	406.69
Other receivable	-	1.14	13.44	30.34
Total (A)	**809.25**	**1,096.34**	**815.43**	**590.85**

a) Other receivables of ₹ 13.44 lakh represents claim receivables from vendors (March 31, 2022 : ₹ 30.34 lakh represents claim receivables from vendors of ₹ 3.66 lakh and amount receivable from banks on hedged instruments of ₹ 26.68 lakh)

[This space has been left blank intentionally]

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

Note 12: Income Tax

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

a) Income Tax recognised in Statement of Profit and Loss	As At March 31, 2023	As At March 31, 2022
Tax Expense:		
a) Current tax	2,407.75	1,074.08
b) Adjustments in respect of current income tax of previous year	5.24	-
c) Deferred tax	(127.29)	496.86
Income tax expense reported in the statement of profit or loss	**2,285.70**	**1,570.94**

b) Income Tax recognised in Other Comprehensive Income	As At March 31, 2023	As At March 31, 2022
Net loss/(gain) on remeasurements of defined benefit plans	(0.53)	(20.48)
Income tax on items that will be reclassified subsequently to statement of profit and loss	149.87	(105.46)
Income tax charged to OCI	**149.34**	**(125.94)**

c) Net Deferred tax Asset/(Liability)

	As At March 31, 2023	As At March 31, 2022
Pearl Global Industries Limited		
Recognised DTA- Pearl Global Industries Limited	71.95	-
Recognised DTA- Pearl Global (HK) Limited	66.54	89.81
Total Net Deferred tax Assets	**138.49**	**89.81**
Recognised DTL- Pearl Global Industries Limited	-	232.27
Recognised DTL- Pearl Global (HK) Limited	60.02	24.37
	60.02	**256.64**

d) Reconciliation of Effective tax Rate and itemwise movement of deferred tax

Since the Holding Company and its subsidiaries operates in different tax jurisdictions and has different tax laws, refer standalone financial statements of Holding Company and subsidiaries as at reporting date for effective tax reconciliation and itemwise movement of deferred tax.

e) The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

[This page has been left blank intentionally]

Note 13 : Non current tax asset	**As At March 31, 2023**	**As At March 31, 2022**
Advance income tax	2,048.00	601.00
(Net of provision of ₹ 3,083.74 lakh (March 31, 2022 : ₹ 1,685.96 lakh)		
	2,048.00	**601.00**

Note 14 : Other assets	**Non - current**		**Current**	
	As At March 31, 2023	**As At March 31, 2022**	**As At March 31, 2023**	**As At March 31, 2022**
(Unsecured, considered good, unless otherwise stated)				
Capital advances (Refer note no. 46(b) for capital commitments)	106.77	170.91	-	57.51
Balance with government authorities	-	30.32	2,565.63	2,818.75
Balance with government authorities - considered doubtful	22.74	22.74	-	-
Less: Loss allowance	(22.74)	(22.74)	-	-
Deferred Assets- Security Deposit	-	1.84	10.26	-
Prepaid expenses	56.84	7.70	1,040.05	505.40
Export incentive receivable	-	-	3,193.86	4,661.60
Advances to suppliers	-	-	3,178.77	2,184.56
Other receivables	-	-	3,132.15	4,415.66
Less: Loss allowance	-	-	(2,651.70)	(153.28)
Total (A)	**163.61**	**210.77**	**10,489.02**	**14,490.19**

a) Other Receivables of ₹ 3090.73 lakh (March 31, 2022 ₹ 4415.56.46 lakh) mainly includes enhanced compensation of ₹ 2,335.15 lakh (March 31, 2022 ₹ 2335.15 lakh) receivable by the Holding company from National Highways Authority of India pursuant to land acquisition by the Central Government under National Highways Act, 1956 (Refer note 37). Also, it includes expenditure recoverable from Jharkhand State Livelihood Promotion Society (Ministry of Rural Development) regarding Project cost component for skilling candidates in state of Jharkhand of ₹ 304.35 lakh (March 31, 2022 : ₹ 298.11 lakh).

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

[This space has been left blank intentionally]

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

Note 15: Inventories	As At March 31, 2023	As At March 31, 2022
Raw materials	24,473.89	32,955.06
Good in transit- raw material	1,190.20	243.35
Work in progress	15,980.33	12,466.08
Finished goods	9,327.43	8,044.05
Scrap Stock	48.81	41.82
Stores spares & others	409.46	363.39
	51,430.12	**54,113.74**
Less: Provision on inventories (Finished Goods)	(100.43)	(155.57)
	51,329.69	**53,958.18**

a) Refer note 21 & 22 for information on above assets being pledged as security by the Group.

Note 16 : Trade Receivables	As At March 31, 2023	As At March 31, 2022
Considered good - secured	-	-
Considered good - unsecured	20,936.17	36,662.31
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	4.30	756.25
Less: Loss allowance	(4.30)	(756.25)
Total	**20,936.17**	**36,662.31**

a) Trade receivables ageing schedule as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	20,110.93	785.35	26.58	11.40	1.92	-	**20,936.17**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-		-	-	-
(iv) Dispute Trade Receivables considered good	-	-	-		-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-		-	-	-
(vi) Disputed Trade Receivables – credit impaired	0.16	4.04	0.10		-	-	**4.30**
Less: Allowances for expected credit loss	(0.16)	(4.04)	(0.10)	-	-	-	**(4.30)**
Net Trade receivables	**20,110.93**	**785.35**	**26.58**	**11.40**	**1.92**	-	**20,936.17**

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

Trade receivables ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	28,234.47	8,351.56	5.78	67.09	3.41	-	**36,662.31**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	110.63	73.01	-	-	-	572.61	**756.25**
(iv) Dispute Trade Receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowances for expected credit loss	(110.63)	(73.01)	-	-	-	(572.61)	**(756.25)**
Net Trade receivables	**28,234.47**	**8,351.56**	**5.78**	**67.09**	**3.41**	-	**36,662.31**

b) The movement in allowance for bad and doubtful debts is as follows:

	As At March 31, 2023	As At March 31, 2022
Balance as at beginning of the year	756.25	656.18
Loss Allowance during the year	-	183.65
Trade receivables written off / written back during the year	(751.95)	(83.57)
Balance as at the end of the year	**4.30**	**756.25**

c) Trade receivables are generally on terms of 30 - 90 days (March 31, 2022: 30-90 days).
d) The Group exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 44.
e) For information on trade receivables pledged as security, Refer note no. 21 & 22.
f) No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other persons.

Note 17 : Cash and cash equivalents

	As At March 31, 2023	As At March 31, 2022
Balances with banks:		
- Current account	17,575.11	10,356.64
- Deposits with original maturity of less than 3 months	7,264.89	315.15
Cash on hand	60.31	63.32
Cheque/drafts on hand	714.19	949.95
	25,614.50	**11,685.07**

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

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

Note 18 : Bank balances other than cash & cash equivalents	As At March 31, 2023	As At March 31, 2022
Earmarked balances with banks		
Unpaid dividend account	28.09	26.24
Deposits with original maturity of more than 3 months but less than 12 months (Refer note 'a' below)	3,804.14	3,266.15
Deposits with original maturity of more than 12 months (Refer note 'a' below)	43.98	273.70
	3,876.21	**3,566.09**
Less: Amount disclosed under "other financial assets" (Refer Note No. 11)	(43.98)	(273.70)
	3,832.23	**3,292.39**

a) Refer note 21 & 22 for information on above assets being pledged as security by the Group.
b) The bank has created as lien/charge on any amount kept by the borrower time to time with the bank as term deposit and other deposit maximum upto ₹ 843.41 lakh for Letter of credit issued for the Group.

[This space has been left blank intentionally]

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

Note 19 : Share Capital	**As At March 31, 2023**	**As At March 31, 2022**
Authorised		
51440000* (March 31, 2022: 51440000) equity shares of ₹ 10 each	5,144.00	5,144.00
10000* (March 31, 2022: 10000) 4% Non Cumulative Redeemable Preference Shares of ₹ 10 each	1.00	1.00
3256000* (March 31, 2022: 3256000) 10.5% Non Cumulative Redeemable Preference Shares of ₹ 100 each	3,256.00	3,256.00
	8,401.00	**8,401.00**
Issued, subscribed and paid up		
21663937* (March 31, 2022: 21663937) Equity Shares of ₹ 10 each fully paid up	2,166.39	2,166.39
	2,166.39	**2,166.39**

* Number of Shares are given in absolute numbers.

a) Reconciliation of issued and subscribed share capital:

Equity Share (₹ 10 each fully paid up)	**No. of shares**	**Amount**
Balance as at April 1, 2021	21,663,937	2,166.39
Changes during the year	-	-
Balance As at March 31, 2022	**21,663,937**	**2,166.39**
Changes during the year	-	-
Balance As at March 31, 2023	**21,663,937**	**2,166.39**

b) Terms/ rights attached to equity shares:

The holding company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The holding company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the holding company, the holders of equity shares will be entitled to receive remaining assets of the holding company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. During the year, the holding company had declared and paid First interim dividend of ₹ 2.5/- per share for FY 22-23 for distribution to shareholders. Subsequent to the balance sheet date, the Board of Directors has declared second interim dividend of ₹ 5/- per share for FY 22-23 for distribution to shareholders.

c) Details of shareholders holding more than 5% shares

Name of Party	**As at March 31, 2023**		**As at March 31, 2022**	
	No. of shares	**Holding %**	**No. of shares**	**Holding %**
Mrs. Payel Seth	4,413,635	20.37	4,413,635	20.37
Mr. Deepak Kumar Seth	2,862,145	13.21	2,862,145	13.21
Mr. Pulkit Seth	6,947,621	32.07	6,947,621	32.07
Mr. Sanjiv Dhireshbhai Shah	1,716,282	7.92	1,761,979	8.13
Total	**15,939,683**	**73.57**	**15,985,380**	**73.78**

d) Details of Promotor's shareholding:

Name of Shareholder	**As at March 31, 2023**		**As at March 31, 2022**		**% change during the year**
	No. of shares	**% of total shares**	**No. of shares**	**% of total shares**	
Mrs. Payel Seth	4,413,635	20.37	4,413,635	20.37	-
Mr. Deepak Kumar Seth	2,862,145	13.21	2,862,145	13.21	-
Mr. Pulkit Seth	6,947,621	32.07	6,947,621	32.07	-
Mrs. Shifalli Seth	201,478	0.93	201,478	0.93	-
Nim International Commerce Llp	30	0.00	30	0.00	-
Total	**14,424,909**	**66.58**	**14,424,909**	**66.58**	

Name of Shareholder	**As at March 31, 2022**		**As at March 31, 2021**		**% change during the year**
	No. of shares	**Holding %**	**No. of shares**	**Holding %**	
Mrs. Payel Seth	4,413,635	20.37	4,413,635	20.37	-
Mr. Deepak Kumar Seth	2,862,145	13.21	2,862,145	13.21	-
Mr. Pulkit Seth	6,947,621	32.07	6,947,621	32.07	-
Mrs. Shifalli Seth	201,478	0.93	201,478	0.93	-
Nim International Commerce Llp	30	0.00	30	0.00	-
Total	**14,424,909**	**66.58**	**14,424,909**	**66.58**	

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

[This space has been left blank intentionally]

Note 20 : Other Equity	**As At March 31, 2023**	**As At March 31, 2022**
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
Capital Reserve	506.98	-
Foreign Currency Translation Reserve	3,989.08	5,039.94
Change in investment through other comprehensive income	(292.88)	(35.11)
Retained Earnings	43,728.78	30,388.41
Share Based Payment reserve	259.51	-
Cash Flow Hedge Reserve [Net of tax of ₹ (48.26) lakh (March 31, 2022 : ₹ 101.61 lakh)]	(140.51)	305.08
	70,080.17	**57,727.53**

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

II. Nature and purpose of reserves

a) General reserve

Particulars	**As At March 31, 2023**	**As At March 31, 2022**
Balance as at beginning/ end of the year	4,204.36	4,204.36

The holding company has transfered a portion of the net profilt of the holding company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

b) Securities premium

Particulars	**As At March 31, 2023**	**As At March 31, 2022**
Balance as at beginning/ end of the year	17,103.90	17,103.90

The amount received in excess of face value of the equity shares is recognised in securities premium. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

c) Capital redemption reserve

Particulars	**As At March 31, 2023**	**As At March 31, 2022**
Balance as at beginning/ end of the year	95.00	95.00

This Reserve has been created at the time of merger with other companies in earlier years in accordance with the provisions of the Companies Act, 2013.

d) Amalgamation reserve

Particulars	**As At March 31, 2023**	**As At March 31, 2022**
Balance as at beginning/ end of the year	625.95	625.95

This Reserve has been created at the time of amalgamation of other companies in earlier years in accordance with the provisions of the Companies Act, 2013.

e) Capital reserve

Particulars	**As At March 31, 2023**	**As At March 31, 2022**
Balance as at beginning/ end of the year	506.98	-

This Reserve pertains to gain on bargain purchase on subsidiary acquired during the year.

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

f) Foreign currency translation reserve

Particulars	As At March 31, 2023	As At March 31, 2022
Balance as at beginning/ end of the year	3,989.08	5,039.94

The exchange differences arising from the translation of financial statements is recognized in other comprehensive income and is presented within equity.

g) Retained earnings

Particulars	As At March 31, 2023	As At March 31, 2022
Balance as at beginning/ end of the year	43,728.78	30,388.41

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 ₹ 404.77 lakh (March 31, 2022: ₹ 402.39 lakh) is not available for distribution. During the year, the company has paid dividend of ₹ 1624.80 lakh, out of which ₹ 1083.20 lakh pertains to FY 21-22 and ₹ 541.60 lakh for thr FY 2022-23.

h) Share Based Payment Reserve

Particulars	As At March 31, 2023	As At March 31, 2022
Balance as at beginning/ end of the year	259.51	-

The fair value of equity settled share based payment transactions with employees of the company / subsidiary company is recognised in share based payment reserve.

i) Cash Flow Hedge Reserve

Particulars	As At March 31, 2023	As At March 31, 2022
Balance as at beginning/ end of the year	(140.51)	305.08

This reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. This reserve will be reclassified to statement of profit and loss only when the hedged transaction affects the profit or loss.

j) Change in investment through Other Comprehensive Income (OCI)

Particulars	As At March 31, 2023	As At March 31, 2022
Balance as at beginning/ end of the year	(292.88)	(35.11)

Change in investment through Other Comprehensive Income (OCI) represents fair valuation of investments of subsidiary company routed through OCI.

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

[This space has been left blank intentionally]

Note 21 : Long Term Borrowings

	Non current		Current	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
From Banks (Secured)				
- Term Loan*	8,617.94	12,072.77	4,131.76	4,046.00
- Vehicle Loans	61.48	78.82	46.44	37.52
From Financials Institutional (Secured)				
- Vehicle Loans	-	-	-	64.85
From others - unsecured (Refer note "E" below)	250.77	231.22	-	-
	8,930.19	**12,382.81**	**4,178.20**	**4,148.37**
Less: Amount disclosed under other financial liabilities as 'Current maturities of long-term borrowings' (Refer note 22)	-	-	4,178.20	4,148.37
	8,930.19	**12,382.81**	**-**	**-**

*includes loans which are carried at amortised cost

A) Nature of Security in respect of Holding Company:

i) Term loan from Kotak Mahindra Bank is secured by lien marked on investments in debt mutual funds and personal guarantee of Mr. Pulkit Seth (Promoter Director).

ii) Term loan from Indusind Bank is secured by fixed deposit of ₹ 83.00 lakh. (March 31, 2022 : ₹ 312.32 lakh)

iii) Term loan from Union Bank of India (erstwhile Andhra Bank) is secured by fixed deposit of ₹ 106.33 lakh. (March 31, 2022 : ₹ 101.67 lakh)

iv) Term loan from HDFC Bank are secured by charge over fixed assets financed by term loan, Immoveable assets of the company situated at (a) Plot No. 51, Sector 32, Gurgaon b) Plot No. 446, Udhyog Vihar, Phase IV, Gurgaon and Personal guarantee of Mr. Pulkit Seth (Promoter Director).

v) Emergency credit line guaranteed scheme facilities are secured by second charge over securities provided for base credit facility, except personal guarantees.

vi) Vehicle Loans are secured by hypothecation over the vehicle financed by respective loan.

B) Security in respect of Pearl Global (HK) Limited

i) The bank borrowing facilities are secured by Group's property, plant and equipment, inventories, trade receivables, corporate guarantee of the holding company and a fellow subsidiary and director's (Mr. Pulkit Seth) personal guarantee.

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS

C) Maturity Profile

Particulars	2023-24	2024-25	2025-26	Beyond 2025-26	Total
Term loan from Banks and Financial Institution are repayable in monthly/quarterly/yearly installments	4,131.76	4,304.04	2,521.75	1,792.15	12,749.70
Vehicle loans from banks and financial institutions are repayable in monthly installments	46.44	43.01	18.47	-	107.92
From others - unsecured	-	65.78	184.99		250.77

D) Vehicle loans are secured against hypothecation of respective vehicles.

E) It represents loan from Non-Controlling shareholders which is unsecured, interest free and not expected to be repayable within one year.

F) The above loan(s) carries rate of interest ranging between 4.50% to 10.85% per annum (March 31, 2022 : Between 1.75% to 12.11%)

Note 22 : Short Term Borrowings	**As At March 31, 2023**	**As At March 31, 2022**
Working capital loan from banks(secured)		
- Rupee loan	31,730.04	39,883.00
Current maturities of long-term borrowings (Refer no. 21)	4,178.20	4,148.37
	35,908.24	**44,031.37**

A) Nature of Securities for Working Capital Facilities under Consortium Arrangement of Holding Company:

i) Primary Securities offered includes:

a) First pari passu charge by way of hypothecation over entire movable fixed assets of company, except any assets charged to any banks/financial institutions for securing term loans.

b) First Pari Passu Charge over entire currents assets of the borrower, both present and future, including but not limited to stocks of raw materials, semi-finished and finished goods, book debts, loans and advances etc.

ii) Collateral Securities offered includes:

a) First pari passu charge over Immoveable properties of the company situated at (i) Plot No. 16/17, Udyog Vihar, Phase VI, Gurgaon, (ii) Plot No. 751, Pace City-II, Sector 37, Gurgaon & (iii) Survey No. 30(P), 31(P), 32(P) & 262(P), Melavalam & Arryapakkam Village, Madurantakam Taluk, Kancheepuram District, TamilNadu.

b) Principal amount of fixed deposits pledged amounting to ₹ 710.00 lakh. (Closing Balance as on March 31, 2023 is ₹ 738.77 lakh) (March 31, 2022 : ₹ 713.61 lakh)

c) Irrevocable and unconditional personal guarantee of Mr. Deepak Kumar Seth (Promoter Director) and Mr. Pulkit Seth (Promoter Director).

B) Securities for Working Capital Facilities by HDFC Bank (Adhoc Outside Consortium)

a) Exclusive charge over corporate office (Land & Building) situated in Gurgaon, Haryana.

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

C) Security in respect of Pearl Global (HK) Limited,

i) As at March 31, 2023, certain of the Company's Inventories with a net carrying amount of approximately ₹ 3,946.56 (March 2022: ₹ 1,516.20) were pledged to secure banking facilities granted to the Comapny.

ii) As at March 31, 2023, certain of the Company's property, plant & equipment with a net carrying amount of approximately ₹ 5,721.59 (March 31, 2022: ₹ 4,882.00) were pledged to secure banking facilities granted to the Company.

iii) As at March 31, 2023, certain of the Company's leasehold land with a net carrying amount of approximately ₹ 2,693.29 (March 31, 2022: ₹ 2,581.67) were pledged to secure banking facilities granted to the Company.

iv) As at March 31, 2023, certain of the Company's trade receivable with a net carrying amount of approximately ₹ 3,864.34 (March 31, 2022: ₹ 2,653.35) were pledged to secure banking facilities granted to the Company.

D) Security in respect of Norp Knit Industries Limited,

- First Pari-Passu charge on movable fixed assets and whole of current assets including stocks of raw material, semi-finished goods, finished goods, book debts, consumable stores and spares.
- Personal Guarantee by the promoter director (Mr. Pulkit Seth)of the Company.

E) For interest rate & liquidity risk related disclosures, (refer note 44).

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

[This space has been left blank intentionally]

Pearl Global Industries Limited
Notes to consolidated financial statements for the year ended March 31, 2023
(All amounts are in ₹ Lakh, unless otherwise stated)

Note 23 : Other Financial Liabilities	Non current		Current	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
Security deposit	107.03	240.92	19.43	6.51
Book overdraft	-	-	-	-
Interest accrued but not due on borrowings	-	-	137.57	93.59
Unpaid dividends (Refer Note b)	-	-	28.09	26.24
Creditors for capital goods	-	-	124.27	92.90
Financial Liabilites at Fair Value through OCI - Cash Flow Hedge	-	-	303.62	-
Others	339.59	-	782.10	684.85
	446.62	**240.92**	**1,395.08**	**904.09**

Notes:

a) The Group's exposure to market and liquidity risk related to other financial liabilities is disclosed in note 44.

b) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end (March 31,2022: Nil).

c) Other payables under non current financial liabilities of ₹ 339.59 lakh represents consideration payable to Non-Controlling interest shareholders for acquisition of Step-down subsidiary "Alpha Clothing Limited" (March 31, 2022 : ₹ Nil).

Other payable under current financial liabilites of ₹ 782.10 lakh includes ₹ 425.14 lakh pertaining to consideration payable to Non-Controlling interest shareholders for acquisition of Step-down subsidiary "Alpha Clothing Limited" (March 31, 2022 : ₹ 668.77 lakh for export bill discounted).

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

[This page has been left blank intentionally]

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

Note 24 : Provisions	Non current		Current	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
Provision for employee benefits				
Provision for compensated absenses	400.02	574.57	19.26	30.87
Provision for gratuity (Refer to note 40)	2,355.57	1,775.48	82.47	213.94
Other employee benefits	131.05	77.51	39.24	-
	2,886.64	**2,427.56**	**140.97**	**244.81**

Note 25: Other liabilities	Non current		Current	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
Advance received against sale of land	-	2,963.62	-	-
Advance from customers	-	-	114.94	-
Deferred government grant	5.58	6.58	145.60	145.60
Deferred rental income	90.95	35.87	6.97	18.83
Statutory dues	-	-	1,383.14	784.07
Others	-	-	286.38	-
	96.53	**3,006.07**	**1,937.03**	**948.52**

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

[This space has been left blank intentionally]

Note 26 : Trade payables

	As At March 31, 2023	As At March 31, 2022
Total outstanding dues of micro and small enterprises	744.87	663.99
Total outstanding dues of creditors other than micro and small enterprises	38,423.82	43,204.80
	39,168.69	43,868.79

a) Trade Payables ageing schedule as at March 31, 2023 :

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Unbilled dues	Total
(i) MSME	742.65	2.22	-	-	-	-	744.87
(ii) Others	23,597.03	11,207.42	41.75	1.98	-	3,575.64	38,423.82
(iii) Disputed dues — MSME	-	-	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-	-	-

b) Trade Payables ageing schedule as at March 31, 2022 :

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Unbilled dues	Total
(i) MSME	482.99	181.00	-	-	-	-	663.99
(ii) Others	31,491.38	6,787.52	30.62	0.92	5.68	4,888.71	43,204.80
(iii) Disputed dues — MSME	-	-	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-	-	-

c) Trade payable are non- interest bearing and are generally on a credit period of not more than 90 days except in case of Micro & Small Enterprises (if any) which are settled within 45 days. However, in respect of Pearl Global (HK) Limited, trade payables are normally settled within one year.

d) For information of amount of trade payable to related parties, Refer note no. 47.

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

Note 27 : Liabilities for current tax (net)

	As At March 31, 2023	As At March 31, 2022
Provision for income tax [Net of advance tax ₹ 1,788.26 lakh (March 31, 2022 ₹ 856.21 lakh)]	1,883.50	217.87
	1,883.50	217.87

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

[This space has been left blank intentionally]

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

Note 28 : Revenue from operations	**For the Year ended March 31, 2023**	**For the Year ended March 31, 2022**
Sale of Product	304,697.93	262,931.37
Job Receipts	354.40	25.98
Other Operating Revenues	10,788.59	8,395.55
Revenue from operations	**315,840.92**	**271,352.90**

a) Performance obligation

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

During the year, the Group has not entered into long term contracts with customers and accordingly disclsoure 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 Group.

b) Disaggregation of revenue

The table below presents disaggregated revenues from contracts with customers on the basis of geographical spread of the operations of the Group. The Group believes that this disaggregation best depicts how the nature, amount of revenues and cash flows are affected by market and other economic factors:

Revenue based on Geography	**For the Year ended March 31, 2023**	**For the Year ended March 31, 2022**
India	1,036.52	2,498.99
Outside India	314,804.40	268,853.91
Revenue from operations	**315,840.92**	**271,352.90**

c) Reconciliation of revenue from operations with contracted price	**For the Year ended March 31, 2023**	**For the Year ended March 31, 2022**
Contracted Price	318,660.19	271,355.34
(Less): Sales Returns	11.07	-
(Less): Rebates and discounts	(2,830.34)	(2.44)
	315,840.92	**271,352.90**

d) Trade Receivables, Contract Balances

For Trade Receivables, Refer note no. 16.

Further, the Group has no contracts where the period between the transfer of the promised goods or services to the customer and payment terms by the customer exceeds one year. In light of above;

- it does not adjust any of the transaction prices for the time value of money, and
- there is no unbilled revenue as at March 31, 2023.

Further, the Group doesn't have any contract liabilities as at March 31, 2023 and March 31, 2022

e) Variable Consideration associated with Sales: The companies under the Group estimates the variable consideration using the most likely amount or expected value method, whichever approach best predicts the amount of consideration based on the terms of contract and available information and updates the estimates in each reporting period.

Note 29 : Other income		**For the Year ended March 31, 2023**	**For the Year ended March 31, 2022**
Interest income			
- On Fixed deposits		228.15	117.46
- On loans and advances		147.01	117.75
- On income tax refund		26.34	-
- On Investment		34.88	67.36
Other non-operating income:			
- Rental income		751.10	742.30
- Foreign exchange fluctuation		-	523.24
- Amortisation of deferred rental income		19.36	16.44
- Profit on sale of current investment - mutual fund		97.05	16.34
- Fair value gain on investments measured at fair value through profit and loss(net)		-	573.58
- Dividend Income		36.54	25.62
- Excess provision written back	572.61		
- Sundry balances written off relating to Provision	(474.11)	98.50	160.91
- Sundry balances written back		91.51	340.60
- Gain on termination of lease		-	50.38
- Miscellaneous income		750.55	593.96
		2,280.99	**3,345.94**

[This page has been left blank intentionally]

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

Note 30 : Cost of Raw Material Consumed	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Raw Material		
Balance at the beginning of the Year	32,955.06	13,670.22
Add:- Purchases during the year	144,048.38	135,350.71
Add: Impact of exchange fluctuation & re-instatement	(3,288.34)	465.08
	173,715.10	149,486.01
Less:- Balance at the end of the Year	(24,473.89)	(32,955.06)
Total Raw Material Consumption	**149,241.21**	**116,530.95**

Note 31 : Purchase of Stock in Trade	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Purchases during the year	18,901.73	40,790.23
	18,901.73	**40,790.23**

Note 32 : Changes in inventories of finished goods, stock in trade and work in progress		For the Year ended March 31, 2023	For the Year ended March 31, 2022
Inventories at the beginning of the year			
Work-in-progress		12,466.08	9,637.71
Finished goods		7,888.48	4,060.98
Scrap Stock		41.82	166.84
	(A)	**20,396.38**	**13,865.53**
Inventories at the end of the year			
Work-in-progress		15,980.33	12,466.08
Finished goods		9,227.00	7,888.48
Scrap Stock		48.81	41.82
	(B)	**25,256.14**	**20,396.38**
Impact of exchange fluctuation & re-instatement	(C)	**(333.08)**	**271.98**
(Increase) / decrease in inventory (A-B+C)		**(5,192.84)**	**(6,258.87)**

Note 33 : Employee benefits expense	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Salaries, Wages & Bonus	50,467.63	43,310.54
Contribution to Provident and Other funds	1,839.89	1,002.40
Gratuity expense (Refer note 40)	615.50	421.73
Compensated absences	710.39	408.04
Share based expense (Refer Note 51)	259.51	-
Staff Training & Welfare Expenses	2,253.60	719.39
	56,146.52	**45,862.10**

Note 34 : Finance cost	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Interest Expense		
- On Term loans,Cash Credit & Working Capital Facilities	2,777.35	2,637.31
- Delayed Payment of Taxes	72.51	5.82
- lease liabilities	997.47	846.79
Unwinding of discount on security deposit	18.15	14.08
Other borrowing cost	2,652.41	1,156.37
	6,517.89	**4,660.37**

Note 35 : Depreciation and amortization expense	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Depreciation of - Property, plant and equipment (Refer note no. 4)	3,176.89	3,027.13
Depreciation & Amortisation of Investment Properties (Refer note no. 6)	79.56	82.20
Amortisation of intangible assets (Refer note no. 8)	37.61	30.53
Amortisation of Right-of-use assets (Refer note no. 49)	1,783.58	1,693.82
	5,077.64	**4,833.68**

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

Note 36 : Other expenses	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Manufacturing Expense	32,016.00	28,627.46
Consumption of Stores & Spare Parts	1,509.11	1,662.03
Power & fuel	3,075.46	2,587.39
Rent	1,031.11	478.61
Rates & Taxes	481.49	104.66
Travelling & Conveyance	2,416.58	1,259.16
Freight & clearing Charges	5,895.06	7,344.39
Claim to Buyers	-	1,437.97
Repair & Maintenance		
- Plant & Machinery	530.04	162.32
- Buildings	98.82	75.72
- Other	1,405.65	1,325.23
Commission	308.68	395.77
Legal & Professional Expenses	7,062.45	6,106.97
Security Charges	344.21	452.16
Bank charges	1,691.75	1,472.21
Insurance Expenses	779.07	1,193.61
Inspection Fees	650.23	234.52
Payment to the Auditors	191.57	134.63
Sundry Balances written off	227.11	554.86
Foreign Exchange Fluctuation Loss	6,817.57	364.31
Corporate social responsibility	20.33	80.54
Fair value loss on financial assets measured at fair value through profit and loss	13.19	-
Loss on Lease Modification	86.09	-
Loss allowance for doubtful debts and advances	163.28	336.93
Loss on sale of Licenses	274.73	366.89
Miscellaneous Expenses	4,101.22	3,612.03
Total	**71,190.80**	**60,370.37**

Note 37 : Exceptional Items	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Profit on sale of property, plant and equipment and investment property (Refer Note 'a' below)	(4,295.89)	(644.98)
Impairment of investment in subsidiaries written back (Refer Note 9 (c))	(1,648.35)	(30.00)
Investment written off (Refer note 9 (c))	1,648.35	3.16
Interest on Refund of advance (Refer Note 'b' below)	827.00	-
Loss allowance for receivables (net of expected credit loss reversal)	2,122.93	-
	(1,345.96)	**(671.82)**

a) The figures in bracket above represents income/ profit.

b) As at March 31, 2022, the company had ₹ 2963.62 lakh advance outstanding in the books of account. During the year, as per supplementary agreement, the company was required to repay the amount along with interest of ₹ 827 lakh. During the year ended March 31, 2023, the company has repaid advance of ₹ 2963.62 lakh along with interest of ₹ 827 lakh.

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

[This space has been left blank intentionally]

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

Note 38 : Components of other comprehensive income	For the Year ended March 31, 2023	For the Year ended March 31, 2022
A (i) Items that will not be reclassified to profit and loss		
Re-measurement gains/ (losses) on defined benefit plans	(56.05)	(100.97)
Income tax expense	(0.53)	(20.48)
Gain on Bargain Purchase	506.98	-
Changes in fair value of financial assets designated at fair value OCI Movement will not be reclassified	(193.77)	-
B (i) Items that will be reclassified to profit and loss		
Foreign exchange translation reserve	(1,050.98)	1,242.11
Fair valuation of investment in mutual fund	-	(28.98)
Hedging Reserve through OCI	(595.46)	419.03
Changes in fair value of financial assets designated at fair value OCI Movement will be reclassified	(64.01)	-
Income tax expense	149.87	(105.46)
	(1,303.95)	1,405.26

Note 39 : Earnings per share (EPS)	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Profit attributable to the equity shareholders (A)	14,925.44	6,814.64
Number/Weighted average number of equity shares outstanding at the end of the year (B)	21,663,937	21,663,937
Dilutive effect on Weighted average number of equity shares outstanding at the end of the year (C.)	34,266.55	-
Number/Weighted average number of diluted equity shares outstanding at the end of the year (D = B + C)	21,698,204	21,663,937
Nominal value of equity shares	₹10	₹10
Basic Earning per share (A/B) (in ₹)	68.90	31.46
Diluted Earning per share (A/D) (in ₹)	68.79	31.46

[This space has been left blank intentionlly]

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

Note 40 : Gratuity and other post-employment benefit plans

a) Defined contribution plans

The Group makes contribution towards Employees Provident Fund, Employee's State Insurance scheme and other welfare schemes. Under the rules of these schemes, the Group is required to contribute a specified percentage of payroll costs. The Group during the year recognised the following amount in the Statement of profit and loss account under Group's contribution to defined contribution plan.

	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Employer's Contribution to Provident Fund/ Pension Fund	1,527.51	792.01
Employer's Contribution to Employee State Insurance	295.76	197.77
Employer's Contribution to Welfare Fund	16.62	12.62
Total	**1,839.89**	**1,002.40**

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

b) Employee Benefit Obligation in case of Pearl Global HK Limited

Policy for the Group's operation in the Republic of Indonesia

The Group determines its post-employment benefits obligation under the Labor Law of the Republic of Indonesia No. 13/2003. The cost of providing post-employment benefits is determined using "Projected Unit Credit" method. Actuarial gains or losses are recognized as income or expense when the net cumulative unrecognized actuarial gains and losses at the end of the previous reporting year exceeded the higher of 10% of the defined benefit obligation and 10% of the fair value of plan assets at that date. These gains or losses are recognised on a straight-line basis method over the expected average remaining working lives of the employees. Past service cost arising from the introduction of a defined benefit plan or changes in the benefits obligation of an existing plan are required to be amortized over the period until the benefits concerned become vested.

Policy for the Group's operation in the Socialist Republic of Vietnam

The severance allowance for employees is accrued at the end of each reporting period for all employees having worked at the Group for full 12 months and above. Working time serving as the basis for calculating severance allowance shall be the total actual working time subtracting the time when the employees have made unemployment insurance contributions as prescribed by law, and the working time when severance allowance has been paid to the employees. The allowance made for each year of service equals to a half of an average monthly salary under the Vietnamese Labour Code, Social Insurance Code and relevant guiding documents. The average monthly salary used for calculation of severance allowance shall be adjusted to be the average of the 6 consecutive months nearest to the date of the financial statements at the end of each reporting period. The increase or decrease in the accrued amount shall be recorded in the statement of profit or loss or other comprehensive income.

Policy for the Group's operation in the Hong Kong Special Administrative Region of the People's Republic of China

The Group participates in Mandatory Provident Fund Scheme ("MPF Scheme") for its employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Pursuant to the rules of the MPF Scheme, each of the employer and employees are required to make contributions to the scheme at rates specified in the rules. The MPF Scheme is a defined contribution plan and the Group is only obliged to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in the future years. The retirement benefit cost arising from the MPF Scheme charged to the consolidated statement of profit or loss and other comprehensive income represent contribution payable to the funds by the Group in accordance with the rules of the MPF Scheme.

c) Defined benefit plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Group is able to determine the present value of obligations. "Projected Unit Credit Method" 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 in case of holding company

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The gratuity is funded in current year for all the units and maintained by Life Insurance Corporation of India .

ii) Other long term employee benefits

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

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

d) The following tables 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 by actuary's of respective companies consolidated in these financial statements.

Change in benefit obligations	As At March 31, 2023		As At March 31, 2022	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Opening defined benefit obligation	916.76	1,345.90	929.10	1,068.15
Adjustment in opening obligation	-	7.76	-	-
Interest cost	68.85	94.55	69.78	78.36
Service cost	277.97	220.65	207.89	196.94
Past Service cost	-	(26.00)	-	(108.82)
Benefits paid	(104.27)	(139.17)	(199.61)	(114.75)
Foreign currency translation reserve	-	(87.97)	-	43.69
Actuarial (gain) / loss on obligations	(50.30)	109.41	(90.40)	182.33
Present value of obligation as at the end of the year	**1,109.00**	**1,525.13**	**916.76**	**1,345.92**

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

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

e) The following tables summarise the components of net benefit expense recognised in the Statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Cost for the year included under employee benefit	As At March 31, 2023 Gratuity (Funded)	Gratuity (Unfunded)	As At March 31, 2022 Gratuity (Funded)	Gratuity (Unfunded)
Current service cost	277.97	220.65	207.89	196.94
Past service cost	-	(26.00)	-	(108.82)
Interest cost	48.33	94.55	69.78	78.36
Expected return on plan assets	-	-	(22.42)	-
Actuarial (gain) / loss	-	-	-	-
Net cost	**326.30**	**289.20**	**255.25**	**166.48**

f) **Changes in the fair value of the plan assets are as follows:**

	As At March 31, 2023 Gratuity (Funded)	Gratuity (Unfunded)	As At March 31, 2022 Gratuity (Funded)	Gratuity (Unfunded)
Fair value of plan assets at the beginning	273.25	-	298.57	-
Difference amount in opening fund	-	-	-	-
Expected return on plan assets	20.52	-	22.42	-
Contributions	7.19	-	22.70	-
LIC charges	(3.65)	-	(4.37)	-
Benefits paid	(104.27)	-	(57.04)	-
Actuarial gains / (losses) on the plan assets	3.05	-	(9.03)	-
Fair value of plan assets at the end	**196.09**	-	**273.25**	-

g) **Detail of actuarial gain/loss recognised in OCI is as follows:**

	As At March 31, 2023 Gratuity (Funded)	Gratuity (Unfunded)	As At March 31, 2022 Gratuity (Funded)	Gratuity (Unfunded)
Actuarial (gain) / loss for the year – obligation	(50.30)	109.41	(90.40)	182.33
Actuarial (gain) / loss for the year - plan assets	(3.05)	-	9.03	-
Total (gain) / loss for the year	**(53.35)**	**109.41**	**(81.36)**	**182.33**

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The actuarial assumptions include economic assumptions of discount rate and rate of increase in compensation levels. Other assumptions considered are demographic assumptions and withdrawal rate while calculating the obligations as at year end.

h) **Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets -**

Particulars	As At March 31, 2023 Gratuity (Funded)	Gratuity (Unfunded)	As At March 31, 2022 Gratuity (Funded)	Gratuity (Unfunded)
Present value of obligation	1,109.00	1,525.13	916.76	1,345.92
Less: Fair value of plan assets	196.09	-	273.25	-
Net assets /(liability)	**(912.91)**	**(1,525.13)**	**(643.51)**	**(1,345.92)**

i) **A quantitative sensitivity analysis for significant assumptions is as shown below:**

A. Discount rate	As At March 31, 2023 Gratuity (Funded)	Gratuity (Unfunded)	As At March 31, 2022 Gratuity (Funded)	Gratuity (Unfunded)
Effect on DBO due to increase in Discount Rate (1% in funded and 0.5% in unfunded)	(111.39)	(905.26)	(93.76)	(846.99)
Effect on DBO due to decrease in Discount Rate (1% in funded and 0.5% in unfunded)	132.39	1,071.22	111.49	1,006.31
B. Salary escalation rate				
Effect on DBO due to increase in Salary Escalation Rate (1% in funded and 0.5% in unfunded)	134.24	1,074.89	113.23	1,009.06
Effect on DBO due to decrease in Salary Escalation Rate (1% in funded and 0.5% in unfunded)	(114.68)	(907.33)	(96.65)	(848.19)

C. Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated for group as a whole.

j) **Risk**

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

k) Refer respective standalone financial statements of Holding Company and the Subsidiary Companies forming part of the Group for Maturity Profile of Defined Benefit obligation.

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

Note 41 : Capital management

The Group's objectives when managing capital are to:
- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
-maintain an appropriate capital structure of debt and equity.

The Board of Directors have the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management in deployment of funds and sourcing by leveraging opportunities in domestic and international markets so as to maintain investors, creditors and markets confidence and to sustain future development of the business.

The Group monitors capital, using a medium term view ranging between three to five years, on the basis of a number of financial ratios generally used by the industry. The Group monitors capital structure using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises of long term and short term borrowings (Including lease liabilities) less cash and cash equivalents. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of reporting periods were as follows:

Particulars	As At March 31, 2023	As At March 31, 2022
Borrowings (Refer to note 21 & 22)	44,838.43	56,414.18
Lease Liabilities (Refer to note 49)	10,933.45	8,045.15
Interest accrued but not due on borrowings (Refer note no. 23)	137.57	93.59
Less: cash and cash equivalents (Refer to note 17)	(25,614.50)	(11,685.07)
Net debt (A)	**30,294.94**	**52,867.85**
Equity share capital (Refer to note 19)	2,166.39	2,166.39
Other equity (Refer to note 20)	70,080.17	57,727.53
Total Capital (B)	**72,246.56**	**59,893.92**
Capital and net debt (A+B=C)	**102,541.50**	**112,761.77**
Gearing ratio (A/C)	**29.54%**	**46.88%**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

In order to achieve overall objective, the company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

[This page has been left blank intentionally]

Note 42 : Derivative instruments and unhedged foreign currency exposure

I) Hedge Accounting

(i) The Group enters into hedging instruments in accordance with policies as approved by the Board of Directors with written principles which is consistent with the risk management strategy of the Group. The Group has decided to apply hedge accounting for certain derivative contracts that meets the qualifying criteria of hedging relationship entered post April 01, 2019. Hedging strategies are decided and monitored periodically by the Risk Management Committee of the Board. The Hedging Practice and its corresponding hedge accounting is mainly followed by the Holding Company.

Cash Flow Hedges

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecasted hedged items in US dollar. These forecast transactions are highly probable. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

(ii) **The fair value of derivative financial instruments is as follows:**

Particulars	Asset / (Liability) As at March 31, 2023	Asset / (Liability) As at March 31, 2022
Fair value of foreign currency forward exchange contract designated as hedging instruments	(303.62)	406.69

The critical terms of the foreign currency forward contracts match the terms of the expected highly probable forecast sale transactions.
The cash flow hedges of the forecasted sale transactions for the year ended March 31, 2023 were assessed to be highly effective and unrealised profit of ₹ 595.46 lakh, with a deferred tax asset / (liability) of ₹ 149.87 lakh relating to the hedging instruments, is included in OCI. [March 31, 2022: Unrealised profit of ₹ 419.03 lakh with a corresponding deferred tax asset / (liability) of ₹ (105.46 lakh)].

(iii) **Maturity Profile:** The following table includes the maturity profile of the foreign exchange forward contracts:

Particulars	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	Total
As At March 31, 2023 (₹ in lakh)	5,590.82	4,917.45	5,639.68	1,629.11	3,623.58	21,400.64
Notional amount (in USD in lakh)	70.00	61.00	68.75	19.50	43.00	262.25
Average forward rate (USD/₹)	79.87	80.61	82.03	83.54	84.27	81.60
As At March 31, 2022 (₹ in lakh)	8,031.01	12,657.88	19,245.30	14,329.11	8,296.72	62,560.03
Notional amount (in USD in lakh)	104.99	165.36	249.00	183.68	105.50	808.53
Average forward rate (USD/₹)	76.49	76.55	77.29	78.01	78.64	77.37

(iv) The impact of the hedging instruments on the balance sheet is as follows:

The line item in Balance Sheet where Hedge instrument is disclosed under other current financial assets (March 31 2022: Other current Financial Liabilities). The changes in fair value of forward exchange contract are disclosed as under:

Particulars	Amount (₹)
Foreign currency risk forward contract- As At March 31, 2023 (₹ in lakh) [Asset / (Liability)]	(303.62)
Foreign currency risk forward contract- As At March 31, 2022 (₹ in lakh) [Asset / (Liability)]	406.69

(v) The effect of the cash flow hedge in the statement of profit or loss and other comprehensive income is, as follows:

Particulars	Total hedging gain/(loss) recognised in OCI	Line item in Statement of profit and loss	Amount reclassified from OCI to profit or loss.	Line item in Statement of profit and loss
As At March 31, 2023 (` in lakh) Highly probable forecast sales	(595.46)	Cash Flow Hedge Reserve (OCI)	(568.68)	Revenue from Operations
As At March 31, 2022 (` in lakh) Highly probable forecast sales	419.03	Cash Flow Hedge Reserve (OCI)	907.55	Revenue from Operations

(vi) **Impact of hedging on equity**

Set out below is the reconciliation of each component of equity and the analysis of other comprehensive income in respect of cash flow hedge reserve:

Particulars	Cash Flow Hedge Reserve	Tax Amount	Movement net of tax
As at April 01, 2022	406.69	101.61	305.08
Effective Portion of Changes in fair Value arising from Foreign Exchange Forward	(1,164.13)	(292.99)	(871.14)
Amount reclassified to profit & loss	(568.68)	(143.13)	(425.55)
As at March 31, 2023	(188.76)	(48.25)	(140.51)
As at April 01, 2021	(12.34)	(3.85)	(8.49)
Effective Portion of Changes in fair Value arising from Foreign Exchange Forward	1,326.58	333.87	992.71
Amount reclassified to profit & loss	907.55	228.41	679.14
As at March 31, 2022	406.69	101.61	305.08

Note : The Group did not have any forecast transactions for which cash flow hedge accounting had been used in the previous period, but which is no longer expected to occur.

(vii) Valuation Technique

The Group enters into derivative financial instruments which are valued using valuation techniques which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing models, using present value calculations. Where quoted market prices are not available, fair values are based on Management best estimates, which are arrived at by the reference to market prices.

II) Particulars of Unhedged foreign currency exposures:

Particulars	As at March 31, 2023			As at April 01, 2022		
		Foreign Currency	₹ in lakh		Foreign Currency in lakh	₹ in lakh
Foreign currency receivable	HKD	-	-	HKD	-	-
	IDR	47,512.6	260.97	IDR	26,535.38	140.35
	BDT	1,227.4	961.15	BDT	53.96	48.41
	GBP	-	-	GBP	-	-
	SGD	-	-	SGD	-	-
	VND	21,746.4	76.20	VND	1,66,239.38	551.40
	CNY	-	-	CNY	-	-
	USD	-	-	USD	-	-
Foreign currency payable	HKD	-	-	HKD	-	-
	IDR	89,136.6	489.60	IDR	80,992.23	428.40
	VND	6,96,550.7	2,440.67	VND	15,80,358.81	5,241.86
	EUR	-	-	EUR	-	-
	BDT	5,604.9	4,388.94	BDT	1,056.77	948.22

III) In respect of the derivative contracts entered into by the Group. The Management asesses no material foreseeable losses as at the reporting date.

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

[This space has been left blank intentionally]

Note 43 : Fair value measurements

I Financial Instruments

a) Financial instruments by category

Except Investment in equity instruments (Quoted) and investment in mutual funds which are measured at fair value through profit or loss, all other financial assets and liabilities viz. trade receivables, security deposits, cash and cash equivalents, other bank balances, interest receivable, other receivables, trade payables, employee related liabilities and borrowings, are measured at amortised cost. Derivative financial instruments and certain investments are measured at fair value through other comprehensive income.

b) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels of in the fair value hierarchy:

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy :

As At March 31, 2023 (₹ in lakh)

Particulars	Carrying amount					Fair value			
	FVOCI	FVTPL	Financial Assets - amortised cost	Financial Liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in equity shares (Quoted)	-	830.37	-	-	830.37	830.37	-	-	830.37
Investment in mutual funds	-	562.16	-	-	562.16	562.16	-	-	562.16
Investment in Units and Debt instrument	2,138.40	-	-	-	2,138.40	1,222.93	915.47	-	2,138.40
Investments in key man insurance policy	2,444.70	-	-	-	2,444.70	-	2,444.70	-	2,444.70
Financial Assets at Fair Value through OCI - Cash Flow Hedge	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value									
Investment in equity shares (Unquoted)	-	-	-	-	-	-	-	-	-
Investment in preference shares	-	-	-	-	-	-	-	-	-
Investment in government securities	-	-	1.63	-	1.63	-	-	-	-
Loan to employees	-	-	91.85	-	91.85	-	-	-	-
Loan to related parties	-	-	100.00	-	100.00	-	-	-	-
Loan to Others	-	-	2,373.31	-	2,373.31	-	-	-	-
Security Deposits	-	-	1,448.46	-	1,448.46	-	-	-	-
Interest accrued but not due on term deposits	-	-	118.80	-	118.80	-	-	-	-
	-	-	43.98	-	43.98				
Deposits with original maturity of more than 12 months						-	-	-	-
Trade receivables	-	-	20,936.17	-	20,936.17	-	-	-	-
Cash and cash equivalents	-	-	25,614.50	-	25,614.50	-	-	-	-
Other bank balances	-	-	3,832.23	-	3,832.23	-	-	-	-
Other Financial assets	-	-	13.44	-	13.44	-	-	-	-
	4,583.10	**1,392.53**	**54,574.37**	**-**	**60,550.00**	**2,615.46**	**3,360.17**	**-**	**5,975.63**
Financial liabilities measured at fair value									
Financial Liabilites at Fair Value through OCI - Cash Flow Hedge	303.62	-	-		303.62	303.62	-	-	303.62

Particulars	FVOCI	FVTPL	Financial Assets - amortised cost	Financial Liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value									
Borrowings	-	-	-	44,838.43	44,838.43	-	-	-	-
Lease Liabilities	-	-	-	10,933.45	10,933.45	-	-	-	-
Security Deposits	-	-	-	126.46	126.46	-	-	-	-
Book overdraft	-	-	-	-	-	-	-	-	-
Interest accrued but not due on borrowings	-	-	-	137.57	137.57	-	-	-	-
Unpaid dividends	-	-	-	28.09	28.09	-	-	-	-
Trade payables	-	-	-	39,168.69	39,168.69	-	-	-	-
Creditors for capital goods	-	-	-	124.27	124.27	-	-	-	-
Others	-	-	-	1,121.69	1,121.69	-	-	-	-
	303.62	-	-	**96,478.65**	**96,782.27**	**303.62**	-	-	**303.62**

As At March 31, 2022 (₹ in lakh)

Particulars	Carrying amount					Fair value			
	FVOCI	FVTPL	Financial Assets - amortised cost	Financial Liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in equity shares (Quoted)	-	873.50	-	-	873.50	873.50	-	-	873.50
Investment in mutual funds	-	532.26	-	-	532.26	532.26	-	-	532.26
Investment in Units and Debt instrument	1,908.49	-	-	-	1,908.49	1,308.08	600.41	-	1,908.49
Investments in key man insurance policy	2,202.20	-	-	-	2,202.20	-	2,202.20	-	2,202.20
Financial Assets at Fair Value through OCI - Cash Flow Hedge	406.69	-	-	-	406.69	-	-	-	-
Financial assets not measured at fair value									
Investment in equity shares (Unquoted)	-	-	-	-	-	-	-	-	-
Investment in preference shares	-	-	-	-	-	-	-	-	-
Investment in government securities	-	-	1.63	-	1.63	-	-	-	-
Loan to employees	-	-	41.36	-	41.36	-	-	-	-
Loan to related parties	-	-	-	-	-	-	-	-	-
Loan to Others	-	-	3,543.10	-	3,543.10	-	-	-	-
Security Deposits	-	-	912.92	-	912.92	-	-	-	-
Interest accrued but not due on term deposits	-	-	62.41	-	62.41	-	-	-	-
	-	-	273.70	-	273.70				
Deposits with original maturity of more than 12 months						-	-	-	-
Trade receivables	-	-	36,662.31	-	36,662.31	-	-	-	-
Cash and cash equivalents	-	-	11,685.07	-	11,685.07	-	-	-	-
Other bank balances	-	-	3,292.39	-	3,292.39	-	-	-	-
Other Financial assets	-	-	31.47	-	31.47	-	-	-	-
	4,517.39	**1,405.76**	**56,506.36**	-	**62,429.51**	**2,713.84**	**2,802.61**	-	**5,516.45**

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

Financial liabilities not measured at fair value									
Borrowings	-	-	-	56,414.18	56,414.18	-	-	-	-
Lease Liabilities	-	-	-	8,045.15	8,045.15	-	-	-	-
Security Deposits	-	-	-	247.43	247.43	-	-	-	-
Book overdraft	-	-	-	-	-	-	-	-	-
Interest accrued but not due on borrowings	-	-	-	93.59	93.59	-	-	-	-
Unpaid dividends	-	-	-	26.24	26.24	-	-	-	-
Trade payables	-	-	-	43,868.79	43,868.79	-	-	-	-
Creditors for capital goods	-	-	-	92.90	92.90	-	-	-	-
Others	-	-	-	684.85	684.85	-	-	-	-
	-	-	-	**109,473.13**	**109,473.13**	-	-	-	-

c) The company has an established control framework with respect to the measurement of fair values. The finance and accounts team that has overall responsibility for overseeing all significant fair value measurements and reports directly to the board of directors. The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the company's board of directors.

d) Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.
Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
There have been no transfers in either direction for the year ended 31 March 2023 and 31 March 2022.

e) **Fair value of financial assets and liabilities measured at amortised cost**
The carrying amounts of short-term trade and other receivables, trade payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.
For other financial liabilities/ assets that are measured at fair value, the carrying amounts are equal to the fair values.

f) For specific valuation techniques used to value financial instruments, Refer disclosures made in the standalone financials of Holding Company and Subsidiary companies.

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

[This space has been left blank intentionally]

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 has exposure to the following risks arising from financial instruments:
-credit risk,
-liquidity risk and
-market risk.
The senior level management of respective companies in the Group oversees the management of these risks and is supported by treasury department that advises on the appropriate financial risk governance framework.

A. Credit risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to the Group. Credit risk arise from Cash and cash equivalents, deposit with banks, trade receivables and other financial assets measure at amortised cost. The respective companies in the Group continuosly monitors defaults of customers and other counterparties and incorporate this information into its credit risk control. The carrying amount of financial assets represents the maximum credit exposure.

i) Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The credit risk is managed by the Group based on credit approvals, establishing credit limits and continuosly monitoring the credit worthiness of the customers, to whom the Group grants credit period in the normal course of business inlcuding taking credit insurance against export receivables. The Group uses expected credit loss model to assess the impairement loss in trade receivables and makes an allowance of doubtful trade receivables using this model.

ii) Other Financial Assets

The Group maintains exposure in cash & cash equivalents, term deposits with banks, investments, advances and security deposits etc. Credit risk from balances with banks, investment in mutual funds and loan to related parties is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the respective Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of their finance committee. The Group's maximum exposure to the credit risk as at March 31, 2023 and March 31, 2022 is majorly the carrying value of each class of financial assets.

iii) Risk Exposure of Holding Company in respect of guarantees given as under:

- Quantitative data about exposure and maturity profile

Guarantee Given to	Details of Subsidiary	Purpose of Guarantee	Amount As At March 31, 2023 (₹ in lakh)	Guarantee Valid Upto
HSBC Bank, Hongkong Branch	Pearl Global (HK) Limited	Securing Credit Facilities	USD 200.00 lakh equivalent to ₹16,444.00 lakh	November 17, 2023
			USD 40.00 lakh equivalent to ₹3,288.80 lakh	December 22, 2023
			USD 50.00 lakh equivalent to ₹4,111.00 lakh	May 18, 2024

- **Policy of managing risk**: To assess whether there is a significant increase in credit risk The Group compares the risk of default as at the reporting date with the risk of default as at the date of initial recognition. The Group considers reasonable and supportive forward-looking information such as significant changes in the value of guarantee or in the quality of exposure or credit enhancements.

B. Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.
The Group's objective is to, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

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

As At March 31, 2023 (₹ in lakh)	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	29,278.01	6,630.23	8,930.19	-	44,838.43
Lease Liabilities	313.72	937.40	3,743.29	5,939.03	10,933.45
Trade payables	26,054.90	13,113.79	-	-	39,168.69
Other financial liabilities	1,395.08	-	446.62	-	1,841.70
Total	**57,041.71**	**20,681.43**	**13,120.10**	**5,939.03**	**96,782.27**

As At March 31, 2022 (₹ in lakh)	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	34,891.47	9,139.90	12,256.81	126.00	56,414.18
Lease Liabilities	209.72	674.03	2,411.63	4,749.77	8,045.15
Trade payables	41,166.49	2,702.30	-	-	43,868.79
Other financial liabilities	897.58	6.51	240.92	-	1,145.01
Total	**77,165.26**	**12,522.74**	**14,909.36**	**4,875.77**	**109,473.13**

C. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk are borrowings, short term deposits and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2023 and March 31, 2022.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates primarily to the long-term debt obligations with floating interest rates.

The Group main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to interest rate risk. The Group manages its net exposure to interest rate risk related to borrowings, by balancing a proportion of fixed rate and floating rate borrowing in its total borrowing portfolio. Currently, the Group's borrowings are within acceptable risk levels, as determined by the management, hence the Group has not taken any swaps to hedge the interest rate risk.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of borrowings affected. With all other variables held constant, the Group profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase or decrease in basis points	Decrease / (increase) in profit
March 31, 2023	+50	253.13
	-50	(253.13)
March 31, 2022	+50	232.49
	-50	(232.49)

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

ii) Foreign currency risk

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

Particulars	Changes in Exchange rate	Decrease / (increase) in profit before tax
March 31, 2023	+5%	301.04
	-5%	(301.04)
March 31, 2022	+5%	(293.92)
	-5%	293.92

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

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

Note 45 : Segment information

a) The operating segments are established on the basis of those components of the group that are evaluated regularly by the Executive Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. The Group has presented segment information on geographical basis in the consolidated financial statements.

Summary of segment Information as at and for the year ended March 31, 2023 and March 31, 2022 is as follows:

Particulars	Bangladesh	Hong Kong	India	Others	Un-allocable	Total	Elimination	Total
Segment Sales	9,994.44	225,845.86	70,938.65	9,061.97	-	315,840.92	-	315,840.92
	(7,185.57)	(150,026.90)	(63,891.55)	(50,248.87)	-	(271,352.90)	-	(271,352.90)
Inter Segment Sales	99,929.69	26,572.87	40,612.31	44,357.35	-	211,472.22	211,472.22	-
	(87,819.38)	(50,160.99)	(30,292.59)	-	-	(168,272.96)	(168,272.96)	-
Total Segment Sales	**109,924.13**	**252,418.73**	**111,550.97**	**53,419.30**	-	**527,313.13**	**211,472.22**	**315,840.92**
	(95,004.96)	**(200,187.89)**	**(94,184.14)**	**(50,248.88)**	-	**(439,625.87)**	**(168,272.97)**	**(271,352.90)**
Other Income	206.82	407.27	3,007.80	1,893.40	-	5,515.29	3,234.29	2,280.99
	(22.55)	(693.29)	(3,213.98)	-	-	(3,929.83)	(583.90)	(3,345.94)
Total Segment Revenue	**110,130.95**	**252,826.00**	**114,558.76**	**55,312.71**	-	**532,828.42**	**214,706.52**	**318,121.90**
	(95,027.52)	**(200,881.19)**	**(97,398.13)**	**(50,248.88)**	-	**(443,565.70)**	**(168,856.87)**	**(274,698.83)**
Total Revenue of each segment as a percentage of total revenue of all segment	20.67	47.45	21.50	10.38	-	100.00	-	-
	(21.42)	(45.29)	(21.96)	(11.33)	-	(100.00)	-	-
Total Segment Operative Profit	11,012.72	4,359.74	10,333.68	3,474.30	-	29,180.44	-	29,180.44
	(4,853.35)	(3,015.49)	(8,037.46)	(2,169.55)	-	(18,075.88)	-	(18,075.88)
Depreciation	2,122.50	229.65	1,888.66	836.83	-	5,077.64	-	5,077.64
	(1,449.37)	(1,160.98)	(1,772.78)	(450.55)	-	(4,833.68)	-	(4,833.68)
Total Segment Result before Interest & Taxes	8,890.22	4,130.09	8,445.02	2,637.48	-	24,102.81	-	24,102.81
	(3,403.99)	(1,854.52)	(6,264.68)	(1,719.00)	-	(13,242.19)	-	(13,242.19)
Total EBIT of each segment as a percentage of total EBIT of all segment	36.88	17.14	35.04	10.94	-	100.00	-	-
	(25.71)	(14.00)	(47.31)	(12.99)	-	(100.00)	-	-
Net Financing Cost	-	-	-	-	-	-	-	6,517.89
	-	-	-	-	-	-	-	(4,660.37)
Income Tax Expenses	-	-	-	-	-	-	-	2,285.70
	-	-	-	-	-	-	-	(1,570.94)
Profit for the Year	-	-	-	-	-	-	-	**15,299.22**
	-	-	-	-	-	-	-	**(7,010.88)**

Segment Assets	56,132.30	32,678.71	65,182.68	29,127.67	(5,057.17)	178,064.19	-	178,064.19
	(32,643.76)	(51,896.51)	(67,647.70)	(19,772.71)	(6,101.17)	(178,061.85)	-	(178,061.85)
Segment Assets as a percentage of Total assets of all segments	31.52	18.35	36.61	16.36	(2.84)	100.00	-	-
	(18.33)	(29.15)	(37.99)	(11.10)	(3.43)	(100.00)	-	-
Segment Liabilities	27,863.36	9,494.66	19,256.68	12,788.54	34,383.71	103,786.95	-	103,786.95
	(24,197.69)	(4,756.78)	(23,721.13)	(7,010.31)	(56,888.69)	(116,574.61)	-	(116,574.61)
Segment Liabilities as a percentage of Total Liabilities of all segments	26.85	9.15	18.55	12.32	33.13	100.00	-	-
	(20.76)	(4.08)	(20.35)	(6.01)	(48.80)	(100.00)	-	-
Segment Capital Employed	28,268.94	23,184.05	45,926.00	16,339.13	(39,440.89)	74,277.23	-	74,277.23
	(8,446.07)	(47,139.72)	(43,926.57)	(12,762.40)	50,787.53	(61,487.24)	-	(61,487.24)
Segment Capital Employed as a percentage of Total capital employed of all segments	38.06	31.21	61.83	22.00	(53.10)	100.00	-	-
	(13.74)	(76.67)	(71.44)	(20.76)	82.60	(100.00)	-	-
Capital Expenditure	4,856.12	1,100.95	2,780.47	2,404.05	-	11,141.59	-	11,141.59
	(1,141.60)	(683.20)	(871.18)	(1,381.57)	-	(4,077.57)	-	(4,077.57)
Segment Capital Expenditure as a percentage of Total capital expenditure of all segments	43.59	9.88	24.96	21.58	-	100.00	-	-
	(28.00)	(16.76)	(21.37)	(33.88)	-	(100.00)	-	-

b) The Group revenue from sale of garments to external customer are as follows:

Particulars	As At March 31, 2023 (₹ in lakh)	As At March 31, 2022 (₹ in lakh)
Local Customers	555.57	2,172.02
Foreign Customers	304,142.36	260,759.35
Total	**304,697.93**	**262,931.37**

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

Particulars	As At March 31, 2023 (₹ in lakh)	As At March 31, 2022 (₹ in lakh)
Non Current Assets		
- within India	24,668.32	22,754.36
- outside India	37,278.67	30,636.79

d) Revenue from major customer: During the year the Group generates 90% of its external revenues from 15 customers (March 31, 2022: 15 customers).

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

[This space has been left blank intentionally]

Note 46 : Contingent liabilities and commitments

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

I (i) The respective companies have reviewed all its pending claims, litigations and other proceedings and has adequately provided for wherever required. However, wherever it is difficult for the respective companies to estimate the timings of cash outflows, if any, in respect of the below as it is determinable only on receipt of judgement/decisions pending with various forums/authorities, the group has disclosed the same as Contingent Liabilities (pending resolution of the respective proceedings).
The group does not expect the outcome of these proceedings to have a material or adverse effect on financial position of the group. Also, the group does not expect any reimbursements in respect of the below contingent liabilities.

Particulars	As At March 31, 2023	As At March 31, 2022
-Tax Demand as per Sec 154 and Sec 16(1) of Income Tax Act , 1961 (with respect to Assessment Year 2015-16) - Issue restored to file of CIT(A) for re-adjudication based on order received from ITAT.	15.57	15.57
-Tax Demand as per Sec 250 of Income Tax Act, 1961 (with respect to Assessment Year 2016-17) - Matter restored to AO by ITAT for recalculating the disallowance u/r8D(2)(iii).	3.49	3.49
-Tax Demand as per Sec 143(3) of Income Tax Act, 1961 (with respect to Assessment Year 2017-18) - Appeal pending before CIT(A)	3.83	3.83
-Tax Demand as per Sec 115-O of Income Tax Act, 1961 (with respect to Assessment Year 2017-18) - Appeal pending before CIT(A)	33.30	33.30
-Tax Demand as per Sec 154 of Income Tax Act, 1961 (with respect to Assessment Year 2018-19) - Appeal pending before CIT(A)	5.70	5.70
-Tax Demand as per Sec 270A of Income Tax Act, 1961 (with respect to Assessment Year 2020-21) - Appeal pending before CIT(A)	2.90	-
-Demand as per TDS (TRACES) portal - CPC	2.86	4.65

(ii) Several Legal Cases of labour pending at labour Court, Civil Court and High Court. The group has assesed and believe that none of these cases, either individually or in aggregate, are expected to have any material adverse effect on its financial statements.

		As At March 31, 2023	As At March 31, 2022
II	Irrevocable letter of credit outstanding with banks (net of margin)	15,473.16	14,630.34
III	Bank Guarantee given to government authorities	238.10	214.48
IV	Counter Guarantees given by the Company to the Sales Tax Department over which Key Managerial Personnel have Significant		
	- For enterprise	1.00	1.00
	- For others	0.50	0.50

V The Group has given the corporate guarantees to banks on behalf of its foreign subsidiaries [Refer note no. 44 A(iii)].

b) Commitments	As At March 31, 2023	As At March 31, 2022
Capital Commitment: Estimated amount of contracts remaining to be executed on the capital account (net of capital advances of ₹ 106.77 lakh) (March 31, 2022 : ₹ 228.43 lakh)	294.66	420.11

The group does not have any other long term Commitments or material non cancellable contractual commitments, which may have a material impact on the standalone financial statement.

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

[This space has been left blank intentionally]

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

Note 47 : Related party transactions

a) **List of related parties**

Nature of Relationship	Name of the Related Party	
Subsidiary (Direct / Indirect)	**Domestic (Direct)**	
	SBUYS E-Commerce Limited	
	Pearl Global Kaushal Vikas Limited	
	Pearl Apparel Fashions Limited (Liquidated during the FY 22-23 and was under under liquidation in FY 21-22)	
	Sead Apparels Private Limited (Refer note (i) below)	
	Overseas (Direct)	
	Pearl Global Fareast Limited	
	Pearl Global (HK) Limited	
	Norp Knit Industries Limited	
	Pearl Global USA, Inc.	
	Overseas (Indirect)	
	A & B Investment Limited	
	Pearl Global F.Z.E.	
	DSSP Global Limited	
	Pearl Global Vietnam Company Limited	
	Pearl Global(Chang Zhou) Textile Technology Company Limted (Liquidated on August 05, 2021)	
	Pearl Grass Creations Limited (Formerly known as Pearl Tiger HK	
	PGIC Investment Limited	
	Prudent Fashions Limited	
	PT Pinnacle Apparels (Formerly known as PT Norwest Industry)	
	Vin Pearl Global Vietnam Limited	
	Alpha Clothing Limted (Acquired 100% equity interest in substance on September 04, 2022)	
Enterprise over which Key Managerial Personnel exercise Significant Influence	PDS Limited	
Key Management Personnel (KMP) & their relative	Mr. Deepak Kumar Seth	Chairman
	Mr. Pulkit Seth	Vice Chairman Managing Director (till March 31,2022) Non-Executive Director (w.e.f. April 01, 2022)
	Ms. Shifalli Seth	Whole-Time Director (till March 31, 2022) Non-Executive Director (w.e.f. April 01, 2022)
	Mr. Pallab Banerjee	Joint Managing Director (from October 01, 2021 till March 31, 2022) Managing Director (w.e.f. April 01, 2022)
	Mr. Uma Shankar kaushik	Whole-Time Director (till January 10, 2022)
	Mr. Shailesh Kumar	Whole-Time Director
	Mr. Deepak Kumar	Whole-Time Director (w.e.f. February 14, 2022)
	Mr. Sanjay Gandhi	Group Chief Financial Officer
	Mr. Kashmir Singh Rathour	Chief Financial Officer (till April 20, 2021)
	Mr. Narendra Kumar Somani	Chief Financial Officer (w.e.f. June 21, 2021)
	Mr. Mayank Jain	Company Secretary (from June 21, 2021 to November 8, 2021)
	Mr. Ravi Arora	Company Secretary (from February 14, 2022 till June 28, 2022)
	Ms. Shilpa Budhia	Company Secretary (w.e.f. November 11, 2022)

b) **Disclosure of Related Parties Transactions:**

(i) **Enterprise over which KMP has Significant Influence**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Dividend Received	18.17	7.87
Expenses paid by them on behalf of the Company	-	2.87
Loan Received Back	-	300.00
Interest income	-	28.68

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

(ii) **Key Management Personnel (KMP)**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Remuneration paid (Including Arrears)	457.45	557.28
Expenses paid by the Company on their behalf (EPF Paid)	8.60	5.89
Expenses incurred on behalf of the Company	45.97	40.91
Loan Given	100.00	-
Interest Income	3.51	-
Directors sitting fees	1.50	0.60

Closing Balance	As At March 31, 2023	As At March 31, 2022
Loan Receivable (Inclusive of Interest)	103.51	-
Trade Payable - Payable to KMP	10.92	14.40

c) **Disclosure of Material Transactions:** Related Parties having more than 10% interest in each transaction in the ordinary course of business

(i) **Enterprise over which KMP has significant influence**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Dividend Received		
PDS Multinational Fashion Limited	18.17	7.87
Expenses paid on behalf of the Company		
PDS Multinational Fashion Limited	-	2.87
Interest income		
PDS Multinational Fashion Limited	-	28.68
Loan received back		
PDS Multinational Fashion Limited	-	300.00

(ii) **Key Management Personnel**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Remuneration paid (Including Arrears)		
Mr.Pulkit Seth	-	255.04
Ms. Shifalli Seth	-	37.50
Mr. Uma Shankar	2.41	22.50
Mr. Deepak Kumar	22.83	6.58
Mr. Mayank Jain	-	9.72
Mr. Narendra Somani	47.74	42.00
Mr. Shailesh Kumar	16.39	18.00
Mr. Pallab Banerjee	267.13	102.72
Mr. Ravi Arora	5.38	4.15
Mr. Sanjay Gandhi	83.68	59.08
Ms. Shilpa Budhia	11.89	-
Expenses paid by the Company on their behalf (EPF Paid)		
Mr.Pulkit Seth	-	0.11
Ms. Shifalli Seth	-	0.11
Mr. Deepak Kumar	0.22	0.05
Mr. Mayank Jain	-	0.14
Mr. Pallab Banerjee	4.39	2.52
Mr. Sanjay Gandhi	3.88	2.96
Ms. Shilpa Budhia	0.11	-
Expenses incurred on behalf of the Company		
Mr. Uma Shankar	-	13.32
Mr. Mayank Jain	-	6.00
Mr. Narendra Somani	8.69	14.43
Mr. Shailesh Kumar	6.99	5.31
Mr. Pallab Banerjee	17.31	1.85
Mr. Sanjay Gandhi	12.98	-
Loan Given		
Mr. Pallab Banerjee	50.00	-
Mr. Sanjay Gandhi	50.00	-
Interest Income		
Mr. Pallab Banerjee	1.75	-
Mr. Sanjay Gandhi	1.75	-

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

Directors sitting Fees:		
Mr. Deepak Kumar Seth	0.50	0.60
Mr. Pulkit Seth	1.00	-
Closing Balance		
Loan Receivable (Inclusive of Interest)		
Mr. Pallab Banerjee	51.75	-
Mr. Sanjay Gandhi	51.75	-
Trade Payable : Payable to KMP		
Mr. Uma Shankar	-	1.76
Mr. Deepak Kumar	1.53	1.13
Mr. Shailesh Kumar	1.31	0.89
Mr. Pallab Banerjee	0.31	5.48
Mr. Sanjay Gandhi	2.30	-
Mr. Narendra Kumar Somani	3.97	3.70
Ms. Shilpa Budhia	1.51	-
Mr. Ravi Arora	-	1.44

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

e) Personal Guarantee given by Mr. Deepak Kumar Seth (Promoter Director) and Mr. Pulkit Seth (Director) against the Borrowings (refer note no. 21 & 22).

f) The remuneration of Key managerial Personnel does not include amount in repect of gratuity and leave encashment payable as the same are not determinable as individual basis for the KMP. The liabilities of gratuity and leave encashment are provided for Company as whole on the basis of acturial valuation.

g) During the last quarter of FY 22-23, two step-down overseas subsidiaries namely, Pearl Unlimited Inc. in New York, USA and Pearl Global Industries FZCO in Dubai have been incorporated. However, the share capital have not been raised till March 31, 2023.

h) During the financial year 2020-21, Pearl Apparel Fashions Limited, a wholly owned subsidiary of the company had gone into voluntarily liquidation. The NCLT order has been received on December 16, 2022 and company has been liquidated.

i) During the financial year 2022-23, Investment was made in SEAD Apparels Private limited making it a wholly owned subsidiary of the company.

j) Refer Note 44A(iii) for Corporate Guarantee given by the holding company.

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

[This space has been left blank intentionally]

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

Note 48 : Disclosures mandated by Schedule III of Companies Act 2013, by way of additional Information

	For the financial year 2022-23							
Particulars	**Net Assets i.e. total assets minus total liabilities**		**Share in profit /(loss)**		**Share in other Comprehensive Income**		**Share in total Comprehensive Income**	
Name of the Entities	**As a % of consolidated net assets**	**Amount**	**As a % of consolidated Profit**	**Amount**	**As a % of consolidated Profit**	**Amount**	**As a % of consolidated Profit**	**Amount**
Parent:								
Pearl Global Industries Limited	52.72	38,085.99	35.18	5,381.65	21.35	(278.42)	36.46	5,103.22
Subsidiary:								
- Indian								
Pearl Global Kausal Vikas Limited	(0.00)	(0.59)	(0.00)	(0.27)	-	-	(0.00)	(0.27)
SBUYS E-Commerce Limited	0.31	227.36	1.16	177.69	-	-	1.27	177.69
Sead Apparels Private Limited	0.00	0.33	(0.00)	(0.67)	-	-	(0.00)	(0.67)
- Foreign								
Norp Knit Industries Limited	22.68	16,383.12	22.61	3,458.57	211.48	(2,757.54)	5.01	701.03
Pearl Global Far East Limited	10.18	7,357.33	0.61	93.57	(25.44)	331.69	3.04	425.26
Pearl Global (HK) Limited	30.31	21,898.72	47.01	7,192.90	(100.99)	1,316.85	60.80	8,509.75
Pearl Global USA, Inc.	0.35	251.27	0.00	0.66	(0.64)	8.32	0.06	8.97
Subtotal	-	**84,203.55**	-	**16,304.09**	-	**(1,379.11)**	-	**14,924.99**
Intercompany Elimination & Consolidation	(16.55)	(11,956.99)	(6.57)	(1,004.87)	(5.76)	75.16	(6.64)	(929.72)
Total	-	**72,246.56**	-	**15,299.22**	-	**(1,303.95)**	-	**13,995.27**
Non Controlling Interest in subsidiaries	-	2,030.67	-	(373.78)	-	19.82	-	(353.96)
Grand Total	-	**74,277.23**	-	**14,925.44**	-	**(1,284.13)**	-	**13,641.31**

Pearl Global Industries Limited
Notes to consolidated financial statements for the year ended March 31, 2023
(All amounts are in ₹ Lakh, unless otherwise stated)

	For Financial year 2021-22							
Particulars	**Net Assets i.e. total assets minus total liabilities**		**Share in profit /(loss)**		**Share in other Comprehensive Income**		**Share in total Comprehensive Income**	
Name of the Entities	**As a % of consolidated net assets**	**Amount**	**As a % of consolidated Profit**	**Amount**	**As a % of consolidated Profit**	**Amount**	**As a % of consolidated Profit**	**Amount**
Parent:								
Pearl Global Industries Limited	57.35	34,348.05	38.74	2,715.78	18.52	260.26	35.36	2,976.04
Subsidiary:								
- Indian								
Pearl Global Kausal Vikas Limited	(0.00)	(0.31)	(0.01)	(0.43)	-	-	(0.01)	(0.43)
Pearl Apparel Fashions Limited	0.01	3.63	0.04	2.83	0.00	0.05	0.03	2.88
SBUYS E-Commerce Limited	0.08	49.67	0.70	48.93	-	-	0.58	48.93
- Foreign								
Norp Knit Industries Limited	26.09	15,626.06	27.68	1,940.37	23.40	328.80	26.96	2,269.17
Pearl Global Far East Limited	12.25	7,334.02	(6.17)	(432.39)	10.72	150.63	(3.35)	(281.76)
Pearl Global (HK) Limited	25.29	15,149.85	38.99	2,733.47	48.68	684.02	40.61	3,417.49
Subtotal	-	**72,510.99**	-	**7,008.56**	-	**1,423.75**	-	**8,432.32**
Intercompany Elimination & Consolidation	(21.07)	(12,617.07)	0.03	2.31	(1.32)	(18.49)	(0.19)	(16.18)
Total	-	**59,893.92**	-	**7,010.88**	-	**1,405.26**	-	**8,416.14**
Non Controlling Interest in subsidiaries	-	1,593.33	-	(196.24)	-	(47.39)	-	(243.63)
Grand Total	-	**61,487.25**	-	**6,814.64**	-	**1,357.87**	-	**8,172.51**

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

[This space has been left blank intentionally]

Note 49 : Leases

a) Lease contracts entered by the Group to conduct its business in the ordinary course. The Group does not have any lease restrictions and commitment towards variable rent as per the contract.

Right-of-use assets: movements in carrying value of assets	Buildings	Land	Machinery	Total
Gross Block as at April 1, 2021	**9,899.30**	**2,850.68**	-	**12,749.98**
Add: Additions during the year	3,014.12	-	210.05	3,224.17
(Less): Disposal / adjustments during the year	(624.32)	-		(624.32)
Add/(Less): Exchange Fluctuation/ Translation	240.04	89.59	3.66	333.29
Gross Block as at March 31, 2022	**12,529.14**	**2,940.27**	**213.71**	**15,683.12**
Add: Business Combination	36.88	-	-	36.88
Add: Additions during the year	4,603.22	-	-	4,603.22
(Less): Disposal / adjustments during the year	(606.92)	-	-	(606.92)
Add/(Less): Exchange Fluctuation/ Translation	(1,296.87)	248.24	3.57	(1,045.05)
Gross Block as at March 31, 2023	**15,265.45**	**3,188.51**	**217.28**	**18,671.25**
Accumulated Depreciation and amortisation :				
As at April 1, 2021	**2,702.93**	**244.69**	-	**2,947.62**
Add: Depreciation charge for the year	1,573.43	104.40	14.78	1,692.61
Less: (Disposals) / adjustments during the year	(210.15)	-	-	(211.36)
Add/(Less): Exchange Fluctuation/ Translation	75.13	9.51	0.25	86.10
As at March 31, 2022	**4,141.34**	**358.60**	**15.03**	**4,514.97**
Add: Business Combination	10.39	-	-	10.39
Add: Depreciation charge for the year	1,616.07	111.57	55.94	1,783.58
Less: (Disposals) / adjustments during the year	(617.33)	(7.63)	-	(624.96)
Add/(Less): Exchange Fluctuation/ Translation	(440.19)	32.69	1.52	(405.98)
As at March 31, 2023	**4,710.28**	**495.22**	**72.49**	**5,277.99**
Net Block :				
As at March 31, 2023				**13,393.26**
As at March 31, 2022				**11,168.15**

In 2022-23, there were no impairment charges recorded for right-of-use assets.

Leases: movements in carrying value of recognised liabilities	Amount
As At April 01, 2021	**7,394.94**
Add: Additions during the year	2,270.32
Add: Interest expense on lease liabilities	846.80
Less: Disposal /Adjustments during the year	(509.59)
Less: Repayment of lease liabilities	(2,049.72)
Add: Exchange Realisation/ Translation	92.40
As At March 31, 2022	**8,045.15**
Add: Business Combination	8.62
Add: Additions during the year	4,466.44
Add: Interest expense on lease liabilities	997.47
Less: Disposal /Adjustments during the year	104.12
Less: Repayment of lease liabilities	(2,135.82)
Add: Exchange Realisation/ Translation	(552.53)
As at March 31, 2023	**10,933.45**
Non-current lease liabilities	9,682.32
Current lease liabilities	1,251.13
Total lease liabilities	**10,933.45**

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

The maturity analysis of lease liabilities is given in note 44 in the 'Liquidity risk' section.

Leases committed and not yet commenced:

There are no leases commited which have not yet commenced as on reporting date. Cash flows from operating activities includes cash flow from short term lease & leases of low value.

Cash flows from operating activities includes cash flow from short term lease & leases of low value. Cash flows from financing activities includes the payment of interest and the principal portion of lease liabilities.

Group as a Lessor

The group is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor. The group accounted for its leases in accordance with Ind AS 116 from the date of initial application. The group does not have any significant impact on account of sub-lease on the application of this standard.

The group has given its building space, lying under property, plant and equipments, on operating lease through operating lease arrangements. Income from operating leases is recognised as revenue on a straight-line basis over the lease term.

Lease income of ₹ 751.10 lakh (March 31, 2022: ₹ 742.30 lakh) has been recognised and included under Other Income. (Refer Note No. 29)

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

The following table sets out a maturity analysis of lease receivable, showing the undiscounted lease payments to be received after the reporting date.

Particulars	**Year Ended March 31, 2023**	**Year Ended March 31, 2022**
Less than one year	702.26	823.57
One to two years	778.67	832.69
Two to three years	797.30	803.15
Three to Four Years	841.89	725.30
Four to five years	813.25	728.89
More than five years	2,643.50	1,688.19

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

[This space has been left blank intentionally]

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

Note 50 : Event occurring after balance sheet date

(a) **Interim Dividend :**

	Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
(i)	**Declared for the year:** Second Interim dividend declared on 15th May 2023 ₹ 5.00 per share for the financial year 2022-23: (2021-22 : declared on 25th May 2022 ₹ 5 per share) **[₹ 5 on 21,663,937 equity shares (2021-22 ₹ 5 on 21,663,937 equity shares)]**	1,083.20	1,083.20
b)	**Proposed Dividend:**		
	- The directors of PG(HK) proposed final dividend for financial year 2022-23: $0.32 per share (2021-22: $ 0.16 per share) which is subject to the approval of the Group's shareholders at the forthcoming annual general meeting. Also, during the year, the entity had declared interim dividend of $0.16 per share (2021-22: $ Nil per share)	411.10	189.53
	- The directors of Pearl Global Fareast Limited proposed final dividend for financial year 2022-23: $ Nil per share (2021-22: $ 0.42 per share).	-	379.05

c) Subequent to the year-end, the group has entered into a sale and purchase agreement with the non-controlling party to acquire the remaining 20% equity interest of a subsidiary, Pearl Grass Creations Limitied. The subsidiary will be a wholly- owned subsidairy of Pearl Global (HK) Limited upon completion.
Througtout the year and subsequent to the year-end, the group was in negotiation with the shareholders of Trinity Clothing Limited ("target") to acquire the entire equity interest of the target, which engages in the garment trading. The Group has acquired a Trinity Clothing Limited to further expands its business operation, expecting to benefit from the synergies of broader customer base.

d) No other material events have occurred between the balance sheet date to the date of issue of these financial statements that could affect the values stated in the financial statements.

S.R. DINODIA & CO. LLP * CHARTERED ACCOUNTANTS *

[This space has been left blank intentionally]

Note 51: Employee Share Based Payment

A. The Board of Directors had accorded their consent for the implementation of Pearl Global Industries Limited Employee Stock Option Plan 2022 (the Plan) on June 30, 2022. Further, the shareholders of the holding company had vide Postal Ballot approved the Plan on August 28, 2022. In accordance with the Plan, the Nomination and Remuneration Committee on October 10, 2022 granted 413100 nos. of stock options to the eligible employees of the holding company and its subsidiary companies. These options are to be vested after a minimum period of one year from the grant date and it shall extend up to a maximum period of four years from the grant date based on the vesting conditions as per letter of grant executed between the holding company and the employee of the holding company and its subsidiaries. Each option when exercised would be converted into one fully paid-up equity share of ₹ 10 each of the holding company. The options granted under ESOP scheme carry no rights to dividends and no voting rights till the date of exercise. The fair value of the share options is estimated at the grant date using Black and Scholes Model, taking into account the terms and conditions upon which the share options were granted. The group has recognised an expense of ₹ 259.51 lakh (March 31, 2022: ₹ Nil) arising from equity settled share based payment transactions for employee services received during the year. The carrying amount of Employee stock options outstanding reserve as at March 31, 2023 is ₹ 259.51 lakh (March 31, 2022: ₹ Nil).

B. Options granted under ESOP Scheme

Particulars	As At March 31, 2023	As At March 31, 2022
Options outstanding at the beginning of the year	413,100	-
Options granted during the year	-	-
Options forfeited during the year	-	-
Options expired/lapsed during the year	-	-
Options exercised during the year	-	-
Options outstanding at the end of the year	413,100	-
Exercisable at the end of the year	-	-
For options outstanding at the end of the year	-	-
Exercise price range (₹)	300	-
Weighted average remaining contractual life (in years)	3.53 years	-

C. Fair value of options granted

fair value of each option is estimated on the date of grant based on the following assumptions:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV
Dividend yield (%)	0.95%	0.95%	0.95%	0.95%
Expected life (years)	2.03 years	2.53 years	3.03 years	3.53 years
Risk free interest rate (%)	7.05%	7.15%	7.23%	7.29%
Volatility (%)	58.21%	57.92%	55.93%	54.70%
Share price on date of grant	461.35			
Fair value of options	245.76	257.29	264.44	271.62

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The volatility is based on annualised standard deviation of the continuously compounded rates of return based on the peer companies and competitive stocks over a period of time. The holding company has determined the market price on grant date based on latest equity valuation report available with the holding company preceding the grant date. No employee share options have been exercised during the year.

D. Expenses arising from share-based payment transactions

Particulars	As At March 31, 2023	As At March 31, 2022
Stock based compensation expense determined under fair value method recognised in statement of profit or loss	259.51	-

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

Note 52 : Business Combination

On 4 September 2022, the Group acquired 100% equity interest in substance in Alpha Clothing Limited from a third party. Alpha Clothing is engaged in the manufacture readymade garments item and allied products. The acquisition was made as part of the Group's strategy to expand its market share of garment products in the Bangladesh. The purchase consideration for the acquisition was in the form of cash, with US$ 10,45,081 (equivalent to ₹ 824.98 lakh) paid at the acquisition date and the remaining US$ 4,90,075 (equivalent to ₹ 402.94 lakh) and US$ 4,70,473 (equivalent to ₹ 386.82 lakh) paid by 31 March 2023 and 31 July 2024 respectively. During the year, the sellers agreed to unconditionally defer the second payment of US$ 4,90,075 (equivalent to ₹ 402.94 lakh). Further, in last installment of US$ 4,70,473 (equivalent to ₹ 386.82 lakh) discounted amount is US$ 4,13,021 (equivalent to ₹ 339.59 lakh), which is reflected in Note 23 to the consolidated financial statement.

Note 53 : No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entity identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 54: Disclosure of transactions with struck off companies
The group did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the financial years.

Note 55 :
A) No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:
(a) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
(b) Crypto Currency or Virtual Currency
(c) Relating to borrowed funds:
i) Wilful defaulter
ii) Utilisation of borrowed funds & share premium
iii) Borrowings obtained on the basis of security of current assets

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

(Pulkit Seth)
Vice-Chairman
DIN 00003044

(Pallab Banerjee)
Managing Director
DIN 07193749

(Sanjay Gandhi)
Group CFO
M. No. 096380

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

Shilpa Budhia

(Shilpa Budhia)
Company Secretary
M. No. ACS - 23564

Place of Signature:
Date: May 15, 2023

S.R. DINODIA & CO. LLP
CHARTERED ACCOUNTANTS

B.R. GUPTA & CO.
CHARTERED ACCOUNTANTS
K-55, Connaught Circus, New Delhi-110001

Independent Auditor's Report

To The Members of Pearl Global Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Pearl Global Industries Limited** (hereinafter referred to as " the Holding Company") and its Subsidiaries (the Holding Company and its subsidiaries together referred as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statement, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditors on separate financial statements of subsidiaries audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, the consolidated profit, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each key audit matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

Tel.: 011-4350 3680 E-mail : brg@brgupta.com Website : www.brgupta.com

Key Audit Matter	How our audit addressed the Key Audit Matter
Adequacy and completeness of disclosures of Related Party Transactions The Group has related party transactions which include among others, sale/purchase of goods to its subsidiaries and other related parties. This area was significant to our audit due to the following reasons: - the significance of transactions with related parties during the year ended March 31, 2022; and - Related party transactions are subject to compliance and disclosure requirement under the Companies Act, 2013 and Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India.	Our procedures included the following steps: ✓ Obtaining an understanding of policies and procedures in respect of identification of related parties and transactions with them. We also traced the related parties from declaration given by directors and financial statements of the subsidiaries, wherever applicable. ✓ Read the minutes of the meetings of Board of Directors and Audit Committee and verified that the transactions are approved in accordance with internal procedures and the applicable regulations. ✓ Tested on a sample basis the arrangements between the related parties along with supporting documents to evaluate the assertions that the transactions were at arm's length and in the ordinary course of business. ✓ Evaluated and tested on a sample basis the rights and obligations of the related parties and assessed whether the transactions were recorded appropriately and disclosed. ✓ We have also relied upon the audited financial statements of the subsidiaries and audit reports issued thereupon. Also, we have reviewed the signed component instructions received from Statutory Auditors of the subsidiaries as per SA 600. Our procedures as mentioned above did not identify any findings that are significant for the consolidated financial statements as whole in respect of accounting, presentation and disclosure of Related Party Transactions.

Information other than Consolidated Financial Statements and Auditor's Reports thereon

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

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and Subsidiaries which are incorporated in India has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

S.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to which we are independent auditors to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the entities consolidated in the consolidated financial statements, which have been audited by other auditors, such other auditors are responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of four subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets (before eliminating of inter-company transaction of ₹ 22,521.82 lakh) of ₹ 130,700.99 lakh as at March 31,2022, total revenues (before eliminating of inter-company transaction of ₹ 108,125.74 lakh) ₹ 315,911.01 lakh, total net profit after tax (before eliminating of inter-company transaction of ₹ (2.31) lakh) of ₹ 4,241.04 lakh and total comprehensive income (before eliminating of inter-company transaction of ₹ 16.19 lakh) of ₹ 5404.49 lakh for the year ended March 31, 2022 respectively and total net cash inflow of ₹ 2,476.71 lakh for the year ended March 31, 2022, as considered in the consolidated financial statements. These financial statements and other information have been audited by other auditors whose reports have been furnished to us by the Management and our conclusion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of Regulation read with the Circulars, in so far as it relates to the aforesaid subsidiaries, are based on the reports of the other auditors and the procedures performed by us as stated in paragraph below.

(b) Further, of these subsidiaries, three subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's Management has converted the financial statements of such subsidiaries from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. Independent firm of Chartered Accountant have audited these conversion adjustments made by the Holding Company management in India. Our opinion in so far as it relates to the balances and affairs of such subsidiary companies located outside India are based on the report of other auditor in their respective countries and conversion adjustments prepared by the Management and audited by independent firm of Chartered Accountants of India.

Our opinion on the consolidated financial statement is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

(c) The Consolidated financial statements also include the financial statements of one foreign subsidiary whose financial statements reflect total assets (before eliminating of inter-company transaction of ₹ Nil) ₹ 259.97 lakh as at March 31,2022, total revenues (before eliminating of inter-company transaction of ₹ Nil) of ₹ 351.88 lakh, total net profit after tax (before eliminating of inter-company transaction of ₹ Nil) of ₹ 2.83 lakh & total comprehensive income (before eliminating of inter-company transaction of ₹ Nil) of ₹ 2.88 lakh for the year ended March 31,2022 and net cash inflow of ₹ 14.73 lakh for the year ended March 31,2022, as considered in the consolidated financial statements, which have not been audited. These financial statements have been certified by the respective Management and furnished to us by Holding Company's Management. Our conclusion, in so far as it relates to the amounts included in respect of aforesaid subsidiary, is based solely on such financial statements. In our view and according to the information and explanations given to us by the Holding Company's Management, these financial statements are not material to the Group.

Our conclusion is not modified in respect of this matter with respect to our reliance on these unaudited financial statements of aforesaid subsidiary, as certified by the respective Management

(d) The consolidated financial statements do not include the financial statement of one subsidiary for the year ended March 31, 2022, as the same has gone into voluntary liquidation and due to the reason as explained in Note no. 9(d) of the consolidated financial statement. According to the information and explanations given to us by the Management, financial statement of this subsidiary does not have any material impact on the consolidated statement of the Group. Our conclusion on the Statement is not modified in respect of this matter.

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

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in the paragraph 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order"/"CARO"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and CARO reports issued by respective statutory auditors of the subsidiaries which have been included in the consolidated financial statements of the Group & to which reporting under CARO is applicable, we report that there are no qualifications and adverse remarks in those CARO reports.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the auditor on a separate financial statement and the other information of the subsidiaries, as noted in the 'Other Matters' paragraph, we report to the extent applicable that:

I. We/ the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.

II. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.

III. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

IV. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

V. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of the subsidiaries companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164 (2) of the Act.

NEW DELHI
CHARTERED ACCOUNTANTS

VI. With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to these consolidated financial statements of the Holding Company and its subsidiaries incorporated in India, refer to our separate report in **Annexure – A.**

VII. With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanation given to us and based on the report of other auditors as separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:

a) The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group - Refer Note No. 45 of the Consolidated financial statements.

b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2022.

c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries companies incorporated in India for the year ended March 31, 2022.

d)

i. The respective Managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited in the act have represented to us and the other auditors of such subsidiaries have reported that, to the best of its knowledge and belief, as disclosed in the Note 51 to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

ii. The respective Managements of the Holding Company and its subsidiaries incorporated in India have represented, that, to the best of its knowledge and belief, as disclosed in the Note 51 to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

iii. Based on such audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) & (ii) above, contain any material misstatement.

a

e) As stated in note 49 to the standalone financial statements, the Board of Directors of the Holding Company have declared an interim dividend for the financial year 2021-22 subsequent to the balance sheet date. The same has not been paid as on the date of audit report. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. Further, the subsidiaries companies incorporated in India, consolidated in the group, have not declared any dividend during the year.

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

In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2022, has been paid/ provided by Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V of the Act.

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

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

(Deepak Agarwal)
Partner
Membership Number 073696
UDIN : 22073696AMMSRF8906

Place of Signature: New Delhi
Date: 25 MAY 2022

Pearl Global Industries Limited
Consolidated Balance Sheet as at March 31, 2022
(Amount in ₹ Lakh, unless otherwise stated)

Particulars	Note No.	As At March 31, 2022	As At March 31, 2021
I. Assets			
1. Non-current assets			
(a) Property, plant and equipment	4	25,815.42	21,379.87
(b) Capital work in progress	5	1,521.50	4,701.46
(c) Right of use asset	48	11,168.15	9,802.36
(d) Investment properties	6	5,904.48	6,054.60
(e) Goodwill	7	1,800.78	1,756.13
(f) Other Intangible assets	8	72.06	54.08
(g) Financial assets			
(i) Investment	9	4,985.82	4,735.54
(ii) Loans	10	125.01	2,165.44
(iii) Other financial assets	11	1,096.34	1,219.95
(h) Non current tax assets (net)	13	601.00	771.37
(i) Deferred tax assets (net)	12	89.81	466.99
(j) Other non current assets	14	210.77	209.62
Total Non-current assets		**53,391.14**	**53,317.40**
2. Current assets			
(a) Inventories	15	53,958.18	27,876.97
(b) Financial assets			
(i) Investments	9	532.26	754.38
(ii) Trade receivables	16	36,662.31	24,217.21
(iii) Cash and cash equivalents	17	11,685.07	9,471.34
(iv) Bank balances other than cash and cash equivalents	18	3,292.39	2,233.21
(v) Loans	10	3,459.46	1,707.73
(vi) Other financial assets	11	590.85	89.24
(c) Other current assets	14	14,490.19	9,731.09
Total current assets		**124,670.71**	**76,081.17**
Total Assets		**178,061.85**	**129,398.57**
II. Equity And Liabilities			
1. Equity			
(a) Equity share capital	19	2,166.39	2,166.39
(b) Other equity	20	57,727.53	49,555.07
Equity attributable to equity shareholders		**59,893.92**	**51,721.47**
Non - controlling interest		1,593.33	1,293.82
Total equity		**61,487.25**	**53,015.28**
2. Liabilities			
Non- current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	12,382.81	12,462.33
(ia) Lease Liabilities	48	7,161.40	6,531.37
(ii) Others financial liabilities	22	240.92	137.28
(b) Provisions	23	2,427.56	2,310.12
(c) Deferred tax liabilities	12	256.64	-
(d) Other non current liabilities	24	3,006.07	3,013.35
Total non- current liabilities		25,475.40	24,454.45
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21A	44,031.37	24,120.63
(ia) Lease Liabilities	48	883.75	863.57
(ii) Trade payables	25		
Total outstanding due of micro enterprises and small enterprises		663.99	481.71
Total outstanding due of creditors other than micro enterprises and small enterprises		43,204.80	24,195.13

S.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

Particulars	Note No.	As At March 31, 2022	As At March 31, 2021
(iii) Other financial liabilities	22	904.09	1,326.74
(b) Other current liabilities	24	948.52	738.57
(c) Provisions	23	244.81	109.04
(d) Current tax liabilities (net)	26	217.87	93.44
Total current liabilities		**91,099.20**	**51,928.84**
Total equity and liabilities		**178,061.85**	**129,398.57**
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

B.R. GUPTA & CO. * NEW DELHI * CHARTERED ACCOUNTANTS

(Deepak Agarwal)
Partner
Membership Number 073696

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

(Pallab Banerjee)
Managing Director
DIN 07193749

(Pulkit Seth)
Vice-Chairman
DIN 00003044

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

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

Place of Signature: New Delhi
Date: 25.05.2022

Place of Signature: Gurugram
Date: 25.05.2022

Pearl Global Industries Limited
Consolidated Statement of profit and loss for year ended March 31, 2022
(Amount in ₹ Lakh, unless otherwise stated)

	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I	**Income**			
	Revenue from operations	27	271,352.90	149,092.65
	Other income	28	3,345.94	2,350.49
	Total income (I+II)		274,698.84	151,443.14
II	**Expenses**			
	(a) Cost of materials consumed	29	116,530.95	67,737.23
	(b) Purchases of stock-in-trade	30	40,790.23	9,337.91
	(c) Changes in inventories of finished goods, work in progress and stock	31	(6,258.87)	(184.34)
	(d) Employee benefits expense	32	45,862.10	32,534.85
	(e) Finance costs	33	4,660.37	4,125.34
	(f) Depreciation and amortization expense	34	4,833.68	4,410.55
	(g) Other expenses	35	60,370.37	33,611.35
	Total expenses		266,788.84	151,572.89
III	**Profit/ (loss) before exceptional items and tax (I-II)**		7,910.00	(129.75)
IV	**Exceptional items**	36	(671.82)	(1,265.31)
V	**Profit/ (loss) before tax (III-IV)**		8,581.82	1,135.56
VI	**Tax expense:**	12		
	(a) Current tax		1,074.08	372.04
	(b) Deferred tax		496.86	(995.74)
	(c) Adjustment of tax relating to earlier periods		-	10.94
VII	Profit/(loss) for the year (V-VI)		7,010.88	1,748.32
VIII	**Other comprehensive income**	37		
(A)	(i) Items that will not be reclassified to profit and loss			
	(a) Re-measurement gains/ (losses) on defined benefit plans		(100.97)	(48.22)
	(ii) Income tax on items that will not be reclassified to profit and loss		(20.48)	(23.22)
(B)	(i) Items that will be reclassified to profit and loss			
	(a) Foreign exchange translation reserve		1,242.11	(825.45)
	(b) Fair valuation of investment in mutual fund		(28.98)	173.25
	(c) Net movement in effective portion of cash flow hedge reserve		419.03	979.45
	(ii) Income tax on items that will be reclassified to profit and loss		(105.46)	(342.72)
	Other comprehensive income for the year, net of tax		1,405.26	(86.91)
IX	Total comprehensive income for the year, net of tax		8,416.14	1,661.41
	Profit Attribituable to:			
	Equity shareholders		6,814.64	1,727.11
	Non-controlling interests		196.24	21.21
	Other comprehensive income attributable to:			
	Equity shareholders		1,357.87	(63.07)
	Non-controlling interests		47.39	(23.84)
	Total comprehensive income attributable to:			
	Equity shareholders		8,172.51	1,664.04
	Non-controlling interests		243.63	(2.63)

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
X Earnings per share: (Face value ₹ 10 per share)	38		
1) Basic (amount in ₹)		31.46	7.97
2) Diluted (amount in ₹)		31.46	7.97
Summary of Significant Accounting Policies	3		

The accompanying notes form an integral part of these financial statements

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

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

(Deepak Agarwal)
Partner
Membership Number 073696

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

(Pallab Banerjee)
Managing Director
DIN 07193749

(Pulkit Seth)
Vice-Chairman
DIN 00003044

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

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

Place of Signature: New Delhi
Date: 25.05.2022

Place of Signature: Gurugram
Date: 25.05.2022

Pearl Global Industries Limited

Consolidated Statement of Cash Flow for the year ended March 31, 2022

(Amount in ₹ Lakh, unless otherwise stated)

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
Cash Flows From Operating Activities			
Profit before exceptional items and tax		8,581.82	1,135.56
Adjustments to reconcile profit before tax to net cash flows:		-	
Profit on sale of current investment - Mutual Fund		(16.34)	(16.61)
Rental Income		(742.30)	(770.91)
Interest Income		(310.44)	(337.74)
Interest Paid and other borrowing cost		3,484.16	3,423.46
Depreciation and amortization		4,833.68	4,410.55
Unwinding of discount on security deposit - Expense		14.08	40.24
Sundry balances written back		(297.41)	(133.67)
Provision written back		(204.11)	-
Gain on lease modification		(50.38)	-
Allowance for bad and doubtful debts and Advances		469.99	278.8[illegible]
Bad debts written off		2.93	56.90
Grant Amortised during the year		(1.00)	(1.00)
Amortisation of deferred Rental Income		(16.44)	(36.78)
Unwinding of discount on security deposits - Income		(26.72)	(31.17)
Fair value loss /(gain) on financial assets measured at fair value through profit and loss		(209.27)	(255.85)
Amortisation of deferred asset - security deposit paid		3.13	11.32
Fair value loss /(gain) on financial assets measured at fair value through OCI		28.98	(173.25)
Foreign exchange translation		662.27	(335.03)
Operating Profit Before Working Capital Changes		**16,206.66**	**7,264.88**
Changes In Operating Assets And Liabilities:			
(Increase)/Decrease in other non-current financial assets		144.28	128.70
(Increase)/Decrease in other non-current assets		(18.42)	184.47
(Increase)/Decrease in Inventories		(26,081.21)	(1,469.64)
(Increase)/Decrease in Trade Receivables		(12,670.09)	(2,510.50)
(Increase)/Decrease in other current financial assets		(475.39)	3.74
(Increase)/Decrease in other current assets		(4,912.39)	1,545.15
Increase/(Decrease) in other non-current financial liabilities		120.09	(72.91)
Increase/(Decrease) in non-current provisions		117.44	230.40
Increase/(Decrease) in other non-current liabilities		(6.28)	16.44
Increase/(Decrease) in Trade Payables		19,489.35	6,703.82
Increase/(Decrease) in other current financial liabilities		22.02	(799.43)
Increase/(Decrease) in current provisions		112.14	(7.58)
Increase/(Decrease) in other current liabilities		242.04	(118.79)
Cash Generated From Operations		(7,709.76)	11,078.73
Direct Tax paid (Net of Refunds)		(768.26)	(352.03)
Cash flow before exceptional items		(8,478.02)	10,726.70
Exceptional items		(671.82)	(1,265.31)
Net Cash Inflow From/(Used In) Operating Activities	(A)	(9,149.84)	9,461.39
Cash Flows From Investing Activities			
Purchase of property, plant and equipment (including ROU, net of Lease Liabilities)		(8,320.85)	(2,079.50)
Sale proceeds of property, plant and equipment		168.59	40.85
(Increase)/Decrease in Capital work in progress		3,179.96	(1,091.17)
Purchase of Investment Properties		-	(331.97)
Sale proceeds of Investment Properties		714.60	550.00
Purchase of Intangible assets		(48.52)	(9.20)
(Increase)/decrease in capital advances		14.12	70.16
Increase/(decrease) in capital creditor		(110.84)	173.53
(Increase)/Decrease in non-current Investments		315.04	(1,491.07)
(Increase)/Decrease in current Investments		(119.75)	190.02
(Increase)/Decrease in non-current Loans		2,040.43	279.82
(Increase)/Decrease in current Loans		(1,751.73)	23.51
(Increase)/Decrease in bank deposit		(1,070.70)	(67.06)
Interest Income		284.18	366.47
Rental Income		742.30	770.91
Net Cash From/ (Used In) Investing Activities	(B)	(3,963.17)	(2,604.70)
Cash Flows From Financing Activities			
Increase/ (Decrease) in Long Term Borrowings		(61.14)	3,839.43
Lease Rental paid		(2,011.72)	(1,708.94)
Increase/ (Decrease) in Short Term Borrowings		19,910.75	(5,724.69)
Share application money received from NCI		55.89	-
Interest paid (net)		(2,567.04)	(2,600.04)
Net cash inflow from/(used in) Financing Activities	(C)	15,326.74	(6,194.24)

GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Increase (Decrease) In Cash And Cash Equivalents (A+B+C)	**2,213.73**	**662.45**
Opening Balance of Cash and Cash Equivalents	9,471.34	8,808.89
Total Cash And Cash Equivalent (Note 17)	**11,685.07**	**9,471.34**
Components Of Cash And Cash Equivalents		
Cash, Cheque/drafts on hand	1,013.27	499.55
With banks - on current account	10,356.64	8,794.19
With banks - on deposits with banks	315.15	177.60
Total Cash and Cash Equivalent ((Note 17)	**11,685.07**	**9,471.34**

Note :

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

b) For the Increase/ (Decrease) in liabilities arising from financing activities in respect of non-cash transactions, refer respective standalone financial statements of holding company & subsidiary companies.

Summary of Significant Accounting Policies 3

The accompanying notes form an integral part of these 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

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

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

(Pallab Banerjee)
Managing Director
DIN 07193749

(Pulkit Seth)
Vice-Chairman
DIN 00003044

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

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

Place of Signature: New Delhi
Date: 25.05.2022

Pearl Global Industries Limited

Consolidated Statement of changes in equity for the year ended March 31, 2022

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

A. Equity Share Capital

As at April 01, 2020	2,166.39
Changes during the year	-
As at March 31, 2021	2,166.39
Changes during the year	-
As at March 31, 2022	2,166.39

B. Other Equity

Particulars	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	Effective Portion of Cash Flow Hedge	Currency Translation Reserve			
Balance as at April 01, 2020	4,204.36	17,103.90	95.00	625.95	21,989.10	(105.34)	(645.23)	4,623.28	47,891.01	1,296.44	49,187.47
Profit / (loss) for the year	-	-	-	-	1,727.11	-	-	-	1,727.11	21.21	1,748.32
Remeasurement of the benefit plan, net of tax effect	-	-	-	-	(47.61)	-	-	-	(47.61)	-	(47.61)
Other Comprehensive Income	-	-	-	-	-	(204.19)	(636.73)	825.45	(15.47)	(23.84)	(39.30)
Total Comprehensive Income for the year	-	-	-	-	1,679.50	(204.19)	(636.73)	825.45	1,664.04	(2.63)	1,661.41
Dividend	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	4,204.36	17,103.90	95.00	625.95	23,668.60	(309.53)	(1,281.96)	5,448.73	49,555.07	1,293.82	50,848.89
Profit / (loss) for the year	-	-	-	-	6,814.64	-	-	-	6,814.64	196.24	7,010.88
Adjustments during the year	-	-	-	-	-	377.43	1,273.47	(1,650.90)	-	-	-
Remeasurement of the benefit plan, net of tax effect	-	-	-	-	(94.81)	-	-	-	(94.81)	(26.64)	(121.45)
Share Application Money	-	-	-	-	-	-	-	-	-	55.88	55.88
Other Comprehensive Income	-	-	-	-	-	(103.01)	313.57	1,242.11	1,452.67	74.03	1,526.71
Total Comprehensive Income for the year	-	-	-	-	6,719.83	274.42	1,587.04	(408.79)	8,172.50	299.51	8,472.02
Dividend	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	4,204.36	17,103.90	95.00	625.95	30,388.43	(35.11)	305.08	5,039.94	57,727.53	1,593.33	59,320.86

Summary of Significant Accounting Policies (Note No. 3)

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

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

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

(Deepak Agarwal)
Partner
Membership Number 073696

Place of Signature: New Delhi
Date: 25.05.2022

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

(Pallab Banerjee)
Managing Director
DIN 07193749

(Pulkit Seth)
Vice-Chairman
DIN 00003044

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

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

Place of Signature:
Date: 25.05.2022

Place of Signature:
Date: 25.05.2022

Note 1: Corporate Information

Pearl Global Industries Limited is a public limited company domiciled in India and incorporated under the provisions of the Companies Act,1956, and now under the Companies Act, 2013. The Company along with its subsidiaries (collectively referred to as "the Group"), is primarily engaged in manufacturing, sourcing, distribution and export of ready to wear apparels through its domestic and global facilities and operations. The shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited in India.

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

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

Name of Company	Country of incorporation	Principal activities	Porportion (%) of equity interest	
			As At March 31, 2022	As At March 31, 2021
Subsidiaries				
Pearl Global Industries Limited	India	Manufacturing and trading of garments	Holding Company	Holding Company
Pearl Global Kausal Vikas Limited	India	Skill development	100.00	100.00
SBUYS E-Commerce Limited	India	Online Trading of garments	100.00	100.00
Pearl Global Far East Limited	Hong Kong	Trading of garments	100.00	100.00
Pearl Global (HK) Limited	Hong Kong	Trading of garments	100.00	100.00
Norp Knit Industries Limited	Bangladesh	Manufacturing and trading of garments	99.99	99.99
Pearl Global USA Inc.	USA	Trading and marketing of garments	100.00	-

As at December 31, 2020, Pearl Apparel Fashions Limited, a wholly owned subsidiary of the company has gone into voluntary liquidation and appointed the official liquidator in October 2020. Accordingly, the same is not considered in these consolidated financial statements as at March 31, 2022. However, the comparative consolidated financial statements as at March 31, 2021 includes the financial statements of Pearl Apparel Fashions limited.

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: The financial statements are prepared under the historical cost convention except for certain financial assets and liabilities (including derivative financial instruments) that are measured at fair value or amortised cost.
All assets and liabilities have been classified as current or noncurrent according to the Group's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current non-current classification of assets and liabilities.

Going Concern
The board of directors have considered the financial position of the Group at 31st March 2022 and the projected cash flows and financial performance of the Group for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.
The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Group's operations.

Prior financial year reclassification of current maturities of long term borrowings:
During the current financial year, to comply with the requirements of admendments made in Schedule III to the Companies Act, 2013 which is effective from financial year commencing on or after April 01, 2021, the Group reclassified current maturities of long term borrowings from "Other Financial Liabilty" to "Short Term Borrowings". This reclassification more appropriately reflects the borrowings of the Group. Prior financial year comparatives have been restated to align to the current financial year approach. The impact of this reclassification on prior financial year amounts has been a reduction in Other financial liability by ₹ 4,129.99 lakh and corresponing increase in short term borrowings.

Basis of Consolidation:-
The Consolidated Financial Statements have been prepared on the following basis:-
i) The consolidation financial statements of the Group and its subsidiary companies have been prepared in accordance with the Ind AS 110 "Consolidated financial statements", on a line-by-line basis by adding together the book values of like items of assets, liabilities, income, and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group (including consideration to materiality impact, if any).

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

ii) The difference of the cost of investment in subsidiaries over its share in the equity of the investee Group as at the date of acquisition of stake is 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 as at reporting date.
Non-controlling interests in the net assets of consolidated subsidiaries consists of:
- The amount of equity attributable to Non-controlling interests at the date on which investment in a subsidiary is made; and
- The Non-controlling interests share of movements in equity since the date parent subsidiary relationship came into exitence. The profit and other comprehensive income attributable to Non-controlling interestsof subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

iv) The Consolidated Financial Statements are presented, to the extent possible, in the same format as adopted by the Holding Group for its individual financial statements.

v) Translation of Financial Statements of Foreign Operations
- In view of Ind As-"21" 'The effects of Changes in Foreign Exchange Rates', the operations of all the foreign subsidiaries are identified as non integral operations of the Group in the current year and translated into Indian Rupee (₹)

S.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

- The Assets and Liabilities of Foreign operations, including Goodwill/ Capital Reserve arising on consolidation, are translated in Indian Rupee (₹) at foreign exchange rate at closing rate ruling as at the balance sheet date and the revenue and expenses of foreign operations are translated in Indian Rupee (₹) at yearly average currency exchange rate, of the respective years.
- Foreign exchange differences arising on translation of "Non-integral Foreign Operations" are 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.

Recent accounting pronouncements

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

a) Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

b) Ind AS 16 – Proceeds before intended use

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

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

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

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

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

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

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

Note 3: Significant accounting policies

a) Significant accounting judgements, estimates and assumptions

In preparing these financial statements, Management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Use of Estimates and Judgements

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

i) Income taxes

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

ii) Contingencies

Contingent Liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal and other claims. By virtue of their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgements and the use of estimates regarding the outcome of future events.

iii) Recoverability of deferred taxes

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment.

iv) Defined benefit plans

The present value of the gratuity and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the actuary considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

v) Useful lives of property, plant and equipment

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

vi) Leases

Where the Group is the lessee, key judgements include assessing whether arrangements contain a lease and determining the lease term. To assess whether a contract contains a lease requires judgement about whether it depends on a specified asset, whether the Group obtains substantially all the economic benefits from the use of that asset and whether the the Group has a right to direct the use of the asset. In order to determine the lease term judgement is required as extension and termination options have to be assessed along with all facts and circumstances that may create an economic incentive to exercise an extension option, or not exercise a termination option. The Group revises the lease term if there is a change in the non-cancellable period of a lease. Estimates include calculating the discount rate which is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

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

vii) Amortisation of Government Grants

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

viii) Impairment of financial instruments

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

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

b) **Current versus non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets:

An asset is treated as current when it is:
a) Expected to be realised or intended to be sold or consumed in normal operating cycle.
b) Held primarily for the purpose of trading
c) Expected to be realised within twelve months after the reporting period, or
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
All other assets are classified as non-current.

Liabilities:

A liability is current when:
(a) It is expected to be settled in normal operating cycle
(b) It is held primarily for the purpose of trading
(c) It is due to be settled within twelve months after the reporting period, or
(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle: The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

c) **Property, Plant and Equipment (PPE) and Depreciation**

Property, plant and equipment and capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct services, any other costs directly attributable to bringing the assets to its working condition for their intended use and cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When parts of an item of PPE having significant costs have different useful lives, then they are accounted for as separate items (major components) of property, plant & equipment.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss.

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

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

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

Capital work in progress: Capital work in progress comprises the cost of fixed assets that are not ready for their intended use at the reporting date.

Cost comprises of purchase cost, related acquisition expenses, borrowing costs and other direct expenditure.

Depreciation :

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

B.R. & CO. NEW DELHI CHARTERED ACCOUNTANTS

- Fixed asset costing upto ₹ 5,000 has been fully depreciated during the financial year
- Leasehold land has been amortised over the lease term.
- Freehold Land is not depreciated.

Depreciation Method, useful lives and residual values are reviewed at each financial year end and adjusted, if appropriate.

d) Investment Properties

Property that is held for rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as Investment property. Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any.

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

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

e) Other Intangible assets

Recognition and measurement

Intangible assets that are acquired by the 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 April 01, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Subsequent Expenditure: Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in Statement of Profit and Loss as incurred.

Amortisation and useful lives: Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. The amortisation method, residual value and the useful lives of intangible assets are reviewed annually and adjusted as necessary.

f) Borrowing costs

Borrowing costs consists of interest and 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.

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.

g) Foreign Currency Transactions and Translations

Functional and presentational currency

The Consolidated financial statements are presented in Indian Rupees (₹). Items included in the Consolidated Financial statements of the Group are recorded using the currency of the primary economic environment in which the Group operates (the 'functional currency'). All the financial information presented in ₹ except where otherwise stated and the values are rounded to nearest lakh upto two decimal places.

Transactions and balances

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rates at the date the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.Non-monetary assets and liabilities that are measured at fair value in a foreign currencies are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost are not retranslated.

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

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

Group Companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows.

• assets and liabilities are translated at the closing rate at the date of that balance sheet

• income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), On Consolidation, all resulting exchange differences on translation are recognised in other comprehensive income, that will be reclassified subsequently to statement of profit and loss.

h) Revenue Recognition

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

Revenue from contract with customers

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

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

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

The Group assesses its revenue arrangements against specific recognition criterior like exposure to significant risks & rewards associated with the sale of goods or services. When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement are reviewed to determine each party's respective role in the transaction.

Specific revenue recognition criteria:

(i) Sale of products

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

(ii) Job work income

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

(iii) Export Incentives

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

(iv) Other Incomes

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

Significant Financing Component

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

Contract balances

Contract assets

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

Trade receivables

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

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Group performs under the contract.

Cost to obtain a contract

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

i) **Inventories**

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

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

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

iv) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on a item by item basis. Obsolete or slow moving inventories are identified from time to time and a provision is made for such inventories as appropriate on periodic basis.

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

j) **Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets as below:

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are included in other current and non-current financial liabilities.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. "Lease liability" and "Right of Use" asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Group as a lessor

Leases for which the Group is a lessor is classified as finance or operating lease. Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned

k) Employee's benefits

Short term employee benefits: All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Group during an accounting period, the Group recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences, bonus and ex-gratia etc. are recognised in statement of profit and loss in the period in which the employee renders the related service.

A liability is recognised for the amount expected to be paid after deducting any amount already paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. If the amount already paid exceeds the undiscounted amount of the benefits, the Group recognises that excess as an asset /prepaid expense to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts.

Retirement benefits in the form of Provident Fund, Employee State Insurance Scheme and Labour Welfare Fund Scheme are defined contribution plans. The contributions paid/payable to government administered respective funds are recognised as an expense in the Statement of Profit and loss during the period in which the employee renders the related service.

Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. The Group accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation report using the projected unit credit method as at the year end.

The obligations are measured at the present value of the estimated future cash flows. The discount rate is generally based upon the market yields available on Government bonds at the reporting date with a term that matches that of the liabilities.

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

Other long term employee benefits

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

l) Provisions

General

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

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

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

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

m) Financial Instruments

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

(i) Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Financial asset carried at amortised cost

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

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

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

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

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

De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised when:

(i) The contractual rights to receive cash flows from the asset has expired, or

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

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group financial liabilities include borrowings, trade and other payables, security deposits received etc.

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:
- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit and loss (FVTPL)

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

De-recognition

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

(iii) Offsetting of financial instruments

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

Till March 31, 2019, the forward currency contracts were used to hedge foreign currency risks. 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. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

(v) Hedge Accounting

With effect from April 2019, the Group adopted Hedge Accounting.The derivatives that are designated as hedging instrument under Ind AS 109 to mitigate risk arising out of foreign currency transactions are accounted for as cash flow hedges. The Group enters into hedging instruments in accordance with policies as approved by the Board of Directors with written principles which is consistent with the risk management strategy of the Group.

The hedge instruments are designated and documented as hedges at the inception of the contract. The effectiveness of hedge instruments is assessed and measured at inception and on an ongoing basis.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI, e.g., cash flow hedging reserve and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the statement of profit and loss. The amount accumulated is retained in cash flow hedge reserve and reclassified to profit or loss in the same period or periods during which the hedged item affects the statement of profit and loss.

If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument is terminated or exercised prior to its maturity/ contractual term, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is reclassified to the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified immediately in the statement of profit and loss.

n) <u>Impairment of financial assets</u>

The Group measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increases in credit risk. Expected credit loss is the weighted average of the difference between all contractual cash flows that are due to the Group in accordance with the contracts and all the cash flows that the Group expects to receive, discounted at original effective interest rate with the respective risk of defaults occuring as the weights.

o) <u>Impairment of non-financial assets</u>

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

An impairment loss is 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) <u>Fair value measurement</u>

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

S.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

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

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

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

Deferred tax

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

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

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in the year is charged to the Statement of Profit and Loss as current tax.The Group recognises MAT credit available as an asset only to the extent that there is convincing evidence that normal income tax will be paid during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which MAT credit is recognised as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement". The Group reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

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

r) Cash and cash equivalents

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

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

s) Statement of Cash flows

The statement of cash flows have been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows.

t) Earnings per share (EPS)

In determining earnings per share, the Group considers the net profit after tax and includes the post tax effect of any extraordinary items.

Basic EPS amounts are calculated by dividing the profit for the year attributable to the shareholders of the Group by the weighted average number of equity shares outstanding as at the end of reporting period

Diluted EPS amounts are calculated by dividing the profit attributable to the shareholders of the Group by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increase the earnings.

u) Government grants

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

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

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

v) **Contingent liabilities and contingent assets**

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

w) **Research & development costs**

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

x) **Exceptional items**

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

B.R. GUPTA & CO. * NEW DELHI * CHARTERED ACCOUNTANTS

[This page has been left blank intentionally]

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

Note 4 : Property, Plant and Equipment

Particulars	Land- Freehold	Land- Leasehold	Buildings	Leasehold Improvements	Plant and Equipment	Furniture and Fixures	Vehicles	Total
Gross carrying amount								
As at April 1, 2020	1,829.72	47.74	6,965.06	809.06	19,219.53	1,644.00	1,490.92	32,006.06
Add: Additions made during the year	-	532.57	367.37	33.86	895.03	184.53	88.47	2,101.84
(Less): Disposals during the year	-	-	-	-	(17.26)	-	(66.27)	(82.53)
(Less)/Add: Adjustments during the year	-	-	(79.55)	28.46	(193.18)	(17.03)	(8.86)	(271.15)
As at March 31, 2021	1,829.72	580.32	7,252.88	871.38	19,904.12	1,811.50	1,504.26	33,754.22
Add: Additions made during the year	947.36	38.53	578.01	1,306.85	3,570.34	730.24	86.20	7,257.53
(Less): Disposals during the year	-	-	-	(189.94)	(132.04)	-	(210.52)	(532.51)
(Less)/Add: Adjustments during the year	(75.88)	92.41	114.12	42.75	440.83	32.13	(7.60)	638.77
As at March 31, 2022	2,701.20	711.25	7,945.01	2,031.04	23,783.25	2,573.87	1,372.34	41,118.00
Accumulated depreciation								
As at April 1, 2020	-	1.37	1,213.61	348.85	7,067.56	640.16	545.45	9,817.00
Add: Depreciation charge for the year	-	1.96	283.55	173.37	1,884.32	188.24	190.65	2,722.09
(Less): Disposals during the year	-	-	-	-	(7.71)	-	(32.91)	(40.62)
(Less)/Add: Adjustments during the year	-	-	(17.62)	11.16	(105.92)	(7.69)	(4.06)	(124.15)
As at March 31, 2021	-	3.33	1,479.54	533.37	8,838.25	820.71	699.13	12,374.33
Add: Depreciation charge for the year	-	7.82	308.82	331.27	1,968.55	234.90	175.77	3,027.13
(Less): Disposals during the year	-	-	-	(142.45)	(62.95)	-	(136.20)	(341.60)
(Less)/Add: Adjustments during the year	-	-	26.77	12.01	184.56	13.65	5.71	242.69
As at March 31, 2022	-	11.15	1,815.13	734.20	10,928.42	1,069.26	744.40	15,302.55
Net Carrying Amount								
As at March 31, 2022	2,701.20	700.11	6,129.88	1,296.84	12,854.83	1,504.61	627.94	25,815.42
As at March 31, 2021	1,829.72	576.98	5,773.34	338.01	11,065.87	990.79	805.13	21,379.87

a) The above assets includes Gross block of land of ₹ 78.55 lakh (March 31, 2021: ₹ 78.55 lakh) situated at Narshingpur, Tehsil District Gurgaon (Haryana). The group has executed a collaboration agreement with DLF Retail Developers Limited on November 30, 2007 for construction of a commercial project on part-land amounting to ₹ 42.50 Lakh (March 31, 2021: ₹ 42.50 Lakh)However, as certified by the Management, the work has not started during the financial year 2021-22 due to pending receipt of license from the concerned authority.

b) For Information on property, plant and equipment pledged as security by the Group, Refer Note 21.

c) The above property, plant and equipment includes assets given on lease (Holding Company), the details of which are as under:

	Plant and Equipment	Furniture and Fixures	Total
As at March 31, 2022			
Gross carrying amount	27.77	21.22	48.99
Accumulated depreciation	21.64	18.20	39.84
Net carrying amount	6.13	3.02	9.15
As at March 31, 2021			
Gross carrying amount	27.77	21.22	48.99
Accumulated depreciation	18.96	15.24	34.20
Net carrying amount	8.81	5.98	14.79

d) Adjustments made above includes fluctuations in foreign currency on conversion into presentation currency.

B.R. GUPTA & CO. * NEW DELHI * CHARTERED ACCOUNTANTS

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

Note 5 : Capital work in progress	As At March 31, 2022	As At March 31, 2021
Balance at the beginning of the year	4,701.46	3,610.29
Add: Addition made during the year	524.14	1,684.75
Less: (Disposals)/adjustments during the year	(3,704.10)	(593.58)
Balance at the end of the year	1,521.50	4,701.46

a) Breakup of Capital Work in Progress is as follows:	As At March 31, 2022	As At March 31, 2021
Building	1,331.66	3,892.71
Plant and Machinery	189.84	808.75
	1,521.50	4,701.46

b) Ageing schedule of CWIP as at March 31, 2022:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	686.63	834.17	-	0.70	1,521.50
Projects temporarily suspended	-	-	-	-	-

Ageing schedule of CWIP as at March 31, 2021:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,445.76	2,038.59	739.95	477.15	4,701.46
Projects temporarily suspended	-	-	-	-	-

c) There are no capital work in progress as at March 31, 2022 and March 31, 2021 whose completion is overdue or has exceeded its cost as compared to original plan except CWIP relating to PGIL(HK) as mentioned below :-

Completion schedule of CWIP as at March 31, 2022:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Project 1 - PG(HK)	-	-	-	0.70	0.70

Completion schedule of CWIP as at March 31, 2021:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Project 1 - PG(HK)	-	-	0.68	477.15	477.83

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

[This space has been left blank intentionally]

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

Note 6 : Investment Properties	Land freehold	Land leasehold	Building	Total
Gross carrying amount				
As at April 01, 2020	**3,135.93**	**10.36**	**4,580.71**	**7,727.00**
Add: Additions made during the year	103.45	-	228.52	331.97
(Less): Disposals /adjustments during the year	(1,401.01)	-	(197.49)	(1,598.50)
As at March 31, 2021	**1,838.38**	**10.36**	**4,611.74**	**6,460.47**
Add: Additions made during the year	60.39	-	-	60.39
(Less): Disposals /adjustments during the year	(23.07)	(10.36)	(129.65)	(163.08)
As at March 31, 2022	**1,875.70**	-	**4,482.09**	**6,357.79**
Accumulated depreciation				
As at April 01, 2020	-	-	333.74	333.74
Add: Depreciation charge for the year	-	-	86.77	86.77
(Less): Disposals /adjustments during the year	-	-	(14.64)	(14.64)
As at March 31, 2021	-	-	**405.87**	**405.87**
Add: Depreciation charge for the year	-	-	82.20	82.20
(Less): Disposals /adjustments during the year	-	-	(34.76)	(34.76)
As at March 31, 2022	-	-	**453.31**	**453.31**
Net Carrying Amount				
As at March 31, 2022	1,875.70	-	4,028.78	5,904.48
As at March 31, 2021	1,838.38	10.36	4,205.87	6,054.60

	For the year ended	For the year ended March 31, 2021
(a) Amounts recognized in statement of profit and loss for investment properties		
Rental Income	769.38	770.91
Direct operating expenses of property that generated rental income	47.44	56.44
Direct operating expenses of property that did not generated rental income	0.75	8.44
Income arising from investment properties before charging depreciation	721.19	706.03
Depreciation	82.20	86.77
Income from investment properties (net)	638.99	619.26
(b) Fair value of investment properties	11,213.29	10,259.00

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.

(This space has been left blank intentionally)

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

Note 7 : Goodwill	As At March 31, 2022	As At March 31, 2021
Goodwill on acquisition of subsidiaries	1,756.13	1,792.66
Add/ (Less): Foreign Exchange Fluctuation	44.65	(36.53)
	1,800.78	1,756.13

Note 8 : Other Intangible assets

Particulars	Computer Software	Total
Gross carrying amount		
As at April 1, 2020	265.11	265.11
Add: Additions during the year	9.21	9.21
(Less): Disposals /adjustments during the year	-	-
As at March 31, 2021	274.32	274.32
Add: Additions during the year	48.53	48.53
(Less): Disposals /adjustments during the year	-	-
As at March 31, 2022	322.84	322.84
Amortisation and impairment		
As at April 1, 2020	180.35	180.35
Add: Amortisation charge for the year	39.89	39.89
(Less): Disposals /adjustments during the year	-	-
As at March 31, 2021	220.24	220.24
Add: Amortisation charge for the year	30.53	30.53
(Less): Disposals /adjustments during the year	-	-
As at March 31, 2022	250.77	250.77
Net Carrying Amount		
As at March 31, 2022	72.06	72.06
As at March 31, 2021	54.08	54.08

S.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

[This page has been left blank intentionally]

Note 9: Investments		As At March 31, 2022		As At March 31, 2021
(I) Non Current				
A. Equity Instruments				
Fair value through profit and loss				
(Quoted)				
PDS Multinational fashions Limited, India 50000 (March 31, 2021: 50000) Equity Shares of ₹ 10 each fully paid up		873.50		335.00
		873.50		**335.00**
B. Investments in Financial Markets				
(Fair value through other comprehensive income)				
Investments in Units in money market funds, at fair value - (Quoted)		-		96.33
Debt investment, at fair value - (Unquoted)		600.41		1,946.59
Investment in listed equity investment, at fair value- (Quoted)		1,308.08		-
		1,908.49		**2,042.92**
C. Investment in Preference Share of Subsidiary - (Unquoted)				-
(At Amortised Cost)				
Pearl Apparel Fashions Limited, India (Refer 'b' below)				
3000000 (March 31, 2021: 3000000) Preference Shares of ₹ 10 each fully paid up			300.00	
Less: Provision for diminution in value of Investments		-	(30.00)	270.00
		-		**270.00**
D. Investments in Government securities - (Unquoted)				
At Amortised cost				
Investments in key man insurance policy (Refer 'c' below)		2,202.21		2,085.98
Investments in Government securities - Gold Sovereign Bond- 37 units of 2 gram each issued by Reserve Bank of India		1.63		1.63
		2,203.84		**2,087.62**
Total (A + B + C + D)		**4,985.82**		**4,735.54**

(II) Current	As At March 31, 2022	As At March 31, 2021
A. Investments in mutual funds - (Quoted)		
Fair value through profit and loss		
ICICI Prudential Short Term Fund DP Growth 536068.057 units of Face Value of ₹ 10 per unit (March 31, 2021: 536068.057	273.64	260.63
L&T Banking and PSU debt fund direct plan - growth Nil units of Face Value of ₹ 10 per unit (March 31, 2021: 1223214.3850 units)	-	246.01
IDFC Banking and PSU debt fund direct plan - growth 1267806.9250 units of Face Value of ₹ 10 per unit (March 31, 2021: 1267806.9250 units)	258.62	247.74
	532.26	754.38
a) Aggregate book value of quoted investments	2,713.84	1,185.71
Aggregate market value of quoted investments	2,713.84	1,185.71
Aggregate value of unquoted investments	2,804.24	4,334.21
Aggregate amount of impairment in value of unquoted investments	-	30.00
Aggregate value of unquoted investments (net of impairment)	2,804.24	4,304.21

b) During the period ended December 31, 2020, Pearl Apparel Fashions Limited, a wholly owned subsidiary of the Holding Company has gone into voluntary liquidation and appointed the official liquidator in October, 2020. In effect of above resolution, the Group has impaired its investment in aforesaid subsidiary and recognised the same at its recoverable in FY 20-21.
During the FY 21-22, the Group has received ₹ 296.83 lakh from Pearl Apparel Fashions Limited on redemption of preference share capital of Pearl Apparel Fashions Limited. Provision for Impairment amounting to ₹ 30 lakh has been written back and Investment for the same has been written of by ₹ 3.17 lakh.

c) The amount invested in key man insurance policy by Pearl Global (HK) Limited has been pledged to bank to secure banking facilities by the said subsidiary.

d) In respect of Pearl Global Fareast Limited, financial assets at fair value through other comprehensive income with carrying value of ₹ Nil are pledged to bank to secure banking facilities granted to a subsidiary of the group.(March 31, 2021: ₹ 1,121.67 lakh).

e) The number of units and number of shares in note above represents absolute numbers.

S.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

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

Note 10: Loans	Non - current		Current	
	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
(Unsecured, considered good unless otherwise stated)				
Loans to employees	5.38	7.21	35.98	23.84
Loans to related parties (Refer note no. 46)	-	-	-	300.00
Loans to others	119.62	2,158.23	3,423.48	1,383.90
Loans receivable from others - credit impaired	1.67	-	47.86	-
Less: Loss Allowance	(1.67)	-	(47.86)	-
	125.01	2,165.44	3,459.46	1,707.73

An impairment analysis is performed at each reporting date by considering the probability of default of the loan receivables. The expected credit losse are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions.

Note 11 : Other financial assets	Non - current		Current	
	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
(Unsecured, considered good unless otherwise stated)				
Security deposits	799.91	931.57	113.02	43.42
Interest accrued but not due on				
- Term deposits	21.59	21.56	40.82	14.59
Deposits with original maturity of more than 12 months (Refer note 18)	273.70	265.69	-	-
Mark to market forward contracts	-	-	406.69	-
Other receivable	1.14	1.13	30.34	31.22
Total (A)	1,096.34	1,219.95	590.85	89.24

B.R. GUPTA & CO. ★ NEW DELHI CHARTERED ACCOUNTANTS

[This space has been left blank intentionally]

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

Note 12: Income Tax

The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are:

a) Income Tax recognised in Statement of Profit and Loss	**As At March 31, 2022**	**As At March 31, 2021**
Tax Expense:		
a) Current tax	1,074.08	372.04
b) Adjustments in respect of current income tax of previous year	-	10.94
c) Deferred tax	496.86	(995.74)
Income tax expense reported in the statement of profit or loss	**1,570.94**	**(612.76)**

b) Income Tax recognised in Other Comprehensive Income	**As At March 31, 2022**	**As At March 31, 2021**
Net loss/(gain) on remeasurements of defined benefit plans	(20.48)	(23.22)
Income tax on items that will be reclassified subsequently to statement of profit and loss	(105.46)	(342.72)
Income tax charged to OCI	(125.94)	(365.94)

c) Net Deferred tax Asset/(Liability)	**Balance sheet**	
Pearl Global Industries Limited	**As At March 31, 2022**	**As At March 31, 2021**
Recognised DTA- Pearl Global Industries Limited	-	2,488.68
Recognised DTA- Pearl Global (HK) Limited	89.81	70.89
	89.81	2,559.57
Recognised DTL- Pearl Global Industries Limited	232.27	2,174.99
Recognised DTL- Pearl Global (HK) Limited	24.37	(5.56)
	256.64	2,169.43
MAT Credit Entitlement	-	76.85
Total Net Deferred tax Assets	89.81	466.99
Total Net Deferred tax Liabilities	232.27	-

d) Reconciliation of Effective tax Rate and itemwise movement of deferred tax

Since the Holding Company and its subsidiaries operates in different tax jurisdictions and has different tax laws, refer standalone financial statements of Holding Company and subsidiaries as at reporting date for effective tax reconciliation and itemwise movement of deferred tax.

e) The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

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

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

(This page has been left blank intentionally)

Note 13 : Non current tax asset

	As At March 31, 2022	As At March 31, 2021
Advance income tax (Net of provision of ₹ 1,685.98 lakh (March 31, 2021 : ₹ 1,288.03 lakh)	601.00	771.37
	601.00	771.37

Note 14 : Other assets

	Non - current		Current	
	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
(Unsecured, considered good, unless otherwise stated)				
Capital advances (Refer note no. 45(b) for capital commitments)	170.92	185.04	57.51	-
Balance with government authorities	30.32	15.03	2,818.75	2,103.76
Balance with government authorities - considered doubtful	22.74	22.74	-	-
Less: Loss allowance	(22.74)	(22.74)	-	-
Deferred Assets- Security Deposit	1.84	1.84	-	-
Prepaid expenses	7.70	7.71	505.40	301.09
Export incentive receivable	-	-	4,661.60	1,680.90
Advances to suppliers	-	-	2,184.56	889.25
Other receivables	-	-	4,415.66	4,756.09
Less: Loss allowance			(153.28)	-
Total (A)	**210.77**	**209.62**	**14,490.19**	**9,731.09**

a) Other Receivables of ₹ 3,009.35 lakh (March 31, 2021 ₹ 2,538.77 lakh) includes enhanced compensation of ₹ 2,335.15 lakh receivable by the Group from National Highways Authority of India pursuant to land acquisition by the Central Government under National Highways Act, 1956 (Refer note 36). Further, it includes expenditure recoverable from Jharkhand State Livelihood Promotion Society (Ministry of Rural Development) regarding Project cost component for skilling candidates in state of Jharkhand .

S.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

(This space has been left blank intentionally)

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

Note 15: Inventories

	As At March 31, 2022	As At March 31, 2021
Raw materials	32,955.06	13,670.22
Good in transit- raw material	243.35	19.88
Work in progress	12,466.08	9,637.71
Finished goods	8,044.05	4,299.21
Scrap Stock	41.82	166.84
Stores spares & others	363.39	321.34
	54,113.74	**28,115.20**
Less: Provision on inventories (Finished Goods)	(155.57)	(238.23)
	53,958.18	**27,876.97**

a) Refer note 21 for information on above assets being pledged as security by the Group.

Note 16 : Trade Receivables

	As At March 31, 2022	As At March 31, 2021
Considered good - secured	-	-
Considered good - unsecured	36,662.31	24,217.21
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	756.25	656.18
Less: Loss allowance	(756.25)	(656.18)
Total	**36,662.31**	**24,217.21**

a) Trade receivables ageing schedule as at March 31, 2022:

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	28,234.48	8,351.56	5.78	67.09	3.41	-	**36,662.31**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	110.64	73.01	0.00	-	-	572.61	**756.25**
(iv) Dispute Trade Receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowances for expected credit loss	(110.64)	(73.01)	-	-	-	(572.61)	**(756.25)**
Net Trade receivables	28,234.48	8,351.56	**5.78**	**67.09**	**3.41**	-	**36,662.31**

Pearl Global Industries Limited

Notes to consolidated financial statements for the year ended March 31, 2022

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

Trade receivables ageing schedule as at March 31, 2021:

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	6,827.20	16,005.65	1,003.14	280.39	100.83	-	24,217.21
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	656.18	656.18
(iv) Dispute Trade Receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowances for expected credit loss	-	-	-	-	-	(656.18)	(656.18)
Net Trade receivables	6,827.20	16,005.65	1,003.14	280.39	100.83	-	24,217.21

b) The movement in allowance for bad and doubtful debts is as follows:

Balance as at beginning of the year	656.18	377.33
Loss Allowance during the year	183.65	278.85
Trade receivables written off / written back during the year	(83.57)	-
Balance as at the end of the year	756.25	656.18

c) Trade receivables are generally on terms of 30 - 90 days (March 31, 2021: 0-180 days).
d) The Group exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 43.
e) For information on trade receivables pledged as security, Refer note no. 21.
f) No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other persons.

Note 17 : Cash and cash equivalents	As At March 31, 2022	As At March 31, 2021
Balances with banks:		
- Current account	10,356.64	8,794.19
- Deposits with original maturity of less than 3 months (Refer note (b))	315.15	177.60
Cash on hand	63.32	41.95
Cheque/drafts on hand	949.95	457.61
	11,685.07	9,471.34

a) For the purpose of the statement of cash flow, the cash and cash equivalent are same given above.
b) Refer note 21 for information on above assets being pledged as security by the Group.

B.R. GUPTA & CO. * NEW DELHI * CHARTERED ACCOUNTANTS

Pearl Global Industries Limited
Notes to consolidated financial statements for the year ended March 31, 2022
(All amounts are in ₹ Lakh, unless otherwise stated)

Note 18 : Bank balances other than cash & cash equivalents	Non - Current		Current	
	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
Earmarked balances with banks				
Unpaid dividend account	-	-	26.24	29.75
Deposits with original maturity of more than 3 months but less than 12 months (Refer note 'a' below)	-	-	3,266.15	2,203.46
Deposits with original maturity of more than 12 months (Refer note 'a' below)	273.70	265.69	-	-
Balance with bank (Considered doubtful)	-	-	-	0.03
Less: Loss allowance	-	-	-	(0.03)
	273.70	265.69	3,292.39	2,233.21
Less: Amount disclosed under "other financial assets" (Refer Note No. 11)	273.70	265.69	-	-
	-	-	3,292.39	2,233.21

a) Refer note 21 for information on above assets being pledged as security by the Group.

b) The bank has created as lien/charge on any amount kept by the borrower time to time with the bank as term deposit and other deposit maximum upto ₹ 4,400 lakh for Letter of credit issued for the Group.

B.R. GUPTA & CO. * NEW DELHI * CHARTERED ACCOUNTANTS

[This space has been left blank intentionally]

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

Note 19 : Share Capital	**As At March 31, 2022**	**As At March 31, 2021**
Authorised		
51440000* (March 31, 2021: 51440000) equity shares of ₹ 10 each	5,144.00	5,144.00
10000* (March 31, 2021: 10000) 4% Non Cumulative Redeemable Preference Shares of ₹ 10 each	1.00	1.00
3256000* (March 31, 2021: 3256000) 10.5% Non Cumulative Redeemable Preference Shares of ₹ 100 each	3,256.00	3,256.00
	8,401.00	8,401.00
Issued, subscribed and paid up		
21663937* (March 31, 2021: 21663937) Equity Shares of ₹ 10 each fully paid up	2,166.39	2,166.39
	2,166.39	2,166.39

* Number of Shares are given in absolute numbers.

a) Reconciliation of issued and subscribed share capital:

Equity Share (₹ 10 each fully paid up)	**No. of shares**	**Amount**
Balance as at April 1, 2020	21,663,937	2,166.39
Changes during the year	-	-
Balance as at March 31, 2021	21,663,937	2,166.39
Changes during the year	-	-
Balance as at March 31, 2022	21,663,937	2,166.39

b) Terms/ rights attached to equity shares:

The Holding Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors of the Holding Company is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Subsequent to the balance sheet date, the Board of Directors has declared interim dividend of ₹ 5/- per share for FY 21-22 for distribution to shareholders.

c) Details of shareholders holding more than 5% shares

Name of Party	As At March 31, 2022		As at March 31, 2021	
	No. of shares	Holding %	No. of shares	Holding %
Mrs. Payel Seth	4,413,635	20.37	4,413,635	20.37
Mr. Deepak Seth	2,862,145	13.21	2,862,145	13.21
Mr. Pulkit Seth	6,947,621	32.07	6,947,621	32.07
Mr. Sanjiv Dhireshbhai Shah	1,761,979	8.13	1,881,004	8.68
Total	15,985,380	73.78	16,104,405	74.33

d) Details of Promotor's shareholding:

Name of Shareholder	As at March 31, 2022		As at March 31, 2021		% change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Mrs. Payel Seth	4,413,635	20.37	4,413,635	20.37	-
Mr. Deepak Seth	2,862,145	13.21	2,862,145	13.21	-
Mr. Pulkit Seth	6,947,621	32.07	6,947,621	32.07	-
Mrs. Shifalli Seth	201,478	0.93	201,478	0.93	-
Nim International Commerce Llp	30	0.00	30	0.00	-
Total	14,424,909	66.58	14,424,909	66.58	

Name of Shareholder	As at March 31, 2021		As at March 31, 2020		% change during the year
	No. of shares	Holding %	No. of shares	Holding %	
Mrs. Payel Seth	4,413,635	20.37	4,413,635	20.37	-
Mr. Deepak Seth	2,862,145	13.21	2,862,145	13.21	-
Mr. Pulkit Seth	6,947,621	32.07	6,947,621	32.07	-
Mrs. Shifalli Seth	201,478	0.93	201,478	0.93	-
Nim International Commerce Llp	30	0.00	30	0.00	-
Total	14,424,909	66.58	14,424,909	66.58	

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

(This space has been left blank intentionally)

Note 20 : Other Equity	**As At March 31, 2022**	**As At March 31, 2021**
General Reserve	4,204.36	4,204.36
Securities Premium	17,103.90	17,103.90
Capital Redemption Reserve	95.00	95.00
Amalgamation Reserve	625.95	625.95
Foreign Currency Translation Reserve	5,039.94	5,448.73
Change in investment through other comprehensive income	(35.11)	(309.53)
Retained Earnings	30,388.43	23,668.60
Cash Flow Hedge Reserve	305.08	(1,281.96)
	57,727.53	**49,555.07**

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

II. Nature and purpose of reserves

a) General reserve

Particulars	**As At March 31, 2022**	**As At March 31, 2021**
Balance as at beginning/ end of the year	4,204.36	4,204.36

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at an specified percentage in accordance with Companies (Transfer of profits to Reserve) Rules 1975. Consequent to introduction of the Companies Act 2013, there is no such requirement to mandatorily transfer a specified percentage of the net profit to general

b) Securities premium

Particulars	**As At March 31, 2022**	**As At March 31, 2021**
Balance as at beginning/ end of the year	17,103.90	17,103.90

The amount received in excess of face value of the equity shares is recognised in securities premium. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

c) Capital redemption reserve

Particulars	**As At March 31, 2022**	**As At March 31, 2021**
Balance as at beginning/ end of the year	95.00	95.00

This Reserve has been created at the time of business combination with companies in earlier years in accordance with the provisions of the Companies Act, 2013.

d) Amalgamation reserve

Particulars	**As At March 31, 2022**	**As At March 31, 2021**
Balance as at beginning/ end of the year	625.95	625.95

This Reserve has been created at the time of amalgamation of other companies in earlier years in accordance with the provisions of the Companies Act, 2013.

e) Foreign currency translation reserve

Particulars	**As At March 31, 2022**	**As At March 31, 2021**
Balance as at beginning/ end of the year	5,039.94	5,448.73

The exchange differences arising from the translation of financial statements is recognized in other comprehensive income and is presented within equity.

f) Retained earnings

Particulars	**As At March 31, 2022**	**As At March 31, 2021**
Balance as at beginning/ end of the year	30,388.43	23,668.60

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Out of the above, reserve on account of revaluation of assets of ₹ 402.39 lakh (March 31, 2021: ₹ 400.51 lakh) is not available for distribution.

S.R. BATLIBOI & CO. LLP * NEW DELHI * CHARTERED ACCOUNTANTS

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

g) Cash Flow Hedge Reserve

Particulars	As At March 31, 2022	As At March 31, 2021
Balance as at beginning/ end of the year	305.08	(1,281.96)

This reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. This reserve will be reclassified to statement of profit and loss only when the hedged transaction affects the profit or loss.

h) Change in investment through Other Comprehensive Income (OCI) represents fair valuation of investments of subsidiary company routed through OCI.

Particulars	As At March 31, 2022	As At March 31, 2021
Balance as at beginning/ end of the year	(35.11)	(309.53)

B.R. GUPTA & CO. * NEW DELHI * CHARTERED ACCOUNTANTS

[This space has been left blank intentionally]

Note 21 : Long Term Borrowings	Non current		Current	
	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
From Banks (Secured)				
- Term Loan*	12,072.77	12,218.39	4,046.00	4,044.86
- Vehicle Loans	78.82	118.30	37.52	36.58
From Financials Institutional (Secured)				
- Vehicle Loans	-	66.84	64.85	48.55
From others - unsecured	231.22	58.80	-	-
	12,382.81	**12,462.33**	**4,148.37**	**4,129.99**
Less: Amount disclosed under other financial liabilities as 'Current maturities of long-term borrowings' (Refer note 21A)	-	-	4,148.37	4,129.99
	12,382.81	**12,462.33**	-	-

*includes loans which are carried at amortised cost

i) Nature of Security in respect of Holding Company: Following security details rank pari passu (first, second, exclusive or equitable as per respective sanction letters) amongst different lenders under multi bank arrangement for long term borrowings:

a) Hypothecation over the entire movable/ Immovable fixed assets of the Company including creation of negative lien on the assets which are unencumbered and are not proposed to be mortgaged to any of the lenders.

b) Equitable mortgage over Industrial plot no. (i) 16/17, phase-6, Udyog Vihar, Gurugram, (ii) 751, Pace City-II, Sector 37, Gurugram, (iii) Company's property at Plot No. 51, Sector 32, Gurugram, and (iv) Land and building at Chennai and Bangalore Plant of the Company.

c) Hypothecation of the Company's entire current assets including stocks of raw material, stock in process, finished goods, spares and book debts (present & future).

d) Pari-Passu charge on FDR of ₹ 713.61 lakhs. Other FDR's pledged with specific banks- PNB, UCO & IndusInd Bank are ₹ 876.80 lakhs (March 31, 2021: ₹ 607.02 lakhs)

e) Irrevocable and Unconditional Personal Guarantee of Mr. Deepak Seth (Promoter Director) and/or Mr. Pulkit Seth (Promoter Director).

ii) Security in respect of Pearl Global (HK) Limited

a) As at March 31, 2022, certain of the Company's Inventories with a net carrying amount of approximately ₹ 1,516.20 (March 2021: ₹ 1,470.00) were pledged to secure banking facilities granted to the Comapny.

b) As at March 31, 2022, certain of the Company's property, plant & equipment with a net carrying amount of approximately ₹ 4,882.00 (March 31, 2021: ₹ 4,350.67) were pledged to secure banking facilities granted to the Company.

c) As at March 31, 2022, certain of the Company's leasehold land with a net carrying amount of approximately ₹ 2,581.67 (March 31, 2021: ₹ 2,605.85) were pledged to secure banking facilities granted to the Company.

d) As at March 31, 2022, certain of the Company's trade receivable with a net carrying amount of approximately ₹ 2,653.35 (March 31, 2021: ₹ 2,572.50) were pledged to secure banking facilities granted to the Company.

iii) Maturity Profile

Particulars	2022-23	2023-24	2024-25	Beyond 2024-25
Term loan from Banks and Financial Institution are repayable in monthly/quarterly/yearly installments	4,046.00	3,837.67	3,876.60	4,358.50
Vehicle loans from banks and financial institutions are repayable in monthly installments	102.37	36.81	30.67	11.34
From others - unsecured	-	-	-	231.22

iv) Vehicle loans are secured against hypothecation of respective vehicles.

v) The above loan(s) carries rate of interest ranging between 1.75% to 10.30% per annum.

Note 21A : Short Term Borrowings

	As At March 31, 2022	As At March 31, 2021
Working capital loan from banks(secured)		
- Rupee loan	39,883.00	19,990.64
Current maturities of long-term borrowings (Refer no. 21)	4,148.37	4,129.99
	44,031.37	**24,120.63**

a) Nature of security in respect of Holding Company: The Company has entered into borrowing arrangements with lenders under Consortium Arrangement for short term borrowings. The security details set out under Note 21 ranks pari passu (as per respective sanction letters) amongst all secured lenders for short term and long term borrowings.

b) Security in respect of Pearl Global (HK) Limited,
The bank borrowing facilities are secured by Company's property, plant and equipment, inventories, trade receivables, corporate guarantee of the holding company and a fellow subsidiaries and director's personal guarantee.

c) Security in respect of Norp Knit Industries Limited,
- First Pari-Passu charge on movable fixed assets and whole of current assets including stocks of raw material, semi-finished goods, finished goods, book debts, consumable stores and spares.
- As at March 31, 2022, Fixed Deposit of ₹ 352 lakh (March 31, 2021: ₹ 347 lakh).
- Personal Guarantee by the promoter director of the Company.

c) Security in respect of Pearl Global Fareast Limited
- As at March 31, 2022, Company's financial assets with a net carrying amount of ₹ Nil (March 2021: ₹ 1,121.67 lakh) were pledged to secure banking facilities granted to the Company.

d) For interest rate & liquidity risk related disclosures, (refer note 43).

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

Pearl Global Industries Limited

Notes to consolidated financial statements for the year ended March 31, 2022

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

Note 22 : Other Financial Liabilities	Non current		Current	
	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
Security deposit	240.92	137.28	6.51	-
Book overdraft	-	-	-	261.51
Interest accrued but not due on borrowings	-	-	93.59	23.26
Unpaid dividends (Refer Note b)	-	-	26.24	29.75
Creditors for capital goods	-	-	92.90	203.74
Financial Liabilites at Fair Value through OCI - Cash Flow Hedge	-	-	-	12.34
Others	-	-	684.85	796.14
	240.92	137.28	904.09	1,326.75

Notes:

a) The Group's exposure to market and liquidity risk related to other financial liabilities is disclosed in note 43.

b) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end (March 31,2021: Nil).

B.R. GUPTA & CO. * CHARTERED ACCOUNTANTS * NEW DELHI

[This page has been left blank intentionally]

Pearl Global Industries Limited

Notes to consolidated financial statements for the year ended March 31, 2022

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

Note 23 : Provisions	Non current		Current	
	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
Provision for employee benefits				
Provision for compensated absenses	574.57	618.71	30.87	25.85
Provision for gratuity (Refer to note 39)	1,775.48	1,625.06	213.94	83.19
Other employee benefits	77.51	66.35	-	-
	2,427.56	**2,310.12**	**244.81**	**109.04**

Note 24: Other liabilities	Non current		Current	
	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
Advance received against sale of land	2,963.62	2,963.62	-	-
Deferred government grant	6.58	7.58	145.61	145.61
Deferred rental income	35.87	42.16	18.84	15.06
Statutory dues	-	-	784.07	577.33
Others	-	-	-	0.56
	3,006.07	**3,013.35**	**948.52**	**738.57**

B.R. GUPTA & CO. * NEW DELHI * CHARTERED ACCOUNTANTS

[This space has been left blank intentionally]

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

Note 25 : Trade payables

	As At March 31, 2022	As At March 31, 2021
Total outstanding dues of micro and small enterprises	663.99	481.71
Total outstanding dues of creditors other than micro and small enterprises	43,204.80	24,195.13
	43,868.79	24,676.84

a) Trade Payables ageing schedule as at March 31, 2022:

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Unbilled dues	Total
(i) MSME	482.99	181.00	-	-	-	-	663.99
(ii) Others	31,491.38	6,787.52	30.62	0.92	5.68	4,888.71	43,204.80
(iii) Disputed dues — MSME	-	-	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-	-	-

Trade Payables ageing schedule as at March 31, 2021:

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Unbilled dues	Total
(i) MSME	472.54	9.16	-	-	-	-	481.71
(ii) Others	17,019.02	4,297.09	270.21	50.34	0.45	2,558.02	24,195.13
(iii) Disputed dues — MSME	-	-	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-	-	-

b) Trade payable are non- interest bearing and are generally on a credit period of not more than 90 days except in case of Micro & Small Enterprises (if any) which are setlled within 45 days.

c) For information of amount of trade payable to related parties, Refer note no. 46.

d) As per Schedule III of the Companies Act. 2013 and as certified by the Management, the amount due to Micro & Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under :

Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006

	March 31, 2022	March 31, 2021
(i) The amount due thereon remaining unpaid to any supplier at the end of each accounting year		
- Principal	662.86	481.59
- Interest on above	1.13	0.12
(ii) The amount of interest paid by the Group in terms of section 16 of MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act. 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	1.13	0.12

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

(v) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-	-

e) Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Group regarding the status of registration of such vendors under the said Act and as per the intimation received from them on requests made by the Group. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date except disclosed above.

f) The Group's exposure to market and liquidity risk related to trade payables is disclosed in note 43.

Note 26 : Liabilities for current tax (net)	**As At March 31, 2022**	**As At March 31, 2021**
Provision for income tax (Net of advance tax ₹ 856.21 lakh (March 31, 2021 ₹ 278.60 lakh))	217.87	93.44
	217.87	**93.44**

[This space has been left blank intentionally]

Note 27 : Revenue from operations	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of Product	262,931.37	145,861.69
Job Receipts	25.98	-
Other Operating Revenues	8,395.55	3,230.97
Revenue from operations	**271,352.90**	**149,092.65**

a) Performance obligation

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

During the year, the Group has not entered into long term contracts with customers and accordingly disclsoure 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 Group.

b) Disaggregation of revenue

The table below presents disaggregated revenues from contracts with customers on the basis of geographical spread of the operations of the Group. The Group believes that this disaggregation best depicts how the nature, amount of revenues and cash flows are affected by market and other economic factors:

Revenue based on Geography	For the year ended March 31, 2022	For the year ended March 31, 2021
India	9,247.15	3,614.27
Outside India	262,105.75	145,478.38
Revenue from operations	**271,352.90**	**149,092.65**

c) Reconciliation of revenue from operations with contracted price	For the year ended March 31, 2022	For the year ended March 31, 2021
Contracted Price	271,355.34	149,165.29
(Less): Sales Returns	-	(72.64)
(Less): Rebates and discounts	(2.44)	-
	271,352.90	149,092.65

d) Trade Receivables, Contract Balances

For Trade Receivables, Refer note no. 16.

Further, the Group has no contracts where the period between the transfer of the promised goods or services to the customer and payment terms by the customer exceeds one year. In light of above;

- it does not adjust any of the transaction prices for the time value of money, and
- there is no unbilled revenue as at March 31, 2022.

Further, the Group doesn't have any contract liabilities as at March 31, 2022 and March 31, 2021

e) Variable Consideration associated with Sales: The companies under the Group estimates the variable consideration using the most likely amount or expected value method, whichever approach best predicts the amount of consideration based on the terms of contract and available information and updates the estimates in each reporting period.

f) Disclosure in respect of Export Incentive (Holding Company)

Under the Remission of Duties and Taxes on Export Products (RoDTEP), the Group is eligible to claim a government grant in the form of refunds of embedded taxes and duties. The scheme has been effective since January 1, 2021. However, the incentive rates were not notified by the authorities till the last day of the previous year i.e March 31, 2021 .For the relevant period from January 1, 2021 to March 31, 2021, the Group had recognized income towards RoDTEP basis estimated calculations and pending notification of the rates.

The Ministry of Textiles vide press release dated July 14, 2021 has given its approval for continuation of Rebate of State and Central taxes and Levies (RoSCTL) with the same rates as notified by Ministry of Textiles vide Notification dated 8th March 2019, on exports. The Ministry of Textiles has decided to continue the scheme of RoSCTL up to 31 March, 2024.

Pursuant to the aforesaid press release, the Group has recognised the RoSCTL income for the period from April 1, 2021 to June 30, 2021 in line with the earlier rates notified and additionally also recognised ₹ 337.21 lakh in the quarter ended June 30, 2021 being the balance income to the extent previously not recognised during the fourth quarter of the financial year 2020-2021 i.e; January 1, 2021 to March 31, 2021.

g) The group doesn't have any sales to related party in the consolidated financial statement.

Note 28 : Other income	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income		
- On Fixed deposits	117.46	103.92
- On loans and advances	117.75	173.99
- On investment	67.36	59.83
Other non-operating income:		
- Rental income	742.30	770.91
- Foreign exchange fluctuation	523.24	458.01
- Government grant received	-	64.66
- Amortisation of deferred rental income	16.44	36.78
- Profit on sale of current investment - mutual fund	16.34	16.61
- Fair value gain on investments measured at fair value through profit and loss(net)	573.58	255.85
- Dividend Income	25.62	-
- Excess provision written back	160.91	-
- Sundry balances written back	340.60	133.67
- Gain on termination of lease	50.38	-
- Miscellaneous income	593.94	276.24
	3,345.94	2,350.49

S.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

Pearl Global Industries Limited
Notes to consolidated financial statements for the year ended March 31, 2022
(All amounts are in ₹ Lakh, unless otherwise stated)

Note 29 : Cost of Raw Material Consumed		For the year ended	For the year ended March 31, 2021
Raw Material			
Balance at the beginning of the Year		13,670.22	12,245.71
Add:- Purchases during the year		135,350.71	69,336.18
Add: Impact of exchange fluctuation & re-instatement		465.08	(174.43)
		149,486.01	81,407.45
Less:- Balance at the end of the Year		32,955.06	13,670.22
Total Raw Material Consumption		116,530.95	67,737.23

Note 30 : Purchase of Stock in Trade		For the year ended	For the year ended March 31, 2021
Purchases during the year		40,790.23	9,337.91
		40,790.23	9,337.91

Note 31 : Changes in Inventories of Finished Goods, Work in Progress and Stock in trade		For the year ended	For the year ended March 31, 2021
Inventories at the beginning of the year			
Work-in-progress		9,637.71	12,212.16
Finished goods		4,060.98	1,611.09
Scrap Stock		166.84	-
	(A)	13,865.53	13,823.25
Inventories at the end of the year			
Work-in-progress		12,466.08	9,637.71
Finished goods		7,888.48	4,060.98
Scrap Stock		41.82	166.84
	(B)	20,396.38	13,865.53
Impact of exchange fluctuation & re-instatement	(C)	271.98	(142.06)
(Increase) / decrease in inventory (A-B+C)		(6,258.87)	(184.34)

Note 32 : Employee benefits expense		For the year ended	For the year ended March 31, 2021
Salaries, Wages & Bonus		43,310.54	30,727.62
Contribution to Provident and Other funds		1,002.40	578.86
Gratuity expense (Refer note 39)		421.73	413.62
Compensated absences		408.04	591.18
Staff Training & Welfare Expenses		719.39	223.57
		45,862.10	32,534.85

Note 33 : Finance cost		For the year ended	For the year ended March 31, 2021
Interest Expense			
- On Term loans,Cash Credit & Working Capital Facilities		2,637.31	2,585.82
- Delayed Payment of Taxes		5.82	1.51
- lease liabilities		846.80	837.64
Unwinding of discount on security deposit		14.09	40.24
Other borrowing cost		1,156.36	660.13
		4,660.37	4,125.34

Note 34 : Depreciation and amortization expense		For the year ended	For the year ended March 31, 2022
Depreciation of - Property, plant and equipment (Refer note no. 4)		3,027.13	2,722.09
Depreciation of Investment Properties (Refer note no. 6)		82.20	86.77
Amortisation of intangible assets (Refer note no. 8)		30.53	39.89
Amortisation of Right-of-use assets (Refer note no. 48)		1,693.82	1,561.80
		4,833.68	4,410.55

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

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

Note 35 : Other expenses	For the year ended March 31, 2022	For the year ended March 31, 2021
Manufacturing Expense	28,627.46	15,129.20
Consumption of Stores & Spare Parts	1,662.03	1,011.51
Power & fuel	2,587.39	1,843.21
Rent	478.61	310.24
Rates & Taxes	104.66	71.06
Travelling & Conveyance	1,259.16	544.76
Freight & clearing Charges	7,344.39	3,840.85
Claim to Buyers	1,437.97	582.92
Repair & Maintenance		
- Plant & Machinery	162.32	75.12
- Buildings	75.72	7.18
- Other	1,325.23	866.88
Commission	395.77	524.45
Legal & Professional Expenses	6,106.97	3,893.71
Security Charges	452.16	385.14
Bank charges	1,472.21	619.65
Insurance Expenses	1,193.61	422.45
Payment to the Auditors (Refer note 'a' below)	134.63	90.98
Sundry Balances written off	554.86	153.19
Loss allowance for doubtful debts and advances	336.93	278.86
Corporate social responsibility	80.54	27.10
Foreign Exchange Fluctuation	364.31	-
Miscellaneous Expenses	4,213.43	2,932.88
Total	**60,370.36**	**33,611.35**

Note 36 : Exceptional Items	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit on sale of property, plant and equipment and investment property (Refer Note 'a' below)	(644.99)	1,035.93
Enhanced Compensation on land acquisition by NHAI	-	(2,335.15)
Impairment of investment in subsidiaries written back(Refer Note 9 (d))	(30.00)	-
Investment written off (Refer note 9 (d))	3.17	33.91
	(671.82)	(1,265.31)

a) The figures in bracket above represents income/ profit.

[This space has been left blank intentionally]

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

Note 37 : Components of other comprehensive income	For the year ended March 31, 2022	For the year ended March 31, 2021
A (i) Items that will not be reclassified to profit and loss		
Re-measurement gains/ (losses) on defined benefit plans	(100.97)	(48.22)
Income tax expense	(20.48)	(23.22)
B (i) Items that will be reclassified to profit and loss		
Foreign exchange translation reserve	1,242.11	(825.45)
Fair valuation of investment in mutual fund	(28.98)	173.25
Hedging Reserve through OCI	419.03	979.45
Income tax expense	(105.46)	(342.72)
	1,405.26	**(86.91)**

Note 38 : Earnings per share (EPS)	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit attributable to the equity shareholders (A)	6,814.64	1,727.11
Number/Weighted average number of equity shares outstanding at the end of the year (B)	21,663,937	21,663,937
Nominal value of equity shares	₹ 10	₹ 10
Basic/Diluted earning per share (A/B) (in ₹)	31.46	7.97

[This space has been left blank intenticnlly]

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

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 Group's contribution to defined contribution plan.

	For the year ended March 31, 2022	For the year ended March 31, 2021
Employer's Contribution to Provident Fund/ Pension Fund	792.01	433.40
Employer's Contribution to Employee State Insurance	197.77	138.43
Employer's Contribution to Welfare Fund	12.62	7.03
Total	1,002.40	578.86

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

b) **Employee Benefit Obligation in case of Pearl Global HK Limited**

Policy for the Group's operation in the Republic of Indonesia

The Group determines its post-employment benefits obligation under the Labor Law of the Republic of Indonesia No. 13/2003. The cost of providing post-employment benefits is determined using "Projected Unit Credit" method. Actuarial gains or losses are recognized as income or expense when the net cumulative unrecognized actuarial gains and losses at the end of the previous reporting year exceeded the higher of 10% of the defined benefit obligation and 10% of the fair value of plan assets at that date. These gains or losses are recognised on a straight-line basis method over the expected average remaining working lives of the employees. Past service cost arising from the introduction of a defined benefit plan or changes in the benefits obligation of an existing plan are required to be amortized over the period until the benefits concerned become vested.

Policy for the Group's operation in the Socialist Republic of Vietnam

The severance allowance for employees is accrued at the end of each reporting period for all employees having worked at the Group for full 12 months and above. Working time serving as the basis for calculating severance allowance shall be the total actual working time subtracting the time when the employees have made unemployment insurance contributions as prescribed by law, and the working time when severance allowance has been paid to the employees. The allowance made for each year of service equals to a half of an average monthly salary under the Vietnamese Labour Code, Social Insurance Code and relevant guiding documents. The average monthly salary used for calculation of severance allowance shall be adjusted to be the average of the 6 consecutive months nearest to the date of the financial statements at the end of each reporting period. The increase or decrease in the accrued amount shall be recorded in the statement of profit or loss or other comprehensive income.

Policy for the Group's operation in the Hong Kong Special Administrative Region of the People's Republic of China

The Group participates in Mandatory Provident Fund Scheme ("MPF Scheme") for its employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Pursuant to the rules of the MPF Scheme, each of the employer and employees are required to make contributions to the scheme at rates specified in the rules. The MPF Scheme is a defined contribution plan and the Group is only obliged to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in the future years. The retirement benefit cost arising from the MPF Scheme charged to the consolidated statement of profit or loss and other comprehensive income represent contribution payable to the funds by the Group in accordance with the rules of the MPF Scheme.

c) **Defined benefit plans**

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Group is able to determine the present value of obligations. "Projected Unit Credit Method" 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. The gratuity is funded in current year for all the units and maintained by Life Insurance Corporation of India . Till previous financial year 2020-21, the status of gratuity was as

a) Gratuity in case of Gurgaon Division was funded & maintained by Life Insurance Corporation of India
b) Gratuity in case of Chennai & Banglore Division was unfunded.

ii) **Other long term employee benefits**

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

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

d) The following tables 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 by actuary's of respective companies consolidated in these financial statements.

S.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

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

Change in benefit obligations	As at March 31, 2022 Gratuity (Funded)	As at March 31, 2022 Gratuity (Unfunded)	As at March 31, 2021 Gratuity (Funded)	As at March 31, 2021 Gratuity (Unfunded)
Opening defined benefit obligation	929.10	1,088.15	654.60	1,209.60
Interest cost	69.78	78.36	44.29	87.27
Service cost	207.89	196.94	89.46	272.13
Past Service cost	-	(108.82)	-	(54.93)
Benefits paid	(199.61)	(114.75)	(92.36)	(226.61)
Foreign currency translation reserve	-	43.69	-	(23.54)
Actuarial (gain) / loss on obligations	(90.40)	182.33	(41.19)	78.57
Present value of obligation as at the end of the year	**916.76**	**1,345.92**	**654.80**	**1,342.49**

e) The following tables summarise the components of net benefit expense recognised in the Statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Cost for the year included under employee benefit	As at March 31, 2022 Gratuity (Funded)	As at March 31, 2022 Gratuity (Unfunded)	As at March 31, 2021 Gratuity (Funded)	As at March 31, 2021 Gratuity (Unfunded)
Current service cost	207.89	196.94	89.46	272.13
Past service cost	-	(108.82)	-	(54.93)
Interest cost	69.78	78.36	44.29	87.27
Expected return on plan assets	(22.42)	-	(24.55)	-
Actuarial (gain) / loss	-	-	-	-
Net cost	**255.23**	**166.50**	**109.20**	**304.47**

f) **Changes in the fair value of the plan assets are as follows:**

	As at March 31, 2022 Gratuity (Funded)	As at March 31, 2022 Gratuity (Unfunded)	As at March 31, 2021 Gratuity (Funded)	As at March 31, 2021 Gratuity (Unfunded)
Fair value of plan assets at the beginning	298.57	-	363.22	-
Expected return on plan assets	22.42	-	24.55	-
Contributions	22.70	-	4.43	-
LIC charges	(4.37)			
Benefits paid	(57.04)	-	(92.36)	-
Actuarial gains / (losses) on the plan assets	(9.03)	-	(10.84)	-
Fair value of plan assets at the end	**273.25**	**-**	**289.01**	**-**

g) **Detail of actuarial gain/loss recognised in OCI is as follows:**

	As at March 31, 2022 Gratuity (Funded)	As at March 31, 2022 Gratuity (Unfunded)	As at March 31, 2021 Gratuity (Funded)	As at March 31, 2021 Gratuity (Unfunded)
Actuarial (gain) / loss for the year – obligation	(90.40)	182.33	(41.19)	78.57
Actuarial (gain) / loss for the year - plan assets	9.03	-	10.84	-
Total (gain) / loss for the year	(81.36)	182.33	(30.35)	78.57

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The actuarial assumptions include economic assumptions of discount rate and rate of increase in compensation levels. Other assumptions considered are demographic assumptions and withdrawal rate while calculating the obligations as at year end.

h) **Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets -**

Particulars	As at March 31, 2022 Gratuity (Funded)	As at March 31, 2022 Gratuity (Unfunded)	As at March 31, 2021 Gratuity (Funded)	As at March 31, 2021 Gratuity (Unfunded)
Present value of obligation	916.76	1,345.92	654.80	1,342.49
Less: Fair value of plan assets	273.25	-	289.01	-
Net assets /(liability)	(643.51)	(1,345.92)	(365.79)	(1,342.49)

i) **A quantitative sensitivity analysis for significant assumptions is as shown below:**

A. Discount rate	As at March 31, 2022 Gratuity (Funded)	As at March 31, 2022 Gratuity (Unfunded)	As at March 31, 2021 Gratuity (Funded)	As at March 31, 2021 Gratuity (Unfunded)
Effect on DBO due to increase in Discount Rate (1% in funded and 0.5% in unfunde	(93.76)	846.99	(61.46)	775.66
Effect on DBO due to decrease in Discount Rate (1% in funded and 0.5% in unfund	111.49	1,006.31	71.91	1,002.92
B. Salary escalation rate				
Effect on DBO due to increase in Salary Escalation Rate (1% in funded and 0.5% in	113.23	1,009.06	72.51	999.87
Effect on DBO due to decrease in Salary Escalation Rate (1% in funded and 0.5% i	(96.65)	848.19	(63.00)	773.73

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

C. Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated for group as a whole.

j) **Risk**

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

k) Refer respective standalone financial statements of Holding Company and the Subsidiary Companies forming part of the Group for Maturity Profile of Defined Benefit obligation.

(This page has been left blank intentionally)

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

Note 40: Capital Management

The Group's objectives when managing capital are to:
- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

-maintain an appropriate capital structure of debt and equity.
The Board of Directors have the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management in deployment of funds and sourcing by leveraging opportunities in domestic and international markets so as to maintain investors, creditors and markets confidence and to sustain future development of the business.

The Group monitors capital, using a medium term view ranging between three to five years, on the basis of a number of financial ratios generally used by the industry. The Group monitors capital structure using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises of long term and short term borrowings less cash and cash equivalents. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of reporting periods were as follows:

Particulars	As At March 31, 2022	As At March 31, 2021
Borrowings (Refer to note 21 & 21A)	56,414.18	36,582.96
Interest accrued but not due on borrowings (Refer note no. 22)	93.59	23.26
Less: cash and cash equivalents (Refer to note 17)	(11,685.07)	(9,471.34)
Net debt (A)	**44,822.70**	**27,134.88**
Equity share capital (Refer to note 19)	2,166.39	2,166.39
Other equity (Refer to note 20)	57,727.53	49,555.07
Total Capital (B)	**59,893.93**	**51,721.46**
Capital and net debt (A+B=C)	**104,716.62**	**78,856.34**
Gearing ratio (A/C)	**42.80%**	**34.41%**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

[This page has been left blank intentionally]

Note 41 : Derivative instruments and unhedged foreign currency exposure

I) Hedge Accounting

(i) The Group enters into hedging instruments in accordance with policies as approved by the Board of Directors with written principles which is consistent with the risk management strategy of the Group. The Group has decided to apply hedge accounting for certain derivative contracts that meets the qualifying criteria of hedging relationship entered post April 01, 2019. Hedging strategies are decided and monitored periodically by the Risk Management Committee of the Board. The Hedging Practice and its corresponding hedge accounting is mainly followed by the Holding Company.

Cash Flow Hedges

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecasted hedged items in US dollar. These forecast transactions are highly probable. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

(ii) **The fair value of derivative financial instruments is as follows:**

Particulars	Assets March 31, 2022	Liabilities March 31,
Fair value of foreign currency forward exchange contract designated as hedging instruments	406.69	12.34

The critical terms of the foreign currency forward contracts match the terms of the expected highly probable forecast sale transactions.
The cash flow hedges of the forecasted sale transactions for the year ended March 31, 2022 were assessed to be highly effective and unrealised profit of ₹ 419.03 lakh, with a deferred tax liability of ₹ 105.46 lakh relating to the hedging instruments, is included in OCI. (March 31, 2021: Unrealised profit of ₹ 979.45 lakh with a corresponding deferred tax liability of ₹ 342.72 lakh).

(iii) Maturity Profile: The following table includes the maturity profile of the foreign exchange forward contracts:

Particulars	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	Total
As at March 31, 2022 (in ₹)	8,031.01	12,657.88	19,245.30	14,329.11	8,296.72	62,560.03
Notional amount (in USD)	104.99	165.36	249.00	183.68	105.50	808.53
Average forward rate (USD/₹)	76.49	76.55	77.29	78.01	78.64	77.37
As at March 31, 2021 (in ₹)	-	-	-	-	2,278.85	2,278.85
Notional amount (in USD)	-	-	-	-	30.00	30.00
Average forward rate (USD/₹)	-	-	-	-	-	75.96

(iv) The impact of the hedging instruments on the balance sheet is as follows:

The line item in Balance Sheet where Hedge Instrument is disclosed under other current financial assets (March 31 2021: Other current Financial Liabilities). The changes in fair value of forward exchange contract are disclosed as under:

Particulars	Amount (₹)
Foreign currency risk forward contract- As at March 31, 2022 (Asset)	406.69
Foreign currency risk forward contract- As at March 31, 2021 (Liability)	979.45

(v) The effect of the cash flow hedge in the statement of profit or loss and other comprehensive income is, as follows:

Particulars	Total hedging gain/(loss) recognised in OCI	Line item in Statement of profit and loss	Amount reclassified from OCI to profit or loss.	Line item in Statement of profit and loss
As at March 31, 2022 Highly probable forecast sales	419.03	Cash Flow Hedge Reserve (OCI)	907.55	Revenue from Operations
As at March 31, 2021 Highly probable forecast sales	979.45	Cash Flow Hedge Reserve (OCI)	19.15	Revenue from Operations

(vi) Impact of hedging on equity

Set out below is the reconciliation of each component of equity and the analysis of other comprehensive income:

Particulars	Cash Flow Hedge Reserve
As at March 31, 2022	419.03
Effective Portion of Changes in fair Value arising from Foreign Exchange Forward Contracts	(907.55)
Amount reclassified to profit & loss	907.55
Tax effect	(105.46)
As at March 31, 2021	979.45
Effective Portion of Changes in fair Value arising from Foreign Exchange Forward Contracts	(19.15)
Amount reclassified to profit & loss	19.15
Tax effect	(342.72)

(vii) **Valuation Technique**

The Group enters into derivative financial instruments which are valued using valuation techniques which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing models, using present value calculations. Where quoted market prices are not available, fair values are based on Management best estimates, which are arrived at by the reference to market prices.

S.R. GUPTA & CO. * NEW DELHI * CHARTERED ACCOUNTANTS

II) Particulars of Unhedged foreign currency exposures:

Particulars	As At March 31, 2022		As At March 31, 2021	
	Foreign Currency in lakh	₹ in lakh	Foreign Currency in lakh	₹ in lakh
Foreign currency receivable	HKD -	-	HKD 6.17	58.37
	IDR 26,535.38	140.35	IDR 31,013.67	156.56
	BDT 53.96	48.41	EUR -	-
	GBP -	-	GBP 0.01	0.77
	SGD -	-	SGD 0.00	0.01
	VND 1,66,239.38	551.40	VND 7,137.67	22.79
	CNY -	-	CNY 0.29	3.28
	USD -	-	USD 219.21	16,111.82
Foreign currency payable	HKD -	-	HKD 159.43	1,507.30
	IDR 80,992.23	428.40	IDR 27,825.03	140.46
	VND 15,80,358.81	5,241.86	VND 203,645.44	650.10
	EUR -	-	EUR 0.03	2.27
	BDT 1,056.77	948.22	USD -	-

III) In respect of the derivative contracts entered into by the Group. The Management asesssess no material foreseeable losses as at the reporting date.

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

[This space has been left blank intentionally]

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

Note 42 : Fair value measurements

I Financial instruments

a) Financial instruments by category

Except Investment in equity instruments (Quoted) and investment in mutual funds which are measured at fair value through profit or loss, all other financial assets and liabilities viz. trade receivables, security deposits, cash and cash equivalents, other bank balances, interest receivable, other receivables, trade payables, employee related liabilities and borrowings, are measured at amortised cost. Derivative financial instruments and certain investments are measured at fair value through other comprehensive income.

b) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels of in the fair value hierarchy:

As at March 31, 2022

Particulars	Carrying amount					Fair value			
	FVOCI	FVTPL	Financial Assets - amortised cost	Financial Liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in equity shares (Quoted)	-	873.50	-	-	873.50	873.50	-	-	873.50
Investment in mutual funds	-	532.26	-	-	532.26	532.26	-	-	532.26
Investment in Units and Debt instrument	1,908.49	-	-	-	1,908.49	1,308.09	600.41	-	1,908.49
Investments in key man insurance policy	2,202.21	-	-	-	2,202.21	-	2,202.21	-	2,202.21
Financial Assets at Fair Value through OCI - Cash Flow Hedge	406.69	-	-	-	406.69	-	-	-	-
Financial assets not measured at fair value									
Investment in equity shares (Unquoted)	-	-	-	-	-	-	-	-	-
Investment in preference shares	-	-	-	-	-	-	-	-	-
Investment in government securities	-	-	1.63	-	1.63	-	-	-	-
Loan to employees	-	-	41.36	-	41.36	-	-	-	-
Loan to related parties	-	-	-	-	-	-	-	-	-
Loan to Others	-	-	3,543.10	-	3,543.10	-	-	-	-
Security Deposits	-	-	912.92	-	912.92	-	-	-	-
Interest accrued but not due on term deposits	-	-	62.41	-	62.41	-	-	-	-
Interest accrued but not due on loan to related parties	-	-	-	-	-	-	-	-	-
Deposits with original maturity of more than 12 months	-	-	273.70	-	273.70	-	-	-	-
Trade receivables	-	-	36,662.31	-	36,662.31	-	-	-	-
Cash and cash equivalents	-	-	11,685.07	-	11,685.07	-	-	-	-
Other bank balances	-	-	3,292.39	-	3,292.39	-	-	-	-
Other Financial assets	-	-	31.47	-	31.47	-	-	-	-
	4,517.39	1,405.76	56,506.36	-	62,429.51	2,713.85	2,802.62	-	5,516.46

B.R. GUPTA & CO. * CHARTERED ACCOUNTANTS * NEW DELHI

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

Particulars	FVOCI	FVTPL	Financial Assets - amortised cost	Financial Liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value									
Borrowings	-	-	-	56,414.18	56,414.18	-	-	-	-
Lease Liabilities	-	-	-	8,045.15	8,045.15	-	-	-	-
Security Deposits	-	-	-	247.44	247.44	-	-	-	-
Book overdraft	-	-	-	-	-	-	-	-	-
Interest accrued but not due on borrowings	-	-	-	93.59	93.59	-	-	-	-
Unpaid dividends	-	-	-	26.24	26.24	-	-	-	-
Trade payables	-	-	-	43,868.79	43,868.79	-	-	-	-
Creditors for capital goods	-	-	-	92.90	92.90	-	-	-	-
Others	-	-	-	684.85	684.85	-	-	-	-
	-	-	-	109,473.13	109,473.13	-	-	-	-

As at March 31, 2021

Particulars	Carrying amount					Fair value			
	FVOCI	FVTPL	Financial Assets - amortised cost	Financial Liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in equity shares (Quoted)	-	335.00	-	-	335.00	335.00	-	-	335.00
Investment in mutual funds	-	754.38	-	-	754.38	754.38	-	-	754.38
Investment in Units and Debt instrument	2,042.92	-	-	-	2,042.92	2,042.92		-	2,042.92
Investments in key man insurance policy	2,085.98	-	-	-	2,085.98	2,085.98	-	-	2,085.98
Financial assets not measured at fair value									
Investment in equity shares (Unquoted)	-	-	-	-	-	-	-	-	-
Investment in preference shares	-	-	270.00	-	270.00	-	-	-	-
Investment in government securities	-	-	1.63	-	1.63	-	-	-	-
Loan to employees	-	-	31.04	-	31.04	-	-	-	-
Loan to related parties	-	-	300.00	-	300.00	-	-	-	-
Loan to Others	-	-	3,542.13	-	3,542.13	-	-	-	-
Security Deposits	-	-	974.99	-	974.99	-	-	-	-
Interest accrued but not due on term deposits	-	-	36.15	-	36.15	-	-	-	-
	-	-	-	-	-				
Interest accrued but not due on loan to related parties	-	-	265.69	-	265.69	-	-	-	-
Deposits with original maturity of more than 12 months						-	-	-	-
Trade receivables	-	-	24,217.21	-	24,217.21	-	-	-	-
Cash and cash equivalents	-	-	9,471.34	-	9,471.34	-	-	-	-
Other bank balances	-	-	2,233.21	-	2,233.21	-	-	-	-
Other Financial assets	-	-	32.35	-	32.35	-	-	-	-
	4,128.90	1,089.38	41,375.74	-	46,594.02	5,218.28	-	-	5,218.28

B.R. GUPTA & CO. * NEW DELHI * CHARTERED ACCOUNTANTS

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

Financial liabilities measured at fair value									
Financial Liabilites at Fair Value through OCI - Cash Flow Hedge	12.34	-	-	-	12.34	12.34	-	-	12.34
Financial liabilities not measured at fair value									
Borrowings	-	-	-	36,582.96	36,582.96	-	-	-	-
Lease Liabilities	-	-	-	7,394.94	7,394.94	-	-	-	-
Security Deposits	-	-	-	137.28	137.28	-	-	-	-
Book overdraft	-	-	-	261.51	261.51	-	-	-	-
Interest accrued but not due on borrowings	-	-	-	23.26	23.26	-	-	-	-
Unpaid dividends	-	-	-	29.75	29.75	-	-	-	-
Trade payables	-	-	-	24,676.84	24,676.84	-	-	-	-
Creditors for capital goods	-	-	-	203.74	203.74	-	-	-	-
Others	-	-	-	796.14	796.14	-	-	-	-
	12.34	-	-	70,106.42	70,118.77	12.34	-	-	12.34

c) Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.
Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
There have been no transfers in either direction for the year ended 31 March 2022 and 31 March 2021.

d) **Fair value of financial assets and liabilities measured at amortised cost**
The carrying amounts of short-term trade and other receivables, trade payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.
For other financial liabilities/ assets that are measured at fair value, the carrying amounts are equal to the fair values.

e) For specific valuation techniques used to value financial instruments, Refer disclosures made in the standalone financials of Holding Company and Subsidiary companies.

B.R. GUPTA & CO. * CHARTERED ACCOUNTANTS * NEW DELHI

[This space has been left blank intentionally]

Note 43: Financial risk management objectives and policies

The Group principal financial liabilities comprises of trade and other payables, borrowings, current maturity of borrowings, interest accrued and capital creditors. The main purpose of these financial liabilities is to finance the operations and to provide guarantees to support its

The Group principal financial assets includes investment in mutual funds, loans to related parties, security deposits, trade receivables, cash and cash equivalents, deposits with bank, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

The Group has exposure to the following risks arising from financial instruments:
-credit risk,
-liquidity risk and
-market risk.
The senior level management of respective companies in the Group oversees the management of these risks and is supported by treasury department that advises on the appropriate financial risk governance framework.

A. Credit risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to the Group. Credit risk arise from Cash and cash equivalents, deposit with banks, trade receivables and other financial assets measure at amortised cost. The respective companies in the Group continuosly monitors defaults of customers and other counterparties and incorporate this information into its credit risk control. The carrying amount of financial assets represents the maximum credit exposure.

i) Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The credit risk is managed by the Group based on credit approvals, establishing credit limits and continuosly monitoring the credit worthiness of the customers, to whom the Group grants credit period in the normal course of business inlcuding taking credit insurance against export receivables. The Group uses expected credit loss model to assess the impairement loss in trade receivables and makes an allowance of doubtful trade receivables using this model.

ii) Other Financial Assets

The Group maintains exposure in cash & cash equivalents, term deposits with banks, investments, advances and security deposits etc. Credit risk from balances with banks, investment in mutual funds and loan to related parties is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the respective Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of their finance committee. The Group's maximum exposure to the credit risk as at March 31, 2022 and March 31, 2021 is majorly the carrying value of each class of financial assets.

iii) Risk Exposure of Holding Company in respect of guarantees given as under:

- **Quantitative data about exposure and maturity profile**

Guarantee Given to	Details of Subsidiary	Purpose of Guarantee	Amount as at March 31, 2022	Guarantee Valid Upto
Standard Chartered Bank, Hongkong Branch	Pearl Global (HK) Limited	Securing Credit Facilities	USD 30.00 lakh equivalent to ₹ 2,274.30 lakh	February 04, 2023
HSBC Bank, Hongkong Branch	Pearl Global (HK) Limited and its step down subsidiaries DSSP Global Limited and Pearl Grass Creations Limited	Securing Credit Facilities	USD 200.00 lakh equivalent to ₹15,162.00 lakh	November 17, 2023
		Securing Credit Facilities	USD 40.00 lakh equivalent to ₹3,032.40 lakh	December 31, 2023

- Policy of managing risk: The Group considers the probability of default upon initial recognition and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of default as at the reporting date with the risk of default as at the date of initial recognition. The Group considers reasonable and supportive forward-looking information such as significant changes in the value of guarantee or in the quality of exposure or credit enhancements.

B. Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.
The Group's objective is to, maintain optimum levels of liquidity to meet its cash and collateral requirements both under normal & stressed conditions. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of fund through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.
These facilities and limits vary at company level (forming part of Group) and takes into account, future cash flows and the liquidity in which the entity operates.

R.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

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

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

As at March 31, 2022	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	34,891.47	9,139.90	12,256.81	126.00	56,414.18
Lease Liabilities	209.72	674.03	2,411.63	4,749.77	8,045.15
Trade payables	41,166.49	2,702.30	-	-	43,868.79
Other financial liabilities	897.58	6.51	240.92	-	1,145.02
Total	**77,165.26**	**12,522.74**	**14,909.36**	**4,875.77**	**109,473.14**

As at March 31, 2021	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	21,023.14	3,097.49	12,000.49	461.84	36,582.96
Lease Liabilities	315.11	548.47	3,128.20	3,403.17	7,394.94
Trade payables	24,676.84	-	-	-	24,676.84
Other financial liabilities	1,326.75	-	137.28	-	1,464.03
Total	**47,341.83**	**3,645.95**	**15,265.97**	**3,865.01**	**70,118.77**

C. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk are borrowings, short term deposits and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2022 and March 31, 2021.

I) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates primarily to the long-term debt obligations with floating interest rates.

The Group main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to interest rate risk. The Group manages its net exposure to interest rate risk related to borrowings, by balancing a proportion of fixed rate and floating rate borrowing in its total borrowing portfolio. Currently, the Group's borrowings are within acceptable risk levels, as determined by the management, hence the Group has not taken any swaps to hedge the interest rate risk.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of borrowings affected. With all other variables held constant, the Group profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase or decrease in basis points	Decrease / (increase) in profit
March 31, 2022	+50	23.25
	-50	(23.25)
March 31, 2021	+50	7.34
	-50	(7.34)

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

ii) Foreign currency risk

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

Particulars	Changes in Exchange rate	Decrease / (Increase) in profit before tax
March 31, 2022	+5%	293.92
	-5%	(293.92)
March 31, 2021	+5%	(702.67)
	-5%	702.67

S.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

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

Note 44 : Segment information

a) The operating segments are established on the basis of those components of the group that are evaluated regularly by the Executive Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. The Group has presented segment information on geographical basis in the consolidated financial statements.

Summary of segment Information as at and for the year ended March 31, 2022 and March 31, 2021 is as follows:

Particulars	Bangladesh	Hong Kong	India	Others	Un-allocable	Total	Elimination	Total
Segment Sales	7,185.57	150,026.90	63,891.55	50,248.87	-	271,352.90	-	271,352.90
	(7,537.81)	(61,526.19)	(67,595.75)	(12,432.90)	-	(149,092.65)	-	(149,092.65)
Inter Segment Sales	87,819.38	50,160.99	30,292.59	-	-	168,272.96	168,272.96	-
	(48,996.23)	(16,732.86)	(9,570.62)	-	-	(75,299.70)	(75,299.70)	-
Total Segment Sales	**95,004.96**	**200,187.89**	**94,184.14**	**50,248.88**	-	**439,625.87**	**168,272.97**	**271,352.90**
	(56,534.04)	**(78,259.04)**	**(77,166.37)**	**(12,432.90)**	-	**(224,392.36)**	**(75,299.70)**	**(149,092.65)**
Other Income	22.55	693.29	3,213.98	-	-	3,929.83	583.90	3,345.94
	2.88	(568.49)	(2,409.16)	-	-	(2,974.77)	(624.29)	(2,350.49)
Total Segment Revenue	**95,027.52**	**200,881.19**	**97,398.13**	**50,248.88**	-	**443,555.70**	**168,856.87**	**274,698.83**
	(56,531.17)	**(78,827.53)**	**(79,575.53)**	**(12,432.90)**	-	**(227,367.13)**	**(75,923.99)**	**(151,443.14)**
Total Revenue of each segment as a percentage of total revenue of all segment	21.42	45.29	21.96	11.33	-	100.00	-	-
	(24.86)	(34.67)	(35.00)	(5.47)	-	(100.00)	-	-
Total Segment Operative Profit	4,853.35	3,015.49	8,037.46	2,169.55	-	18,075.87	-	18,075.87
	(3,133.27)	(2,633.31)	(3,294.86)	(610.01)	-	(9,671.46)	-	(9,671.45)
Depreciation	1,449.37	1,160.98	1,772.78	450.55	-	4,833.68	-	4,833.68
	(1,595.80)	(664.45)	(1,813.42)	(336.88)	-	(4,410.55)	-	(4,410.55)
Total Segment Result before Interest & Taxes	3,403.99	1,854.52	6,264.68	1,719.00	-	13,242.19	-	13,242.19
	(1,537.47)	(1,968.87)	(1,481.44)	(273.13)	-	(5,260.91)	-	(5,260.91)
Total EBIT of each segment as a percentage of total EBIT of all segment	25.71	14.00	47.31	12.99	-	100.00	-	-
	(29.22)	(37.42)	(28.16)	(5.20)	-	(100.00)	-	-
Net Financing Cost	-	-	-	-	-	-	-	4,660.37
	-	-	-	-	-	-	-	(4,125.34)
Income Tax Expenses	-	-	-	-	-	-	-	1,570.94
	-	-	-	-	-	-	-	612.76
Profit for the Year	-	-	-	-	-	-	-	**7,010.88**
	-	-	-	-	-	-	-	**(1,748.32)**

Pearl Global Industries Limited

Notes to consolidated financial statements for the year ended March 31, 2022

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

Segment Assets	32,643.76	51,896.51	67,647.70	19,772.71	6,101.17	178,061.85	-	178,061.85
	(23,188.35)	(33,247.97)	(61,996.35)	(4,524.40)	(6,441.48)	(129,398.56)	-	(129,398.56)
Segment Assets as a percentage of Total assets of all segments	18.33	29.15	37.99	11.10	3.43	100.00	-	-
	(17.92)	(25.69)	(47.91)	(3.50)	(4.98)	(100.00)	-	-
Segment Liabilities	24,197.69	4,756.78	23,721.13	7,010.31	56,888.69	116,574.61	-	116,574.61
	(15,888.81)	(6,306.54)	(16,857.27)	(654.24)	(36,676.40)	(76,383.26)	-	(76,383.26)
Segment Liabilities as a percentage of Total Liabilities of all segments	20.76	4.08	20.35	6.01	48.80	100.00	-	-
	(20.80)	(8.26)	(22.07)	(0.86)	(48.02)	(100.00)	-	-
Segment Capital Employed	8,446.07	47,139.72	43,926.57	12,762.40	(50,787.53)	61,487.24	-	61,487.24
	(7,299.54)	(26,941.43)	(45,139.08)	(3,870.16)	30,234.92	(53,015.29)	-	(53,015.29)
Segment Capital Employed as a percentage of Total capital employed of all	13.74	76.67	71.44	20.76	(82.60)	100.00	-	-
	(13.77)	(50.82)	(85.14)	(7.30)	57.03	(100.00)	-	-
Capital Expenditure	1,141.60	683.20	871.18	1,381.57	-	4,077.57	-	4,077.57
	(946.25)	(1,544.45)	(691.89)	(10.42)	-	(3,193.01)	-	(3,193.01)
Segment Capital Expenditure as a percentage of Total capital expenditure of all segments	28.00	16.76	21.37	33.88	-	100.00	-	-
	(29.64)	(48.37)	(21.67)	(0.33)	-	(100.00)	-	-

b) The Group revenue from sale of garments to external customer are as follows:

Particulars	**As At March 31, 2022**	**As At March 31, 2021**
Local Customers	2,172.02	439.41
Foreign Customers	260,759.36	145,422.28
Total	**262,931.37**	**145,861.69**

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

Particulars	**As At March 31, 2022**	**As At March 31, 2021**
Non Current Assets		
- within India	22,754.36	23,670.78
- outside India	30,636.79	29,646.63

d) Revenue from major customer: During the year the Group generates 90% of its external revenues from 15 customers (March 31, 2021: 14 customers).

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

Note 45 : Contingent liabilities and commitments

a) **Contingent liabilities (To the extent not provided for)**

I The respective companies have reviewed all its pending claims, litigations and other proceedings and has adequately provided for wherever required. However, wherever it is difficult for the respective companies to estimate the timings of cash outflows, if any, in respect of the below as it is determinable only on receipt of judgement/decisions pending with various forums/authorities, the Group has disclosed the same as Contingent Liabilities (pending resolution of the respective proceedings).
The Group does not expect the outcome of these proceedings to have a material or adverse effect on financial position of the Company. Also, the Group does not expect any reimbursements in respect of the below contingent liabilities.

	As At March 31, 2022	As At March 31, 2021
In respect of Holding Company:		
-Tax Demand as per Sec 154 and Sec 16(1) of Income Tax Act , 1961 (with respect to Assessment Year 2015-16) - Rectification application has been filled with ITAT	15.57	8.34
-Tax Demand as per Sec 35(1) of Wealth Tax Act, 1957 (with respect to Assessment Year 2015-16- Rectification u/s 154- Assessing Officer)	0.04	-
-Tax Demand as per Sec 250 of Income Tax Act, 1961 (with respect to Assessment Year 2016-17) - Rectification application has been filled with ITAT	3.40	38.83
-Tax Demand as per Sec 143(3) of Income Tax Act, 1961 (with respect to Assessment Year 2017-18) - Rectification application has been filled with CIT(A)	3.83	16.61
-Tax Demand as per Sec 115-O of Income Tax Act, 1961 (with respect to Assessment Year 2017-18) - Rectification application has been filled with Assessing Officer	33.30	-
-Tax Demand as per Sec 154 of Income Tax Act, 1961 (with respect to Assessment Year 2018-19) - Appeal pending before CIT(A)	5.70	-
-Demand as per TDS (TRACES) portal - CPC	4.65	8.71

(ii) Several Legal Cases of labour pending at labour Court, Civil Court and High Court. The Group has assesed and believe that none of these cases, either individually or in aggregate, are expected to have any material adverse effect on its financial statements. However, Since it is difficult for the Group to estimate the timings of the cash outflows, if any, no further provision or seperate disclosure is made in books of accounts.

		As At March 31, 2022	As At March 31, 2021
II	Irrevocable letter of credit (net of margin) outstanding with banks	14,630.34	13,678.44
III	Bank Guarantee given to government authorities	214.48	204.93
IV	Counter Guarantees given by the Group to the Sales Tax Department over which Key Managerial Personnel have Significant influence		
	- For enterprise	1.00	1.00
	- For others	0.50	0.50

V The Group has given the corporate guarantees to banks on behalf of its foreign subsidiaries [Refer note no. 43 A(iii)].

b) Commitments	As At March 31, 2022	As At March 31, 2021
Capital Commitment: Estimated amount of contracts remaining to be executed on the capital account (Net of capital advances of ₹ 228.43 lakh (March 31, 2021: ₹ 165.04))	420.11	-

The Group does not have any other long term Commitments or material non cancellable contractual commitments, which may have a material impact on the financial statement.

Note 46 : Related party transactions

A. List of related parties

Nature of Relationship	Name of the Related Party
Subsidiary (Direct / Indirect)	**Domestic (Direct)**
	Pearl Apparel Fashions Limited (Formerly known as Lerros Fashions India Limited) (Under Liquidation)
	Pearl Global Kaushal Vikas Limited (Formerly known as Pixel Industries Limited)
	SBUYS E-Commerce Limited
	Overseas (Direct)
	Pearl Global Fareast Limited
	Pearl Global (HK) Limited
	Norp Knit Industries Limited
	Pearl Global USA, Inc.
	Overseas (Indirect)
	A & B Investment Limited
	Pearl Global F.Z.E.
	DSSP Global Limited
	Pearl Global Vietnam Company Limited

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

	Pearl Global(Chang Zhou) Textile Technology Company Limted (Liquidated on 05.08.2021)
	Pearl Grass Creations Limited (Formerly known as Pearl Tiger HK Limited)
	PGIC Investment Limited
	Prudent Fashions Limited
	PT Pinnacle Apparels (Formerly known as PT Norwest Industry)
	Vin Pearl Global Vietnam Limited

Enterprise over which Key Managerial Personnel exercise Significant Influence	PDS Limited (Formerly known as PDS Multinational Fashions Limited)

Key Management Personnel (KMP) & their relative	Mr. Deepak Seth	Chariman
	Mr. Pulkit Seth	- Vice Chairman - Managing Director
	Mrs. Shifalli Seth	- Whole -Time Director
	Mr. Pallab Banerjee	- Joint Managing Director (from 01.10.2021)
	Mr. Vinod Vaish	Whole-Time Director (till 30.04.2020)
	Mr. Uma Shankar Kaushik	Whole-Time Director (from 28.07.2020 till 10.01.2022)
	Mr. Shailesh Kumar	Whole-Time Director (from 07.10.2020)
	Mr. Deepak Kumar	Whole-Time Director (from 14.02.2022)
	Mr. Raghav Garg	Chief Financial Officer (till 30.06.2020)
	Mr.Kashmir Singh Rathour	Chief Financial Officer (from 28.07.2020 till 20.04.2021)
	Mr. Narendra Kumar Somani	Chief Financial Officer (w.e.f 21.06.2021)
	Mr. Sandeep Sabharwal	Company Secretary (till 15.02.2021)
	Mr. Mayank Jain	Company Secretary (from 21.06.2021 to 08.11.2021)
	Mr. Ravi Arora	Company Secretary (w.e.f 14.02.2022)

B. Disclosure of Related Parties Transactions:

(i) Enterprise over which KMP has Significant Influence

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Dividend Received	7.87	-
Expenses paid by them on behalf of the Company	2.87	2.25
Loan Received Back	300.00	-
Interest income	28.68	30.05

Closing Balance	As At March 31, 2022	As At March 31, 2021
Loan receivable (including interest)	-	300.00

(ii) Key Management Personnel (KMP)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Remuneration paid	498.21	173.81
EPF paid	2.93	0.52
Expenses incurred on behalf of the Company	40.91	39.58
Directors sitting fees	0.60	0.50

Closing Balance	As At March 31, 2022	As At March 31, 2021
Trade Payable - Payable to KMP	14.40	-

C. Disclosure of Material Transactions: Related Parties having more than 10% interest in each transaction in the ordinary course of business.

(i) Enterprise over which KMP has significant influence

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Dividend Received		
PDS Multinational Fashion Limited	7.87	-
Expenses paid on behalf of the Company		
PDS Multinational Fashion Limited	2.87	2.25
Interest income		
PDS Multinational Fashion Limited	28.68	30.05
Loan received back		
PDS Multinational Fashion Limited	300.00	-
Closing Balance		
Loan receivable (Including interest)		
PDS Multinational Fashion Limited	-	300.00

(ii) Key Management Personnel

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Remuneration paid		
Mr.Pulkit Seth	255.04	83.40
Mrs. Shifalli Seth	37.50	34.75
Mr. Uma Shankar	22.50	14.95
Mr. Deepak Kumar	6.58	-
Mr. Mayank Jain	9.72	9.26
Mr. Narendra Somani	42.00	20.34
Mr. Kumar Shailesh	16.00	11.12
Mr. Pallabh Banarjee	102.72	-
Mr. Ravi Arora	4.15	-
Expenses paid by the Company on their behalf		
Mr.Pulkit Seth	0.11	0.11
Mrs. Shifalli Seth	0.11	0.11
Mr. Deepak Kumar	0.05	-
Mr. Mayank Jain	0.14	0.14
Mr. Kashmir Rathour	-	0.16
Mr. Pallabh Banarjee	2.52	-
Expenses Incurred on behalf of the Company		
Mr. Uma Shankar	13.32	4.71
Mr. Sandeep Sabharwal	-	6.04
Mr. Raghav Garg	-	13.36
Mr. Vinod Vaish	-	13.68
Mr. Mayank Jain	6.00	-
Mr. Narendra Somani	14.43	-
Mr. Kumar Shailesh	5.31	1.58
Mr. Pallabh Banarjee	1.85	-
Directors sitting Fees:		
Mr. Deepak Seth	0.60	0.50

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

iv) The remuneration of Key managerial Personnel does not include amount in repect of gratuity and leave encashment payable as the same are not determinable as individual basis for the KMP. The liabilities of gratuity and leave encashment are provided for Company as whole on the basis of acturial valuation.

v) Personal Gurantee given by Mr. Deepak Seth (Promoter Director) and Mr. Pulkit Seth (Managing Director) against the Borrowings (Refer note 21).

vi) Corporate Guarantee given by the Holding company (as per Section 186(4) of the Companies Act 2013)

- To Standard Chartered Bank, Hongkong Branch for securing credit facilities to its wholly owned subsidiary Pearl Global (HK) Limited, Hong Kong for USD 30.00 lakh equivalent to ₹ 2,274.30 lakh (March 31, 2021 USD 30.00 lakh equivalent to ₹ 2,205.00 lakh).
- To Hongkong and Shanghai Banking Corporation Limited, Hongkong Branch for securing credit facilities to its wholly owned subsidiary Pearl Global (HK) Limited, Hong Kong and its step down subsidiary DSSP Global Limited and Pearl Grass Creations Limited for USD 200.00 lakh equivalent to ₹15,162.00 lakh (March 31, 2021: USD 200.00 lakh equivalent to ₹ 14,700.00 lakh).
- To Hongkong and Shanghai Banking Corporation Limited, Hongkong Branch for securing credit facilities to its wholly owned subsidiary Pearl Global (HK) Limited, Hong Kong and its step down subsidiary DSSP Global Limited and Pearl Grass Creations Limited for USD 40.00 lakh equivalent to ₹3,032.40 lakh (March 31, 2021: USD Nil equivalent to ₹ Nil).
- To Standard Chartered Bank, Bangladesh Branch for securing credit facilities to its subsidiary Norp Knit Industries, Bangladesh for BDT Nil equivalent to ₹ Nil (March 31, 2021: BDT 9,000.00 Lakh equivalent to ₹ 7,636.03 lakh).

Above Corporate Guarantees have been given for business purpose.

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

(This space has been left blank intentionally)

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

Note 47 : Disclosures mandated by Schedule III of Companies Act 2013, by way of additional information

For financial year 2021-22

Particulars	Net Assets i.e. total assets minus total liabilities		Share in profit /(loss)		Share in other Comprehensive Income		Share in total Comprehensive Income	
Name of the Entities	As a % of consolidated net assets	Amount	As a % of consolidated Profit	Amount	As a % of consolidated Profit	Amount	As a % of consolidated Profit	Amount
Parent:								
Pearl Global Industries Limited	57.35	34,348.05	38.74	2,715.78	18.52	260.26	35.36	2,976.04
Subsidiary:								
- Indian								
Pearl Global Kausal Vikas Limited	(0.00)	(0.31)	(0.01)	(0.43)	-	-	(0.01)	(0.43)
Pearl Apparel Fashions Limited	0.01	3.63	0.04	2.83	0.00	0.05	0.03	2.88
SBUYS E-Commerce Limited	0.08	49.57	0.70	48.93	-	-	0.58	48.93
- Foreign								
Norp Knit Industries Limited	26.09	15,626.06	27.68	1,940.37	23.40	328.80	26.96	2,269.17
Pearl Global Far East Limited	12.25	7,334.02	(6.17)	(432.39)	10.72	150.63	(3.35)	(281.76)
Pearl Global (HK) Limited	25.29	15,149.85	38.99	2,733.47	48.68	684.02	40.61	3,417.49
Subtotal	-	**72,510.99**	-	**7,008.56**	-	**1,423.75**	-	**8,432.32**
Intercompany Elimination & Consolidation	(21.07)	(12,617.07)	0.03	2.31	(1.32)	(18.49)	(0.19)	(16.18)
Total	-	**59,893.92**	-	**7,010.88**	-	**1,405.26**	-	**8,416.14**
Non Controlling Interest in subsidiaries	-	1,593.33	-	(196.24)	-	(47.39)	-	(243.63)
Grand Total	-	**61,487.25**	-	**6,814.64**	-	**1,357.87**	-	**8,172.51**

S.R. GUPTA & CO. * NEW DELHI * CHARTERED ACCOUNTANTS *

Pearl Global Industries Limited

Notes to consolidated financial statements for the year ended March 31, 2022

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

(b) For financial year 2020-21:

Particulars	Net Assets i.e. total assets minus total liabilities		Share in profit /(loss)		Share in other Comprehensive Income		Share in total Comprehensive Income	
Name of the Entities	As a % of consolidated net assets	Amount	As a % of consolidated Profit	Amount	As a % of consolidated Profit	Amount	As a % of consolidated Profit	Amount
Parent:								
Pearl Global Industries Limited	60.66	31 372.02	4.43	77.40	(813.05)	706.70	47.19	784.10
Subsidiary:								
- Indian								
Pearl Global Kausal Vikas Limited	0.00	0.10	(0.04)	(0.65)	-	-	(0.04)	(0.65)
Pearl Apparel Fashions Limited	-	-	-	-	-	-	-	-
SBUYS E-Commerce Limited	0.00	0.74	(0.00)	(0.01)	-	-	(0.00)	(0.01)
- Foreign								
Norp Knit Industries Limited	25.82	13.356.89	13.27	231.96	442.40	(384.53)	(9.18)	(152.57)
Pearl Global Far East Limited	13.78	7.129.38	6.70	117.17	176.30	(153.22)	(2.17)	(36.05)
Pearl Global (HK) Limited	23.15	11.975.99	75.70	1,323.50	268.15	(233.07)	65.63	1,090.43
Subtotal	-	**63,835.42**	-	**1,749.37**	-	**(64.12)**	-	**1,685.25**
Intercompany Elimination & Consolidation	(23.42)	(12.113.36)	(0.06)	(1.05)	26.22	(22.79)	(1.43)	(23.84)
Total	-	**51,721.46**	-	**1,748.32**	-	**(86.91)**	-	**1,661.41**
Non Controlling Interest in subsidiaries	-	1.293.82	-	(21.21)	-	23.84	-	2.63
Grand Total	-	**53,015.28**	-	**1,727.11**	-	**(63.07)**	-	**1,664.04**

B.R. GUPTA & CO. * CHARTERED ACCOUNTANTS * NEW DELHI

[This space has been left blank intentionally]

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

Note 48 : Leases

a) Lease contracts entered by the Group majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Group does not have any lease restrictions and commitment towards variable rent as per the contract.

Right-of-use assets: movements in carrying value of assets	**Buildings**
Gross Block as at March 31, 2020	**12,159.53**
Add: Additions during the year	560.59
Add: Adjustment on account of addition of prepaid component of security deposit	327.58
Add / (Less): Reclassification from PPE on account of adoption of Ind AS 116	(62.60)
(Less): Disposal / adjustments during the year	(6.58)
Add/(Less): Exchange Fluctuation/ Translation	(228.54)
Gross Block as at March 31, 2021	**12,749.98**
Add: Additions during the year	3,224.17
(Less): Disposal / adjustments during the year	(624.32)
Add/(Less): Exchange Fluctuation/ Translation	333.31
Gross Block As at March 31, 2022	**15,683.12**
Accumulated Depreciation and amortisation :	
As at April 01, 2020	**1,433.53**
Add: Depreciation charge for the year	1,528.65
Add: Security Deposit Amortisation	33.15
Add: Reclassification from PPE on account of adoption of Ind AS 116	(12.11)
Add/(Less): Exchange Fluctuation/ Translation	(35.60)
As at March 31, 2021	**2,947.62**
Add: Depreciation charge for the year	1,692.61
Add: Security Deposit Amortisation	1.22
Less: (Disposals) / adjustments during the year	(211.37)
Add/(Less): Exchange Fluctuation/ Translation	84.89
As at March 31, 2022	**4,514.97**
Net Block :	
As at March 31, 2022	**11,168.15**
As at March 31, 2021	**9,802.36**

In 2021-22, there were no impairment charges recorded for right-of-use assets.

Leases: movements in carrying value of recognised liabilities

As At April 01, 2021	7,394.94
Add: Additions during the year	2,270.32
Add: Interest expense on lease liabilities	846.80
Less: Disposal /Adjustments during the year	(509.59)
Less: Repayment of lease liabilities	(2,049.72)
Add: Exchange Realisation/ Translation	92.40
As At March 31, 2022	**8,045.15**

Non-current lease liabilities	7,161.40
Current lease liabilities	883.75
Total lease liabilities	**8,045.15**

The maturity analysis of lease liabilities is given in note 43 in the 'Liquidity risk' section.

Leases committed and not yet commenced:

There are no leases commited which have not yet commenced as on reporting date. Cash flows from operating activities includes cash flow from short term lease & leases of low value.

Cash flows from operating activities includes cash flow from short term lease & leases of low value. Cash flows from financing activities includes the payment of interest and the principal portion of lease liabilities.

Group as a Lessor

The group is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor. For details of items of PPE given on lease, Refer to note no. 4 of Financial Statements.

S.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

Note 49 : Event occurring after balance sheet date

a) **Dividend paid and proposed:**

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Declared for the year:		
Interim dividend declared on 25th May 2022 by Pearl Global Industries Limited (India) for the financial year 2021-22: ₹ 5 per share (2020-21: ₹ Nil per share) **(₹ 5 on 21,663,937 equity shares)**	1,083.20	-
b) **Proposed Dividend:**		
- The directors of PG(HK) proposed final dividend for financial year 2021-22: $0.16 per share (2020-21: $ Nil per share) which is subject to the approval of the Group's shareholders at the forthcoming annual general meeting.	189.525	-
- The directors of Pearl Global Fareast Limited proposed final dividend for financial year 2021-22: $0.42 per share (2020-21: $ Nil per share) which is subject to the approval of the Group's shareholders at the forthcoming annual general meeting.	379.05	-

c) On 22 April 2022, the Group acquired a 52.11% equity interest in Alpha Clothing Limited, which engages in the manufacture of garment products in Bangladesh, at a consideration of ₹ 801.44 lakh (approx). The group has acquired Alpha Clothing Limited to further expand its production capacity.

d) No other material events have occurred between the balance sheet date to the date of issue of these financial statements that could affect the values stated in the financial statements.

Note 50 : Estimation of uncertainties relating to the global health pandemic - COVID-19:
The group has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of liquidity and going concern assumption, the recoverability of recoverability of carrying amounts of financial and non-financial assets. The group has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these standalone financial statements and expects to recover the carrying amount of its assets. The group will continue to monitor future economic conditions and its consequent impact on the business operations, given the uncertain nature of the pandemic.

Note 51 : No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entity identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 52: Disclosure of transactions with struck off companies
The group did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the financial years.

Note 53 :
A) No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:
(a) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
(b) Crypto Currency or Virtual Currency
(c) Relating to borrowed funds:
i) Wilful defaulter
ii) Utilisation of borrowed funds & share premium
iii) Borrowings obtained on the basis of security of current assets

Note 54 : 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

(Pallabi Banerjee)
Managing Director
DIN 07193749

(Pulkit Seth)
Vice-Chairman
DIN 00003044

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

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

Place of Signature: Gurugram
Date: 25.05.2022

S.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

PROPOSED ALLOTTEES IN THE ISSUE

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Manager, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees and the percentage of post-Issue capital that may be held by them is set forth below. The details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, will be included in the Placement Document to be sent to such proposed Allottees.

Sr. No.	Name of the proposed allottees*	Percentage of the post-Issue share capital held (%)^
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]

^ *Based on beneficiary position as on [●], 2024.*

**The details of the proposed Allottees have been intentionally left blank and will be filled in before issuing of the Placement Document to such proposed Allottees.*

The post-Issue shareholding pattern (in percentage terms) of the proposed Allottees will be disclosed on the basis of their respective PAN, except in case of Mutual Funds, Insurance Companies, and FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID has been considered.

DECLARATION

The Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on the Company's business have been obtained, are currently valid and have been complied with. The Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

SIGNED ON BEHALF OF BOARD OF DIRECTORS

Pallab Banerjee
Managing Director

Date: July 15, 2024

Place: Gurgaon

DECLARATION

We, the Board of Directors of the Company certify that:

I. the Company has complied with the provisions of the Companies Act and the rules made thereunder;

II. the compliance with the Companies Act and the rules thereunder, does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

III. the monies received under the Issue shall be used only for the purposes and objects indicated in the Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

SIGNED ON BEHALF OF BOARD OF DIRECTORS

Pallab Banerjee
Managing Director

Date: July 15, 2024

Place: Gurgaon

I am authorized by the Fund Raising Committee of the Board of Directors of our Company, through resolution dated July 15, 2024 to sign this form and declare that all the requirements of Companies Act and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

SIGNED ON BEHALF OF BOARD OF DIRECTORS

Pallab Banerjee
Managing Director

Date: July 15, 2024

Place: Gurgaon

PEARL GLOBAL INDUSTRIES LIMITED
Registered Office:C17/1 Paschimi Marg, Vasant Vihar, South West Delhi, New Delhi – 110 057; **Telephone**: + 91 11 46012471 **Corporate Office**: Pearl Tower, Plot No. 51, Sector 32, Gurugram, Haryana – 122 001, India, ; **Telephone**: + 91 124 4651000; **Website**: www.pearlglobal.com; **Contact Person: Shilpa Budhia, Company Secretary and Compliance Officer** Pearl Tower, Plot No. 51, Sector 32, Gurugram, Haryana – 122 001, India **E-mail**: shilpa.budhia@pearlglobal.com; **Telephone**: + (91) 124 4651000
BOOK RUNNING LEAD MANAGER
Emkay Global Financial Services Limited 7th Floor, The Ruby, Senapati Bapat Marg, Dadar (West), Mumbai – 400028 Maharashtra, India
LEGAL COUNSEL TO THE ISSUE
Dentons Link Legal Aiwan-e-Ghalib Complex, Mata Sundri Lane, New Delhi 110 002, India
INTERNATIONAL LEGAL COUNSEL
Dentons US LLP 100 Cresent Court , Suite 900, Dallas, Texas – 75201, United States
STATUTORY AUDITORS OF OUR COMPANY
S.R. Dinodia & Co. LLP K-39, Connaught Place, New Delhi-110001

SAMPLE APPLICATION FORM

"An indicative form of the Application Form is set forth below:"

<table>
<tr><td>PEARL GLOBAL
Exceeding Expectations... Always
Pearl Global Industries Limited</td><td rowspan="2">APPLICATION FORM

Name of the Bidder:

Form No.:

Date:</td></tr>
<tr><td>Our Company was incorporated as 'Mina Estates Private Limited' under the provision of Companies Act, 1956, pursuant to the certificate of incorporation dated July 5, 1989, issued by Registrar of Companies, Delhi and Haryana, located at New Delhi (the "RoC"). Subsequently, the name of our Company was changed to 'House of Pearl Fashions Private Limited' pursuant to a special resolution of the shareholders of the Company at an extraordinary general meeting held on May 9, 2006 and a fresh certificate of incorporation consequent upon the change of name was granted on June 19, 2006, by the RoC. Our Company became a public limited company pursuant to a special resolution passed by the shareholders of our Company at an extraordinary general meeting held on June 28, 2006. Pursuant to this special resolution, the name of our Company was changed to 'House of Pearl Fashions Limited' and a fresh certificate of incorporation was issued by the RoC consequent upon change of name on conversion to public limited company on July 31, 2006. Subsequently, the name of our Company was changed to its present name 'Pearl Global Industries Limited' pursuant to a special resolution of the shareholders of the Company through Postal Ballot on March 10, 2012 and a fresh certificate of incorporation consequent upon the change of name was granted on March 20, 2012, by the RoC.

Registered and Corporate Office: C17/1 Paschimi Marg, Vasant Vihar, South West Delhi, New Delhi – 110 057, India
Contact Person: Shilpa Budhia, Company Secretary and Compliance Officer
CIN: L74899DL1989PLC036849; Website: www.pearlglobal.com;
Telephone: + 91 11 46012471; E-mail: company.secretary@pearlglobal.com;
LEI: 33580081F89U3LE4DG24 | ISIN: INE940H01022</td></tr>
</table>

QUALIFIED INSTITUTIONS PLACEMENT OF UP TO [●] EQUITY SHARES OF FACE VALUE ₹ 5 EACH ("EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE ("ISSUE PRICE"), INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE, AGGREGATING UP TO ₹ [●] LAKHS IN ACCORDANCE WITH CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("SEBI ICDR REGULATIONS") AND SECTION 42 AND SECTION 62 OF THE COMPANIES ACT, 2013, ("COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED ("PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER, EACH AS AMENDED, BY PEARL GLOBAL INDUSTRIES LIMITED ("COMPANY" OR "ISSUER", AND SUCH ISSUE, THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 748.68 PER EQUITY SHARE AND OUR COMPANY MAY OFFER A DISCOUNT OF UP TO 5% ON THE FLOOR PRICE, AS APPROVED BY ITS SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which (i) are not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (b) prohibited or debarred by any regulatory authority for buying or selling or dealing in securities or restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; (ii) hold a valid and existing registration under the applicable laws in India (as applicable); (iii) are eligible to invest in the Issue and submit this Application Form, and (iv) are (a) residents in India or (b) foreign portfolio investors participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules"), the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 "SEBI FPI Regulations") and any other applicable law (other than individuals, corporate bodies and family offices), defined hereinafter ("Eligible FPIs") or a (c) multilateral or bilateral development financial institution eligible to invest in India under applicable law including the FEMA Rules; can submit this Application Form. Further, in terms of the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended, foreign venture capital investors ("FVCIs") are not permitted to participate in the Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in, and in compliance with, Regulation S under the U.S. Securities Act ("Regulation S") and in accordance with the applicable laws of the jurisdictions where those offers and sales are made. For the selling restrictions in certain other jurisdictions, see the section entitled "*Selling Restrictions*" in the accompanying preliminary placement document dated July 15, 2024 ("PPD").

ONLY ELIGIBLE QIBs ARE PERMITTED TO PARTICIPATE IN THE ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THIS ISSUE, THROUGH PORTFOLIO INVESTMENT SCHEME AND SCHEDULE II OF THE FEMA RULES, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE, AS PRESCRIBED UNDER THE FEMA RULES AND SHALL HAVE TO BE IN CONFORMITY WITH THE APPLICABLE PROVISIONS OF THE FEMA RULES. ALLOTMENTS MADE TO AIFs AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES AND LOCK-IN REQUIREMENTS. OTHER ELIGIBLE NON-RESIDENT QIBs SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,
The Board of Directors
PEARL GLOBAL INDUSTRIES LIMITED
C17/1 Paschimi Marg, Vasant Vihar, South West Delhi, New Delhi – 110 057

Respected All,

On the basis of the serially numbered PPD of the Company, and subject to the terms and conditions mentioned in the PPD and in this Application Form, we hereby submit our Bid for the Allotment of the Equity Shares in the Issue on the terms and price indicated below. We hereby confirm that we are an Eligible QIB as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations , holding a valid and existing registration under the applicable laws in India (as applicable) and not (a) excluded from making an application in the Issue pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws including foreign exchange related laws. We are not a Promoter (as defined in SEBI ICDR Regulations) of the Company, or any person related to the Promoters of the Company, directly or indirectly, as defined in the SEBI ICDR Regulations and this Application Form does not directly or indirectly represent the Promoters or members of the Promoter Group, or persons or entities related to the Promoters.

STATUS (Please tick for applicable category)			
FI	Scheduled Commercial Bank and Financial Institutions	**IC**	Insurance Companies
MF	Mutual Funds	**VCF**	Venture Capital Funds**
NIF	National Investment Fund	**FPI**	Foreign Portfolio Investor*
IF	Insurance Funds	**AIF**	Alternative Investment Funds**
SI-NBFC	Systematically Important Non – Banking Financial Companies	**OTH**	Others ________________ (Please specify)

**Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue.*
*** Sponsor and Manager should be Indian owned and controlled.*

Further, we confirm that we do not have any right under the shareholders' agreement or voting agreement entered into with Promoters, members of the Promoter Group or persons related to Promoters, veto rights or right to appoint any nominee director on the board of directors of the Company. In addition, we confirm that we are eligible to invest in the Equity Shares under the SEBI ICDR Regulations, Reserve Bank of India circulars, and other applicable laws. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules. We confirm that we are a QIB which is (a) resident in India, or (b) an Eligible FPI or (c) a multilateral or bilateral development financial institution. We confirm that we are not an FVCI. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020.

We confirm that the Bid size / aggregate number of Equity Shares applied for by us, and which may be Allotted to us thereon will not exceed the relevant regulatory or approved limits under applicable laws. We confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (**"SEBI Takeover Regulations"**). We confirm that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us, in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the PPD and this Application Form. We confirm that, in relation to our application, each Eligible FPIs, have submitted separate Application Forms, and asset management companies or custodians of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of Equity Shares bid for under each such scheme. We undertake that we will sign and/ or submit all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We acknowledge that the Board of Directors of the Company or any duly authorized committee thereof is entitled, in consultation with Emkay Global Financial Services Limited ("**Lead Manager**" or "**LM**"), the book running lead manager in relation to the Issue, in its absolute discretion, to accept or reject this Application Form without assigning any reason thereof. We hereby accept the Equity Shares that may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, the Placement Document, when issued, and the confirmation of allocation note ("**CAN**"), when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account as per the details given below, subject to receipt of Application Form and the Bid Amount towards the Equity Shares that may be Allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for in the Issue, has been/will be remitted to the designated bank account set out in this Application Form only through electronic mode, along with this duly completed Application Form prior to or on the Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name, and in case we are joint holders, from the bank account of the person whose name appears first in the Application Form. We acknowledge and agree that we have not/shall not make any payment in cash, demand draft, or cheque. We are aware that Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the LM; in the event that (i) Equity Shares that we have applied for are not Allotted to us in full or at all, and/or (ii) the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or (iii) the Company is unable to issue and Allot the Equity Shares offered in the Issue or (iv) if there is a cancellation of the Issue, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount has been paid by us.

We further understand and agree that: (i) our name, address, PAN, phone number, bank account details, email-id, and the number of Equity Shares Allotted, along with other relevant information as may be required will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, our name will be included in the Placement Document as a "proposed allottee", if applicable, along with the number of Equity Shares proposed to be Allotted to us, and the percentage of our post-Issue shareholding in the Company pursuant to the requirements under Form PAS-4 of the PAS Rules; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Delhi and Haryana, located at New Delhi as required in terms of the PAS Rules. We are also aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5.00% of the Equity Shares in this Issue, the Company shall be required to disclose our name, along with the name of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of National Stock Exchange of India Limited and BSE Limited (together referred to as the **"Stock Exchanges"**), and we consent to such disclosure. In addition, we confirm that we are eligible to invest in Equity Shares under SEBI ICDR Regulations, circulars issued by the RBI & other applicable laws. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and restriction on transferability. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and restriction on transferability, as may be applicable to us.

By signing and/or submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections entitled "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions*" of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the LM, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and submitting this Application Form, we further hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, and have read it in its entirety including in particular, the section entitled *"Risk Factors"* therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the LM or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document (when provided), this Application Form, the CAN, when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the sole and absolute discretion of the Company in consultation with the LM and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose our names and the percentage of our post-Issue shareholding of the proposed Allottees in the

Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the LM; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the LM; and (9) if we are participating in the Issue as an Eligible FPI, we are not an individual, corporate body, or family office. For the purposes of this representation: the expression ‘belong to the same group’ shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations i.e. entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and ‘control’ shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations; (10) we agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the Memorandum of Association and Articles of Association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document (when issued), this Application Form, the CAN, (upon its issuance), and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below; ; (11) we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares; (12) we have the ability to bear the economic risk of our investment in the Equity Shares, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares; (13) no action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction; (14) we acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws and that the Equity Shares are only being offered and sold only outside the United States in in “offshore transactions” as defined in, and in compliance with, Regulation S; (15) we are located outside the United States (as defined in Regulation S) and we are not submitting this Application Form from outside the United States and not as a result of any “directed selling” efforts (as defined in Regulation S); and (16) we confirm that we are eligible to invest and hold the Equity Shares in accordance with press note no. 3 (2020 Series), dated April 17, 2020, as amended and clarified from time to time, issued by the Department for Promotion of Industry and Internal Trade, Government of India, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares a land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules.

We acknowledge that once a duly filled Application Form, whether signed or not, is submitted by an Eligible QIB and the Bid Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

BIDDER DETAILS (In Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
PERMANENT ACCOUNT NUMBER “PAN”			
CITY AND PIN CODE			
COUNTRY			
TELEPHONE NO.		**FAX NO.**	
MOBILE NO.			
EMAIL ID			
LEI			
FOR ELIGIBLE FPIs**	SEBI FPI REGISTRATION NO.		
FOR MF	SEBI MF REGISTRATION NO.		
FOR AIFs***	SEBI AIF REGISTRATION NO.		
FOR VCFs***	SEBI VCF REGISTRATION NO.		
FOR SI-NBFC	RBI REGISTRATION DETAILS		
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS		
FOR PENSION FUNDS	PFRDA REGISTRATION DETAILS		
**Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual*			

BIDDER DETAILS (In Block Letters)
Fund bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Company and the LM. *** In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.* **** Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares held by us in the Company, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under PAS-4 of the PAS Rules. For such information, the BRLM has relied on the information provided by the RoC for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document

ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER	
By 1.00 PM (IST), [●], 2024, being the Issue Closing Date	
ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF BID AMOUNT THROUGH ELECTRONIC FUND TRANSFER	
Name of the Account	Pearl Global Industries Limited - QIP Escrow Account
Name of Bank	HDFC Bank Limited
Address of the Branch of the Bank	Capital Market, Commodity Market & Banks Group, B-3/6, 1st Floor, Asaf Ali Road, New Delhi – 110 002
Account Type	Escrow Account
Account No.	57500001542941
LEI Number	33580081F89U3LE4DG24
IFSC	HDFC0000598
Telephone No.	011-46806235 (D)
E-mail	kunal.duttaroy@hdfcbank.com

The Bid Amount should be transferred pursuant to this Application Form within the Issue Period. All payments must be made only by way of electronic fund transfers, in favour of "Pearl Global Industries Limited - QIP Escrow Account ". Payment of the entire Bid Amount should be made along with this Application Form on or before the closure of the Bid/Issue Period i.e. prior to or on the Bid/Issue Closing Date. **The payment for subscription to the Equity Shares to be allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in this Application Form.**

DEPOSITORY ACCOUNT DETAILS		
Depository Name (Please ✓)	**National Security Depository Limited**	**Central Depository Services (India) Limited**
Depository Participant Name		
DP – ID	I N	
Beneficiary Account Number		(16-digit beneficiary account. No. to be mentioned above)
The demographic details like address, bank account details, etc. will be obtained from the Depositories as per the beneficiary account given above. **However, for the purposes of refund, if any, only the bank details as mentioned below, from which remittance towards subscription has been made, will be considered.**		

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds, if any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the LM shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		**IFSC Code**	
Bank Name		**Bank Branch Address**	

NO. OF EQUITY SHARES BID FOR		PRICE PER EQUITY SHARE (RUPEES)	
(In Figures)	(In Words)	(In Figures)	(In Words)
BID AMOUNT (RUPEES)			
(In Figures)		(In Words)	

DETAILS OF CONTACT PERSON			
Name:			
Address:			
Tel. No.:		**Fax No:**	
Email			

OTHER DETAILS	
PAN*	
Legal Entity Identifier Code (“LEI”)	
Date of Application	
Signature of Authorised Signatory (may be signed either physically of digitally)**	

ENCLOSURES ATTACHED

Attested/ certified true copy of the following:

- ☐ Copy of PAN Card or PAN allotment letter**
- ☐ FIRC
- ☐ Copy of the SEBI registration certificate as a Mutual Fund
- ☐ Copy of the SEBI registration certificate as an Eligible FPI
- ☐ Copy of the SEBI registration certificate as an AIF
- ☐ Copy of the SEBI registration certificate as a VCF
- ☐ Certified copy of certificate of registration issued by the RBI as an SI-NBFC/ a scheduled commercial bank
- ☐ Copy of the IRDAI registration certificate
- ☐ Copy of notification as a public financial institution
- ☐ Certified true copy of the power of attorney
- ☐ Other, please specify ___________________

**It is to be specifically noted that the Bidder should not submit the GIR number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground, unless the Bidder is exempted from requirement of obtaining a PAN under the Income-tax Act, 1961.*

****A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.*

Note:

(1) Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein.

(2) This Application Form is liable to be rejected if any information provided is incomplete or inadequate, at the discretion of the Company in consultation with the LM.

(3) This Application Form, the PPD sent to you and the Placement Document to be sent to you are specific to you and you may not distribute or forward the same and they are subject to the disclaimers and restrictions contained in or accompanying these documents.

(4) The duly filed Application Form along with all enclosures shall be submitted to the LM either through electronic form at the email mentioned in the PPD or through physical delivery at the address mentioned in PPD.