

PDS/SE/2019-20/22

18th October, 2019

The General Manager,
Corporate Service Department
BSE Limited P. J Tower, Dalal Street, Fort,
Mumbai-400001

The General Manager,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai-400051.

Scrip Code/ID: BSE: 538730;

NSE: PDSMFL

SUB: Submission of Annual Report under regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/Madam,

We hereby inform you that the 8th Annual General Meeting ("08th AGM") of the members of the Company will be held on Wednesday, 13th November, 2019; at 12:30 P.M at Clarks Exotica, Swiss Town, Hollywood Junction, Sadahalli Post, Devanahalli Road, Bengaluru - 562110, Karnataka, India.

Further, we would like to inform you that the dispatch of the Annual Report for Financial Year 2018-19 to the shareholders will be commenced from 19th October, 2019.

In pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we herewith attached the copy of Annual Report for Financial Year 2018-19.

You are requested to kindly take the same on record and oblige.

For PDS Multinational Fashions Limited


B. Chandra Sekhara Reddy
Company Secretary & Head-Legal



Encl: as above

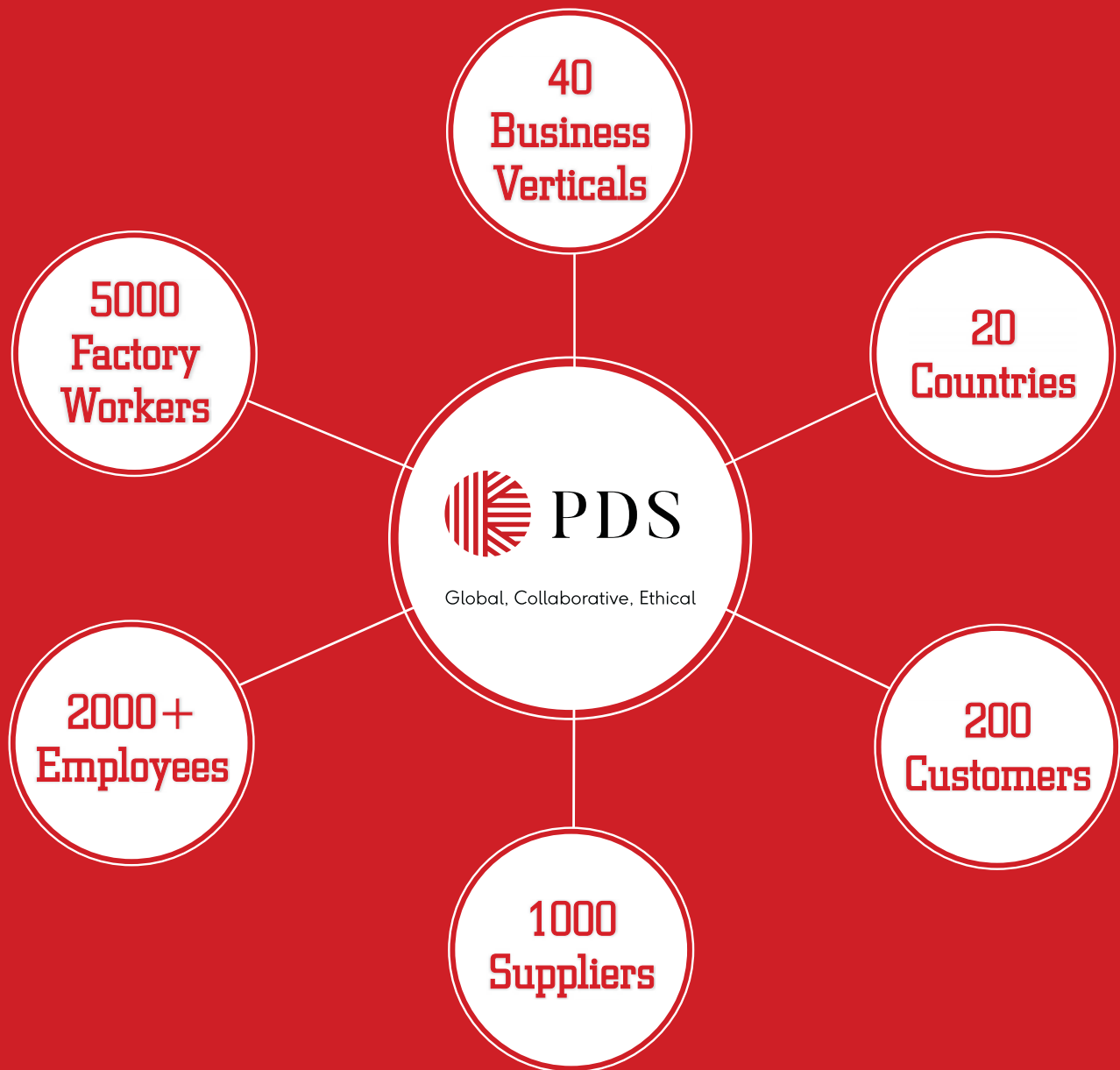


Global, Collaborative, Ethical

8TH Annual Report 2018-19



PDS MULTINATIONAL FASHIONS LIMITED



Corporate Information

Board of Directors

Mr. Deepak Seth	-	Chairman
Mr. Pallak Seth	-	Vice-Chairman
Mrs. Payel Seth	-	Director (acted as Managing Director upto 31/10/2018)
Dr. Ashutosh Prabhudas Bhupatkar	-	Independent Director
Mr. Ashok Kumar Chhabra	-	Independent Director
Mr. Ashok Kumar Sanghi	-	Independent Director

Chief Executive Officer

Mr. Omprakash Makam S. Setty

Chief Financial Officer

Mr. Ajai Singh

Company Secretary

Mr. B. Chandra Sekhara Reddy

Audit Committee

Dr. Ashutosh Prabhudas Bhupatkar	-	Chairman
Mr. Deepak Seth	-	Member
Mr. Ashok Kumar Sanghi	-	Member
Mr. Ashok Kumar Chhabra	-	Member

Nomination and Remuneration Committee:

Mr. Ashok Kumar Sanghi	-	Chairman
Mr. Ashok Kumar Chhabra	-	Member
Dr. Ashutosh Prabhudas Bhupatkar	-	Member

Stakeholders Relationship Committee:

Mr. Ashok Kumar Chhabra	-	Chairman
Mr. Deepak Seth	-	Member
Mr. Ashok Kumar Sanghi	-	Member

Auditors

M/s S. R. Dinodia & Co. LLP
Chartered Accountants
K-39, Cannaught Place
New Delhi - 110001

Registered Office:

No. 758 & 759, 2nd Floor, 19th Main,
HSR Layout, Sector-II,
Bengaluru-560102
Karnataka, India

Bankers

Axis Bank
HSBC Bank

Contents

Statutory Report & Financial Statement

Notice	01
Directors' Report	05
Corporate Governance	35
Management Discussion and Analysis	45

Standalone Financials

Independent Auditors' Report	48
Balance Sheet	53
Statement of Profit & Loss	54
Cash Flow Statement	56
Notes	57

Consolidated Financials

Independent Auditors' Report	88
Consolidated Balance Sheet	93
Consolidated Statement of Profit & Loss	94
Consolidated Cash Flow Statement	97
Notes	98

Route Map

Proxy Form

PDS MULTINATIONAL FASHIONS LIMITED

Registered Office: No. 758 & 759, 2nd Floor, 19th Main, HSR Layout, Sector-II, Bengaluru-560102

Tel: 080-67653000, **Website:** www.pdsmultinational.com; **E-mail:** investors@psdmultinational.com

CIN: L18101KA2011PLC094125

NOTICE TO MEMBERS

Notice is hereby given that the 08th Annual General Meeting of the Members of PDS Multinational Fashions Limited, will be held on Wednesday, 13th day of November, 2019 at 12:30 PM at Clarks Exotica, Swiss Town, Hollywood Junction, Sadahalli Post, Devanahalli Road, Bengaluru - 562110, Karnataka, India, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company prepared as per Indian Accounting Standard ("Ind-AS") for the financial year ended 31st March, 2019 the Report of the Auditors thereon and the Report of the Board of Directors and in this connection to consider and if deemed fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT the Audited Standalone Financial Statements of the Company for the financial year ended 31 March, 2019, the Report of the Board of Directors and the Report of the Auditors thereon for the financial year ended 31 March, 2019, placed before the 8th Annual General Meeting be and are hereby received and adopted."

2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company prepared as per Indian Accounting Standard ("Ind-AS") for the financial year ended 31st March, 2019 the Report of the Auditors thereon and in this connection to consider and if deemed fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT the Audited Consolidated Financial Statements of the Company for the financial year ended 31 March, 2019, the Report of the Auditors thereon for the financial year ended 31 March, 2019, placed before the 8th Annual General Meeting be and are hereby received and adopted."

3. To appoint a director in place of Mr. Pallak Seth (DIN: 00003040), who retires by rotation and being eligible, offers himself for re-appointment and in this connection to consider and if deemed fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr. Pallak Seth (DIN: 00003040), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

4. To appoint M/s. Walker Chandiok & Co LLP, as Auditors for a period of five years from the conclusion of this Annual General Meeting until the conclusion of the Thirteenth Annual General Meeting and in this connection, to consider and if deemed fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, M/s Walker Chandiok & Co LLP, Chartered Accountants (Firm registration Number 001076N/

N500013), be and is hereby appointed as Statutory Auditors of the Company to hold such office for first term of 5 (Five) consecutive years, from the conclusion of this Annual General Meeting till the conclusion of the 13th (Thirteenth) Annual General Meeting of the Company on a remuneration of ₹ 50.75 Lakhs (Rupees Fifty Lakhs Seventy Five Thousand only) plus reimbursement of out of pocket expenses and applicable taxes and the Board of Directors of the Company be and are hereby authorized to pay increased audit fee as they may deem fit.

By order of the Board of Directors
For **PDS MULTINATIONAL FASHIONS LIMITED**

Place: Gurugram
Date: 15th October, 2019

B. Chandra Sekhara Reddy
(Company Secretary)

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. **A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or shareholder.**

A proxy form is enclosed with this Notice. Proxies, in order to be effective, should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the AGM. Proxies submitted on behalf of companies, societies, etc. must be supported by appropriate resolution or authority, as applicable. Revenue stamp should be affixed on the Proxy Form. Forms which are not stamped are liable to be considered invalid. It is advisable that the Proxy holder's signature may also be furnished in the Proxy form, for identification purposes.

2. Members/Proxies are requested to bring their attendance slip to the Meeting and are requested not to bring any article, briefcase, hand bag, carry bag etc., as the same will not be allowed to be taken inside the meeting place for security reasons. Further, the Company or any of its officials shall not be responsible for their articles, bags etc., being misplaced, stolen or damaged at the Meeting place.
3. Members/proxies/authorised representatives are requested to bring duly filled Attendance Slip, enclosed herewith, to attend the AGM along with a valid identity proof such as the PAN card/passport/AADHAAR card/driving license etc.
4. Members/Proxies should fill the attendance slip for attending

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

5. The statement pursuant to section 102 of the Companies Act, 2013 (the Act) is annexed hereunder and forms part of the Notice. As required under Secretarial Standard-2 and regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 (Listing Regulations), the relevant information of directors is enclosed as Annexure 1.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Corporate members intending to send their authorised representative are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
8. The Registrar of Companies, Karnataka, vide his Order dated 29th August, 2019 has granted extension of one (1) month and Fifteen (15) days for holding Annual General Meeting of the Company for the financial year ended 31st March, 2019.
9. The Register of Members and Share Transfer Books of the Company will remain closed from 2nd day of November, 2019 to 13th day of November, 2019 (both days inclusive).
10. The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 permits Companies to send soft copies of the annual report to all those shareholders who have registered their email address with the Company/RTA/depository Participants. To support this green initiative, the shareholders holding shares both in physical/demat form are requested to register/update their email address with the Company/RTA/Depository Participants. Accordingly, the Annual Report for 2018-19, Notice for annual general meeting etc., are being sent in electronic mode to those shareholders who have registered their email address with the Company/RTA/Depository Participant. For those shareholders who have not opted for the above, the same are being sent in physical form.
11. All relevant documents referred to in the accompanying notice and explanatory statement are available for inspection at the Registered office of the Company during working hours upto the date of Annual General Meeting.
12. Annual Report of the Company circulated to the members of the Company is also available on the Company's website www.pdsmultinational.com.
13. **NO GIFT(S) SHALL BE DISTRIBUTED AT THE ENSUING 8TH ANNUAL GENERAL MEETING OF YOUR COMPANY.**
14. **Voting through electronic means**
 - i. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to its members facility to exercise their right to vote at the 8th Annual General Meeting (AGM) by electronic means and the business contained herein may be transacted through e-voting Services provided by Central Depository Services India Limited (CDSL):

The instructions for shareholders voting electronically are as under:

- i) The voting period begins on Sunday, 10th November, 2019 at 09:00 AM (IST) and ends on Tuesday, 12th November, 2019 at 05:00 PM (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date ("record date") of 6th day of November, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- iii) Click on Shareholders/Members.
- iv) Now Enter your UserID:
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction(iv).

- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily

enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the Electronic Voting Sequence Number (EVSN) for the relevant Company Name viz. "PDS MULTINATIONAL FASHIONS LIMITED" on which you choose to vote.
- xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) Note for Non – Individual Shareholders and Custodians:
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles.

The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the Apple store and Windows store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

- xx) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date/record date i.e. 1st November, 2019 may follow the same instructions as mentioned for e-voting.
 - xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- II. Mr. R. Hariprasad Reddy, Practicing Company Secretary (Membership No. FCS 8477) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - III. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - IV. The Results shall be declared on or after the AGM of the Company. The Results declared along-with the Scrutinizer's Report shall be placed on the Company's website www.pdsmultinational.com and on the website of CDSL i.e. www.evotingindia.com within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited.

EXPLANATORY STATEMENT:

As required by Section 102 of the Companies Act, 2013 the following Explanatory Statement sets out the material facts relating to the businesses under Item No. 4 of the accompanying Notice.

Item No. 4:

As per section 139 of the Companies Act, 2013 and in accordance with the approval accorded by the Members at the 3rd Annual General Meeting held on 26th September, 2014, M/s S.R. Dinodia & Co. LLP, Chartered Accountants, (Regn. No. 001478N/ N500005) will retire as statutory auditor of the Company at conclusion of the 8th Annual General Meeting. Your Board places on record their appreciation for the services provided by M/s. S.R. Dinodia & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company.

The Audit Committee considered various parameters like capability to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge etc., and found M/s Walker Chandio & Co, LLP to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company.

The Company has received certificate of eligibility from M/s Walker Chandio & Co LLP in accordance with the provisions of the Companies Act, 2013 and rules made thereunder and a confirmation that they continue to hold valid peer review certificate as required under Listing Regulations.

PDS Multinational Fashions Limited

Accordingly, the Notice of 08th annual general meeting includes the proposal for seeking Shareholders approval for appointment of M/s Walker Chandio & Co LLP, Chartered Accountants (Regn. No. 001076N/N500013) as Statutory Auditors of the Company for the first term of five (5) consecutive years from the conclusion of the 8th Annual General Meeting until the conclusion of 13th Annual General Meeting of the Company at remuneration of ₹ 50.75 Lakhs (Rupees Fifty Lakhs Seventy Five Thousand only), plus reimbursement of out of pocket expenses and applicable taxes. In

addition to the above and in accordance with the provisions of the Act, the Board/Audit Committee may approve the fee payable to the auditors for limited reviews, certifications and other permitted services to be rendered by the Auditors in accordance with the provisions of Section 144 of the Companies Act, 2013, as deemed appropriate.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution.

The Board recommends this Resolution for your approval.

Annexure-1 to Notice:

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTH COMING ANNUAL GENERAL MEETING- Reg. 36 (3) & SS-2

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

Mr. Pallak Seth (DIN:00003040)		
Age	:	41 Years
Qualifications	:	Bachelor of Arts Degree in Economics and International Business
Experience (including expertise in specific functional area) / Brief resume	:	He has a Bachelor of Arts Degree in Economics and International Business and Graduated with Magna Cum Laude distinction in 1998 from the Northwestern University, in Evanston, Illinois, USA. He is having versatile experience in Management, Sales and Marketing/Business Development and has launched House of Pearl Fashion's design sourcing and distribution business in 1999 with establishment of Norwest Industries Limited in Hong Kong. Mr. Pallak heads PDS Multinational Group's strategy and development initiatives. He is currently the Vice Chairperson of the Company.
Date of first appointment on the Board	:	6 th April, 2011
Shareholding in the Company as on 31 st March, 2019	:	278838 Equity shares
Directorships and Committee memberships held in other companies as on 31 st March, 2019	:	Pearl Global Limited Nim International Commerce Private Limited
Inter-se relationships between Directors Key Managerial Personnel	:	Son of Mr. Deepak Seth and Mrs. Payel Seth
No. of Board Meetings attended during the Financial year 2018-19	:	1 of 5
Details of last drawn remuneration and proposed remuneration	:	Nil

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

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

DIRECTORS' REPORT

To the Members,

We have pleasure in presenting Eighth Annual Report of PDS Multinational Fashions Limited (the "Company") together with the audited financial statements for the financial year ended March 31st, 2019.

Financial Summary and State of Affairs (₹ in Crore)

Particulars	Consolidated		Standalone	
	2018-19	2017-18	2018-19	2017-18
Income from operations	6485.85	4,923.86	39.21	18.19
Other Income	161.22	24.36	0.95	6.86
Total Income	6,501.98	4,948.22	40.16	25.06
Total Expenses	6,421.67	4,924.20	39.50	20.72
Profit before Tax	80.31	24.02	0.66	4.34
Provision for Tax	0.13	3.18	(0.43)	0.61
Profit/(Loss) after tax	80.18	20.84	1.09	3.73
Share of Associates/ Joint Ventures	(0.99)	(1.30)	-	-
Net Profit for the year	79.19	19.53	1.09	3.73

Consolidated

On Consolidated basis, the total revenue for Financial Year 2018-19 was at ₹ 6501.98 Crore as against ₹ 4948.22 Crore in Financial Year 2017-18 with a Growth of 31% over previous year.

The Profit after Tax in Financial Year 2018-19 was at ₹ 79.19 Crore as compared to ₹ 19.53 Crore in Financial Year 2017-18 with a Growth of 405% over previous year.

Standalone

On Standalone basis, the total Income for Financial Year 2018-19 was at ₹ 40.16 as against ₹ 25.06 Crore in Financial Year 2017-18 with a Growth of 60% over previous year.

The Profit after Tax in Financial Year 2018-19 was at ₹ 1.09 Crore as compared to ₹ 3.73 Crore in Financial Year 2017-18 with a decline of 70% over previous year.

Details of State of the Company's Affairs are given in the Management Discussion and Analysis.

RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 (3) (C) & 134 (5) of the Companies Act, 2013, with respect to Directors Responsibility Statement, your Directors state that:

- in the preparation of the annual accounts for the financial year ended 31st March 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2019 and of the profit of the Company for that period;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance

with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- the Directors have prepared the annual accounts on a 'going concern' basis;
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the Management Discussion and Analysis Report for the year under review, is presented in a separate section, forming part of the Annual Report.

DIVIDEND & RESERVES

Your Directors did not recommend any dividend for the Financial Year 2018-19 and not proposed to carry any amounts to reserves.

CHANGE IN THE NATURE OF THE BUSINESS

During the financial year, there was no change in the nature of the business of the Company.

DEPOSITS

Your Company has not accepted any deposits from the Public or Shareholders during the year, nor has any unclaimed or unpaid deposits at the end of the Financial Year 2018-19.

COMMITTEES OF BOARD, NUMBER OF MEETINGS OF THE BOARD AND COMMITTEES

The Board has in place the Committees (s) as mandated under the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are currently three (3) Committees of the Board, namely:

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders' Relationship Committee

All recommendations made by the Committees of the Board including the Audit Committee were accepted by the Board.

During the year under review, the Board met 5 (five) times. A detailed update on the Board, its composition, detailed charter including terms of reference of Board committees, number of Board and Committee meetings held during the Financial Year 2018-19 and attendance of Directors at each meeting is provided in the report on Corporate Governance, which forms part of Annual Report.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company had already constituted Nomination and Remuneration Committee as required under Sub-Section (1) of Section 178 of the Companies Act, 2013 comprising three Independent Directors Mr. Ashok Kumar Sanghi, Chairperson, Mr. Ashok Kumar Chhabra & Dr. A.P. Bhupatkar, Members of the Committee.

PDS Multinational Fashions Limited

The Company has also formulated a Policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178 (3) of the Companies Act, 2013 and the same is available on Company's website www.pdsmultinational.com and salient features of such policy is annexed as 'Annexure-1' to this report.

There has been no change to the policy during Financial Year 2018-19.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the evaluation of the annual performance of the Directors/Board/Committees was carried out for the Financial Year, 2018-19

The Nomination & Remuneration Committee and the Board have laid down the manner in which formal annual evaluation of the performance of the Board, committees, individual directors and the Chairman has to be made. All Directors responded through a structured questionnaire giving feedback about the performance of the Board, its Committees, Individual directors and the Chairman.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc. The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc. The Board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and individual directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mrs. Payel Seth resigned from the position of the Managing Director from 1st November, 2018 but continues as Non-Executive Director on the Board of the Company. Hence, there is change in the composition and the Board comprises of Six (6) Directors including three (3) Independent Directors and three (3) Non-Executive Directors. During the Financial Year 2018-19, your Board met five (5) times details of which are available in Corporate Governance Report forming part of Annual Report.

Independent Directors provide their declarations both at the time of appointment and annually, confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 and the Listing Regulations.

Mr. Pallak Seth, Non-executive Director is liable to retire by rotation

at the ensuing Annual General Meeting and, being eligible, has offered himself for re-appointment. Your Board recommends his appointment.

During the year, Mr. Omprakash Makam S. Setty resigned as Chief Financial Officer and appointed as Chief Executive Officer w.e.f. 1st December, 2018 and the resultant vacancy was filled with the appointment Mr. Ajai Singh as Chief Financial Officer of the Company w.e.f. 1st December, 2018. Accordingly, the key managerial personnel of the Company as at March, 2019 comprise of Mr. Omprakash Makam S. Setty, Chief Executive Officer, Mr. Ajai Singh, Chief Financial Officer and Mr. B. Chandra Sekhara Reddy, Company Secretary & Head-Legal.

AUDITORS

Statutory Auditors

As per section 139 of the Companies Act, 2013 and in accordance with the approval accorded by the Members at the 3rd Annual General Meeting held on 26th September, 2014, M/s S.R. Dinodia & Co. LLP, Chartered Accountants, (Regn. No. 001478N/ N500005) will retire as statutory auditor of the Company at conclusion of the 8th Annual General Meeting. Your Board places on record their appreciation for the services provided by M/s. S.R. Dinodia & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company.

Based on the recommendation of the Audit committee and upon review of the satisfaction of the criteria as specified in Section 141 of the Companies Act, 2013 and rules made thereunder, your Board recommended the appointment of M/s Walker Chandio & Co LLP, Chartered Accountants (Regn. No. 001076N/N500013) as the Statutory Auditors of the Company in place of retiring Statutory Auditors.

Accordingly, the Notice of 08th annual general meeting includes the proposal for seeking Shareholders approval for appointment of M/s Walker Chandio & Co LLP, Chartered Accountants (Regn. No. 001076N/N500013) as Statutory Auditors of the Company for the first term of five consecutive year from the conclusion of the 8th Annual General Meeting until the conclusion of 13th Annual General Meeting to be held in the financial year 2024-25 at remuneration of ₹ 50.75 Lakhs (Rupees Fifty Lakhs Seventy Five Thousand only) plus reimbursement of out of pocket expenses and applicable taxes and to authorise the Board/Audit Committee to fix the remuneration after discussion with Statutory Auditor.

The Auditors' Report for Financial Year 2018-19 does not contain any qualification, reservation or adverse remark or disclaimer. The Auditors of the Company have not reported any instances of fraud committed against the Company by its officers or employees as specified under Section 143(12) of the Companies Act, 2013. The Auditors' Report is enclosed with the financial statements in this Annual Report.

Secretarial Auditor

The Board has appointed Mr. R. Hariprasad Reddy, Practicing Company Secretary (Membership No. FCS 8477), proprietor of M/s. RHR & Associates, to conduct Secretarial Audit of the Company for the Financial Year 2018-19, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer. The Secretarial Audit Report for the financial year 2018-19 is annexed as 'Annexure-2' to this Report.

Additionally, in line with SEBI Circular dated February 8, 2019, an

Annual Secretarial Compliance Report confirming compliance of all applicable SEBI Regulations, Circulars and Guidelines by the Company was issued by the Secretarial Auditor and filed with the Stock Exchanges.

INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

Your Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. Internal controls are reviewed periodically by the internal auditor and report significant audit observations, if any, and follow up actions, if any, to the Audit Committee. The Audit Committee reviews the adequacy and effectiveness of internal control systems commensurate with the nature of the business.

RISK MANAGEMENT

Your Company has taken necessary steps for risk management including identifying risk which may threaten the existence/operations of the Company.

CORPORATE GOVERNANCE AND POLICIES

In order to maximize shareholders value on a sustained basis, your company is strictly complying with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("Listing Regulations") and applicable provisions of Companies Act, 2013 and Secretarial Standards issued by the Institute of Company Secretaries of India.

In terms of Schedule V of the Listing Regulations, Compliance Certificate issued by the Statutory Auditors of the Company is annexed as 'Annexure-3' and a detailed report on Corporate Governance forms an integral part of this Annual Report.

In Compliance with requirement of the Companies Act, 2013 and the Listing Regulations, your Board has approved various policies including Code of Conduct of Directors and Senior Management, Related Party Transaction Policy, Material Subsidiary Policy, Code of Practices and Procedure for Fair Disclosures, Policies for Determination of Materiality of Events, Policy for Preservation of documents and Archival, Nomination and Remuneration Policy and Vigil Mechanism Policy. These policies and codes along with the Directors Familiarization Program and terms and conditions for appointment of Independent Directors have been uploaded on Companies website and same can be viewed on www.pdsmultinational.com under investor relations. In line with the amendments to SEBI (Prohibition of Insider Trading) Regulations, 2015, your Company's Insider Trading Code and the Policy on Fair Disclosure of Unpublished Price Sensitive Information were revised with effect from 1st April, 2019.

COST AUDIT

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

CORPORATE SOCIAL RESPONSIBILITY

Your Company does not fulfil any of the below criteria laid down under Companies Act, 2013, during the immediately preceding financial year, for Constitution of Corporate Social Responsibility (CSR) Committee:

- Net worth of ₹ 500 Crores or more
- Turnover of ₹ 1000 Crores or more
- Net profit of ₹ 5 Crores or more

Hence, the Constitution of CSR Committee and amount required to be spent under CSR is not applicable to your company for financial year 2018-19.

PREVENTION OF SEXUAL HARASSMENT POLICY

Your Company is committed to provide safe and conducive working environment to all its employees and has zero tolerance for sexual harassment at workplace. In line with requirements of Sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules thereunder, your company has adopted a policy on prevention, prohibition and redressal of Sexual harassment at workplace and has constituted Internal Complaint Committee supervising various locations to redress complaints regarding sexual harassment.

During the Financial Year 2018-19, the Company has not received any complaints of alleged sexual harassment.

CONSOLIDATED FINANCIAL STATEMENT

In accordance with the Companies Act, 2013 and applicable Indian Accounting Standards ('Ind-AS'), the audited consolidated financial statement is provided in the Annual Report.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

During the year under review, companies listed below have become or ceased to be Company's subsidiaries, joint ventures or associate companies.

Companies which have become Subsidiaries, Joint Ventures or Associates during the Financial Year 2018-19.

Subsidiaries:

1. Design Arc FZCO
2. Jcraft Array Limited
3. JJ Star Industrial Limited
4. Kindred Fashions limited
5. Kleider Sourcing FZCO
6. Kleider Sourcing Hong Kong Limited
7. Kleider Sourcing Limited
8. Parc Designs Pvt Limited
9. PDS Ventures Limited
10. Recovered Clothing Limited
11. Smart Notch limited (Shanghai)
12. Spring Near East FZCO
13. Technocian Fashions PvtPrivate Limited
14. Twins Asia FZCO

Associates:

1. Sourcing Solutions Europe BVBA.

Companies which ceased to be subsidiaries/Associate on closure during the financial year 2018-19.

1. Casa forma London Limited
2. Sure Investments Limited

A statement containing the salient features of the financial statement of our subsidiaries, associates and joint venture companies as per

PDS Multinational Fashions Limited

the Companies Act, 2013 in the prescribed Form **AOC-1** is annexed as 'Annexure-4' to this report.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on website www.pdsmultinational.com

The Policy of determining material subsidiaries as approved may be accessed on the Company's website at <http://www.pdsmultinational.com/code-conduct/>

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Particulars of loans, guarantees and investments made by the Company as required under Section 186(4) of the Companies Act, 2013 and the Listing Regulations are contained in Note No. 8 & 9 of Standalone Financial Statements.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT

There were no Material Changes and Commitments affecting Financial Position between the end of the financial year and Date of the Report.

EXTRACTS OF ANNUAL RETURN

The extract of Annual Return in Form **MGT-9** as required under Section 92(3) of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 is annexed as 'Annexure-5' to this Report and copy of such annual return is placed at www.pdsmultinational.com.

EXTENSION OF AGM

The Registrar of Companies, Karnataka, vide his Order dated 29th August, 2019 has granted extension of one (1) month and Fifteen (15) days for holding Annual General Meeting of the Company for the financial year ended 31st March, 2019.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were at arm's length basis, in ordinary course of business and in compliance with applicable provisions of the Companies Act, 2013 and Listing Regulations.

Particulars of Contracts or Arrangements with Related Parties referred to in Section 188(1) of the Companies Act, 2013 in the prescribed Form **AOC-2** is annexed as 'Annexure-6' to this Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as 'Annexure-7' to this Report.

DISCLOSURE OF REMUNERATION UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF

MANAGERIAL PERSONNEL) RULES, 2014

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2018-19:

Except the remuneration paid to Managing Director and sitting fees paid to the Independent Directors, none of the other directors drawing remuneration from the Company. Mrs. Payel Seth received remuneration as Managing Director till 31st October, 2018 and thereafter she continues as Non-Executive Director.

The ratio of the remuneration of Mrs. Payel Seth, Managing Director to the median remuneration of the employees is 5.73:1.

(ii) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the Financial Year 2018-19 are as under:

(₹ in Lacs)

Sl. No.	Name of Director/KMP and Designation	Remuneration for FY 2018-19	% Increase in remuneration in 2018-19
1.	Mr. Omprakash Makam S. Setty – Chief Executive Officer	82.19	0.00
2.	Mr. Ajai Singh – Chief Financial Officer	206.00	6.49
3.	Mr. B. Chandra Sekhara Reddy – Company Secretary	50.51	12.8

(iii) The percentage increase in the median remuneration of employees of the Company for the Financial Year 2018-19

The median remuneration of the employees in the Financial Year 2018-19 was increased by 11.51% as compared to the financial year 2017-18.

(iv) The number of permanent employees on the rolls of company as on 31st March, 2019.

There were 200 permanent employees on the rolls of the Company as on 31st March, 2019.

(v) The average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018-19 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

The average percentile increase in the Salaries of employees excluding the managerial personnel for Financial Year 2018-19 was 11.72%.

The average percentile increase in the remuneration of managerial personnel in the last financial year was 0.00%.

Note: There is no increase in the remuneration of managerial personnel.

(vi) Particulars of employees posted and working in a country outside India, not being directors or their relatives, drawing more than sixty lakh rupees per financial year or five lakh rupees per month.

None of the employees posted and working outside India, not being directors and their relatives, drawing more than sixty lakh rupees per year or five lakh rupees per month.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 is annexed as 'Annexure-8' to this report.

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

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

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

At present, your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

REGISTRAR AND SHARE TRANSFER AGENT

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

GREEN INITIATIVES

Your Company started a sustainability initiative with the aim of going green and minimizing our impact on the environment. We are publishing only the statutory disclosures in the print version of Annual Report. Additional information is available on our website, www.pdsmultinational.com

Electronic copies of the Annual Report 2018-19 along with Notice of the 08th Annual General Meeting are sent to all members whose email addresses are registered with the Company/RTA/Depository Participant(s). For members who have not registered their email addresses, physical copies of Annual Report 2018-19 and Notice of 08th Annual General Meeting are sent in the permitted mode. Members requiring physical copies can send a request to the Company.

ACKNOWLEDGEMENT

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

For and on behalf of the Board
PDS MULTINATIONAL FASHIONS LIMITED

(DEEPAK SETH)
DIRECTOR
DIN:00003021

(PAYEL SETH)
DIRECTOR
DIN:00003035

Place: Gurugram
Date: 15th October, 2019

Annexure-I to the Directors' Report

Nomination and Remuneration Policy

1. OBJECTIVE

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

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

2. DEFINITIONS

- 2.1 **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2 **Board** means Board of Directors of the Company.
- 2.3 **Directors** mean Directors of the Company.
- 2.4 **Key Managerial Personnel** means

- 2.4.1 Chief Executive Officer or the Managing Director or the Manager;
- 2.4.2 Whole-time director;
- 2.4.3 Chief Financial Officer;
- 2.4.4 Company Secretary; and
- 2.4.5 such other officer as may be prescribed.

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

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

3.1. Appointment criteria and qualifications:

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

3.2. Term/Tenure

a) Managing Director/Whole-time Director:

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

b) Independent Director:

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

3.3. Evaluation

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

3.4. Removal

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

3.5. Retirement

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

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

4.1. General:

- a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management

Personnel will be determined by the Committee or as per policies framed by the committee. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

- b) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
- c) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

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

a) Fixed pay:

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

b) Minimum Remuneration:

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

c) Provisions for excess remuneration:

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

4.3. Remuneration to Non- Executive / Independent Director:

a) Sitting Fees:

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

b) Stock Options:

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

5. MEMBERSHIP

- 5.1 The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- 5.2 Minimum two (2) members shall constitute a quorum for the Committee meeting.
- 5.3 Membership of the Committee shall be disclosed in the Annual Report.
- 5.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

6. CHAIR PERSON

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

7. FREQUENCY OF MEETINGS

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

8. COMMITTEE MEMBERS' INTERESTS

- 8.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

8.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

9. **SECRETARY**

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

10. **VOTING**

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

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

11. **NOMINATION DUTIES**

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

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

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

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

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

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

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

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

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

12. **REMUNERATION DUTIES**

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

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

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

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

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

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

Annexure-II to the Directors' Report

FORM NO-MR 3 SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2019

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

To,
The Members,
PDS Multinational Fashions Limited
No. 758 & 759, 2nd Floor, 19th Main, Sector-2,
HSR Layout, Bangalore
Karnataka- 560102

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

Based on our verification, the PDS Multinational Fashions Limited's books, papers, minute books, forms and returns filed and other

records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by PDS Multinational Fashions Limited ("the Company") for the financial year ended on 31st March, 2019, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable to the Company During the Audit Period)**
The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not Applicable to the Company during the Audit Period)**
 - (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company During the Audit Period)**
 - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act
 - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company During the Audit Period)** and
 - (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company During the Audit Period)**
- (vi) No specific law applicable specifically to the company except those laws generally applicable to the size and nature of business of the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange (s) - BSE Limited and National Stock Exchange of India Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance comprising of three (3) Non-Executive Directors and three (3) Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

During the period under review Mrs. Payal Seth has resigned as Managing Director of the Company effective from November 01, 2018 and continue as Non-Executive Director of the company.

During the period under review the members in the Annual General Meeting held on September 21, 2018, have re-appointed the following directors as Independent Directors effective from April 01, 2019 to 31st March 2024.

1. Dr. Ashutosh Prabhud as Bhupatkar (DIN: 00479727)
2. Mr. Ashok Kumar Chhabra (DIN: 06869497)
3. Mr. Ashok Kumar Sanghi (DIN: 00011207)

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

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

We further report that, the compliance by the company of the applicable financial laws, like direct and indirect tax laws, maintenance of financial records and books of accounts has not been reviewed in this audit since the same has been subject to review by Statutory Financial Audit.

PDS Multinational Fashions Limited

We further report that there are adequate systems and processes in the Company commensurate with the size and its operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For RHR & ASSOCIATES

R.Hariprasad Reddy
Practicing Company Secretary
FCS NO 8477,
CP NO.15936

Place: Bangalore
Date: 22.05.2019

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

‘Annexure A’

To,
The Members
PDS Multinational Fashions Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For RHR & ASSOCIATES

R.Hariprasad Reddy
Practicing Company Secretary
FCS NO 8477,
CP NO.15936

Place: Bangalore
Date: 22.05.2019

Annexure-III to the Directors' Report**AUDITORS' CERTIFICATE**

To

The Members of PDS Multinational Fashions Limited

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

MANAGEMENT'S RESPONSIBILITY

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

AUDITORS' RESPONSIBILITY

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

OPINION

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

For S.R. Dinodia & Co. LLP.,*Chartered Accountants*

Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)*Partner*

(FCA-083689)

UDIN:19083689AAAAFL3282

Date :05.08.2019

Place: New Delhi

Annexure-IV to the Directors' Report

Form AOC- 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries or associate companies or Joint ventures
(Information in respect of each subsidiary to be presented with amounts in Rs.in Lacs)

Part A-Subsidiaries

Name of the subsidiary	Date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Reporting currency & Exchange rate as on the last date of Financial year in the case of foreign subsidiaries.	Share capital	Reserves and surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	Extent of shareholding	Contribution to overall performance of the Company (based on total revenue)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Norwest Industries Limited	13.05.2014	NA	HKD(1HKD= ₹ 8.81)	2,742.21	30,749.66	90,984.73	57,492.86	3,944.07	66,556.40	2,891.85	(7.98)	2,883.87	918.66	100.00%	10.42%
Nor Lanka Manufacturing Limited	13.05.2014	NA	HKD(1HKD= ₹ 8.81)	0.88	9,302.76	21,758.04	12,454.40	-	60,199.35	715.40	1,708.60	2,424.00	-	100.00%	9.43%
Spring Near East Manufacturing Co. Ltd.	13.05.2014	NA	HKD(1HKD= ₹ 8.81)	137.11	2,880.04	8,755.55	5,738.40	-	52,223.37	1,203.85	-	1,203.85	341.96	65.00%	8.18%
Twins Asia Limited	27.07.2015	NA	HKD(1HKD= ₹ 8.81)	68.55	2,006.00	8,544.71	6,470.14	-	39,345.56	1,419.05	-	1,419.05	554.66	85.00%	6.16%
Design Arc Asia Limited	27.06.2016	NA	HKD(1HKD= ₹ 8.81)	68.55	1,530.00	10,911.85	9,313.29	-	42,442.01	1,013.08	-	1,013.08	-	85.00%	6.65%
Krayon Sourcing Limited	16.12.2014	NA	HKD(1HKD= ₹ 8.81)	6.85	1,497.55	4,769.36	3,264.94	-	13,608.03	1,067.80	-	1,067.80	283.05	80.00%	2.13%
Fareast Vogue Limited	13.05.2014	NA	HKD(1HKD= ₹ 8.81)	6.85	(419.63)	271.53	684.30	-	2,858.18	(232.19)	-	(232.19)	-	60.00%	0.45%
Nor Lanka Manufacturing Colombo Limited	13.05.2014	NA	HKD(1HKD= ₹ 8.81)	358.91	(354.54)	5,098.54	5,094.17	-	3,247.74	14.19	-	14.19	-	100.00%	0.51%
Design Arc Europe Limited	13.05.2015	NA	HKD(1HKD= ₹ 8.81)	68.55	(1,624.22)	785.14	2,340.81	-	2,228.16	(51.98)	-	(51.98)	-	70.00%	0.35%
Styieberry Limited	13.09.2016	NA	HKD(1HKD= ₹ 8.81)	6.85	392.31	973.16	573.98	-	4,629.75	230.09	-	230.09	-	85.00%	0.73%
Nor India Manufacturing Co. Limited	13.05.2014	NA	HKD(1HKD= ₹ 8.81)	6.85	1,224.46	1,233.01	1.69	-	-	(8.52)	-	(8.52)	-	100.00%	0.00%
PDS Far-east Limited	23.08.2016	NA	HKD(1HKD= ₹ 8.81)	0.68	(375.18)	62.26	436.75	-	420.39	(163.30)	-	(163.30)	-	100.00%	0.07%
360 Notch Limited	31.07.2015	NA	HKD(1HKD= ₹ 8.81)	68.55	(2,023.55)	658.73	2,613.73	-	-	(345.53)	-	(345.53)	-	100.00%	0.00%
Rising Asia Star Hong Kong Limited	13.05.2014	NA	HKD(1HKD= ₹ 8.81)	6.85	(1,338.16)	53.95	1,385.26	-	8.90	(5.06)	-	(5.06)	-	100.00%	0.00%
Razantlazz Limited	13.05.2014	NA	HKD(1HKD= ₹ 8.81)	-	3,756.99	4,292.36	535.36	8.77	-	(257.57)	-	(257.57)	-	100.00%	0.00%
Clover Collections Limited	13.05.2014	NA	HKD(1HKD= ₹ 8.81)	137.11	(1,998.17)	1,307.90	3,168.96	-	4,938.68	(109.27)	-	(109.27)	-	100.00%	0.77%
Nor Europe SPA	13.05.2014	NA	HKD(1HKD= ₹ 8.81)	2.63	(90.12)	35.46	122.95	-	-	2.43	-	2.43	-	100.00%	0.00%
Norlanka Progress Pvt. Limited	20.10.2015	NA	HKD(1HKD= ₹ 8.81)	-	-	-	-	-	-	-	-	-	-	100.00%	0.00%
Kindred Brands Limited	23.08.2016	NA	HKD(1HKD= ₹ 8.81)	0.68	(8.31)	6.22	13.85	-	-	(3.26)	-	(3.26)	-	60.00%	0.00%
PDS Far East USA Inc	11.07.2017	NA	HKD(1HKD= ₹ 8.81)	34.27	(30.38)	238.82	234.93	-	423.00	(22.50)	-	(22.50)	-	100.00%	0.07%
Fabric & Trims Limited	28.12.2017	NA	HKD(1HKD= ₹ 8.81)	6.85	(3.74)	3.10	-	-	-	(3.79)	-	(3.79)	-	100.00%	0.00%
Smart Notch Industrial Limited	28.12.2017	NA	HKD(1HKD= ₹ 8.81)	6.85	(22.91)	1,380.12	1,396.18	-	-	(23.17)	-	(23.17)	-	100.00%	0.00%
JJ Star Industrial Limited	01.10.2018	NA	HKD(1HKD= ₹ 8.81)	34.27	1,244.37	8,251.29	6,972.64	-	25,449.53	927.94	-	927.94	-	57.50%	3.99%
Kleider Sourcing Hong Kong Limited	01.10.2018	NA	HKD(1HKD= ₹ 8.81)	6.85	506.39	5,622.77	5,109.52	-	36,030.79	2,207.53	(1,313.86)	893.67	1,548.82	51.00%	5.64%
Kleider Sourcing Limited	01.10.2018	NA	HKD(1HKD= ₹ 8.81)	836.01	49.94	1,122.72	236.76	-	-	(51.75)	(45.76)	(97.51)	-	99.97%	0.00%

Name of the subsidiary	Date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Reporting currency & Exchange rate as on the last date of Financial year in the case of foreign subsidiaries.	Share capital	Reserves and surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	Extent of share-holding	Contribution to overall performance of the Company (based on total revenue)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Smart Notch Ltd.	20.04.2018	NA	HKD(1HKD= ₹ 8.81)	53.55	49.89	155.99	52.53	-	-	54.76	(3.66)	51.10	-	100.00%	0.00%
Jcraft Array Limited	12.04.2018	NA	HKD(1HKD= ₹ 8.81)	34.27	(1.25)	33.02	-	-	-	(1.26)	-	(1.26)	-	85.00%	0.00%
Simple Approach Limited	13.05.2014	NA	HKD(1HKD= ₹ 8.81)	1,549.43	2,578.71	20,916.29	16,788.14	-	79,997.84	974.20	(173.92)	800.28	-	100.00%	12.53%
Poetigem International Limited	13.05.2014	NA	HKD(1HKD= ₹ 8.81)	31.10	(170.16)	19,868.70	19,727.76	-	47,253.30	347.53	-	347.53	-	83.00%	7.40%
PDS Asia Star Corporation Limited	13.05.2014	NA	HKD(1HKD= ₹ 8.81)	207.51	(36.22)	6,568.62	6,387.33	-	41,105.79	1,107.27	(0.37)	1,106.89	-	60.00%	6.44%
Zamira Fashion Limited	13.05.2014	NA	HKD(1HKD= ₹ 8.81)	172.92	1,867.39	9,824.00	7,783.68	-	40,528.07	1,139.61	(173.43)	966.18	290.57	67.00%	6.35%
PG Group Limited	13.05.2014	NA	USD(1 USD= ₹ 69.17)	691.71	1,475.57	4,982.20	2,814.91	-	22,240.76	822.69	-	822.69	587.03	51.00%	3.48%
FX Import Hong Kong Limited	13.05.2014	NA	HKD(1HKD= ₹ 8.81)	0.89	349.03	1,333.76	983.83	-	4,241.39	31.59	-	31.59	-	100.00%	0.66%
Poetigem Limited	13.05.2014	NA	GBP(1GBP= ₹ 90.13)	60.15	10,018.08	13,252.11	3,173.87	3,233.77	7,185.53	251.48	-	251.48	-	100.00%	1.13%
Techno Design GmbH	14.02.2014	NA	EURO(1EURO = ₹ 77.67)	95.82	(340.20)	3,230.64	3,475.02	-	8,668.72	(4.18)	-	(4.18)	-	55.00%	1.36%
Blue Print Design Limited	30.06.2016	NA	HKD(1HKD= ₹ 8.81)	6.91	(1,748.09)	746.93	2,488.10	-	4,499.86	(1,192.39)	1.79	(1,190.59)	-	100.00%	0.70%
Progress Manufacturing Group Limited	17.07.2015	NA	HKD(1HKD= ₹ 8.81)	6.91	(2,350.92)	16,291.91	18,635.92	11,783.15	12,332.65	(1,152.74)	-	(1,152.74)	-	100.00%	1.93%
Poetic Brands Limited	15.01.2015	NA	GBP(1GBP= ₹ 90.13)	52.52	63.27	2,638.12	2,522.32	45.06	7,108.90	144.38	(7.80)	136.58	-	60.00%	1.11%
Grupo Sourcing Limited (hongkong)	15.03.2016	NA	HKD(1HKD= ₹ 8.81)	69.17	105.95	567.07	391.95	-	7,679.26	121.97	(36.91)	85.06	-	51.00%	1.20%
Green Apparel Industries Limited	15.03.2016	NA	HKD(1HKD= ₹ 8.81)	138.34	(2,057.07)	10,044.61	11,963.34	446.98	4,922.43	(1,217.34)	-	(1,217.34)	-	75.00%	0.77%
Techno Design HK Limited	13.05.2014	NA	HKD(1HKD= ₹ 8.81)	69.17	(233.22)	6,466.98	6,631.03	-	5,451.68	61.27	-	61.27	-	55.00%	0.85%
FX Import Co. Limited	13.05.2014	NA	GBP(1GBP= ₹ 90.13)	34.73	(460.37)	385.50	791.14	0.89	36.12	(181.37)	-	(181.37)	-	100.00%	0.01%
Multinational Textiles Group Limited	13.05.2014	NA	USD(1 USD= ₹ 69.17)	15,181.90	6,080.82	29,137.63	7,874.89	21,428.72	-	1,756.50	(32.21)	1,724.29	-	100.00%	0.00%
Global Textiles Group Limited	13.05.2014	NA	USD(1 USD= ₹ 69.17)	2,758.04	(49.56)	3,426.85	718.37	1,797.40	-	38.91	-	38.91	-	100.00%	0.00%
Casa Forma Limited	13.05.2014	NA	GBP(1GBP= ₹ 90.13)	876.66	(811.95)	84.37	19.66	-	-	(72.23)	-	(72.23)	-	100.00%	0.00%
SACB Holding Limited	13.05.2014	NA	USD(1 USD= ₹ 69.17)	34.58	(76.66)	1,451.03	1,493.11	553.41	-	(11.22)	-	(11.22)	-	100.00%	0.00%
Multinational OSG Services Bangladesh Ltd.	13.05.2014	NA	BDT(1 BDT= ₹ 0.83)	1,006.53	(62.29)	949.94	5.71	-	-	(18.76)	(0.65)	(19.42)	-	97.00%	0.00%
Fullhouse manufacturing limited (formerly known as Nor Delhi Manufacturing Limited)	13.05.2014	NA	HKD(1HKD= ₹ 8.81)	178.32	4.50	344.78	161.94	-	-	(1.47)	-	(1.47)	-	100.00%	0.00%
Poetic Knitwear Limited	13.05.2014	NA	GBP(1GBP= ₹ 90.13)	0.09	(634.25)	2.99	637.14	-	-	(1.89)	-	(1.89)	-	100.00%	0.00%
Pacific Logistics Limited	13.05.2014	NA	GBP(1GBP= ₹ 90.13)	11.71	(358.65)	2.86	349.79	-	-	(4.67)	-	(4.67)	-	100.00%	0.00%
MultiTech Venture Limited	25.11.2015	NA	USD(1 USD= ₹ 69.17)	553.37	(40.75)	521.12	8.50	-	-	(10.58)	-	(10.58)	-	100.00%	0.00%
Progress Apparels (Bangladesh) Limited	12.07.2015	NA	BDT(1 BDT= ₹ 0.83)	6,480.13	(4,493.63)	14,863.67	12,877.37	-	11,930.31	(1,198.01)	-	(1,198.01)	-	100.00%	1.87%
Design Arc UK Limited	21.10.2016	NA	GBP(1GBP= ₹ 90.13)	43.07	(73.37)	368.39	398.69	-	-	49.60	-	49.60	-	85.00%	0.00%

Name of the subsidiary	Date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Reporting currency & Exchange rate as on the last date of Financial year in the case of foreign subsidiaries.	Share capital	Reserves and surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	Extent of shareholding	Contribution to overall performance of the Company (based on total revenue)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
PDS Global Investments Limited	21.12.2016	NA	GBP(1GBP= ₹ 90.13)	34.58	(7.10)	31.98	4.50	-	-	(1.31)	-	(1.31)	-	100.00%	0.00%
Green Smart Shirts Limited	04.05.2016	NA	BDT(1 BDT= ₹ 0.83)	9,169.88	(2,029.54)	10,567.62	3,427.28	-	3,868.04	(969.95)	-	(969.95)	-	99.98%	0.61%
Recovered Clothing limited	24.07.2018	NA	GBP(1GBP= ₹ 90.13)	45.06	(44.40)	68.82	66.16	-	1.47	(45.21)	-	(45.21)	-	100.00%	0.00%
PDS Ventures Ltd	03.07.2018	NA	GBP(1GBP= ₹ 90.13)	45.54	(116.01)	130.55	201.02	-	-	(117.62)	-	(117.62)	-	100.00%	0.00%
Design Arc FZCO, Dubai	17.01.2019	NA	AED(1 AED= ₹ 18.68)	18.84	(15.01)	29.05	25.22	-	-	(14.99)	-	(14.99)	-	75.00%	0.00%
Spring Near East FZCO, Dubai	17.01.2019	NA	GBP(1GBP= ₹ 90.13)	18.84	(34.56)	15.44	31.16	-	-	(34.35)	-	(34.35)	-	55.00%	0.00%
Kleider Sourcing FZCO, Dubai	17.01.2019	NA	AED(1 AED= ₹ 18.68)	18.84	54.52	86.72	13.35	-	-	55.26	-	55.26	-	90.00%	0.00%
Twins Asia FZCO, Dubai	17.01.2019	NA	AED(1 AED= ₹ 18.68)	18.84	(12.74)	20.12	14.01	-	-	(12.70)	-	(12.70)	-	75.00%	0.00%
Zamira Fashion Limited Zhongshan	26.06.2015	NA	RMB(1RMB= ₹ 10.22)	314.89	(81.38)	263.79	30.28	-	247.26	(2.34)	-	(2.34)	-	100.00%	0.04%
PDS Trading (Shanghai) Co. Ltd.	13.05.2014	NA	RMB(1RMB= ₹ 10.22)	613.27	(489.90)	247.11	123.74	-	-	(85.27)	0.37	(85.65)	-	100.00%	0.00%
Kindred Fashions Limited	23.10.2018	NA	HKD(1HKD= ₹ 8.81)	-	-	-	-	-	-	-	-	-	-	100.00%	0.00%
PG Shanghai MFG Co. Limited	13.05.2014	NA	RMB(1RMB= ₹ 10.22)	138.35	(102.03)	116.23	79.91	-	-	(27.95)	-	(27.95)	-	100.00%	0.00%
Simple Approach (Canada) Ltd	02.05.2013	NA	CAD(1CAD= ₹ 51.36)	0.06	155.18	155.95	0.69	-	-	(24.70)	0.20	(24.90)	-	100.00%	0.00%
Zamira Denim Lab Limited	24.10.2014	NA	HKD(1HKD= ₹ 8.81)	6.85	(3.32)	-	(3.53)	-	-	(0.56)	-	(0.56)	-	100.00%	0.00%
Grupo Sourcing Limited	15.03.2016	NA	BDT(1 BDT= ₹ 0.83)	112.03	(62.86)	195.05	135.88	-	4,390.21	9.05	36.91	(27.86)	-	99.98%	0.69%
Parc Designs Pvt Ltd	16.08.2018	NA	-	300.00	(181.63)	951.03	832.67	-	826.94	(176.77)	(30.30)	(146.47)	-	51.00%	0.13%

Note: Dividend paid by foreign subsidiaries have been declared and paid during the financial year 2018-19.

Part B-Associate and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates or Joint Ventures	Latest audited Balance Sheet Date	Date on which the Associate or JV was associated or acquired	Shares of Associate or Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/ Joint venture is not consolidated	Network attributable to shareholding as per latest audited Balance sheet	Profit or Loss for the year	
			No.	Amount of Investment in Associates or Joint Venture	Extent of Holding (in percentage)				Considered in Consolidation	Not Considered in Consolidation
(1)	(2)	(3)	(4)			(5)	(6)	(7)	(8)	
PG Home Group Limited		13.05.2014	114750	79.37	45.9	PG Group hold 90% hence consolidated	-	736.64	413.27	-
Sourcing Solutions Limited		12.03.2015	5000	1,411	50.00	50% joint venture	Refer Note 1	(439.12)	7.79	378.05
PG Home Group SPA		13.05.2014	1,377.00	1.57	45.9	Norwest hold 50.98% hence consolidated	-	(242.51)	3.32	-
Redwood Internet Ventures Limited		09.12.2015	5000	3.45	50.00	50% joint venture	Refer Note 1	(23.44)	-	9.65
Digital Internet Technologies Limited		25.02.2016	5000	3.45	50.00	50% joint venture	Refer Note 1	(67.23)	-	(30.88)
Digital Econ Techno Private Limited		17.06.2016	2,829,855	282.98	50.00	50% joint venture	-	179.16	-	(225.25)
Sourcing East West Limited		19.01.2018	50000	33.43	30.00	-	-	(20.06)	(0.24)	(0.24)

Note 1: Profits/(Losses) are considered as per respective accounting standard of the country in which the investment is held.

Annexure-V to the Directors' Report

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2019

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

I. REGISTRATION & OTHER DETAILS:

1	CIN	L18101KA2011PLC094125
2	Registration Date	06th April, 2011
3	Name of the Company	PDS Multinational Fashions Limited
4	Category/Sub-category of the Company	Public Limited Company
5	Address of the Registered office & contact details	No. 758 & 759, 2nd Floor, 19th Main, Sector-2, HSR Layout, Bangalore-560102 Tel: +91-80-67653000, E-mail: investors@pdsmultinational.com
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd, Noble Heights, 1st Floor, Plot NH 2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi - 110058, Contact Person: Mr. V. M. Joshi, General Manager, Tel: 011-41410592-94, Email: delhi@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Accounting, book keeping and auditing activities; tax consultancy	692	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of sharesheld	Applicable Section
1	Multinational Textiles Group Limited, Mauritius	NA	Subsidiary	100	2(87)(ii)
2	Global Textiles Group Limited, Mauritius	NA	Subsidiary	100	2(87)(ii)
3	Casa Forma Limited, UK	NA	Subsidiary	100	2(87)(ii)
4	PDS Asia Star Corporation Limited, Hong Kong	NA	Subsidiary	60	2(87)(ii)
5	Simple Approach Limited, Hong Kong	NA	Subsidiary	75	2(87)(ii)
6	Zamira Fashion Limited Zhongshan, China	NA	Subsidiary	67	2(87)(ii)
7	PG Group Limited, Hong Kong	NA	Subsidiary	51	2(87)(ii)
8	Techno Design HK Limited, Hong Kong	NA	Subsidiary	55	2(87)(ii)
9	Norwest Industries Limited, Hong Kong	NA	Subsidiary	100	2(87)(ii)
10	Poeticgem International Limited, Hong Kong	NA	Subsidiary	100	2(87)(ii)
11	SACB Holdings Limited, Mauritius	NA	Subsidiary	51	2(87)(ii)
12	Multinational OSG Services Bangladesh Ltd, Bangladesh	NA	Subsidiary	97	2(87)(ii)
13	Fullhouse Manufacturing Limited (Old Name: Nor Delhi Manufacturing Limited), Hong Kong	NA	Subsidiary	100	2(87)(ii)
14	Techno Design GmbH, Germany	NA	Subsidiary	55	2(87)(ii)
15	Poetic Brands Limited, UK	NA	Subsidiary	60	2(87)(ii)
16	Poeticgem Limited, UK	NA	Subsidiary	100	2(87)(ii)
17	PDS Trading (Shanghai) Co. Ltd. China	NA	Subsidiary	60	2(87)(ii)
18	Simple Approach (Canada) Limited, Canada	NA	Subsidiary	75	2(87)(ii)
19	Zamira Denim Lab Ltd.Hong Kong	NA	Subsidiary	67	2(87)(ii)
20	PG Home Group Limited, Hong Kong	NA	Associate	45.9	2(6)
21	PG Shanghai MFG Co. Limited, China	NA	Subsidiary	51	2(87)(ii)

S. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of sharesheld	Applicable Section
22	360 Notch Limited, Hong Kong	NA	Subsidiary	100	2(87)(ii)
23	Sourcing Solutions Limited, Hong Kong	NA	Associate	50	2(6)
24	Razamtazz Limited, Mauritius	NA	Subsidiary	100	2(87)(ii)
25	Krayon Sourcing Limited, Hong Kong	NA	Subsidiary	80	2(87)(ii)
26	Design Arc Asia Limited, Hong Kong	NA	Subsidiary	85	2(87)(ii)
27	Nor Lanka Manufacturing Limited, Hong Kong	NA	Subsidiary	100	2(87)(ii)
28	Design Arc Europe Limited, Hong Kong	NA	Subsidiary	70	2(87)(ii)
29	Kleider Sourcing Hong Kong Limited, Hong Kong	NA	Subsidiary	51	2(87)(ii)
30	Kleider Sourcing Limited, Bangladesh	NA	Subsidiary	50.99	2(87)(ii)
31	Rising Asia Star Hong Kong Limited, Hong Kong	NA	Subsidiary	100	2(87)(ii)
32	Nor India Manufacturing Co. Limited, Hong Kong	NA	Subsidiary	100	2(87)(ii)
33	Spring Near East Manufacturing Co. Ltd., Hong Kong	NA	Subsidiary	65	2(87)(ii)
34	Clover Collections Limited, Hong Kong	NA	Subsidiary	100	2(87)(ii)
35	FX Import Co. Limited, UK	NA	Subsidiary	100	2(87)(ii)
36	Poetic Knitwear Limited, UK	NA	Subsidiary	100	2(87)(ii)
37	Pacific Logistics Limited, UK	NA	Subsidiary	100	2(87)(ii)
38	PG Home Group SPA, Chile	NA	Associate	45.9	2(6)
39	Nor Lanka Manufacturing Colombo Limited, Srilanka	NA	Subsidiary	100	2(87)(ii)
40	Nor Europe SPA, Spain	NA	Subsidiary	70	2(87)(ii)
41	FX Import Hong Kong Limited, Hong Kong	NA	Subsidiary	100	2(87)(ii)
42	MultiTech Venture Limited, Mauritius	NA	Subsidiary	100	2(87)(ii)
43	Progress Manufacturing Group Limited, Hong Kong	NA	Subsidiary	100	2(87)(ii)
44	Progress Apparels (Bangladesh) Limited, Bangladesh	NA	Subsidiary	99.99	2(87)(ii)
45	Redwood Internet Ventures Limited, Hong Kong	NA	Associate	50	2(6)
46	Digital Internet Technologies Limited, Hong Kong	NA	Associate	50	2(6)
47	Green Apparel Industries Limited, Hong Kong	NA	Subsidiary	75	2(87)(ii)
48	Grupo Sourcing Limited (hongkong), Hong Kong	NA	Subsidiary	51	2(87)(ii)
49	JJ Star Industrial Limited, Hong Kong	NA	Subsidiary	57.5	2(87)(ii)
50	Twins Asia Limited, Hong Kong	NA	Subsidiary	85	2(87)(ii)
51	Norlanka Progress Pvt. Limited, Srilanka	NA	Subsidiary	100	2(87)(ii)
52	Blueprint Design Limited, Hong Kong	NA	Subsidiary	100	2(87)(ii)
53	Design Arc UK Limited, UK	NA	Subsidiary	85	2(87)(ii)
54	Grupo Sourcing Limited Bangladesh, Bangladesh	NA	Subsidiary	50.99	2(87)(ii)
55	Fareast Vogue Limited, Hong Kong	NA	Associate	60	2(87)(ii)
56	PDS Far-east Limited, Hong Kong	NA	Subsidiary	100	2(87)(ii)
57	Kindred Brands Limited, Hong Kong	NA	Subsidiary	60	2(87)(ii)
58	Styleberry Limited, Hong Kong	NA	Subsidiary	85	2(87)(ii)
59	PDS Global Investments Limited, British Virgin Islands (BVI)	NA	Subsidiary	100	2(87)(ii)
60	Green Smart Shirts Limited, Bangladesh	NA	Subsidiary	74.99	2(87)(ii)
61	Zamira Fashions Limited, Hong Kong	NA	Subsidiary	67	2(87)(ii)
62	PDS Far East USA Inc, USA	NA	Subsidiary	100	2(87)(ii)
63	Smart Notch Industrial Limited, Hong Kong	NA	Subsidiary	100	2(87)(ii)
64	Fabric & Trims Limited, Hong Kong	NA	Subsidiary	100	2(87)(ii)
65	Sourcing East West Limited, Hong Kong	NA	Associate	30	2(6)

PDS Multinational Fashions Limited

S. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of sharesheld	Applicable Section
66	Smart Notch Ltd. (Shanghai), China	NA	Subsidiary	100	2(87)(ii)
67	Jcraft Array Limited, Hong Kong	NA	Subsidiary	85	2(87)(ii)
68	Sourcing Solution Europe BVBA, Belgium	NA	Associate	50	2(6)
69	Kindred Fashions Limited, Canada	NA	Subsidiary	100	2(87)(ii)
70	Recovered Clothing Limited, UK	NA	Subsidiary	60	2(87)(ii)
71	PDS Ventures Ltd, UK	NA	Subsidiary	100	2(87)(ii)
72	Design Arc FZCO, Dubai	NA	Subsidiary	75	2(87)(ii)
73	Spring Near East FZCO, Dubai	NA	Subsidiary	55	2(87)(ii)
74	Kleider Sourcing FZCO, Dubai	NA	Subsidiary	90	2(87)(ii)
75	Twins Asia FZCO, Dubai	NA	Subsidiary	75	2(87)(ii)
76	Digital Ecom Techno Private Limited, India	U52609KA 2016PTC0 94215	Associate	50	2(6)
77	Parc Designs Pvt Ltd, India	U18209KA 2017PTC 107035	Subsidiary	51	2(87)(ii)
78	Technocian Fashions Pvt Limited, India	U18100KA 2019PTC 122540	Subsidiary	55	2(87)(ii)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change in Shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	13,875,279	-	13,875,279	53.27%	13,875,279	-	13,875,279	53.27%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	50,035	-	50,035	0.19%	50,035	-	50,035	0.19%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	13,925,314	-	13,925,314	53.46%	13,925,314	-	13,925,314	53.46%	0.00%
(2) Foreign									
a) NRI Individuals	3,434,572	-	3,434,572	13.19%	3,434,572	-	3,434,572	13.19%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	3,434,572	-	3,434,572	13.19%	3,434,572	-	3,434,572	13.19%	0.00%
TOTAL (A)	17,359,886	-	17,359,886	66.65%	17,359,886	-	17,359,886	66.65%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	230,864	79	230,943	0.89%	228,464	79	228,543	0.88%	-0.01%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change in Shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIIs	1,038,511	-	1,038,511	3.99%	1,006,445	-	1,006,445	3.86%	-0.12%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify): Alternante Investment Fund	145,000	-	145,000	0.56%	145,000	-	145,000	0.56%	0.00%
Sub-total (B)(1):-	1,414,375	79	1,414,454	5.43%	1,379,909	79	1,379,988	5.30%	-0.13%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1,190,240	634	1,190,874	4.57%	1,131,154	634	1,131,788	4.35%	-0.23%
ii) Overseas	-	-	-	0.00%	-	-	-	-	0.00%
b) Individuals	-	-	-	0.00%	-	-	-	-	0.00%
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1,632,386	155,725	1,788,111	6.87%	1,466,729	146,504	1,613,233	6.19%	-0.67%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2,960,073	-	2,960,073	11.36%	3,526,363	-	3,526,363	13.54%	2.17%
c) Others (specify)									
Non Resident Indians (Non Repat)	108,385	-	108,385	1.49%	127,644	-	127,644	0.49%	-1.00%
Non Resident Indians (Repat)	330,147	27,425	357,572	1.37%	328,993	26387	355,380	1.36%	-0.01%
Foreign Companies	390,727	-	390,727	1.50%	-	-	-	0.00%	-1.50%
Clearing Members	10,703	-	10,703	0.04%	61,402	-	61,402	0.24%	0.19%
Trusts	192	-	192	0.00%	192	-	192	0.00%	0.00%
Hindu Undivided Family	465,747	-	465,747	1.79%	490,728	-	490,728	1.88%	0.10%
NBFCs registered with RBI	-	-	-	0.00%	120	-	120	0.00%	0.00%
Sub-total (B)(2):-	7,088,600	183,784	7,272,384	27.92%	7,133,325	173,525	7,306,850	28.05%	0.13%
Total Public (B)	8,502,975	183,863	8,686,838	33.35%	8,513,234	173,604	8,686,838	33.35%	0.00%
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	25,862,861	183,863	26,046,724	100.00%	25,873,120	173,604	26,046,724	100.00%	0.00%

(ii) Shareholding of Promoter

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Mrs. Payel Seth	13875242	53.27%	0.00%	13875242	53.27%	0.00%	0.00%
2	Mr. Deepak Seth	3,155,734	12.12%	0.00%	3,155,734	12.12%	0.00%	0.00%
3	Mr. Pallak Seth	278,838	1.07%	0.00%	278,838	1.07%	0.00%	0.00%

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
4	Mr. Pulkit Seth*	1	0.00%	0.00%	1	0.00%	0.00%	0.00%
5	Mrs. Shefali Seth	36	0.00%	0.00%	36	0.00%	0.00%	0.00%
6	Pearl Global Industries Limited	49,999	0.19%	0.00%	49,999	0.19%	0.00%	0.00%
7	Nim International Commerce LLP	36	0.00%	0.00%	36	0.00%	0.00%	0.00%
	Total	17,359,886	66.65%	0.00%	17,359,886	66.65%	0.00%	0.00%

* As a Nominee Shareholders of Pearl Global Industries Limited

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

Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares	No. of shares	% of total shares
At the beginning of the year	-	-	17,359,886	66.65%	17,359,886	66.65%
Changes during the year	-	-	-	0.00%	-	0.00%
At the end of the year	-	-	17,359,886	66.65%	17,359,886	66.65%

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Sanjiv Dhiresbhai Shah						
	At the beginning of the year	01/04/2018		817,037	3.14%	817,037	3.14%
	Changes during the year	6/4/2018	Transfer	12,500	0.05%	829,537	3.18%
		27/4/2018	Transfer	(10,000)	-0.04%	819,537	3.15%
		11/5/2018	Transfer	12,886	0.05%	832,423	3.20%
		18/5/2018	Transfer	(2,212)	-0.01%	830,211	3.19%
		25/5/2018	Transfer	4,520	0.02%	834,731	3.20%
		1/6/2018	Transfer	3,812	0.01%	838,543	3.22%
		8/6/2018	Transfer	8,302	0.03%	846,845	3.25%
		15/6/2018	Transfer	1,002	0.00%	847,847	3.26%
		22/6/2018	Transfer	2,559	0.01%	850,406	3.26%
		30/6/2018	Transfer	11,478	0.04%	861,884	3.31%
		6/7/2018	Transfer	(12,292)	-0.05%	849,592	3.26%
		13/7/2018	Transfer	8,812	0.03%	858,404	3.30%
		20/7/2018	Transfer	34,540	0.13%	892,944	3.43%
		27/7/2018	Transfer	23,426	0.09%	916,370	3.52%
		3/8/2018	Transfer	(2,677)	-0.01%	913,693	3.51%
		10/8/2018	Transfer	(6,955)	-0.03%	906,738	3.48%
		17/8/2018	Transfer	(14,500)	-0.06%	892,238	3.43%
		24/8/2018	Transfer	(1,500)	-0.01%	890,738	3.42%
		31/8/2018	Transfer	(14,476)	-0.06%	876,262	3.36%
		7/9/2018	Transfer	45,093	0.17%	921,355	3.54%

S. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
		14/9/2018	Transfer	180	0.00%	921,535	3.54%
		21/9/2018	Transfer	20	0.00%	921,555	3.54%
		29/9/2018	Transfer	8,180	0.03%	929,735	3.57%
		5/10/2018	Transfer	6,531	0.03%	936,266	3.59%
		12/10/2018	Transfer	2,460	0.01%	938,726	3.60%
		19/10/2018	Transfer	3,581	0.01%	942,307	3.62%
		26/10/2018	Transfer	301	0.00%	942,608	3.62%
		2/11/2018	Transfer	15,735	0.06%	958,343	3.68%
		16/11/2018	Transfer	5,573	0.02%	963,916	3.70%
		23/11/2018	Transfer	3,897	0.01%	967,813	3.72%
		30/11/2018	Transfer	3,226	0.01%	971,039	3.73%
		7/12/2018	Transfer	961	0.00%	972,000	3.73%
		14/12/2018	Transfer	6,938	0.03%	978,938	3.76%
		21/12/2018	Transfer	14,440	0.06%	993,378	3.81%
		28/12/2018	Transfer	4,616	0.02%	997,994	3.83%
		31/12/2018	Transfer	276	0.00%	998,270	3.83%
		4/1/2019	Transfer	4,472	0.02%	1,002,742	3.85%
		11/1/2019	Transfer	1,963	0.01%	1,004,705	3.86%
		1/3/2019	Transfer	10	0.00%	1,004,715	3.86%
	At the end of the year	31/03/2019		-	0.00%	1,004,715	3.86%
2	Chetan Dhireshbhai Shah						
	At the beginning of the year	01/04/2018		516,044	1.98%	516,044	1.98%
	Changes during the year	13/7/2018	Transfer	50,500	0.19%	566,544	2.18%
		27/7/2018	Transfer	8,800	0.03%	575,344	2.21%
		3/8/2018	Transfer	551	0.00%	575,895	2.21%
		26/10/2018	Transfer	16,000	0.06%	591,895	2.27%
		2/11/2018	Transfer	222	0.00%	592,117	2.27%
		11/1/2019	Transfer	30,756	0.12%	622,873	2.39%
		18/1/2019	Transfer	13,654	0.05%	636,527	2.44%
		25/1/2019	Transfer	3,790	0.01%	640,317	2.46%
		1/2/2019	Transfer	8,570	0.03%	648,887	2.49%
		8/2/2019	Transfer	6,396	0.02%	655,283	2.52%
		15/2/2019	Transfer	6,077	0.02%	661,360	2.54%
		22/2/2019	Transfer	2,978	0.01%	664,338	2.55%
		1/3/2019	Transfer	10,736	0.04%	675,074	2.59%
		8/3/2019	Transfer	3,261	0.01%	678,335	2.60%
		15/3/2019	Transfer	1,741	0.01%	680,076	2.61%
		22/3/2019	Transfer	1,079	0.00%	681,155	2.62%
		29/3/2019	Transfer	20,703	0.08%	701,858	2.69%
	At the end of the year	31/03/2019		-	0.00%	701,858	2.69%
3	Mukul Mahavir Agrawal			425,000	1.63%	425,000	1.63%
	At the beginning of the year	01/04/2018			0.00%	-	0.00%

S. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	Changes during the year						
	At the end of the year	31/03/2019		425,000	1.63%	425,000	1.63%
4	Premier Investment Fund Ltd.						
	At the beginning of the year	01/04/2018		410,171	1.57%	410,171	1.57%
	Changes during the year	6/4/2018	Transfer	(7,630)	-0.03%	402,541	1.55%
		30/6/2018	Transfer	(994)	0.00%	401,547	1.54%
	At the end of the year	31/03/2019		-	0.00%	401,547	1.54%
5	Lts Investment Fund Ltd						
	At the beginning of the year	01/04/2018		321,621	1.23%	321,621	1.23%
	Changes during the year				0.00%		0.00%
	At the end of the year	31/03/2019		-	0.00%	321,621	1.23%
6	ABIR Investments Pvt. Ltd.						
	At the beginning of the year	01/04/2018		144,447	0.55%	144,447	0.55%
	Changes during the year	6/4/2018	Transfer	11,941	0.05%	156,388	0.60%
		13/4/2018	Transfer	9,908	0.04%	166,296	0.64%
		20/4/2018	Transfer	1,909	0.01%	168,205	0.65%
		27/4/2018	Transfer	12,103	0.05%	180,308	0.69%
		4/5/2018	Transfer	6,691	0.03%	186,999	0.72%
		11/5/2018	Transfer	9,243	0.04%	196,242	0.75%
		18/5/2018	Transfer	5,560	0.02%	201,802	0.77%
		25/5/2018	Transfer	17,407	0.07%	219,209	0.84%
		1/6/2018	Transfer	6,689	0.03%	225,898	0.87%
		8/6/2018	Transfer	2,056	0.01%	227,954	0.88%
		15/6/2018	Transfer	2,338	0.01%	230,292	0.88%
		22/6/2018	Transfer	667	0.00%	230,959	0.89%
		30/6/2018	Transfer	2,383	0.01%	233,342	0.90%
		6/7/2018	Transfer	3,015	0.01%	236,357	0.91%
		13/7/2018	Transfer	5,267	0.02%	241,624	0.93%
		20/7/2018	Transfer	979	0.00%	242,603	0.93%
		3/8/2018	Transfer	604	0.00%	243,207	0.93%
		10/8/2018	Transfer	5,104	0.02%	248,311	0.95%
		17/8/2018	Transfer	1,651	0.01%	249,962	0.96%
		24/8/2018	Transfer	3,069	0.01%	253,031	0.97%
		31/8/2018	Transfer	4,606	0.02%	257,637	0.99%
		7/9/2018	Transfer	6,195	0.02%	263,832	1.01%
		14/9/2018	Transfer	1,996	0.01%	265,828	1.02%
		21/9/2018	Transfer	2,235	0.01%	268,063	1.03%
	At the end of the year	31/03/2019		-	0.00%	268,063	1.03%
7	Sanblue Corporation Limited						
	At the beginning of the year	01/04/2018		217,297	0.83%	217,297	0.83%
	Changes during the year	1/6/2018	Transfer	1,200	0.00%	218,497	0.84%
		12/10/2018	Transfer	562	0.00%	219,059	0.84%

S. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
		16/11/2018	Transfer	5,000	0.02%	224,059	0.86%
	At the end of the year	31/03/2019		-	0.00%	224,059	0.86%
8	Chetan D Shah HUF						
	At the beginning of the year	01/04/2018		215,480	0.83%	215,480	0.83%
	Changes during the year	20/7/2018	Transfer	8,000	0.03%	223,480	0.86%
	At the end of the year	31/03/2019		-	0.00%	223,480	0.86%
9	Abhijit Nimish Vasa						
	At the beginning of the year	01/04/2018		209,457	0.80%	209,457	0.80%
	Changes during the year	29/9/2018	Transfer	7,296	0.03%	216,753	0.83%
		5/10/2018	Transfer	3,749	0.01%	220,502	0.85%
		12/10/2018	Transfer	(8,053)	-0.03%	212,449	0.82%
	At the end of the year	31/03/2019		-	0.00%	212,449	0.82%
10	Stewart & Mackertich Wealth Management Limited						
	At the beginning of the year	01/04/2018		227,000	0.87%	227,000	0.87%
	Changes during the year	27/4/2018	Transfer	(7,000)	-0.03%	220,000	0.84%
		4/5/2018	Transfer	135	0.00%	220,135	0.85%
		11/5/2018	Transfer	(20,135)	-0.08%	200,000	0.77%
		30/6/2018	Transfer	5,855	0.02%	205,855	0.79%
		6/7/2018	Transfer	(5,855)	-0.02%	200,000	0.77%
		20/7/2018	Transfer	(150,000)	-0.58%	50,000	0.19%
		27/7/2018	Transfer	(40,000)	-0.15%	10,000	0.04%
		10/8/2018	Transfer	(10,000)	-0.04%	-	0.00%
		12/10/2018	Transfer	750	0.00%	750	0.00%
		19/10/2018	Transfer	(750)	0.00%	-	0.00%
		21/12/2018	Transfer	50,000	0.19%	50,000	0.19%
	At the end of the year	31/03/2019		-	0.00%	50,000	0.19%
11	Lesing Mauritius Limited*						
	At the beginning of the year	01/04/2018		390,727	1.50%	390,727	1.50%
	Changes during the year	11/5/2018	Transfer	(8,300)	-0.03%	382,427	1.47%
		18/5/2018	Transfer	(5,200)	-0.02%	377,227	1.45%
		25/5/2018	Transfer	(8,230)	-0.03%	368,997	1.42%
		1/6/2018	Transfer	(10,040)	-0.04%	358,957	1.38%
		8/6/2018	Transfer	(285)	0.00%	358,672	1.38%
		22/6/2018	Transfer	(330)	0.00%	358,342	1.38%
		30/6/2018	Transfer	(148)	0.00%	358,194	1.38%
		29/9/2018	Transfer	(20,728)	-0.08%	337,466	1.30%
		5/10/2018	Transfer	(20,147)	-0.08%	317,319	1.22%
		19/10/2018	Transfer	(317,319)	-1.22%	-	0.00%
	At the end of the year	31/03/2019		-	0.00%	-	0.00%

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Mr. Deepak Seth (Chairman)						
	At the beginning of the year	01/04/2018		3,155,734	12.12%	3,155,734	12.12%
	Changes during the year	-		-	0.00%	-	0.00%
	At the end of the year	31/03/2019				3,155,734	12.12%
2	Mr. Pallak Seth (Vice-Chariman)						
	At the beginning of the year	01/04/2018		278,838	1.07%	278,838	1.07%
	Changes during the year	-		-	0.00%	-	0.00%
	At the end of the year	31/03/2019				278,838	0.00%
3	Mrs. Payel Seth (Director)						
	At the beginning of the year	01/04/2018		13,875,242	53.27%	13,875,242	53.27%
	Changes during the year	-		-	0.00%	-	0.00%
	At the end of the year	31/03/2019				13,875,242	53.27%
4	Dr. A.P. Bhupatkar (Director)						
	At the beginning of the year	01/04/2018		-	0.00%	-	0.00%
	Changes during the year	-		-	0.00%	-	0.00%
	At the end of the year	31/03/2019		-	0.00%	-	0.00%
5	Mr. Ashok Kr. Sanghi (Director)						
	At the beginning of the year	01/04/2018		-	0.00%	-	0.00%
	Changes during the year	-		-	0.00%	-	0.00%
	At the end of the year	31/03/2019		-	0.00%	-	0.00%
6	Mr. Ashok Kr. Chhabra (Director)						
	At the beginning of the year	01/04/2018		-	0.00%	-	0.00%
	Changes during the year	-		-	0.00%	-	0.00%
	At the end of the year	31/03/2019		-	0.00%	-	0.00%
7	Mr. Omprakash Makam S. Setty (Chief Executive Officer)						
	At the beginning of the year	01/04/2018		-	0.00%	-	0.00%
	Changes during the year	-		-	0.00%	-	0.00%
	At the end of the year	31/03/2019		-	0.00%	-	0.00%
8	Mr. Ajai Singh (Chief Financial Officer)						
	At the beginning of the year	01/04/2018		-	0.00%	-	0.00%
	Changes during the year	-		-	0.00%	-	0.00%
	At the end of the year	31/03/2019		-	0.00%	-	0.00%
9	Mr. B. Chandra Sekhara Reddy (Company Secretary)						
	At the beginning of the year	01/04/2018		1	0.00%	1	0.00%
	Changes during the year	-		-	0.00%	-	0.00%
	At the end of the year	31/03/2019		1	0.00%	1	0.00%

V. INDEBTEDNESS

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

(Amount in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	175,740.00	212,187,171.00	-	212,362,911.00
ii) Interest due but not paid	-	3,590,137.00	-	3,590,137.00
iii) Interest accrued but not due	-	119,872.00	-	119,872.00
Total (i+ii+iii)	175,740.00	215,897,180.00	-	216,072,920.00
Change in Indebtedness during the financial year				
* Addition	2,586,732.00	-	-	2,586,732.00
* Reduction	175,740.00	36,778,446.00	-	36,954,186.00
Net Change	2,410,992.00	36,778,446.00	-	39,189,438.00
Indebtedness at the end of the financial year				
i) Principal Amount	2,586,732.00	175,408,725.00	-	177,995,457.00
ii) Interest due but not paid	-	3,659,535.00	-	3,659,535.00
iii) Interest accrued but not due	-	95,342.00	-	95,342.00
Total (i+ii+iii)	2,586,732.00	179,163,602.00	-	181,750,334.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

S.No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Name	Mrs. Payel Seth*	(₹)
	Designation	Managing Director	
1	Gross salary	2,100,000.00	2,100,000.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	-
2	Stock Option	0	-
3	Sweat Equity	0	-
4	Commission	0	-
	- as % of profit	0	-
	- others, specify	0	-
5	Others, please specify	0	-
	Total (A)	2,100,000.00	2,100,000.00
	Remuneration Ceiling as per the Act	6,000,000.00 Lakhs	

* Salary was paid for part of the year till 30th October, 2018, thereafter she resigned from the position of Managing Director and continue as Non-Executive director w.e.f 1st november, 2018

B. Remuneration to other Directors

S. No.	Particulars of Remuneration	Name of Directors			Total Amount (Rs./Lac)
1	Independent Directors	Dr. A. P. Bhupatkar	Mr. Ashok Kumar Sanghi	Mr. Ashok Kumar Chhabra	
	Fee for attending board meetings	198,000.00	264,000.00	264,000.00	726,000.00
	Commission	-	-	-	-
	Total (1)	198,000.00	264,000.00	264,000.00	726,000.00
2	Other Non-Executive Directors	Mr. Deepak Seth	Mr. Pallak Seth		-
	Fee for attending board committee meetings	-	-		-
	Commission	-	-		-
	Others, please specify	-	-		-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	198,000.00	264,000.00	264,000.00	726,000.00
	Total Managerial Remuneration				2,826,000.00
	Overall Ceiling as per the Act	Sitting Fees paid is within the limits specified under the Companies Act, 2013			

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

S. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Name	Mr. Omprakash Makam S. Setty*	Mr. Ajai Singh**	Mr. B. Chandra Sekhara Reddy	(Rs)
	Designation	Chief Executive Officer	Chief Financial Officer	Company Secretary	
1	Gross salary	8,219,000	20,600,000	5,051,000	33,870,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of profit	0	0	0	0
	- others, specify	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	8,219,000	20,600,000	5,051,000	33,870,000.00

*Mr. Omprakash Makam S. Setty was appointed as Chief Executive Officer & Key Managerial personnel of the Company w.e.f. 1st December, 2018. **Mr. Ajai Singh is Group Chief Financial Officer and he was appointed as Chief Financial Officer & Key Managerial Personnel of the Company w.e.f. 1st December, 2018.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure-VI to the Directors' Report

Form No. AOC-2

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

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

Sl. No.	Name of the related party	Nature of the relationship	Nature of Contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Value (Amount in Rs./ Lacs)	Date of approval of the Board, if any	Amount paid as advances, if any
1.	Multinational Textile Group Limited (MTGL)	Wholly owned Subsidiary	Sale of Services	Effective from 01-04-2018	Providing various corporate services to MTGL and its subsidiaries	1688.11	31-03-2018	
			Advance received towards services			257.55		
			Advance repaid			-		
			Closing Balance (Payable)]			991.45		
2.	Digital Ecom Techno Private Limited	Associate	Leasing of property	01-04-2018 to 31-03-2019	Receiving rent & other income on Leasing of property at Plot No. 222, Phase-I, Udyog Vihar, Gurgaon	12.00	13-02-2017	
3.	Design Arc Asia Limited, Hong Kong	Step down Subsidiary	Rendering of Services	Effective from 01-04-2018	Various sourcing support services	1,182.99	31-03-2018	
			Advance received towards services			490.02		
4.	Techno Design Hong Kong Limited	Step down Subsidiary	Rendering of Services	Effective from 01-04-2018	Various sourcing support services	533.51	31-03-2018	
			Advance received towards services			11.46		
			Closing Balance - receivable			17.83		
5.	Blue Print Design Limited	Step down Subsidiary	Rendering of Services	Effective from 01-04-2018	Various sourcing support services	122.27	31-03-2018	
			Closing Balance - receivable			14.23		
6.	Poeticgem International Ltd.	Step down Subsidiary	Rendering of Services	Effective from 01-04-2018	Various sourcing support services	42.70	09-08-2018	
			Closing Balance - receivable			8.39		

Annexure-VII to the Directors' Report

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

Details of Top 10 employees in terms of remuneration drawn FY April 2018- March 2019

Sl. No.	Name of Employee	Designation	Educational qualification	Age	Experience (in years)	Date of Joining	Remuneration paid (Gross)	Nature of Employment, Whether Contractual or otherwise	Last Employment	% of equity share held	Whether employee is relative of any Director or Manager
1	Nidhi Datt	COO	Master Degree in Textile & Clothing	52	29	15-Nov-12	8,261,458	Permanent	Orient Craft Ltd. Gurgaon	0	NO
2	Omrakash Makam S. Setty	Group -COO	CA, ICWAI	52	27	1-Jul-12	8,191,008	Permanent	Levis India Pvt. Limited	0	NO
3	Swaminathan KN	Chief Technology Officer	ICWA	56	31	7-May-15	7,901,700	Permanent	TVS Motors Limited	0	NO
4	Sunvinder Singh	President	Completed Honors in Systems Management from NIIT, Delhi	46	25	3-Oct-18	7,705,445	Permanent	Monsoon Accessorize Pvt Ltd (Urban Craft P Ltd, India Sourcing office)	0	NO
5	Rajeev Sharma	Executive Director- Global Compliance	B com, SA 8000 Certified Auditor	47	24	7-Aug-17	6,390,000	Permanent	VR Brand India Pvt Ltd	0	NO
6	Swaminathan Natarajan	Corporate Controller	CA, ICWAI	50	23	14-Jun-12	5,313,330	Permanent	Norwest Industries Ltd. Hong kong	0	NO
7	Chandra Sekhara Reddy Battula	Head of Legal & Secretarial	CS/LLB	45	20	12-Mar-15	5,030,196	Permanent	Bharat Hotels Limited	0	NO
8	Mayank Vimal Agarwal	Finance Controller	CA,CFA(US)	31	3.6	11-Jul-16	3,928,400	Permanent	Citibank	0	NO
9	Ajay Narula	GM	Diploma in Apparel Merchandising	45	23	1-Mar-16	3,898,396	Permanent	Impulse India Pvt Ltd	0	NO
10	Anand Babu Swargam	Global Technical Audit Manager	BA	42	19	1-Apr-11	3,282,940	Permanent	The Children's Place	0	NO

Annexure-VIII to the Directors' Report

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.

The information under section 134(3) (m) of the Companies Act, 2013 read with rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2018 is given here below.

A. CONSERVATION OF ENERGY:

Your Company is into the business of trading of garments on wholesale basis and does not have manufacturing activity so it does not consume heavy electricity.

(i) The steps taken or impact on conservation of energy:

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

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

The Company being into garment does not consume heavy electricity. Hence, presently Company is not exploring alternate source of energy.

(iii) The Capital investment on energy conversation equipment: NIL

B. TECHNOLOGY ABSORPTION :

(i) The efforts made towards technology absorption:

The benefits derived like product improvement, cost reduction, product development or import substitution: Not Applicable

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

- | | | |
|--|---|----------------|
| a. The details of technology Imported | : | Not Applicable |
| b. The year of Import | : | Not Applicable |
| c. Has the technology been fully absorbed? | : | Not Applicable |
| d. If not fully absorbed, areas where this has not taken place, and the reasons thereof; and | : | Not Applicable |

(iii) The expenditure incurred on Research & Development:

(Amount in ₹/Lakh)

Expenditure on R & D	2018-19	2017-18
a)	-	-
b)	-	-
c) Total	Nil	Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings

(Amount in ₹/Lakh)

Particulars	2018-19	2017-18
Export of Services - FOB basis	3,844.74	1,690.21
Dividend received	0.00	644.00
Advance received	759.03	426.11
Total	4,603.77	2,760.32

Foreign Exchange Outgo

(Amount in ₹/Lakh)

Particulars	2018-19	2017-18
Foreign Travelling	52.85	1.80
Repayment of Advance	0.00	559.10
Total	52.85	560.90

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to Values. Good governance practices stem from culture and mindset of the organization.

The Company has an unwavering commitment to uphold sound corporate governance standards and highest business conduct. Being a value driven organization, PDS Multinational Fashions Limited has always worked towards building trust with stakeholders based on the principles of corporate governance.

PDS Multinational Fashions Limited strives to foster a corporate culture in which high standard of ethical behavior, individual accountability and transparent disclosure are ingrained in all its business dealing and shared by its Board of Directors, Management and Employees. Over the years governance process and systems have been strengthened at PDS Multinational Fashions Limited. In addition to complying with the statutory requirements, effective governance system and practices towards improving transparency, disclosures, internal controls and promotion of ethics at work place.

Your Company confirms compliance to the Corporate Governance requirements as enshrined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (Listing Regulations). The Company in its endeavour towards the best Corporate Governance and to provide transparency has initiated various measures.

Your Company is committed to all its Customers, Suppliers, Employees, Banks and financial institutions, government agencies and statutory authorities which are directly or indirectly concerned with the Company.

2. BOARD OF DIRECTORS

- 2.1** The Company has a balanced Board with combination of Executive and Non-Executive Directors. The Board currently comprises of 6 (Six) Directors including 1 (One) Women Non-Executive Director (Till 31st October, 2018, she continued as Executive Director), 2 (Two) Non-Executive Directors and 3 (Three) Independent Directors. The current composition of the Board is in conformity with Regulation 17(1) of SEBI Listing Regulations as well as the Companies Act, 2013.
- 2.2** The Company requires skill/expertise/competencies in the areas of Trading/Manufacturing of all type of garments, Finance, Legal, Internal Business specialization and Capital Market. Currently Board of the Company comprises of Directors with such qualifications/experiences in all the above areas.
- 2.3** None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five

committees across all the public companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2019 have been made by the Directors.

- 2.4** Independent Directors of the Company provided appropriate annual certifications to the Board confirming satisfaction of the conditions of their being independent as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI Listing Regulations. In opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and they are independent of the management. In compliance with the requirements of Companies Act, 2013, the Company has issued formal appointment letters to all the Independent Directors.
- 2.5** Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings held during the Financial Year 2018-19 and also their other Directorships/ Chairmanship held in Indian Public Companies and Membership/Chairmanship of various Board Committees of other Indian Public Companies including listed Companies as on 31st March, 2019 are as under:

- A)** During the Financial Year 2018-19, five (5) Board Meetings were held on 29th May, 2018, 9th August, 2018, 14th November, 2018, 14th February, 2019 and 28th February, 2018. Attendance of Directors in the Board Meeting and Annual General Meetings are given hereunder:

S. No.	Name of Directors	Attendance Board Meetings	Annual General Meeting
1	Mr. Deepak Seth (DIN: 00003021)	3	Yes
2	Mr. Pallak Seth (DIN: 00003040)	1	No
3	Mrs. Payel Seth* (DIN: 00003035)	3	No
4	Dr. A.P. Bhupatkar (DIN: 00479727)	3	Yes
5	Mr. Ashok Kumar Sanghi (DIN: 00011207)	4	Yes
6	Mr. Ashok Kumar Chhabra (DIN: 06869497)	4	Yes

**Mrs. Payel Seth continued as Managing Director till 31st October, 2018 and thereafter she continues as Non-Executive Director.*

- B)** Particulars of Directors their other Directorships/ Chairmanship held in Indian Public Companies and Membership/Chairmanship of various Board Committees of other Indian Public Companies as at March 31, 2019 including the listed companies are given as under:

Name of Directors	Category	No. of outside Directorships*	Directorship in Listed Company	No. of Committees	
				Member	Chairperson
Mr. Deepak Seth (DIN: 00003021)	Promoter, Non-Executive Director	2	Pearl Global Industries Limited	3	-

Name of Directors	Category	No. of outside Directorships*	Directorship in Listed Company	No. of Committees	
				Member	Chairperson
Mr. Pallak Seth (DIN: 00003040)	Promoter, Non-Executive Director	-	-	-	-
Mrs. Payel Seth (DIN: 00003035)	Promoter, Non-Executive Director [#]	1	-	-	-
Dr. A.P. Bhupatkar (DIN: 00479727)	Non-Executive Independent Director	-	-	2	1
Mr. Ashok Kumar Sanghi (DIN: 00011207)	Non-Executive Independent Director	-	-	3	1
Mr. Ashok Kumar Chhabra (DIN: 06869497)	Non-Executive Independent Director	-	-	3	1

[#]Mrs. Payel Seth continued as Managing Director till 31st October, 2018 and thereafter she continues as Non-Executive Director.

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

Mr. Deepak Seth, Chairman, Mr. Pallak Seth, Vice Chairman and Mrs. Payel Seth, Non-Executive Director are relatives. There is no Nominee or Institutional Directors on the Board of the Company. Independent Directors does not hold any shares of the Company.

Mr. Deepak Seth, Chairman holds 3155734 equity shares (12.12%), Mr. Pallak Seth, Vice Chairman holds 278838 equity shares (1.07%) and Mrs. Payel Seth, Director holds 13875242 equity shares (53.27%) of the Company. No other Director holds any equity share in the Company.

Appointment of Independent Directors on the Board of Material Subsidiaries of the Company.

In pursuant to the amended provisions of Regulation 24(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company has made the appointment of Independent Directors on the Board of Unlisted Material Subsidiary Company incorporated outside India w.e.f. 1st April, 2019 and details of material subsidiaries are given below:

Name of Independent Directors	Name of Material Subsidiaries in which Independent Director is appointed	Country of Incorporation
Mr. Ashok Kumar Sanghi	Norwest Industries Ltd.	Hong Kong
	Nor Lanka Manufacturing Ltd.	Hong Kong
	Kleider Sourcing Hong Kong Ltd.	Hong Kong
	Simple Approach Ltd.	Hong Kong
Dr. Ashutosh Prabhudas Bhupatkar	Poeticgem Ltd.	UK
Mr. Ashok Kumar Chhabra	Razamataaz Ltd.	Mauritius
	Multinational Textiles Group Ltd.	Mauritius

Board Meeting and Procedures

The Board meets at least once in a quarter to review the quarterly financial results and operations of the Company. Apart from the above, additional Board Meetings are convened to address the specific needs of the Company. There is a structured manner in which the agenda items are prepared and presented. The Company Secretary in consultation with the Chairman prepares the detailed agenda for the meetings. All the agenda items are backed by comprehensive agenda notes and relevant supporting papers containing all the vital information, so as to enable the Directors to have focused discussion at the meeting and take informed decisions. The agenda and agenda notes are circulated to all the Directors well in advance, usually a week before the Meeting. In case of sensitive agenda matters, where it is not practical to circulate the relevant information as part of the agenda papers, the

same is tabled at the meeting. Further, the Board has complete access to all information with the company. The minimum information required to be made available to the Board under Regulations 17(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is followed by the Company.

The Board reviews and guides the Company in strategic matters and oversees the process of disclosures and communications to maintain highest standards of ethical conduct and integrity. Additionally, the Board periodically reviews compliance Reports in respect of various laws and regulations applicable to the company.

Independent Directors Meeting & Board Evaluation Process:

In compliance with the requirements of Regulation 25 of SEBI Listing Regulations and Section 149 read with

Schedule IV of the Companies Act, 2013, as amended from time to time, the Independent Directors of the Company met on 14th February, 2019 without the presence of Non-Independent Directors and the management, to review performance of the Chairman and other Non-Independent Director, and discussed, inter-alia, on matters pertaining to evaluation of the performance of the Board as a whole. They also assessed the quality, quantity and timeliness of flow of information between the management and the Board of Directors, which is necessary for the Board to effectively and reasonably perform their duties etc.

The evaluation process was carried out based on an assessment sheet structures in line with ICSI guidance note and the guidance note issued by SEBI in this regard was also circulated to the Independent Directors, well in advance.

The Board of Directors also expressed satisfaction towards the evaluation process. The performance of the Independent Directors was also evaluated taking into account (i) the time devoted; (ii) attention given to professional obligations for independent decision making, (iii) acting in the best interests of the Company, (iv) strategic guidance to the Company. (v) help determine important policies, (vi) external expertise provided, (vii) independent judgment that contributes objectively in the Board's deliberations - particularly on issues of strategy, performance and conflict management etc.

Familiarisation Program for Independent Directors:

Independent Directors are familiarised with their roles, rights and responsibilities in the Company as well as with the nature of industry and business of the Company through induction programs at the time of their appointment as Directors and at regular intervals through deep-dive on various business segments of the Company. While review and approval of quarterly and annual financial statements of the Company are taken up detailed presentation covering inter alia economy and industry overview, key regulatory developments, strategy and performance of individual channels / profit centers is made to the Board. Details of directors familiarisation program is available on Company's website www.pdsmultinational.com.

3. COMMITTEES OF THE BOARD

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company has constituted various committees of the Board viz. Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. The role and composition of the aforesaid Committees, including the number of meetings held and the related attendance of the members are given below:

3.1 AUDIT COMMITTEE

The Audit Committee has been constituted as per Section 177 of the Companies Act, 2013 and read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms of reference of the Audit Committee includes:-

- Overseeing financial reporting processes.
- Reviewing periodic financial results, financial statements

and adequacy of internal control systems.

- Discussion and review of periodic audit reports and discussions with external auditors about the scope of audit including the observations of the auditors.
- Recommending the appointment, remuneration and removal of statutory auditors.
- Discussing with internal auditors any significant findings and follow up thereon.
- Reviewing the adequacy of internal control systems with management, external and internal auditors and reviewing the Company's risk management policies / systems.
- Reviewing the financial statements and quarterly financial results.
- Reviewing Management discussion and analysis of financial condition and result of operations.
- Reviews and approves transactions proposed to be entered into by the Company with related parties including any subsequent modifications thereto.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Scrutiny of inter-corporate loans and investments.

The Audit Committee also reviews internal financial controls and adequacy of disclosures and compliance with all relevant laws. Additionally, in compliance with requirements of Regulation 24 of SEBI Listing Regulations, the Audit Committee reviews operations of Subsidiary Companies including their financial statements, significant related party transactions, statement of investments and minutes of meetings of its Board and Committees, if any.

All recommendations made by the Audit Committee during the year under review were accepted by the Board.

Composition, Meeting and Attendance

The composition of the Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. As on 31st March, 2019, the Audit Committee comprises of four members, of which three members, including the Chairperson, are Independent Directors and one Member is a Non-Executive Director. The Company Secretary acts as a secretary to the Committee. During the Financial Year 2018-19, four (4) meetings of the Audit Committee were held on 29th May, 2018, 9th August, 2018, 14th November, 2018 and 14th February, 2019. The intervening gap between two Meetings did not exceed 120 days.

During the year 2018-19, the members of the Audit Committee and their attendance are as under:

Composition	Total no. of Meetings held	No. of Meetings attended
Dr. A. P. Bhupatkar - Chairman	4	3
Mr. Deepak Seth - Member Director	4	2
Mr. Ashok Kumar Sanghi - Member Director	4	4
Mr. Ashok Kumar Chhabra - Member Director	4	4

3.2 NOMINATION AND REMUNERATION COMMITTEE

The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employees is annexed as 'annexure-1' to the Board's Report. Further, the Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors.

Terms of Reference of the Nomination and Remuneration Committee includes:

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

The Nomination and Remuneration Committee has been entrusted with role of formulating criteria for determining the qualifications, positive attributes and the independence of the Directors as well as identifying persons who may be appointed at senior management levels and also devising a policy on remuneration of Directors, Key Managerial Personnel and other senior employees.

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

The Nomination and Remuneration Committee has laid down

the criteria for evaluation of performance of Independent Directors and the Board.

- Attendance and contribution at Board and Committee meetings
- Knowledge on specific matters like finance, legal, marketing, internal controls, risk management, and business operations.
- Pro-active and positive approach with regard to Board and Senior Management particularly the arrangement for management of risk and the steps needed to meet challenges from the competition.
- Openness to ideas, perspectives and opinions and ability to challenge old practices and throwing up new ideas for discussion.
- Capacity to effectively examine financial and other information on operations of the Company and the ability to make positive contribution thereon.

Composition, Meeting and Attendance

The composition of the Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. As on 31st March, 2018, Committee comprises of three Non-Executive Directors, all of them including the Chairperson are Independent Directors. The Company Secretary acts as a secretary to the Committee.

Meetings of the Nomination and Remuneration Committee were held on 29th May, 2018 and 14th August, 2018 during the Financial Year 2018-19. Details of meeting of the members of Nomination and Remuneration Committee and their attendance are as under:

Composition	Total no. of Meetings held	No. of Meetings attended
Mr. Ashok Kumar Sanghi - Chairman	2	2
Dr. A. P. Bhupatkar - Member Director	2	1
Mr. Ashok Kumar Chhabra - Member Director	2	2

REMUNERATION OF DIRECTORS

Details of remuneration paid to all the Directors for the Financial Year 2018-19 are as under:

Name of the Director(s)	Mr. Deepak Seth	Mrs. Payel Seth*	Mr. Pallak Seth	Dr. A.P. Bhupatkar	Mr. Ashok Kumar Sanghi	Mr. Ashok Kumar Chhabra
Designation	Chairman	Managing Director	Director	Director	Director	Director
Salary	-	21,00,000	-	-	-	-
Benefits	-	-	-	-	-	-
HRA	-	-	-	-	-	-
SPL. Allowance	-	-	-	-	-	-
Medical	-	-	-	-	-	-
Bonus	-	-	-	-	-	-
Commission	-	-	-	-	-	-
Pension	-	-	-	-	-	-
Others (Provident Fund)	-	-	-	-	-	-

Break up of fixed components and Performance linked incentives with performance criteria	-	-	-	-	-	-
Performance Incentive	-	-	-	-	-	-
Service Contract	-	5 years	-	-	-	-
Notice Period, Severance fees	Nil	3 Months	Nil	Nil	Nil	Nil
Stock Options details (if any): Whether issued at discount. Period over which it is accrued and is exercisable	Nil	Nil	Nil	Nil	Nil	Nil
Sitting Fees	-	-	-	1,98,000	2,64,000	2,64,000
Total	-	21,00,000	-	1,98,000	3,64,000	2,64,000

*Remuneration was paid upto 31st October, 2018 in pursuance of the shareholders resolution, when she was continuing as Managing Director of the Company.

A sitting fee of ₹ 66,000/- is payable to Independent Directors for attending each Board Meeting. The Company does not pay any other commission or remuneration to its Directors. The Company has no policy of stock option, pension or severance fee for its Directors.

3.3 STAKEHOLDER RELATIONSHIP COMMITTEE

The composition of Stakeholders' Relationship Committee is in conformity with the provisions of Companies Act, 2013 and Regulation 20 of the Listing Regulations. As on 31st March, 2019, the Committee comprises the below three members:

Mr. Ashok Kumar Chhabra	-	Chairman
Mr. Deepak Seth	-	Member
Mr. Ashok Kumar Sanghi	-	Member

The Chairman of the Committee is Non- Executive Independent Director. Mr. B. Chandra Sekhara Reddy, Company Secretary, is the Compliance Officer of the Company.

Status of Shareholders Complaints during the year:

Complaints at the beginning of the year. 1 st April 2018	Complaints received during the year. 1 st April 2018 – 31 st March 2019	Complaints settled during the year. 1 st April 2018 – 31 st March 2019	Complaints pending at the ending of the year. 31 st March 2019
Nil	5	5	Nil

4. GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Location
2015-16	28.09.2016	12.15 P.M.	Clarks Exotica, Swiss Town, Hollywood Junction, Sadahalli Post, Devanahalli Road, Bengaluru, Karnataka.
2016-17	27.09.2017	12:15 P.M.	Clarks Exotica, Swiss Town, Hollywood Junction, Sadahalli Post, Devanahalli Road, Bengaluru, Karnataka.
2017-18	21.09.2018	11:30 A.M.	Sheraton Grand Bangalore Hotel at Brigade Gateway, 26/1, Dr. Rajkumar Road, Malleswaram, Rajajinagar, Bengaluru-560055, Karnataka.

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

Financial Year	Particulars of Special Resolution	Date
2017-18	1. Re-appointment of Dr. Ashutosh Prabhudas Bhupatkar (DIN: 00479727) as an Independent Director for Second Term. 2. Re-appointment of Mr. Ashok Kumar Chhabra (DIN: 06869497) as an Independent Director for Second Term 3. Re-appointment of Mr. Ashok Kumar Sanghi (DIN: 00011207) as an Independent Director for Second Term 4. To increase ceiling limit of investment by NRI/OCI from 10% to 24% under FEMA.	21 st September, 2018
2016-17	Nil	27 th September, 2017
2015-16	Nil	28 th September, 2016

No Resolution was passed through Postal Ballot during the financial year 2018-19.

No Extra Ordinary General Meetings of the members were held during FY 2018-19

None of the business proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

5. MEANS OF COMMUNICATION

- The quarterly results of the Company are published in leading and widely circulated English and Regional Newspapers as per the requirements of the Listing Regulations with the Stock Exchanges. The results are also submitted to the BSE Limited and National Stock Exchange of India Limited, through their online portal.
- The results normally published in Business Standard-all India Edition (English) and Hosadigantha (Kannada).
- The Company's Financial Results, Shareholding Pattern and official news releases are displayed on the Company's website www.pdsmultinational.com.

- (iv) The Company quarterly updates the analysts, institutional investors, etc., through a formal presentation on its financials as well as other business developments.

6. GENERAL SHAREHOLDERS' INFORMATION

(i) 8th Annual General Meeting is scheduled as under:-

Date: 13th November, 2019 Time: 12:30 P.M.

Venue: Clarks Exotica, Swiss Town, Hollywood Junction, Sadahalli Post, Devanahalli Road, Bengaluru-562110, Karnataka, India.

The Registrar of Companies, Karnataka, vide his Order dated 29th August, 2019 has granted extension of one (1) month and Fifteen (15) days for holding Annual General Meeting of the Company for the financial year ended 31st March, 2019.

(ii) Financial year:

The financial year covers the period 1st April, 2018 to 31st March, 2019.

(iii) Financial Calendar, 2019-20 (Tentative)

First Quarter Results: Second week of August, 2019

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

Third Quarter Results: Second week of February, 2020

Fourth Quarter & Annual Results: Last week of May, 2020

(iv) Date of Book Closure: 02nd November, 2019 to 13th November, 2019 (both days inclusive)

(v) Listing on Stock Exchanges and their Stock Code

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

Stock Exchange	Stock Code
BSE LIMITED PHIROZE JEEJEEBHAY TOWERS, DALAL STREET, MUMBAI 400 001	538730
NATIONAL STOCK EXCHANGE OF INDIA LTD. "EXCHANGE PLAZA", PLOT NO. C- 1, G- BLOCK, SANDRA - KUALA COMPLEX, SANDRA (E), MUMBAI - 400 051	PDSMFL

The Annual Listing Fee for the financial year 2018-19 has been paid to the Stock Exchanges within stipulated time.

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

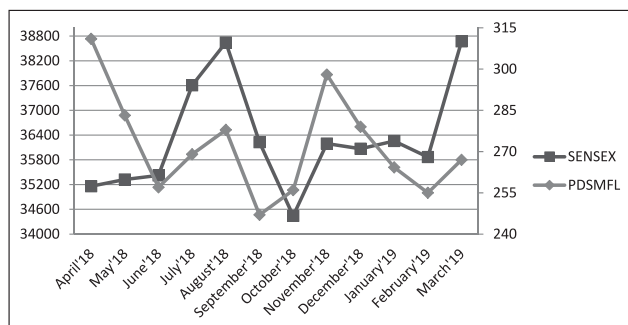
MONTH(S)	BOMBAY STOCK EXCHANGE Stock Code: 538730		NATIONAL STOCK EXCHANGE Stock Code: PDSMFL	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April'2018	324	289	324	270
May'2018	315	283	315.20	280
June'2018	286	241	284.80	241
July'2018	270	245.7	283	245.70
August'2018	285	265	299.80	266.05
September'2018	285	243	288	244
October'2018	260.55	230	265	228

November'2018	300	260	300	259.95
December'2018	299	279	300	275.95
January'2019	296	261	287.75	261.60
February'2019	269	250	288.35	241.60
March'2019	273	250.5	277	250

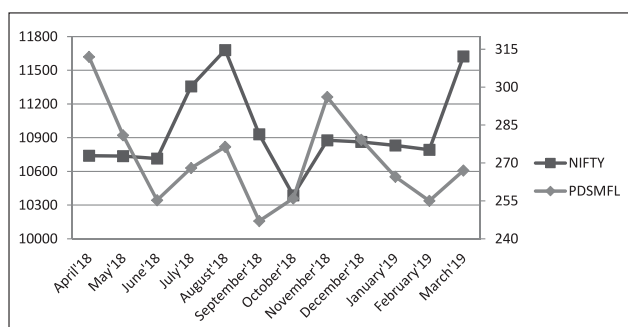
(vii) Share price performance in comparison to BSE Sensex and NSE Nifty at the end of last trading day of each month during the financial year 2018-19:

MONTH(S)	SHARE PRICE COMPARISON			
	PDSMFL (₹)	BSE (Sensex)	PDSMFL (₹)	NSE (Nifty)
April'2018	311	35160.36	312	10739.35
May'2018	283.15	35322.38	280.95	10736.15
June'2018	257	35423.48	255.25	10714.3
July'2018	269	37606.58	268	11356.5
August'2018	277.9	38645.07	276.4	11680.5
September'2018	247	36227.14	247	10930.45
October'2018	256	34442.05	255.95	10386.6
November'2018	298	36194.3	296.1	10876.75
December'2018	279	36068.33	279.2	10862.55
January'2019	264.25	36256.69	264.55	10830.95
February'2019	255	35867.44	255	10792.5
March'2019	267	38672.91	267	11623.9

(a) Comparison of the Company's share price with BSE Sensex



(b) Comparison of the Company's share price with NSE Nifty



(viii) Registrar and Share Transfer Agent

Link Intime India Pvt. Limited
Noble Heights, 1st Floor, Plot NH 2 C-1 Block Lsc,
Near Savitri Market Janakpuri, New Delhi-110058
Tel. No. : 011 - 41410592 - 94
Fax No. : 011 - 41410591
E-mail : delhi@lin.kintime.co.in

(ix) Share Transfer System

The Company's shares being in compulsory demat form are transferable through the depository system. The Shares in physical form are processed by the Registrar and Share Transfer Agent and approved by the Stakeholder Relationship Committee. The Company obtains from a Company Secretary in Practice half-yearly certificate to the effect that all certificates have been issued within thirty days of the date of lodgment of the transfer, sub-division, consolidation and renewal as required under Regulation 40(9) of the Listing Regulations and files a copy of the said certificate with Stock Exchanges.

Effective 1st April 2019, SEBI has amended Regulation 40 of the Listing regulations, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form.

(x) Distribution Schedule

(a) Distribution of Equity Shareholding of the Company as on 31st March 2019.

Number of Equity Shares* held	Shareholders		Equity shares held	
	Numbers	% to total	Numbers	% to total
1 - 500	14386	96.0732	1057731	4.0609
501 - 1000	235	1.5694	169083	0.6492
1001 - 2000	165	1.1019	232213	0.8915
2001 - 3000	45	0.3005	112855	0.4333
3001 - 4000	21	0.1402	72044	0.2766
4001 - 5000	16	0.1069	74545	0.2862
5001 - 10000	33	0.2204	237250	0.9109
10001 and above	73	0.4875	24091003	92.4915
Total	14974	100	26046724	100

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

	No. of Folio's	No. of Shares Held*	% to total Shares
PROMOTERS & PROMOTER GROUP			
Indian	4	13875279	53.27
Body Corporate	2	50035	0.19
Foreign	4	3434572	13.19
TOTAL (A)	10	17359886	66.65

PUBLIC			
Alternate Investment Funds	1	145000	0.56
Foreign Portfolio Investors	14	1006445	3.86
Financial Institutions/Banks	7	228663	0.88
NRI's	177	483024	1.85
Bodies Corporate	123	1131788	4.35
Individual	14053	5139320	19.73
Hindu Undivided Family	550	490656	1.88
Trusts	1	192	0
Clearing Members	38	61750	0.24
TOTAL (B)	14,964	8686838	33.35
TOTAL (A)+(B)	14,974	26046724	100

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

(xi) Dematerialization of Shares and liquidity

The Company's shares are tradable compulsorily in the electronic form. Through Link Intime India Private Limited, Registrars and Share Transfer Agents, we have established connectivity with both the depositories, that is, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) allotted to our shares under the Depository System is **INE111Q01013**.

As on 31st March, 2019, 99.33 % of our shares were held in dematerialized form and the rest in physical form.

Shares held in demat and physical modes as on March 31st, 2019 are as follows:

Category	Shareholders	Shares	% of total equity
Demat Mode			
NSDL	8963	2,27,78,244	87.45
CDSL	4340	30,94,876	11.88
Total	13303	2,58,73,120	99.33
Physical Mode	1671	173604	0.67
Grand total	14974	2,60,46,724	100

To enable us to serve our investors better, we request shareholders whose shares are in the physical mode to dematerialize their shares and update their bank accounts with the respective depository participants.

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

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

(xiii) Plant locations:

The Company doesn't have plant till date.

(xiv) Registered Office of the Company:

No. 758 & 759, 2nd Floor, 19th Main, Sector-2, HSR Layout, Bengaluru-560102, Karnataka.

(xv) Pursuant to SEBI circular no. SEBI/HO/MIRSD/DOP1/ CIR/P/2018/73 dated 20th April, 2018, all the listed

Companies are directed to record the PAN and BANK ACCOUNT details of all shareholders holding shares in physical mode through their Registrar and Share Transfer Agent ("RTA"). Accordingly, the Company has initiated steps and has sent initial letter along with KYC forms through its RTA to its shareholders holding shares in physical mode for registering their PAN and Bank Account details (including joint holders, if any). The shareholders are requested to utilize this opportunity for updating PAN and/or Bank details with the RTA.

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

Mr. B. Chandra Sekhara Reddy,
Company Secretary

PDS Multinational Fashions Limited
No. 758 & 759, 2nd Floor, 19th Main, Sector-2,
HSR Layout, Bengaluru-560102, Karnataka.
Tel. No. : 91 - 080-67653000
Email : investors@pdsmultinational.com

7. UNCLAIMED SHARES AND SALE PROCEEDS OF FRACTIONAL SHARES.

a) Disclosures with respect to Demat Suspense Account/Unclaimed Suspense Account

In terms of the schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the details of unclaimed shares lying in suspense account which were issued to the Shareholders of the Pearl Global Industries Limited in pursuant to Scheme of Arrangement approved by the Hon'ble High Court of Delhi are given below:

Particulars	No. of cases	No. of Shares
Aggregate number of shareholders and the outstanding shares lying in the suspense account at the beginning of the year i.e. as on 1st April, 2018.	20	504
Number of shareholders who approached to the Issuer / Registrar for transfer of shares from suspense account during the Financial Year 2018-19.	Nil	Nil
Number of shareholders to whom shares were transferred from suspense account during the Financial Year 2018-19.	Nil	Nil
Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year i.e. as on 31st March, 2019.	20	504

The voting rights on the shares in the suspense account as on 31st March, 2019 shall remain frozen till the rightful owners of such shares claim the shares. The Company sends periodic reminders to the concerned shareholders advising them to lodge their claims with respect to unclaimed shares.

Further, the complete details of unclaimed shares lying in the suspense account has been uploaded on company's website www.pdsmultinational.com.

b) Unclaimed sale proceeds of fractional shares

It has been noticed by the Company that the some

shareholders have not encashed/presented for payment their demand drafts issued with respect to the payment of sale proceeds of fractional shares. Since due date for presenting demand drafts expired, Shareholders are requested to write either to Company or RTA enclosing expired Demand Draft for issue of fresh Demand Draft.

It has been also noticed by the Company that few shareholders have approached to the Company/RTA for revalidation of their stale demand draft and the fresh demand draft were issued by the Bank in their favour. A list of shareholders who have not encashed their demand draft is available at the Company's website www.pdsmultinational.com. It is further informed to the shareholder pursuant the provisions of the Investor Education Protection Fund Authority Rules, 2016, any unclaimed amount lying with the Company shall be credited to the Investor Education Protection Fund after the expiry of seven years.

8. OTHER DISCLOSURES

- a. All transactions entered into by the Company with related parties during the financial year 2018-19 were in ordinary course of business and at arm's-length basis. The related party transactions undertaken by the Company during the year under review were in compliance with the applicable provisions of Companies Act, 2013 and SEBI Listing Regulations. The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of the Annual Report. All ongoing related party transactions along with the estimated transaction value and terms thereof are approved by the Audit Committee before the commencement of financial year and thereafter reviewed on quarterly basis by the Audit Committee.

There are no materially significant related party transactions between the Company and its promoters, directors or key management personnel or their relatives, having any potential conflict with interests of the Company at large.

- b. There has been no non-compliance, penalties/strictures imposed on the company by Stock Exchange(s) or SEBI or any other Statutory Authority, on any matter related to capital markets, during the last three years.
- c. The Company has a Whistle Blower Policy and Vigil Mechanism. No personnel of the Company have been denied access to the Audit Committee.
- d. The Company has complied with all the mandatory requirements including Regulations 17 to 27 and 46 (2) (b) to (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- e. As required under the provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015, a certificate confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the SEBI/Ministry of Corporate Affairs or any such statutory authority is obtained from Practicing Company Secretary and Annexed with this report.
- f. The Company is committed to provide safe and conducive working environment to all its employees and

has zero tolerance for sexual harassment at workplace. In line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules thereunder, the Company has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace and has constituted Internal Complaint Committee supervising various locations to redress complaints received regarding sexual harassment.

During the Financial Year 2018-19, the Company not received any complaints of alleged sexual harassment.

- g. During the Financial Year 2018-19, the Statutory Auditor of the Company M/s S.R. Dinodia & Co. LLP was paid an aggregate remuneration of ₹ 20.38 Lakhs (including Statutory Audit Fees of ₹ 10.75 Lakhs). Apart from the Company, the Statutory Auditor provided Audit and other services to Parc Designs Private Limited, a Subsidiary Company, and the aggregate remunerations paid was ₹ 1.02 Lakhs (including Statutory Audit fees of ₹ 1 Lakh).
- h. The Company has also ensured the implementation of non-mandatory items such as:
 - Separate post of Chairman and CEO.
 - Unmodified audit opinion/reporting
- i. Policy for determining 'material' subsidiaries is disclosed at Company's website at www.pdsmultinational.com.
- j. Policy on dealing with related party transactions is disclosed at Company's website at www.pdsmultinational.com.

COMPLIANCE WITH THE CODE OF CONDUCT

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

It is hereby affirmed that the Directors and Senior Management have given an annual affirmation of compliance with the code of conduct.

CEO/CFO CERTIFICATION

The Managing Director and Chief financial Officer have certified to the Board, inter alia, the accuracy of Financial Statements and adequacy of Internal Controls for the financial reporting purpose as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO and CFO certification is annexed to this Report.

Electronic Clearing Service (ECS)

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

Depository Services

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

National Securities Depository Ltd.

Trade World, 4th Floor, Kamala Mills Compound
Senapati Bapat Marg, Lower Parel, Mumbai-400013
Telephone : 022-24994200
Facsimile : 022-24972993
E-Mail : info@nsdl.co.in
Website : www.nsdl.co.in

Central Depository Services (India) Ltd.

Phiroze Jeejeebhoy Towers
28th Floor, Dalal Street, Mumbai-400023
Telephone : 022-22723333/3224
Facsimile: 022-22723199

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

[Compliance Certificate under Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Board of Directors

We, Omprakash Makam S. Setty, Chief Executive Officer and Mr. Ajai Singh, Chief Financial Officer of **PDS Multinational Fashions Limited**, to the best of our knowledge and belief, certify that;

- A.** We have reviewed financial statements and the cash flow statement for the quarter ended 31st March, 2019, and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B.** There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the above quarter and year ended period which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C.** We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D.** We have indicated to the auditors and the Audit committee
- (1) significant changes in internal control over financial reporting during the period;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

(Omprakash Makam S. Setty)
Chief Executive Officer

(Ajai Singh)
Chief Financial Officer

Place: Gurugram

Date: 15th October, 2019

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

This is to certify that as per the provisions of Regulation 26 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board Members and Senior Management personnel have affirmed compliances with the Code of conduct for the financial year ended 31st March, 2019.

For PDS Multinational Fashions Limited

(Omprakash Makam S. Setty)
Chief Executive Officer

Place: Gurugram

Date: 15th October, 2019

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL ECONOMY

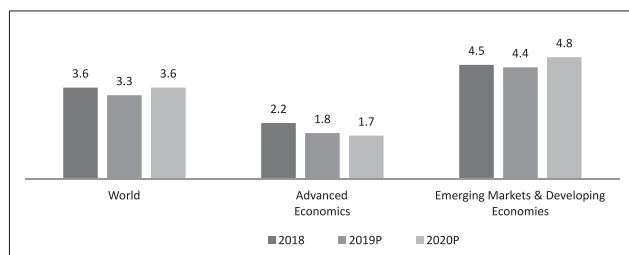
The year 2017 and early 2018 saw a healthy growth in global economic activity. However, a combination of macro-factors such as increased US-China trade escalations, credit tightening in China, macroeconomic stress in Argentina and Turkey, disruptions to the auto sector in Germany, and financial tightening in the larger advanced economies resulted in a weakened global growth, especially in the second half of 2018.

Global growth softened to 3.6 percent in 2018 and is projected to decline further to 3.3 percent in 2019. The World Economic Outlook (WEO) projected a slowdown in growth in 2019 for 70 percent of the world economy. However, although the global growth is set to moderate in the near-term, the second half of 2019 is expected to see an uptick, supported by a confluence of factors such as policy accommodation by major economies, the ongoing buildup of policy stimulus in China, a gradual stabilization of conditions in emerging markets and a healthy outlook for US-China trade tensions.

With improvements expected in the second half of 2019, global economic growth in 2020 is projected to return to 3.6 percent. Latest reports suggest that growth in advanced economies will continue to slow gradually as the impact of US fiscal stimulus fades and growth tends toward the modest potential for the group, given ageing trends and lower productivity growth. Growth in emerging market and developing economies will stabilize at around 5 percent, bolstered mainly by growth in China and India and their increasing weights in world income.

The developed markets, emerging and developing economies offer ample opportunity for growth in the longer term and the Company remains confident of its ability to capitalize on these long-term opportunities.

Global GDP Growth, %



Source: IMF's World Economic Outlook Update, April 2019

INDIAN ECONOMY

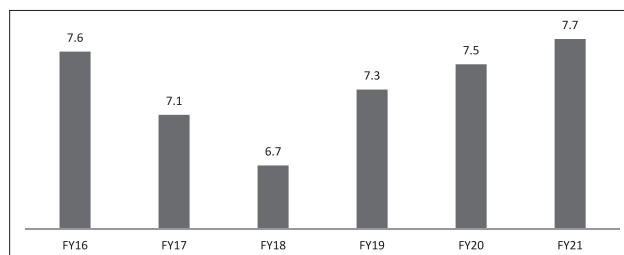
Financial year 2018-19 was a year of recovery for the Indian economy as disruptions related to demonetisation and Goods and Services Tax (GST) smoothened and the country slightly recuperated from the cyclical and structural bottlenecks witnessed over the past two years.

The Indian Government has undertaken several socio-economic reforms in the last few years that have aided in the welfare of the citizens, stabilized the financial structure, promoted growth of the economy, improved investments and strengthened the overall business environment in the country. According to CRISIL, the Indian economy has so far maintained growth mainly on public investments, and is estimated to grow at 7.2% in FY19. The International Monetary Fund, which has lowered the global growth estimates, has retained its India growth forecast for current year at 7.3%. Further, as per the recent World Bank report, India is a top improver in the Ease of Doing Business Rankings for the second

year in a row. India has improved 65 places from 142 to 77 in span of last 4 years, which is a remarkable achievement in itself.

With the indicators of industrial production, investment demand, auto sales and exports showing recovery, India's growth outlook remains promising and is expected to strengthen further in the coming years. The International Monetary Fund (IMF) remains bullish on India's growth potential and has forecasted growth at 7.5% in FY20 and 7.7% in FY21. This growth is largely expected to be lifted by strong private consumption as well as fading transitory effects of currency fluctuation, global commodity prices, implementation of the GST and stable outlook

India GDP Growth, %



Source: CSO

COMPANY PERFORMANCE

2018 was yet another challenging year for the broader retail landscape across key markets of Europe and UK. Subdued consumer sentiment and decreasing consumer spending power led to declining footfalls in the retail market while pricing pressures across sourcing markets further resulted in tough market conditions. Amidst this business environment, the Company reported a strong operational and financial performance in FY 2019.

Total net revenues during the fiscal stood at ₹ 6,502 crore, higher by 31% Y-o-Y. Healthy growth and supplier consolidation undertaken by key customers resulted in strong revenues. Further, the appreciation of the INR currency against the US dollar assisted growth. Income during the fiscal stood at ₹ 948 crore, higher by 40%. On the profitability front, the EBITDA stood at ₹ 138 crore, significantly higher by 127% YoY. Strong growth in revenues translated into higher profitability during the fiscal. PAT during the year stood at ₹ 79 crore as against ₹ 20 crore in FY18, clocking a growth of 305% YoY.

On the segmental front, the Company's sourcing and manufacturing business lines have delivered healthy results in-sync with internal targets. The Sourcing and others business segment, which contributed to 96% of the total revenues, delivered a strong revenue growth of 28% to ₹ 6,248 crore in FY19. This, translated into a healthy EBITDA growth of 57% YoY to ₹ 168 crore.

The manufacturing business vertical, which was launched by the Company in FY2017, is progressing well and is under its early stages of business operations. The Company is actively undertaking a gamut of various initiatives under marketing, operations, training, technological enhancement and team development to enhance operations, boost productivity and improve efficiencies for the vertical. The business during the fiscal reported healthy revenues of ₹ 238 crore as against ₹ 60 crore in FY18, delivering a jump of over 4 times in revenues. Losses at the EBITDA level reduced significantly to ₹ 30 crore in FY19 as against ₹ 46 crore in FY18. As the business segment gains further momentum, the Company expects performance to improve and the business to reach optimum profitability.

PDS Multinational Fashions Limited

On a consolidated level, apparel revenues contributed to 95% of the overall revenues. In terms of geography, turnover of the UK & Europe business amounted to 86.4% for the year, America grew to 8.8% followed by Asia and Middle East at 3.4% and Australia at 0.7% respectively. The Company continues to direct higher focus towards expanding footprint in targeted high-potential geographies such as the BRIC region, US, Middle East, Australia and LATAM, while also strengthening and laterally growing existing relations in the established markets of UK & Europe.

On the operational front, the Company has marked a robust growth in terms of geographic expansion and customer additions. The Company in FY 2019 added over 29 new customers across the US, Asia and European markets. Business from repeat customers continues to maintain a solid momentum. Strong contribution from new customer acquisitions and repeat accounts led to a healthy financial performance during FY2019.

In FY2019, the Company increased its total employee strength during the year, which resulted in increased employee cost of ₹ 61.80 crore. The Company operates a Design Hub in the UK, which is supported by over 150 highly qualified in-house designers and product development teams across geographies.

In order to mitigate the inventory risk associated with the business model, the Company ensures that certain checkpoints are met before commencing order production, which essentially includes pre-selling all orders before processing production, securing credit payment terms and partnering with only AAA+ rated customers.

The Company continues to be unreservedly committed to compliance and adopting stringent Ethical Sourcing practices. PDS Multinational's factories and partner factories are audited every three to six months and the quarterly and bi-annual compliance document is then reported to the PDS Board and not to individual business CEOs, ensuring that the highest level of transparency, ethics, and social compliance is being followed across business levels. The Company has a well spread out team of auditors strategically located in key sourcing countries like Bangladesh, India, Sri Lanka, China and Turkey. Navex Global, a tool allowing employees and business associates to report any issues relating to fraud, abuse, harassment, misconduct, further helps cultivate a respectable and a positive work environment.

On the balance sheet front, the fiscal saw stable net worth, streamlined debtors and healthy capital structure during the year. The Company continued to enjoy a healthy cash position at ₹ 370.2 crore as on March 31, 2019. Total debt stood at ₹ 700.1 crore, with long-term debt at ₹ 73.0 crore and short-term debt at ₹ 627.1 crore. The receivables position during the fiscal stood at ₹ 1,028.7 crore. Long-term debt-to-equity position was healthy at 0.14 as on March 31, 2019.

Key Financial Ratios:

Sl. No.	Key Financial Ratios	FY 2017-2018	FY 2018-2019
1.	Debtors Turnover	6.3 times	6.3 times
2.	Inventory Turnover	61 times	41 times
3.	Interest Coverage Ratio	2.05 times	3.45 times
4.	Current Ratio	1.21	1.09
5.	Debt Equity Ratio	0.13	0.14
6.	Operating Profit Margin (%)	1.23%	2.12%
7.	Net Profit Margin (%)	0.39%	1.22%
8.	Return on Net Worth	3.6%	13.9%

details of any change in Return on Net Worth as compared to the

immediately previous financial year along with a detailed explanation thereof

On a whole, the Company's fundamentally strong business model and focus on operational excellence has helped grow the Company's market share across existing and new geographies. The endeavor remains on further ramping up the established and growth business lines and position ourselves as a preferred strategic manufacturing partner across the global markets.

An analysis of the **Strengths, Weaknesses, Opportunities and Threats** that your Company faces is possibly the best way to discuss your Company's business operations

STRENGTHS

Brand Visibility

PDS Multinational Fashions is one of the leading global organizations, a leading strategic sourcing partner and manufacturer to major brands and retailers. The brand, over the years, has well-established itself in the global market with solid customer relationships with over 190+ brands and retailers, healthy trade relations with sourcing partners and an overall high-quality and committed compliant business model. The Company operated on a global scale covering over 50 offices & 19 countries and has an employee base of 1,800 associates and over 5,100 factory workers. With presence spanning across three decades, the Company has grown leaps and bounds achieving multiple milestones in its journey. check these figures with swami for consistency.

Diverse and Experienced Management Team

The Company has a strong and a dedicated management team comprising promoter family and senior professionals with vast experience in areas ranging from design, manufacturing, sourcing and distribution, Finance & other business support functions. The Company also supports a wide network of partner factories that run their own business units within the cultural and financial framework of the group. This, also allows the Company to optimize costs related to labor, production and logistic arenas.

Presence in high-quality and cost-effective sourcing markets

The Company has established an expansive integrated network across its key sourcing geographies such as Bangladesh, Cambodia, China, India, Morocco, Myanmar, Pakistan, Sri Lanka, and Turkey. Further, the Company also has a long term & exclusive agreements with some of its marquee distributors. By entering into sourcing agreements, the Company is well placed compared to its peers who are subjected to sourcing and pricing uncertainties. The established and growing network offer a series of benefits such as multiple touch points, business scale, brand reach and elevation of business capabilities.

'One-stop shop' service for customers

PDS Multinational, over the years, has established itself as a one-stop shop for its global customers providing services right from product design and development, thorough and cost-effective raw material sourcing, production and logistics management, quality testing and assurance to shipping and on-site testing. This, helps offer a host of benefits to its clients comprising of high-end retailers and brands

Financial Strength

Backed by solid financials, the Company enjoys strong support from its bankers across the geographical areas it functions in. PDS Multinational enjoys credit and working capital limits of USD 287 million, this is one of the best in the industry. It also continues to draw steady and unwavering support from its investors, partners,

and bankers vindicating their support in Company's executing capabilities.

WEAKNESSES

Concentration of revenues in markets of Europe & UK

PDS accrues bulk of its business from the established markets of EU & UK. For FY19, 86% of the Company's overall revenues came from these markets. Given that more than 85% of the Company's revenue is derived from EU & UK, it exposes the company to a large degree of concentration risk. As a means to lower its risk, the Company is consciously working towards diversifying its revenue mix both in terms of product mix and geographical presence. The Company, over the years, has gradually increased its presence in the other high potential markets of the Americas and Asia by strengthening its distribution network and augmenting brand awareness activities. A combination of the above measures has enabled the Company to lower its dependence over its established markets in recent years.

Business Seasonality

The industry experiences seasonal demand wherein sales volumes are typically higher in the second half of the year. A clear spike is observed at the time of late autumn holiday and Christmas shopping season. To prepare for seasonal sales, our team supplies products to customers well in advance to ensure they reach customers in a timely manner. This usually translates to higher operating costs in the first half of the year. Like with any industry player, it is always challenging to correctly estimate and prepare for demand at a specific time of the year. Overestimation leads to overstocking while underestimation of demand leads to loss of potential revenue.

OPPORTUNITIES

Expansion in Markets

PDS has transformed itself as a company with a global presence. Across the established, untapped and high-potential geographies, the consumers taste, preference and pattern varies. As these different markets evolve, the Company needs to be in tune with the latest consumer trend. In sync, PDS has been staying abreast with the changing demand over the years. PDS' unparalleled passion and desire to meet its customer's requirement has enabled it to stay ahead of its peers. The Company is well positioned to meet the growing demand fueled by increasing consumerism, emerging lifestyles, rising incomes.

Growing consumption in emerging Markets

The Emerging economies are expected to maintain its growth momentum and with increasing purchasing power and improving lifestyle of people, the demand for retail consumption is expected to grow in these markets. PDS, with its growing presence in emerging geographies, is set to benefit from the increase in demand and has been proactively working towards augmenting its distribution spread in nations like Brazil, India, Pakistan, Middle Eastern Countries and the LATAM region.

Supplier consolidation by customers

In light of the challenging global environment and trade uncertainties, many customers are now looking at consolidating their suppliers and streamlining their supply chain to mitigate operational risks. This, in turn, presents huge opportunities for PDS Multinational Fashions to leverage on its leading brand visibility and solid network penetration in markets.

Augmented manufacturing business

PDS multinational Fashions, transformed into an integrated player following setting up of its own manufacturing factories in Bangladesh. Captive units not only help the business retain the

incremental value captured at each stage of product development cycle but also help meet customized needs of the customers. High quality control, in-depth knowledge of the end-to-end process and better operational efficiency enables quicker responses to customer feedback and product layout changes. The Company is now better positioned to further its business in the US and other adjacent markets.

THREATS

Cyclical Nature of the Industry

Apparel Industry given its inherent quality, is to a large extent cyclical in nature given that its fortunes are dependent on varied factors ranging from disposable incomes, consumer spending, shifting consumption patterns, inflation and changing fashion trends. Challenging business environment coupled with uncertain economic prospects further adds to the overall volatility in the business.

Current Market Conditions

The Company's overall operational and financial performance is dependent on stable and predictable political and business environment. At present, the business is functioning in an uncertain environment characterized by heightened geopolitical and business uncertainty. Any slowdown in global economy could impact the purchasing power of the consumers, which in turn could curtail the discretionary spends by the customers leading to reduced business activity.

OUTLOOK

Despite external challenges and a weak retail consumption, the Company reported a stellar performance during the fiscal year 2019 led by supplier consolidation by key customers and increased revenues from customer accruals in the last two fiscals.

On the strategy front, the Company has been making significant strides towards transforming its business model. The established sourcing and other businesses are expanding presence into newer geographies and gaining market share. Similarly, the own manufacturing venture set up in 2017, is successfully building new relations in targeted newer and established geographies. The Company continues to invest behind growth in both these business verticals, while also highlighting their competitive fortes. The enquiries and lead pipeline is marking a steady yet strong growth and with setting up of the own manufacturing venture, the Company expects to report an improved growth in the future as well.

Over the years, the Company has successfully established its presence in newer and emerging markets, where the consumption pattern remains far stronger than developed markets. With improving demand conditions and rapidly rising per capita consumption, the Company is well positioned to leverage on this opportunity and grow business in these newer markets. On the other hand, the established markets of Europe and especially UK, although facing challenges in terms of consumer sentiment, continues to derive higher growth led by supplier consolidation.

We are witnessing buoyancy in enquiries and enhanced growth prospects for our business segments across the established and newer markets. The fundamentals of our business remain strong and with the many initiatives undertaken during the year such as expanding customer base, strengthening sourcing business, growing and establishing manufacturing operations, focus on enhancing contribution from untapped and high potential markets, the Company maintains a positive growth outlook. Overall, we are very pleased with our progress in driving the business operations and remain confident of continuing this growth momentum in the years ahead.

PDS Multinational Fashions Limited

Independent Auditor's Report

To The Members of PDS Multinational Fashions Limited

Report on the Audit of the Standalone Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Sr. No.	Key Audit Matters	How our audit addressed the key audit matter
1.	Recognition of Tax credits The Company has recognised Minimum Alternate Tax (MAT) credit receivable of ₹ 12.68 lakhs and Deferred Tax Assets of ₹ 69.24 lakhs in financial statements as at March 31, 2019. The recognition of MAT credit and Deferred Tax Assets (together referred to as 'Tax Credits' hereinafter) is a Key Audit Matter as the recoverability of such tax credits within the allowed frame involves significant estimate of the financial projections availability of sufficient taxable income in the future and significant judgements in the interpretation of tax regulations and tax positions adopted by the Company.	<p>Our Audit procedures in relation to recognition of tax credits includes the following:</p> <ul style="list-style-type: none">• Evaluated Company's accounting policies with respect to recognition of tax credits in accordance with Ind AS 12 'Income Taxes'.• We assessed the Management's long term financial projections and the key assumptions used in the projections by comparing it to the approved business plan and projections.• We involved our tax specialists to evaluate the Company's tax position by comparing it with prior years and past precedents.• We assessed the disclosures in accordance with the requirements of Ind AS 12 'Income Taxes'. <p>Our procedures as mentioned above did not identify any findings that are significant for the financial statements as whole in respect of recognition of tax credits.</p>

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

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

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

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

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

That Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. Further, as required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Change in Equity and Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. On the basis of written representations received from the management of the Company, the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note 39 to the standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

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

For S.R. Dinodia & Co. LLP
Chartered Accountants,
Firm Registration Number 001478N/N500005

Place of Signature: Gurugram
Date: 29th May, 2019

(Sandeep Dinodia)
Partner
Membership Number 083689

Annexure 'A' to the Independent Auditors' Report of even date on the standalone financial statement of PDS Multinational Fashions Limited

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

- i) In respect of fixed assets (including Property, Plant and Equipment and Investment Property) :
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a programme of physical verification of its fixed assets by which fixed assets are verified as per programme which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c) According to the Information and explanation given to us, the records examined by us and based on examination of related documents, we report that, the title deeds, comprising all the immovable properties of land and building which are freehold, are held in the name of the Company as at reporting date.
- ii) The Company does not carry any inventory as at reporting date & during the year, hence the provisions of paragraph 3(ii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- iii) The Company has granted unsecured loans to two companies covered in the register maintained under Section 189 of the Act; and with respect to the same:
 - a) the terms and conditions of grant of such loan are not, prima facie, prejudicial to the Company's interest;
 - b) the loan is repayable on demand and payment of interest has been stipulated. In case of one Company, complete loan amount is received back during the year.

- c) there is no overdue amount in respect of loans granted to such company.
- iv) According to the information and explanation given to us, the Company has complied with provisions of section 185 and 186 of the Companies Act, 2013 for the investments made and loans given during the year. Further according to the information and explanation given to us, the Company has no transaction during the year covered under the provisions of section 185 and 186 of the Companies Act, 2013 in respect of guarantees, and security.
- v) In our opinion and according to the information and explanation given to us, since the Company has not accepted any deposits therefore the question of the compliance of any directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under does not arise.
- vi) On the basis of available information and explanation provided to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2016 dated July 14, 2016 and Companies (Cost records and audit) Amendment Rules, 2018 to the current operations carried out by the Company. Accordingly, the provisions of paragraph 3(vi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- vii) In respect to statutory dues:
- a) The Company is generally regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Cess, Goods and Service tax and other material statutory dues, as applicable, with the appropriate authorities. However, duty of Excise and duty of Customs are not applicable to the current operations of the Company. Further, there were no undisputed outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.
- b) According to the records of the Company examined by us and the information and explanations given to us, there were no dues of Income Tax or Sales Tax or Goods and Service Tax or Service Tax or Value Added Tax or duty of custom or duty of excise which have not been deposited on account of any dispute except for the following:

S. No	Name of the Statute	Nature of Dues	Amount (₹)	Period to which amount relates	Forum where dispute is pending
1.	Indian Stamp Act, 1899	Stamp Duty on Demerger	14,820,000	A.Y 2014-15	Delhi High Court
2.	Income Tax Act, 1961	Income tax demand u/s 143(3)	285,481 (Net of ₹ 50,379 paid under protest)	A.Y 2014-15	Commissioner of Income Tax Appeal

- viii) On the basis of information and explanation provided to us, the Company has not defaulted in repayment of loans and borrowings to financial institution and bank. The Company has not taken any loan from Government and also has not issued any debentures.
- ix) The Company did not raise any money by the way of initial public or further public offer (including debt instruments) during the year. The term loans taken during the year were applied for the purpose for which the same has been raised.
- x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) The Company has paid/ provided managerial remuneration to its directors during the year in accordance with provisions of section 197 read with Schedule V to the Companies Act, 2013 as applicable to the Company.
- xii) The Company is not a Nidhi company hence the provisions of paragraph 3(xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xiii) During the course of our examination of the books and records of the Company, all transactions entered with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details of related party transactions have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of paragraph 3(xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of paragraph 3(xv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of paragraph 3(xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

For S.R. Dinodia & Co. LLP

Chartered Accountants,

Firm Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number 083689

Place of Signature: Gurugram

Date: 29th May, 2019

PDS Multinational Fashions Limited

Annexure 'B' to the Independent Auditors' Report of even date on the standalone financial statement of PDS Multinational Fashions Limited

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

We have audited the internal financial controls with reference to financial statements of **PDS Multinational Fashions Limited ("the Company")** as of March 31, 2019 in conjunction with our audit of the Ind AS standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

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

Place of Signature: Gurugram
Date: 29th May, 2019

For **S.R. Dinodia & Co. LLP**
Chartered Accountants,
Firm Registration Number 001478N/N500005

(**Sandeep Dinodia**)
Partner
Membership Number 083689

Balance Sheet as at March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	As At March 31, 2019	As At March 31, 2018
Assets			
I. Non-Current Assets			
(a) Property, Plant and Equipment	4	1,181.09	1,284.04
(b) Investment Property	5	2,410.87	2,449.51
(c) Other Intangible Assets	6	104.04	93.98
(d) Intangible Assets under Development	7	8.87	4.53
(e) Financial Assets			
(i) Investments	8	10,203.25	10,083.01
(ii) Other Financial Assets	9	43.68	41.95
(f) Deferred Tax Assets (Net)	22	69.24	13.18
(g) Non Current Tax Asset (Net)	10	43.86	43.86
(h) Other Non Current Assets	11	9.28	12.27
Total Non-Current Assets		14,074.18	14,026.33
Current Assets			
(a) Financial assets			
(i) Trade Receivables	12	100.50	3.88
(ii) Cash and Cash Equivalents	13	245.72	25.11
(iii) Bank Balances other than (ii) above	14	1.15	-
(iv) Other Financial Assets	9	270.12	0.76
(b) Other Current Assets	11	105.07	101.51
Total Current Assets		722.56	131.26
Total Assets		14,796.74	14,157.59
II. Equity And Liabilities			
Equity			
(a) Equity Share Capital	15	2,604.67	2,604.67
(b) Other Equity	16	8,240.20	8,131.40
Total Equity		10,844.88	10,736.07
Liabilities			
Non- Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	739.58	1,019.31
(ii) Other Financial Liabilities	18	55.13	8.33
(b) Provisions	19	222.57	91.26
(c) Other Non-Current Liabilities	21	8.57	3.12
Total Non- Current Liabilities		1,025.85	1,122.02
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	1,040.37	1,104.32
(ii) Trade Payables	20		
- Total Outstanding Dues to Micro Enterprises and Small Enterprises		0.96	-
- Total Outstanding Dues to Parties Other than Micro Enterprises and Small Enterprises		318.29	164.90
(iii) Other Financial Liabilities	18	37.55	265.73
(b) Other Current Liabilities	21	1,513.91	761.12
(c) Provisions	19	14.93	3.42
Total Current Liabilities		2,926.01	2,299.49
Total Equity and Liabilities		14,796.74	14,157.59
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

(Sandeep Dinodia)

Partner

Membership Number 083689

For & on behalf of Board of Directors of
PDS Multinational Fashions Limited

(Payel Seth)

Director

DIN: 00003035

(Deepak Seth)

Director

DIN: 00003021

(Omprakash M.S. Setty)

Chief Executive Officer

(Ajai Singh)

(Chief Financial Officer)

(B. Chandra Sekhara Reddy)

Company Secretary

M. No. A14609

Place of Signature: Gurugram

Date : 29th May, 2019

Statement of Profit and Loss for the Year Ended March 31, 2019

(All amounts in ₹ lakhs, except Earnings Per Share)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I Revenue from Operations	23	3,920.83	1,819.41
II Other Income	24	95.37	686.19
III Total Income (I+II)		4,016.20	2,505.59
IV Expenses			
(a) Purchases of Stock-in-Trade	25	29.87	-
(b) Employee Benefits Expense	26	2,312.74	1,036.22
(c) Finance Costs	27	197.05	240.99
(d) Depreciation and Amortization Expense	28	254.13	229.98
(e) Other Expenses	29	1,156.63	564.79
Total Expenses		3,950.42	2,071.98
V Profit/ (loss) before exceptional items and tax (III-IV)		65.78	433.61
VI Exceptional Items		-	-
VII Profit/ (loss) before tax (V-VI)		65.78	433.61
VIII Tax expense:	31		
(a) Current tax		12.68	70.26
Less: Mat Credit Entitlement		(12.68)	(70.26)
(b) Deferred Tax		(43.30)	61.14
Total tax expense		(43.30)	61.14
IX Profit/(loss) for the year (VII-VIII)		109.07	372.47
X Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit and loss			
(a) Re-measurement gains/ (losses) on defined benefit plans		(0.36)	13.75
(ii) Income tax on items that will not be reclassified to profit and loss		0.09	(3.79)
(B) (i) Items that will be reclassified to profit and loss		-	-
(ii) Income tax on items that will be reclassified to profit and loss		-	-
Other comprehensive income for the year, net of tax		(0.27)	9.96
XI Total comprehensive income for the year, net of tax (IX + X)		108.81	382.43
XII Earnings per share: (Face value ₹ 10 per share)	30		
1) Basic (amount in ₹)		0.42	1.43
2) Diluted (amount in ₹)		0.42	1.43
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

(Sandeep Dinodia)

Partner

Membership Number 083689

(Omprakash M.S. Setty)

Chief Executive Officer

Place of Signature: Gurugram

Date : 29th May, 2019

**For & on behalf of Board of Directors of
PDS Multinational Fashions Limited**

(Payel Seth)

Director

DIN: 00003035

(Ajai Singh)

(Chief Financial Officer)

(Deepak Seth)

Director

DIN: 00003021

(B. Chandra Sekhara Reddy)

Company Secretary

M. No. A14609

Statement of changes in equity for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

A. Equity Share Capital	Amount
Opening Balance as at April 01, 2017	2,604.67
Changes during the year	-
Closing Balance as at March 31, 2018	2,604.67
Changes during the year	-
Closing Balance as at March 31, 2019	2,604.67

B. Other Equity

	Reserve & Surplus		Total equity
	Capital Reserve	Retained Earnings	
Balance As At April 01, 2017	8,078.07	(329.10)	7,748.97
Profit for the year	-	372.47	372.47
Remeasurement of defined benefit plan (net of tax)	-	9.96	9.96
Balance As At March 31, 2018	8,078.07	53.33	8,131.40
Profit for the year	-	109.07	109.07
Remeasurement of defined benefit plan (net of tax)	-	(0.27)	(0.27)
Balance As At March 31, 2019	8,078.07	162.13	8,240.20

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

(Sandeep Dinodia)

Partner

Membership Number 083689

Place of Signature: Gurugram

Date : 29th May, 2019

(Omprakash M.S. Setty)

Chief Executive Officer

For & on behalf of Board of Directors of
PDS Multinational Fashions Limited

(Payel Seth)

Director

DIN: 00003035

(Ajai Singh)

(Chief Financial Officer)

(Deepak Seth)

Director

DIN: 00003021

(B. Chandra Sekhara Reddy)

Company Secretary

M. No. A14609

Statement of Cash Flow for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash Flows From Operating Activities		
Profit Before Tax	65.78	433.61
Adjustments for:		
Depreciation and amortization	254.13	229.98
Interest Paid	213.97	239.90
Loss/(Gain) on sale of Property, Plant & Equipment	0.49	5.30
Unrealised foreign exchange fluctuation	0.86	-
Interest Income	(35.94)	(0.46)
Impact of effective interest rate adjustment on borrowings	0.85	1.10
Re-measurement gains/ (losses) on defined benefit plans	(0.36)	13.75
Unwinding of discount on security deposits	(2.93)	(2.90)
Amortisation of deferred asset - security deposit paid	2.40	2.23
Provision for doubtful Advance	-	1.37
Bad debts written off	41.34	-
Provision for Advances & Receivables written back	(54.84)	-
Operating Profit Before Working Capital Changes	485.75	923.88
Movement In Working Capital:		
Increase/(Decrease) in Trade Payables & Other Current Liabilities	909.12	(138.15)
Increase/(Decrease) in Other Current Financial Liabilities	(48.25)	(25.90)
Increase/(Decrease) in Other Long Term Liabilities	5.45	3.12
Increase/(Decrease) in Other Non Current Financial Liabilities	46.80	8.34
Increase/(Decrease) in Provisions	142.82	17.92
(Increase)/Decrease in Trade Receivables	(29.14)	(3.88)
(Increase)/Decrease in Non-Current Financial Assets	(2.03)	(14.60)
(Increase)/Decrease in Other Current Assets and other bank balances	(4.70)	(35.59)
(Increase)/Decrease in Other Current Financial Assets	(285.98)	(0.44)
(Increase)/Decrease in Other Non-Current Assets	(57.58)	(1.64)
Cash Generated From Operations	1,162.26	733.04
Direct Tax paid (Net of Refunds)	(14.94)	(116.56)
Net Cash Inflow From/(Used In) Operating Activities (A)	1,147.31	616.48
Cash Flows From Investing Activities		
Purchase of Property, Plant and Equipment and other Intangible Assets	(304.18)	(352.56)
Sale Proceeds of Property, Plant and Equipment	1.65	26.63
(Increase)/Decrease in Investments	(120.24)	(32.76)
Interest Income	35.94	0.46
Net Cash From/ (Used In) Investing Activities (B)	(386.83)	(358.23)
Cash Flows From Financing Activities		
Proceeds from Borrowings (Net of Repayments)	(343.67)	(330.33)
Interest paid (Net)	(196.20)	(236.25)
Net cash inflow from/(used in) Financing Activities (C)	(539.87)	(566.58)
Net Increase (Decrease) In Cash And Cash Equivalents (A+B+C)	220.62	(308.33)
Opening Balance of Cash and Cash Equivalents	25.11	333.44
Total Cash And Cash Equivalent (Note No. 13)	245.72	25.11
Components Of Cash And Cash Equivalents		
Cash on hand	0.65	0.02
With banks - on current account and deposits with banks	245.07	25.09
Total Cash and Cash equivalent (Note No. 13)	245.72	25.11
Summary of Significant Accounting Policies	3	

Note : The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS-7, 'Statement of Cash Flows'. The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For S.R. Dinodia & Co. LLP.

Chartered Accountants

Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number 083689

For & on behalf of Board of Directors of
PDS Multinational Fashions Limited

(Payel Seth)

Director

DIN: 00003035

(Deepak Seth)

Director

DIN: 00003021

(Omprakash M.S. Setty)
Chief Executive Officer

(Ajai Singh)
Chief Financial Officer

(B. Chandra Sekhara Reddy)
Company Secretary
M. No. A14609

Place of Signature: Gurugram
Date : 29th May, 2019

Notes to financial statements for the year ended March 31, 2019

Note 1: Corporate Information

PDS Multinational Fashions Limited is a Public Limited Company (hereinafter referred as 'the Company') domiciled in India and has its registered office at 758 & 759, 2nd Floor, 19th Main, HSR Layout, Sector-II, Bangalore - 560102, Karnataka. The Company is engaged in trading of ready to wear apparels, providing services to group companies engaged in the export of ready to wear apparels and sourcing & distribution of their products. The Company is also engaged in the business of holding, owing, leasing or licensing real estate. The Company has its primary listings on Bombay Stock Exchange and National Stock Exchange in India.

The financial statement are approved by the Board of Directors in their Board Meeting held on May 29, 2019.

Note 2: Statement of Compliance

The 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 have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the relevant accounting policies mentioned. The financial statements are presented in ₹ and all values are rounded to the nearest Lakhs except otherwise stated.

Going Concern

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

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

Recent Accounting Pronouncement

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying amendments to Ind AS 12 'Income Taxes', introduced the Appendix 'C' to Ind AS 12 'Uncertainty over Income Tax Treatments', amendments to Ind AS 19 'Employee Benefits' and also introduced new standard Ind AS 116 'Leases'. These amendments rules are applicable to the Company from April 1, 2019.

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

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

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

Amendment to Ind AS 12 – Income taxes: On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Amendment to Ind AS 19 – Plan amendment, curtailment or settlement: On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

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

The Company is currently evaluating the effect of these amendments on the standalone financial statements.

Application of New Accounting Pronouncements

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

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

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

Note 3: Significant accounting policies

a) Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Judgements:

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Revenue recognition and presentation

The Company assesses its revenue arrangements against specific criteria, i.e. whether it has exposure to the significant

risks and rewards associated with the sale of goods & rendering of services, in order to determine if it is acting as a principal or as an agent. The Company has concluded that it is operating on a principal to principal basis in all its revenue arrangements.

The Company applies judgement to determine whether each product or service promised to a customer are capable of being distinct, and are distinct in the context of contract, if not the promised service are combined and accounted as a single performance obligation.

For performance obligation where control is transferred over the time, revenues are recognised by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgement and is based on the nature of the promised service to be rendered.

Useful lives of property, plant and equipment

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

Estimates and Assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Estimates and underlying assumptions are reviewed at each balance sheet date. Such changes are reflected in the assumptions when they occur.

i) Income taxes

The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

ii) Contingencies

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

iii) Recoverability of deferred taxes

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be

utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment.

iv) Defined benefit plans

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

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

b) Current versus non-current classification

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

Assets:

An asset is treated as current when it is:

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

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

c) Property, Plant and Equipment (PPE) and Investment Property

The Company had applied for one time transition exemption of considering the carrying cost on the transition date i.e. 1st April 2016 as the deemed cost under Ind AS.

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.

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

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

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

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

Depreciation: Depreciation on PPE, except leasehold improvements, is provided on straight-line method over the useful lives of assets as per Schedule II to the Companies Act, 2013. Depreciation for assets purchased / sold during a period is proportionately charged to Statement of Profit & Loss. Leasehold improvements are amortised over the lease term or the useful life of the assets whichever is earlier.

Investment Property

(i) Recognition and measurement

Investment Property comprise of Freehold Land and Building.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The Company had applied for one time transition exemption of considering the carrying cost on the transition date i.e. 1st April 2016 as the deemed cost under Ind AS.

The Company measures investment property using cost based measurement and the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of derecognition.

(ii) Depreciation

Depreciation on Investment Property is provided, under the Straight Line Method, pro rata to the period of use,

based on useful lives specified in Schedule II to the Companies Act, 2013.

d) Intangible assets

Recognition and measurement

The Company had applied for one time transition exemption of considering the carrying cost on the transition date i.e. 1st April 2016 as the deemed cost under Ind AS.

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

Amortisation: Intangible assets, with infinite lives, are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the assets are available to the Company for their use. In case of the trade mark capitalised, the Company is amortizing it over period of 5 years from the date of capitalisation. Specialized softwares are amortized over a period of 5 years or license period whichever is earlier.

e) Borrowing costs

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

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

f) Foreign Currency Transaction

Functional and presentational currency

The Company's financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash. All the financial information presented in ₹ in lakhs except where otherwise stated.

Initial recognition

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Measurement at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost are not retranslated.

g) Revenue Recognition

Effective 01 April 2018, the Company has adopted Indian

Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers'. The revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, the company follows the five step approach as under:

- (i) Identify the contract with a customer
- (ii) identify the performance obligations in the contract
- (iii) determine the transaction price,
- (iv) allocate the transaction price to the performance obligations in the contract
- (v) recognize revenues when a performance obligation is satisfied.

The comparative amounts of revenue and the corresponding assets/ liabilities have not been retrospectively adjusted. The effect on adoption of Ind AS-115 was insignificant.

Other Operating Revenue

Rental income is recognized when services are rendered and same becomes chargeable. Service Income comprises amounts billed for leasing out the property and other support services rendered to entities in accordance with terms of agreements entered into with them.

Other Income

- i) Interest income is recognised on time proportionate basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists.
- ii) Dividend income is recognized when the right to receive payment is established.

h) Inventories

Inventories, of traded goods, are valued at the lower of cost and net realisable value. Cost includes purchase price, duties, non refundable taxes and all other costs incurred in bringing the inventory to their present location. Cost is calculated on First in First out (FIFO) method.

The comparison of cost and net realisable value is made on an item by item basis. Net realisable value is the estimated selling price in the ordinary course of business; less any estimated costs necessary to make the sale.

i) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease.

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

Finance lease

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

A leased asset is depreciated over the useful life of the asset.

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

Operating lease

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

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

j) Employee's Benefits

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

Defined Contribution Plan

Provident Fund and Employee State Insurance Schemes are defined contribution plans and contributions paid / payable are recognised as an expense in the Statement of Profit and Loss during the year in which the employee renders the related service.

Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation report using the projected unit credit method as at the year end.

The obligations are measured at the present value of the estimated future cash flows. The discount rate is generally based upon the market yields available on Government bonds at the reporting date with a term that matches that of the liabilities.

Re-measurements, comprising actuarial gains and losses including, the effect of the changes to the asset ceiling (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. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

Other Long term Benefits

Long term compensated absences are provided for on the basis of actuarial valuation, using the projected unit credit

method, at the end of each financial year. Actuarial gains/ losses, if any, are recognised immediately in the Statement of Profit and Loss.

k) Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past events and 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.

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. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of;

- i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle obligation;
- ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

Provision, contingent liabilities and contingent assets are reviewed at each balance sheet date and adjusted where necessary to reflect the current best estimate of obligation or asset.

l) Financial instruments

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

(i) Initial recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. 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.

(ii) Classification and Subsequent measurement

(a) Financial Assets

For purposes of subsequent measurement, financial assets are classified in following 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 assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

• 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.

• Equity investment

Investments representing equity interest in associates/ subsidiary are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. The Company had elected for one time Ind AS 101 exemption and adopted the fair value of its investments in Equity Shares as its deemed cost as at date of transition.

De-recognition

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

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

(b) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, security deposits received etc.

Subsequent measurement

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

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

Financial liabilities at Amortized cost

Loans and Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest rate (EIR) method. Income and Expense are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

De-recognition

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

(c) Offsetting of Financial Instruments

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

m) Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

n) Impairment of Non-Financial Assets

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

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-

tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

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

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

o) 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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

p) Taxes on Income

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.

Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in the year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. In accordance with Ind AS 12 Company is grouping MAT credit entitlement with Deferred Tax Assets / Liability (Net).

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.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to

the same taxable entity and the same taxation authority. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

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

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

q) Cash and Cash Equivalents

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

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

r) Earnings per share (EPS)

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extra ordinary items.

- i) Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
- ii) For the purpose of calculating Diluted Earning per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential 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 increasing the earnings.

s) Segment Reporting

The Company has the policy of reporting the segments in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is considered to make strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

PDS Multinational Fashions Limited

Note 4 : Property, Plant and Equipment

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Furniture and Fixtures	Leasehold Improvement	Vehicles	Office Equipment	Electrical Installations & Equipment	Computers	Total
Gross Carrying Value (Deemed Cost)							
Balance As at April 01, 2017	33.22	41.91	69.91	12.53	53.48	135.31	346.36
Add: Additions made during the year	395.70	-	-	14.20	743.46	20.74	1,174.10
Less: Disposals/adjustments during the year	-	-	(37.38)	(0.21)	-	-	(37.59)
Balance As at March 31, 2018	428.92	41.91	32.53	26.52	796.94	156.05	1,482.87
Add: Additions made during the year	0.54	17.31	30.83	3.89	3.55	25.69	81.81
Less: Disposals/adjustments during the year	(1.35)	-	-	(2.62)	-	(21.19)	(25.16)
Balance As at March 31, 2019	428.11	59.22	63.36	27.79	800.49	160.55	1,539.52
Depreciation							
Balance As at April 01, 2017	2.94	4.16	9.05	3.59	4.98	22.56	47.28
Add: Depreciation charge for the year	36.76	4.16	6.38	5.71	74.74	29.45	157.19
Less: Disposals/adjustments during the year	-	-	(5.53)	(0.11)	-	-	(5.64)
Balance As at March 31, 2018	39.70	8.32	9.90	9.19	79.72	52.01	198.83
Add: Depreciation charge for the year	41.17	20.60	6.38	4.64	76.00	33.83	182.62
Less: Disposals/adjustments during the year	(0.41)	-	-	(2.49)	-	(20.13)	(23.03)
Balance As at March 31, 2019	80.46	28.92	16.28	11.34	155.72	65.71	358.42
Net Carrying Amount							
As at March 31, 2019	347.65	30.30	47.08	16.45	644.77	94.84	1,181.09
As at March 31, 2018	389.22	33.59	22.64	17.33	717.22	104.04	1,284.04

Note 5 : Investment Property

Freehold Land

Building

Total

I. Investment Property

A. Gross Carrying Amount

Balance As at April 01, 2017

68.81

145.68

214.49

Add: Additions during the year

-

2,276.37

2,276.37

Less: Disposals / adjustments during the year

-

-

-

Balance as at March 31, 2018

68.81

2,422.05

2,490.86

Add: Additions during the year

-

-

-

Less: Disposals / adjustments during the year

-

-

-

Balance As at March 31, 2019

68.81

2,422.05

2,490.86

B. Depreciation

Balance As at April 01, 2017

-

2.57

2.57

Add: Depreciation Charge for the year

-

38.78

38.78

Less: On disposals/adjustments during the year

-

-

-

Balance As At March 31, 2018

-

41.35

41.35

Add: Depreciation Charge for the year

-

38.64

38.64

Less: On disposals / adjustments during the year

-

-

-

Balance As At March 31, 2019

-

79.99

79.99

C. Net Carrying Amount

68.81

2,342.06

2,410.87

II. Capital Work In Progress- Investment Property

Balance as at April 01, 2017

-

2,269.25

2,269.25

Add: Additions during the year

-

7.12

7.12

Less: Deletion during the year

-

2,276.37

2,276.37

Balance as at March 31, 2018

-

-

-

Add: Additions during the year

-

-

-

Less: Deletion during the year

-

-

-

Balance As at March 31, 2019

-

-

-

(All amounts in ₹ lakhs, unless otherwise stated)

	Freehold Land	Building	Total
III. Investment Property			
As at March 31, 2019	68.81	2,342.06	2,410.87
As at March 31, 2018	68.81	2,380.70	2,449.51
a) <u>Fair Value</u>			
As at March 31, 2019	2,887.50	2,070.09	4,957.59
As at March 31, 2018	2,980.00	2,140.00	5,120.00
b) Information regarding Income and Expenditure of Investment Property			
	As At March 31, 2019	As At March 31, 2018	
Rental Income derived from Investment Property	42.96	129.20	
Direct Operating Expenses	385.52	484.49	
Profit arising from Investment Property before depreciation	(342.56)	(355.29)	
Less: Depreciation	38.64	38.78	
Profit arising from Investment Property	(381.20)	(394.07)	
c) Minimum Lease Rent Receivable: In respect of property given on lease, the future minimum lease payments receivable is as under:			
Particulars	As At March 31, 2019	As At March 31, 2018	
Not later than 1 year	60.93	-	
Later than 1 year but not later than 5 years	266.57	-	
Later than 5 years	276.77	-	
Total	604.27	-	
d) The Company's Investment Property consist of property situated at Udyog Vihar, Gurugram, Haryana in India. The Management has determined that the investment property consists of two class of assets - Land and building - based on the nature, characteristics and risks of the property.			
e) The fair valuation is based on current prices in the active market for similar properties. The main input used are quantum, area, location, demand, age of building and trend of fair market rent in the location of the property.			
f) The fair value is based on valuation performed by an accredited independent valuer. Fair valuation of Investment Property is based on Sales comparable method for land and depreciated replacement cost method for built up structure. The fair value measurement is categorised in level 1 fair value hierarchy.			

Note 6 : Other Intangible assets

Particulars	Trade Marks (A)	Computer Software (B)	Total (A+B)
Gross Carrying Amount			
Balance as at April 01, 2017	0.90	119.47	120.37
Add: Additions during the year	-	34.52	34.52
Less: Disposals / adjustments during the year	-	-	-
Balance as at March 31, 2018	0.90	153.99	154.89
Add: Additions during the year	-	42.93	42.93
Less: Disposals / adjustments during the year	-	-	-
Balance as at March 31, 2019	0.90	196.92	197.82
Amortisation			
Balance As at April 01, 2017	0.08	26.82	26.90
Add: Amortisation Charge for the year	0.18	33.83	34.01
Less: On disposals/adjustments during the year	-	-	-
Balance As at March 31, 2018	0.26	60.65	60.91
Add: Amortisation Charge for the year	0.18	32.69	32.87
Less: On disposals / adjustments during the year	-	-	-
Balance As at March 31, 2019	0.44	93.34	93.78
Net Carrying value			
Balance as at March 31, 2019	0.46	103.58	104.04
Balance as at March 31, 2018	0.64	93.34	93.98

(All amounts in ₹ lakhs, unless otherwise stated)

Note 7 : Intangible Assets under development	As At March 31, 2019	As At March 31, 2018
Intangible Assets Under Development	8.87	4.53
	8.87	4.53

Note 8 : Non Current Investments	As At March 31, 2019	As At March 31, 2018
Investment in wholly owned Subsidiary		
Unquoted		
21,948,270 (March 31, 2018 : 21,948,270) Equity Shares of Multinational Textiles Group Limited, Mauritius of USD 1 each fully paid up	10,050.25	10,050.25
Investment in Associate		
Unquoted		
Nil (March 31, 2018 : 327,600) Equity Shares of Parc Designs Private Limited of ₹ 10 each fully paid up	-	32.76
Investment in Subsidiary		
Unquoted		
1,530,000 (March 31, 2018 : Nil) Equity Shares of Parc Designs Private Limited of ₹ 10 each fully paid up	153.00	-
	10,203.25	10,083.01
Aggregate Book Value of Investments	10,203.25	10,083.01

Information about Investments	Proportion (%) of equity interest	
Name of the Company, Country of Incorporation, Principal Activities	As At March 31, 2019	As At March 31, 2018
Multinational Textile Group Limited, Mauritius, Holding of Investments and provision of consulting services	100.00%	100.00%
Parc Design Private Limited, India, Manufacturing of Readymade Garments	51.00%	36.00%

Note 9 : Other Financial Assets	As At March 31, 2019	As At March 31, 2018
Non- current		
Security Deposits (Unsecured, considered good) (Refer to note 'a' below)	42.38	40.74
Deposits with original maturity of more than 12 months (Refer to note 'b' below)	1.00	1.00
Interest accrued but not due on fixed deposits	0.30	0.21
Total (A)	43.68	41.95
Current		
Other Advances	-	0.42
Deposits with original maturity of more than 12 months (Refer to note 'b' below)	-	0.25
Interest accrued but not due on fixed deposits	-	0.09
Loans Receivable from related party		
- Considered good - Secured	-	-
- Considered good - Unsecured	253.50	-
- Considered with significant increase in Credit Risk	-	-
- Credit Impaired	-	-
Less: Loss Allowance for Loans	-	-
Interest due on Borrowings from Related party	16.62	-
Total (B)	270.12	0.76
Total (A+B)	313.80	42.71

- a) The Company has determined its security deposits are not in the nature of loans and accordingly have been classified as part of other financial assets.
- b) Fixed Deposits with a carrying amount of ₹ 1.00 lakh (March 31, 2018: ₹ 1.25 lakhs) are pledged with the Government Authorities.

(All amounts in ₹ lakhs, unless otherwise stated)

Note 10 : Non Current Tax Asset	As At March 31, 2019	As At March 31, 2018
Advance Income Tax	43.86	43.86
(Net of provision of ₹ 70.26 lakhs (March 31, 2018 : ₹ 70.26)		
	43.86	43.86

Note 11 : Other Asset	As At March 31, 2019	As At March 31, 2018
(Unsecured, considered good, unless otherwise stated)		
Non- Current		
Capital Advances		
- Considered Good	4.50	7.33
- Considered Doubtful	-	1.37
Less: Loss Allowance for advances	-	(1.37)
	4.50	7.33
Balance with Government Authorities	0.50	0.50
Deferred Payment asset	1.12	3.48
Prepaid Expenses	3.16	0.96
Total (A)	9.28	12.27
Current		
Balance with Government Authorities	65.31	38.99
Other Advances		
- Considered Good	3.92	1.60
- Considered Doubtful	-	11.98
Less: Loss Allowance for advances	-	(11.98)
	3.92	1.60
Deferred Payment asset	2.36	2.40
Prepaid Expenses	33.48	58.52
Total (B)	105.07	101.51
Total (A+B)	114.35	113.78

Note 12 : Trade Receivables	As At March 31, 2019	As At March 31, 2018
(a) Trade Receivable considered good - Secured	-	-
(b) Trade Receivable considered good - Unsecured	100.50	3.88
(c) Trade Receivable which have significant increase in Credit Risk	-	-
(d) Trade Receivable - Credit Impaired	0.55	42.04
	101.05	45.92
Less: Allowance for Expected Credit Loss	(0.55)	(42.04)
	100.50	3.88

- a) The Company has no receivables which have significant increase in Credit Risk.
- b) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.
- c) Trade receivables due from related parties as at March 31, 2019 amounts to ₹ 42.21 lakhs (March 31, 2018 : ₹ 3.88 lakhs)
- d) Trade receivables are generally on terms of not more than 60 days.

Note 13 : Cash and Cash equivalents	As At March 31, 2019	As At March 31, 2018
Balances with banks:		
- Current account	245.07	25.09
Cash on hand	0.65	0.02
	245.72	25.11

(All amounts in ₹ lakhs, unless otherwise stated)

Note 14 : Bank Balance other than Cash and Cash Equivalent	As At March 31, 2019	As At March 31, 2018
Earmarked Balances with Bank	1.15	-
	1.15	-

a) The earmarked balance represents balance of share fraction account lying with Bank.

Note 15 : Share Capital	As At March 31, 2019	As At March 31, 2018
Authorised		
27,000,000 (March 31, 2018: 27,000,000) equity shares of ₹ 10 each*	2,700.00	2,700.00
	2,700.00	2,700.00
Issued, subscribed and paid up		
26,046,724 (March 31, 2018: 26,046,724) equity shares of ₹ 10 each*	2,604.67	2,604.67
	2,604.67	2,604.67

a) **Reconciliation of Issued and Subscribed Share Capital:**

	No. of shares*	Amount
Balance as at April 1, 2017	26,046,724	2,604.67
Changes during the year	-	-
Balance as at March 31, 2018	26,046,724	2,604.67
Changes during the year	-	-
Balance as at March 31, 2019	26,046,724	2,604.67

b) The above capital includes equity shares 25,996,724 nos* (₹ 2,599.67 lakhs) which were allotted during 2014-15 pursuant to the schemes of Demerger without payments being received in cash.

c) **Terms/ rights attached to equity shares:**

The company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. However, no dividend is proposed by the Board of Directors and no amount is recognised as available for distribution to equity shareholders during the year. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	March 31, 2019		March 31, 2018	
	No. of Shares*	Holding %	No. of Shares*	Holding %
Mrs. Payal Seth	13,875,242	53.27	13,875,242	53.27
Mr. Deepak Seth	3,155,734	12.12	3,155,734	12.12

* The Number of Shares are given in absolute numbers.

Note 16 : Other Equity	As At March 31, 2019	As At March 31, 2018
(Deficit) / surplus in the statement of profit and loss	8,131.40	7,748.97
Add : Profit/(Loss) for the year	109.07	372.47
Other items of Comprehensive (Loss) / Income		
- Re-measurement of defined benefit asset/(liability)	(0.27)	9.96
Balance as at the end of the year	8,240.20	8,131.40

Note: For details, refer 'Statement of changes in Equity'

(All amounts in ₹ lakhs, unless otherwise stated)

Note 17 : Borrowings	As At March 31, 2019	As At March 31, 2018
Non Current		
Secured Loan		
- Vehicle loan from Bank	21.67	-
Term Loan (Unsecured)		
- From Banks	717.91	1,019.31
Total (A)	739.58	1,019.31
Current		
Secured Loan		
- Vehicle loan from Bank	4.20	-
- Vehicle loan from financial Institution	-	1.76
Unsecured Loans		
- From Banks (Term Loan)	302.17	302.56
- From Related Parties	300.00	300.00
- From Others	434.00	500.00
Total (B)	1,040.37	1,104.32
Total (A+B)	1,779.95	2,123.63

a) For Interest rate and Liquidity risk related disclosures, refer note 37.

b) **The nature of Security for Loans are :**

(i) **Vehicle Loan**

- Vehicle loan taken from Axis Bank during the year is secured against hypothecation of respective vehicle. The applicable rate of interest is 8.8% per annum.

(ii) **Maturity profile of Secured Vehicle Loan is set out as below:**

No. of Outstanding EMI as on March 31, 2019	57
Particulars	
Amount repayable in	Amount
FY 2019-20	4.20
FY 2020-21	5.42
FY 2021-22	5.48
FY 2022-23	5.98
FY 2023-24	4.78

(iii) Vehicle loan of ₹ 28 lakhs taken by the Company, from BMW Financial Services, during the financial year 2013-14 and was secured against hypothecation of respective vehicle. The applicable rate of interest ranges between 10% to 11% per annum. However, in the current financial year ending March 31, 2019, Company has repaid the aforesaid loan.

c) **In case of unsecured loans, the terms are as under:-**

- Term Loan of ₹15 crores taken by the Company is guaranteed by Stand by Documentary Credit (SBDC) documents of its step down subsidiary, Norwest Industries Limited with HSBC Hong Kong. The maximum tenor of term loan is 7 years with 1 year moratorium period and it is repayable in equal quarterly installments over the said tenor.
- Term Loan of ₹ 3 Crore taken by the Company during the financial year 2016-17 is also guaranteed by Stand by Documentary Credit (SBDC) documents of its step down subsidiary, Norwest Industries Limited with HSBC Hong Kong. The maximum tenor of term loan is 6 years and it is repayable in equal quarterly installments over the said tenor.
- Term Loan carries rate of interest ranging from 10% to 10.25%

(iv) **Maturity profile of Unsecured Term loan from bank is set out as below:**

Amount repayable in	As At March 31, 2019	As At March 31, 2018
FY 2018-19	-	302.17
FY 2019-20	302.17	302.17
FY 2020-21	302.17	302.17
FY 2021-22	302.17	302.17
FY 2022-23	113.57	113.18

(v) Unsecured loan from related party and others are repayable on demand and carries interest rate of 10% p.a

(All amounts in ₹ lakhs, unless otherwise stated)

Note 18 : Other Financial Liabilities	As At March 31, 2019	As At March 31, 2018
Non- current		
Security Deposit Received (Refer to note 'a' below)	55.13	8.33
Total (A)	55.13	8.33
Current		
Security Deposit Received (Refer to note 'a' below)	-	48.70
Creditors for Capital Goods	-	179.93
Interest Accrued and due on Borrowings		
- From Related parties	6.66	13.46
- From Others	29.94	22.44
Interest Accrued but not due on borrowings from bank	0.95	1.20
Total (B)	37.55	265.73
Total (A+B)	92.68	274.06

- a) The Company has determined its security deposits are not in the nature of borrowings and accordingly have been classified as part of other financial liabilities.

Note 19 : Provisions	As At March 31, 2019	As At March 31, 2018
Non-current		
Provision for Employee Benefits		
- Compensated Absences (Refer to note 32)	94.91	44.54
- Gratuity (Refer to note 32)	127.66	46.72
Total (A)	222.57	91.26
Current		
Provision for Employee Benefits		
- Compensated Absences (Refer to note 32)	4.42	2.87
- Gratuity (Refer to note 32)	3.15	0.55
Provision for Income tax [Net of advance tax of ₹ 5.31 lakhs (March 31, 2018: Nil)]	7.36	-
Total (B)	14.93	3.42
Total (A+B)	237.50	94.68

- a) For Movement in Provision Refer Note 40.

Note 20 : Trade Payables	As At March 31, 2019	As At March 31, 2018
- Outstanding Dues to Micro Enterprises and Small Enterprises (Refer Note 'b' & 'd' below)	0.96	-
- Others	318.29	164.90
	319.25	164.90

- a) Trade payables are non-interest bearing and are normally settled on 60-day terms, except for Micro and Small Enterprises (if any) which are settled within 45 days
- b) As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007 & as certified by the management, the amount due to Micro & Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under:

	As At March 31, 2019	As At March 31, 2018
- the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	0.96	-
- the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-

(All amounts in ₹ lakhs, unless otherwise stated)

Note 20 : Trade Payables (Contd.)	As At March 31, 2019	As At March 31, 2018
- 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;	-	-
- the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
- the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
c) The amount does not include any amount due to be transferred to Investor Protection and Education fund.		
d) Disclosure of payable to vendors as defined under the Micro, Small and Medium Enterprises Development Act, 2006 is based on the information available with the Company regarding the status of registration of such vendors under the said Act and as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date except disclosed above.		

Note 21 : Other Liabilities	As At March 31, 2019	As At March 31, 2018
Non-Current		
Share Fraction account	1.15	-
Deferred Income on security deposit received	7.42	3.12
(A)	8.57	3.12
Current		
Deferred Income on security deposit received	0.99	0.97
Statutory Dues	19.99	26.25
Advance from Customers (Refer Note 'a' below)	1,492.93	733.90
(B)	1,513.91	761.12
(A+B)	1,522.48	764.24

a) The company's exposure to currency and liquidity risk related to Advance from Customers is disclosed in note 37.

Note 22 : Deferred Tax Assets (Net)	As At March 31, 2019	As At March 31, 2018
Gross Deferred Tax Assets	141.90	45.65
Minimum Alternate Tax Credit Entitlement	82.93	70.26
Gross Deferred Tax Liabilities	155.59	102.73
	69.24	13.18

Movement in Deferred Tax Liabilities (Net)	As At April 01, 2018	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As At March 31, 2019
Deferred tax assets relates to the following:				
Provision for employee benefits	26.08	33.66	0.09	59.83
Loss Allowance for Debts and Advances	15.26	(15.12)	-	0.14
Deferred Assets	2.71	(0.52)	-	2.19
Bought Forward Losses and unabsorbed Depreciation	0.00	76.57	-	76.57
Preliminary Expenses	1.56	(0.09)	-	1.47
Others	0.03	1.66	-	1.69
	45.64	96.16	0.09	141.89

(All amounts in ₹ lakhs, unless otherwise stated)

Movement in Deferred Tax Liabilities (Net)	As At April 01, 2018	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As At March 31, 2019
Deferred tax liability relates to the following:				
Property, plant and equipment	98.55	27.01	-	125.56
Other	4.17	25.86	-	30.02
	102.72	52.87	-	155.59
Minimum Alternate Tax Credit Entitlement	70.26	12.68	-	82.94
Total deferred tax assets/(liabilities) (Net)	13.18	55.98	0.09	69.24

Movement in Deferred Tax Liabilities (Net)	As At April 01, 2017	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As At March 31, 2018
Deferred tax assets relates to the following:				
Provision for employee benefits	23.72	6.15	(3.79)	26.08
Provision for Doubtful Debts and Advances	16.69	(1.43)	-	15.26
Deferred Assets	2.17	0.54	-	2.71
Bought Forward Losses and unabsorbed Depreciation	4.91	(4.91)	-	0.00
Preliminary Expenses	3.50	(1.94)	-	1.56
Others	0.79	(0.76)	-	0.03
	51.77	(2.34)	(3.79)	45.64
Deferred tax liability relates to the following:				
Property, plant and equipment	41.87	56.68	-	98.55
Other	2.06	2.11	-	4.17
	43.93	58.79	-	102.72
Minimum Alternate Tax Credit Entitlement	-	70.26	-	70.26
Total deferred tax assets/(liabilities) (Net)	7.84	9.13	(3.79)	13.18

- a) 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 & it is probable that the future economic benefits associated with the asset will be realised.

Note 23 : Revenue From Operations	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of Services		
- Corporate & Sourcing Services	3,844.74	1,690.21
Sale of Products	33.13	-
Other Operating Income		
- Rental Income	42.96	129.20
Total	3,920.83	1,819.41

a) Performance Obligation

Revenue is recognised upon transfer of control of promised products and services to the customers.

During the year, the Company has not entered into long term contracts with customers and accordingly disclosure of unsatisfied or remaining performance obligation (which is affected by several factors like changes in scope of contracts, periodic revalidations, adjustment for revenue that has not been materialized, tax laws etc.) is not applicable to the Company.

b) Trade Receivables and Contract Balances

For Trade Receivables, refer Note No. 12.

Further, the Company has no contracts where the period between the transfer of the promised goods or services to the customer and payment terms by the customer exceeds one year. In light of above;

- it does not adjust any of the transaction prices for the time value of money, and
- there is no unbilled revenue as at March 31, 2019.

(All amounts in ₹ lakhs, unless otherwise stated)

Note 24 : Other Income	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Income		
- On Fixed deposits	0.12	0.46
- On Loan to Related party	18.90	-
Service Tax Refund	18.74	19.89
Unwinding of discount on deposits	2.44	2.13
Dividend from Non Trade Investments	-	644.00
Foreign Exchange Fluctuation (Net)	-	19.71
Loss allowance for Advances & Receivables written back	54.84	-
Profit on sale of asset	0.33	-
	95.37	686.19
Note 25 : Purchase of Stock in Trade	For the year ended March 31, 2019	For the year ended March 31, 2018
Purchase of stock-in-trade	29.87	-
	29.87	-
Note 26 : Employee Benefits Expense	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, Wages & Bonus	2,165.73	973.50
Compensated Absences*	29.77	18.47
Contribution to Provident and Other fund*	42.03	16.21
Gratuity Expense*	46.18	21.61
Staff Welfare Expenses	29.03	6.43
	2,312.74	1,036.22
* Refer Note 32		
Note 27 : Finance Cost	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Expense		
- On Term loans	121.09	156.07
- On Loan from Related Party	30.00	30.00
- On Loan from Others	44.25	50.00
- On MSME	0.62	-
- Delayed Payment of Advance Taxes	-	2.46
- On Vehicle loan	1.09	2.46
	197.05	240.99
Note 28 : Depreciation and Amortization expense	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of Property Plant and Equipment	182.62	157.19
Depreciation of Investment Property	38.64	38.78
Amortization of Intangible Assets	32.87	34.01
	254.13	229.98

(All amounts in ₹ lakhs, unless otherwise stated)

Note 29 : Other Expenses	For the year ended March 31, 2019	For the year ended March 31, 2018
Electricity Charges	55.44	54.97
Rent	71.82	55.80
Rates and taxes	16.10	11.42
Insurance	13.71	13.41
Repair and maintenance		
- Building	17.08	23.21
- Others	77.63	63.95
Security Expenses	17.49	15.88
Sampling and Designing	56.35	0.79
Advertisement and Business Promotion	10.32	1.76
SAP expenses	60.67	73.06
Legal and Professional	105.50	57.21
Postage & Courier	58.33	5.73
Commission and Brokerage	0.90	-
Travelling and Conveyance	293.61	102.10
Communication costs	30.60	17.14
Printing & Stationery	24.31	6.62
Auditor's remuneration (Refer note 'a' below)	20.38	24.73
Loss allowance for Advance	-	1.37
Bad debts written off	41.34	-
Foreign Exchange Fluctuation (Net)	107.99	-
Loss on sale of Assets	0.82	5.30
Miscellaneous expenses	76.24	30.34
Total	1,156.63	564.79

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

	For the year ended March 31, 2019	For the year ended March 31, 2018
As auditor:		
- Statutory audit fee	10.75	10.75
- Tax audit fee	2.25	2.25
- Other Services	7.38	11.73
	20.38	24.73

b) Operating Lease

The company has one premises on lease for five years after which it is at the sole discretion of the Company to extend the lease term for five more years. Lease rentals amounting to ₹ 71.82 lakhs (March 31, 2018 : ₹ 55.80 lakhs), has been charged as expense under the head 'Rent' in the Statement of Profit & Loss.

Note 30 : Earnings per share (EPS)

Earning per share (EPS) is determined based on the net profit attributable to the shareholder before other comprehensive Income. Basic earning per share is computed using the weighted average number of equity shares outstanding during the year whereas Diluted Earning per share is computed using the weighted average number of common and dilutive equivalent shares except for the case where the result becomes anti- dilutive.

	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit attributable to the equity holders	109.07	372.47
Weighted average number of equity shares for basic and diluted EPS	26,046,724	26,046,724
Basic and diluted earnings per share (in ₹) (face value ₹ 10 per share)	0.42	1.43

(All amounts in ₹ lakhs, unless otherwise stated)

Note 31: Income Tax

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

Statement of profit and loss:

	As at March 31, 2019	As at March 31, 2018
Tax Expense:		
a) Current tax	12.68	70.26
b) Mat Credit Entitlement	(12.68)	(70.26)
c) Deferred tax	(43.30)	61.14
Income tax expense reported in the statement of profit and loss	(43.30)	61.14

OCI section

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

	As at March 31, 2019	As at March 31, 2018
Net loss/(gain) on remeasurements of defined benefit plans	(0.09)	3.79
Net amount charged to OCI	(0.09)	3.79

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

	As at March 31, 2019	As at March 31, 2018
Accounting profit before income tax	65.78	433.61
At India's statutory income tax rate of 26% (March 31, 2018: 15.45%)	17.10	66.99
Deferred Tax Impact due to change in tax rate	(53.66)	0.07
Employee Benefit Expense	0.09	(3.79)
Bought Forward Business Loss	-	1.39
Interest due to shortfall in payment of Advance Tax	-	0.38
Others	(6.92)	(0.12)
At the effective income tax rate	(43.39)	64.92
Represented by		
- Tax Expenses	(43.30)	61.14
- Tax Component on other Comprehensive Income	(0.09)	3.79
	(43.39)	64.93

Note 32 : Gratuity and other post-employment benefit plans

a) Defined contribution plans

The Company makes contribution towards Employees Provident Fund and Employee's State Insurance scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year recognised the following amount in the Statement of Profit and Loss under Company's contribution to defined contribution plan.

	For the year ended March 31, 2019	For the year ended March 31, 2018
Employer's Contribution to Provident Fund/ Pension Fund	41.50	16.07
Employer's Contribution to Employee State Insurance	0.53	0.14
Total	42.03	16.21

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

(All amounts in ₹ lakhs, unless otherwise stated)

b) Defined benefit plans

In accordance with Ind AS 19 “Employee benefits”, an actuarial valuation on the basis of “Projected Unit Credit Method” was carried out, through which the Company is able to determine the present value of obligations. “Projected Unit Credit Method” recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

i) Gratuity scheme

The Company has defined benefit gratuity plan. Gratuity is calculated as 15 days salary for every completed year of service or part thereof in excess of 6 months and is payable on retirement / termination/ resignation. The benefit vests on completing 5 years of service by the employee. The Company makes provision of such gratuity asset/ Liability in the books of account on the basis of actuarial valuation as per projected unit credit method.

ii) Compensated absences

The Company operates compensated absences plan wherein every employee is entitled to the benefit equivalent to 15 days leave salary for every completed year of service subject to maximum 30 accumulations of leaves. The salary for calculation of earned leave is last drawn salary. The same is payable during the service, early retirement, withdrawal of scheme, resignation by employee or upon death of employee.

- c) The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and amounts recognised in the balance sheet for the defined benefit plan (viz. gratuity and compensated absences). These have been provided on accrual basis, based on year end actuarial valuation.

Particulars	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Change in benefit obligation				
1) Opening defined benefit obligation	47.27	47.41	39.40	37.36
2) Acquisition Adjustment	64.10	43.55	-	-
3) Add: Interest cost	8.57	7.00	2.90	2.75
4) Add: Current service cost	37.61	33.51	16.37	17.53
5) Add: Past Service cost	-	-	2.33	-
6) Less: Benefits paid	(27.10)	(21.39)	-	(8.42)
7) Add: Actuarial (gain) / loss	0.36	(10.75)	(13.75)	(1.82)
Present value of obligation as at the end of the year	130.81	99.33	47.27	47.41

d) Expected Contribution for next annual reporting period

Particulars	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Service Cost	49.52	32.67	21.12	14.32
Net Interest Cost	10.06	7.64	3.64	3.66
	59.58	40.31	24.76	17.98

e) The Following Tables summarise the Net Benefit Expense Recognised in the Statement of Profit or Loss:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Cost for the year included under employee benefit				
Service Cost	37.61	33.51	18.71	17.53
Interest Cost	8.57	7.00	2.90	2.75
Remeasurement*	-	(10.75)	-	(1.82)
Net cost	46.18	29.76	21.61	18.46

* Transferred to OCI for Gratuity

(All amounts in ₹ lakhs, unless otherwise stated)

f) Bifurcation of Actuarial (Gain)/loss on obligation (Gratuity):

Particulars	As at March 31, 2019	As at March 31, 2018
Remeasurement Due to:		
Effect of Change in Financial Assumptions	0.11	(1.52)
Effect of Change in Demographic Assumption	(3.23)	(12.23)
Effect of Experience Adjustment	3.48	-
Total amount recognised in OCI (Gain)/Loss, End of Year	0.36	(13.75)

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Economic assumptions				
1) Discount rate	7.69%	7.69%	7.71%	7.71%
2) Rate of increase in compensation levels	5.50%	5.50%	5.50%	5.50%
Demographic assumptions				
1) Retirement Age (years)	58 Years	58 Years	58 Years	58 Years
2) Mortality Rate	Indian Assured Lives Mortality (2006-08) (modified) ultimate		Indian Assured Lives Mortality (2006-08) (modified) ultimate	
Employee Turnover / Attrition Rate				
1) Ages up to 30 Years	3.00%	3.00%	3.00%	3.00%
2) Ages from 30-44	2.00%	2.00%	2.00%	2.00%
3) Above 44 years	1.00%	1.00%	1.00%	1.00%

h) Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.

Particulars	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Present value of obligation	130.81	99.33	47.27	47.41
Less: Fair value of plan assets	-	-	-	-
Net (assets) / liability	130.81	99.33	47.27	47.41

i) A quantitative sensitivity analysis for significant assumption as is as shown below:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)
A. Discount rate				
Effect on DBO due to 0.5% increase in Discount Rate	(6.56)	(5.23)	(2.31)	(2.22)
Effect on DBO due to 0.5% decrease in Discount Rate	7.11	5.68	2.49	2.39
B. Salary escalation rate				
Effect on DBO due to 0.5% increase in Salary Escalation Rate	6.86	5.78	2.16	2.43
Effect on DBO due to 0.5% decrease in Salary Escalation Rate	(6.37)	(5.36)	(2.11)	(2.28)

The Sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

(All amounts in ₹ lakhs, unless otherwise stated)

Sensitivities due to morality and withdrawals are insignificant and hence ignored.

Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement & life expectancy are not applicable.

j) Risk

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

k) Maturity profile of defined benefit obligation is as follows:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)
1 year	3.15	4.42	0.55	2.87
2 to 6 years	16.76	28.12	8.53	11.46
More than 6 years	110.90	66.79	38.19	33.08

- l) 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.

Note 33 : Related Party Transactions

a) List of related parties

Name of Related Party	Nature of relationship
Multinational Textiles Group Limited	Wholly owned Subsidiary Company
Poeticgem International	Step Down Subsidiary Company
Norwest Industries Limited	Step Down Subsidiary Company
Techno Design GMBH	Step Down Subsidiary Company
Blue Print Designs Limited	Step Down Subsidiary Company
Design Arc Asia Limited	Step Down Subsidiary Company
Parc Designs Private Limited	Subsidiary Company
Digital Ecom Techno Private Limited	Enterprise over which KMP exercise Control and Significant Influence
Pearl Global Industries Limited	
Mrs. Payal Seth (Director)	Key Managerial Personnel
Mr. Deepak Seth (Director)	
Mr. Pallak Seth (Director)	
Ashok Kumar Sanghi (Independent Director)	
Ashutosh Prabhudas Bhupatkar (Independent Director)	
Ashok Kumar Chhabra (Independent Director)	
Mr. Chandra Shekhar Reddy (Company Secretary)	
Mr. Ajai Singh (Chief Financial Officer)	
Mr. Omprakash Makam Suryanarayan Setty (Chief Executive Officer)	

(All amounts in ₹ lakhs, unless otherwise stated)

b) Transactions with related parties

Name of Related Party	Relationship	Nature of Transaction	As At March 31, 2019	As At March 31, 2018
Multinational Textiles Group Limited	Subsidiary Company	Service Income	1,688.11	1,690.21
		Repayment of Advance	-	559.11
Poeticgem International	Step Down Subsidiary Company	Service Income	42.70	-
Techno Design GMBH	Step Down Subsidiary Company	Service Income	533.51	-
Blue Print Designs Limited	Step Down Subsidiary Company	Service Income	122.27	-
Design Arc Asia Limited	Step Down Subsidiary Company	Service Income	1,182.99	-
Pearl Global Industries Limited	Enterprises owned or significantly influenced by KMP or their relatives	Interest Expenses	30.00	30.00
Parc Designs Private Limited	Subsidiary Company	Investment in Shares	120.24	32.76
		Loan Given	253.50	-
		Interest Income	18.46	-
Norwest Industries Limited	Step Down Subsidiary Company	Rental Income	-	106.91
Digital Ecom Techno Private Limited	Enterprises owned or significantly influenced by KMP or their relatives	Loan Given	37.00	-
		Loan received back	37.00	-
		Rental Income	12.00	21.53
		Interest Income	0.43	-
Mrs. Payal Seth (under Special resolution and pursuant to Section 197 read with Schedule V of the Companies Act, 2013)	Key Managerial Personnel	Salary Paid	21.00	36.00
Ashok Kumar Sanghi	Key Managerial Personnel	Director Sitting Fees	2.64	3.87
Ashutosh Prabhudas Bhupatkar	Key Managerial Personnel	Director Sitting Fees	1.98	2.34
Ashok Kumar Chhabra	Key Managerial Personnel	Director Sitting Fees	2.64	3.10
Mr. Chandra Shekar Reddy	Key Managerial Personnel	Salary Paid	50.30	44.55
	Key Managerial Personnel	Other Employee Benefits	7.32	6.20
Mr. Omprakash Makam	Key Managerial Personnel	Salary Paid	81.91	81.91
Suryanarayan Setty	Key Managerial Personnel	Other Employee Benefits	19.45	17.03

Note: Figures are excluding taxes wherever applicable

c) Year end payable balances of related parties

Name of Related Party	Relationship	Nature of transaction	As At March 31, 2019	As At March 31, 2018
Multinational Textile Group Limited	Subsidiary Company	Advance from customer	991.45	733.90
Design Arc Asia	Step Down Subsidiary Company	Advance from customer	490.02	-
Pearl Global Industries Limited	Enterprises owned or significantly influenced by KMP or their relatives.	Loan outstanding and interest accrued	306.66	313.46
Digital Ecom Techno Private Limited	Enterprises owned or significantly influenced by KMP or their relatives.	Security deposit received	12.57	12.57
Techno Design GMBH	Step Down Subsidiary Company	Advance from customer	11.46	-

(All amounts in ₹ lakhs, unless otherwise stated)

d) Year end receivable balances of related parties

Name of Related Party	Relationship	Nature of transaction	As At March 31, 2019	As At March 31, 2018
Parc Designs Private Limited	Subsidiary Company	Investment made	153.00	-
Parc Designs Private Limited	Associate	Investment made	-	32.76
Parc Designs Private Limited	Subsidiary Company	Loan outstanding and interest accrued	270.12	-
Techno Design GMBH	Step Down Subsidiary Company	Accounts receivable	17.83	-
Blue Print Designs Limited	Step Down Subsidiary Company	Accounts receivable	14.23	-
Digital Ecom Techno Private Limited	Enterprises owned or significantly influenced by KMP or their relatives.	Accounts receivable	1.76	2.89
Poeticgem International	Step Down Subsidiary Company	Accounts receivable	8.39	-
Norwest Industries Limited	Step Down Subsidiary Company	Accounts receivable	-	0.99

e) Other Transaction

The Company has taken Unsecured loan from Bank guaranteed by stand by documentary credit limit of its step down subsidiary namely Norwest Industries Limited - Hong Kong with HSBC Bank.

f) 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.

Note 34: Capital Management

The Company's objective for managing capital is to ensure:

- ability to continue as a going concern, so that the Company can continue to provide returns to shareholders and benefits for other stakeholders, and
- maintain optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital structure using gearing ratio, which is calculated as under:

	As At March 31, 2019	As At March 31, 2018
Borrowings (Refer Note 17)	1,779.95	2,123.63
Less: Cash and Cash Equivalents (Refer Note 13)	(245.72)	(25.11)
Less: Other Bank balances (Refer Note 14)	(1.15)	-
Adjusted Net Debt (A)	1,533.08	2,098.52
Equity Share Capital (Refer Note 15)	2,604.67	2,604.67
Other Equity (Refer Note 16)	8,240.20	8,131.40
Total Capital (B)	10,844.88	10,736.07
Capital and Net Debt (A+B)	12,377.96	12,834.59
Gearing Ratio (D = A/C)	12.39%	16.35%

- No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.
- For the purpose of capital management, capital includes issued equity capital and all other reserves attributable to the equity holders of the Company.

(All amounts in ₹ lakhs, unless otherwise stated)

- c) The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	As At March 31, 2019	As At March 31, 2018
Working Capital Loan from HSBC	100.00	-
	100.00	-

Note 35 : Fair values Disclosure

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments. Here the disclosure is made for non-current financial assets and non-current financial liabilities, carrying value of current financial assets and financial liabilities including trade receivable, cash and cash equivalent, other bank balances, other financial assets, trade payables, current borrowing, other current financial liabilities etc. represent the best estimate of fair value.

The management assessed that fair value of these short term financial assets and liabilities significantly approximate their carrying amount largely due to short term maturities of these instruments.

a) Fair Value of Financial Assets:

Particulars	Carrying values		Fair values	
	As At March 31, 2019	As At March 31, 2018	As At March 31, 2019	As At March 31, 2018
Financial assets measured at amortised cost				
Investments	10,203.25	10,083.01	10,203.25	10,083.01
Security Deposits	42.38	40.74	42.38	40.74
Loan receivable	253.50	-	253.50	-
Deposits with original maturity of more than 12 months	1.00	1.25	1.00	1.25
Other Advances	-	0.42	-	0.42
Interest accrued but not due on Fixed Deposit	0.30	0.30	0.30	0.30
Interest due on borrowings	16.62	-	16.62	-
Trade Receivable	100.50	3.88	100.50	3.88
Cash and Cash Equivalents	245.72	25.11	245.72	25.11
Other Bank Balances	1.15	-	1.15	-
	10,864.42	10,154.71	10,864.42	10,154.71

b) Fair value of financial liabilities:

Particulars	Carrying values		Fair values	
	As At March 31, 2019	As At March 31, 2018	As At March 31, 2019	As At March 31, 2018
Financial liabilities measured at amortised cost				
Borrowings	1,779.95	2,123.63	1,779.95	2,123.63
Trade Payables	319.25	164.90	319.25	164.90
Security Deposit Received	55.13	57.03	55.13	57.03
Interest Accrued and due on borrowings from related parties	6.66	13.46	6.66	13.46
Interest Accrued and due on borrowings from others	29.94	22.44	29.94	22.44
Interest Accrued but not due on borrowings from bank	0.95	1.20	0.95	1.20
Creditor for Capital Goods	-	179.93	-	179.93
	2,191.88	2,562.59	2,191.88	2,562.59

Note 36 : Fair Value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

(All amounts in ₹ lakhs, unless otherwise stated)

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

	As At March 31, 2019	Amortised Cost	Fair Value		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets Measured at Amortised Cost					
Investments	10,203.25	10,203.25	-	-	-
Security Deposits	42.38	42.38	-	-	-
Loan receivable	253.50	253.50	-	-	-
Deposits with original maturity of more than 12 months	1.00	1.00	-	-	-
Interest accrued but not due on Fixed Deposit	0.30	0.30	-	-	-
Interest due on Borrowings	16.62	16.62	-	-	-
Trade Receivable	100.50	100.50	-	-	-
Cash and Cash Equivalents	245.72	245.72	-	-	-
Other Bank Balances	1.15	1.15	-	-	-
Total	10,864.42	10,864.42	-	-	-

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

	As At March 31, 2019	Amortised Cost	Fair Value		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities measured at amortised cost					
Borrowings	1,779.95	1,779.95	-	-	-
Trade Payables	319.25	319.25	-	-	-
Security Deposit Received	55.13	55.13	-	-	-
Interest Accrued but not due on borrowings from related parties	6.66	6.66	-	-	-
Interest Accrued but not due on borrowings from others	29.94	29.94	-	-	-
Interest Accrued but not due on borrowings from bank	0.95	0.95	-	-	-
	2,191.88	2,191.88	-	-	-

c) Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018:

	As At March 31, 2018	Amortised Cost	Fair Value		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at amortised cost					
Investments	10,083.01	10,083.01	-	-	-
Security Deposits	40.74	40.74	-	-	-
Deposits with original maturity of more than 12 months	1.25	1.25	-	-	-
Other Advances	0.42	0.42	-	-	-
Trade Receivables	3.88	3.88	-	-	-
Interest accrued but not due on Fixed Deposit	0.30	0.30	-	-	-
Cash and Cash Equivalents	25.11	25.11	-	-	-
Other Bank Balances	1.15	1.15	-	-	-
Total	10,155.86	10,155.86	-	-	-

(All amounts in ₹ lakhs, unless otherwise stated)

d) Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2018:

	As At March 31, 2018	Amortised Cost	Fair Value		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities measured at amortised cost					
Borrowings	2,123.63	2,123.63	-	-	-
Trade Payables	164.90	164.90	-	-	-
Security Deposit Received	57.03	57.03	-	-	-
Interest Accrued but not due on borrowings from related parties	13.46	13.46	-	-	-
Interest Accrued but not due on borrowings from others	22.44	22.44	-	-	-
Interest Accrued but not due on borrowings from bank	1.20	1.20	-	-	-
Creditor for Capital Goods	179.93	179.93	-	-	-
	2,562.59	2,562.59	-	-	-

i) Valuation technique used to determine fair value:

Security Deposit : Discounted Cash Flow Method using risk adjusted discount rate.

ii) There have been no transfers between level 1 and level 2 category during the year ended on respective reporting date given above

Note 37: Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade and other payables, borrowings, current maturity of borrowings, interest accrued and capital creditors. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets includes Investment in Subsidiaries/Associates, Security Deposits, Trade Receivables, Cash and Cash equivalents, Other Bank Balances.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior level oversees the management of these risks.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk applicable in case of the Company primarily includes interest rate risk and currency risk.

i) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's interest bearing debt obligations.

	Increase or decrease in basis points	Effect on profit before tax
31-Mar-19		
INR	+50	(5.92)
INR	-50	5.92
31-Mar-18		
INR	+50	(7.44)
INR	-50	7.44

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. The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rate, with all other variables held constant.

Particulars	Financial Year	Changes in USD rate	Effect on profit before tax
Advance from Customer	31-Mar-19	+5%	(74.65)
		-5%	74.65
Advance from Customer	31-Mar-18	+5%	(36.69)
		-5%	36.69

(All amounts in ₹ lakhs, unless otherwise stated)

B. Credit risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to the Company. The Company continuously monitors defaults of customers and other counterparties and incorporate this information into its credit risk control. The Company also uses expected credit loss model to assess the impairment loss in trade receivables and makes an allowance of doubtful trade receivables using this model.

i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored.

The ageing analysis of trade receivables as of the reporting date is as follows:

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 35. The Company does not hold any collateral as security.

Particulars	Less than 30 days	30 to 90 days	90 to 180 days	More than 180 days	Total
Trade Receivables as of March 31, 2019	100.41	0.09	-	-	100.50
Trade Receivables as of March 31, 2018	3.88	-	-	-	3.88

C. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, maintain optimum levels of liquidity to meet its cash and collateral requirements. It maintains adequate sources of financing including loans from banks at an optimised cost.

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

As at March 31, 2019	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	734.00	76.65	229.72	739.58	-	1,779.95
Trade Payables	-	318.90	0.35	-	-	319.25
Other Financial Liabilities	6.66	30.89	19.21	35.92	-	92.68
Total	740.66	426.44	249.28	775.50	-	2,191.88

As at March 31, 2018	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	800.00	77.30	227.02	1,019.31	-	2,123.63
Trade payables	-	150.06	14.84	-	-	164.90
Other Financial Liabilities	13.46	260.59	-	-	-	274.06
Creditor For Capital Goods	-	5.91	174.02	-	-	179.93
Total	813.46	493.86	415.88	1,019.31	-	2,742.51

Note 38 : Segment Reporting

The company's operating segments are established on the basis of those components of the group that are evaluated regularly by the Executive Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These segments are based on the company's management and internal reporting structure. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company. The management has identified the following as two operating segments for the Company:

- i) **Corporate Services** - The Company provides Corporate services for its overseas Subsidiaries and other Group Companies. Corporate Service Income comprises of amounts billed for providing services such as Corporate Strategic/ Management and support services rendered to inter-company affiliate(s) in accordance with terms of agreements entered into with them.
- ii) **Others-Renting of Properties** - The rental income comprises amounts billed for leasing out the property and other support services rendered to entities in accordance with terms of agreements entered into with them.
 - a) Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment.
 - b) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocated".

(All amounts in ₹ lakhs, unless otherwise stated)

(b) Segment details are as below:

Particulars	Corporate & Sourcing Services		Others-Renting of Properties		Unallocated/Others		Total	
	For the year ended		For the year ended		For the year ended		For the year ended	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Segment Revenue	3,844.74	1,690.21	42.96	129.20	33.13	-	3,920.83	1,819.41
Other income	19.19	39.59	2.44	2.59	73.74	644.00	95.37	686.18
Segment Result	394.29	143.96	(185.85)	(155.54)	(40.97)	-	167.46	(11.58)
Finance Cost	1.09	2.46	195.34	238.52	0.62	-	197.05	240.98
Deferred Tax					(43.30)	61.14	(43.30)	61.14
Profit for the year							109.07	372.48
Segment Assets	10,783.33	10,584.21	3,359.65	3,483.50	653.76	89.89	14,796.76	14,157.59
Segment Assets as a percentage of total assets of all segments	72.88	74.76	22.71	24.61	4.42	0.63	100.00	100.00
Segment Liabilities	1,806.69	889.48	1,886.73	2,411.09	258.45	120.93	3,951.87	3,421.50
Segment Liabilities as a percentage of total liabilities of all segments	45.72	26.00	47.74	70.47	6.54	3.53	100.00	100.00
Segment Capital Employed	8,976.65	9,694.73	1,472.93	1,072.41	395.31	(31.05)	10,844.89	10,736.09
Segment Capital Employed as a percentage of total capital employed of all segments	82.77	90.30	13.58	9.99	3.65	(0.29)	100.00	100.00
Other Material Non cash items included under Profit / (loss) before tax								
Depreciation & Amortisation	103.79	86.70	150.34	143.28	-	-	254.13	229.98
Bad debts written off	41.34	-	-	-	-	-	41.34	-
Provision for Advances & Receivables written back	-	-	-	-	(54.84)	-	(54.84)	-
Loss on sale of Assets	0.82	5.30	-	-	-	-	0.82	5.30

(c) Segment wise disclosure of customers, where revenue from single customer amounts to 10% or more of an entity's revenue:

Reportable Segment	Amount of Revenue		Total No. of Customers	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Corporate Services	3,844.74	1,690.21	3	1
Others - Renting of Properties	42.96	129.20	2	2

Note 39 : Commitments and Contingencies

a) Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and which have not been provided for in the financial statements amounts to ₹ Nil (March 31, 2018: ₹ Nil). The Company does not have any other long term commitments or material non cancellable contractual commitments which may have a material impact on the financial statements.

b) Contingent Liabilities (to the extent not provided for)

	As At March 31, 2019	As At March 31, 2018
Claims against company not acknowledged as debt:		
- On account of stamp duty on demerger	148.20	148.20
- On account of claim filed by supplier	-	126.66
Other money for which the Company is contingently liable:		
Disputed liability under Income Tax (Net of ₹ 50,379 paid under protest) (A.Y. 2014-15)	2.85	2.85
	151.05	277.71

(All amounts in ₹ lakhs, unless otherwise stated)

- (i) Pending resolution of the respective proceedings, it is difficult for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities.
- (ii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Company does not expect any reimbursements in respect of the above contingent liabilities.
- c) The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of “Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal” and the related circular (Circular No. C-1/1(33)2019/ Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees’ Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of “basic wages” of the relevant employees for the purposes of determining contribution to provident fund under the Employees’ Provident Funds & Miscellaneous Provisions Act, 1952.

Note 40 : Disclosure of movement in Provision during the year as per Ind AS- 37

Particulars	Balance as at April 1, 2018	Provided During the Year	Acquisition liability	Paid / Adjusted during the year	Other Comprehensive Income	Balance as at March 31, 2019
Compensated Absences	47.41	29.77	43.55	(21.39)	-	99.34
Gratuity	47.27	46.18	64.10	(27.10)	0.36	130.81
Income Tax	-	12.68	-	(5.32)	-	7.36
	94.68	88.63	107.65	(53.81)	0.36	237.50

Note 41: Disclosures pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

	As At March 31, 2019	As At March 31, 2018
a) Loan to Subsidiary: Parc Designs Private Limited		
Balance as at the year end (including interest outstanding)	270.12	-
Maximum amount outstanding at any time during the year	270.12	-
(Parc Designs Private Limited has utilised the loan for meeting working capital requirements. It is repayable on demand and carries rate of interest at 10%)		
b) Investments in subsidiaries & associates		
- Investment in wholly owned subsidiary: Multinational Textile Group Limited	10,050.25	10,050.25
- Investment in subsidiary: Parc Designs Private Limited	153.00	-
- Investment in associate: Parc Designs Private Limited	-	32.76

Note 42: The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company regularly updates the documentation for the International transactions entered into with the associated enterprises during the period as required under law. The Management is of the opinion that its international transactions are at arm’s length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

Note 43: No material events have occurred between the balance sheet date to the date of issue of these financial statements that could affect the values stated in the financial statements as at March 31, 2019.

Note 44: The process of receiving balance confirmation from trade receivables/ payables (whether related or non-related parties) & their reconciliation is a regular and continuous process. The balances of certain parties out of these are subject to reconciliation and/ or confirmations as at March 31, 2019.

Note 45: Figures have been rounded off to the nearest ₹ lakhs except otherwise stated.

(All amounts in ₹ lakhs, unless otherwise stated)

Note 46: The financial statements of the Company for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on May 29, 2019.

For S.R. Dinodia & Co. LLP.

Chartered Accountants

Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number 083689

Place of Signature: Gurugram

Date : 29th May, 2019

(Omprakash M.S. Setty)

Chief Executive Officer

**For & on behalf of Board of Directors of
PDS Multinational Fashions Limited**

(Payel Seth)

Director

DIN: 00003035

(Ajai Singh)

(Chief Financial Officer)

(Deepak Seth)

Director

DIN: 00003021

(B. Chandra Sekhara Reddy)

Company Secretary

M. No. A14609

PDS Multinational Fashions Limited

Independent Auditor's Report

To The Members of PDS Multinational Fashions Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

S. No.	Key Audit Matters	How our audit addressed the key audit matter
1.	Recognition of Tax Credits The Holding Company has outstanding Deferred Tax Assets (including MAT credit) of ₹ 141.30 lakhs in financial statements as at March 31, 2019. The recognition of MAT credit and Deferred Tax Assets (together referred to as 'Tax Credits' hereinafter) is a Key Audit Matter as the recoverability of such tax credits within the allowed frame involves significant estimate of the financial projections availability of sufficient taxable income in the future and significant judgements in the interpretation of tax regulations and tax positions adopted by the Holding Company.	Our procedures included, but were not limited to the following: <ul style="list-style-type: none">• Evaluated Holding Company's accounting policies with respect to recognition of tax credits in accordance with Ind AS 12 'Income Taxes'.• We assessed the Management's long term financial projections and the key assumptions used in the projections by comparing it to the approved business plan and projections.• We involved our tax specialists to evaluate the Company's tax position by comparing it with prior years and past precedents.• We assessed the disclosures in accordance with the requirements of Ind AS 12 'Income Taxes'. Our procedures as mentioned above did not identify any findings that were significant for the financial statements as whole in respect of recognition of tax credits.

Information other than Consolidated Financial Statements and Auditor's Reports thereon

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

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

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

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

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

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

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

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

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

PDS Multinational Fashions Limited

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

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

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

Other Matters

We did not audit the financial statements / financial information of a foreign subsidiary whose financial statements / financial information reflects total assets (before eliminating inter-company balances ₹ 1,753.17 lakh) of ₹ 218,977.36 lakh as at March 31, 2019 and total revenue (before eliminating inter-company transactions ₹ 3,569.57 lakh) of ₹ 647,200.44 lakh for the year ended March 31, 2019 and net cash inflows amounting to ₹ 12,676.72 lakh for the year ended March 31, 2019, as considered in the consolidated financial statements. These financial statements and other information have been audited by the other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of such subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such other auditor.

Further, the above mentioned subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its country and which have been audited by other auditor under generally accepted auditing standards applicable in that country. The Holding Company's Management has converted the financial statements of such subsidiary, located outside India from accounting principles generally accepted in their country to accounting principles generally accepted in India and has obtained a separate audit report for these conversion adjustments from the subsidiary's auditor. Our opinion, in so far as it relates to the financial information of such subsidiary located outside India, is based on the audit reports of the other auditor. We have also audited the conversion adjustments prepared by the Management of the Holding Company.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
 - a) We/the other auditor whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and report of the other auditor.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the subsidiary company incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company incorporated in India, refer to our separate Report in "Annexure A". In respect of the foreign subsidiary, which is incorporated outside India, the provisions of Section 143(3)(i) on adequacy and operating effectiveness of the internal financial controls of Companies Act, 2013 are not applicable.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and based on the report of other auditor on separate financial statements of the subsidiaries, as noted in the 'other matters' paragraph:

- i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group - Refer Note No. 43 to the consolidated financial statements.
- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary incorporated in India.

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

In our opinion and based on the consideration of report of the subsidiary incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid /provided by the holding Company and its subsidiary incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V of the Act. In respect of foreign subsidiary, which is incorporated outside India, the provision of Section 197 of the Act are not applicable.

For S.R. Dinodia & Co. LLP

Chartered Accountants,

Firm Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number 083689

Place of Signature: Gurugram

Date: 29th May, 2019

Annexure 'A' to the Independent Auditors' Report of even date on the Consolidated Financial Statement of PDS Multinational Fashions 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 **PDS Multinational Fashions limited** ("the Holding Company) and its one of the Subsidiary Company incorporated in India as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to financial statements of the Holding Company & its Indian Subsidiary, which are the companies covered under the Act, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained in terms of the report referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to these consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

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

Place of Signature: Gurugram
Date: 29th May, 2019

For S.R. Dinodia & Co. LLP
Chartered Accountants,
Firm Registration Number 001478N/N500005

(Sandeep Dinodia)
Partner
Membership Number 083689

Consolidated Balance Sheet as at March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	As At March 31, 2019	As At March 31, 2018
Assets			
I. Non-current assets			
(a) Property, plant and equipment	4	17,501.66	8,399.98
(b) Capital work in progress	5	1,447.40	3,042.01
(c) Investment Property	6	14,130.36	14,176.95
(d) Intangible assets	7	9,092.35	4,742.85
(e) Intangible assets under development	8	8.87	4.53
(f) Financial assets			
(i) Investments	9	6,633.22	7,333.35
(ii) Other Financial Assets	10	71.25	121.97
(e) Deferred Tax Assets (Net)	24	141.30	29.39
(f) Non Current Tax Asset (Net)		-	-
(g) Other Non Current Assets	11	1,041.94	440.93
Total Non-Current Assets		50,068.35	38,291.96
Current Assets			
(a) Inventories	12	13,596.06	6,473.30
(b) Financial Assets			
(i) Investments	9	1,739.57	2,494.30
(ii) Trade Receivables	13	102,871.41	78,256.20
(iii) Cash and Cash Equivalents	14	24,059.49	11,155.85
(iv) Bank Balances other than (iii) above	15	12,964.10	11,385.21
(v) Other Financial Assets	10	771.57	703.49
(b) Other Current Assets	11	16,817.67	17,244.61
Total Current Assets		172,819.87	127,712.96
Total Assets		222,888.22	166,004.92
II. Equity And Liabilities			
Equity			
(a) Equity Share Capital	16	2,604.67	2,604.67
(b) Other Equity	17	50,164.71	43,857.17
Equity Attributable to the Owners of the Parent		52,769.38	46,461.84
Non Controlling Interest(NCI)		4,069.17	7,922.73
		56,838.55	54,384.57
Liabilities			
Non- Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	7,302.50	6,046.53
(ii) Other Financial Liabilities	19	55.13	8.33
(b) Provisions	20	375.90	91.26
(d) Other Non-Current Liabilities	22	455.44	3.12
Total Non- Current Liabilities		8,188.97	6,149.24
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	62,705.75	49,165.88
(ii) Trade Payables	21		
- Total Outstanding Dues to Micro Enterprises and Small Enterprises		0.96	-
- Total outstanding dues to parties other than Micro and Small Enterprises		74,762.11	47,974.55
(iii) Other Financial Liabilities	19	37.61	217.02
(b) Other Current Liabilities	22	19,390.96	5,775.04
(c) Provisions	20	8.01	3.42
(d) Current Tax Liabilities (Net)	23	955.30	2,335.20
Total Current Liabilities		157,860.70	105,471.11
Total Equity and Liabilities		222,888.22	166,004.92
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

For & on behalf of Board of Directors of
PDS Multinational Fashions Limited

(Payel Seth)

Director

DIN: 00003035

(Deepak Seth)

Director

DIN: 00003021

(Omprakash M.S. Setty)

Chief Executive Officer

(Ajai Singh)

(Chief Financial Officer)

(B. Chandra Sekhara Reddy)

Company Secretary

M. No. A14609

Place of Signature: Gurugram
Date : 29th May, 2019

Consolidated Statement of Profit and Loss for the Year Ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I Revenue from Operations	25	648,585.78	492,385.75
II Other Income	26	1,612.21	2,435.79
III Total Income (I+II)		650,197.99	494,821.54
IV Expenses			
(a) Cost of Material Consumed	27	33,100.88	19,834.14
(b) Purchases of Stock-in-Trade	28	523,421.35	406,396.37
(c) Changes in Inventories of Finished Goods, Stock in trade and Work-in- Progress	29	(2,697.01)	(1,305.89)
(d) Employee Benefits Expense	30	36,818.49	30,638.27
(e) Finance Costs	31	3,233.81	2,172.75
(f) Depreciation and Amortization Expense	32	2,633.71	1,640.26
(g) Other Expenses	33	45,655.83	33,043.75
Total Expenses		642,167.06	492,419.65
V Profit/ (Loss) before Exceptional Items and Tax (III-IV)		8,030.93	2,401.89
VI Exceptional Items		-	-
VII Profit/ (Loss) Before Tax (V-VI)		8,030.93	2,401.89
VIII Tax expense:	35		
(a) Current Tax		92.62	327.24
(b) Deferred Tax		(80.05)	(9.12)
Total Tax Expense		12.57	318.12
IX Profit/(Loss) before share of Profit/(loss) of Associates & Joint Venture(VII-VIII)		8,018.36	2,083.77
Add: Share of Profit/(Loss) of Associates & Joint Venture		(99.38)	(130.48)
X Profit/(loss) for the year (IX-X)		7,918.98	1,953.29
XI Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit and loss			
(a) Re-measurement gains/ (losses) on defined benefit plans		(0.28)	13.75
(ii) Income tax on items that will not be reclassified to profit and loss		0.09	(3.79)
(B) (i) Items that will be reclassified to profit and loss			
(a) Net Gain/(Loss) on cash flow hedges		110.20	(175.18)
(b) Foreign Currency Translation Differences for foreign operations		(2,049.03)	(505.55)
(c) Net Movement in exchange reserves		(64.50)	650.99
(d) Net movement in available for sale investment reserves		662.80	(140.99)
(e) Foreign Currency Translation Reserve - Current year transaction impact		191.56	76.69
(ii) Income tax on items that will be reclassified to profit and loss		-	-
Other comprehensive income for the Year, Net of Tax		(1,149.17)	(84.08)
XII Total comprehensive income for the year, net of tax		6,769.81	1,869.21
Net Profit for the period attributable to			
- Owners of the Company		5,284.29	(784.25)
- Non Controlling Interest		2,634.69	2,737.54
		7,918.98	1,953.29
Total Comprehensive income for the year, net of tax			
- Owners of the Company		4,144.44	(906.83)
- Non Controlling Interest		2,625.37	2,776.04
		6,769.81	1,869.21
XIII Earnings per share: (Face value ₹ 10 per share)	34		
1) Basic (amount in ₹)		20.29	(3.01)
2) Diluted (amount in ₹)		20.29	(3.01)
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

**For & on behalf of Board of Directors of
PDS Multinational Fashions Limited**

(Payel Seth)

Director

DIN: 00003035

(Deepak Seth)

Director

DIN: 00003021

(Omprakash M.S. Setty)

Chief Executive Officer

(Ajai Singh)

(Chief Financial Officer)

(B. Chandra Sekhara Reddy)

Company Secretary

M. No. A14609

Place of Signature: Gurugram

Date : 29th May, 2019

Consolidated Statement of changes in equity for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

A. Equity Share Capital										Amount
As at April 01, 2017										2,604.67
Changes during the year										-
As at March 31, 2018										2,604.67
Changes during the year										-
As at March 31, 2019										2,604.67
B. Other Equity										
	Reserve & Surplus					Items of other Comprehensive Income			Total equity before Non Controlling Interest	Total Equity
	Capital Reserve	Retained earnings	Foreign Currency Translation Reserve	Hedging Reserve	Investment Reserve- Available for Sale	Equity instrument through other comprehensive income	Effective Portion of Cash Flow Hedges	Exchange difference on translating the Financial statement		
Balance as at April 01, 2018	26,185.92	11,536.92	8,316.50	(18.55)	5.02	(438.02)	(695.65)	(1,034.97)	43,857.17	51,779.90
Net Income/ (Loss) for the year	-	5,284.29	-	-	-	-	-	-	5,284.29	7,918.98
Net Movement in available for sale investment reserve	-	-	-	-	-	582.27	-	-	582.27	662.80
Net Movement in exchange reserve	-	-	-	-	-	-	-	(30.29)	(30.29)	(64.50)
Foreign Currency Translation Differences on foreign operations	-	-	-	-	-	-	-	(1,993.38)	(1,993.38)	(2,049.03)
Net gain on cash flow hedges	-	-	-	-	-	-	110.20	-	110.20	110.20
Adjustment during the year*	-	(519.95)	2,995.25	-	-	(5.95)	(1.13)	(170.89)	2,297.33	2,829.89
Acquisition of NCI without a change in control	-	57.31	-	-	-	-	-	-	57.31	(5,568.13)
Remeasurement of Defined Benefit Plan	-	(0.19)	-	-	-	-	-	-	(0.19)	(0.19)
Total Comprehensive Income	26,185.92	16,358.38	11,311.75	(18.55)	5.02	138.30	(586.58)	(3,229.53)	50,164.71	55,619.92
Dividend	-	-	-	-	-	-	-	-	-	(1,386.04)
Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	26,185.92	16,358.38	11,311.75	(18.55)	5.02	138.30	(586.58)	(3,229.53)	50,164.71	54,233.88

	Reserve & Surplus			Items of other Comprehensive Income					Total equity before Non Controlling Interest		Non-Controlling Interest		Total Equity
	Capital Reserve	Retained earnings	Foreign Currency Translation Reserve	Hedging Reserve	Investment Reserve- Available for Sale	Equity instrument through other comprehensive income	Effective Portion of Cash Flow Hedges	Exchange difference on the Financial statement	Total equity before Non Controlling Interest				
Balance as at April 01, 2017	26,182.09	12,478.19	7,078.79	(14.90)	7.07	(317.61)	(546.74)	(1,171.74)	43,695.15		7,690.03		51,385.18
Net Income/ (Loss) for the year	-	(784.25)	-	-	-	-	-	-	(784.25)		2,737.54		1,953.29
Net Movement in available for sale investment reserve	-	-	-	-	-	(120.41)	-	-	(120.41)		(20.58)		(140.99)
Net Movement in exchange reserve	-	-	-	-	-	-	-	489.19	489.19		161.80		650.99
Foreign Currency Translation Differences on foreign operations	-	-	-	-	-	-	-	(429.10)	(429.10)		(76.46)		(505.56)
Net gain on cash flow hedges	-	-	-	-	-	-	(148.91)	-	(148.91)		(26.28)		(175.19)
Adjustment during the year*	3.83	(166.98)	1,237.71	(3.65)	(2.05)	-	-	76.69	1,145.55		(1,049.55)		96.00
Remeasurement of Defined Benefit Plan	-	9.96	-	-	-	-	-	-	9.96		-		9.96
Total Comprehensive Income	26,185.92	11,536.92	8,316.50	(18.55)	5.02	(438.02)	(695.65)	(1,034.97)	43,857.17		9,416.51		53,273.68
Dividend	-	-	-	-	-	-	-	-	-		(1,493.78)		(1,493.78)
Dividend Distribution Tax	-	-	-	-	-	-	-	-	-		-		-
Balance as at March 31, 2018	26,185.92	11,536.92	8,316.50	(18.55)	5.02	(438.02)	(695.65)	(1,034.97)	43,857.17		7,922.73		51,779.90

*The adjustment during the year mainly represents the movement due to change in closing exchange rates (year on year basis).
Summary of Significant Accounting Policies

The accompanying notes form an integral part of these consolidated financial statements

As per our Report of even date attached

For S.R. Dinodia & Co. LLP.

Chartered Accountants

Firm's Registration Number: 001478/N/500005

(Sandeep Dinodia)

Partner

Membership Number 083689

Place of Signature: Gurugram

Date : 29th May, 2019

**For & on behalf of Board of Directors of
PDS Multinational Fashions Limited**

(Payel Seth)

Director

DIN: 00003035

(Ajai Singh)

(Chief Financial Officer)

(Deepak Seth)

Director

DIN: 00003021

(B. Chandra Sekhara Reddy)

Company Secretary

M. No. A14609

Consolidated Statement of Cash Flows for the year ended March 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash Flows From Operating Activities		
Profit Before Tax	8,030.93	2,401.89
Adjustments for:		
Depreciation And Amortization	2,633.73	1,640.26
Interest Paid	3,233.81	2,172.75
Loss/(Gain) on Sale of PPE	0.49	5.31
Unrealised Foreign Exchange Fluctuation	0.86	-
Foreign Currency Translation Reserve	(341.18)	1,374.50
Interest Income	(270.41)	(179.96)
Impact of effective interest rate adjustment on borrowings	0.85	1.10
Re-measurement gains/ (losses) on defined benefit plans	(0.28)	13.75
Unwinding of discount on security deposits	(2.93)	(2.90)
Amortisation of deferred asset - security deposit paid	2.40	2.23
Bad Debts Written Off	41.34	-
Provision for Doubtful Advance	-	1.37
Provision for Doubtful Receivables	185.27	29.45
Provision for Advances & Receivables Written Back	(54.84)	-
Lease Rent Received	(3.11)	(2.13)
Operating Profit Before Working Capital Changes	13,456.94	7,457.60
Movement In Working Capital:		
Increase/(Decrease) in Trade Payables & Other Current Liabilities	40,502.77	12,578.67
Increase/(Decrease) in Other Current Financial Liabilities	(179.41)	(76.73)
Increase/(Decrease) in Other Long Term Liabilities	564.24	12.85
Increase/(Decrease) in Other Non Current Financial Liabilities	47.31	8.33
Increase/(Decrease) in Provisions	289.23	17.92
(Increase)/Decrease in Trade Receivables	(24,787.83)	(5,437.48)
(Increase)/Decrease in Loans and advances	50.72	(18.12)
(Increase)/Decrease in Inventories	(7,122.76)	(3,010.44)
(Increase)/Decrease in Other Current Assets and other bank balances	426.94	(5,160.72)
(Increase)/Decrease in Other Current Financial Assets	(70.11)	(274.46)
(Increase)/Decrease in Other Non-Current Assets	(712.92)	(240.17)
Cash Generated From Operations	22,465.11	5,857.24
Direct Tax paid (Net of Refunds)	(1,491.81)	(30.31)
Net Cash Inflow From/(Used In) Operating Activities (A)	20,973.30	5,826.94
Cash Flows From Investing Activities		
Purchase of CWIP & Fixed Assets (including Investment Property)	(13,768.80)	(8,745.88)
Foreign Exchange Adjustment	(114.71)	(355.27)
Sale of PPE	117.64	66.67
Investment In Bank Deposits	(1,578.89)	(13.15)
Repayment (to)/ from Minority interest	(6,488.25)	(2,504.85)
(Increase)/Decrease in Investments	2,031.18	(3,180.71)
Interest Income	270.04	179.96
Share in Profit/(Loss) of Associates & Joint Ventures	(99.38)	(130.48)
Net Cash From/ (Used In) Investing Activities (B)	(19,631.18)	(14,683.69)
Cash Flows From Financing Activities		
Increase/ (Decrease) in Long Term & Short Term Borrowings	14,795.84	8,724.20
Interest paid (Net)	(3,234.33)	(2,172.75)
Net cash inflow from/(used in) Financing Activities (C)	11,561.51	6,551.45
Net Increase (Decrease) In Cash And Cash Equivalents (A+B+C)	12,903.64	(2,305.30)
Opening Balance of Cash and Cash Equivalents	11,155.85	13,461.16
Total Cash And Cash Equivalent (Note No. 14)	24,059.49	11,155.86
Components Of Cash And Cash Equivalents		
Cash on hand	1.26	0.02
With banks - on current account and deposits with banks	24,058.23	11,155.83
Total Cash and Cash equivalent (Note No. 14)	24,059.49	11,155.85
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

(Sandeep Dinodia)

Partner

Membership Number 083689

For & on behalf of Board of Directors of
PDS Multinational Fashions Limited

(Payel Seth)

Director

DIN: 00003035

(Deepak Seth)

Director

DIN: 00003021

(Omprakash M.S. Setty)

Chief Executive Officer

(Ajai Singh)

(Chief Financial Officer)

(B. Chandra Sekhara Reddy)

Company Secretary

M. No. A14609

Place of Signature: Gurugram

Date : 29th May, 2019

Notes to Consolidated financial statements for the year ended March 31, 2019

Note 1: Corporate Information

PDS Multinational Fashions Limited is a Public Limited Company (Hereinafter referred as 'the Company') domiciled in India and has its registered office at 758 & 759, 2nd Floor, 19th Main, HSR Layout, Sector-II, Bangalore -560102, Karnataka. The Company along with its subsidiary (collectively referred to as "the Group"), is engaged in trading of garments, investment holding, design, development, marketing, sourcing and distribution of readymade garments of all kinds and other consumer products worldwide. The Company is also engaged in the business of holding, owning, leasing or licensing real estate. The Company has its primary listings on Bombay Stock Exchange and National Stock Exchange in India.

Note 2: Statement of Compliance

The financial statements are prepared on accrual basis under historical cost convention except for certain financial instruments which are measured at fair value. These financial statements have been prepared on going concern basis and 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.

Going Concern: The board of directors have considered the financial position of the Company at 31st March 2019 and the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements and believe that the plan for sustained profitability remains on course.

Basis of Preparation and presentation

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the relevant accounting policies mentioned. The financial statements are presented in ₹ and all values are rounded to the nearest Lakhs except otherwise stated.

Recent Accounting Pronouncement

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying amendments to Ind AS 12 'Income Taxes', introduced the Appendix 'C' to Ind AS 12 'Uncertainty over Income Tax Treatments', amendments to Ind AS 19 'Employee Benefits' and also introduced new standard Ind AS 116 'Leases'. These amendments rules are applicable to the Company from April 1, 2019.

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

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which

is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which are to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax Credits and tax rates.

Amendment to Ind AS 12 – Income taxes: On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Amendment to Ind AS 19 – Plan amendment, curtailment or settlement: On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

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

Amendment to Ind AS 23 'Borrowing Costs'

The amendments to the guidance in Ind AS 23, 'Borrowing Costs' clarifies the following:

While computing the capitalisation rate for funds borrowed generally, Borrowing Costs applicable to Borrowings made specifically for obtaining a qualified asset should be excluded, only until the asset is ready for its intended use or sale.

Borrowing costs (related to specific borrowings) that remain outstanding after the related qualifying asset is ready for its intended use or sale would subsequently be considered as part of the general borrowing costs.

Amendment to Ind AS 28 'Investment in Associates and Joint Ventures'

The amendments to the guidance in Ind AS 28 'Investment in Associates or Joint Ventures' clarifies that an entity applies Ind AS 109 Financial Instruments, to long term interests in an associate or joint venture but to which the equity method is not applied.

Amendment to Ind AS 103 'Business Combinations'

The amendments to the guidance in Ind As 103, 'Business Combinations', clarifies that when an entity obtains control of a business that is joint operation, then the acquirer considers such an acquisition as a business combination achieved in stages and re-measures previously held interest in that business.

The Company is currently evaluating the effect of these amendments on the standalone financial statements.

Application of New Accounting Pronouncements

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

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

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

In case of Multinational Textiles Group Limited, the Group has applied IFRS 9 and IFRS 15 for the first time from April 1, 2018. Several other amendments and interpretations were applied for the first time from April 1, 2018 but do not have a material impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Principles of Consolidation

The consolidated financial statements relate to the Group. The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the Wholly Owned Foreign Subsidiary and its Step Down Subsidiaries companies used in the consolidation are drawn upto the same reporting date as that of the group i.e. March 31, 2019.
- (ii) The financial statements of the group and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses after eliminating intra group balances, intra group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- (iii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and

other events in similar circumstances and are presented to the extent possible, in the same manner as the company's standalone financial statements.

- (iv) Non-Controlling Interest in the Equity & Results of the entities that are controlled by the Company is shown as a separate item in the Consolidated Financial Statements. The excess of cost to the group of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the date on which the investment in the subsidiary companies where made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary group and such amounts are not set off between different entities.
- (v) The Details of wholly-owned foreign subsidiary and its step down subsidiary companies that have been considered in the preparation of the consolidated financial statements are as under:

Name of the group	Date of Acquisition	Country of Incorporation	% of voting power held as at 31 st March, 2019	% of voting power held as at 31 st March, 2018
Multinational Textile Group Limited	13.05.2014	Mauritius	100.00%	100.00%
(i) Multinational Textiles Group Limited holds the following subsidiaries:				
Global Textiles Group Limited	31.03.2006	Mauritius	100.00%	100.00%
Norwest Industries Limited	31.05.2006	Hong Kong	100.00%	85.00%
Zamira Fashions Limited	20.09.2007	Hong Kong	67.00%	67.00%
PG Group Limited	13.05.2008	Hong Kong	51.00%	51.00%
Simple Approach Limited	30.11.2008	Hong Kong	75.00%	75.00%
Fullhouse Manufacturing Limited (Formerly known as Nor Delhi Manufacturing Limited)	19.01.2009	Hong Kong	100.00%	100.00%
Casa Forma Limited	01.01.2012	UK	100.00%	100.00%
SACB Holdings Limited	24.03.2011	Mauritius	51.00%	51.00%
PDS Asia Star Corporation Limited	24.10.2012	Hong Kong	60.00%	60.00%
Techno Design HK Limited	02.11.2012	Hong Kong	55.00%	55.00%
Poeticgem International Limited	27.09.2013	Hong Kong	83.00%	83.00%
Multinational OSG Services Bangladesh Limited	02.02.2014	Bangladesh	97.00%	97.00%
Casa Forma London Limited	14.04.2016	UK	100.00%	100.00%
Green Apparel Industries Limited	15.03.2016	Hong Kong	75.00%	75.00%
Grupo Sourcing Limited	15.03.2016	Hong Kong	51.00%	51.00%
MultiTech Ventures Limited	25.11.2015	Mauritius	100.00%	100.00%
Techno Design GMBH	14.02.2014	Germany	55.00%	55.00%
Progress Manufacturing Group Limited	17.07.2015	Hong Kong	100.00%	100.00%
Sure Investments Limited	13.10.2016	Mauritius	100.00%	100.00%
Blueprint Design Limited	30.06.2016	Hong Kong	100.00%	100.00%
PDS Ventures Limited	03.07.2018	UK	100.00%	-
PDS Global Investments Limited	01.04.2018	Hong Kong	100.00%	-
Twins Asia FZCO	17.01.2019	Dubai	75.00%	-
Design Arc FZCO	17.01.2019	Dubai	75.00%	-
Kleider Sourcing FZCO	17.01.2019	Dubai	90.00%	-
Spring Near East FZCO	17.01.2019	Dubai	55.00%	-

PDS Multinational Fashions Limited

Name of the group	Date of Acquisition	Country of Incorporation	% of voting power held as at 31 st March, 2019	% of voting power held as at 31 st March, 2018
(ii) Norwest Industries Ltd, holds the following subsidiaries:				
Nor Lanka Manufacturing Limited	22.10.2008	Hong Kong	100.00%	100.00%
Nor India Manufacturing Co. Limited, Hongkong	17.12.2010	Hong Kong	100.00%	100.00%
Design Arc Europe Limited	04.11.2011	Hong Kong	70.00%	70.00%
Rising Asia Star HongKong Limited (Formerly Known as Techno. Manufacturing Co. Ltd.)	03.01.2012	Hong Kong	100.00%	100.00%
Spring Near East Manufacturing Co. Ltd.	17.12.2010	Hong Kong	65.00%	65.00%
Clover Collection Limited (Formerly known as DS Manufacturing Limited/ Designed and Sourced Limited)	27.08.2012	Hong Kong	100.00%	100.00%
360 Notch Limited (Formerly known as PoeticGem Australia Ltd / Gem Australia Manufacturing Company Limited)	06.06.2012	Hong Kong	100.00%	100.00%
Design Arc Asia Limited(Formerly Known as Nor France)	18.12.2012	Hong Kong	85.00%	85.00%
Kleider Sourcing Hong Kong Limited	24.10.2013	Hong Kong	51.00%	51.00%
Razamtazz Limited	23.03.2011	UK	100.00%	100.00%
Twins Asia Limited	27.07.2015	Hong Kong	85.00%	85.00%
JJ Star Industries Limited	28.04.2015	Hong Kong	57.50%	57.50%
Krayon Sourcing Limited	16.12.2014	Hong Kong	80.00%	80.00%
Fareast Vogue Limited	26.07.2012	Hong Kong	60.00%	60.00%
PDS Far-east Limited	23.08.2016	Hong Kong	100.00%	100.00%
Kindred Brands Limited (Formerly known as Norwest Fareast Limited)	23.08.2016	Hong Kong	60.00%	60.00%
Styleberry Limited	13.09.2016	Hong Kong	85.00%	85.00%
PDS Global Investments Limited	21.12.2016	Hong Kong	0%	100.00%
PDS Fareast USA Inc	11.07.2017	USA	100.00%	100.00%
Smart Notch Industrial Limited	28.12.2017	Hong Kong	100.00%	100.00%
Fabric and Trims Limited	28.12.2017	Hong Kong	100.00%	100.00%
Jcraft Array Limited	12.4.2018	Hong Kong	85.00%	-
(iii) Design Arc Europe Limited holds the following Subsidiary:				
Nor Europe SPA	17.11.2011	Spain	100.00%	100.00%
(iv) Nor Lanka Manufacturing Co. Ltd. holds the following Subsidiary:				
Nor Lanka Progress Private Limited	20.10.2015	Sri Lanka	100.00%	100.00%
Nor Lanka Manufacturing Colombo Limited	13.08.2012	Sri Lanka	100.00%	100.00%
(v) Global Textiles Group Limited holds the following subsidiaries:				
Poeticgem Limited	30.03.2006	UK	100.00%	100.00%
Poetic Brands Limited	15.01.2015	UK	100.00%	100.00%
Design Arc UK Limited	21.10.2016	UK	85.00%	85.00%
(vi) Poeticgem Limited holds the following subsidiaries:				
Pacific Logistics Limited	27.10.2003	UK	100.00%	100.00%
FX Imports Company Limited	26.03.2008	UK	100.00%	100.00%
Poetic Knitwear Limited	31.03.2009	UK	100.00%	100.00%
(vii) PG Group Limited holds the following subsidiary:				
PG Home Group Limited	13.05.2008	Hong Kong	90.00%	90.00%
PG Shanghai Manufacturing Co Limited	08.06.2012	China	100.00%	100.00%
(viii) PG Home Group Limited holds the following subsidiary:				
PG Home Group SPA	31.07.2008	Chile	100.00%	100.00%
(ix) FX Imports Company Limited holds the following subsidiary:				
FX Import Hong Kong Limited	04.05.2009	Hong Kong	100.00%	100.00%

Name of the group	Date of Acquisition	Country of Incorporation	% of voting power held as at 31 st March, 2019	% of voting power held as at 31 st March, 2018
(x) PDS Asia Star Corporation Limited holds the following subsidiary:				
PDS Trading (Shanghai) Co., Limited	31.12.2012	China	100.00%	100.00%
(xi) Simple Approach Limited holds the following subsidiary:				
Simple Approach (Canada) Limited	02.05.2013	Canada	100.00%	100.00%
(xii) Kleider Sourcing HongKong Limited holds the following subsidiary:				
Kleider Souricng Limited	10.08.2014	Bangladesh	99.97%	99.97%
(xiii) Zamira Fashions Limited holds the following subsidiary:				
Zamira Denim Lab Limited	24.10.2014	Hong Kong	100.00%	100.00%
Zamira Fashion Limited Zhongshan	26.06.2015	China	100.00%	100.00%
(xiv) Grupo Sourcing Limited holds the following subsidiary:				
Grupo Sourcing Limited	02.05.2016	Bangladesh	99.98%	99.98%
(xv) Green Apparel Industries Limited holds the following subsidiary:				
Green Smart Shirts Limited	04.05.2016	Bangladesh	99.98%	99.98%
(xvi) Norwest Industries Limited holds the following Joint venture:				
Sourcing Solution Limited	12.03.2015	Hong Kong	50.00%	50.00%
(xvii) Sourcing Solution Limited holds the following Subsidiary				
Sourcing Solutions Europe BVBA	01.04.2018	Belgium	100.00%	-
(xviii) Multitech Ventures Ltd holds the following Joint venture:				
Redwood Internet ventures Limited	09.12.2015	Hong Kong	50.00%	50.00%
(xix) Redwood Internet Ventures Limited holds the following Subsidiary:				
Digital Internet Technologies Limited	25.02.2016	Hong Kong	100.00%	100.00%
(xx) Digital Internet Technologies Limited holds the following Subsidiary:				
Digital Ecom Techno Private Limited	17.06.2016	India	100.00%	100.00%
(xxi) Fareast Vogue Limited holds the following Joint Venture:				
Sourcing East West Limited	19.01.2018	HongKong	50.00%	50.00%
(xxii) Progress Manufacturing Group Ltd holds the following Subsidiary:				
Progress Apparels Bangladesh Limited	12.07.2015	Bangladesh	99.99%	99.99%
(xxiii) 360 Notch Limited holds the follwing Subsidiary:				
Smart Notch Ltd. (Shanghai)	20.04.2018	China	100.00%	-
(xxiv) Poetic Brands Limited holds the follwing Subsidiary:				
Recovered Clothing Limited	24.07.2018	UK	100.00%	-
(xxv) Poeticgem International Limited holds the follwing Subsidiary:				
Kindred Fashions Limited	23.10.2018	Canada	100.00%	-
(xxvi) 360 Notch Limited holds the follwing Associate:				
Atterley.com Holdings Limited ("Atterley")	23.09.2018	UK	27.23%	-

Note 3: Significant accounting judgements, estimates and assumptions

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

Judgements, Estimates and Assumptions:

In the process of applying the Group's accounting policies, management has made the following judgements, estimates and assumptions which have the most significant effect on the amounts recognised in the financial statements:

Revenue recognition and presentation

The Company assess its revenue arrangements against specific criteria, i.e. whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent. The Group has concluded that it is operating on a principal to principal basis in all its revenue arrangements. When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form

and substance of the agreement between the Group and its business partners are reviewed to determine each party's respective role in the transaction.

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.

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.

In Case of Multinational Textile Group Limited

Impairment of Inventories

Management reviews the ageing analysis of inventories of the Group at the end of each reporting period, and makes provision for obsolete and slow-moving inventory items identified that are no longer suitable for sale. The assessment of the provision amount required involves management judgements and estimates. Where the actual outcome or expectation in future is different from the original estimate, such differences will have an impact on the carrying value of the inventories and the provision charge/write-back of provision for obsolete and slow-moving inventory items in the period in which estimate has been changed.

Impairment of Goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Foreign payables and foreign receivables

Certain foreign payables and foreign receivables are not translated at the rates prevailing on the balance sheet date, because in the directors' opinion the payables are covered by the forward exchange contracts and the receivables will be collected at the sterling amount in the consolidated financial statements. Any net overstatement or net understatement of foreign exchange differences is not considered to be material.

Impairment of available for sale investments

Before April 1, 2018, the Group classified certain assets as available for sale and recognised movements of their fair values in Equity. When the fair value declined, management made assumptions about the decline in value to determine whether there was an impairment that should be recognised in Statement of Profit & Loss.

Valuation of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the Statement of financial position cannot be derived from active markets, their fair value is determined using

valuation techniques including the discounted cash flow model. the inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing the fair values. The judgements include consideration of inputs such as liquidity risks, credit risks and volatility in market. Changes in assumptions about these factors could affect the reported fair value of the financial instruments.

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:

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

- i) It is expected to be settled in normal operating cycle
- ii) It is held primarily for the purpose of trading
- iii) It is due to be settled within twelve months after the reporting period, or
- iv) 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 realization in cash and cash equivalents. Based on the operation, the group has identified twelve months as its operating cycle.

c) Property, Plant and Equipment (PPE)

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. In the case of Multinational Textile Group Limited and its Subsidiaries cost include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of fixed assets.

The company had applied for one time transition exemption of considering the carrying cost on the transition date i.e. 1st April 2016 as the deemed cost under Ind AS.

Subsequent costs: The cost of replacing a part of an item of property, plant and equipment is recognized 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 derecognized. The cost for day-to-day servicing of property, plant and equipment are recognized 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 after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

Depreciation: Depreciation on PPE, except leasehold improvements, is provided on straight-line method over the useful lives of assets as per Schedule II to the Companies Act, 2013. Depreciation for assets purchased / sold during a period is proportionately charged to Statement of Profit & Loss. Leasehold improvements are amortized over the lease term or the useful life of the assets whichever is earlier.

When parts of an item of an asset have different useful lives, they are accounted for as separate items (major components) of fixed assets.

In case of Multinational Textile Group Limited:-

Depreciation is recognized on a straight line basis over the estimated useful life of each part of an item of property, plant and equipment. Leased Assets are depreciated over the shorter of the lease term and their useful lives; it is reasonably certain that the Group will obtain the ownership by the end of the lease term

The estimated useful lives are as under:

Leasehold land and buildings	Lower of the lease term and 33.33%
Infrastructure	20%
Computer and equipment	10% - 33.33%
Fixtures, fittings and equipment's	10% - 33.33%
Motor vehicles	14% - 33.33%
Plant & Machinery	20% - 25%

- Cost of Leasehold land is amortized over the period of lease.

d) 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 amortization and accumulated impairment losses, if any. The company had applied for one time transition exemption of considering the carrying cost on the transition date i.e. 1st April 2016 as the deemed cost under Ind AS.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognized 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. Where the recoverable amount of the cash generating unit is less than the carrying amount, a goodwill impairment loss is recognised.

e) Investment Property

(i) Recognition and measurement

Investment Property comprise of Freehold Land and Building.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment

loss, if any. The Group measures investment property using cost based measurement and, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss and other Comprehensive Income in the year of derecognition (as applicable)

(ii) Depreciation

Depreciation on Investment Property is provided, under the Straight Line Method, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013.

In case of Multinational Textile Group Limited:-

Depreciation is calculated on the straight line basis to write off the cost of each investment property, which is shorter of 50 years and the terms of the lease.

f) Borrowing costs

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

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

g) Foreign currencies

Functional and presentational currency

The Group financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash. All the financial information presented in ₹ in lakhs except where otherwise stated. The Company has applied for one time transition exemption of considering the carrying cost on the transition date i.e 1st april, 2016 as the deemed cost under Ind AS

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

h) **Revenue Recognition**

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers'. The revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, the company follows the five step approach as under:

- (i) Identify the contract with a customer
- (ii) identify the performance obligations in the contract
- (iii) determine the transaction price,
- (iv) allocate the transaction price to the performance obligations in the contract
- (v) recognize revenues when a performance obligation is satisfied.

Other Income

- Interest income is recognized on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of financial asset.
- Investment income is recognized as and when the right to receive the same is established.
- Handling Fee income is recognized in the period in which the services are rendered.
- Commission Income is recognized when the services are rendered.
- Dividend Income is recognized when the right to receive is established.
- Any Other Income is recognized on accrual basis.

i) **Inventories**

- i) Inventories of Traded Goods are valued at lower of cost and net realizable value. Cost includes purchase price, duties, non refundable taxes and all other costs incurred in bringing the inventories to their present location. Cost is calculated on First in First out (FIFO) method.
- ii) In case of foreign subsidiary work in progress includes an appropriate share of production overheads based on normal operating capacity. Net Realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

j) **Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. All the lease other than Finance lease are classified as operating lease.

Finance lease

Finance leases are capitalised at the commencement of the lease at the lower of present value of minimum lease payments or inception date fair value of the leased property. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of

Profit and Loss. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

Operating lease

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

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

k) **Employee's Benefits**

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

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. Provident Fund and Employee State Insurance Schemes are defined contribution scheme and contributions paid / payable are recognised as an expense in the Statement of Profit and Loss during the year 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. 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 including, the effect of the changes to the asset ceiling (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. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

Other Long Term Benefits

Long term compensated absences are provided for on the basis of actuarial valuation, using the projected unit credit method, at the end of each financial year. Actuarial gains/ losses, if any, are recognised immediately in the Statement of Profit and Loss.

- In case of foreign subsidiaries

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The calculation is performed annually by a qualified actuary using the projected unit credit method.

I) Provisions, Contingent liabilities and Contingent assets

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past events and 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. 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. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of;

- i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle obligation;
- ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

Provision, contingent liabilities and contingent assets are reviewed at each balance sheet date and adjusted where necessary to reflect the current best estimate of obligation or asset.

m) Investments

The investments are classified as follows:

Held for Trading: Trading securities are those (both debt & equity) that are bought and held principally for the purpose of selling them in near term, such securities are valued at fair value and gain/loss is recognized in the Statement of Profit & Loss.

Held to Maturity: Investment in debt & capital guard products are classified as held to maturity only if the company has the positive intent and ability to hold these securities to maturity, such securities are held at historical cost.

Available-for-sale financial assets: Available-for-sale financial assets are non-derivative financial investment in listed and unlisted equity & debt instruments that are designated as

available for sale or are not classified in any of the other categories. Subsequent to initial recognition, available-for-sale financial assets are measured at fair value, with gains or loss recognized as a separate component of equity as "Investment Revaluation Reserve" until the investment is derecognized or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the Statement of Profit & Loss.

When the fair value of unlisted equity securities cannot be reliably measured because of significant variability in the range of fair value estimates or, where the probabilities of the various estimates within the range cannot be reasonably assessed, such securities are stated at cost less any impairment.

Fair value

The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business at the balance sheet date.

n) Financial instruments and Hedging

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) Initial recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

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.

ii) Classification and Subsequent measurement

(a) Financial Assets

For purposes of subsequent measurement, financial assets are classified in following 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 assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

• 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.

- **Equity investment in Associates**

Investments representing equity interest in associates are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

De-recognition

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

- (i) The contractual rights to receive cash flows from the asset has expired, or
- (ii) The 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 Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(b) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, security deposits received etc.

Subsequent measurement

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

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

Financial liabilities at Amortized cost

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender

on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

(c) Offsetting of Financial Instruments

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

In case of Foreign Subsidiaries: -

(d) Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps, full currency swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

Fair value hedges: A hedge of the exposure to changes in the fair value of recognized asset or liability or an unrecognized firm commitment (except for foreign risk); or identified portion of such asset, liability or firm commitment (except for foreign risk), or an identified portion of such asset, liability or firm commitment that is attributable to a particular risk and could affect profit or loss.

Cash flow hedges: A hedge of the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction, and could affect profit or loss.

The effective portion of the gain or loss on the hedging instrument is recognized directly in the equity, while the ineffective portion is recognized in the Statement of Profit & Loss.

o) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

p) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable
For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

r) Taxes

Current income tax

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

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes 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, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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.

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.

Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in the year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. In accordance with Ind AS 12 Company is grouping MAT credit entitlement with Deferred Tax Assets / Liability (Net).

s) Cash and cash equivalents

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

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

t) Earnings per share (EPS)

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extra ordinary items.

- Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

- For the purpose of calculating Diluted Earning per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential 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 increasing the earnings.

u) Segment Reporting

The Company has the policy of reporting the segments in a manner consistent with the internal reporting provided to the chief decision maker. The chief decision maker is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

Note 4 : Property, Plant and Equipment

(All amounts in ₹ lakhs, unless otherwise stated)

The following table presents the reconciliation of changes in the carrying value of PPE and capital work-in-progress for the year ended March 31, 2019 and March 31, 2018

Particulars	Land- Freehold	Buildings	Plant & Machinery	Furniture and Fixtures	Leasehold Improvement	Vehicles	Office Equipment	Electrical Installations & Equipment	Computers	Total
Gross Carrying Value (Deemed Cost)										
Balance as at April 1, 2017	(0.00)	53.37	1,827.70	2,271.18	1,145.47	811.12	3,574.95	55.75	289.84	9,829.38
Add: Additions made during the year	740.90	580.32	2,754.26	1,367.81	133.35	9.53	728.64	743.46	682.44	7,740.71
Disposals/ Adjustments made during the year	2.99	(430.18)	336.35	(75.01)	(2.47)	36.31	(37.48)	-	44.60	(124.89)
Balance as at March 31, 2018	743.89	203.51	4,718.31	3,563.98	1,276.35	856.96	4,266.11	799.21	1,016.88	17,445.20
Add: Additions made during the year	57.07	5,403.70	1,518.51	1,387.46	389.78	184.88	1,972.07	93.82	183.62	11,190.91
Disposals/ Adjustments made during the year	39.61	(705.00)	120.14	106.64	262.17	133.53	742.96	1.52	393.66	1,095.23
As at March 31, 2019 (A)	840.57	4,902.21	6,356.96	5,058.08	1,928.30	1,175.37	6,981.14	894.55	1,594.16	29,731.34
Accumulated Depreciation										
Balance as at April 1, 2017	-	65.17	701.20	1,923.90	880.33	593.54	3,083.71	7.25	141.01	7,396.11
Add: Depreciation charge for the year	-	88.99	226.99	271.89	98.51	116.10	302.22	74.74	104.81	1,284.25
Disposals/ Adjustments made during the year	-	0.39	145.50	153.99	(3.58)	0.22	63.21	-	5.13	364.86
Balance as at March 31, 2018	-	154.55	1,073.69	2,349.78	975.26	709.86	3,449.14	81.99	250.95	9,045.22
Add: Depreciation charge for the year	-	203.15	465.70	448.74	152.08	71.52	453.71	88.79	109.68	1,993.37
Disposals/ Adjustments made during the year	-	(508.45)	(54.26)	446.42	166.83	71.03	1,050.73	2.15	16.64	1,191.09
As at March 31, 2019 (B)	-	(150.75)	1,485.13	3,244.94	1,294.17	852.41	4,953.58	172.93	377.27	12,229.68
Net Book Value										
As at March 31, 2019 (A-B)	840.57	5,052.96	4,871.83	1,813.14	634.13	322.96	2,027.56	721.62	1,216.89	17,501.66
As at March 31, 2018	743.89	48.96	3,644.62	1,214.20	301.09	147.10	816.97	717.22	765.93	8,399.98

(All amounts in ₹ lakhs, unless otherwise stated)

Note 5 : Capital work in progress	As At March 31, 2019	As At March 31, 2018
Capital work in progress	1,447.40	3,042.01
	<u>1,447.40</u>	<u>3,042.01</u>

Note 6 : Investment Property	Freehold Land	Building	Total
I. Gross Carrying Amount			
Balance as at April 1, 2017	68.81	14,125.41	14,194.22
Add: Additions during the year	-	2,295.32	2,295.32
Add: Foreign exchange fluctuation	-	600.82	600.82
Balance as at March 31, 2018	68.81	17,021.55	17,090.36
Add: Additions during the year	-	5.87	5.87
Disposals/ Adjustments made during the year	-	1,563.13	1,563.13
Add: Foreign exchange fluctuation	-	818.65	818.65
As at March 31, 2019	68.81	19,409.20	19,478.01
Accumulated depreciation			
Balance as at April 1, 2017	-	2,632.38	2,632.38
Add: Depreciation Charge for the year	-	303.81	303.81
Add: Foreign exchange fluctuation	-	(22.78)	(22.78)
Balance as at March 31, 2018	-	2,913.41	2,913.41
Add: Depreciation Charge for the year	-	550.24	550.24
Disposals/ Adjustments made during the year	-	1,563.14	1,563.14
Add: Foreign exchange fluctuation	-	320.85	320.85
Balance as at March 31, 2019	-	5,347.65	5,347.65
II. Capital Work In Progress- Investment Property			
Deemed Cost As at April 01, 2017 (Refer Note 'a' below)	-	2,269.25	2,269.25
Add: Additions during the year	-	7.13	7.13
Less: Adjustments during the year	-	2,276.38	2,276.38
Balance as at March 31, 2018	-	-	-
Add: Additions during the year	-	-	-
Less: Adjustments during the year	-	-	-
Balance As at March 31, 2019	-	-	-
III. Investment Property			
As at March 31, 2019	68.81	14,061.55	14,130.36
As at March 31, 2018	68.81	14,108.14	14,176.95
a) Fair Value			
As at March 31, 2019	2,887.50	22,246.56	25,134.06
As at March 31, 2018	2,980.00	21,122.55	24,102.55
b) Information regarding Income and Expenditure of Investment Property of the Holding Company in Group is as under:			
	As At March 31, 2019	As At March 31, 2018	
Rental Income derived from Investment Property	403.70	437.46	
Less: Direct Operating Expenses	450.13	541.86	
Profit arising from Investment Property before depreciation	(46.43)	(104.40)	
Less: Depreciation	550.24	303.81	
Profit arising from Investment Property	(596.67)	(408.21)	

(All amounts in ₹ lakhs, unless otherwise stated)

- c) Minimum Lease Rent Receivable: In respect of investment property of the Holding Company given on lease, the future minimum lease payments receivable is as under :

Particulars	As At March 31, 2019	As At March 31, 2018
Not later than 1 year	60.93	-
Later than 1 year but not later than 5 years	266.57	-
Later than 5 years	276.77	-
Total	604.27	-

- d) The above schedule of investment property includes :
- Property of Holding Company situated at Udyog Vihar, Gurugram, Haryana in India. The investment property consists of two class of assets - Land and Building - based on the nature, characteristics and risks of the property.
 - In respect of three properties of subsidiary namely, Norwest Industries Limited in the Group, one residential property is in the United Kingdom and two industrial properties are in Hong Kong. The investment properties consist of two classes of asset, i.e., residential and industrial, based on the nature, characteristics, risks of each property. The investment properties are measured initially at cost less accumulated depreciation and provision for any impairment in value. The industrial properties were valued on March 31, 2019 based on valuation performed by independent professionally qualified valuers, at HKD 119,000,000 (USD 15,160,600) (₹ 10,486.78) (2018: HKD 116,000,000) (USD 14,778,400) (₹ 9,611.87). The fair value of the residential property of GBP 8,500,000 (USD 11,075,500) (₹ 7,661.07) (2018: GBP 8,000,000 (USD 11,216,000) (₹ 7,284.89) was determined by the Company's directors and no valuation has been performed by an independent professionally qualified valuer.
At March 31, 2019, all of the investment properties were pledged to secure the general banking facilities granted to the Norwest Industries Limited and subsidiaries.
- e) During F.Y. 2018-19, an individual property held by Poeticgem Limited in the Group has been transferred from plant and equipment.
Properties with a carrying value of GBP 2,251,184 (USD 2,933,293) (₹ 2,029) (2018: USD 2,275,604) (USD 2,965,112) (₹ 1,928.51) are currently being held for the purpose of rental income from a third party. No formal valuation has been undertaken by an external independent valuer or the directors. In the opinion of the directors, the open market value of the property is not materially different from the stated amount.

Note 7 : Intangible assets

The following table presents the reconciliation of changes in the carrying value of goodwill & other intangible assets in the Group:

Particulars	Goodwill	Computer Software	Trade marks	Design and Developments	Total
Gross Carrying Amount					
Balance as at April 1, 2017	4,595.22	119.47	185.42	1.50	4,901.61
Add: Additions during the year	-	34.52	0.99	-	35.51
Disposals/ Adjustments made during the year	13.51	-	(2.53)	-	10.98
Balance as at March 31, 2018	4,608.73	153.99	183.88	1.50	4,948.10
Add: Additions during the year	3,972.33	49.89	122.78	-	4,145.00
Impairment on Goodwill	(76.50)	-	-	-	(76.50)
Disposals/ Adjustments made during the year	310.71	-	(24.81)	0.10	286.00
Balance as at March 31, 2019	8,815.27	203.88	281.85	1.60	9,302.60
Amortisation					
Balance as at April 1, 2017	-	26.82	124.18	1.50	152.50
Add: Amortisation Charge for the year	-	33.83	18.37	-	52.20
Disposals/ Adjustments made during the year	-	-	0.55	-	0.55
Balance As at March 31, 2018	-	60.65	143.10	1.50	205.25
Add: Amortisation Charge for the year	-	33.54	56.58	-	90.12
Disposals/ Adjustments made during the year	-	-	(85.22)	0.10	(85.12)
Balance As at March 31, 2019	-	94.19	114.46	1.60	210.25
Net Carrying Value					
Balance as at March 31, 2019	8,815.27	109.69	167.39	(0.00)	9,092.35
Balance as at March 31, 2018	4,608.73	93.34	40.78	(0.00)	4,742.85

(All amounts in ₹ lakhs, unless otherwise stated)

Note 8 : Intangible Assets under development	As At March 31, 2019	As At March 31, 2018
Intangible Assets Under Development	8.87	4.53
	8.87	4.53

Note 9 : Investments	As At March 31, 2019		As At March 31, 2018	
	Non- Current	Current	Non- Current	Current
Fair Value through Profit or Loss (Refer Note 'a' below)				
Listed Equity Investments	279.96	1,107.93	-	-
Listed Debt Investments	219.60	631.64	-	-
Other Investments	2,213.25	-	-	-
Total (A)	2,712.81	1,739.57	-	-
Fair Value through Other Comprehensive Income				
Equity and Preference Investments (Refer Note 'b' below)	1,044.57	-	868.86	-
Available For Sale Investments	-	-	126.93	2,494.30
Held To Maturity Bonds	-	-	2,563.84	-
Investment In Unit Trusts	-	-	2,010.84	-
Other Investments	170.34	-	190.85	-
Total (B)	1,214.91	-	5,761.32	2,494.30
Investment in joint ventures and associates				
Interest in joint ventures (Refer Note 'c' below)				
Value of Investment in Joint Venture	1,444.62	-	1,551.96	-
Total (C)	1,444.62	-	1,551.96	-
Interest in Associate (Refer Note 'd' below)				
Value of Investment in Associate	1,260.88	-	20.07	-
Total (D)	1,260.88	-	20.07	-
Total [E=(A+B+C+D)]	6,633.22	1,739.57	7,333.35	2,494.30

Note:

a) Financial assets at fair value through profit or loss :

- The above equity investments were upon initial recognition, designated by the Group as financial assets at fair value through profit or loss and are stated at fair value.
- The above listed debt investments are investments in bonds which are held for trading. They were designated by the Group as financial assets at fair value through profit or loss and are stated at fair value.

At March 31, 2019, the above investments consisted of investments in life insurance policies and listed equity investments which had been designated as financial assets at fair value through profit or loss and are stated at fair value.

The fair values of the listed equity investments are based on quoted market prices.

b) Equity and Preference Investments, at fair value

	As At March 31, 2019	As At March 31, 2018
Juhu Exchange Limited (200,000 Preference Shares of GBP 1 each & 2,518 Equity Shares of GBP 0.10 each)	294.72	208.78
Flying Jamon Limited (3,286 Preference Shares of GBP 1 each)	190.37	74.67
Labor Voices INC (588,235 Equity shares of USD 0.17 each)	6.07	65.04
GWD Enterprises (100 A Shares/ 25 B Shares of GBP 1 each)	553.41	520.37
Total	1,044.57	868.86

(All amounts in ₹ lakhs, unless otherwise stated)

Details of holding

Name of Company	Type of shares	Number of shares	2019% held	2018% held	Country of incorporation
Juhu Exchange Limited	Preference	200,000	1.83%	1.83%	Mauritius
Juhu Exchange Limited	Equity	2,518	3.72%	3.72%	Mauritius
Flying Jamon Ltd	Preference	3,286	5.91%	5.91%	United Kingdom
Labor Voices INC	Ownership Int.	588,235	3.40%	3.40%	United States of America
GWD Enterprises	Equity	125	25.00%	25.00%	United Kingdom

c) Investment in Joint Ventures

Name	Particulars of issued shares held	Place of registration and business	Percentage			Principal activities
			Ownership interest	Voting power	Profit sharing	
Sourcing Solutions Limited	Registered capital of USD 10,000 each	Hong Kong	50	50	50	Trading of garments products
Sourcing East West Limited	Registered capital of USD 100,000 each	Hong Kong	50	50	50	Yet to start operation

d) Investment in Associate

Name	Particulars of issued shares held	Place of registration and business	Percentage			Principal activities
			Ownership interest	Voting power	Profit sharing	
Atterley.com Holdings Limited ("Atterley")	GBP 169,128	United Kingdom	27.23	27.23	27.23	Trading of garments products

During the year ended as at March 31, 2019, the Group has subscribed 27.23% of the issued shares in Atterley at £3.257 per share, and attributed to 27.23% of its equity interest. Atterley became an associate of the Group in September 2018 under Hongkong IFRSs and is accounted for using the equity method. The purchase price allocation exercise of the investment in Atterley has not been completed as at reporting date.

Note 10 : Other financial assets	As At March 31, 2019	As At March 31, 2018
Non- current		
Security Deposits (Unsecured, considered good)(Refer to note 'b' below)	69.58	120.76
Deposits with original maturity of more than 12 months(Refer to note 'b' below)	1.00	1.00
Interest accrued but not due on fixed deposits	0.67	0.21
Total (A)	71.25	121.97
Current		
Security Deposits (Unsecured, considered good)	763.17	703.15
Deposits with original maturity of more than 12 months(Refer to note 'b' below)	8.40	0.25
Interest due on Borrowings from Related party	(0.00)	0.09
Total (B)	771.57	703.49
Total (A+B)	842.82	825.46

- a) The Group has determined its security deposits are not in the nature of loans and accordingly have been classified as part of other financial assets.
- b) Fixed Deposits with a carrying amount of ₹ 1.00 (March 31, 2018: ₹ 1.25) are pledged with the Government Authorities.

(All amounts in ₹ lakhs, unless otherwise stated)

Note 11 : Other Assets	As At March 31, 2019	As At March 31, 2018
(Unsecured, considered good, unless otherwise stated)		
Non- Current		
Capital Advances		
- Considered Good	4.50	7.33
- Considered Doubtful	-	1.37
Less: Allowance for Doubtful Advance	-	1.37
	4.50	7.33
Prepaid Expenses	3.16	0.96
Deferred Payment Asset	4.44	3.48
Balance with Government Authorities	0.50	0.50
Advances recoverable in cash or in Kind		
- From Others	698.55	118.85
- From Related Parties	330.79	309.81
Total (A)	1,041.94	440.93
Current		
Balance with Government Authorities	104.38	38.99
Prepaid Expenses	3,628.77	3,439.09
Deferred Payment Asset	3.57	2.40
Advances to Employees	159.96	275.08
Advances recoverable in cash or in Kind		
- From Others	6,169.74	6,624.96
- From Related Parties	2,151.19	807.71
	12,217.61	11,188.23
Advances to Suppliers	4,600.06	6,068.36
Less: Allowance for Doubtful Advance	-	11.98
Total (B)	16,817.67	17,244.61
Total (A+B)	17,859.61	17,685.54

Note 12 : Inventories	As At March 31, 2019	As At March 31, 2018
(As taken, valued & certified by Management)		
Raw Materials	8,777.34	4,351.59
Work In Progress	2,069.16	397.61
Finished Goods	1,795.30	645.18
Goods -in-Transit	954.26	1,078.92
	13,596.06	6,473.30

Note 13 : Trade Receivables	As At March 31, 2019	As At March 31, 2018
(a) Trade Receivable considered good - Secured	-	-
(b) Trade Receivable considered good - Unsecured	102,871.41	78,256.20
(c) Trade Receivable which have significant increase in Credit Risk	-	-
(d) Trade Receivable - Credit Impaired	266.92	81.51
	103,138.33	78,337.71
Less: Allowance for Expected Credit Loss	266.92	81.51
	102,871.41	78,256.20

- a) There are no receivables at the reporting date having significant increase in Credit Risk.
- b) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.
- c) The above total impairment loss includes ₹ 266.37 (March 31, 2018: ₹ 39.46) related to trade receivables from the companies namely Norwest Industries Limited, FX Import Hong Kong Limited and PG Group.

(All amounts in ₹ lakhs, unless otherwise stated)

Note 14 : Cash and Cash Equivalents	As At March 31, 2019	As At March 31, 2018
Balances with banks:		
- Current account	24,058.23	11,155.83
Cash on hand	1.26	0.02
	24,059.49	11,155.85

Note: At March 31, 2019, the cash and bank balances of the Group denominated in RMB amounted to USD 401,889 (₹ 277.99) (2018: USD 28,237 (₹ 18.36). RMB is not freely convertible into another currencies, however, under mainland chain's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and Pledged time deposits are deposited with credit worthy banks with no recent history of default.

Note 15 : Bank Balance other than Cash and Cash Equivalents	As At March 31, 2019	As At March 31, 2018
Earmarked Balances for share fraction account	1.15	-
Deposits with original maturity of more than 3 months but less than 12 months	12,962.95	11,385.21
	12,964.10	11,385.21

a) The earmarked balance represents balance of share fraction account lying with Bank.

Note 16 : Share Capital	As At March 31, 2019	As At March 31, 2018
Authorised Share Capital		
27,000,000 (March 31, 2018: 27,000,000) equity shares of ₹ 10 each*	2,700.00	2,700.00
	2,700.00	2,700.00
Issued, subscribed and paid up		
26,046,724 (March 31, 2018: 26,046,724) equity shares of ₹ 10 each*	2,604.67	2,604.67
	2,604.67	2,604.67

a) **Reconciliation of Issued and Subscribed Share Capital:**

	No. of shares*
Balance as at April 1, 2017	26,046,724
Changes during the year	-
Balance as at March 31, 2018	26,046,724
Changes during the year	-
Balance as at March 31, 2019	26,046,724

b) The above capital includes equity shares 25,996,724* nos (₹ 2,599.67) which were allotted during 2014-15 pursuant to the schemes of Demerger without payments being received in cash.

c) **Terms/ rights attached to equity shares:**

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. However, no dividend is proposed by the Board of Directors and no amount is recognised as available for distribution to equity shareholders during the year. 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.

(All amounts in ₹ lakhs, unless otherwise stated)

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

	March 31, 2019		March 31, 2018	
	No. of Shares*	Holding %	No. of Shares*	Holding %
Mrs. Payal Seth	13,875,242	53.27	13,875,242	53.27
Mr. Deepak Seth	3,155,734	12.12	3,155,734	12.12

* The Number of Shares are given in absolute numbers.

Note 17 : Other Equity	As At March 31, 2019	As At March 31, 2018
Capital Reserve	26,185.92	26,185.92
Retained Earnings	16,358.38	11,536.92
Foreign Currency Translation Reserve	11,311.75	8,316.50
Hedging Reserve	(18.55)	(18.55)
Investment Reserve- Available for Sale	5.02	5.02
Other Comprehensive Income	(3,677.82)	(2,168.64)
	50,164.71	43,857.17

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

II. Nature and Purpose of Reserves in the Group

a) Retained Earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. All the profits made by the Company are transferred to retained earnings from statement of profit and loss.

b) Foreign Currency Translation Reserve (FCTR)

The FCTR comprises all foreign currency differences arising from the translation of the consolidated financial statements of foreign operations as well as from the translation of liabilities that hedge the Group's net investment in a foreign subsidiary.

c) Hedging Reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

d) Available for sale Investment Reserve

The reserve has been created on account of change in fair value of investment.

e) Capital Reserve

Capital Reserve was carried forward under the previous GAAP from the books of Demerged company at the time of Demerger.

Note 18 : Borrowings	As At March 31, 2019	As At March 31, 2018
Non current		
Secured Loan		
- From Banks	6,338.48	5,027.22
- Vehicle loan from Bank	21.67	-
Unsecured Loan		
- From Bank (Term Loan)	942.35	1,019.31
Total (A)	7,302.50	6,046.53
Current		
Secured Loan		
- From Banks	61,330.97	47,722.51
- Vehicle loan from Bank	4.20	-
- Vehicle loan from financial institution	-	1.76
Unsecured Loan		
- From Banks (Term Loan)	302.18	302.56
- From Directors	334.40	330.65
- From Related Parties	300.00	300.00
- From Others	434.00	508.40
Total (B)	62,705.75	49,165.88
Total (A+B)	70,008.25	55,212.41

(All amounts in ₹ lakhs, unless otherwise stated)

- a) For Interest rate and Liquidity risk related disclosures, refer note 42.
- b) The nature of Security for Loans in case of Holding Company are :
- Vehicle Loan: Vehicle loan taken from Axis Bank during the year is secured against hypothecation of respective vehicle. The applicable rate of interest is 8.8% p.a.
 - Maturity profile of Secured Vehicle Loan is set out as below:

No. of Outstanding EMI as on March 31, 2019	57
Particulars	
Amount repayable in	Amount
FY 2019-20	4.20
FY 2020-21	5.42
FY 2021-22	5.48
FY 2022-23	5.98
FY 2023-24	4.78

- Vehicle loan of ₹ 28 taken by the Company, from BMW Financial Services, during the financial year 2013-14 and was secured against hypothecation of respective vehicle. The applicable rate of interest ranges between 10% to 11% per annum. However, in the current financial year ending March 31, 2019, Company has repaid the aforesaid loan.
- c) In case of unsecured loans, the terms are as under: -
- Term Loan of ₹ 1500 taken by the Company is guaranteed by Stand by Documentary Credit (SBDC) documents of its step down subsidiary, Norwest Industries Limited with HSBC Hong Kong. The maximum tenure of term loan is 7 years with 1 year moratorium period and it is repayable in equal quarterly installments over the said tenure.
 - Term Loan of ₹ 300 taken by the Company during the financial year 2016-17 is also guaranteed by Stand by Documentary Credit (SBDC) documents of its step down subsidiary, Norwest Industries Limited with HSBC Hong Kong. The maximum tenure of term loan is 6 years and it is repayable in equal quarterly installments over the said tenure.
 - Term Loan carries rate of interest ranging from 10% to 10.25%
 - With respect to the loans of FX Group, the Import loans as on 31 March 2019 were denominated in US\$, Interest-bearing at (3.09%-3.83%) (2018: 3.09%-3.83%) per annum and were repayable within one to two months.
 - With respect to the loans of FX Impot Hong Kong Limited, the trust receipt loans as on 31 March 2018 were denominated in US\$, Interest-bearing at 3.72%-3.86% per annum and were repaid in April 2018.
 - Maturity profile of Unsecured Term loan from bank (in case of Holding Company) is set out as below:

Amount repayable in	As At March 31, 2019	As At March 31, 2018
FY 2018-19	-	302.17
FY 2019-20	334.90	302.17
FY 2020-21	358.28	302.17
FY 2021-22	358.28	302.17
FY 2022-23	169.68	113.18
FY 2023-24	23.39	-

- Unsecured loan from related party and others are repayable on demand and carries interest rate of 10% p.a
- d) Others:
- In case of Secured Loans (other than vehicle loan) of Norwest Industries Limited and its subsidiaries: The Group's banking facilities are secured by:
 - Pledge of Company's time deposit and marketable securities, bank guarantees, guarantees from immediate holding company, a fellow subsidiaries, group's insurance deposits, directors of the Group including a related party,
 - Group's Investment Properties, interest bearing at 2.25% over one month HIBOR per annum and repayable in 119 equal monthly installments which commenced on September 10, 2006.
 - Group's Investment Properties, interest bearing at 2% below the Hongkong and Shanghai Banking Corporation Limited's best lending rate and is repayable by 120 equal monthly instalments which commenced on 30th September 2007.
 - Group's Investment Properties, interest bearing at 2% over LIBOR per annum and repayable on or by August 11, 2020.
 - In case of Banking facilities of Green Apparel Limited and Progress Manufacturing HK, the banking facilities are secured by the way of Corporate guarantee from its holding and fellow subsidiary companies, personal guarantee from promoter directors and certain properties of fellow subsidiary companies.
 - With respect to the loans of PG Group and FX Impot Hong Kong Limited, the interest-bearing bank borrowings are guaranteed by the immediate holding company and a director of the Company.

(All amounts in ₹ lakhs, unless otherwise stated)

Note 19 : Other Financial Liabilities	As At March 31, 2019	As At March 31, 2018
Non- current		
Security Deposit Received (Refer to note 'a' below)	55.13	8.33
Total (A)	55.13	8.33
Current		
Creditors for Capital Goods	-	179.92
Interest Accrued and not due on Borrowings		
- From Related Parties	30.00	22.44
- From Others	6.66	13.46
Interest Accrued but not due on borrowings from bank	0.95	1.20
Total (B)	37.61	217.02
Total (A+B)	92.74	225.35

- a) The Group has determined its security deposits are not in the nature of borrowings and accordingly have been classified as part of other financial liabilities.

Note 20 : Provisions	As At March 31, 2019	As At March 31, 2018
Non- Current		
Provision for Employee Benefits		
Provision for Compensated Absences (Refer to note 36)	98.64	44.54
Provision for Gratuity (Refer to note 36)	277.26	46.72
Total (A)	375.90	91.26
Current		
Provision for Employee Benefits		
Provision for Compensated Absences (Refer to note 36)	4.85	2.87
Provision for gratuity (Refer to note 36)	3.16	0.55
Total (B)	8.01	3.42
Total (A+B)	383.91	94.68

Note 21 : Trade Payable	As At March 31, 2019	As At March 31, 2018
- Outstanding dues to Micro and Small Enterprises (Refer Note 'a' & 'c')	0.96	-
- Others	74,762.11	47,974.55
	74,763.07	47,974.55

- a) In respect of the Holding Company in the Group and as per Schedule III of the Companies Act, 2013 read with notification number GSR 719 (E) dated November 16, 2007, the amount due to Micro & Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under:

	As At March 31, 2019	As At March 31, 2018
- the principal amount (₹ 0.61) and the interest (₹ 0.35) due thereon remaining unpaid to any supplier at the end of each accounting year;	0.96	-
- the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
- 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;	-	-

(All amounts in ₹ lakhs, unless otherwise stated)

	As At March 31, 2019	As At March 31, 2018
- the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
- the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

- b) The amount does not include any amount due to be transferred to Investor Education and Protection fund.
- c) Disclosure of payable to vendors as defined under the Micro, Small and Medium Enterprises Development Act, 2006 is based on the information available with the Company regarding the status of registration of such vendors under the said Act and as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date except disclosed above.

Note 22 : Other Liabilities	As At March 31, 2019	As At March 31, 2018
Non-Current		
Share Fraction account	1.15	-
Deferred Income on security deposit received	7.42	3.12
Other Payables-NC	446.87	-
Total (A)	455.44	3.12
Current		
Deferred Income on security deposit received	0.99	0.97
Book Overdraft	51.79	-
Statutory dues	29.05	26.25
Other Payables	19,309.13	5,747.82
Total (B)	19,390.96	5,775.04
Total (A + B)	19,846.40	5,778.16

Note 23 : Liabilities for Current Tax (Net)	As At March 31, 2019	As At March 31, 2018
Provision for Income Tax [Net of Advance Tax ₹ 43.86 (March 31, 2018 ₹ 43.86)]	955.30	2,335.20
	955.30	2,335.20

	Balance sheet	
Note 24 : Deferred Tax	As At March 31, 2019	As At March 31, 2018
Deferred tax assets relates to the following:		
Provision for employee benefits	62.03	26.08
Provision for Doubtful Debts and Advances	0.14	15.26
Deferred Assets	2.19	2.71
Bought Forward Losses and unabsorbed Depreciation	139.31	0.00
Preliminary Expenses	1.50	1.56
Depreciation	26.04	16.21
Others	1.74	0.03
MAT Credit	82.93	70.26
	315.88	132.11
Deferred tax liability relates to the following:		
Property, plant and equipment	144.56	98.55
Others	30.02	4.17
	174.58	102.72
Total deferred tax assets/(liabilities) (Net)	141.30	29.39

(All amounts in ₹ lakhs, unless otherwise stated)

Deferred tax expense/income:

	As At April 01, 2018	Recognised in Statement of Profit & Loss	Adjustment	Forex Impact	Recognised in Statement of OCI	As At March 31, 2019
Deferred tax assets relates to the following:						
Provision for employee benefits	26.08	35.84	-	(0.01)	0.11	62.02
Provision for Doubtful Debts and Advances	15.26	(15.12)	-	(0.00)	-	0.14
Deferred Assets	2.71	(0.52)	-	-	-	2.19
Bought Forward Losses and unabsorbed Depreciation	0.00	113.98	25.32	-	-	139.30
Preliminary Expenses	1.56	(0.07)	0.01	-	-	1.50
Depreciation	16.21	3.40	-	6.43	-	26.04
Cashflow hedges	-	-	-	-	-	-
Others	0.03	1.70	0.01	-	-	1.74
	61.85	139.21	25.34	6.42	0.11	232.93
Deferred tax liability relates to the following:						
Property, plant and equipment	98.55	46.00	0.02	(0.01)	-	144.56
Other	4.17	25.84	-	0.00	-	30.01
	102.72	71.84	0.02	(0.01)	-	174.57
Minimum Alternate Tax (MAT) Credit Entitlement	70.26	12.68	-	-	-	82.94
Total deferred tax assets/(liabilities) (Net)	29.39	80.05	25.32	6.43	0.11	141.30

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.

	As At April 01, 2017	Recognised in Statement of Profit & Loss	Adjustment	Forex Impact	Recognised in Statement of OCI	As At March 31, 2018
Deferred tax assets relates to the following:						
Provision for employee benefits	23.72	6.14	-	-	(3.78)	26.08
Provision for Doubtful Debts and Advances	16.69	(1.43)	-	-	-	15.26
Deferred Assets	2.17	0.54	-	-	-	2.71
Bought Forward Losses and unabsorbed Depreciation	4.91	(4.91)	-	-	-	-
Preliminary Expenses	3.50	(1.94)	-	-	-	1.56
Depreciation	11.83	-	4.38	-	-	16.21
Others	0.79	(0.76)	-	-	-	0.03
	63.61	(2.36)	4.38	-	(3.78)	61.85
Deferred tax liability relates to the following:						
Property, plant and equipment	41.88	56.68				98.56
Other	2.06	2.10				4.16
	43.94	58.78	-	-	-	102.72
Minimum Alternate Tax Credit Entitlement	-	-	70.26	-	-	70.26
Total deferred tax assets/(liabilities) (Net)	19.67	(61.14)	74.64	-	(3.78)	29.39

a) Refer Accounting Policies for the definition of MAT Credit Entitlement [Note-3 (t)]

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 benefits associated with the asset will be realised.

(All amounts in ₹ lakhs, unless otherwise stated)

Note 25 : Revenue from Operations	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of Products	638,528.69	486,654.80
Other Operating Revenues		
- Others	10,057.09	5,730.95
Revenue From Operations (Gross)	<u>648,585.78</u>	<u>492,385.75</u>

a) Performance Obligation

Revenue is recognised upon transfer of control of promised products and services to the customers.

During the year, the Group has not entered into long term contracts with customers and accordingly disclosures 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.) are not applicable to the Group.

b) Trade Receivables and Contract Balances

For Trade Receivables, refer Note No. 13.

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, 2019.

Note 26 : Other Income	For the year ended March 31, 2019	For the year ended March 31, 2018
Rental Income	416.72	230.05
Interest Income		
- On Fixed deposits	176.33	107.09
- On bonds	-	1.94
- Others	94.08	70.94
Service Tax Refund	18.74	-
Foreign Exchange Fluctuation (Net)	75.03	864.66
Unwinding of discount on deposits	3.11	2.13
Loss allowance for Advances & Receivables written back	54.84	-
Miscellaneous Income	773.36	1,158.98
	<u>1,612.21</u>	<u>2,435.79</u>

Note 27 : Cost of Raw Material Consumed	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventory at the beginning of the year	4,351.59	2,647.02
Add: Purchases	37,526.63	21,538.71
Less: Inventory at the end of the year	8,777.34	4,351.59
	<u>33,100.88</u>	<u>19,834.14</u>

Note 28 : Purchase of Stock in Trade	For the year ended March 31, 2019	For the year ended March 31, 2018
Purchases	523,421.35	406,396.37
	<u>523,421.35</u>	<u>406,396.37</u>

Note 29 : Changes in Inventories of finished Goods Work in Progress and Stock in trade	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventories at the beginning of the year		
- Finished goods	1,724.10	815.82
- Work-in-progress	397.61	-
	(A) <u>2,121.71</u>	<u>815.82</u>
Inventories at the end of the year		
- Finished goods	2,749.57	1,724.10
- Work-in-progress	2,069.15	397.61
	(B) <u>4,818.72</u>	<u>2,121.71</u>
(Increase) / Decrease in Inventory (A-B)	<u>(2,697.01)</u>	<u>(1,305.89)</u>

(All amounts in ₹ lakhs, unless otherwise stated)

Note 30 : Employee Benefits Expense	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, Wages & Bonus	33,830.94	27,416.50
Contribution to Provident and Other fund	2,482.25	2,419.91
Staff Welfare Expenses	505.30	801.86
	36,818.49	30,638.27
Note 31 : Finance Cost	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Expense		
- On Term loans	470.39	289.41
- On Loan from Related Party	30.00	30.00
- On Delayed Payment of Taxes	-	2.46
- On Cash Credit & Working Capital Facilities	2,299.29	1,609.62
- On Others	434.13	241.26
	3,233.81	2,172.75
Note 32 : Depreciation and amortization expense	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of Property Plant and Equipment	1,993.37	1,284.25
Depreciation of Investment Property	550.24	303.81
Amortization of Intangible Assets	90.12	52.20
	2,633.73	1,640.26
Note 33 : Other expenses	For the year ended March 31, 2019	For the year ended March 31, 2018
Other Manufacturing Expenses	1,176.15	933.67
Electricity Charges	180.63	87.12
Rent	2,156.22	1,753.36
Rates And Taxes	390.65	430.12
Repair and Maintenance	1,627.10	1,405.68
Legal & Professional	9,960.57	8,343.02
Travelling and Conveyance	4,977.95	4,226.85
Selling and Marketing	3,384.42	2,237.98
Postage & Courier	1,989.80	1,623.75
Payment To Auditors (Refer Note 'a' Below)	327.75	309.64
Commission and Brokerage	6,282.36	3,992.90
Provision for doubtful debts	185.27	29.45
Freight Cost	4,752.96	2,222.86
Miscellaneous Expenses	8,264.00	5,447.35
Total	45,655.83	33,043.75
Payment to Auditors	For the year ended March 31, 2019	For the year ended March 31, 2018
As Auditor:		
- Statutory Audit Fee	318.12	295.66
- Tax Audit Fee	2.25	2.25
- Other Services	7.38	11.73
	327.75	309.64

(All amounts in ₹ lakhs, unless otherwise stated)

Note 34 : Earnings per share (EPS)

Earning per share (EPS) is determined based on the net profit attributable to the shareholder before other comprehensive Income. Basic earning per share is computed using the weighted average number of equity shares outstanding during the year whereas Diluted Earning per share is computed using the weighted average number of common and dilutive equivalent shares except for the case where the result becomes anti-dilutive.

	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit attributable to the equity holders of the parent	5,284.29	(784.25)
Number of Equity Shares for Basic and Diluted EPS	26,046,724	26,046,724
Basic and diluted earnings per share (in ₹) (face value ₹ 10 per share)	20.29	(3.01)

Note 35: Income Tax

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

Statement of profit and loss:

	As at March 31, 2019	As at March 31, 2018
Tax Expense:		
i) Current tax	92.62	327.24
ii) Mat Credit Entitlement	(12.68)	(70.26)
iii) Deferred tax	(67.37)	61.14
Income tax expense reported in the statement of profit or loss	12.57	318.12

OCI section

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

	As at March 31, 2019	As at March 31, 2018
Net loss/(gain) on remeasurements of defined benefit plans	(0.09)	3.79
Net amount charged to OCI	(0.09)	3.79

Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate for March 31, 2019 and March 31, 2018.

	As at March 31, 2019	As at March 31, 2018
Accounting profit before income tax	8,030.93	2,401.89
At Statutory income tax rate (Applicable Rate)	1,354.21	379.40
Net effect of tax rates in foreign jurisdictions	(1.90)	95.80
Non-deductible expenses	732.01	523.45
Tax exempt income	(1,989.48)	(1,598.42)
Group relief surrendered	(37.64)	4.47
Deemed tax credit	(212.78)	(25.47)
Tax losses utilised	(28.78)	(11.30)
Current year losses for which no deferred tax asset recognised	(32.96)	(133.58)
Under/ (over) provided amounts in prior years	(787.57)	(101.06)
Deferred Tax Impact due to change in tax rate	(51.24)	0.07
Employee Benefit Expense	0.09	(3.79)
Others	1,068.52	1,192.34
At the effective income tax rate	12.48	321.91
Represented by		
- Tax Expenses	12.57	318.12
- Tax Component on other Comprehensive Income	(0.09)	3.79
	12.48	321.91

- a) As at March 31, 2019, certain subsidiaries of PG Group Limited have unused tax losses arising in Mainland China of ₹ 3.38 (March 31, 2018: ₹ 3.44) that will expire in five years for off setting against future taxable profits. Another overseas subsidiary of the group also had tax losses arising in Chile of USD ₹ 553.44 (March 31, 2018: ₹ 568.75), that are available indefinitely for off setting against future taxable profits of that subsidiary.

(All amounts in ₹ lakhs, unless otherwise stated)

- b) As at the end of the reporting period, deferred tax assets have not been recognised in respect of the unused tax losses of ₹ 556.82 (March 31, 2018: ₹ 572.19), which are available for off setting against future taxable profits of the companies in which the losses arose. Deferred tax asset have not been recognised in respect of these unused tax losses items as it is not considered probable that taxable profits will be available against which these unused tax losses can be utilized.

Note 36 : Gratuity and other post-employment benefit plans

- a) **Defined contribution plans:** The amounts included in the Group Balance Sheet arising in respect of the Holding Company and one of the Indian subsidiary are as under:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Employer's Contribution to Provident Fund/ Pension Fund	53.35	16.07
Employer's Contribution to Employee State Insurance	8.77	0.14
Total	62.12	16.21

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

- b) **Defined benefit plans (In respect of Holding Company and the Indian subsidiary)**

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, which enable 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**

Under defined benefit plan, gratuity is calculated as 15 days salary for every completed year of service or part thereof in excess of 6 months and is payable on retirement / termination/ resignation. The benefit vests on completing 5 years of service by the employee. Provision of such gratuity asset/ Liability in the books of accounts has been made on the basis of actuarial valuation as per projected unit credit method.

ii) **Compensated Absences**

Under compensated absences plan every employee is entitled to the benefit equivalent to 15 days leave salary for every completed year of service subject to maximum 30 accumulations of leaves. The salary for calculation of earned leave is last drawn salary. The same is payable during the service, early retirement, withdrawal of scheme, resignation by employee or upon death of employee.

- c) The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and amounts recognised in the balance sheet for the defined benefit plan (viz. gratuity and compensated absences). These have been provided on accrual basis, based on year end actuarial valuation.

Particulars	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Change in Benefit Obligation				
1) Opening defined benefit obligation	47.25	47.40	39.40	37.36
2) Acquisition Adjustment	64.10	43.55	-	-
3) Add: Interest cost	8.58	7.02	2.90	2.75
4) Add: Current service cost	41.85	37.63	16.37	17.53
5) Add: Past Service cost	-	-	2.33	-
6) Less: Benefits paid	(27.10)	(21.39)	-	(8.42)
7) Add: Actuarial (gain) / loss	0.36	(10.88)	(13.75)	(1.82)
Present value of obligation as at the end of the year	135.04	103.33	47.25	47.40

- d) **Expected Contribution for next annual reporting period**

Particulars	March 31, 2019		March 31, 2018	
	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Service Cost	65.02	38.94	21.12	14.32
Net Interest Cost	10.39	7.96	3.64	3.66
	75.41	46.90	24.76	17.98

(All amounts in ₹ lakhs, unless otherwise stated)

e) The Following Tables summarise the Net Benefit Expense Recognised in the Statement of Profit or Loss :

Particulars	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Cost for the year included under employee benefit				
Service Cost	41.85	37.63	18.70	17.53
Interest Cost	8.58	7.02	2.90	2.75
Remeasurement*	-	(10.88)	-	(1.82)
Net cost	50.43	33.77	21.60	18.46

* Transferred to OCI for Gratuity

f) Bifurcation of Actuarial (Gain)/Loss on obligation (Gratuity):

Particulars	As at March 31, 2019	As at March 31, 2018
Remeasurement Due to:		
Effect of Change in Financial Assumptions	0.11	1.52
Effect of Change in Demographic Assumption	(3.23)	12.23
Effect of Experience Adjustment	3.41	-
Total amount recognised in OCI (Gain)/Loss, End of Year	0.29	13.75

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Economic assumptions				
1) Discount rate	7.69%	7.69%	7.71%	7.71%
2) Rate of increase in compensation levels	5.50%	5.50%	5.50%	5.50%
Demographic assumptions				
1) Retirement Age (years)	58 Years	58 Years	58 Years	58 Years
2) Mortality Rate	Indian Assured Lives Mortality (2006-08) (modified) ultimate		Indian Assured Lives Mortality (2006-08) (modified) ultimate	
Employee Turnover / Attrition Rate				
1) Ages up to 30 Years	3.00%	3.00%	3.00%	3.00%
2) Ages from 30-44	2.00%	2.00%	2.00%	2.00%
3) Above 44 years	1.00%	1.00%	1.00%	1.00%

Note 37 : Related party transactions

a) List of related parties

Name of Related Party	Nature of relationship
Sourcing Solutions Limited	Joint Venture
Sourcing East West Limited	
Atterley.Com Holdings Limited	Associates

(All amounts in ₹ lakhs, unless otherwise stated)

Name of Related Party	Nature of relationship
Digital Ecom Techno Private Limited	Enterprise over which KMP exercise Control and/or Significant Influence
Pearl Global Industries Limited	
Pallas Holdings Limited	
Redwood Internet Ventures Limited	
Digital Internet Technologies Limited	
JJ Star Industries Limited	
Transnational Textile Group Limited	
JSM Trading Limited	
Grupo Extremo SUR S.A.	
Frou Holdings Limited	
Norp Knit Industries Limited	
Pearl Global (HK) Limited	
Pearl Global Fareast Limited	
Mrs. Payal Seth (Managing Director till 31.10.2018 & Non-Executive Director w.e.f 01.11.2018)	Key Managerial Personnel
Mr. Deepak Seth (Director)	
Mr. Pallak Seth (Director)	
Mr. Ashok Kumar Sanghi (Independent Director)	
Mr. Ashutosh Prabhudas Bhupatkar (Independent Director)	
Mr. Ashok Kumar Chhabra (Independent Director)	
Mr. Chandra Shekhar Reddy (Company Secretary)	
Mr. Ajai Singh (Chief Financial Officer)	
Mr. Omprakash Makam Suryanarayan Setty (Chief Executive Officer)	

b) Transactions with related parties

Name of Related Party	Relationship	Nature of Transaction	For the Year ended March 31, 2019	For the Year ended March 31, 2018
JJ Star Industries Limited	Enterprises owned or significantly influenced by KMP or their relatives	Advance Given	594.73	156.10
		Advance Recovered	-	631.49
Other Related Parties		Advance Given	-	900.30
		Advance Received	128.19	332.50
Grupo Extremo SUR S.A.		Advance Received	-	765.10
		Advance Given	730.20	-
Sourcing Solution Limited	Joint Venture	Management Fees accrued	51.66	21.00
		SAP Fees accrued	2.80	-
		Advance Given	457.20	318.69
		Advance Recovered	333.58	-

(All amounts in ₹ lakhs, unless otherwise stated)

Name of Related Party	Relationship	Nature of Transaction	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Pearl Global Industries Limited	Enterprises owned or significantly influenced by KMP or their relatives	Advance Recovered	-	15.38
Pearl Global HK Limited		SAP Fees accrued	2.21	-
Pearl Global HK Limited		SAP Fees paid	6.78	-
Atterley.Com Holdings Limited		Advance Received	451.48	-
JSM Trading Limited		Consultancy Fees Accrued	632.18	1,967.46
JSM Trading Limited		Consultancy Fees Paid	2,471.00	1,724.04
JSM Trading Limited		Advance Given	138.54	-
Pearl Global Industries Limited		Interest Expenses	30.00	30.00
Digital Internet Technologies Limited		Amount Recovered	3.49	23.16
Redwood Internet Ventures Limited		Management Fees received	16.21	-
Redwood Internet Ventures Limited		Management Fees accrued	8.11	7.54
Parc Designs Private Limited	Associate Company	Investment	-	20.07
Digital Ecom Techno Private Limited	Enterprises owned or significantly influenced by KMP or their relatives	Loan Given	37.00	-
		Loan received back	37.00	-
		Rental Income	12.00	21.53
		Interest Income	0.43	-
Mrs. Payal Seth	Key Managerial Personnel	Salary Paid	21.00	36.00
Mr. Ashok Kumar Sanghi		Director Sitting Fees	2.64	3.30
Mr. Ashutosh Prabhudas Bhupatkar		Director Sitting Fees	1.98	1.98
Mr. Ashok Kumar Chhabra		Director Sitting Fees	2.64	2.64
Mr. Chandra Shekar Reddy		Salary Paid	50.30	44.55
		Other Employee Benefits	7.32	6.20
Mr. Omprakash Makam Suryanarayan Setty		Salary Paid	81.91	81.91
		Other Employee Benefits	19.45	17.03

Note: Figures are excluding service tax wherever applicable

c) Year end Receivable balances of related parties

Name of Related Party	Relationship	As At March 31, 2019	As At March 31, 2018
Frou Holding Limited	Enterprises owned or significantly influenced by KMP or their relatives.	328.92	309.27
Redwood Internet Ventures Limited	Enterprises owned or significantly influenced by KMP or their relatives.	511.87	481.30
Sourcing Solution Limited	Joint Venture	62.66	318.69
Other Related Parties	Enterprises owned or significantly influenced by KMP or their relatives.	1,651.73	1,611.20
JJ Star Industries Limited	Enterprises owned or significantly influenced by KMP or their relatives.	1,554.99	-
JSM Trading Limited	Enterprises owned or significantly influenced by KMP or their relatives	137.12	-
Digital Ecom Techno Private Limited	Enterprises owned or significantly influenced by KMP or their relatives	1.76	2.89
Digital Internet Technologies Limited	Enterprises owned or significantly influenced by KMP or their relatives.	-	3.25

(All amounts in ₹ lakhs, unless otherwise stated)

d) Year end payable balances of related parties

Name of Related Party	Relationship	As At March 31, 2019	As At March 31, 2018
Sourcing Solution Limited	Joint Venture	474.86	21.00
Atterley.Com Holdings Limited	Associate	446.86	-
Pearl Global (HK) Limited	Enterprises owned or significantly influenced by KMP or their relatives.	4.52	6.31
JSM Trading Limited	Enterprises owned or significantly influenced by KMP or their relatives	-	227.64
Other Related Parties	Enterprises owned or significantly influenced by KMP or their relatives.	234.29	100.99
Grupo Extremo SUR S.A.	Enterprises owned or significantly influenced by KMP or their relatives.	-	679.57
Digital Ecom Techno Private Limited	Enterprises owned or significantly influenced by KMP or their relatives	12.57	12.57
Pearl Global Industries Limited	Enterprises owned or significantly influenced by KMP or their relatives.	306.66	313.46

e) Other Transactions

Unsecured loan take by Holding Company from Bank is guaranteed by stand by documentary credit limit of its step down subsidiary namely Norwest Industries Limited - Hong Kong with HSBC Bank.

f) 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 carried interest rate, wherever applicable.

Note 38: Capital Management

The Group's objective for managing capital is to ensure:

- ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders, and
- maintain optimal capital structure to reduce the cost of capital.

The Group mainly manages its capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, adjustment is made in the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. Capital injections and repatriations are executed in a timely manner, working closely with the business and infrastructure groups. The Management team meets on a regular basis and manages capital by taking into account key considerations which may include business developments, regulatory requirements, profitability and market movements such as foreign exchange and interest rate. The Group monitors capital structure using gearing ratio, which is calculated as under:

	As at March 31, 2019	As at March 31, 2018
Borrowings (Refer to note 18)	70,008.25	55,212.41
Less: Cash and Cash equivalents (Refer to note 14)	24,059.49	11,155.85
Less: Other Bank Balance (Refer to note 15)	12,964.10	11,385.21
Net debt (A)	32,984.66	32,671.35
Equity share capital (Refer to note 16)	2,604.67	2,604.67
Other equity (Refer to note 17)	50,164.71	43,857.17
Total Capital (B)	52,769.38	46,461.84
Capital and net debt (A + B)	85,754.04	79,133.19
Gearing ratio [A/(A + B)]	38.46%	41.29%

- a) No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.
- b) For the purpose of capital management, capital includes issued equity capital and all other reserves attributable to the equity holders of the Company.
- c) The Group has access to the undrawn borrowing facilities as at March 31, 2019; in respect of Holding Company of ₹ 100.00 (Working Capital Loan from HSBC) and in respect of Multinational Textile Group Limited of ₹ 7,394.27 (for different facilities with various banks).

(All amounts in ₹ lakhs, unless otherwise stated)

Note 39: Currency Derivative

- (i) One of the Sub-subsidiaries, Poeticgem Limited utilises currency derivatives to hedge significant future transactions and cash flows. The Sub-subsidiary is a party to a variety of foreign currency contracts and options in the management of its exchange rate exposures

Particulars	Asset	Liabilities	Asset	Liabilities
	2019	2019	2018	2018
	USD	USD	USD	USD
Forward Contract Exchange Fair Value*	-	-	-	14,245
	-	-	-	(Equivalent to ₹ 9.26)

The terms of the forward foreign exchange contracts have been negotiated to match the terms of the commitments referred below. The cash flow hedges of the expected future purchase were assessed to be highly effective and as at March 31, 2019, a recognised loss of ₹ Nil (March 31, 2018 : ₹ 9.26) was included in the hedging reserves in respect of these contracts. At the reporting date, the total notional amounts of outstanding forward foreign exchange contracts that the Sub-subsidiary has committed to are as below:

Particulars	As At March 31, 2019	As At March 31, 2018
	USD	USD
Forward Contract Exchange Fair Value*	-	4,618,565
	-	(Equivalent to ₹ 3,003.91)

These commitments have been entered into to hedge against future payments to suppliers and receipts from customers in the ordinary course of business

- (ii) **In case of Norwest Industries Limited, the foreign currency contracts:**

One of the subsidiaries, Norwest Industries Limited, utilises Foreign Currency contracts:

Particulars	Asset	Liabilities	Asset	Liabilities
	2019	2019	2018	2018
	USD	USD	USD	USD
Forward Currency Contracts	103,470	53,101	95,548	263,471
	(Equivalent to ₹ 72.31)	(Equivalent to ₹ 37.11)	(Equivalent to ₹ 62.14)	(Equivalent to ₹ 171.36)
Option Currency Contracts	11,392	58,201		
	(Equivalent to ₹ 7.96)	(Equivalent to ₹ 40.67)		

The carrying amount of foreign currency contracts are the same as their fair values

- (iii) **Forward currency contracts – cash flow hedges**

At 31 March 2019, the Subsidiary Norwest Industries Limited and its subsidiaries as a group held 33 forward currency contracts (March 31, 2018: 72) and 4 option currency contracts as at March 31, 2019 (March 31, 2018 Nil) and they are designated as hedges in respect of expected future sales to customers in the United Kingdom for which the said group has firm commitments

The terms of the forward currency contracts have been negotiated to match the terms of the commitments. The cash flow hedges of the expected future sales between April 2019 and February 2020 were assessed to be highly effective and a net gain of ₹ 110.20 (net loss March 31, 2018 : ₹ 175.79), was included in the hedging reserve for the year.

(All amounts in ₹ lakhs, unless otherwise stated)

Note 40 : Fair values Disclosure

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

a) Fair value of financial assets:

	Carrying Values		Fair Values	
	As At March 31, 2019	As At March 31, 2018	As At March 31, 2019	As At March 31, 2018
Financial assets measured at fair value through Profit or Loss				
Listed equity investments, at fair value	1,387.89	-	1,387.89	-
Listed debt investments, at fair value	851.24	-	851.24	-
Investments in life insurance policies, at fair value	2,213.25	-	2,213.25	-
	4,452.38	-	4,452.38	-
Financial assets measured at fair value through Other Comprehensive Income				
Equity investments, at fair value	1,044.57	868.86	1,044.57	868.86
Available For sale Investments	-	2,621.24	-	2,621.24
Held to Maturity Bonds	-	2,563.84	-	2,563.84
Investment in Unit trusts	-	2,010.84	-	2,010.84
Other Investments	170.34	190.85	170.34	190.85
	1,214.91	8,255.63	1,214.91	8,255.63
Financial assets measured at amortised cost				
Security deposits	832.75	823.91	832.75	823.91
Investment in Associate	1,260.88	20.07	1,260.88	20.07
Investment in Joint Venture	1,444.62	1,551.96	1,444.62	1,551.96
Interest accrued on fixed deposits	0.67	0.31	0.67	0.31
Deposits with original maturity of more than 12 months	9.40	1.25	9.40	1.25
Trade receivable	102,871.41	78,256.20	102,871.41	78,256.20
Cash and cash equivalents	24,059.49	11,155.85	24,059.49	11,155.85
Other bank balances	12,964.10	11,385.21	12,964.10	11,385.21
	143,443.32	103,194.77	143,443.32	103,194.77

b) Fair value of financial liabilities:

	Carrying Values		Fair Values	
	As At March 31, 2019	As At March 31, 2018	As At March 31, 2019	As At March 31, 2018
Financial liabilities measured at amortised cost				
Borrowings	70,008.25	55,212.41	70,008.25	55,212.41
Trade payables	74,763.07	47,974.55	74,763.07	47,974.55
Interest accrued but not due on borrowings	37.61	37.10	37.61	37.10
Security Deposit Received	55.13	8.33	55.13	8.33
Creditors for capital expenditure	-	179.92	-	179.92
	144,864.07	103,412.31	144,864.07	103,412.31

c) Discount rate used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings and in case of financial asset is the average market rate of similar credit rated instrument. The Group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Fair values of the interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the rate as at the end of the reporting period.
- Fair value for security deposits paid & received (other than perpetual security deposits) has been presented based on the discounting factor as at the reporting date.

(All amounts in ₹ lakhs, unless otherwise stated)

- iii) Fair value for all other non-current assets and liabilities is equivalent to the amortised cost, interest rate on them is equivalent to the market rate of interest.
- iv) For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Note 41 : Fair Value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

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

	As At March 31, 2019	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets Measured At Fair Value Through Profit Or Loss				
Listed equity investments, at fair value	1,387.89	1,107.92	-	279.96
Listed debt investments, at fair value	851.24	631.64	-	219.60
Investments in life insurance policies, at fair value	2,213.25	-	-	2,213.25
Total (A)	4,452.38	1,739.56	-	2,712.81
Financial Assets Measured At Fair Value Through Other Comprehensive Income				
Equity investments, at fair value	1,044.57	-	-	1,044.57
Available For sale Investments	-	-	-	-
Held to Maturity Bonds	-	-	-	-
Investment in Unit trusts	-	-	-	-
Other Investments	170.34	-	-	170.34
Total (B)	1,214.91	-	-	1,214.91
Financial assets measured at amortised cost				
Security deposits	832.75	-	-	832.75
Interest accrued on fixed deposits	0.67	-	-	0.67
Deposits with original maturity of more than 12 months	9.40	-	-	9.40
Investment in Associate	1,260.88	-	-	1,260.88
Investment in Joint Venture	1,444.62	-	-	1,444.62
Trade receivable	102,871.41	-	-	102,871.41
Cash and cash equivalents	24,059.49	-	-	24,059.49
Other bank balances	12,964.10	-	-	12,964.10
Total (C)	143,443.32	-	-	143,443.32
Total (A+B+C)	149,110.61	1,739.56	-	147,371.04

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

	As At March 31, 2019	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities measured at amortised cost				
Borrowings	70,008.25	-	-	70,008.25
Trade payables	74,763.07	-	-	74,763.07
Security Deposit Received	55.13	-	-	55.13
Interest accrued but not due on borrowings	37.61	-	-	37.61
Creditors for capital expenditure	-	-	-	-
	144,864.07	-	-	144,864.07

(All amounts in ₹ lakhs, unless otherwise stated)

c) Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018:

	As At March 31, 2018	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets Measured At Fair Value Through Other Comprehensive Income				
Equity investments, at fair value	868.86	-	-	868.86
Available For sale Investments	2,621.24	2,494.30	-	126.94
Held to Maturity Bonds	2,563.84	-	2,563.84	-
Investment in Unit trusts	2,010.84	-	-	2,010.84
Other Investments	190.85	-	-	190.85
Total A	8,255.63	2,494.30	2,563.84	3,197.49
Financial assets measured at amortised cost				
Security deposits	823.91	-	-	823.91
Interest accrued on fixed deposits	0.31	-	-	0.31
Deposits with original maturity of more than 12 months	1.25	-	-	1.25
Trade receivable	78,256.20	-	-	78,256.20
Cash and cash equivalents	11,155.85	-	-	11,155.85
Other bank balances	11,385.21	-	-	11,385.21
Total B	101,622.73	-	-	101,622.73
Total (A+B)	109,878.36	2,494.30	2,563.84	104,820.22

d) Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2018:

	As At March 31, 2018	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities measured at amortised cost				
Borrowings	55,212.41	-	-	55,212.41
Trade payables	47,974.55	-	-	47,974.55
Interest accrued but not due on borrowings	37.10	-	-	37.10
Security Deposit Received	8.33	-	-	8.33
Creditors for capital expenditure	179.92	-	-	179.92
	103,412.31	-	-	103,412.31

Note 42: Financial risk management objectives and policies

The Group principal financial liabilities comprise 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 Group operations and to provide guarantees to support its operations. The Group principal financial assets includes, Security Deposits, Trade Receivables, Cash and Cash equivalents, Other Bank Balances. The Group is exposed to credit risk, liquidity risk and market risk. The Group senior level management oversees the management of these risks and advises on the appropriate financial risk governance framework.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.

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 debt obligations with floating interest rates. The Group has significant exposure to interest rate risk as shown below. The Group main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to interest rate risk.

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Increase or decrease in basis points	Effect on profit before tax
31-Mar-19		
INR	+50	(315.76)
INR	-50	315.76
31-Mar-18		
INR	+50	(243.89)
INR	-50	243.89

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. The following tables demonstrate the sensitivity to a reasonably possible change in USD, GBP, EURO, HKD, AED and BDT exchange rates, with all other variables held constant.

Particulars	Changes in USD rate	Effect on profit before tax
31-Mar-19	+10%	(174.83)
	-10%	174.83
31-Mar-18	+10%	522.32
	-10%	(522.32)

B. Credit risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to the Group. The Group continuously monitors defaults of customers and other counterparties and incorporate this information into its credit risk control. The Group also uses expected credit loss model to assess the impairment loss in trade receivables and makes an allowance of doubtful trade receivables using this model. The Credit risk also arises from cash and cash equivalents, deposits from banks and other financial assets measured at amortised cost. The maximum credit risk at the reporting date is as under:

	As at March 31, 2019	As at March 31, 2018
Financial Assets Measured At Fair Value Through Profit Or Loss	4,452.38	-
Financial Assets Measured At Fair Value Through Other Comprehensive Income	1,214.91	8,255.63
Investment in Associate	1,260.88	-
Investment in Joint Venture	1,444.62	-
Security deposits	832.75	823.91
Interest accrued on fixed deposits	0.67	0.31
Deposits with original maturity of more than 12 months	9.40	1.25
Trade receivable	102,871.41	78,256.20
Cash and cash equivalents	24,059.49	11,155.85
Other bank balances	12,964.10	11,385.21
	149,110.61	109,878.36

C. Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group objective is to, maintain optimum levels of liquidity to meet its cash and collateral requirements. It maintains adequate sources of financing including loans from banks at an optimised cost.

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

As at March 31, 2019	On demand	< 1 year	1 to 5 years	> 5 years	Total
Borrowings	734.00	61,971.75	7,302.50	-	70,008.25
Trade payables	-	74,763.07	-	-	74,763.07
Other financial liabilities	6.66	30.95	55.13	-	92.74
Total	740.66	136,765.77	7,357.63	-	144,864.06

(All amounts in ₹ lakhs, unless otherwise stated)

As at March 31, 2018	On demand	< 1 year	1 to 5 years	> 5 years	Total
Borrowings	800.00	48,365.88	6,046.54	-	55,212.42
Trade payables	-	47,974.55	-	-	47,974.55
Other financial liabilities	13.46	23.63	8.33	-	45.42
Creditors for Capital Goods	-	179.93	-	-	179.93
Total	813.46	96,543.99	6,054.87	-	103,412.32

Note 43 : Commitments and Contingencies

a) Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and which have not been provided for in the financial statements, amounts to ₹ Nil (March 31, 2018 : ₹ 178.74).

b) Operating Lease

The Holding Company has one premises on non-cancellable operating leases. The lease is for five years after which it is at the sole discretion of the Company to extend the lease term for five more years. Lease rentals has been charged as expense under the head 'Rent' in the Statement of Profit & Loss.

In case of Multinational Textile Group Limited and its subsidiaries;

- Finance Lease : The future minimum lease payments as at March 31, 2019 are Nil (March 31, 2018 : ₹ 2.22)
- The subsidiaries Norwest industries and its subsidiaries, Design Arc UK Limited, Simple Approach Limited, PDS Ventures Limited, Zamira Fashion Limited, PG Group Limited, PDS Asia Star Corporation Limited, Poeticgem Limited, Peotiegem International Limited, FX Import Company Limited and FX Import Hong Kong Limited has outstanding commitments for future minimum lease payments under its non-cancellable operating leases, which fall due as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Within one year	900.04	1,016.38
In the second to fifth years	1,198.78	923.42
Total	2,098.82	1,939.80

- Operating lease payments represent rent payable by the subsidiaries and sub-subsidiaries for its rented premises. Leases are negotiated for an average term of one to four years.
- Norwest Industries Limited and its subsidiaries lease certain of its staff quarters and office properties under operating lease commitments. Leases for these properties are negotiated for terms ranging from "one to four" years.
Norwest Industries Limited and its subsidiaries leased part of its investment property under an operating lease commitments with the lease negotiated for a term of four years. At March 31, 2019, the Group and the Company had a total future minimum lease receivables of ₹ 21.75 (March 31, 2018: ₹ 18.28) under a non-cancellable operating lease falling within a year.

c) Contingent Liabilities

	As at March 31, 2019	As at March 31, 2018
i) In case of the Holding Company, claims against Company not acknowledged as debt		
- On account of stamp duty on Demerger	148.20	148.20
- On account of claim filed by Supplier	-	126.66
- Disputed liability under Income Tax (Net of amount paid under protest) (A.Y. 2014-15)	2.85	2.85
	151.05	277.71

- Pending resolution of the respective proceedings, it is difficult to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. Also, the Group does not expect any reimbursements in respect of the above contingent liabilities.

- The Holding Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952.

(All amounts in ₹ lakhs, unless otherwise stated)

- iii) In case of Progress Apparels (Bangladesh) Limited, the Company had a contingent liability of ₹ 2,311 as at 31 March 2019 on account of various LCs opened by the bank in favour of suppliers of raw materials, where materials have not yet been received and further ₹ 2.49 on account of unconditional bank guarantees issued in favour of Green Delta Insurance Company Limited towards guarantee of 30 days credit period
- iv) In case of Norwest Industries Limited, Guarantee given to banks in connection with facilities granted to subsidiaries and fellow subsidiaries and third parties ₹ 50,188.25 (March 31, 2018 : ₹ 28,743.34). At March 31, 2019, the banking facilities guaranteed by Norwest Industries Limited to its fellow subsidiaries were utilised to the extent of approximately ₹ 46,235.98 (March 31, 2018 : ₹ 35,158.96).
- In determining whether financial liabilities should be recognised in respect of Norwest Industries Limited's financial guarantee contracts, the directors exercise judgement in the evaluation of the probability of resources outflow that will be required and the assessment of whether a reliable estimate can be made of the amount of the obligation
- In the opinion of the directors of Norwest Industries Limited, the fair values of the financial guarantee contracts are insignificant at initial recognition and the directors consider that the possibility of the default of the parties involved is remote, and accordingly, no value was recognised in its consolidated financial statements.
- v) In case of FX Import Company Limited, HSBC Bank PLC, has provided a guarantee to H M Revenue and Customs amounting to ₹ 131.67 (March 31, 2018 : ₹ 136.78). Under this guarantee the maximum liability as at March 31, 2019 is ₹ 131.67 (March 31, 2018 : ₹ 136.78). FX Import Company Limited has extended an Unlimited Multilateral Guarantee to HMRC on behalf of its Parent Company Poeticgem Limited and fellow subsidiaries Pacific Logistics Limited.
- The bank has a fixed charge over the assets of FX Import Company Limited which is supported by a debenture.
- vi) Pacific Logistics Limited had extended an Unlimited Multilateral Guarantee on 28 August 2012 to its parent company, Poeticgem Limited, and fellow subsidiaries, Poeticgem Limited and FX Import Company Limited.
- vii) In case of PDS Asia Star Corporation Limited, Grupo Sourcing Limited, Zamira Fashions Limited, Simple Approach Limited, Poeticgem International Limited and Techno Design HK Limited, the contingent liabilities related to irrevocable letters of credit as at March 31, 2019 is ₹ 18,935.75 (March 31, 2018 : ₹ 15,168.11).
- viii) At the end of the reporting period, there were mutual guarantees between Grupo Sourcing Limited, Zamira Fashion Limited, PDS Asia Star Corporation Limited, Techno Design HK Limited, Poeticgem International Limited and Simple Approach Limited as a group and its fellow subsidiaries.
- ix) At 31 March 2019, one of the subsidiaries of the Company, Green Apparel Industries Limited, had secured bank borrowings of ₹ 4,303.53. These are Secured by fellow subsidiaries cash deposits, the Company's corporate guarantee and director's personal guarantee.

Note 44 : Segment Reporting

(a) Primary Segment Information:

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment eg Sourcing, Manufacturing and others), or in providing products or services within a particular economic environment, which is subject to risks and returns that are different from those of other segments. Segment information is presented in respect of the Group's business segments. The Group's primary format for segment reporting is based on business segments.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Other items comprise mainly investments and related revenue, loans and borrowings and related expenses, corporate assets (primarily the Group's headquarters) and head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

(b) Segment details are as below:

Particulars	Sourcing		Manufacturing		Others		Adjustment / Elimination		Total	
	For the year ended		For the year ended		For the year ended		For the year ended		For the year ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Segment Revenue	624,781.01	486,243.42	24,455.84	5,993.96	10,284.97	6,848.17	(10,936.05)	(6,699.80)	648,585.77	492,385.75
Other income	1,018.80	1,759.58	195.13	127.59	398.27	548.61	-	-	1,612.20	2,435.78
Segment Result	15,635.89	10,337.64	(4,435.15)	(5,262.02)	1,543.31	573.44	(1,479.31)	(1,074.44)	11,264.74	4,574.62
Finance Cost	2,403.42	1,496.98	474.52	193.12	355.87	482.64	-	-	3,233.81	2,172.74
Tax Expense	-	-	-	-	-	-	-	-	80.05	9.12
Share profit / (Loss) from Associate	-	-	-	-	-	-	-	-	(99.38)	(130.48)
Profit for the year	-	-	-	-	-	-	-	-	8,011.59	2,280.51
Segment Assets	174,766.48	128,474.91	27,363.27	15,829.72	20,758.47	21,700.28	-	-	222,888.22	166,004.91

PDS Multinational Fashions Limited

Particulars	Sourcing		Manufacturing		Others		Adjustment / Elimination		Total	
	For the year ended		For the year ended		For the year ended		For the year ended		For the year ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Segment Assets as a percentage of total assets of all segments	78.41	77.39	12.28	9.54	9.31	13.07	-	-	100.00	100.00
Segment Liabilities	138,690.23	99,791.84	16,431.48	8,157.22	10,927.96	3,671.27	-	-	166,049.67	111,620.33
Segment Liabilities as a percentage of total liabilities of all segments	83.52	89.40	9.90	7.31	6.58	3.29	-	-	100.00	100.00
Segment Capital Employed	36,076.25	28,683.08	10,931.79	7,672.50	9,830.51	18,029.00	-	-	56,838.55	54,384.58
Segment Capital Employed as a percentage of total capital employed of all segments	63.47	52.74	19.23	14.11	17.30	33.15	-	-	100.00	100.00
Other Material Non cash items included under Profit/(loss) before tax	-	-	-	-	-	-	-	-	-	-
Depreciation & Amortisation	1,437.38	1,100.37	932.65	283.80	263.67	256.10	-	-	2,633.70	1,640.27
Provision for Doubtful Receivables	185.27	-	-	-	-	-	-	-	185.27	-
Provision for Advances & Receivables written back	-	-	-	-	(54.84)	-	-	-	(54.84)	-

(c) Revenue from major customer: The Group mainly generates 10% of its external revenues from four (4) customers.

Note 45 : Disclosure of movement in Provision during the year as per Ind AS- 37

Particulars	Balance as on April 01, 2018	Provided During the Year	Acquisition liability	Paid / Adjusted during the year	Other Comprehensive Income	Balance as on March 31, 2019
Compensated Absences	47.41	32.92	43.55	(20.39)	-	103.49
Gratuity	193.48	49.58	64.10	(27.10)	0.36	280.42
	240.89	82.50	107.65	(47.49)	0.36	383.91

Note 46: Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associates/ Joint Ventures

Name of Enterprises	Net Assets i.e. total assets minus total liability and Minority Interest		Share in profit or loss		Share in other Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other Comprehensive Income	Amount
Parent						
PDS Multinational Fashions Limited	19.08%	10,844.89	1.38%	109.07	0.02%	(0.27)
Foreign Subsidiary						
Multinational Textile Group Limited	80.81%	45,933.29	100.75%	7,978.62	99.98%	(1,148.98)
Indian Subsidiary						
Parc Design Private Limited	0.11%	60.37	-0.88%	(69.33)	-0.01%	0.08
Associate						
Atterley.com Holdings Limited ("Atterley")	0.00%	-	-1.35%	(106.94)	0.00%	-
Joint Venture						
Sourcing East West Limited	0.00%	-	0.00%	(0.24)	0.00%	-
Sourcing Solution Limited	0.00%	-	0.10%	7.80	0.00%	-
Total	100.00%	56,838.55	100.00%	7,918.98	100.00%	(1,149.17)

Note 47: In the view of management, no material events have occurred between the balance sheet date to the date of issue of these financial statements that could affect the values stated in the financial statements as at March 31, 2019.

Note 48: Figures have been rounded off to the nearest Lakh except otherwise stated.

Note 49: The financial statements of the Group for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on May 29, 2019.

For S.R. Dinodia & Co. LLP.

Chartered Accountants

Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number 083689

Place of Signature: Gurugram

Date : 29th May, 2019

(Omprakash M.S. Setty)

Chief Executive Officer

**For & on behalf of Board of Directors of
PDS Multinational Fashions Limited**

(Payel Seth)

Director

DIN: 00003035

(Ajai Singh)

(Chief Financial Officer)

(Deepak Seth)

Director

DIN: 00003021

(B. Chandra Sekhara Reddy)

Company Secretary

M. No. A14609

**Route Map to the venue of the 08th Annual General Meeting of
PDS Multinational Fashions Limited**



[illegible]

This image shows a full page of a document template designed for handwritten notes or essays. It features approximately 30 evenly spaced, thin horizontal grey lines across the entire width of the page. There are no margins, headers, footers, or other markings present. The background is plain white.

PDS MULTINATIONAL FASHIONS LIMITED

CIN: L18101KA2011PLC094125

Registered Office: No. 758 & 759, 2nd Floor, 19th Main, HSR Layout,
Sector-II, Bengaluru-560102, Karnataka, India

Tel: 080-67653000, Website: www.pdsmultinational.com; E-mail: investors@pdsmultinational.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :

Registered Address :

E-mail ID :

Folio No./DP ID & Client ID :

I/We, being the member(s) of.....equity shares of ₹ 10/- each of the Company, hereby appoint

I. Name:.....Address:

Email ID :Signature:or failing him/her

II. Name:.....Address:

Email ID :Signature:or failing him/her

III. Name:.....Address:

Email ID :Signature:

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 08th Annual General Meeting of the Company, to be held on Wednesday, 13th November, 2019 at 12:30 P.M. Clarks Exotica Swiss Town, Hollywood Junction, Sadahalli Post, Devanahalli Road, Bengaluru - 562110, Karnataka, India and at any adjournment thereof in respect of such resolutions as indicated below:

Resolution Number	Description	No of Shares held by me	Optional*	
			I assent to the resolution (For)	I dissent from the resolution (Against)
Ordinary Business:				
1.	To receive, consider and adopt the Audited Standalone Financial Statements of the Company prepared as per Indian Accounting Standard ("Ind-AS") for the financial year ended 31 st March, 2019 the Report of the Auditors thereon and the Report of the Board of Directors.			
2.	To receive, consider and adopt the Audited Consolidated Financial Statements of the Company prepared as per Indian Accounting Standard ("Ind-AS") for the financial year ended 31 st March, 2019 the Report of the Auditors thereon.			
3.	To appoint a Director in place of Mr. Pallak Seth (DIN: 00003040), who retires by rotation and being eligible, offers herself for re-appointment.			
4.	To consider and appoint M/s Walker Chandiok & Co LLP, Chartered Accountants (Firm registration No.: 001076N/N500013), New Delhi, as Statutory Auditors of the Company and to fix their remuneration for that purpose.			

Signed this.....day of.....2019

Affix
Revenue
Stamp

Signature of the Shareholder(s) :

.....
(Signature of 1st Proxy holder)

.....
(Signature of 2nd Proxy holder)

.....
(Signature of 3rd Proxy holder)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the company, not less than 48 hours before the Commencement of the Meeting.
2. *It is optional to put "X" in the appropriate column blank against any or all resolutions indicated in the Box. If you leave the 'For' or 'Against' any or all resolution, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
3. A proxy need not be a member of the Company. Pursuant to the provisions of section 105 of the Companies Act, 2013 read with the Companies (Management and Administration Rules), 2014, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. In the case of joint-holders, the signature of any one holder will be sufficient, but names of all the joint-holders should be stated.



clover  collections limited



Twins Asia
LIMITED

spring



TECHNO
design

zamira
Fashion Limited

KRAYONS

NORLANKA

 **Poeticgem**

Norwest Industries



Style Berry



Global, Collaborative, Ethical

PDS Multinational Fashions Limited

Registered Office:

No. 758 & 759, 2nd Floor, 19th Main,
HSR Layout, Sector-II, Bengaluru - 560102, Karnataka

CIN : L18101KA2011PLC094125

Website: www.pdsmultinational.com